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CHANGE AND CULTURE: THE BALANCED SCORECARD AND THE EGYPTIAN FERTILIZER MANUFACTURING SECTOR

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Dedication

To: My mum
    My father-in-law
    My wife
    My sons

ABSTRACT

There is a growing call for today's organisations to be proactive in their search for strategies, which make them more competitive. Maintaining competitiveness may be linked to an organisation's ability to manage effectively its culture in a manner conducive to change (Paton and McCalman, 2000). In addition, attainment of optimal organisational performance is a function of the ability to change (Moseng and Bredrup, 1993). A causal link between the adoption of new Western management vehicles and business excellence has been demonstrated by many independent studies (e.g. Beugré and Offodile, 200; Lingle and Schiemann, 1996; Mbugua et al., 2000). Many of these vehicles, such as Total Quality Management (TQM), Just-In-Time (JIT), Business Process Re-engineering (BPR), the Balanced Scorecard (BSC) have mainly been adopted within a Western context (Prastacos et al., 2002), or in contexts that are to a large extent Westernised, such as Japanese culture (Humes, 1993; Moseng and Bredrup, 1993). There may be aspects of these Western management practices that may not be considered acceptable in other cultures. The study therefore has questioned the transferability of Western change vehicles to non-Western cultures. Although researchers have shown the effect of culture on the adoption of management practices (Hatch, 1995; Vance et al., 1992), little research has been conducted on the influence of non-Western culture on the adoption of a Western management practice. In other words, it was found that studies do not fully analyse the influence of culture within a non-Western context on the adoption of a Western vehicle, such as the BSC. Much more research is needed to determine the relationship between cultural aspects and effective adoption, which remains unclear.

This study aims to explore the influence of culture within the context of the Egyptian fertilizer industry, as being part of a non-Western culture, on the adoption of the BSC, as a typical Western change vehicle. This is useful to evaluate critically how Egyptian culture at national and organisational levels, infused as it is with universalistic assumptions, can influence the adoption of Western management vehicles, such as the BSC. Adopting a holistic and integrative approach, this relationship is examined, in terms of both process and

content, and from different dimensions (the BSC, national culture, organisational culture). Within each dimension, related literature is critically reviewed to guide the discussion and frame the investigation of the link between culture and the BSC.

More specifically, detailed comparisons between the BSC and other change and innovation management frameworks, such as TQM, JIT, and BPR have been made (See Chapter 3 for more details). Such comparisons serve to increase the understanding of both their common and their unique features. The result of these assessments is the choice of the BSC in particular, as it is characterised by some unique features. These include the following (See Chapter 3, for more details):

- Chronologically, the BSC is the most recent technique;
- It is now one of the best-known and most widely adopted vehicles;
- As a strategic management and change vehicle it is an easy-to-explain concept, and so is easy for senior management to adopt;
- The BSC is essentially a holistic multi-dimensional performance measurement and management vehicle which is linked specifically to organisational strategy;
- It captures the critical value-creation activities;
- It enhances the bottom-line results, it provides an organisation with a device through which to focus, and express responsibility (Sharman, 1993; Sloma, 1980). It can also provide an objective and formal basis for performance evaluation; and
- It has not been adopted before in the research context, the Egyptian fertiliser industry.

A number of factors affect the researcher's choice of the context of the study. These include the following: availability of assistance from experts in such a field, accessibility to the context to a great extent, and the need for data (researchers are usually compelled to investigate contexts that require first-hand information, rather than conducting study in contexts that are well researched) (Sarantakos, 1998). The result of these factors was the choice of the Egyptian fertiliser industry, as being representative of the Egyptian culture.

Several methods have been devised to conceptualize and assess culture including those, for example, by (Schwartz, 1999; Trompenaars and Hampden-Turner, 1997). Here in this study, the frame of reference developed by Geert Hofstede (1980 – 2001) is used to analyse cultural phenomena. There are many reasons for the choice of Hofstede's model. These include, for example, this framework being relatively easy to map onto organizational issues and therefore being useful for understanding and managing change (Cabrera et al., 2001), and his definition of culture (See Chapter 4 for more details) suits the requirements of this research (See Chapter 4 for more details). However, studying all the characteristics of the American and the Egyptian cultures would be a tedious task and beyond the scope of this study; therefore, the most salient cultural values and practices, as reflected in some cultural dimensions, have been identified and discussed (See Chapters 4, 5, and 6 for more details). Although these are far from being comprehensive, they include cultural factors, which have been considered influential in the adoption of the BSC.

By using multiple-case study, semi-structured interviews, and content analysis, in the spirit of action research, data was collected and analysed. This action research was proven to be of great value as a research technique and a vehicle for development and change (See Chapter 7 for more details). The main findings reveal that there are, from a general perspective, salient differences in cultural values between American culture, i.e. the contextual origin of the BSC, and Egyptian culture, i.e. the research context (See Chapters 4, 5, and 6). The variation in these cultural values undoubtedly leads to different practices (See Chapter 8). These cultural differences no doubt influence the adoption of Western management practices, such as the BSC (See Chapter 8). In other words, the findings reveal that there cultural differences, diversities and contradictions within Egyptian society and organisations, despite commonalities and similarities at the macro level. This thesis has emphasised that culture in Egypt, as elsewhere, plays a significant role in shaping management practices. An understanding of the cultural aspects will help the development of effective management practice. These differences and diversities have been found to influence significantly work-related values, attitudes, behaviour, practices, making the link between national culture, organisational culture, and the

adoption of the BSC more complex than identified in previous studies. The failure to recognise this diversity and complexity limits successful attempts to adopt the BSC. Also, the lack of national culture awareness does not seem to be the only barrier to the successful adoption of the BSC; however, the lack of organizational culture awareness is also an obstacle. This applies especially as the organisational culture may not mirror the national culture (See Chapters 4 and 8). The findings acquired in this study point to the ownership style as an influential factor of an organisation's managerial practices (See Chapter 8).

Taken together, the theoretical and empirical sections of the present thesis provide a more compelling and realistic picture of the cultural diversities within the Egyptian society and organisations, counteracting the influence of narrow yet popular accounts of homogeneity. Pluralist thinking is incorporated to provide a better understanding of the complex relationship between organisational culture and the adoption of the BSC, and to highlight the pitfalls of the crossvergence perspective when examining the relationship between national culture and organisational management practices.

A number of conclusions are drawn from the study, either challenging some assumptions of Hofstede's model, or corroborating others, as shown below:
- Considering Egyptian culture, one of the cornerstones of the Arab cluster, as homogeneous, is misleading and unrealistic. The study therefore emphasises the existence of subcultures, which may not mirror the wider society or the national culture. So, the Egyptian culture, the research context, is described as being heterogeneous. The study justifies that as being basically dependent on the ownership style of the entity within the research context, where two different cultural patterns emerge, although they are from the same national culture. These include cultural pattern 1, which involves the culture of Cases 2, 3, and 5, and cultural pattern 2, which includes the culture of Cases 1 and 4.
- In addition, the study stresses a call for disagreeing with the assumption that evokes the dimensionality of culture. All cultural dimensions are related. Thus, the study highlights the inappropriateness of considering national and

organisational cultures as being detached. They are directly intertwined and overlapping.

- On the other hand, some findings support and agree with Hofstede's model in the assumption that implies that, unlike cultural values, managerial practices are somewhat adaptable.

The study also explored and emphasised the fitting organisational culture values and practices that suit the BSC (See Chapter 8 for more details). In order to pave the way for cultural transformation to fit that culture, and successful adoption of unfamiliar management practices, such as the BSC, the thesis does not recommend the 'blind' transfer of Western change vehicles to Egyptian culture, nor does it consider them superior as such over 'native' devised alternatives. The study proposes a culture-fit model for facilitating a successful adoption.

Therefore, Egyptian managers and researchers need to be sensitive to cultural differences and diversities within organisations, acknowledging the significance of these for influencing the adoption of Western management vehicles, such as the BSC. On this aspect, some practical managerial lessons and academic research trends are drawn to stimulate awareness of these cultural influences.

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CHAPTER 1
INTRODUCTION AND OVERVIEW

INTRODUCTION

Many modern vehicles for change, such as Total Quality Management (TQM), Just-In-Time (JIT), Business Process Re-engineering (BPR), the Balanced Scorecard (BSC) have mainly been adopted within a Western context (Prastacos et al., 2002), or in contexts that are to a large extent Westernised, such as Japanese culture (Humes, 1993; Moseng and Bredrup, 1993) where three types of social structure; market, authority, and social relations are distinguished. These relationships convey the cultural underpinnings of social and business transactions as well as influence the basic assumptions about adopting change vehicles, such as the BSC (EFQM, 1996; Ashton, 1997). There may be aspects to the BSC and which may not be considered acceptable in other cultures (Prastacos et al., 2002). So, the aim of the study at hand is to explore the influence of culture, within the context of the Egyptian fertilizer industry (a non-Western culture), on the adoption of the Western BSC (see Chapter 7 for more details).

The aim of this chapter is to acquaint the reader with the background to the research, the research context and scope, the significance of the study, and the initial research limitations and boundaries. Finally, the structure of the thesis is considered.

1.1 BACKGROUND TO THE STUDY

Change driven by globalisation and information technology has become an intrinsic aspect of business life (Prastacos et al., 2002). In the Western or Westernised contexts, a number of vehicles for change have been developed such as Total Quality Management (TQM), Just-In-Time (JIT), Business Process Re-engineering (BPR) (Cross and Lynch, 1989; Prastacos et al., 2002; Sink and Tuttle; 1989). However, they attract some criticism, such as they may not fit in well with new business environments and current competitive realities, as they focus on one aspect of performance at the expense of others (Kaplan, 1984; Lynch and Gross, 1991). In response to such criticism, Kaplan and Norton,

(1992) launched the Balanced Scorecard (BSC), which became one of the most widely-adopted change vehicles focusing on performance (Fisher, 1992; Hronec, 1993). Their study was grounded in an effort to bridge the ever-widening gap between a company's strategic vision and day-to-day operations and decision-making (Neely, 1998). It encompasses both financial and non-financial measures of performance. However, it does not necessarily imply equivalence among all measures (Lee et al., 1995); rather it means simply balancing the focus on a collection of what are considered to be the more critical measurements, whether they are financial, non-financial, or some combination of both (Lingle and Schiemann, 1996; Mbugua et al., 2000). So, the BSC is characterised by a holistic perspective which avoids the trap of focusing on one aspect at the expense of others (Kaplan and Norton, 2001a). Further justifications for choosing the BSC can be seen in Chapter 3.

The American culture may be considered the world's largest exporter of change related managerial theories and models (Eccles, 1991; Kaydos, 1991), but it should not be taken for granted that these approaches can be successfully adopted within non-Western contexts (Humes, 1993). Culture has played and will continue to play an increasing role in shaping the management practice for specific contexts (Maskell, 1991). So, what is culture, and what are its elements? The answers to these questions can be seen in details in Chapter 4. However, a very brief description of culture and its elements will be shown below.

Culture in general is defined in dictionaries as follows:
"Figuratively, a state of intellectual, artistic, and social development of a group" (Penguin English Dictionary). In the Oxford Student's Dictionary of English, culture is defined as "the customs, ideas, beliefs, etc. of a particular society, country, etc."

Culture is a descriptive concept, with terminology usually employed to distinguish a group (Kunda, 1992). This concept is considered attractive; although also somewhat vague (Wilson, 2004). It is controversial and by no means universally acknowledged (Huczynski and Buchanan, 2001). Culture is considered to be one of the fuzziest and most difficult to define concepts in the

literature (Freilich, 1989; Ralston, et al., 1993). This is not only because the term is intellectually complicated, but also because it has so many overlapping, and even contradictory, understandings and usages. The term culture is widely used in many different fields, from anthropology and sociology to ethnology, ethnography, politics, economics, and management. It is also variously defined to suit special purposes within these disciplines. According to Spradley (1972), there are eight different types of definition. These include the human-nature definition, which is used to differentiate human beings from animals. Another type is the human-group definition, which equates culture to a particular society, community or even a geographical grouping. Beyond that, the cognitive definition is used to explain culture in terms of ideas, beliefs, and knowledge. Clearly with this wide and various usage, there is no one single, all-encompassing definition of culture that is acceptable to all, despite the fact that culture has received, and still receives, a great deal of attention. In other words, the definitions of culture are many. These definitions are decided on the basis of their utility; that is, they will be useful in serving the purpose and the aim of this study. They are not the only, nor necessarily the best.

This study looks principally at societal and organizational cultures. The main reason is to focusing on the societal and the dimensions of culture of the Egyptian context (See Chapter 4 for more details) and highlighting a tendency towards socio-cultural homogeneity and heterogeneity. The issue of homogeneity and heterogeneity is critically questioned in Chapters 4 and 8. The societal culture and organizational culture assist to explain much of the variance in work-related values, attitudes, behaviour and practices (Dastmalchian, et al., 2000; Hofstede, 1991).

Organizational culture has emerged as one of the dominant themes in management studies during the last decade (Sheridan, 1992). Although, the concept of organizational culture (see Chapter 4 for more details) is difficult to define because of its vast scope (Petrock, 1990), organizational culture may be thought of as a socially constructed, cognitive reality that is rooted in deeply held perceptions, values, beliefs, or expectations that are shared by, and are unique to, a particular organization (Hofstede et al., 1990; Meyerson and Martin, 1987;

Swartz and Jordan, 1980). Researchers also seem to agree that the shared values and beliefs underlying an organization's culture result in behavioural norms or expectations that exert significant influence on employee behaviours and attitudes (Cooke and Rousseau, 1988; Wilkins and Ouchi, 1983).

It is generally agreed that organisations have something that goes beyond economic rationality, giving each of them a unique personality. This is organisational culture. Deal and Kennedy, (1982), refer to organisational culture as the way an organisation does things. Hofstede, (1991) argues it is "the collective programming of the mind that distinguished one group from another" (see Chapter 4 for more details). It also can be seen as "the collection of relatively uniform and enduring values, beliefs, customs, traditions and practices that are shared by an organisation's members, learned by new recruits and transmitted from one generation to the next" as argued by (Huczynski and Buchanan, 2001).

In a more detailed definition, Schein, (1985, p. 14) considers organisation culture as "The pattern of basic assumptions which a group has invented, discovered and developed in learning to cope with its problems of external adaptation and integration, which have worked well enough to be considered valid, and therefore to be taught to new members as the correct way to perceive, think and feel in relation to problems. Culture is not the overt behaviour or visible artefacts that one might observe if one were to visit the company. It is not even the philosophy or value system which founder may articulate or write down in various charters. Rather it is the assumptions which lie behind the values and which determine the behaviour patterns and the visible artefacts such as architecture, office layout, dress codes and so on".

Indeed, Barney (1986) argues that corporate culture may be a source of sustainable competitive advantage. At the same time, however, culture may be counter-productive and detrimental to company performance (Alder, 2001). A lack of fit between culture and changes in other aspects of the organization may result in resistance and the failure of the new change (Schwartz and Davis, 1981). In essence, culture not only influences general attitudes and behaviours

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but also affects, and is affected by, attitudes toward specific events, practices, and strategies (Jones and James, 1979, cited by Alder, 2001). Thus, if management adopts a Western change practice, such as the BSC, that contradicts the organization's prevailing culture, negative attitudes and resistance are sure to follow. On the other hand, employees will likely embrace new practices and procedures that are consistent with the organization's culture (Alder, 2001). Thus, culture may be a powerful positive or negative force (Smircich, 1983; Tichy, 1983).

National cultures are more powerful and stable than those of organisations (Laurent, 1989). Fombrun, (1984) considers national culture as being mainly the outcome of social factors. Studies that were carried out by (Hofstede 1984, 1986, and 1991), in forty countries, aimed to identify the dimensions of differences between national cultures. His work emphasised the significance of organisational cultural differences, developed from societal culture differences, which influenced all aspects of organisational behaviour. In his view, change, leadership style, conflict management, communications and training programmes are all culturally related (see Chapters 4, 5, and 6 for more details). Wortzel and Wortzel, (1985) considered national cultures as being related to one another in an environmental system made up of a number of organisational subsystems including business enterprises. To understand culture, it is necessary to know the parts of the larger cultural system and smaller organisational systems which are interrelated and interact in an ongoing process of conflict, cooperation, and accommodation. Therefore, a nation's culture might affect aspects of an organisational or managerial culture, as follows: the extent to which power is centralised or decentralised, willingness among staff to take risks, and to what extent top management and leaders are interested in change (Bjerke, 1999).

From these definitions, four key characteristics of societal culture can be identified (See Chapter 4 for more details):
- Societal culture relies upon shared beliefs and values between people;
- It is mainly derived from their life and their societies;
- It influences both social and work life experiences; and

- It differs among societies according to differences in religion, language, ethics, norms, values, traditions and so on.

These characteristics raise a very important question, that is, do differences and diversities only apply between national cultures? Does this mean that single national culture is uniform and homogeneous? These queries are the centre of Chapters 4, 5, 6, and 8.

Some researchers (e.g. Bjerke, 1999; Bjerke and Al-Meer, 1993; Hofstde, 1980) implicitly support cultural homogeneity. They focus on the cultural commonalities at the macro level, downgrading and omitting cultural differences at the micro level. Others (e.g. Al-Aiban and Pearce, 1993; Al-Faesy, 1990) explicitly support the assumption of cultural homogeneity, ignoring the possibility of subcultures or cultural diversities within a single society.

As every organisation has a different history and culture, the adoption of a change vehicle varies (Alder, 2001); the reactions it brings out in the organisational culture may be also quite varied. Evidence from an analysis of the side effects identified in the planned cultural transformations of 530 companies stressed that both positive and negative results occurred simultaneously (Gilmore et al., 1997). Unexpected outcomes may weaken or even overcome an intended change. Based on both practice and research, it can be expected that organisation's staff may try to deal with the uncertainty of change by going through a state of rejection (e.g., this change is not needed), resulting in resistance (e.g., stalling, disruption, absenteeism, turnover) (Jaffe et al., 1994).

Unlike national and occupational cultures, organizational culture can be, at least to some extent, modified (Brignall, 1992; Cabrera et al., 2001; Dixon et al., 1990; O'Mara et al., 1998). As a result, some question whether organizational culture is manageable for a variety of reasons (Smircich, 1983). Culture is rooted in deeply entrenched beliefs and values in which individuals hold a substantial emotional investment (Everett et al., 1982). Thus, workers may view cultural change as personally threatening and resist such change. Along these lines, Petrock (1990) argues that organizational culture can never be imposed because

people cannot be forced to change their values simply because someone perceives it to be in their best interest to do so. Others argue that the nature of corporate culture naturally implies perseverance and thus resistance to change (Meyerson and Martin, 1987). Although it is beyond the scope of the current thesis to resolve this debate, it appears that we may argue that if cultural change can be managed, it is a difficult process that requires significant time (Alder, 2001).

A consequence of the exploratory nature of research in this area is the absence of prior literature or established theory to develop definitive and directional hypotheses, which might then support empirical testing using standard statistical methods (Beugré and Offodile, 2001). There is considerable literature available, which describes the cultural characteristics of Western-based societies (Beugré and Offodile, 2001); however, few literatures focus on characteristics with Arab-Egyptian society (Ali, 1999). Those literatures do not directly address the phenomenon under consideration in this study, the influence of non-Western culture on the adoption of Western change vehicle such as the BSC. Examples of those literatures are Brown and Humphreys, 1995; Chow et al., 1999; HassabElnaby and Mosebach, 2005; Hofstede, 1980; Humphreys, 1996; Triandis, 1995. Hence, the approach is to put forward the implications from that literature, and then seek qualitative and quantitative data to shed empirical light on them. These data are obtained from a combination of research methods and techniques employed under the umbrella of action research methodology (see Chapter 7 for more details) that allow greater in-depth exploration.

The prime purpose of the study then is to explore the influence of culture at national and organisational levels, within the context of the Egyptian fertilizer industry (a non-Western culture), on the adoption of the Western BSC (see Chapter 7 for more details).

1.2 RESEARCH CONTEXT AND SCOPE: THE EGYPTIAN FERTILIZER INDUSTRY

It is accepted in the literature that a number of factors affect a researchers' choice

of the context of their studies. These in turn can be of a theoretical or pragmatic nature (Sarantakos, 1998). The following factors influenced this study:

- Availability of assistance from experts in such a field;
- Accessibility to the context to a great extent, and
- The need for data (researchers are usually compelled to investigate contexts which require first-hand information, rather than conducting study in contexts that are well researched) (Sarantakos, 1998).

The focus of the study is the fertiliser industry in Egypt, as represented by the five biggest companies in the country. This industry has a significant role in the Egyptian economy (Abd-Elgadir, 2003). According to the Ministry of Agriculture, Egypt consumes annually about 8 million tons of Azote fertilizer and 950,000 tons of Phosphate fertilizer, with a production capacity of 9.49 million tons and 1.3 million tons respectively (see Chapter 2 for more details). Although this industry is well-established and has a long history, it is threatened by dumping practices. Egyptian fertilizer producers were facing strong competition from cheaper, imported products. This may, in part, be attributed to high production costs (Abul-Gheit, 1998). Further justification of choosing the Egyptian fertilizer industry as the research context will follow in the thesis.

So, the units of data analysis are the five companies in the Egyptian fertiliser industry, and the units of data collection are combination of senior management and middle managers within each case. These include the CEOs, financial perspective, marketing perspective, internal-process perspective, and learning and growth perspective. These perspectives reflect the aspects and the components of the Balanced Scorecard (BSC) (See Chapter 3 for more details). The time-span of the study was controlled by the PhD period, and it was divided between three rounds of data collection and analysis (see Chapter 7 for more details).

1.3 THE SIGNIFICANCE OF THE STUDY

The significance of this study lies in its contribution at two main levels, as follows (see Chapter 9 for more details):

1.3.1 THE THEORETICAL LEVEL

Change is one of the constant aspects of today's corporate environment (Porter, 1990), and global economy calls for continuous change and competition; however, in part, an organisation's effectiveness depends upon aligning customs and culture with the facilitation of change (Beugré and Offodile, 2001; Hammer and Champy, 1993). Thus, one of the main contributions of the study to knowledge is the enhancement of the general understanding and knowledge of the influence of non-Western cultures on the adoption of Western management practices, in particular the BSC. This is simply done by deeply analysing Egyptian cultural values and practices, at both national and organisational cultural levels. It identifies which of those values and practices support the adoption of the BSC and which do not.

In addition, although the study adopts Hofstede's model to analyse cultural phenomena, the study challenges it by emphasizing that, as one component of the Arabic cluster, the Egyptian culture is not homogeneous as argued by (Hofstede, 1980, 1984). Rather it is heterogeneous. Put another way, the study stresses the existence of subcultures within the Egyptian culture, especially when those subcultures do not mirror the national culture. The study then cautions of the effects of using a sampling procedure that ignores the influence of subcultures within the Egyptian national culture. Organizational culture is not necessarily homogeneous across all areas of Egyptian national culture. This is supported by previous studies (e.g. Baskerville, 2003; Beugré and Offodile, 2001; Al-Sarhani, 2004).

The study also questions the transferability of Western management practices to non-Western culture. This is done through highlighting differences between the cultural values and practices within both the contextual origin of the BSC, the Western-American culture, and the research context, the non-Western Egyptian culture. Thus, the need to consider both national and organisational cultures when adopting a Western management practice, such as the BSC is raised by the study.

As a result, the study develops new cultural model for adopting Western management practice in non-Western culture. It is the "Culture-Fit-Model" as a means of helping to develop and to improve the organisational culture in order to survive and compete in today's changing business environment, which is based upon the following assumption; management is culture-dependent, this culture-fit-model suggests that a synthesis between a culture's values and practices and the values of the BSC should be made (see Chapter 4 for more details), and finally, that two concepts, integration and eradication, are essential for this model (See Chapter 9 for more details).

The study from a methodological perspective emphasises the significance of action research in this kind of research which involves exploring the influence of non-Western contexts, the Egyptian culture on the adoption of Western management practices, in particular the BSC. More specifically, the study concludes that the BSC requires a form of action research in its early stages of evaluation and introduction, while during implementation and consolidation; it requires reflective practice and double-loop learning. So, it is both a research technique and a vehicle for organisational and professional development. Action research methodology makes change possible as well as producing general valid knowledge in a learning process.

1.3.2 THE PRACTICAL LEVEL

The study can help the Egyptian fertilizer industry in the following ways.

Since corporate (or managerial) culture and national culture are directly intertwined, the culture of a nation within which an organisation works will influence and have various consequences on several aspects of business. Hence it is important to make comparative studies of differences in organisational and staff practices and attitudes across countries (Bjerke, 1999). The study is one of the first studies in Egypt to make a comparison between Western-American and Arab-Egyptian cultures with regard to the influence of culture on the adoption of a Western change vehicle, in particular the BSC.

Readdress and refocus the attention given towards the non-financial perspectives of performance, which are largely ignored within the research context (See Chapter 8 for more details).

Determine the critical success factors that are considered essential for achieving organisational success (See Chapter 8 for more details).

1.4 THE RESEARCH BOUNDARIES AND BARRIERS

The initial boundaries and barriers are (see Chapter 9 for more details):

The surge of international and cross-culture research tends to have neglected Arab society (Christopher et al., 2001). Evidence from an analysis of all articles from one journal, Journal of International Business Studies, from 1990-1999, has shown that less than one percent of the (236) articles published in this decade focused on Arab countries in the Middle East (Christopher et al., 2001). The researcher has found just three articles within the period from 2000- present in the same journal. Only a handful of organisational scholars have focused on organisational similarities and dissimilarities within this Arab culture (Ali, 1999; Rice, 1999). Inadequate research activity in the Arab culture may be attributed to some factors such as:

- Growing research costs (Ali, 1999),
- Funding difficulties (Christopher et al., 2001),
- Cultural boundaries that limit access to certain people in particular women (Bjerke, 1999), and
- Data collection difficulties that range from choosing samples to fieldwork considerations (Yavas, 1994).

Furthermore, distinctions between national and organisational cultures are not clear (Christopher et al., 2001), despite their significance for organisational development. They are directly intertwined (Bjerke, 1999). The study will therefore focus on Egyptian culture, as reflecting the national culture. It will also focus on the fertiliser industry as representing Egyptian organisational culture.

Unfortunately, due to a general lack of adoption with regard to Western management practices, an educational and learning dimension would be required no matter what 'model' or industry was elected.

The knowledge about change in general and the BSC in particular is shallow (based on preliminary research within the Egyptian fertiliser sector). As a result, there may be some resistance from respondents to the study itself. Individuals may begin to worry that introducing a new Western vehicle for change might expose their shortcomings. This supports utilizing action research orientated qualitative paradigm along with a reflective double-loop learning approach (see Chapters 7 and 8 for more details).

1.5 STRUCTURE OF THE THESIS

To achieve the research aim and objectives, the present study has been divided into nine chapters. Having set the scene and demonstrated the research issues Chapter 2 deals with the research context, it reviews previous studies of the Egyptian fertiliser industry, highlighting the characteristics of the organisations working in this field. In order to draw the conceptual framework of the study that give directions, the following four chapters (3, 4, 5, and 6) review related literature, focusing on the BSC, culture (national and organisational), American culture, and Egyptian culture, respectively. Chapter 3 concentrates on typical Western change vehicles in general; and the balanced scorecard (BSC) in particular, reviewing pertinent literature to identify the justifications for choosing the BSC. In Chapter 4, the study investigates what culture is and what are its elements, national culture, organisational, and the interaction between them. More specifically, the chapter discusses the assumption of socio-cultural homogeneity by reviewing the existing literature on Egyptian culture (specifically Hofstede, 1980, 1991; Bjerke, 1999). Chapter 5 identifies and highlights the cultural patterns, and managerial practices of the contextual origin of the BSC, the American culture. The cultural patterns and managerial practices of the research context, the Egyptian culture are discussed in Chapter 6.

Chapter 7 is related to research methodology. It discusses and justifies the adopted research approach and the selected methods of data collection. It also

explains the field work and the strategy of data analysis. The findings of the study are presented and discussed in two chapters (8 and 9). The aim is to ensure a high-level of coherence and consistency between the theoretical and empirical sections. Also, the study draws the main findings and conclusions together, providing some practical implications for Egyptian practitioners, and explaining the study's contributions to knowledge. In the process, it acknowledges some of the limitations of the study, suggesting possible directions for future academic research.

1.6 SUMMARY

This introductory chapter considered the background to the study, in particular the research context and focus. The significance of the study at both theoretical and practical levels; the research boundaries and barriers; and, finally the structure of the thesis; where also dealt with. More specifically, Chapter 1 emphasises that the prime purpose of the study is to explore the influence of culture, within the context of the Egyptian fertilizer industry (a non-Western culture), on the adoption of the Western BSC (see Chapter 7 for more details).

The study in the next chapter, Chapter 2, involves a more detailed explanation as to why this industry should serve as the basis for the context of the research. The first section deals with the general background of the Egyptian fertilizer industry; and then proposes to a specific review of the market structures, and conduct of the industry.

CHAPTER 2:

RESEARCH CONTEXT: THE EGYPTIAN FERTILIZER INDUSTRY

INTRODUCTION

2.1 THE SUPPORTING CHEMICAL INDUSTRY: GENERAL PERSPECTIVE

2.2 THE EGYPTIAN FERTILISER MARKET

2.3 THE RESEARCH'S CASES PROFILE

2.4 SUMMARY

CHAPTER 2

RESEARCH CONTEXT: THE EGYPTIAN FERTILIZER INDUSTRY

INTRODUCTION

It is often argued that to gain a better understanding of a particular problem or phenomenon, it should be studied in its real-life context (Bryman, 2001; Silverman, 1993; Strauss, 1987). This means that we need firstly to understand the context and environment wherein phenomenon exists. In most non-oil-rich Arab countries, agriculture is considered to be one of the most important economic sectors, being the main source of food, job opportunities and foreign currency earnings. Historically, the Egyptian economy is based on agriculture, and Egypt's agronomic conditions are excellent by international standards (El-Shinnawy, 1999). Approximately 33% of the national workforce is still employed in this sector, and it makes up a 35%-40% share of the GDP and accounts for about 15%-20% of commodity exports. However, Egypt is no longer self-sufficient in food and it imports 25%-30% of its foodstuffs. This may be attributed to the following: investments directed towards agriculture are relatively small compared to those directed towards other sectors (Abd-Elgadir, 2003). In other words, access to credit is low, especially in proportion to its contribution to the GNP. This is partly due to the shift in the government's economic priority to the industrial sector, and partly because the level of risk in the agricultural sector is relatively high due to the segmentation of land ownership. In addition, the development rate is generally slow due to the small size of farms, weak infrastructure, soil deterioration and inadequacy of technical support (El-Shinnawy, 1999).

Select research context the study argues the following:

- Since, Egypt is agricultural by nature; therefore, this industry is one of the most essential manufacturing industries for this non-Western country (Al-Sayed, 2003).

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- Related to that, this industry has a strategic significance for the Egyptian economy. Failure to achieve its objectives and to be regionally competitive will have a negative impact on the economy (Al-Sayed, 2003).

- Also, management competencies are likely to be higher than other industries, which mean a good opportunity for researchers to more easily conduct their research (Abd-Elgadir, 2003).

- Availability of assistance from experts; along with accessibility to the context to greater extent (Sarantakos, 1998)

These generic factors lead to the choice of the Egyptian fertiliser industry as the context of the research. The Egyptian fertiliser industry is one of the most important cornerstones of the agricultural sector, and relies on the oil and petrochemical industry for raw materials and technical support (El-Guindy, 1997). As organisations do not exist in a vacuum, one can expect them to be influenced by a variety of opportunities, and constraints, and by the general prevailing macro-national and micro-organisational cultures, as well as by economic environment. A number of challenges confront the fertilizer industry: optimisation of the use of energy, water, and raw materials, minimisation of waste and maximisation of recycled material, being environmentally friendly, and finally always communicating to end users about the best way to use fertilizer (El-Shinnawy, 1999).

Acknowledging the importance of understating contextual issues, this chapter aims to shed light on the environment within which national culture and organisational culture may exert an influence on the adoption of Western management vehicles, such as the Balanced Scorecard (BSC). The chapter begins by providing general background on the Egyptian fertilizer industry and the justifications for choosing it. The chapter moves on to review previous studies of the Egyptian fertilizer market. Finally, the research's cases are profiled.

2.1 THE SUPPORTING CHEMICAL INDUSTRY: GENERAL PERSPECTIVE

Transformation from a centrally planned economy to a market-based economy is a long-term process involving changes in philosophy of a society as well as the

economic sectors (Samadian, 1996). As a member of the World Trade Organization (WTO), Egypt appears well on its way to completing its transformation to a market-based economy. It has a preferential trade accord with the European Union and a Bilateral Investment Treaty with the U.S. (HassabElnaby and Mosebach, 2005). The Egyptian economy is best described as a multi-commodity one. It is well diversified and has many sectors (Morsy, 1998). The chemical sector consists of three main industries: petrochemicals, polymers and other chemicals, and finally the fertilizer industry. The first two are briefly described here before considering the fertilizer industry in some depth.

• PETROCHEMICALS

The centre of the petrochemical industry, the Egyptian Petrochemicals Company (EGP), was established at Amerya-Cairo as a subordinate of the Egyptian General Petroleum Corporation (EGPC). Recently, the Egyptian petrochemical industry has increased its range of products and manufacturing capabilities (Abd-Elgadir, 2003). Two factories have been built to expand and supplement the Amerya complex. The first of these is a polypropylene plant with an output capacity of 120,000 tonnes per year. This is expected to cover the needs of the local carpet and plastic manufacturers and save foreign exchange of about $150 million on polypropylene imports. The second factory is an ethylene production plant with a planned capacity of about 100,000 tonnes, expandable to about 200,000 tonnes, per year. The ethylene will fulfil downstream reserves needed for products employed in agriculture, irrigation, packaging, and insulation of electric cables (Abd-Elgadir, 2003).

• POLYMERS AND OTHER CHEMICALS

A number of companies manufacture and supply inorganic salts. The Egyptian Salt & Minerals Company (EMISAL) has a salt extraction and processing plant, which can produce 11,800 tonnes per year of sodium sulphate. The Misr Chemical Industries Company in Alexandria has a 200,000 tonne/year-plant that provides sodium carbonate to the local industry for the manufacture of glass, aluminium, and industrial cleaners.

• FERTILIZERS

The fertilizer industry in the Arab region has been developing remarkably quickly during the last two decades. Al-Sayed, (2003) indicates that the number of Arab countries that entered the fertilizer industry reflect a recognition of the critical strategic role of good utilisation of raw materials, of the need to increase the value added, and the importance to contribute to agricultural development and food security. He further argues that the Arab region will play a major, pioneering role in the fertilizer industry at international level during the 21st century, driven by huge reserves of raw materials, a large industrial base, and a high level of expertise, and management competence. The fertilizer industry is witnessing developments in technology to improve product quality; save on power consumption; and to control pollution and conserve the environment, and maintain optimum use of water resources (Maene, 2003).

The Egyptian fertilizer industry has been built up over many decades, starting with two phosphate fertilizer factories established in 1936 and 1947. It is regarded as an extremely capital intense sector with a relatively large workforce (Maene, 2003). Not only does Egypt enjoy the second largest reserve of natural gas in the region and large deposits of phosphate rock, but its workforce has also obtained great knowledge and experience in this critical industry, and in the employment of functioning advanced technology (El-Shinnawy, 1999). Egypt was a net importer of fertilizer until the early 1990s, when exports overtook imports; however, fertilizer exports are still moderate in comparison with competing regional manufacturers, or as a portion of the $13 billion or more of the world market (Al-Sayed, 2003). Nevertheless, a planned increase in supply from the Egyptian producers, supported by an external market orientation can enable the industry to increase exports from the current 2% to reach more than 5% of total output by the year 2002 (El-Shinnawy, 1999). The two primary drivers for using fertilizer are the choice of crop and crop demand (Aldinger, 2003). These are integrated, and involve agronomic and economic choices for the farmer as he balances the added value in terms of yield and quality from high nutrient efficiency against the cost of agricultural inputs. Agricultural policies are increasingly subject to the demands of society. Therefore, a third driver for

fertilizer use is a social one. There is always pressure from the environment and society regarding fertilizer use because fertilizer losses to the environment are not only seen as a waste of cash which can be avoided, but also as something which damage the environment and are therefore not sustainable. Based on these concerns there is pressure to increase the efficiency of Egyptian fertilizer (Khalil, 2002).

Egyptian fertilizer companies are categorised according to the nature of the fertilizer manufactured. There are two main groups, azote (nitrogenous) and phosphate fertilizer. Production levels and consumption of each one are shown in the tables (2.1, 2.2, 2.3, and 2.4) below:

Table (2.1) Azote Fertilizers Companies (Nitrogenous) (N)

The Company	Production Capacity	Equivalent Factor 15.5% *
Abu Qir Co.		
Abu Qir 1(Urea)	500.000 Tons/Year 46%	1.5 Million Tons/year
Abu Qir 2 (Nitrate)	800.000 Tons/Year 33.5%	1.6 Million Tons/Year
Abu Qir 3 (Urea)	600.000 Tons/Year 46.5%	1.8 Million Tons/Year
Total		**4.9 Million tons/year 15.5%**
El-Delta Co.		
Talkha 1 (Urea)	420.000 Tons/Year 46%	1.26 Million Tons/year
Talkha 2 (Nitrate)	300.000 Tons/Year 33.5%	.6 Million Tons/Year
Total		**1.86 Million Tons/Year 15.5%**
El-Nassr Co.		
Nitrate	200.000 Tons/Year 33.5%	.4 Million Tons/Year
Sulphate	100.000 Tons/Year 20.6 %	.13 Million Tons/Year
Total		**.53 Million Tons/Year 15.5%**
Kima Co.		
Sulphate	200.000 Tons/Year20.6 %	.4 Million Tons/Year
Total		**.4 Million Tons/Year 15.5%**
The Egyptian Co.		
Urea	600.000 Tons/Year 46.5%	1.8 Million Tons/Year
Total		**1.8 Million Tons/Year 15.5%**

Total without planned production		9.49 Million/Tons year 15.5
(Planned)		3.2 Million Tons/Year 15.5%
The Whole Total		12.69 Million Tons/Year 15.5%

Source: The Chemical Industries Holding Company report, 2002 report, 2002
*(Production Capacity percentage/ Equivalent Factor 15.5%) x Production Capacity without Equivalent Factor

Table (2.2) Azote Fertilizers' Production and Consumption (Nitrogenous) (N)

Current Production Capabilities	Current Consumption Volumes (Production for Local Market)	Surplus for Exporting
9.49 Million/Tons year 15.5	8 Million/Tons year 15.5	1.49 Million/Tons year 15.5

Source: The Chemical Industries Holding Company report, 2002

Table (2.3) Phosphate Fertilizer Companies (P)

The Company	Production Capacity	Equivalent Factor 15.5%*
Abu Zaabal Co. Single Super Phosphate (SSP)	350.000 Tons/Year 15.5%	350.000Tons/Year
Triple Super Phosphate (TSP)	50.000 Tons/Year 46.5%	150.000Tons/Year
Total		**500.000 Tons/Year 15.5%**
The Egyptian Financial And Industrial Co. Kafr El-Zayat Plants [Single Super Phosphate (SSP)]	500.000Tons/year 15.5%	500.000Tons/year
Assiut Plants [Single Super Phosphate (SSP)]	300.000 Tons/Year 15.5%	300.000Tons/Year
Total		**800.000 Tons/Year 15.5%**
The Whole Total		**1.3 Million Tons/Year 15.5%**

Source: The Chemical Industries Holding Company report, 2002
*(Production Capacity percentage/ Equivalent Factor 15.5%) x Production Capacity without Equivalent Factor

Table (2.4) Phosphate Fertilizer Production and Consumption (P)

Current Production Capabilities	Current Consumption Volumes (Production for Local Market)	Surplus for Exporting
1.3 Million Tons/year 15.5	950.000Tons/year 15.5	350.000Tons/year 15.5

Source: The Chemical Industries Holding Company report, 2002

These tables show that the product mix of all the Egyptian companies is more limited than the worldwide fertilizer product mix (Aldinger, 2003), in that they specialise in producing nitrogenous and phosphate fertilizer, and seem to ignore compound or mixed fertilizer.

Employing the BSC may offer the industry a promising opportunity to reconsider and readdress such an important issue, i.e. choosing the most suitable product mix (Olve et al., 1999) to help the industry satisfy the customers' needs and those of the shareholders, which in turn determines the future of this industry. The product mix is one of the most integrated parts of the marketing activities, a main perspective of the BSC (see Chapter 3 for more details).

2.2 THE EGYPTIAN FERTILIZER MARKET

This section consists of three main integrated parts which reflect the Egyptian fertilizer's local marketplace, market structure, market conduct, and finally the future perspective of this industry.

It is argued that major changes in market structure and production capacity can be expected in the future, when incompetent and outdated public sector facilities are improved, or substituted by new capacity in the private sector (Al-Sayed, 2003). The Principal Bank for Development and Agricultural Credit (PBDAC) had monopolized distribution of both national and imported fertilizer of all kinds via a credit-linked system at village-level (El-Shinnawy, 1999). In 1992, the government subsidy for fertilizer production was withdrawn. Private traders and companies were authorized to both buy fertiliser directly from foreign producers and to import. Imports were subject to about 30% duty on nitrogenous and phosphate fertilizer imports, but by 1994 private traders managed approximately 70% of the market (nutrient basis) (El-Shinnawy, 1999).

In 1995, intense exports of nitrogenous fertilizer to support government projects, together with the closing of the two largest plants for maintenance during the season of peak demand, combined to create a shortage of fertilizer that forced local prices to double. In response, the government reinstituted the PBDAC's monopoly on the distribution of domestically produced nitrogenous fertilizer

(Mellor, 1997). Prior to 1996, all domestic fertilizer production was in public possession. Since then, fertilizer distribution has been increasingly dominated by the private sector in spite of a number of important disruptions.

Market conduct is concerned with how companies behave in markets, particularly with those aspects of behaviour which lead to control of trade and competition, or which fail to provide consumers with the desired quality of services. Mellor, (1997) argues that the most significant obstacle to the development of private sector involvement in fertilizer production and marketing was the inconsistency of government policies which focus purely on whom the performers are, rather than on what makes them act the way they do. Public sector interference causes the distribution of local production to be favourable to market intermediaries, both public and private, with no regard for making markets more effective and efficient (Al-Sayed, 2003).

Furthermore, burdensome licensing procedures at both local and national levels create obstacles to access which considerably delay private sector reaction to market stresses and pressures. Many of these barriers arise from factors which result in a lack of high-quality fertilizer during the peak season (El-Shinnawy, 1999). Private storage facilities are inadequate, and seasonal ex-factory price differentials are not enough to cover storage expenses. Most of the obtainable storage capacity is managed by the PBDAC, which appears, too, to offer the only existing commercial credit for funding fertilizer inventory.

In terms of the industry's future perspectives, the Egyptian fertiliser industry represents one of the most important industries within the agriculture-based economy (Al-Sayed, 2003). If it, and the agricultural industry it supports, is to survive in today's business environment, companies should keep up-to-date with the latest management theories and practices (Al-Sayed, 2003; El-Shinnawy, 1999). In addition, they should engage in stakeholder dialogues similar to those existing in the West, as it achieves success (Olve et al., 1999). On example of these stakeholders is the BSC (Kaplan and Norton, 2001a). The latter encompasses internal and external aspects of an organisation (Olve et al., 1999).

Ongoing stakeholder relations are a valuable way of establishing trust and mutual understanding (Kaplan and Norton, 2001b); they also strengthen the company's public image and can allow a company to gain perspectives, and eventually trigger beneficial innovations (Maene, 2003). Employees, as stakeholders, are central to this process (Kaplan and Norton, 2001a). Working conditions directly influence employees' health and safety. Simultaneously, workers' ideas may hold the key to innovation and future competitiveness (Huczynski and Buchanan, 1991). However, current reporting structures may not allow such ideas to filter up from the factory floor to the management (El-Shinnawy, 1999). Discontented workers may potentially disrupt production through low productivity (Huczynski and Buchanan, 2001).

A second group of stakeholders is the public (Abd-Elgadir, 2003). The environmental performance of a company has a significant impact on the surroundings of a company. High levels of emissions, for instance, could have a negative impact on human health in the area around production facilities (El-Shinnawy, 1999). Regulators whether at local or national level, are a third group of stakeholders. They determine the framework in which the fertilizer industry operates. Developing positive relationships with regulators may provide the industry with the opportunity to resolve an issue on its own rather than facing new rules that might fix one problem in the short term, and create more in the long run (Al-Sayed, 2003). Shareholders, as stakeholders, want to invest in companies that reflect their values, and the final important stakeholders are the end users, the customers of fertilizer products. Thus, it is essential to consider the culture, at national and organisational levels (Beugré and Offodile, 2001).

2.3 THE RESEARCH'S CASES PROFILE

To illustrate the points above in more detail, table (2.5) summarises the main features of the case companies investigated in the research as follows: company profile, quality control (ISO), environment, and sales & customers services. This will be considered and analyzed in greater depth Chapter 8.

Table (2.5) The Cases' overview

Companies \\ Variables	Co. 1 El-delta Company	Co. 2 The Egyptian Financial and Industrial Company	Co. 3 Abu Qir Company	Co. 4 Abu Zaabal Company	Co. 5 The Egyptian Fertilizer Company
1. Company Profile	Today, El-Delta Company for fertilizer and chemical industries is one of the largest nitrogen fertilizer producers in Egypt with a domestic market share about 43%. Legal status a joint stock affiliate company, governed by law 203/9 Affiliation Holding Company for Chemical Industries. The Company is an active member in both: International Fertilizer Association (IFA), and the Arab Fertilizer Association (AFA)	The Egyptian Financial and Industrial Company, with its factories, established at Kafr El Zayat, Gharbia Governorate is considered to be the first company in the Middle East, having laid a firm foundation for the industry of phosphate fertilizers and chemicals in Egypt.	The Abu Qir Fertilizers Co. (AFC) was established in 1976 as a joint stock company. It is the leading nitrogen Fertilizer producer in Egypt with a domestic market share of 70%. It is also one of the Leading nitrogen fertilizer Producers in the Middle East. There can be no doubt that AFC is the flagship of the Egyptian fertilizer industry, as it operates by far the largest single production site in Egypt with a degree of professionalism and success unmatched by any other Egyptian company	The company was licensed for establishment by royal decree No. (6) Issued in 1947, and was nationalized in 1961. It is an Egyptian joint venture company, one of the companies belonging to the public enterprise sector, and an affiliate to the holding company for chemical industries. The present shareholder is the holding company for chemical industries.	The Egyptian fertilizers company (EFC) was founded on 11.02.98 as a "Free Zone Entity" according to resolution No. 237 of the General Authority for Investment and Free Zones Areas. The company is located in a distinguished area; at the economic zone, North West of Suez Gulf-Ain Sukhna directly on the high-way of Suez-Hurghada, 6Km from the new Sukhna port & 30 Km from the Adabeya port. The EFC is the first Fertilizer Complex established in the private sector since 1946. A distinguished blend of the Egyptian and Arab businessmen as well as a number of the leading Egyptian and non-Egyptian financial institutions, have all covered the subscription of the company.
2. Quality Control	The company gained the ISO9001 certificate for quality.	The company is heading for the implementation of ISO 9000 comprehensive quality system. Recently the company got (ISO 9002).	The company is keen on applying the management system ISO9002; the certificate was renewed last year for the second time	It has the ISO9001/2000.	The EFC is certified ISO9001/2000
3. Environment	El-Delta Co., as one of the largest nitrogen fertilizer producers in	The new variables facing society during the period of transition, passing	The company takes great care to maintain a clean environment against pollution	The company is keen on gaining the ISO14000 certification.	The company's ultimate goal is to create increasing value for its shareholders and to keep the

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	Egypt, is adopting strict environment control by applying a continuous integrating preventative environmental strategy to processes, products and services to increase co-efficiency and reduce risks for humans and the environment. It is soon to gain ISO 14001 accreditation.	towards the market economy, highlights the increasing attention now being paid to the environment; thus, the company has gained ISO14000 accreditation.	according to the environmental laws promulgated in this concern. In view of its importance, an amount of 8 million L.E. has been allocated to execute a number of environmental projects. Ultimately, the Abu Qir Co. aims to gain ISO14000 certification.		environment clean. Therefore, the EFC has already acquired the approval of the Egyptian Environment Affairs Agency (EEAA). The company gained ISO 14000 accreditation.
4. Sales & Customers Services	El-Delta continuously pays attention to the satisfaction of its customers in the domestic and international markets. By responding to customers' requests concerning: Using the customers' differently sized-bags; making sure of product specifications; and offering transporting and loading facilities at the ports	Since 1991, these international markets have witnessed the export of our fertilizers, on continuous basis, Today the company has been rated as one of the most important exporter of Phosphate fertilizer. In line with the company's policy of enhancing production capacities, continuous development of products, and satisfying both local market and international markets' needs, a full-geared plan has started for the construction of another plant of fertilizer granulation at the factories located at Kafr El-Zayat with capacity of 300000 ton / year.	Regarding to local market targets, the company aims to maintain the distinctive pioneering status achieved by the company in the domestic market through: Continuous improvements of the product quality, and first class marketing services and commitment to satisfying customers, needs. International market targets are: utilizing seasonal shifts between domestic and international markets to expand the company's export potential; and maintaining the ammonium nitrate markets successfully gained during the past years; and developing export markets for regular and prilled urea.	The company specializes in the activities of both producing and selling all kinds of fertilizer and chemicals. In addition, it produces a wide range of products.	As an exported-oriented company, the EFC has distributed its urea fertilizer product all over the 5 continents through a number of sound fertilizer traders.

As shown in the table above, some factors have been illustrated. These include company profile, quality control (ISO), environment, and sales and customer services. One point is worth clarifying in this research context, the Egyptian fertiliser industry. It is that Quality Control (QC) through ISO certifications does not necessarily imply that there is an application of Total Quality Management (TQM) philosophy. This will be justified in depth in Chapter 8.

It is acknowledged in the literature that running in parallel with the growth of QC has been the promotion of quality certification systems, like the ISO 9000 series of quality standards (Ashton, 1993). Essentially, certification to the ISO standard does not guarantee quality (Wickens, 1995); it just certifies that the company is carrying out its processes according to its registered manual (Johnson, 1993), but this manual may not be a reflection of customer requirements and they do not commit the company to continuous quality improvement (Chase, 1993). Thus, one critic of the ISO 9000 system has this to say a conforming supplier could have a very high percentage defective (Ashton, 1993); yet, if nonconforming products were segregated and handled in accordance with procedure, and corrective action process were followed to the letter, the supplier could still be accredited (registered) (Smith, 1993).

While these international quality systems can play an important role in ensuring that company procedures and practices run consistently to meet needed quality standards, thus leading to increased competitiveness and profitability for companies (Currie, 1999), there is a growing body of evidence which is suggesting that quality certifications are being used by companies as marketing devices to increase sales (Wilkinson et al., 1993), rather than being genuine commitments to quality or continuous improvement (Oakland, 1995). In a comment to the Institute of Personnel Management IM survey, one manager has the following to say of BS 5750 (the British version of the ISO 9000):

Companies emphasize the volume of output more than the quality of the product and obtain BS 5750 to use as a selling tool more than a tool to increase quality. Companies expect to introduce a 5750 system but do not employ staff to make it work. A 5750 certificate does not ensure quality of product, but our sales boys sell 5750 as a quality product standard (IM, 1993: 23).

Other criticisms being directed against quality certification have included its tendency to be too bureaucratic and systems-based (Ashton, 1993). Instead of bringing about continuous improvements, some companies even see quality certifications as an end in themselves (Smith, 1993). This is the situation within all the organisations within the research context. More specifically, quality is synonymous with ISO to them. The high level of paperwork and administrative work tied to ISO 9000 quality systems has been perceived as adding little value to quality improvement (Street and Fernie, 1992).

However, the criticisms levelled at ISO 9000 are not to say that its standards are entirely redundant. Its objectives and advantages have been well documented (Reimann and Hertz, 1993; Johnson, 1993), but the confusion is often with companies who seek registration to ISO 9000 for the wrong reasons and, in the process, find that these standards are failing them. As Wickens (1995) puts it, the ISO is useful as it adds more control to the company's commitment to quality, but if the company does not already have this commitment, it will be putting the cart before the horse.

2.4 SUMMARY

This chapter has highlighted the context and environment of the Egyptian fertiliser industry, explaining and justifying choosing it as the research context. More specifically, a number of factors affect researchers' choice of the context of their studies. Egypt is agricultural by nature; therefore, this industry is one of the most essential manufacturing industries for this country. This industry has a strategic significance for the Egyptian economy. Availability of assistance from experts, along with accessibility to the context to greater extent is considered important factors. This chapter also reviewed previous studies and conferences on the Egyptian fertiliser and related managerial issues. Despite the volume of published material, there is a dearth of critical analysis and the attention given to non-technical (managerial) aspects perspectives. In other words, attention has been concentrated on outcomes and technical aspects of performance rather than the content and non-technical aspects of performance. Thus, it is emphasised that for this selected industry to survive and compete in today's business

environment, it should keep up-to-date with the latest management theories and practices. Additionally, there is a need to be engaged in stakeholder dialogues similar to those existing in the West (similar to dialogue of the BSC), which includes a critical combination of employees, the public, regulators, and shareholders. Hence, there is a call for extend the focus on available research to examine and understand the influence of culture at national and organisational levels on the adoption of Western management vehicles, such as the BSC.

Thus, the study in the next chapter, Chapter 3 involves in reviewing the justifications for choosing the BSC for the study at hand. More specifically, it will first give an overview of these management innovation and change programmes. Second, the thesis attempts to compare and contrast these approaches. Afterwards, it justifies choosing the BSC. Furthermore, it investigates the characteristics of the BSC, as a change vehicle. In other words, it argues what the BSC is in a greater depth. Finally, the study considers the initial conceptual framework.

CHAPTER 3:

TYPICAL WESTERN CHANGE VEHICLES: WHY THE BALANCED SCORECARD (BSC)

INTRODUCTION

3.1 FOUR MANAGEMENT INNOVATION AND CHANGE PROGRAMMES

     3.1.1 MANAGEMENT INNOVATION AND CHANGE PROGRAMMES: COMMON CHARACTERISTICS

3.2 A COMPARATIVE ANALYSIS

3.3 THE SIGNIFICANCE OF THE BALANCED SCORECARD (BSC)

3.4 THE BALANCED SCORECARD'S (BSC) RELEVANCE TO THE RESEARCH CONTEXT

3.5 THE DEVELOPMENT OF CONCEPTUAL FRAMEWORK

3.6 SUMMARY

CHAPTER 3

TYPICAL WESTERN CHANGE VEHICLES: WHY THE BALANCED SCORECARD (BSC)

INTRODUCTION

Change literature is "an assorted and heterogeneous body of research" (Choi, 1995, p. 608). It ranges from technological change to structural change and from psychological transitioning to organization downsizing (Choi, 1995). Therefore, some of the views represented in the change literature have been "organized" rather loosely (Miller and Friesen, 1982). Theorists generally describe changes as major or minor (Porras, and Silvers, 1991), and according to Greiner's, (1972) view, change can be done through revolutionary and evolutionary stages. The revolutionary stage represents a period of substantial turmoil, whereas the evolutionary stage is a prolonged period of no major upheaval. Nord and Tucker, (1987) distinguished change that take place during revolutions and evolutions as radical changes and routine changes, respectively. Burke, (1994) echoed these thoughts by categorizing changes according to transformational change and transactional change. Many more theorists differentiate between major and minor changes. For example, Miller and Friesen, (1982), distinguished between quantum changes and piecemeal changes, and Anderson and Tushman, (1990) distinguished between breakthrough changes and incremental changes.

The subject of managing innovation and change has been widely discussed in the business and management literature for several decades (Simons, 2000; Vedin, 1994). Every few years, a new management philosophy, method or technique (or panacea or fad) is developed which is intended to enhance business performance (Bruns, 1998; Land, 1996). Many of them emanate from North America and are developed by practicing management consultants. In the last few decades, writers have focused upon the merits and demerits of for example, Total Quality Management (TQM) (Oakland, 1995), and Just-In-Time (JIT) (Schonberger, 1982). More recently, the twin concepts of Business Process Re-engineering (BPR) (Hammer, 1990; Davenport, 1993), and the BSC (Kaplan and Norton, 1992) have been championed. Introducing these management practices means introducing an organisational change (Lobo et al., 2000). All these ideas, or

panaceas, have generated numerous quantitative and qualitative academic research studies, many of which are intended to evaluate their theoretical relevance and practical application to the business community (Currie, 1999). However, in recent years, they have come under serious criticism for offering glib and often unworkable "solutions" to a complex international business environment (Atkinson and Epstein, 2000; Currie, 1999).

The thesis will first give an overview of these management innovations and change programmes, and attempt to compare and contrast them. Afterwards, it investigates the significance of the Balanced Scorecard (BSC). The Balanced Scorecard's (BSC) relevance to the research context will be considered. Finally, the study considers the initial conceptual framework of the study.

3.1 FOUR MANAGEMENT INNOVATION AND CHANGE PROGRAMMES

Faced with serious economic problems such as rising unemployment, poor investment in education and training, skills shortages, severe global competition for manufacturing goods, lack of investment in new technology and inefficient manufacturing and production methods and practices (Currie, 1999; Waterhouse, 1999), many writers embarked upon research into cross-national comparisons to distinguish between those countries, industries and companies with world-class manufacturing strategies (Jaikumar, 1986). One conclusion of much of this research was that Japanese manufacturing methods, which included Total Quality Management, or TQM and Just-In-Time, or JIT, which were being used in some of the more successful Japanese manufacturing companies (Currie, 1999), were producing benefits resulting in greater efficiency, productivity and profitability than could be observed in many US and European manufacturing firms.

Throughout the 1980s, many writers concentrated their attention on the advantages to be gained by incorporating TQM and JIT methods and techniques into their production management strategies and operations (Currie, 1999). The background of much of this interest was a fear that manufacturing in the Western world, North America, Canada and Europe, in particular, was experiencing

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industrial and economic decline (Drucker, 1988; Hayes, and Jaikumar, 1988). Hayes and Abernathy, (1980) argued convincingly that North American manufacturing industry was being seriously challenged by overseas competitors who could compete more favourably on labour, price, quality and cost. This fuelled further interest in the 1980s with the publication of work, some theoretical and others empirically based, on how industrialised nations could avoid further economic decline (Hayes and Abernathy, 1980).

The study in this section will discuss these management and change practices in chronological order beginning with TQM and ending with BSC.

TOTAL QUALITY MANAGEMENT (TQM)

Of the innovation and change programmes which have emerged over the last few decades, Total Quality Management, or TQM, as it is often called, is perhaps one of the most popular (Currie, 1999). First developed by US writers such as (Crosby, 1979), and (Juran, 1982, 1992) in the post-war period, TQM has widespread appeal in both the academic and practitioner communities. This is largely because it offers a company-wide perspective on managing change which includes all members of an organisation, from top management to operational and clerical personnel (Schonberger, 1982). TQM is sometimes referred to in the literature as an example of Japanese management methods and techniques (Juran, 1982). Indeed, there was a spate of management books in the early to mid-1980s, which linked Japanese manufacturing success with the effective design and implementation of TQM (Currie, 1999). Such a position led to confusion and misunderstanding since the roots of TQM are found in the US, though the theory and practice was later transferred to Japan in the post-war period along with other Western-based management methods and techniques, such as management accounting and practice (Currie, 1994). Japanese writers later published books about TQM as it applied in their own economic, social and organisational contexts (Ishikawa, 1985). It is interesting to note that whilst the Japanese embraced the principles and practice of TQM, it took many years before Deming's ideas were re-imported to the US (Currie, 1994).

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In essence, TQM is concerned with quality improvement on a company-wide basis (Currie, 1999). It is a comprehensive approach to improving competitiveness, effectiveness and flexibility through planning, organising, and understanding all the activities and tasks undertaken by people within an organisation (Schonberger, 1982). The core of TQM is about improving customer and supplier relationships (Currie, 1999). In this context, customers and suppliers may be either internal or external to the company (Naylor, 2002). Whatever the exchange, the notion of suppliers serving their customers is central to the practice of TQM (Currie, 1999). The key objective is for suppliers to continually seek to improve the way they deal with their customers (internal and external). This is thought to have a positive effect on a company's overall performance as all employees are engaged in the change process (Naylor, 2002).

To be effective, the philosophy and practice of TQM should have the total commitment of senior management (Schonberger, 1982), as well as all members of staff, customers and suppliers. The beliefs, behaviours, norms, dominant values and rules to which people subscribe form the culture of an organisation should be act as motives for change. This may be facilitated through education and training programmes run by external consultants and/or internal staff and other stakeholders.

TQM further encourages senior management to develop a strategic vision of quality and focuses upon the prevention of problems rather than their detection and resolution once they have arisen (Oakland, 1995). To this effect, TQM is not about fire fighting (Currie, 1999), rather, it is about predicting potential and avoiding problem areas by a process of continuous improvement. Since TQM is perceived to have wide-ranging benefits (Deming, 1986), senior management is expected to change the mindset of people in an attempt to break down existing barriers between hierarchies, functions and departments (Currie, 1999). To this end, TQM is not a quick-fix management innovation and change programme, but one which is carefully planned and implemented over time (Oakland, 1995). Whilst TQM continues to be an important and popular management innovation and change programme in the 1990s, it has found competition from new rivals in the form of BPR and BSC (Currie, 1999), which will be discussed later.

The following section considers the concept of JIT which became popular with TQM in the 1980s. To some extent, JIT and TQM were seen by many Western academics as two sides of the same coin (Currie, 1994), since many of the ideas, which underpin them, are complementary.

JUST-IN-TIME (JIT)

The Just-In-Time (JIT) concept appears to be at the core of Japanese production management and productivity improvement (Schonberger, 1982). The JIT idea is simple (Schonberger, 1982, p. 16): "produce and deliver finished goods just in time to be sold, sub-assemblies just in time to be assembled into finished goods, fabricated parts just in time to go into subassemblies, and purchased materials just in time to be transformed into fabricated parts". He argued that, just like perfect quality, absolute just-in-time performance is never attained, but rather is an ideal to be pursued aggressively. Naylor, (2002) argues that JIT focuses on eliminating waste by ensuring that only enough of the input items for a manufacturing process are made available just in time and at the point at which they are to be used. At the operational level, JIT aims at to cut the high stocks hindering the performance of many companies (Schonberger, 1982). In this sense it can seen as a set of production management techniques designed to (Ishikawa, 1985; Naylor, 2002); improve purchasing procedures by linking suppliers more closely to the production schedules; identify and eliminate the bottlenecks; ensure higher quality and hence eradicate scrap and rework; and cut machine and other process failures.

It is a hand-to-mouth mode of operation, with production and delivery quantities approaching one single unit - piece-by piece production and material movement (Schonberger, 1982). Among those who have attempted to explain JIT in English, the prevailing view of JIT is as an inventory control system (Juran, 1982). In fact, it is not uncommon to find just-in-time used synonymously with *Kanban* (Schonberger, 1982), which is the name for a specific Japanese inventory replenishment system developed by Toyota (Schonberger, 1982). While *Kanban* is a thoroughly Japanese word (meaning "card," or more literally, "visible record"), just-in-time is simply an English phrase that Japanese industry has adopted and which may not have a suitable Japanese equivalent. It is a

widely-quoted description of the way information is recorded and process rates regulated (Naylor, 2002). The name refers to the card attached to each component bin in the original system (Naylor, 2002). In contrast to documents in other planning and scheduling systems, the *Kanban* (ticket) does not follow pieces of work all the way through the production chain (Currie, 1999). A set of *Kanban*s circulates at every link in the production system. Each *Kanban* travels down the stream with the material and returns from the next stage each time its bin is used (Naylor, 2002). The number of *Kanbans*, and the information they carry, regulate production at the upstream stage (Schonberger, 1982).

The Toyota Kanban system employs a card to signal the need to deliver more parts and an identical or similar card to signal the need to produce more parts (Schonberger, 1982). *Stockless production* is another term that is sometimes used (Drucker, 1988). *Kanban* is indeed one device for moving toward JIT production, and stockless production captures the inventory control flavour of JIT; however, Schonberger, (1982) considered just-in-time production management as much more.

Gilbert, (1989) contends that many commentators on JIT in Western manufacturing companies concentrate on a single JIT method or technique, such as, inventory control, and so fail to grasp the JIT philosophy. JIT is also discussed in the context of its cost advantages in manufacturing (Voss and Robinson, 1987). However, surveys have shown that companies introducing JIT which seek fast and painless financial benefits have allowed short term monetary pressures to drive major operational decisions (Zipkin, 1991). At the broader level, JIT aims to develop an all-encompassing philosophy which encapsulates (Currie, 1999): production management methods and techniques, total quality assurance, total preventive maintenance, customer-supplier relationships, technology/innovation strategies, flexible working practices, and machine performance (uptime/downtime).

As with TQM, there were numerous offerings on the philosophy and practice of JIT from the academic and practitioner communities throughout the 1980s (Currie, 1999). Whilst JIT continues to be of interest, and indeed has led to its

more limited form being widely adopted within manufacturing industry, it too has been somewhat eclipsed by the more recent concepts of BPR and BSC (Currie, 1999). Another important concept which emerged within academic and practitioner communities was BPR. Once again, this concept, like TQM and JIT, attracted much attention as the latest panacea to resolve business-related problems (Currie, 1994).

The argument is that like TQM, JIT was developed in the Japanese culture and has been adapted by the West to suit their culture.

BUSINESS PROCESS RE-ENGINEERING (BPR)

In a seminal publication this was defined as:

"The fundamental rethinking and radical redesign of business process to achieve dramatic improvements in critical measures of performance such as cost, quality, service, and speed" (Hammer and Champy, 1993 p.32)

Business process re-engineering (BPR), or re-engineering, emerged in the late 1980s and early 1990s as a new approach to managing innovation and change (Currie, 1999).

Essentially, it was designed to be highly prescriptive since it advocated that managers should constantly seek new and improved methods and techniques for managing and controlling core and service business processes. In an article entitled: re-engineering work: do not automate, obliterate, (Hammer, 1990 p. 107) claims the essence of re-engineering is about "discontinuous thinking" and the relinquishing of "outdated rules and fundamental assumptions that underlie operations". Managers are criticised for thinking deductively (Currie, 1999). That is, defining a problem and then seeking its resolution by evaluating a number of possible remedies. Instead, Hammer and Champy (1993, p. 85) make the case for inductive thinking. This is to "recognise a powerful solution and then seek the problems it might solve, problems the company probably does not even know that it has". Other writers suggest that re-engineering is about serving the external environment through improved customer service and not simply about meeting a narrow range of internal performance targets (Harrison and Pratt,

1993). Thus, "Re-engineering is a radically new process of change that many companies are using to renew their commitment to customer service" (Janson, 1993, p. 45).

Breaking away from incremental and piecemeal approaches to strategic planning and change, (Hammer, 1990) contends that re-engineering is not a step by step, incremental approach. Rather it is a radical innovation and change programme. It is intended to revolutionise all the components which make up an organisation. This includes processes, products, services, people and technologies. It can be applied in private and public sector organisational settings, and is therefore not simply about improving bottom-line performance (Currie, 1999). According to its supporters, re-engineering is not simply a quick-fix approach for managers seeking to improve the efficiency of outdated administrative functions, since its fundamental message concerns long-term organisational transformation (Hammer, 1990).

The techniques, which precede BPR, focus on business processes or managerial functions; however, BPR involves a cross-functional perspective (Davenport, 1993). The re-engineering activity described in the literature varies in the scale and type of change contemplated, and is not restricted to any one type of market, product, organisational size or technical capability (Heygate, 1993).

Re-engineering in theory, is a set of prescriptions for management, and as practice can be assessed in several ways and at several different levels (Currie, 1999). A major concern must be to compare the theory against what is actually being achieved in re-engineering programmes. A major issue that arises from surveys, case study research, and also from anecdotal evidence is why, despite the large sums being spent on re-engineering by some high profile organisations, and a deluge of prescriptive management literature and consultancy activity, BPR so often seems to fail to live up to expectations (Currie, 1999). Even Hammer and Champy cautioned against the disappointing results from poorly conceived re-engineering projects. This may be attributed to the lack of support from senior management (Currie, 1999).

The literature on re-engineering which seeks to contrast the rhetoric underpinning BPR with the reality (its implementation) has shown how radical approaches (or the way in which espoused radical aims become emergent, incremental improvements) may be related to the difficulties inherent in realising any practical benefits from BPR programmes (Currie, 1995). Further, a prime question raised by the multi-disciplinary approach at the heart of BPR study and practice, is whether there are robust methodologies and tools available to facilitate the outcomes required from BPR activities (Currie, 1999). The conclusion has been that despite many approaches, there is an immaturity and a lack of integratedness on the methodological front. Indeed, most methodologies do not encapsulate all the elements associated with re-engineering, and thus fall short of providing the all-embracing, which is central to the BPR message (Currie, 1995). Moreover, such a blank sheet of paper approach to managing innovation and change would surely render prescriptive methodologies highly problematic.

THE BALANCED SCORECARD (BSC)

The BSC is more than a tactical or operational measurement system; it provides a strategic management system, enabling the organisation to manage strategy and operation over the longer term (Wisniewski and Dickson, 2001). It is a focused set of the critical financial and non-financial measures of performance (Kaplan and Norton, 1996, 1997). This concept of balance does not necessarily imply equivalence among all measures (Brown, 1994). It simply means that focus is on a collection of what are considered the more critical measurements, whether they are financial, non-financial, or some combination of both (Martinson, 2000). As a Western vehicle, the strength of the BSC lies in the way it seeks to integrate different classifications of business performance. Pursglove and Simpson, (2000) argue that the scorecard is described as being balanced because of the measures used, it involves making a balance between the external measures for shareholders, customers, and the internal measures of critical business processes, innovation and learning and growth. Additionally, it concerns the balance between the measures of outcome (the result of past actions), and the measures that predict future performance or the drivers of those outcomes (Kaplan and Norton, 1996).

The BSC was developed in Western-American culture, as an innovative business technique to link between strategy and performance measures or the day-to-day action plan (Kaplan and Norton, 1996), in the belief that existing change vehicles, primarily relying on financial accounting measures, were becoming obsolete (Denton and White, 2000; Kaplan and Norton, 1996b). The BSC recognizes the incompleteness of many previous business measurement processes (PEA, 1998; Neely, et al., 1996) and a heavy reliance on financial measures (Bititci et al, 1997; Blossom and Bradley, 1998; Evangelidis, 1992; Glaser, 1991; Kaydos, 1991; Kiggundu et al., 1983; Mattessich, 1995; Parker, 2000; Sanger, 1998; Sarkis and Sammunt, 2000; Talley, 1991). Financial measures are useful (Amaratunga et al., 2001). However, they tend to measure the past, and they tend to measure the easily measurable (Roest, 1997). They are thus unbalanced measures taking a particular view of a situation (Schneiderman, 1999). They also often tell us what has happened but fail to explain why it has happened. They may suggest where things are going wrong, but again often fail to highlight where things are going well (Senge, 1990).

The BSC considers the intangible (soft) factors that had previously been considered as immeasurable, and as such, of little operational value (Kaplan and Norton, 1996). The term BSC reflects the balance between short-term and long-term objectives, financial and non-financial measures, lagging and leading indicators, and external and internal performance perspectives (Edwards, 2001). The successful application of this concept in a number of transformation projects was identified that it could also be a vehicle for communication and to align organisations with strategy (Kaplan and Norton, 1996a). It emphasises the organisations' vision, and the need to keep the organisation moving and looking forward, rather than focusing purely on control measures (Hepworth, 1998). It assists management in understanding the various interrelationships within organisations and it could offer a balance between the external and internal measures by identifying the effects of the trade-offs between them (Brander and McDonnell, 1995).

Kaplan and Norton's, (1996a) BSC, therefore, indicates the current round of thinking about expanding the organisational framework upon which such

evaluative activities should be based. Through the BSC, organisations are gathering critical non-financial data to decide the problems involved in improving processes and to achieve organisational goals (Clarke and Tyler, 2000) in ways that can be understood and used by all levels of the corporation from line manager to senior executives (Amaratunga and Baldry, 2000). Kaplan and Norton, (1996b) argue that it defines and assesses the critical success factors (CSFs) considered necessary to fulfill the corporate goal(s) to ensure future success. These CSFs can be researched through understanding of what might be called cause-and-effect relationships (discussed in detail latter) (Simons and Davila, 1998).

The BSC is a set of measures, but is a means to an end rather than an end in itself (Kaplan and Norton, 2001a). It is now being used in a variety of ways as follows:

- It is used as a strategy planning and implementation tool, a measurement system that translates an organisation's mission and strategy into tangible objectives and measures (Quinlivan, 2000). The objectives and measures are derived from a top-down process (Tate, 2000). The financial objectives, the lag indicators are at the top of the system, which in turn involve what will be achieved if the strategies are successful.

- On the other hand, it is used as a performance management system to measure performance, the non-financial objectives (Hasan and Tibbits, 2000) the lead indicators, which specify what must be achieved to be financially successful (Kaplan and Norton 1996b). As such, it is often developed bottom up with scores being aggregated into the next higher level (Flynn, 1986; Waldersee, 1999).

- In addition, it is also used as a base for staff reward (Lipe and Salterio, 2000), since it assists in communicating the company's goals and rewarding those goals; it is being developed as part of a staff rewards system with salary increases and bonuses linked to performance targets. This may be based on either of the two other approaches; however, it needs considerable development and a base of historical information to guard against data corruption (Boyne, 1999; Drury, 1990).

As shown, the BSC focuses on both communication of top-down goals and bottom-up linkages (Epstein and Manzoni, 1997). Malmi, (2001) puts it another way as scorecards are used in two different ways. The first way involves companies setting targets for the BSC measures, and then managers being held accountable for achieving the targets (Malmi, 2001), where non-financial measures and targets are used along with financial measures to provide more comprehensive accountability and direct managerial emphasis to have strategic relevance (Norreklit, 2000). Secondly, some companies appear to set no targets for the measures. In those companies, the BSC seems to act more as an information system than a steering device (Drury and Tayles, 1993; Malmi, 2001).

The study stresses that here are two distinct applications for a BSC. Although specifically similar, these two applications require substantially different design and development processes, and provide different benefits (Bontis et al., 1999):

- First, it is used as a management control (Quinlivan, 2000). The role here is to help management to monitor and control the delivery of a prearranged set of activities (Lobo et al., 2000). A scorecard developed for this purpose tends to support the use of benchmarking data both in terms of the measures selected and in terms of the targets set (Kaplan and Norton, 2001a).

- Second, it is used as a strategic control (Bontis et al., 1999). The use of BSC here is to help managers monitor the performance of an organisation as it implements activities associated with the implementation of a strategic plan (Balkcom et al., 1997). When used this way, the role shifts from tracking performance of a process to monitoring whether or not strategic objectives have been reached (MacStravic, 1999). The information the BSC provides is used to sustain decision-making, and the organisation's strategic goals (Bontis et al., 1999). In other words, a BSC may be used to prepare action plans and budgets, controlling a company as well as providing information on strategy within the organisation (MacStravic, 1999).

It has been argued within the literature that the BSC achieves some benefits for an organisation that other management practices do not (Kaplan and Norton, 1996). Kaplan and Norton, (2001b) emphasise that the BSC:

- Focuses on future and success (Kaplan and Norton, 1996). Major changes are taking place in the way businesses are managed. Resources are diminishing, regulations are being cut, and the traditional role of supervision redefined into a more positive role (Kaplan, 1990, 1991). This uncertainty, coupled with a continually changing environment, has forced managers to practise new ways to meet future demands of organisations. Kaplan and Norton, (1996) argue that the BSC describes the vision of the future for the whole organisation; it creates shared understanding; it creates a holistic model of the strategy that allows all employees to see how they can contribute to organisational success; it focuses on the change efforts; and it permits organized learning at the executive level. Malmi, (2001), also argues that it helps companies to translate strategy to action; by strategy quality programmes. Towle, (2000) argues that the scorecard's primary advantage is that it helps companies to focus on the future.

- Improves decision-making and innovation (Atkinson et al., 1997). According to its creators, the use of the BSC should improve managerial decision-making by aligning measures with the goals and strategies of a company and business's units (Kaplan and Norton, 1996). They argue that, more than just a measurement system, the BSC is a management system that can channel the energies, abilities, and specific knowledge held by people throughout the organization toward achieving long-term strategic goals. After its introduction, its creators have looked for ways to focus on change and innovation (Letza, 1996). This focus is necessary because traditional reporting systems have been found to be of little help in measuring performance in the new manufacturing environment (Chow et al., 1997). One main advantage of the BSC is that it puts strategy and decision-making, structure and vision at the centre of management's focus (Letza, 1996). It maintains a balance between building long-term competitive and innovative capabilities, and recognizing investors' attention to financial reports (Kaplan and Norton, 1996). Consequently Chow et al., (1997) argue that it does retain traditional financial measures; however, they are viewed in the larger context of the company's competitive strategies that are employed for creating future value through investment in customers, technology, and innovation.

- It has a strategic communication and feedback role to play (Kaplan and Norton, 1992). In other words, the BSC sustains the two-way communication linkages, and the importance of double-loop feedback process (Kaplan and Norton, 1996, a, b). Many companies are adopting this as the base for their strategic management system (Mooraj et al., 1999). Martinsons et al., (1999) argue that some managers have used it as they align their businesses to new strategies, moving away from cost reduction and towards growth opportunities based on more customised, value-adding products and services. Many organisations in Europe, for example, are implementing it with an emphasis on planning rather than on control (Mooraj et al., 1999). They use it as a tool for encouraging all managers to think strategically about the organisation and the future.

Olve et al., (1999) argue that scorecards have been used in different ways (as shown above), but all have a common feature, they have emerged in recent years in organisations that perceived a need for the parallel use of different types of measures on their business in all phases of the planning and controlling process (Weber and Schaffer, 2000). One of the main ideas in the early writings was to tie the measures in the BSC to an organisation's strategy (Kaplan and Norton, 1993). In addition to linking measures to vision and strategy, measures should be linked to each other, following a series of cause-and-effect relationships (discussed later) (Malmi, 2001).

The key to success with the BSC is the appropriateness and quality of the measures proposed. Identifying measures which can track progress towards goals is often as hard as reaching the goals themselves (Sanger, 1998). Lipe and Salterio, (2001), and Niven, (2001) argue that this large set of measures is designed to capture an organisation's desired business strategy and to include drivers of performance in all areas important to it. Ernst and Young, (1998) argue that the BSC complements existing financial measures of past performance with measures of the drivers of future performance. The objectives and measures of the scorecard are derived from an organization's vision and strategy (Stoop, 1996). Corporate executives can now measure how their business units create value for current and future customers and how they must enhance internal

capabilities and the investment in people, systems, and procedures necessary to improve future performance. The BSC captures the critical value-creation activities (Kaplan and Norton, 1996a). While retaining, via the financial perspective, an interest in short-term performance, the BSC clearly reveals the value drivers for superior long-term non-financial and competitive performance (Kaplan and Norton, 1996b).

To summarise this part, the BSC is used as a guarantee for strategy-oriented action planning and budgeting (Heinz, 2001). Initial experience has proved it has considerable benefits for long-term strategic planning and short-term action and budget planning (Geanracos and Meiklejohn, 1993). The BSC is a suitable tool for supervising and guiding employees; it is used as an information-gathering tool and can also be used as the basis for necessary discussions between employees and management (Heinz, 2001). Finally, it is an aid for communicating strategy which creates awareness of the strategy and influences employees' behaviour in a positive way (Kaplan and Norton, 1996). So, the BSC has distinguishing values which suit the American culture, as shown below. This will be discussed in detail in Chapter 4.
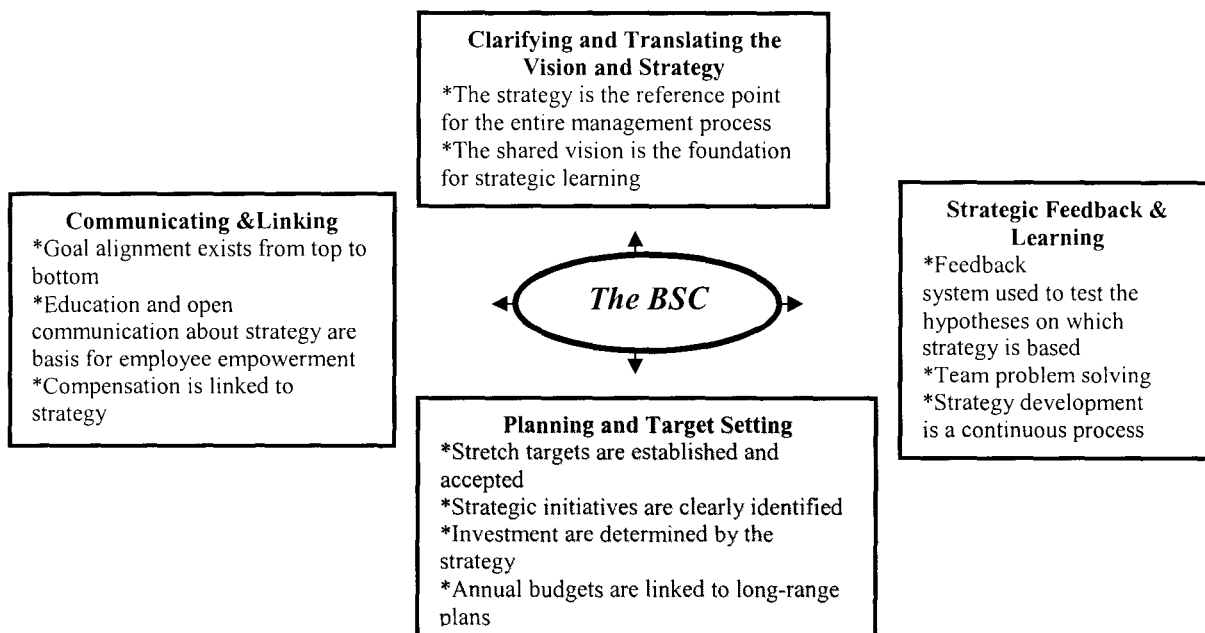
Figure (3.1) the BSC values (adopted from Kaplan and Norton, 1996)

3.1.1 MANAGEMENT INNOVATION AND CHANGE PROGRAMMES: COMMON CHARACTERISTICS

It is apparent from the above discussion that management innovation and change programmes all share a common set of characteristics which we include under seven themes: Company-wide approach, Philosophical change, Business results, Top-down led and managed, IT-enabled, and Formulaic application.

COMPANY-WIDE APPROACH

As witnessed above, these management innovation and change programmes all recommend that successful results will only occur if a company-wide or processual approach is adopted (Stoop and Bertrand 1997). The terminology varies from programme to programme, yet the message is the same in each case. For example, the literature on TQM, BPR, and the BSC contends that improvements will only arise if all members of an organisation are convinced with the rhetoric of change and improve (Amaratunga et al., 2001; Peters and Waterman, 1982, 1984). This includes top management right down to the low-level employees, with the later offering their ideas and suggestions for continuous improvement (Davis, 1996). In this case, senior managers should begin the analysis of their organisation, and not be distracted by existing hierarchies; information flows and other factors, which may impede change (Brown, 1994). Therefore, they call for an all-encompassing approach where change incorporates a thorough examination of people, processes, technologies, structures and markets (Vedin, 1994). Therefore, whilst the company-wide approach is a central theme in all these approaches (Creelman, 1998), the only identifiable difference is in the priorities and labels attached to specific change variables.

PHILOSOPHICAL CHANGE

Another common characteristic of these programmes is their focus upon philosophical change (Vedin, 1994), or cultural change as it is often referred to in the literature. TQM and JIT are less radical since they perceive change in a more evolutionary way. BPR, on the other hand, is perhaps the most revolutionary approach since it calls for a complete departure from the past and a new

beginning (Hammer and Champy, 1993). Yet all approaches claim that a philosophical change is necessary to achieve real benefits in business performance. In the case of TQM, managers and staff are expected to continuously seek ways to improve the quality of products, and the business processes which support them (Schonberger, 1982). JIT is equally about a change in the way people carry out their work (Peters and Waterman 1984), with the emphasis upon maximising the way manufacturing resources are used. Similarly, the BSC is labelled as new philosophy rather than a narrow set of tools and techniques for management (Olve et al., 1999). By advocating philosophical or cultural change, the proponents of all approaches are suggesting that management innovation and change is not simply a set of techniques, but a comprehensive departure from traditional methods and practices. This is exactly what the study about. The study explore the influence of the culture on the adoption of the BSC that represent a true departure from traditional management practices found in the research context, the Egyptian fertiliser industry.

BUSINESS RESULTS

Business results and outcomes are another theme which is central to all approaches. An overview of the literature from TQM to BSC highlights a message that companies will vastly improve their overall bottom line performance if they embark upon a comprehensive management change programme (Currie, 1994, 1999). Indeed, the literature on TQM, JIT, BPR and BSC, all suggests that identifiable quantitative and qualitative benefits will accrue from these programmes (Currie, 1995). TQM will enhance quality, JIT will improve customer and supplier relationships (Drucker, 1988), BPR talks of orders of magnitude improvements, and BSC will lead to improvements in business performance (Davenport, 1993). Many researchers have carried out empirical studies which attempt to evaluate the results from the various programmes, yet the literature is largely ideological and speculative (Currie, 1999) rather than being grounded in empirically based case studies on the results of change programmes.

TOP-DOWN LED AND MANAGED

All management innovation and change programmes assert that it is essential to have top management support (Currie, 1994). Management is expected to have a strategic vision of how to design and implement a successful change programme (Currie, 1995). However, management should not be treated as a homogenous group (Currie, 1999) where all share the same ideological, political, organisational and practical objectives. Clearly, research on management has shown that such a group is differentiated by hierarchy, ambition, power, politics, status, qualifications, etc, and can therefore not be treated as a cohesive group, all of whom desire similar outcomes from change programmes (Knights and Murray, 1994). The BSC, in particular is top-down led, but bottom-up feedback is essential condition for success (Kaplan and Norton, 1996).

IT-ENABLED

The role of IT, broadly defined, is now central to most recent change management programmes (Currie, 1999). Historically, this was not the case for TQM or JIT, two approaches that focused more on human resources, the supply chain and logistics, rather than on the benefits of technical change (Vedin, 1994). However, in recent years, both TQM and JIT focus upon how new process and product technologies play an essential part in spearheading the need for change (Currie, 1999). Customers are seen to demand higher quality products, at a reasonable price and on the expected delivery date (Otley, 1999). The process technologies, which make new products, must also be of a high standard. Equally, BPR also places IT at centre stage of the change process. Writing on BPR, Hammer and Champy, (1993, p. 83) claim that a company that cannot change the way it thinks about IT cannot re-engineer. These authors claim that, modern, state of the art IT is part of any re-engineering effort, an essential enabler, since it permits companies to re-engineer business processes (Maskell, 1989). Similarly, the BSC emphasises the importance of IT (Kaplan and Norton, 2001a). The BSC aims at providing the critical information to be used in a strategic reflection process, to being a major part of the management system of the organisation where 360-degree feedback can be obtained on both the strategic objectives and the indicators being used to measure success (Martins, 1999). It is now recognised that the successful use of a BSC depends not only upon the

approach used to select the measures it contains, but also upon adjusting management processes to allow it to be used through a double-loop feedback learning process. This is simply done through IT-enabled approach (Van Der Zee, 1996). On a comparative analysis of these change programmes, all seek to highlight the role of new technology as central to successful innovation and change.

STANDARD APPLICATION

An interesting observation about these approaches is how they evolve into a set of formulaic methods and techniques which have to be embraced if they are to succeed (Currie, 1999). Yet managing change is a complex process given the different market, business, organisational and managerial contexts in which each change programme is applied. To this end, any notion of an approach determined by the context in which it is applied is lost (Rigas and Fan, 2000).

3.2 A COMPARATIVE ANALYSIS

The discussion above highlights many similarities in the characteristics of these approaches. For example, all approaches tend to recommend a top-down approach. Whilst TQM and JIT emphasise the role of low-level staff in the improvement process (Martins and Salerno, 1999), these approaches also assert that top management must fully embrace these change programmes if they are to be successful. Writing on the similarities between, for example, TQM and BPR, (Hammer and Champy, 1993 p. 216) recognised that some people questioned the authenticity of the latter approach and so put forward the view that, BPR and TQM are neither identical nor in conflict; they are complementary (Mascarenhas, 1996). While they share a focus on customers and processes, there are also important differences between them. Re-engineering gets a company where it needs to be fast; TQM moves a company in the same direction, but more slowly (Knowles, 1999). BPR is about dramatic, radical change; TQM involves incremental adjustment. Both have their place. TQM should be used to keep a company's processes tuned up between the periodic process replacements that only BPR could accomplish (Hammer and Champy, 1993). In addition, TQM is built into a company's culture, and can go on working without day-to-day

attention from management. BSC, in contrast, is intensive, top-down and bottom-up linkages, strategy and vision driven efforts that require non-stop senior management participation and support, and personnel empowerment (Kaplan and Norton, 2001b).

Whilst a comparative analysis of these approaches suggests that many similarities exist between them, it calls into question whether each approach is underpinned by other approaches. As we can see, TQM has many similarities with BPR. Moreover, JIT, according to some observers, incorporates many of the concepts and practices of TQM, particularly from a Japanese perspective (Huge, 1990). Yet the message of TQM, JIT, and BPR can be incorporated into the more generic change programmes of BSC (Currie, 1999). More specifically, it has been argued within the literature that the BSC and TQM are being linked (Kennerley, 2000; Kennerley and Neely, 2000). Ittner, (1999) and Oakland, (1993), for example, argue that many companies engage in quality initiatives. The causal linkages in a BSC strategy map, created by (Kaplan and Norton, 2001a) — a logical and comprehensive architecture of describing strategy that specifies the critical elements and their linkages for an organization's strategy — enhance TOM, quality programs by articulating the two ways in which process improvements can be linked to strategic outcomes:

- First, quality improvements in the internal perspective should improve one or more outcome measures in the customer perspective of the BSC.
- Second, quality improvements can lead to cost reduction, as an outcome in the financial perspective of the BSC. The BSC in turn enables managers to describe how they expect to translate quality improvements into higher revenues, fewer assets, fewer people, and lower spending.

The BPR is mainly focused upon a cross-functional perspective that in turn focuses on processes, which represents one of the four perspectives of the BSC, the internal-business-process perspective. The latter describes the critical internal processes in which the organisation must excel which enable the business unit to deliver on the value propositions of customers in targeted market segments, and satisfy shareholder expectations of excellent financial returns (Kaplan and

Norton, 1996a). In the following table (3.1), a chronological comparative analysis of innovation and change programmes is shown.

Table (3.1): A chronological comparative analysis of innovation and change programmes
(Based on a table of Currie, 1999)

Change programmes	Key texts/ articles	Business drivers	Enabling technologies, methods, tools and techniques	Business benefits and improvements
TQM	Crosby (1979), Deming (1982), Juran (1982), Ishikawa (1985), Schonberger (1982)	Quality/continuous Improvement, Customer/Supplier relations, Supply chain management, Team-working	Statistical Process Control (SPC), Benchmarking, Quality Circles (QCs), Plan, Do, Check, Act (PDCA)	Quality enhancement, Customer satisfaction, Zero defects, Culture change, Better communications, Cost reduction, Flexible working practices
JIT	Schonberger (1982), Voss and Robinson (1987)	Production, logistics and supply chain management, Team working, Process/ Product technology improvement, Innovation, Quality/continuous improvement	Production Schedule, Integration with other scheduling techniques, Vertical integration between the whole supply chain and the master Production Schedule Reliability Centered Maintenance (RCM), Total Preventive Maintenance (TPM) Benchmarking,	Reduced machine downtime, waste and re-work (of stock), Reduced cost, Fulfill innovation strategy, Improved customer/supplier relationships
BPR	Hammer (1990), Hammer and Champy (1993)	Competitive pressure, Eliminate/transfor m business processes, Cross-functionality, Automate or liquidate, Outsourcing	Strategic vision, Top-down process analysis, Management information systems (MISs), Customer perceptions	Eliminate non-core business processes, Achieve functional integration,
BSC	Kaplan and Norton, (1992, 1993, 1996, 1996a, 1996b, 1997, 2001a, 2001b)	Continuous business improvements in the whole organisation or in a specific department, eliminate focusing only on financial, quantitative measures of performance.	Clarifying and Translating the Vision and Strategy, Communicating &Linking, Planning and Target Setting Strategic Feedback & Learning, Top-down alignment and commitment, Bottom-up feedback, Qualitative and Quantitative reporting systems, Customers, employees perception, team working	Better business results, focusing on both Qualitative, non-financial and Quantitative financial measures of performance, Greater worker empowerment, team working support

As shown above there may be more than one approach available to addressing any type of change (Guangming, et al. 2000). For example, TQM, JIT and BPR can be used to manage changes in process (Guangming, et al. 2000). The BSC, on the other hand, can be adopted to manage change in the whole organisation for better performance results. In this way, the BSC attempts to overcome the deficiencies of management practices and vehicles as they have traditionally adopted a narrow or one-dimensional focus (Neely et al., 2000). According to its creators, unlike many management techniques, the BSC takes a holistic approach that is not just a performance measurement system, but is also a change vehicle and strategic management system. This holistic change approach has resulted in better performance, resulting from more informed management decision-making (Hoffecker and Goldenberg, 1994). The emphasis of the BSC is to capture real meaning by including both quantitative and qualitative information on a mix of outcomes (lagging indicators) and performance drivers (leading indicators), as discussed in detail later (Kaplan and Norton, 1996b). Quinlivan, (2000) argues that some organisations have found it useful to use more than four perspectives. The choice will depend on the organisation itself. Although offering a sample template, Kaplan and Norton, (1993) acknowledge that the precise format of the BSC is probably a company-specific issue. In other words, there may be a potentially long list of non-financial indicators; an organisation has to be selective by explicitly linking their choice of indicators to their corporate strategy (Ezzamel, 1992). Indeed, the essence of the BSC is the acceptance that some performance criteria conflict, and thus the task of management is to resolve these conflicts to achieve a balance of objectives (Letza, 1996).

The BSC has been successful because it is able to identify linkages between the four key areas that generate and perpetuate success (Kaplan and Norton, 1996b). These four perspectives are financial, customer, internal business process, and learning and growth (Kaplan and Norton, 1996a). Sanger, (1998) says that the BSC is based upon the belief that organisational success can best be achieved and measured when viewed objectively from four perspectives; financial (how will we look to our stakeholders?), customer (how must we look to our customers?), internal process (what internal processes must we excel at?), and learning and growth (how can the organisation learn and improve?):

- The financial perspective involves defining the short-run objectives of the business unit. The nature of financial objectives depends on the stage of an organisation in its life cycle.

- In the customer perspective, managers identify the customers and the market segments in which the business unit will compete and the measures of the business unit's performance in these targeted segments.

- In the internal business process perspective, executives describe the critical internal processes in which the organisation must excel which enable the business unit to deliver on the value propositions of customers in targeted market segments, and satisfy shareholder expectations of excellent financial returns.

- The fourth perspective, the infrastructure that the organisation must build to create long-term growth and improvement are identified. Organisational learning and growth come from three integrated principal sources (people, systems, and organisational procedures).

These four integrated perspectives are illustrated in the following figure (3.2)

Financial
"To succeed financially, how should appear to our shareholders?"
Objectives   Measures   Targets   Initiatives

Customer
"To achieve our vision, how should we appear to our customer?"
Objectives Measures Targets Initiatives

Vision & Strategy

Internal Business Process
"To satisfy our Shareholders and customers. What business Process must we excel at?"
Objectives Measures Targets Initiative

Learning and Growth
"To achieve our vision, how will we sustain our ability to change and improve?"
Objectives   Measures   Targets   Initiatives

Figure (3.2) The BSC model (adopted from Kaplan and Norton, 1996)

3.3 THE SIGNIFICANCE OF THE BALANCED SCORECARD (BSC)

The reasons for adoption are many. Five different reasons from the literature that appear to influence adoption decisions; have been identified (Malmi, 1999):

- First, companies that have some problems in tying strategy and yearly operations together favour the BSC. It appears to be an appealing solution to this problem (Kaplan and Norton, 1996).

- Second, quality programs and especially various types of quality awards sought by organizations such as the TQM philosophy seem to encourage BSC adoptions (Malmi, 2001).

- Third, some companies seem to have adopted the BSC to support some other change agendas such as the Business Process Reengineering BPR (Malmi, 2001). Introduction of the BSC may serve as one of the cornerstones of the new, neutral systems.

- Fourth, a surprisingly high number of interviewees mentioned motives related to managerial fads and fashions especially the information that was obtained about the BSC are from consultants (Abrahamson, 1991, 1996; Malmi, 1999).

- Fifth, it seems that in some companies the motive for the BSC has been abandonment of traditional budgeting. Some companies have found budgeting laborious and regard it as an inaccurate estimate of the future, even when it is completed (Hope and Fraser, 1997, 1999). However, abandoning budgeting in the traditional sense requires some mechanism for agreeing on targets for coming periods (Malmi, 2001). This is where the BSC may help. Changes in budgeting practices are one of the motives for the adoptions of the BSC (Malmi, 1999). There was a need for a new steering and control mechanism. The BSC may be introduced as part of a total redefinition of the company control system, one integral part of that redefinition being total abandonment of traditional budgeting (Hope and Fraser, 1997, 1999).

The limitations of managing solely with financial measures, however, have been known for decades (Kaplan and Norton, 2001a). What is different now? Why has the BSC concept been so widely adopted by manufacturing and service companies, non-profit organizations, and government entities around the world since its introduction in 1992?

Firstly, previous systems that incorporated non-financial measurements used ad hoc collections of such measures (Fan, I-S and Rigas, 1999), more like checklists of measures for managers to keep track and improve than a comprehensive system of linked measurements (Gambles, 1999). The BSC emphasizes the linkage of measurement to strategy (Kaplan and Norton, 1993) and the cause-and-effect linkages that describe the hypotheses of the strategy (Kaplan and Norton, 1996b). The tighter connection between the measurement system and strategy elevates the role for non-financial measures from an operational checklist to a comprehensive system for strategy implementation (Kaplan and Norton, 1996a).

Secondly, the BSC reflects the changing nature of technology and competitive advantage in the latter decades in the 20th century (Kaplan and Norton, 2001a). More specifically, in the industrial-age competition of the 19th and much of the 20th centuries (Edson, 1988), companies achieved competitive advantage from their investments in and management of tangible assets such as inventory, property, plant, and equipments (Chandler, 1990). However, by the end of the 20th century, intangible assets became the major source for competitive advantage such as customer relationships, innovative products and services, high-quality and responsive operating processes, skills and knowledge of the workforce …etc (Eccles and Pyburn. 1992).

From a practical point of view, the BSC is distinguished from previous change vehicles. It is fundamentally different (Edwards, 2001). This differentiation can be seen in three main incorporated aspects as follows:

3.3.1 THE CAUSES AND EFFECTS RELATIONSHIPS

The creators of the (BSC) have assumed the following causal relationship: measures of organisational learning and growth lead to measures of internal business processes, which lead to measures of customers that in turn lead to financial measures (Kaplan and Norton, 1996a). In other words, the measures of organisational learning and growth are therefore the drivers of the measures of the internal business processes, the measures of these business processes are in turn the drivers of the measures of the customer perspective, while both measures

are the drivers of the financial measures. A useful change vehicle should have a mix of performance drivers (lead indicators) and outcome measures (lag indicators) (discussed in detail later) (Kaplan and Norton, 1996). Each strategic area should have both indicators, producing two directional cause-and-effect chains; however, an organisation should consider that lag and lead indicators used horizontally within the fields and vertically between fields (Mooraj et al., 1999). Identifying this cause-and-effect relationship is essential because it allows the measurements in the non-financial areas to predict the future financial perspective of performance (Kaplan and Norton, 1996a). The validity of the BSC, as a change vehicle depends on the assumption that the cause-and-effect relationship exists between the measures suggested that in turn must be appropriate (Mooraj et al., 1999). In other words, a strategy is a set of hypotheses about cause-and-effect, which in turn can be expressed by a sequence of (if-then) statements, the chain of cause and effect should pervade all four perspectives of a BSC (Kaplan and Norton, 1996a, b). This cause-and-effect relationship distinguishes the BSC from other traditional change vehicles.

3.3.2 THE MIX OF OUTCOMES MEASURES AND PERFORMANCE DRIVERS

It has been accepted, as mentioned before, that using the BSC should improve an organisation's managerial decision-making process by aligning measures of its strategies to those of business units. Each business unit will develop its own (BSC) measures to reflect its goals and strategy, and while some of these measures are likely to be common across all units, other measures will be unique to a single business unit (Lipe and Salterio, 2000). Kaplan and Norton, (1996b) argue that measures considered common across units often tend to be lagging and financial indicators of performance. Unique measures are more often leading and non-financial measures. While the multiplicity of measures on a BSC may seem confusing to some people, a properly constructed BSC contains a unity of purpose since all the measures are directed toward achieving an integrated strategy Sink, (1991). The issue in this important part is, first and foremost, the classification of the performance measures. Many authors consider this issue essential (AusIndustry, 1995). Measures are classified according to two main factors: the desire for improvement that involves the strategic or the

housekeeping measures of performance (Neely et al. 1995); and the role in the cause-and-effect chain that concerns the outcome measures or the driver for these outcomes (Walsh, 2000).

The BSC is likely to use certain generic lagging measures. Examples of these measures include profitability, market share, customer satisfaction, customer retention, and employee skills. Units at the same organisational level have some common measures in addition to others that are unique to their business and strategy (Kaplan and Norton, 1996b). These common measures have a greater impact because they are easy to use (Payne et al., 1993). While Kaplan and Norton, (1996b) argue that lagging measures are often generic, leading measures are more likely to be customized for each business unit. Since financial measures are common across business units, the non-financial ones are more unique and less likely to receive attention. Undervaluing these non-financial and leading measures is a potential danger, and the BSC is designed to integrate them into the decision-making (Lipe and Salterio, 2000). The drivers of performance are the ones that tend to be unique for a particular business unit. The performance drivers tend to reflect the uniqueness of the business unit. Kaplan and Norton, (1996) argue that outcome measures without performance drivers do not communicate how the outcomes are to be achieved. They also fail to give an early indication of the strategy being successfully implemented. Performance drivers such as part-per-million defect rates without outcome measures may enable the business unit to achieve short-term operational improvements; however, they cannot determine whether the operational improvements have been translated into enhanced financial performance. The mix of outcomes measures and performance drivers can be seen in a more detailed link between financial and non-financial performance indicators.

3.3.3 THE LINK BETWEEN FINANCIAL AND NON-FINANCIAL PERFORMANCE INDICATORS

Factors and measures employed in managerial decision making to evaluate the performance of a company are conventionally financial (Eccles, 1991). Kangari et al., (1992) argue that typical businesses have relied only on financial measures to assess their business performance. This is mostly due to their long history of

usage, broad accessibility, simplicity of application and the quantitative characteristics (Mbugua et al., 2000). However, many authors, Brown and Laverick, (1994); Zairi, (1994); and Ramsey-Dawber, (1995) for example, agree that dissatisfaction with these performance measures is rising.

Hakes, (1994) also argues that financial measures have been criticised for having an historical backward-looking orientation, being too contracted in focus, and failing to give insight into the real drivers of modern business performance. He further argues that financial measures are not necessarily appropriate to a company's ability to change the current and, more significantly, the future of market situations. Brown and Laverick, (1994) also suggest that running a business by financial measures alone has become problematic. The non-financial data help greatly in evaluation, and is growing in importance. The more non-financial measures used, the more accurate their earnings forecasts. For companies attempting to succeed in the competitive landscape of the 21st century, it appears that non-financial information will continue to increase in importance (Mbugua et al., 2000). Many other studies call for non-financial indicators to reflect an organisation's manufacturing business performance (Andersin et al., 1994; Bhimani, 1994; Bromwich and Bhimani, 1994; Clarke and Toal, 1999; Coates et al., 1993; Cooper and Kaplan, 1991; Horngren, 1995; Jeams and Morrow, 1990; Kaplan, 1990; Lebas, 1994; Letza, 1996; Lingle and Schiemann, 1996; Lukka and Granlund, 1994; Pierce and O'Dea, 1998; Porter, 1992; Vaivio, 1995).

Nanni, (1988), argues that some fears act as barriers to the use of these non-financial performance measures. Even though non-financial performance measures are difficult to quantify because of their often insubstantial and qualitative nature, they are broader, longer and more progressive. They also offer management a group of important tools for constant development and change (Bititci, 1994). Smith, (1990) says that the use of non-financial indicators is well accepted in the monitoring and control of the process aspects of manufacturing industries. The change to non-financial measures may be slow; many companies are familiar with the notion that those business aspects, which are assessed by the

non-financial measures, have a strong influence on long-term bottom-line performance.

Debate continues on the wisdom of keeping financial measures and operational measures separated and whether it is better to use only financial measures, or a combination of both types (Sinclair and Zairi, 2000). Kaplan and Norton, (1992, p. 72), for instance, argue that:

"Managers should not have to choose between financial and operational measures ... no single measure can provide a clear performance target or focus attention on the critical areas of the business. Managers want a balanced presentation of both financial and operational measures."

McNair et al., (1990) argue that the decision to use financial or non-financial performance measures is essential, because disagreement creates tension within organisations. Other proponents of the use of a balanced mixture of the financial and the non-financial performance measures include (Goldratt and Fox, 1993; Grady, 1991; Odiorne, 1987; Sellenhiem, 1991). Grady, (1991, p. 50), for example, concludes that:

"Performance measures need to be balanced. Balance includes internal measures with external benchmarks, cost and non-cost measures, result measures to assess the degree goals are achieved, and process measures to evaluate critical tasks and provide early feedback."

Lingle and Schiemann, (1996) argue that companies which apply a balanced set of performance measurements, as the basis for management, do better than those which do not (Eccles, 1991; Sink, 1991). Furthermore, Laitinen, (2002) points out that those financial measures are not adequate for assessment purposes in forward-looking and contemporary organisations, and the array of applicable performance measures should embrace both the financial and the non-financial measures. The obvious problems related to the design and the application of a joint system of financial and non-financial measures stress the necessity for a consistent integrated system inside an organisation, derived from causal relationships between the two types of measures. What differentiates the BSC from other change vehicles is not the way in which it is used. An obvious way to distinguish it from systems measuring only financial performance is the use of

both financial and non-financial measures (Dearden, 1987; Demirag, 1998; Emmanuel and Otley, 1995; Johnson and Kaplan, 1987; Kaplan and Norton, 1997; Laitinen, 2002; Maciariello and Kirby, 1994; Mintzberg, 1994; Neely, 1998, 1999; Simons, 1990, 1995).

Not only that, as a change vehicle, the (BSC) does not stand in isolation; rather it is being underpinned by other Western management practices (Kaplan and Norton, 2001a). In other words, it can be used with other change vehicles and management practices which are being advocated as vehicles to help managers improve organisational performance (Kaplan and Norton, 2001b), such as:

3.3.4 SHAREHOLDER VALUE MANAGEMENT (SVM)

Within the financial perspective of the balanced scorecard (BSC), the shareholder value metric is decomposed into the sub-objectives of cost reduction, improved asset productivity, and revenue growth (Kaplan and Norton, 2001b). The financial metrics in the SVM cannot serve as a vehicle for articulating a revenue growth strategy and the complementary processes for achieving it (Myers, 1997). Therefore, Ittner, (1999) argues that the BSC complements the SVM by defining the drivers of revenue growth; explicit objectives and measures for targeted customers, the differentiating customer value proposition, the internal business processes for innovation and enhanced customer relationships, and the required infrastructure investments in people, systems, and organisational alignment. It also helps executives managing the trade-offs between short-term productivity improvements and long-term sustainable revenue growth.

3.3.5 ACTIVITY-BASED COSTING (ABC)

ABC was developed to correct another defect in financial systems — the incapability of traditional costing systems to identify the drivers of indirect costs (Cooper and Kaplan, 1991). It operates by relating organisational spending to activities and processes which support the design, production, marketing, and delivery of products and services to customers (Liberatore and Miller, 1998). One can (and ideally should) apply ABC to all major processes and activities of an organisation, and certainly to all elements of the Supply Chain (Pohlen and

Lalonde, 1994). Correspondingly, Ittner, (1999) argues that both ABC and BSC can be linked in three phases as follows:

- The first link takes place within the operational measures of the balanced scorecard's internal process perspective, three parameters, cost, quality, and time, define the operating performance of any process.

- The second link arises when the (ABC) is used to measure the profitability of individual customers (Cooper and Kaplan, 1991). The balanced scorecard's customer perspective typically includes customer outcome measures such as acquisition, satisfaction, retention, account share, and market share.

- The third link occurs when ABC is used for activity-based budgeting: combining information on the forecasted volume and product mix with expected activity and process efficiencies to construct a bottom-up budget for the next accounting period (Cooper and Kaplan, 1991). Within this change vehicle, when defining the strategic budget, activity-based budgeting can be used to develop the operational budget.

3.3.6 ECONOMIC VALUE ADDED (EVA)

EVA is a comprehensive financial management measurement system (Merchant and Barsky, 1997) that can be used to tie together capital budgeting, financial planning, goal setting, performance measurement, shareholder communication and incentive compensation (Bontis et al., 1999). In other words, EVA measures the difference between the return on a company's capital and the cost of that capital (Stewart, 1994). Building accountability into a measurement system, EVA encourages managers to take each decision following the principle of maximising shareholder value (Bontis et al., 1999). It provides a common language and benchmark for managers to discuss value-creation: projects become easily comparable, and managers can respond to the pressure for performance accountability using appropriate metrics (Young, 1997). In practice, it is increased when the weighted average cost of capital is less than the return on net assets, and vice versa. There is considerable range to develop the value of both the BSC and the EVA by effectively combining them in a single application. This can be achieved by using the EVA calculation to drive the definitions of categories of the measures used in the balanced scorecard's financial perspective (Biddlle, et al., 1997).

3.3.7 SUPPLY CHAIN MANAGEMENT (SCM)

Brewer and Speh, (2000) argue that a Supply Chain Management (SCM) encompasses all the activities associated with moving goods from the raw materials phase through to the end-user. The SCM may be managed in either an integrated or a disintegrated manner (Carter and Narasimhan, 1996; Ellram and Cooper, 1993). The SCM performance framework includes four perspectives that emphasise the interrelation between itself and the BSC to performance evaluation. Four major goals of the SCM can be concluded; waste reduction, time compression, flexible response, and unit cost reduction (Davis, 1992). Brewer and Speh, (2000) argue that modifications to this change vehicle may be used to develop a comprehensive framework for measuring the SCM performance. The shift in philosophy that takes place when the SCM is embedded within the BSC is that the internal perspective of the scorecard is expanded to include both the inter-functional and partnership perspectives. In other words, the BSC advocated here incorporates the integrated measures, in addition to the non-integrated measures, that motivate employees to view their company's success as being predicated upon the success of the entire SCM of which they are a part, rather than solely leading their companies itself.

3.4 THE BALANCED SCORECARD'S (BSC) RELEVANCE TO THE RESEARCH CONTEXT

In this section, the study discusses the relevance of the BSC to the research context and the thesis itself. This discussion is based mainly upon the preceding sections with regard to the research aim and the research context.

Taken in chronological order, the BSC is the most advanced current technique. It follows the footsteps of previous vehicles for change such as Total Quality Management (TQM), and Business Process Re-engineering (BPR) (Banker et al., 1996). However, it is distinguished by a holistic approach when addressing change (Kaplan and Norton, 1996). It is a move away from linear and sequential thinking to a holistic, all-or-nothing, perspective on strategic change in organisations (Olve et al., 1999). It creates a holistic model of the strategy that allows all employees in the Egyptian fertiliser industry to see how they can contribute to organisational success. This holistic perspective of the BSC is very

well-suited to the nature of the culture of the Egyptian fertiliser industry, which is distinguished as collective culture (see Chapter 4 for more details). More specifically, it combines four different views of the enterprise performance in order to avoid the trap of emphasizing one perspective at the expense of the others, as discussed earlier.

The BSC as a strategic management and change vehicle, is a concept which is easy to explain, and therefore easy to adopt by the senior management within the Egyptian fertiliser industry, and then by all personnel at all levels. The BSC is also characterised by a greater level of flexibility. According to its creators, although the BSC proposes a sample pattern, it is recognized that its specific format is most likely to be a company-specific issue (Kaplan and Norton, 1993).

Because of the above points, it is now one of the best known and most widely adopted vehicles, and seems to be the latest management fashion to sweep the organisational world (Kaplan and Norton, 1992). Since its introduction, it has attracted considerable interest (Cross and Lynch, 1989; Fisher, 1992; Maskell, 1991; Eccles, 1991; Hronec, 1993; Kaydos; 1991; Olve et al., 1999; Sink and Tuttle, 1989). Evidence from Hackett Benchmarking solutions, the US consultancy, which surveyed 1,400 global businesses, showed that almost 50% of companies use some variation of this change vehicle (Littlewood, 1999). A recent survey suggests that balanced measurement systems, such as the balanced scorecard, are already widely used in large companies located in Finland (Malmi, 2001). Of the respondents, 31% indicated they have already developed this system, and 30% intend to start developing it. Similarly, a survey conducted in the USA estimated that 60% of the Fortune 1000 companies have experience with the BSC (Silk, 1998). Using information collected from 83 companies, correlation and regression results provide support for the BSC (Sim and Koh, 2001). According to a recent BSC report, 40-50% of large organisations have begun implementing this concept (Epstein and Manzoni, 1997). Furthermore, in a recent survey, 64% of respondents said that the satisfaction or value received from BSC implementation was higher than that from change vehicles used in the past, and 37% of respondents reported that employee understanding of the BSC and its goals was higher than for any other change vehicles (Ittner and Larcker,

1998). According to a 1998 Cost Management Group survey about change vehicles in large businesses, 35% of respondents have either implemented, or plan to implement the scorecard in their organisations as a vehicle for change (Towle, 2000). Frigo, (2000) argues that in 2000, in the Institute of Management Accountants (IMA) performance measurement survey, approximately 83% of the respondents indicated the BSC change vehicle was worth implementing; with the other 17% saying it was too early to tell.

Despite this wide range level of BSC adoption across nations, it has not been implemented or even adopted before in the research context, the Egyptian fertiliser industry (based on contacts with the industry in the first phase of the action research, diagnosing phase). The research context, as shown in Chapter 2, merely adopts quality control systems, which does not imply an adoption of the philosophy of TQM (Wickens, 1995). This represents a good opportunity for the study to explore the influence of culture within this non-Western context on the adoption of this Western technique.

It has been acknowledged in the literature that the BSC captures critical value-creation activities (Kaplan and Norton, 1996a). Whilst keeping, via the financial side, an interest in short-term results, the BSC plainly reveals the value drivers for long-term non-financial and competitive results (Kaplan and Norton, 1996). It provides a general language and benchmark for senior management to discuss value-creation issues. The BSC is a proven vehicle which delivers bottom-line results and enables strategy to be communicated and aligned at all levels of an organisation. This greatly suits the nature of the Egyptian fertiliser industry that emphasises the need to enhance the bottom-line results (Abd-Elgadir, 2003; Abul-Gheit, 1998).

Another attribute of the BSC is its ability to capture valid meaning by containing both quantitative financial and qualitative non-financial information (Olve et al., 1999). On the whole, this matches the nature of the Egyptian fertiliser industry, which is a number-focused culture (Aldinger, 2003).

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3.5 THE DEVELOPMENT OF CONCEPTUAL FRAMEWORK

In this section, the study demonstrates the first stage of development of the conceptual framework of the study (see figure 3.3). This framework is largely derived from literature with reference to the research aims and the research context. It is an integrated framework which is suitable for smoothing the way to achieving the central research aim which is concerned with exploring the influence of non-Western culture on the adoption of a Western vehicle, the BSC within the context of the Egyptian fertilizer industry (see Chapter 7, Section 7.2 for more details).

The first research objective which is *to consider the BSC as a typical Western change vehicle*, (see Chapter 7, Section 7.2 for more details) is clarified by this framework. By doing so, it will also be of great assistance in serving the third research objective (see Chapter 7, Section 7.2 for more details) which is *to establish the applicability in a different culture (the Egyptian fertiliser industry)*.

C

Common Characteristics:

*Company-wide approach
*Philosophical change
* Business results
*Top-down led & managed
*IT-enabled
*Standard application

B

A

There are many
change &
innovation
management
frameworks:

*TQM, JIT, BPR,
BSC

Is the BSC typical of
any other Western
theory or change
project?

E

The BSC is typical to
other Western
change Vehicles, it is
the focus of this
study

D

Unique Characteristics to the BSC:

*The latest & the most widely adopted change vehicle
*It is not adopted in the research context
*Holistic point of view (Financial, Marketing, Internal-
Business Process, and Learning & Growth), to avoid the trap of
focusing in one aspect of performance at the expense of others
*It encompasses previous change vehicles
*Top-down led & managed, and bottom-up feedback

Figure (3.3) The initial conceptual framework

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As has previously been argued, there is a need for a framework that integrates our understanding of the relationship between non-Western culture and the adoption of a Western vehicle. As shown above, the first-stage of the research conceptual framework contains five incorporated parts. It starts with point (A), which questions whether the BSC is typical of any other Western theory or change project. Point (B) shows the reader that there are many change and innovation management frameworks such as Total Quality Management (TQM), Just-In-Time (JIT), Business Process Re-Engineering (BPR), and the Balanced Scorecard (BSC). Points (C) and (D) demonstrate comparative analysis between those management theories and practices. The result of this analysis is point (E) that emphasises that the BSC has similarities with other management theories and practices; however, it has been chosen for this research context and this thesis because it is distinguished by some unique characteristics (see section 3.4 for more details).

3.6 SUMMARY

In this Chapter, the similarities of the BSC to many other change and innovation management frameworks such as Total Quality Management (TQM), Just-In-Time (JIT), and Business Process Re-Engineering (BPR) are considered. However, it has been justifiably chosen for this specific research context for the following reasons: chronologically, the BSC is the most recent technique; it is now one of the best known and most widely adopted vehicles; as a strategic management and change vehicle it is an easy-to-explain concept, and so is easy for senior management to adopt; the BSC is essentially a holistic multi-dimensional performance measurement and management vehicle which is linked specifically to organisational strategy; it captures the critical value-creation activities; it enhances the bottom-line results, and, in addition, it has not been adopted before in the research context, the Egyptian fertiliser industry.

It is recognised in the literature that the adoption of the BSC is no guarantee of a successful strategy and vision. The great strength of the vehicle lies in the very process of building it, a process that is an effective way of expressing the organisation's strategy and vision in tangible terms and to collect support for it throughout the organisation. The potential benefits of a BSC are dependent on

what it is to be used for. Simply having a BSC is not enough; the scorecard will only be useful if it is correctly applied.

The concept of the BSC stresses that no single performance indicator could capture the full complexity of an organisation's performance. The BSC is a proven vehicle which enables strategy to be communicated and aligned at all levels of an organisation. It is an integrated set of leading and lagging performance measures designed to capture an organisation's strategy.

To achieve breakthrough performance using this new strategic change vehicle, organisations capitalise on the potential and the resources, both tangible and intangible, which already exist. As such, the BSC reflects the changing nature of the technology and competitive advantage in the last decades of the 20th century. It has been introduced to provide a new framework for describing value-creating strategies. The scorecard does not attempt to place a value on an organisation's intangible assets, but it does measure these assets in units other than money.

The BSC emphasises the linkage of measurement to strategy, and the cause-and-effect linkages which describe the hypotheses of the strategy. It, the BSC addresses the problems of those companies who often fail to turn strategy into action. A tight connection between the measurement system and strategy changes the role of non-financial measures from an operational checklist to a comprehensive system for strategy implementation.

The BSC, as described by Kaplan and Norton, is a typical Western vehicle, conceptually and intuitively appealing; however, the unique culture and needs of individual organisations must be carefully considered to adopt the BSC. Each organisation is unique and has its own culture, and so follows its own path for adopting a BSC model. Therefore, the study, in Chapter 4 will investigate cultural aspects which may affect adoption of the BSC, in particular the national culture, the organisational culture.

CHAPTER 4:

CULTURE

INTRODUCTION

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CHAPTER 4

CULTURE

INTRODUCTION

International business scholars generally recognize the important organisational role of culture in management and the need to develop a better understanding of values and their effects (Lenartowicz et al., 2003). Values are a legitimate basis for the modelling of culture since the concept of values is common to most definitions of culture (Hofstede, 1980; Bandura, 1986). Erez and Earley (1993) argue that core values form the crux of the culture construct, and substantial research has shown that managers in different countries possess different cultural values and that these differences affect the strategic decisions they make (Bigoness and Blakely, 1996; Hofstede, 1980; Schneider and De Meyer, 1991).

Researchers have cautioned that the consequences of employing a sampling procedure that neglects the effect of subcultures within countries (Adler, 1984; Clark, 1990). Adler (1984) states comparative management studies assume, inappropriately, that domestic populations are culturally homogeneous. She also reports that nation and culture have been used in the literature as if they were synonymous, and that cross-cultural or single culture studies in management have not considered intra-country cultural heterogeneity (Adler et al., 1986). Most of the literature on the prescriptive management philosophies and associated change practices, (such as TQM, BPR, and the BSC) pays scant attention to how a diverse cultural mix of employees in organizations can have an impact on the adoption of these management practices and techniques (Dawson, 1994), argued before in Chapter 3. This may be because most writers are more familiar with societies that are homogeneous in cultural composition (e.g. Japan, and many Western countries) (Sondergaard, 1994; Schwartz, 1990; Yong and Wilkinson, 1999). Even in culturally homogeneous societies, the issue of culture change plays a key role in determining the success of adoption of change practices and techniques (Dawson and Palmer,

1995). Managers have largely neglected to tailor change initiatives to suit their own organizational cultures (Hill, 1991).

The criteria for dividing the main society into subcultures include ethnicity, religion, region and demographic/socioeconomic characteristics (Johnson and Droege, 2004). Of these, the region or geographic subdivision is often cited as the most important (Lenartowicz et al., 2003). Indeed, it has been argued that place and culture are intertwined (Franklin and Steiner, 1992) since geography is crucial for individuals when they seek group affiliation to satisfy their needs, which is the very basis for forming a society (Haviland, 1990). Hence, although sub-culture is conceptually based on cultural values, it refers more specifically to a subgroup within a society, usually identified in the social science literature by a particular region (Lenartowicz et al., 2003). Although the boundary of a subculture sometimes coincides with political borders, in many cases, the permeability of country borders permits cultural values to transcend them (Putnam, 2000).

In the following sections, the study considers the concept of culture. National culture and organisational culture will be investigated respectively, and then the interaction between national and organisational cultures (culture overlaps) will be discussed. Finally, Hofstede's model will be considered from a critical perspective.

4.1 CULTURE CONCEPT

Culture is an umbrella word that encompasses a whole set of implicit, widely shared beliefs, traditions, values and expectations that characterize a particular group of people (Pizam et al., 1997), as argued before in Chapter 1. It identifies the uniqueness of the social unit, its values and beliefs (Leavitt and Bahrami, 1988). The concept of culture has been used in many different ways (Suutari, 1996). One widely adopted early definition was given in Kluckhohn, (1954, p. 86, cited by Suutari, 1996), where it was suggested as a consensus of anthropological definitions of culture, that:

"culture consists in patterned ways of thinking, feeling and reacting, acquired mainly by symbols, constituting the distinctive achievements of human groups, including their embodiments in artefacts; the essential core of culture consists of traditional (i.e. historically derived and selected) ideas and especially their attached values."

Later, the artefacts (i.e. objective culture) are often excluded from definitions of culture and the focus is limited to subjective element (Suutari, 1996). Subjective culture refers to a group's characteristic way of perceiving its social environment, and has been said to include elements such as norms, beliefs, attitudes, assumptions, values, ideals and other such subjective elements (Brislin, 1993; Bhagat and McQuait, 1982; Hofstede, 1984, 1990). As a result of this new emphasis, culture has been defined as "the collective programming of the mind which distinguishes the members of one human group from another" (Hofstede, 1980, p. 13). This is one of the most widely used definitions amongst literature (Frucot and Shearon, 1991; Pratt and Beaulieu, 1992; Harrison, 1992, 1993). It is "the frame of reference which a culture provides to individuals" (Ronen, 1986, p. 18), or it is "mental frameworks which groups, organizations and nations develop" (Harris and Moran, 1987, p. 102). Given this kind of approach, cultural variables can be used as explanatory variables in comparative research on organizational behaviour and practices (Suutari, 1996). Culture can be broadly understood as ''a set of basic tacit assumptions about how the world is and ought to be that a group of people share and that determines their perceptions, thoughts, feelings, and, to some degree, their overt behaviour'' (Schein, 1996). It is a way of life of a group of people that is handed down from one generation to the next (Barnouw, 1963: p. 4, cited by Pizam et al., 1997). As can be seen from the above definitions, culture is a social mechanism that shapes and guides people's thoughts, values and beliefs and ultimately controls their behaviour. Culture exists everywhere and everyone belongs to at least one. Culture exists at various levels of society: (1) "supranational" (e.g. Western and Eastern civilizations); (2) "national" (e.g. American, French, and Japanese); (3) "ethnic" (e.g. Chinese and Malay in Malaysia, Blacks and Hispanics in the USA). Culture can also be applied to other social units such as "occupational groups" — lawyers,

accountants, physicians; "corporations" — IBM, Shell, H-P, Disney; and even "industries" — mining, electronics, restaurants and hotels (Pizam et al., 1997).

This study focuses on Hofstede's (1991) classification that suggests three main factors to determine the behaviour of a person in the workplace: national culture, occupational culture, and organizational culture. This issue is justified in section 4.5. National culture is based primarily on differences in values which are learned in early childhood from the family (Cabrera et al., 2001). These values are strong enduring beliefs which are unlikely to change throughout the person's life (Hofstede, 1991). Occupational culture, which is acquired through schooling and professional training between childhood and adulthood, is comprised of both values and shared practices (Hofstede, 1991; Hofstede et al., 2002). Shared practices are learned perceptions as to how things should be done in the context of some occupation and are, as such, more flexible than values (Cabrera et al., 2001). Finally, organizational culture is based on differences in norms and shared practices that are learned in the workplace and are considered as valid within the boundaries of a particular organization (Hofstede, 1991). The relative influence that occupational and organizational cultures exert on people's behaviour appears to vary significantly across occupations (Schein, 1996; Trice and Beyer, 1993). In the following sections, the study investigates and explores both national and organisational cultures in details.

4.2 THE NATIONAL CULTURE

As already stated, culture is what provides human beings with a design for living, with a readymade set of solutions to problems so that individuals in each generation do not have to start again from scratch (Critchfield, 1982). Several studies on the adoption of American management strategies have confirmed the importance of national culture (Adler and Kwon, 2002; Humphrey, 1995; Kenney and Florida, 1995).

In range of management disciplines, there has been growing interest in operating and transferring management practices across and within countries (e.g. Al-Sarhani, 2004; Ralston et al., 1993; Taylor and Beechler, 1993). The main debate centres on convergence, divergence, and crossvergence theories. One side of the debate, convergence suggests that commonalities and similarities in industrialisation and economic produce convergent work values across and within countries (Ralston et al., 1993). There is an increasing similarity in management values and practices across countries, despite national cultural differences. In contrast to the convergence theory, divergence perspectives recognise that management values and practices remain culturally bound. That is, they are deeply grounded in the surrounding national culture, and vary significantly among and within countries. Divergence theory contends that cultural differences remain a force for different management values and practices among countries, nations, and organisations (Taylor and Beechler, 1993). Between the two, a third possibility (called crossvergence) exists, where a unique set of work values and practices is formed as a result both non-cultural and cultural influences (Al-Sarhani, 2004). With reference to Hofstede's model (1980, 1991), an emphasis is on the assumption that organisations and managerial practices are 'culture-bound', there are no universal answers to the problems of organisation and management. Rather distinct practices develop. His classification of cultures (discussed below) applies to diverging management practices, for example between the collectivistic cultures of Arab cluster and the individualistic cultures of the West (see Chapters 8 and 9 for more details).

Despite the problems that may exist when adopting Western management practices in other cultures (Kim and Chang, 1995), a great deal of literature illustrates that some elements of American management can be successfully adopted abroad (Galperin and Lituchy, 1999; Humphrey 1995; Taylor and Beechler 1993). While some work on cultural differences has been undertaken by researchers interested in business recipes (Whitley, 1990), the best known framework for understanding national cultural differences was developed by Hofstede, (1980, 1991) whose pioneering work on national cultures has provided us with a framework for

understanding cultural differences (Brown and Humphreys, 1995). Support for concern about the influence of national culture is found in Hofstede's (1980, p. 13) definition of culture (see section 4.1). Hofstede, (1983) emphasized it is a part of our conditioning that we share with other members of our nation, region, or group. Much of this work on the influence of national culture is based on specific examination of the cultural characteristics which give rise to different responses in different nations (O'Connor, 1995). An approach to culture which permits this is the model developed by Hofstede (1980). This model consists of five dimensions (power distance, individualism, uncertainty avoidance and masculinity, and long-term versus short-term orientation) and enables the measurement of cross-cultural differences in the work-related value patterns of individuals (Hofstede, 1990, 1993). These dimensions were developed empirically from a survey of individuals employed by a large multinational company across more than 50 countries. Hofstede (1980, 1983) found that half of the variation in a country's means scores could be explained by the above five dimensions. The respondents were matched in both occupation and education level and they all shared the same company policy and structure (O'Connor, 1995) (Brown and Humphreys, 1995):

(1) POWER DISTANCE is the extent to which the less powerful members of organizations within a country expect and accept that power is distributed unequally (Hofstede, 1980, 1991). In low power distance nations inequalities among people will tend to be minimized, decentralization of activities is more likely (Brown and Humphreys, 1995), subordinates expect to be consulted by superiors, and privileges and status symbols are less evident. Conversely, in high power distance nations inequalities among people are considered desirable, there is greater reliance by the less powerful on those who hold power (Brown and Humphreys, 1995), centralization is more normal, and subordinates are likely to be separated from their bosses by wide differentials in salary, privileges and status symbols. This issue can be summarized as follows; it addresses how a society copes with inequalities among its citizens and affects the way organizations are established. Members of high power distance societies accept that power in institutions is distributed unequally

and the less powerful members of the society tend to rely on those in power (Davis et al., 1997). In low power distance societies, inequalities among people are equalized and justification for power inequities is demanded (Davis et al., 1997). Countries with more political freedom tend to have lower power.

(2) INDIVIDUALISM/COLLECTIVISM relates to the extent to which individual independence or social cohesion dominates (Hofstede, 1980, 1980b, 1991). In individualistic societies, the ties between individuals are loose, and individuals are expected to look after themselves and possibly their immediate family (Brown and Humphreys, 1995; Humphreys, 1996). Here, contracts with employers are based on mutual advantage and hiring and promotion decisions are supposed to be based on skills and rules (Recht and Wilderom, 1998). In collectivistic societies, people are integrated into strong, cohesive in-groups, which protect them in exchange for unquestioning loyalty (Humphreys, 1996). Here, contracts with employers tend to be viewed in moral terms (like a family link), and hiring and promotion decisions take an employee's in-group into account. So, one can encapsulate this as follows; members of individualistic societies maintain a high degree of independence from other society members and from their institutions while focusing on individual needs to the detriment of the group (Mamman et al., 1996). They are expected to protect themselves and their immediate families. More specifically, individualism refers to a loosely knit social framework in which people are supposed to look after their own interests (Galperin and Lituchy, 1999). Its opposite, collectivism, is characterized by a tight social framework in which people do not distinguish between themselves and their collective (Erez and Earley, 1993). Members of collectivist societies maintain a high degree of interdependence among a strong, cohesive group.

(3) MASCULINITY/FEMININITY refers to the degree to which social gender roles are clearly distinct (Hofstede, 1980, 1991). In high masculinity societies, social gender roles are clearly distinct, with men supposed to be assertive, tough, and focused on material success, and women are supposed to be more modest, tender, and concerned with the quality of life (Brown and Humphreys, 1995). At work,

managers are expected to be decisive and assertive, great emphasis is placed on competition among colleagues and high performance, and the prevailing culture is that one lives in order to work (Humphreys, 1996). In high femininity societies social gender roles overlap, with both men and women supposed to be modest, tender, and concerned with the quality of life (Mamman et al., 1996). Here managers use intuition and strive for consensus, there is stress on equality, solidarity, and quality of work life, conflicts are resolved by compromise and negotiation, and the dominant idea is that one works in order to live (Humphreys, 1996). So, one can put it as follows; it measures how a society allocates social roles between genders. Traditional masculine traits are assertiveness and a focus on success. Feminine traits place a higher value on associations, and quality of life. Members of masculine societies have clearly distinct social roles (Mamman et al., 1996). In feminine societies, traditional gender roles overlap.

(4) UNCERTAINTY AVOIDANCE is defined as the extent to which the members of a culture feel threatened by uncertain or unknown situations (Hofstede, 1980, 1983, 1983b, 1991). In weak uncertainty avoidance societies there is greater tolerance of ambiguous situations and unfamiliar risks (Brown and Humphreys, 1995), people are hard-working only when they need to be, precision and punctuality have to be learned, people are comfortable with deviant and innovative ideas and behaviour, and are motivated by achievement, esteem or a sense of belonging (Humphreys, 1996). In strong uncertainty avoidance societies there is fear of ambiguous situations and unfamiliar risks, there is a feeling that time is money and there is an emotional need to be busy, precision and punctuality come naturally, novelty is resisted, and people are motivated by security, esteem or a sense of belonging (Brown and Humphreys, 1995). So, one can summarize this as follows; this dimension addresses a society's tolerance of uncertainty, the extent to which a society tends to consider itself threatened by ambiguous situations. Members of strong uncertainty avoidance societies are uncomfortable with uncertainty and avoid these situations by adopting strict rules of behaviour (Anderson and Oliver, 1987).

Those in weak uncertainty avoidance societies tolerate uncertainty and ambiguity more easily.

(5) CONFUCIAN DYNAMISM (LONG-TERM VERSUS SHORT-TERM ORIENTATION) subsequent research by (Hofstede and Bond, 1988) and (Hofstede, 1991) suggested that this cultural dimension is related to the length of individuals' time orientation, the extent to which they focus on long-term, as opposed to short-term, goals and concerns. Long-term orientation is the extent to which a society exhibits a pragmatic, future-oriented perspective rather than a conventional historic or short-term perspective (Newman and Nollen 1996). On the contrary, of short-term orientation, long term-oriented cultures are particularly characterised by value acceptance of change, perseverance, thrift, and pursuit of peace of mind (Hofstede, 1991). In other words, Confucian dynamism emphasises future-oriented perseverance, status, thrift and shame at ignoring shared obligations, rather than past-oriented stability, face, tradition and reciprocation of gifts and favours (Hofstede and Bond, 1988). However, it worthwhile to say that the dimension of Confucian dynamism appears to overlap with the four Hofstede dimensions (Perry, 1997). For example, Confucian dynamism's shame overlaps with the first dimension of collectivism, status with high power distance, and perseverance with low uncertainty avoidance (Newman and Nollen 1996).

THE EGYPTIAN AND ANGLO-AMERICAN CULTURES AND NATIONAL CULTURE ELEMENTS

There is general consensus that the Egyptian and Anglo-American cultures are held to be particularly divergent on the work-related dimensions of power distance and individualism (Brown and Humphreys, 1995; Chow et al., 1991; Harrison, 1992, 1993). All of these dimensions have also been used as a basis for theoretical explanations of societal member attitudes towards the adoption of change (Harrison, 1992). Brown and Humphreys (1995) and Humphreys (1996) survey both Egyptian and Anglo-American managers and report dimension measures for Egyptian managers that are significantly different from Anglo-American managers across all

five of the (Hofstede 1980) cultural dimensions, as shown in table (4.1). Egyptians scored extremely low in individualism while Anglo-Americans scored high. This means Anglo-American managers tend to be more individualistic while Egyptians are more collectivist (Brown and Humphreys, 1995). Anglo-Americans are much more tolerant of uncertain situations. On the other hand, Egyptian managers scored very high on uncertainty avoidance, indicating that they are not comfortable with ambiguous situations (Brown and Humphreys, 1995). The power distance scores indicate that Egyptians are more willing to accept that power is distributed unequally (HassabElnaby and Mosebach, 2005), on the contrary of the American culture. Finally, in Anglo-American nations the social roles between genders overlap while in Egypt there is separation between the traditional gender roles (HassabElnaby and Mosebach, 2005).

Table (4.1): Comparison of Hofstede's cultural dimensions between Egypt and Anglo-American managers

Cultural dimension	Anglo-American	Egyptian
Individualism/ Collectivism	90 (high individualism)	−12 (extremely low individualism)
Uncertainty avoidance	14 (low)	54 (very high)
Power distance	17 (very low)	42 (moderate)
Masculinity/ femininity	−19 (extremely low masculinity)	34 (moderate masculinity)
Long-term v. short-term orientation	Medium-Long	short

Source: Humphreys (1996).

In more detail, the table above illustrates that (this will be considered in greater depth in Chapters 5 and 6):

• The US principals and senior managers scored very low on power distance whereas the Egyptian principals scored moderately. This implies that the Egyptian sample was far more ready to expect and accept that power should be distributed unequally in the organization.

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- It also shows that while the US sample had a low score for uncertainty avoidance, the Egyptian principals scored highly. This suggests that the US principals were more tolerant of ambiguous and uncertain situations and more comfortable with deviant and innovative ideas than their Egyptian counterparts.

- With reference to the individualism/collectivism dimension, the score for the US sample is high while that for the Egyptian sample is extremely low. This means that the US principals were far more individualistic, they saw their work contracts as based on mutual advantage and they considered that hiring and promotion decisions should be based on skills and rules. In contrast, the Egyptians were much more collectivist in orientation, interpreted their work contracts in moral terms, and thought that hiring and promotion decisions should take an employee's in-group into account.

- On the masculinity/femininity dimension, the US sample recorded an extremely low while the Egyptian sample scored moderately. This indicates that distinct gender roles are more valued by Egyptian than the American principals are.

- Finally, the US, on the contrary of the Egyptians, focuses on long-term orientation which refers to a pragmatic, future-oriented perspective. The later focuses on a conventional historic or short-term perspective.

Two specific examples of ideas, which are more appropriate in the cultural context of US than their counterparts in Egypt (Brown and Humphreys, 1995), are illustrated. These involve theories of motivation and systems of performance appraisal which are of great value in the learning and growth perspective of the BSC (Kim et al., 1990).

- Motivation theory (Herzberg, 1966, cited by Brown and Humphreys, 1995), Herzberg's framework suggests that there are two broad categories of factors which lead to high job satisfaction: first, there are "hygiene" factors (such as salary, job security and working conditions) which do not motivate people, but if absent lead to dissatisfaction; second, there are "motivators" (for instance, sense of achievement, recognition and responsibility) which actively contribute to satisfaction. The assumption, which can be drawn, is that what is a hygiene

factor in the USA may well be a motivator in Egypt. Focusing first on Herzberg's hygiene factors, Brown and Humphreys, (1995) indicate that the Egyptian principals attributed far greater importance to some of these (notably good physical working conditions, security of employment, and the opportunity for high earnings), than their US counterparts. That the Egyptian principals valued these factors so highly probably reflects a cultural context in which the physical conditions of working place are very poor, security of employment is high, and wages low (Abd-Elgadir, 2003). In addition, given the importance which Egyptians place on being able to serve their country (Egyptians are considered nationalistic (Bjerke, 1999), it may well be that this is another motivator which, because of obvious cultural differences.

- In the West, performance appraisal systems have achieved significant popularity as the means to "set out job objectives, provide information for human resource planning and career succession, assess the effectiveness of the selection process and as a reward or punishment in itself" (Torrington and Hall, 1991, p. 481). A basic staff appraisal scheme was in operation in Egyptian fertiliser industry; however, there is a wide difference that is derived from the style of ownership (Abd-Elgadir, 2003). In the governmental-publicly-owned entities, reward packages are predetermined by government policies and regulations; however, in the non-governmental-privately-owned ones, all reward packages are decided by their own policies and regulations. The idea that an appraisal system could be employed to improve the performance of individuals and aid the effective use of human resources generally was alien to the Egyptians (Brown and Humphreys, 1995). Explanations are that the popular image of the young Western manager as a thrusting, self-starting who is unafraid to break rules or change jobs, and motivated by high financial rewards and the need for self actualization, may not be appropriate in an Egyptian context (HassabElnaby and Mosebach, 2005). This being the case, it is arguable that there is less cultural impetus in Egypt to use appraisal as a means of motivating and encouraging employees or helping individuals to manage their careers for maximum success (HassabElnaby and

Mosebach, 2005). On the other hand, the Egyptian system is highly bureaucratic (see Chapter 6 for more details), with jobs well-defined by the state, clearly delineated and rigorously enforced rules, and little scope for discretion (Humphreys, 1996). Incremental change is possible, but scarce resources, low wages always make substantial change a long-term prospect (Brown and Humphreys, 1995) (see Chapter 6 for more details).

So, at the end of this part one can argue that a universally accepted definition of national culture does not exist but for purposes of this study, it is defined as a system of widely held values that stem from each nation's unique environment (French and Weis, 2000). Hofstede, (1980) measured national value systems by differences in self-concepts of individuals and by differences in implicit models of organizations. He has proposed five cultural dimensions to study national culture. Power distance and uncertainty avoidance are useful in describing organizations and structures whereas "individualism and masculinity affect our thinking about people in organizations" (Hofstede, 1984; 1991). In comparison to other dimensions, the individualistic/collectivist cultural orientation has profound implications for how individuals work (Hofstede, 1980; Galperin and Lituchy, 1999; Jaeger, 1986). Specifically, studies have shown this dimension to affect work values (Hofstede, 1980), cognitions and behaviours (Earley, 1993; Lituchy, 1997). These dimensions affect the structuring and functioning of organizations. Any national culture can be plotted on the resulting matrix (Sashkin and Kiser, 1993). Rather than consider these approaches as mutually exclusive it seems reasonable to view them as emphasising different aspects of organizational culture (Galperin and Lituchy, 1999). These cultural aspects taken together can be seen as constituting the overall organizational culture (Lituchy, 1997; Zhao, 1993).

The preceding section - about the national culture, and the differentiation between the contextual origin of the BSC, American culture, and the research context, Egyptian culture - is of great value in attempting to achieve the research aim which involves "exploring the influence of culture within the context of the Egyptian

fertilizer industry, as being part of a non-Western culture, on the adoption of the BSC, as a typical Western change vehicle" (see Chapter 7 for more details). It is also valuable when considering the research objective which involves *" developing an in-depth understanding of the underpinning cultural drivers and enablers; to investigate the influence of any differing cultural aspects"* (see Chapter 7 for more details). With regard to the relationship between the national cultural elements and the BSC, the study now demonstrates this in the following table (4.2).

Table (4.2) The relationship between the national culture elements and the BSC

The BSC Values	The BSC-relevant dimension	The American Culture (A)	The Egyptian Culture (B)
(1) It is a continuous effort, not a one-time event which would be a recipe for failure *(Olve et al. 1999).*	(Confucian dynamism)	(Short-Long) (F)	(Short) (Not F)
(2) It is a participative approach to maximise the acceptance and commitment *(Lipe and Salterio, 2000)* **as employees' empowerment will inspire greater ownership** *(Davis, 1996).*	(Collectivism), (Confucian dynamism)	(Low), (Short-Long) (Not F), (F)	(High), (Short) (F), (Not F)
(3) It is a strategic orientation based vehicle, which tells the story of an organisation's strategy *(Heinz, 2001).*	(Confucian dynamism)	(Short-Long) (F)	(Short) (Not F)
(4) It is based upon a detailed elaboration *(Brown, 1994, 1996; Creelman, 1998; Heinz, 2001; Kaplan and Norton, 1996, 1997),* **as it would cause significant problems if the recommendations were too general** *(Weber and Schaffer, 2000).*	(Uncertainty avoidance)	(Low) (F)	(Very High) (Not F)
(5) It is essential that functional lines of authority are clear, as otherwise cross-functional conflicts between managers could arise *(Kaplan and Norton, 1992; Letza, 1996).*	(Power distance), (Uncertainty avoidance)	(Very Low), (Low) (F), (F)	(Low-High), (Very High) (F/Not F), (Not F)
(6) It is a holistic and multidimensional vehicle, and also it is stakeholder-focused (employees, suppliers, the environment, and customers) *(Atkinson et al., 1997),* **as improvement goals randomly negotiated rather than being based on stakeholder requirements is a recipe for failure** *(Norreklit, 2000).*	(Collectivism), (Confucian dynamism)	(Low), (Short-Long) (Not F), (F)	(High), (Short) (F), (Not F)
(7) It is based upon top-down alignment and commitment & bottom-up feedback, making it a double-loop learning vehicle *(Balkcom et al., 1997).*	(Power distance)	(Very Low) (F)	(Low-High) (F/Not F)
(8) It is clearly a dynamic and flexible tool, and its contents may change over time, as	(Confucian dynamism)	(Short-Long) (F)	(Short) (Not F)

strategies develop and key success factors change *(Bititci et al, 1997; Blossom and Bradley, 1998; Parker, 2000; Sarkis and Sammunt, 2000).*			
(9) It is not simple, as it involves modifying the power of people *(Lobo et al., 2000).*	(Power distance)	(Very Low) **(F)**	(Low-High) **(F/Not F)**
(10) It is a value-creation vehicle & enhances bottom-line results. It understands the relationship between internal value-adding processes (core competencies) and delivery of business outcomes *(Quinlivan, 2000).*	(Confucian dynamism)	(Short-Long) **(F)**	(Short) **(Not F)**
(11) It highlights trade-offs and thus brings increased transparency, which may be threatening for some managers *(Epstein and Manzoni, 1997; Kaplan and Norton, 1996; Norreklit, 2000).*	(Uncertainty avoidance) (Power distance)	(Low), (Very Low) **(F), (F)**	(Very High), (Low-High) **(Not F), (F/Not F)**
(12) It encompasses qualitative non-financial and quantitative financial measures, as not all measures can be quantified *(Schneiderman, 1999),* so it focuses on the future and the past *(Clarke and Tyler, 2000; Senge, 1990).*	(Confucian dynamism)	(Short-Long) **(F)**	(Short) **(Not F)**
(13) It should be reviewed regularly *(Amaratunga and Baldry, 2000; Edwards, 2001; Tate, 2000).*	(Uncertainty avoidance)	(Low) **(F)**	(Very High) **(Not F)**
(14) It is a management vehicle based upon facts, not emotions *(Norreklit, 2000).*	(Uncertainty avoidance)	(Low) **(F)**	(Very High) **(Not F)**

(A) and (B) are based on Table (4.1), (F) =Fit the Culture, (Not F) = Not fit the Culture

As shown from the table above, the BSC values (see figure 3.2 for more details) are basically derived from literature. Analysis of column A and B of table 4.2 suggests that the BSC matches American culture to a greater extent than Egyptian culture. This will be the centre of interest of Chapter 8.

4.3 THE ORGANISATIONAL CULTURE

In the following section, the study identifies organisational culture (concepts, types, and elements) and its relationship with the BSC.

THE CONCEPT OF ORGANIZATIONAL CULTURE

Organisational culture is one of the most popular concepts to have attracted the attention of researchers, consultants, and managers since the late 1970s and the early 1980s (Al-Sarhani, 2004). One of the main reasons for this popularity is the

assumption that implies a positive relationship between corporate culture and organisational performance, success and growth (Martin, 1992). This was greatly influenced by a perception that organisational cultures played a main role in the success of Japanese companies at that period of time (Chung-Ming and Hang-Yue, 1996). This should not be taken to imply that there is a consensus on the meaning and the relevance of the concept; however, rather the last two decades have witnessed a widespread debate, and considerable disagreement, about what organisational culture is; whether it can be easily adapted, controlled and managed; and what influence on performance it may have.

Since its appearance in the management literature, the construct of organizational culture has been defined in a number of ways (DeForest, 1994). In general, organizational culture is made up of a common understanding and things that are shared among organizational members (Chung-Ming and Hang-Yue, 1996; Erez and Earley, 1993). These shared things include, but are not limited to, philosophies, ideologies, values, assumptions, expectations, perceptions, norms, sayings, behaviour, heroes, and traditions (Schein, 1992). Martin, (2001) summarized all cultural manifestations as practices, artefacts, and content themes. Practices can be defined as rules, procedures, and norms of an organization, and can be either formal or informal (Chung-Ming and Hang-Yue, 1996). Some people regard an organization's rites, ceremonials, and rituals as organizational culture (Peak, 1993; Trice and Beyer, 1984). These are often called artefacts (Schein, 1992), and are subject to symbolic interpretations. Some researchers view organizational culture as control and exchange mechanisms (Jones, 1983; Wilkins and Ouchi, 1983) and a source of sustained competitive advantage (Barney, 1986; Fiol, 1991). To other organization scientists, culture is a pattern of basic beliefs, assumptions, and values shared by organizational members (deal and Kennedy, 1982; Schein, 1992). These values should be related to the values of the BSC in order for the adoption process to succeed, as shown in Table 4.3.

The approach taken by Hofstede (1980) in measuring national culture emphasizes the values and meanings, which underlie a particular culture. This is consistent with a majority of definitions and conceptualizations of culture over the years (Blackburn and Rosen, 1993; Brown and Humphreys, 1995; Scher and Ciancanelli, 1993). Organizational culture, by contrast, is considered to be of a different nature with a greater emphasis placed on the role of practices across organizations such as rituals, heroes and symbols (Hofstede 1991, p. 181). When comparing national cultures Hofstede (1980) found considerable differences in terms of values compared with practices, while, when comparing organizational cultures across ten different organizations, Hofstede et al. (1990) found considerable differences in practices but much smaller differences in values. Hence, Hofstede (1991, p.181) defines organizational culture as the manifestation of practices/behaviours evolving from the shared values in the organization. Support for this view comes from Schein (1985) who defines organizational culture as a pattern of assumptions that underlie the values and determine not only behaviour patterns, but also such visible artefacts as architecture, office layout, dress codes, etc. Similarly, Pratt and Beaulieu (1992, p. 669) define organizational culture in terms of unobservable values shared by the members of a definable organizational unit or subunit, which manifest themselves in the practices of the cultural membership.

Furthermore, in a study of accounting firms in the U.S., Pratt and Beaulieu (1992, p. 680) found that power distance related to distinct organizational cultures based on firm size and technology, employee rank and functional area. These results supported their suggestion that power distance is operational at the organizational culture level since it reflects both the culture's values and perceived practices (Pratt and Beaulieu 1992, p. 671). In short, these findings suggest that Hofstede's measure of power distance is meaningful in comparing organizational cultures and therefore can be considered of operational value for the purpose of comparing the organizational culture of the research context, the Egyptian fertiliser industry. At the organizational culture level, selection and socialization are highlighted as two important practices that both result from, and give rise to, the organization's shared

practices and values (Schein 1985; Hofstede 1991, p. 201; Pratt and Beaulieu, 1992, p. 669). In particular, those shared practices and values that relate to a preference for a particular leadership style are expected to be measurable in terms of the level of power distance in the organization (Triandis 1989). Hence, any difference in the power distance between organizations should be observable in terms of differences in the selection and socialization practices (Deming, 1986; Harrison 1993).

Martin (1992) highlights three perspectives employed by researchers to study organizational culture. These three perspectives (integration, differentiation, and fragmentation) differ in their assumptions and hence methods used to study culture. Chung-Ming and Hang-Yue, (1996), Martin (1992) argue that none of these three perspectives alone is sufficient to explain organizational culture. They are in fact complementary perspectives (Cowherd and Levine, 1992; Gutierrez, 1993). Often one's perceived strength is another's weakness (Martin, 1992). Thus, a multi-perspective approach should be adopted to study culture (Chung-Ming and Hang-Yue, 1996). The strength of using a multi-perspective approach in organization studies is obvious (Stewart and Bennett, 1991). Martin (1992) successfully demonstrated the advantages of analyzing an organization using three perspectives together.

In addition, there are many definitions of organizational culture in both the functionalist and interpretive paradigms (Goddard, 1997; Pizam et al., 1997; Suutari, 1996). With the former, culture can be viewed as something that can be objectively determined and measured (Goddard, 1997). Organizational theory then has been heavily influenced by systems and contingency theory, and organizational culture has been seen as a variable. Smircich, (1983), Deal and Kennedy, (1982), and Peters and Waterman, (1982) categorise such approaches into those which treat culture as an internal variable, when culture is viewed as something which can be managed and therefore changed by corporate managers. In addition to those which treat culture as an external variable which is imported to an organization by its members and cannot be easily changed by corporate managers (Goddard, 1997). The external variable

most commonly researched has been that of national culture (Hofstede 1980; Pascale and Athos, 1981). Reynolds (1986) has developed a method of analyzing organizational culture which draws upon both the internal and external aspects.

Previous research also suggests that organizational culture is not homogenous (Hall and Hall, 1990; Jennifer, 1997; Thomas and Velthouse, 1990; Trompenaars, 1994). Gregory (1983) suggested that most researchers have emphasised the homogeneity of culture and its cohesive function rather than its divisive potential. She suggests organizations are more accurately viewed as multicultural, comprising multiple groups with different occupational, divisional, ethnic, or other cultures. Ayman and Chemers, (1983), Boyacigiller and Adler, (1991), and Morris et al., (1994) found evidence of multiple cultures. More specifically, Kakabadse (1982) found hierarchical differences in culture of social services departments in local government organizations. He suggested the different managerial focus of each level leads to different cultures. For instance, senior managers whose primary objective is strategic development would display a power culture whereas middle managers' objectives are concerned with the need to maintain the departmental organization and would display a role culture. Junior managers' objectives concentrate on getting the job done and therefore display a task culture. Bass, (1990a, b), Goddard, (1995), and Safranski and Kwon, (1987) emphasise clear evidence of multiple cultures.

So, one can encapsulate the preceding discussions about organizational culture concepts as follows; according to Geert Hofstede ... "attributing a distinct culture to a company or organization has become extremely popular. However, organizational cultures are a phenomenon of a different order from national cultures,... national cultures differ mostly at the level of basic values while organizational cultures differ mostly at the level of the more superficial practices: symbols, heroes, and rituals" (Hofstede, 1994; p. 181). The relevance of this often-neglected differentiation is further underlined by (Barkema et al. 1996). Organisational culture can be thought of as a pattern of basic assumptions and beliefs, developed by a given social group throughout its history (Cabrera et al., 2001). Organizational culture comprises a set

of social norms that implicitly define what appropriate or inappropriate are behaviours within the boundaries of the organization (Schein, 1990). Organizational culture is not necessarily homogeneous across all areas of the organization (Cabrera et al., 2001). While some of the norms will permeate the entire organization, different groups within the organization might develop their own sub-cultures (Schein, 1990). Assessing an organization's culture is not an easy enterprise, due in part to the fact that the actual underlying values and norms do not necessarily correspond with the officially espoused ones, not even those espoused by the top executives (Hofstede, 1991). It is obvious that organisational culture remains an elusive concept, fuelling diverse and competing perspectives. The aim of this part is not to question whether or not a particular concept of organisational culture is, in fact, correct. The main aim is to highlight the complexity and sensitivity of the organisational culture construct, particularly when examining its relationship with other factors, such as the adoption of Western management vehicles (the BSC).

UNITARISM VS. PLURALISM

According to Provis (1996), unitary assumptions about organisational culture refer to the unitary theory of industrial relations. This suggests that every work organisation is an integrated and harmonious whole existing for a common purpose. It has been associated notably with the rise of human resource management and other ideas such as "TQM" and "Customer Focus" that often seek to create and maintain 'strong' organisational cultures as a way to increase effectiveness and competitiveness (Al-Sarhani, 2004). This assumption has proven to be attractive, not least for its theoretical simplicity (Jones, 2000; Provis, 1996). Despite this, however, the unitary assumption has been criticised for its tendency to provide an unrealistic view of organisational culture. Jones (2000), for instance, argues that since Unitarism looks at differences (e.g. conflicts, disarrangements, and disputes) in an organisation as something to be avoided, it attempts to line people up behind a common vision, core values, harmonious interests and consistent purposes. Similarly, Willcoxson and Millett (2000) argue that since unitary assumptions

perceive the existence subcultures to militate against effectiveness, they should be eliminated via strong, top-down leadership.

Unlike Unitarism, pluralism advances the view that organisations are composed of various interests groups; that they are exposed to different internal and external influences, and that members respond to these influences or factors differently (Al-Sarhani, 2004; Jones, 2000; Provis, 1996). Although it is originated in broader social and political theory, pluralist thinking has been drawn in to industrial relations as a means of conceptualising the conflict of interests between employees and employers (Provis, 1996). Articulating a pluralist view, Quinn and Rohrbaugh (1983) have developed their Competing Values Framework (CVF), emphasising the existence of cultural diversities and subcultures within organisations. In this framework, they acknowledge that some members may seek stability and control, while others encourage adaptability and flexibility. Since it considers cultural differences and subcultures within work organisations, pluralism has been argued to offer a more realistic insight into cultural than unitarism (Al-Sarhani, 2004). In addition, pluralist thinking has been argued to help managers to understand and manage their organisations better than unitary assumptions. In pluralist thinking, subcultures and cultural diversities are not sources of disruption that need to be eliminated (Al-Sarhani, 2004). Rather, subcultures and cultural diversities are inevitable and sometimes innovative, although they need to be carefully managed.

TYPES OF ORGANIZATIONAL CULTURES

Because the concept of organizational culture is vague and intangible (Huczynski and Buchanan. 1991), there are innumerable ways to describe the content of culture (Cooke and Rousseau, 1988). Thus, few writers have attempted to classify or label types of culture (Hood and Koberg, 1989; Yukl, 1981). Cooke and Rousseau (1988) identified a 12-dimensional model of organizational culture, but do not derive a typology of cultures from the model (Alder, 2001). Deal and Kennedy (1982) identified four cultural types based on the amount and frequency of feedback and risk-taking in the organization: (1) tough-guy macho, (2) work hard–play hard, (3)

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bet your company, and (4) process. However, these cultural types are not well defined and no instrument for measuring them is provided (Alder, 2001). Petrock, (1990) similarly proposes a typology of four cultural types: (1) clan culture, (2) adhocracy culture, (3) hierarchy culture, and (4) market culture. However, it is unclear how these dimensions were derived (Alder, 2001). Wallach (1983) identified and clearly defined three separate, measurable organizational cultures: bureaucratic, innovative, and supportive. Hofstede et al. (1990) empirically derived a six-dimensional model of organizational cultures. This model is considered useful typology that overcomes many of the weaknesses associated with other models (Alder, 2001). We will now review Hofstede's six organization–culture dimensions and their compatibility with the BSC, as shown in table 4.3. More specifically, in one of their studies, Hofstede et al., (1990) assessed the values and perceptions of daily practices of employees from 10 different organizations, five in Denmark and five in the Netherlands. A major finding of this research showed that, independently of observed national culture differences (which corroborated the results of an earlier study by Hofstede, (1980, 1983b), organizations varied in the way their practices were perceived by their respective members. In-depth statistical analyses revealed six main dimensions of cross-organizational variability: (1) employee vs. job orientation, (2) parochial vs. professional identity, (3) open vs. closed communication system, (4) loose vs. tight control, and (5) normative vs. pragmatic mentality, (6) process vs. results-orientation.

(1) EMPLOYEE OR JOB ORIENTATION

The employee vs. job orientation reflects whether the organization is more concerned with the well-being of the person or with getting the job done (Cabrera et al., 2001). Groups or committees often make the important decisions in employee-oriented cultures, and an effort is made to help new members adjust (Hofstede, 1991). On the contrary, job-oriented cultures tend to rely on individual, top-down decision making (Hofstede, 1994). A dimension with which one can analyse organizations is its employee orientation (Hofstede, 1991).The absence of a sense of mutual commitment between employees and management undermines chances of

the success of the adoption of change (Evkall and Arvonen, 1991). Workers must perceive that the organization takes some responsibility for their personal and family welfare and feel that their personal problems are not being neglected (Hofstede, 1994). Note that the creation of a family spirit is continuously a condition for the adoption of change (Abdullah and Keenoy, 1995).

The basic idea underlying change's personnel policies is that labour is an asset to be taken care of (Kaplan and Norton, 2001a). Therefore, large companies often offer their core workforce security of tenure as well as the opportunity to participate in the company's financial gains (Recht and Wilderom, 1998). A crucial point in this respect relates to the promise not to lay off employees (Brown and Humphreys, 1995). Certain aspects should be basically generated, such as long-term firm loyalty, identification, and mutual trust. Creating a sense of belonging and shared fate foster employee commitment (Recht and Wilderom, 1998). Consequently, they are willing to interchange or apply their knowledge and experience without restrictions (Hofstede, 1994). The aforementioned perception of a common fate is a central point for developing some sense of change commitment on the part of the employees. Clearly, organizations in which the relation between employees and management have eroded, or where the common perception among the former is that the company is only interested in their productive capacity, should overhaul their policies before adopting of the BSC (Kaplan and Norton, 2001b).

(2) PAROCHIAL OR PROFESSIONAL ORIENTATION

The parochial vs. professional dimension reflects the weight that is given to the occupational cultures of the members of the organization (Cabrera et al., 2001). In parochial organizations, employees identify strongly with their organization, whereas in professional cultures employee identifies more with their profession (Hofstede, 1994). In hiring new employees, parochial organizations rely on social and family background information, whereas professional cultures hire on the basis of job competence alone (Hofstede, 1994).

In other words, employees that derive their work identity primarily from their type of job share a non-parochial or professional orientation (Hofstede, 1991). The parochialism and family spirit present in large companies make employees derive their identity largely from the organization (Brown and Humphreys, 1995). Security of tenure, seniority wages, and company welfarism foster such an identity (Abdullah and Keenoy, 1995). Additional efforts seem to be needed to adopt change in a company with a highly professional culture (Recht and Wilderom, 1998). Under such circumstances, long-term incentives, both financial and non-monetary, seem to be necessary for change to be successful (Kenney and Florida, 1995).

(3) OPEN OR CLOSED SYSTEM

An open or closed system refers to the communication climate within the organization (Cabrera et al., 2001). In open system culture information flows easily through the organization, whereas closed cultures are more secretive (Cabrera et al., 2001). The flow of information, particularly within the different groups, has to be open and unrestricted along both the vertical and horizontal axes (Hofstede, 1994). The social distance between workers and supervisors should be minimal (Humphrey, 1995). The best ways to do this is to exploit the potential for teamwork, and make active use of knowledge of the workers (Recht and Wilderom, 1998). Change cannot bear fruit if effective communication is lacking (Nicholls, 1988 a, b). Interpersonal relationships must be characterized by mutual confidence and trust and the free flow of information (Recht and Wilderom, 1998). Without trust, the existent links degenerate into conflict (Hofstede, 1991). Lack of information, on the other hand, arouses suspicion, generates underutilization, and results in counterproductive responses (Kenney and Florida, 1995). So, one can say that lacking the required communication climate may deteriorate success.

(4) LOOSE OR TIGHT CONTROL

Organizations also vary in the amount of control they exert over individuals (Cabrera et al., 2001). Tightly controlled cultures, for example, may observe strict meeting times and show a strong cost-saving consciousness (Hofstede et al. 1990).

Loose control organizations are more permissive about individual's preferences (e.g., public jokes about the company are accepted) (Cabrera et al., 2001).

Change aims at getting the best of both human and materials resources (Kaplan and Norton 2001b). Human as well as material waste should constantly be reduced by improvements in labour and process productivity (Recht and Wilderom, 1998). No one can seriously expect a change to be adopted where control is loose and performance standards are pursued reluctantly (Kaplan and Norton, 2001a). The latter two traits characterize many Egyptian public bureaucracies (Abd-Elgadir, 2003). There should be a combination of high involvement, self-controlled individuals, in order to contribute freely to enhance the company's effectiveness (Recht and Wilderom, 1998). It is difficult, if not impossible, to draw interesting or valuable suggestions from an unmotivated workforce (Hofstede, 1991). Can we therefore conclude that change is only effective in highly controlled organizational settings? The answer depends on what we mean by high control. The type of control assumed in change settings is a combination of top-down management and bottom-up involvement (Kaplan and Norton, 2001a). In a change-oriented environment control is tight and everywhere, but neither centralized nor exclusively top down (Kaplan and Norton, 2001b). The BSC, thus, seems to need empowered employees who express a great degree of concern for the reduction of waste of organizational resources of all kinds. Moreover, an employee- and long-term orientation, as well as communication openness, will foster empowerment, a condition for the BSC' success.

(5) NORMATIVE OR PRAGMATIC ORIENTATION

Organizations vary in their degree of conformity to institutional pressures (Cabrera et al., 2001). Pragmatic cultures are more market driven and are open to ad hoc solutions (Hofstede, 1980), while normative cultures are more concerned with following institutional rules (Hofstede, 1991). Meeting customer needs is a main objective in pragmatic cultures while normative cultures are more interested in adhering to the correct procedures way of obtaining legitimacy (Hofstede, 1991).

Should personnel who are willing to adopt change be extreme pragmatists or should they share a common normative inclination? (Recht and Wilderom, 1998). The answer is not as straightforward as the question presupposes. Change requires a collective drive among workers, a strong attitude or norm that endorses and generates organizational change (Safranski and Kwon, 1987). At the same time, one has to have a pragmatic mind when continuously searching for improvements in common work practices (Recht and Wilderom, 1998). One could therefore speak of a pragmatic kind of mindset as typical for an organizational culture where change thrives.

(6) PROCESS OR RESULTS ORIENTATION

Process vs. results orientation refers to whether an organization is more concerned with the means and procedures that must be followed to carry out the work or with the goals that are pursued with that work (Cabrera et al., 2001). Process orientation is typical of mechanistic or bureaucratic organizations rich in rules and procedures (Hofstede, 2001), whereas results orientation is typical of risk-taking organizations, in which mistakes are well tolerated and innovation is valued (Hofstede, 2001). Employees in participating BSC should be process-oriented (Recht and Wilderom, 1998). At the same time, however, change is quite result oriented. Even small gains should be appreciated by firms truly engaged in change (Kaplan and Norton, 1996). Hence, an organizational culture that is only result-oriented would not immediately meet the criteria needed for change to thrive. Similarly, an existing organizational culture which is process-oriented, such as most public organizations (Kaplan and Norton, 2001a), would also need more changes to become result-oriented in order for change to have the desired impact (Recht and Wilderom, 1998).

At the end of this section, one can stress that organisational culture has the potential to have a strong impact on the adoption of the BSC. It is argued that a sound organisational culture can override any national differences (Colins and Porras 1994). Organisational structure, as a part of organisational culture, affects the role of change when implementing strategy (Pugh, 1993). A decentralised organisation,

which relies on trust and autonomous decision-making for success, would implement it in an entirely different way to a centralised organisation that relies on a top-down process of instructions and implementation throughout its hierarchy (Mooraj et al., 1999). In addition, adopting a change contradicts, an organisational culture creates confusion throughout and presents difficulty with both formal and informal management systems (Bennis and Nanus, 1985, Pugh, 1993). Adopting it should therefore correspond not only to an organisation's formal strategic approach, but also to the various informal cultures to which it is host.

The preceding section - about the organisational culture - is very useful in pursuit of the research aim which seeks "to explore the influence of culture within the context of the Egyptian fertilizer industry, as being part of a non-Western culture, on the adoption of the BSC, as a typical Western change vehicle" (see Chapter 7 for more details). It is also of assistance in considering the research objectives which are "to develop an in-depth understanding of the underpinning cultural drivers and enablers; to investigate the influence of any differing cultural aspects" (see Chapter 7 for more details). The relationship between the organisational culture elements and the BSC values are shown below.

Table (4.3) The relationship between the organisational culture elements and the BSC*

The BSC Values	The BSC-relevant dimension	The American Culture	The Egyptian Culture
(1) It is a continuous effort, not a one-time event which would be a recipe for failure *(Olve et al. 1999).*	A combination of process and results orientation	Results orientation	Process orientation
(2) It is a participative approach to maximise the acceptance and commitment *(Lipe and Salterio, 2000)* as employees' empowerment will inspire greater ownership *(Davis, 1996).*	Employee orientation, Tight control	Employee orientation, Tight control	Job orientation, Loose control
(3) It is a strategic orientation based vehicle, which tells the story of an organisation's strategy *(Heinz, 2001).*	A combination of process and results orientation	Results orientation	Process orientation
(4) It is based upon a detailed elaboration *(Brown, 1994, 1996; Creelman, 1998; Heinz, 2001; Kaplan and Norton, 1996, 1997),* as it	Open system, Tight control	Open system, Tight control	Closed system, Loose control

would cause significant problems if the recommendations were too general *(Weber and Schaffer, 2000)*.			
(5) It is essential that functional lines of authority are clear, as otherwise cross-functional conflicts between managers could arise *(Kaplan and Norton, 1992; Letza, 1996)*.	Tight control	Tight control	Loose control
(6) It is a holistic and multidimensional vehicle, and also it is stakeholder-focused (employees, suppliers, the environment, and customers) *(Atkinson et al., 1997)*, as improvement goals randomly negotiated rather than being based on stakeholder requirements is a recipe for failure *(Norreklit, 2000)*.	Pragmatic orientation, Professional orientation	Pragmatic orientation, Professional orientation	Normative orientation, Parochial Orientation
(7) It is based upon top-down alignment and commitment & bottom-up feedback, making it a double-loop learning vehicle *(Balkcom et al., 1997)*.	Open system, Tight control	Open system, Tight control	Closed system, Loose control
(8) It is clearly a dynamic and flexible tool, and its contents may change over time, as strategies develop and key success factors change *(Bititci et al, 1997; Blossom and Bradley, 1998; Parker, 2000; Sarkis and Sammunt, 2000)*.	A combination of process and results orientation	Results orientation	Process orientation
(9) It is not simple, as it involves modifying the power of people *(Lobo et al., 2000)*.	Tight control	Tight control	Loose control
(10) It is a value-creation vehicle & enhances bottom-line results. It understands the relationship between internal value-adding processes (core competencies) and delivery of business outcomes *(Quinlivan, 2000)*.	Employee orientation, A combination of process and results orientation	Employee orientation, Results orientation	Job orientation, Process orientation
(11) It highlights trade-offs and thus brings increased transparency, which may be threatening for some managers *(Epstein and Manzoni, 1997; Kaplan and Norton, 1996; Norreklit, 2000)*.	Open system	Open system	Closed system
(12) It encompasses qualitative non-financial and quantitative financial measures, as not all measures can be quantified *(Schneiderman, 1999)*, so it focuses on the future and the past *(Clarke and Tyler, 2000; Senge, 1990)*.	A combination of process and results orientation	Results orientation	Process orientation
(13) It should be reviewed regularly *(Amaratunga and Baldry, 2000; Edwards, 2001; Tate, 2000)*.	Open system, Tight control	Open system, Tight control	Closed system, Loose control
(14) It is a management vehicle based upon facts, not emotions *(Norreklit, 2000)*.	Professional orientation	Professional orientation	Parochial Orientation

*Cross table (4.2)

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As stated before, the BSC values shown above (see figure 3.1 for more details) are mostly derived from literature. Analysis of table 4.3 proposes that the BSC suits American organisational cultures more than those of Egyptian cultures. This will be the centre of interest of Chapter 8.

In the next section, the study focuses on the interaction between national and organisational cultures. It tries also to identify where they overlap.

4.4 THE INTERACTION BETWEEN NATIONAL AND ORGANISATIONAL CULTURES (CULTURAL OVERLAPPING)

Since employees, as carries of their national/societal cultures, bring part of these cultures with them into organisations, organisational culture is also influenced by national cultures (Al-Sarhani, 2004). In other words, national cultures affect organisational cultures by shaping members values and norms, which, in turn, influence both institutional structures and the practices of organisations. In fact, the influence of national cultures on organisations has received a great attention in the literature (e.g. Al-Sarhani, 2004; Doktor, 1990; Hofstede, 1991, 1994; O'Connor, 1995). However, as most of these studies are cross-cultural, they often focus on comparisons between national cultures and their organisations. They use national or geographical boundaries to represent overly broad units of analysis, sharing a universalistic view of national culture. Using the nation state as a unit of analysis is overlooking differences that exist within the country. This tendency to examine national cultures as a homogeneous culture has lead to an assumption that national culture can have universal and uniform influences on organisations that operate in the same nation or country (See Chapter 8 for more details).

National culture plays an important role in shaping an organization's culture (Adler and Jelinek, 1986; Doktor, 1990; Hofstede, 1991; O'Connor, 1995). Adler and Jelinek (1986) noted that many researchers seem blind to the societal context within which any organization's culture must exist. Management must recognize the national culture within which the organization is embedded and evaluate its impact

on the organization (O'Connor, 1995). The impact of national culture can be reflected in a number of ways, ranging from the behavioural constraints imposed on organizations by the environment within which it must operate to the cultural mentality and habits of organizational members (Chung-Ming and Hang-Yue, 1996). As suggested by Hofstede (1991), the interaction between national culture and organizational culture can be much more complex. Hofstede (1991) argued that national level cultural differences reside mostly in values, less in practices, as argued before. At the organizational level, however, cultural differences reside mostly in practices, less in values (Rosenzweig and Nohria 1994). From an empirical study of twenty units of ten European organizations with similar cultural values, using both qualitative and quantitative techniques, Hofstede et al. (1990) showed that there were some relationships between national cultural values and organizational practices.

Most of the cross-cultural research to date has examined the influence of national culture in terms of what management style is perceived as being culturally appropriate (Harrison, 1993). The factors which influence this cultural appropriateness range from child rearing practices, education and interaction with the social environment (O'Connor, 1995). It is possible that perceptions of management style in terms of power distance can be influenced at the organizational level (Pratt and Beaulieu, 1992). In short, a cultural preference for a particular management style may be created at an organizational or national level (Hofstede, 1994). As such, it would be useful to examine the relative strength of each national culture at the organizational level in terms of their influence on management practice (O'Connor, 1995; Pratt and Beaulieu, 1992). This interaction between national and organizational culture is possible if the actual interaction structures (organizational culture) show effects of the national culture. While Hofstede et al. (1990) showed that practices were more important than values in explaining differences across organizations; they found that the measurement of both might be associated, especially in terms of the cultural dimension of power distance, as an example. They (Hofstede et al., 1990) found that the organizational culture dimension (discussed in

details earlier) (e.g. process versus results orientated) both resembled and correlated with power distance. Larger power distances were associated with process orientation (a concern with the means of achieving organizational goals) and smaller ones with results orientation (a concern with the goals themselves) (O'Connor, 1995). So, the BSC values that have been identified before (see Tables 4.2, 4.3 for more details) should consider the national culture, organisational culture, and the interaction between them, as a recipe for success. The following are examples that show the significance of both national and organisational cultures in a business environment:

- National and organisational cultures both give staff a sense of identity that may improve loyalty and then performance (Bjerke, 1999);

- They both offer insight into other people; how they act and behave in some specific situations (Harris and Moran, 1987);

- They are both useful when incorporating the subcultures of an organisation so any incompatibility may be kept to a minimum level (Al-Sarhani, 2004). This is particularly important when these subcultures could have either a positive or negative effect on the organisational objectives and the communications;

- They both give the front-line employees the opportunity to be involved in this kind of change project (Harris and Moran, 1987), which improves the chances of minimizing possible resistance to this organisational change.

- They are both useful in comparative studies (Bjerke, 1999). They are also useful in encouraging top management to practice the principles of leadership (Bjerke, 1999).

- They are both helpful when enabling the staff to understand the diversity of the markets' needs (Mooraj et al., 1999).

4.5 HOFSTEDE'S MODEL: A CRITICAL PERSPECTIVE

Several methods have been devised to conceptualize and assess organizational culture include those by Schwartz (1999), Trompenaars and Hampden-Turner (1997), (Kluckhohn and Strodtbeck, 1961 cited by Dickson et al., 2003) and those developed in the GLOBE study (House et al., 1997). Here in this study, the frame of

reference developed by Geert Hofstede is used to analyse cultural phenomena. "Culture Consequences" of the latter is one of the most famous cross-cultural studies (Al-Sarhani, 2004). In this study, Hofstede (1980, 1984, 1991, 2001) attempts to differentiate between 40 (increased later to 50) national cultures by developing four cultural dimensions (developed later to five), as argued before in sections 4.2 and 4.3. The study, on a pragmatic level, justifies this choice on the basis of:

- This framework is relatively easy to map onto organizational issues and is therefore useful for understanding and managing change (Cabrera et al., 2001), and

- Because there are commercially available tools that allow practicing managers to apply this framework at a relatively low cost in real settings (Cabrera et al., 2001).

In addition, to achieve the research objectives the Egyptian culture itself must be explored. Hofstede's (1984a) five-dimensional approach to culture will be used as the basis for this exploration for several reasons.

- Firstly, his research related to work-related values, and his definition of culture (as discussed earlier) relates to "the collective programming of the mind which distinguishes the members of one [nation]... from those of another... [which] becomes crystallized in the institutions" (Hofstede, 1984, p. 82) suit this research's requirements where emphasis is on exploring the influence of non-Western culture upon the adoption of Western change vehicle, the BSC.

- Secondly, Hofstede's work "has inspired a great improvement in the discipline by specifying a wide-ranging theoretical model which serves to coordinate research efforts" as Redding (1994, p. 337) notes in his own wide-ranging review of culture research; in turn, this research requires a wide-ranging model to compare cultures in more than on country.

- Hofstede's approach was chosen mainly because it sharply differentiates between national and organizational cultural components (Recht and Wilderom, 1998).

- On top of that, the most widely recognized (as well as strongly criticized) culture dimensions are undoubtedly the ones described by Hofstede (1980, 2001). Hofstede's (1980) well-known original study was based on a survey among IBM managers and employees in over 40 countries, as shown earlier in this chapter. Later research also includes other countries and different samples (e.g., Hofstede, 2001).

While most cross-cultural researchers praise Hofstede's work for its insight, comprehensiveness, simplicity, choice of informant population (control across 50 countries) and managerial applicability (Pizam et al., 1997), some criticize it for the following weaknesses:

- The assumption that national territory and the limits of the cultures correspond. In today's world many countries such as Belgium, Canada, Switzerland, USA, possess a range of national/ethnic cultures. Therefore, cultural homogeneity cannot be assumed (Baskerville, 2003).

- Not all important dimensions are represented. This was indeed recognized by Hofstede himself who jointly with Bond (Hofstede and Bond, 1988) added a fifth dimension called Confucian Dynamism (Short or long-term orientation) (see section 4.2 for more details).

- In the masculinity/femininity dimension too much emphasis was put on sexism while the dimension highlighted many additional aspects such as materialism, assertiveness, etc (Baskerville, 2003).

- The individualism dimension appears to be defined primarily in relationship to the private self, as opposed to one's family. Some cultures can espouse individual loyalty to the family (which in some cultures is an extension of the self) but not to one's work place. Are these cultures therefore individualist or collectivist oriented? (Pizam et al., 1997).

- The research itself was culture bound. The results reflect the methodology used and therefore are culturally biased (Pizam et al., 1997).

- The subjects in the study were all employees of one company (IBM) in a single industry (computer hardware/software) and may not have been a representative sample of the populations in each of the 50 countries (Mead, 1994: pp. 73-75).

- More specifically, Hofstede's model grouped Arab countries in one cluster (Brown and Humphreys, 1995).

- But above all one should note that Hofstede made a quantum jump between work-values and organizational behaviour. Though he measured values—by asking people to rate the desirability of certain factors at work—he assumed a direct relationship between the presence of these values and the existence of certain managerial practices and work behaviours (Pizam et al., 1997). This assumption cannot be taken for granted and needs to be carefully examined and empirically tested (Baskerville, 2003). For example, because in high power cultures people value strong leadership (i.e. benevolent autocratic) one would assume that most organizations in such cultures will be actually managed in an autocratic manner; though, in a theoretical model, values affect attitudes, which in turn affect behaviour (Leavitt and Bahrami, 1988).

In addition, there may be regional cultural variation within a particular culture, especially if that culture is large and complex (Goodman, 1992). Indeed, Hofstede (1991) proposes that the same dimensions that were found to differentiate among national cultures apply also to subcultures within countries. Clark (1990), too, raises concerns when he states that the nation has been used as a proxy for culture because it is easy to define and delimit, whereas, in reality, culture is border free. Although the literature on cross-cultural research distinguishes between national culture and subcultures within a country, international management research, in practice, typically has not made such a distinction (Samiee and Athanassiou 1998). Despite the extant warnings, and perhaps out of convenience, international studies often employ a country-based definition of culture (Bigoness and Blakely 1996; Doney et al., 1998; Schneider and De Meyer 1991; Erez and Earley 1987). Nonetheless, simply because national boundaries are easy to identify does not make them an appropriate variable for segmenting behaviour. Differences in behaviour that are

culturally based would exist even if the world were not organized into nation states (Lenartowicz et al., 2003). These differences are due not to mechanical or controllable factors but to the life experiences of the people from within those cultures (Farley and Lehman 1994). The result is that cultural factors are only loosely related to the nation state. Furthermore, few large countries are culturally homogeneous and many—such as Belgium, Canada and India—are visibly or even legally multicultural, a fact that may cause systematic within country measurement differences (Calatone et al., 1985). However, cross-cultural scholars have begun to examine empirically the issue of intra-country cultural variation. Kahle (1986) and Muller (1989) identified distinct regional subcultures in the US and Canada based on differences in values. Kahle found that the "sense of accomplishment" value, for example, which is strongly related to individualism, has a range of variation of almost 8% across US regional cultures. Also, (Lenartowicz et al., 2003) identified subcultures in Bulgaria, Germany and China based on differences in values.

On top of that, Hofstede's cultural dimensions are criticized for not actually measuring culture because he separated subjects by nationality rather than culture, and cultures do not necessary equate to nations. It has also been suggested that, given the proxies used, Hofstede was measuring socio-economic factors rather than culture (Bittlestone, 1994; HassabElnaby and Mosebach, 2005). Although Baskerville, (2003) considers (Hofstede, 1980) "more than a super classic," she presents arguments as to why Hofstede did not measure culture. One argument made is that sociology and anthropology rejected Hofstede's dimensions because they actually measured the socio-economic make-up of a nation instead of the culture (HassabElnaby and Mosebach, 2005). Baskerville, (2003) suggests that although the "mainstream social sciences" have abandoned reliance on Hofstede's work, ". . . it fulfils a particular need in the areas where it is used." One of these areas is change (Chow et al., 2001; Schultz and Lopez, 2001). The discussion of whether (Hofstede, 1980) actually measured culture or a nation's socio-economic dimension is beyond the scope of this study. To sum up this section, it is important to note that, though widely used, Hofstede's work has received substantial criticism (Dickson et al.,

2003). For instance, according to critics, Hofstede presents an overly simplistic dimensional conceptualization of culture; the original sample came from a single multinational corporation (IBM). He considers the commonality in religion and language accurately represents the Arab national culture, assuming that Arab countries are culturally identical. Accordingly, he combined and grouped Arab-speaking countries including Egypt in one cluster. His work ignores the existence of substantial within-country cultural heterogeneity (Dickson et al., 2003), and culture changes over time rather than being static as suggested by the dimensions (e.g., Sivakumar and Nakata, 2001). So, it is by no means universally acknowledged. Notwithstanding these points of criticism, Hofstede's work has had a major influence. It suits this research's requirements where emphasis is on exploring the influence of non-Western culture upon the adoption of Western vehicle, the BSC. In the next section, the second stage of development of the conceptual framework of the study is illustrated. This framework is largely based upon both the research aim and objectives, and the adopted Hofstede's model (see figure 4.1).

4.6 THE DEVELOPMENT OF CONCEPTUAL FRAMEWORK (SECOND STAGE)

This framework is largely derived from the literature concerning the research aim and the research context. It is a model which is of great value in obtaining the central research aim which involves exploring the influence of non-Western culture on the adoption of Western vehicle, the BSC within the context of the Egyptian fertilizer industry (see Chapter 7, Section 7.2 for more details). It is developed to contribute to the study by serving the following research objectives (see Chapter 7, Section 7.2 for more details) that involve "*to develop an in-depth understanding of the underpinning cultural drivers and enablers; to investigate the influence of any differing cultural aspects*".

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B

National culture elements

(1) Individualism v. collectivism, (2) Power Distance, (3) Uncertainty Avoidance, (4) Masculinity v. femininity, and (5) Long v. short term

E

F

A

The BSC is typical to other Western change Vehicles, it is the focus of this study

D

C

The interaction between national and organisational cultures (Cultural Overlap)

There are culture differences between the contextual origin of the BSC, American culture and the research context, the Egyptian culture

The BSC, as a Western change vehicle is more acceptable to and easily adopted in the American culture than the Egyptian culture

Organisational culture elements

(1) Employee or job orientation? (2) Parochial or professional orientation? (3) Open or closed system? (4) Loose or tight control? (5) Normative or pragmatic orientation? (6) Process or results orientation?

Figure (4.1) The developing conceptual framework [based on figure (3.3)]

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The framework above is based mainly on a development of the framework which has previously been shown in Chapter 3 (see section 3.5, figure 3.3 for more details). As shown above, it contains six integrated parts. It starts from the point that the first-stage framework - shown in figure 3.3 - has reached (A). It emphasises the BSC as being similar to other management theories and practices; however, it has been chosen for this research context and this thesis because it is distinguished by some unique characteristics. Point (B) illustrates the national culture elements of Hofstede's model (see section 4.2 for more details). These include [(1) Individualism v. collectivism, (2) Power distance, (3) Uncertainty avoidance, (4) Masculinity v. femininity, and (5) Long v. short term]. Point (C) considers the organisational culture elements of Hofstede's model (see section 4.3 for more details). These involve [(1) Employee or job orientation? (2) Parochial or professional orientation? (3) Open or closed system? (4) Loose or tight control? (5) Normative or pragmatic orientation? (6) Process or results orientation?]. Point (D) illustrates the interaction between points (B) and (C) (see section 4.4 for more details). It includes leadership and management styles, senior management commitment etc. Point (E) emphasises that there are culture differences between the contextual origin of the BSC, the American culture and the research context, the Egyptian culture. The result of this analysis is point (F), which in turn emphasises that the BSC, as a Western change vehicle, is more acceptable to and easily adopted in the American culture than the Egyptian culture (this will be empirically discussed in Chapter 8).

4.7 SUMMARY

Concepts concerned with culture at both national and the organisational (corporate or managerial) levels play an important role in any business environment, and both are very relevant to organisations facing globalisation. The concept of organisational culture has developed from the variation of people found in an organisation. It concentrates on values, attitudes, and meanings used by an organisation's members and staff to understand how an organisation's uniqueness develops (Huczynski and Buchanan, 2001). It has been used as a descriptive framework in order to understand organisational behaviour (Meek, 1988). This concept should be linked with

organisational developments and change; guiding leaders in how to make use of culture to adopt a change vehicle such as the BSC. The strength of an organisation's national and corporate culture relies on the homogeneity found among people within it and on their joint knowledge. A well-established organisational culture, in which top management and all employees are carefully selected in terms of appropriate common ways of thinking and behaving, can strengthen their organisational commitment, create better morale, and thus deliver better organisational performance (Furnham and Gunter, 1993). Alignment of organisational and national cultures is one of the most important priorities for success, especially when implementing a new change vehicle in such a developing non-Western culture.

Several methods have been devised to conceptualize and assess organizational culture. The justifications for using Hofstede's model are many. Though widely used, Hofstede's work has received substantial criticism. Hofstede's model for national culture (see section 4.2 for more details) consists of five dimensions (power distance, individualism, uncertainty avoidance, masculinity and long v. short term). At organizational level, six main dimensions of cross-organizational variability have been identified (see section 4.3 for more details): (1) employee vs. job orientation, (2) parochial vs. professional identity, (3) open vs. closed communication system, (4) loose vs. tight control, and (5) normative vs. pragmatic mentality, (6) process vs. results-orientation.

In the following Chapters, 5 and 6, the study will investigate in greater depth the contextual origin of the BSC, the American culture and the research context, the Egyptian culture. In particular, it will discuss cultural patterns, and it will analyze current managerial practices in each culture in that order.

CHAPTER 5:

THE CONTEXTUAL ORIGIN OF THE BSC, THE AMERICAN CULTURE: CULTURAL PATTERNS, AND MANAGERIAL PRACTICES

INTRODUCTION

5.1 AMERICAN CULTURAL PATTERNS

    5.1.1 THE AMERICAN FAIR CONTRACT

    5.1.2 THE ROLE AND STATUS OF MANAGEMENT TECHNIQUES IN THE UNITED STATES

    5.1.3 THE COHERENCE OF AMERICAN IDEOLOGY WITH THE BSC

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    5.2.1 TRANSFORMATIONAL LEADERSHIP

    5.2.2 PERFORMANCE-BASED COMPENSATION SYSTEM

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5.3 SUMMARY

CHAPTER 5

THE CONTEXTUAL ORIGIN OF THE BSC, THE AMERICAN CULTURE: CULTURAL PATTERNS, AND MANAGERIAL PRACTICES

INTRODUCTION

An understanding of the cultural aspects will help the development of effective management practice for that culture (Hofstede, 1984, 1984a, 1991). The study in this chapter investigates in greater depth the contextual origin of the BSC, the American culture. In particular, it will discuss cultural patterns, and analyse current managerial practices. Studying all the characteristics of American culture would be a tedious task and beyond the scope of the study at hand. Therefore, the most salient cultural characteristics are discussed below. They include for example, American fair contract, individualism, transformational leadership, performance-based compensation system, and employee participation and empowerment. Although this list is far from being comprehensive, it includes cultural patterns that have been considered important in describing management practices in American culture (Beugré, and Offodile, 2001).

5.1 AMERICAN CULTURAL PATTERNS

It is commonly accepted that American culture is more complex and fast-changing than most other cultures (Bjerke, 1999). This may be attributed to the size of the country and the fact that it has been developed by a variety of immigrants and their descendants (Safranski and Kwon, 1987; Yukl, 1989b). In American business culture, as in other countries, there is usually a distinction between the corporate or organisational culture of big organisations and that of smaller ones, although they are both part of the national culture (Suutari, 1996; Trompenaars, 1995).

5.1.1 THE AMERICAN FAIR CONTRACT

The proposed image of a "fair contract" characterizes the social relationships in American society (Bourguignon et al., 2004). Everybody is expected to act freely under contracts, which s/he chooses to be committed to, and under a general moral claim to fairness (Brown and Humphreys, 1995). A contract is an agreement between freely engaging persons (Budhwar, 2000). In American

society, freedom is given very high, almost sacred, status (Hunt, 1981). Furthermore, it is advocated the equality and freedom of the individual (Triandis, 1982). Freedom implying that a person's labour belongs to that person unless s/he freely contracts it to someone else (Bourguignon et al., 2004). The purpose of the contract was to regulate and remove conflicts (Dickson et al., 2003). The American concept of fairness emphasises the opportunity which any individual has to work his or her way up from the bottom to the top of the hierarchy (Bourguignon et al., 2004). This hierarchy reflects values (this should be related to the national and organisational cultural dimensions, identified in Chapter 4, sections 4.2 and 4.3), such as work and achievement; anyone who works hard enough (skills being assumed) will be socially successful (Brown and Humphreys, 1995; Smith et al. 2002).

Audi, (1995) observes that fair treatment of the individual is generally associated with (i) appropriate rewards of a person's contribution at work and with (ii) the idea of everybody being treated equally. In principle, the American ideology still favours a society where hierarchies do not depend on birth rights and which is governed by fairness (see Chapter 4, section 4.3 for more details): those who contribute are supposed to be fairly rewarded (Bourguignon et al., 2004). Abstract systems rather than tradition serve to reduce the feeling of uncertainty (The US scores low in this dimension in Hofstede's model), (see Chapter 4, section 4.2 for more details) (Audi, 1995). In addition, by working one's way up through a hierarchy, one reduces uncertainty by gaining security in terms of income, status and belongings (Brown and Humphreys, 1995). The consequence of this concern with fairness is the demand that judgment be based on well-established facts and not on the opinions of authorities (Adsit et al., 1997; Bu et al., 2001; Schwartz 1999). In summary, the "fair contract" is an ideological representation in that it implicitly supports social order, i.e., the construction of hierarchies, authority and obedience and the coping with uncertainty.

5.1.2 THE ROLE AND STATUS OF MANAGEMENT TECHNIQUES IN THE UNITED STATES

In the United States, many management techniques seem to be consistent with belief in the "fair contract" (Hampden-Turner and Trompenaars, 1997). More

specifically, the relationship between a manager and a subordinate at an American company may be perceived as the ideal of a client and a supplier freely entering a contract (Bourguignon et al., 2004). The structure of organizations is seen as an interlocking set of contractual relationships in which great importance is attached to the decentralisation of decision making (Anthony and Govindarajan, 1998, Offermann and Hellmann, 1997). Such a hierarchical contractual relationship may be seen as the idea embedded in decentralized management control (Gomez et al., 2000), where top managers define the overall goals of the companies, which are then deployed to lower levels (see Chapter 4, sections 4.2 and 4.3 for more details). These approaches emphasise the importance given to the definition of goals and objectives at all hierarchical levels and to the methods of evaluation and rewards (Jung and Avolio, 1999; Merchant, 1998), which is consistent with the fact that managing contracts between persons requires methods for measuring and rewarding work and achievement (Bourguignon et al., 2004). The concern with fairness, by which each individual is judged on well-established facts and not on opinions, is consistent with the contractual ideals as is the fact that the activity of monitoring and control is seen as an obvious and positive activity (Anthony and Govindarajan, 1998; Cabrera and Bonache, 1998). It is also compatible with the BSC values. The later is based upon management by facts not by emotions (see Chapter 4, tables 4.2 and 4.3 for more details). In American firms, rewards linked to results go far beyond monetary compensation (Chan and Drasgow, 2001); however and include, job security, promotions, autonomy, and recognition (Merchant, 1998, p. 69). It should also be noted that the American ideology is embedded in U.S. business practice; it is opportunity-seeking, challenging the authority of tradition, which implies that uncertainty has to be managed by the routines and prescripts of expert systems i.e. management systems (Giddens, 1991; Mead, 1994; Phatak, 1997).

5.1.3 THE COHERENCE OF AMERICAN IDEOLOGY WITH THE BSC

As was noted, the BSC with its focus on performance measurements and rewards matches the American ideological concept of the fair contract (Adler and Kwon, 2002; Bourguignon et al., 2004). The contribution and achievement of the individual is measured through a wide range of quantitative measurements

assumed to be objective and describing the features of the contract (Eby and Dobbins, 1997), which offers a major basis for rewards and which ensures, at least apparently, that the achievements are evaluated on the basis of fair rules (Anthony and Govindarajan, 1998). The focus on performance measures and rewards may play an important role in creating hierarchies and making people obey in an ideological environment, such as that of the United States, with democratic ideals and without 'birth-right' hierarchies (Bourguignon et al., 2004; Pillai and Meindl, 1998). Furthermore, the focus on performance measures and rewards is consistent with the American ideology, which emphasises the opportunity which any individual has to be socially successful, working his or her way up from the bottom of society to the top (Giddens, 1991; Schein 2001): it reflects values such as work and accomplishment. However, not only the rewards system itself may create hierarchies and make people obey, but also the rhetoric of the BSC may be a powerful instrument of persuasion for creating hierarchies and making people obey (Bourguignon et al., 2004; Gomez et al., 2000). Thus, although the fairness of the measurements may be questioned (Gibson, 1999), the very ideological assumption of the BSC is that anyone who works hard enough will be fairly evaluated and rewarded (Bourguignon et al., 2004).

As argued above, the BSC is also consistent with the American way of managing uncertainty through abstract systems (Gibson, 1999; Merchant, 1998). The BSC will bring security to those who work their way up through the hierarchy, thus achieving income and status (Bourguignon et al., 2004). Furthermore, the explicitness in the BSC in the form of an underlying strategic concept may be an appropriate way of managing uncertainty as it suggests specific routines to follow (Kaplan and Norton, 2001a) (see Chapter 4, section 4.2 for more details). Similarly, the claim that causality, which is a deterministic concept, is involved in the BSC (Kaplan and Norton, 2001b) as well as the analytical deployment process of goals to lower levels may also reduce the feeling of uncertainty (Hackmann and Wageman, 1995). In addition and given that, the status of management methods is high in the United States; the use of fashionable ones such as the BSC may also reduce the feeling of uncertainty in this environment (Bourguignon et al., 2004). Thus, managers may cope with uncertainty by

adopting what is considered socially acceptable and prestigious behaviour (Rosenzweig and Nohria, 1994; Bourguignon et al., 2004); when managers use a fashionable management method like the BSC, it justifies their profession and consequently reduces their uncertainty (Shane, 1993; Tayeb, 1994). It should also be noted that the rhetoric of the BSC might provide managers with a feeling of security as it optimistically invites managers to go out and do it (Kaplan and Norton, 2001b, Olve et al., 1999), and indicates potential success and consequent beneficial effects on social status (Merchant, 1998).

5.1.4 INDIVIDUALISM

It is generally accepted that American culture is characterised by the stressing of the idea of individualism (see Chapter 4, section 4.2 for more details), which means depending on individual initiatives, and on personal responsibility and achievement (Hofstede, 1980b, 19841998a, 1998c, 2001; Humes, 1993; and Ferraro, 1994). Consequently, it is argued that leaders and managers within this kind of culture seek independence (Chung-Ming and Hang-Yue, 1996). They score very low on Hofstede's masculinity index (see Chapter 4, section 4.2 for more details for more details), where masculinity is associated with independence and individual decision-making mechanism (Bjerke, 1999; Pfeffer, 1994). Related to this, organisational business performance assessment is commonly used in American organisational culture with objectives of fairness and staff development, as argued earlier (Harris and Moran, 1987). Since individuals insist on independence of government policies, they also emphasise the need for competition (Wilkins and Ouchi, 1983). They do this because competition represents stimulus for high organisational business performance (Ferraro, 1994).

5.2 ANALYSIS OF MANAGEMENT PRACTICE IN AMERICAN CULTURE

In the following paragraphs, the study will shed some light on management practice in American culture of the BSC.

5.2.1 TRANSFORMATIONAL LEADERSHIP

It has been argued that leadership and management are not the same (Bjerke, 1999). Koontz and Weihrich, (1988), among others, look at the leadership as a function of the management. In other words, managerial purpose of leadership can be defined as the process of influencing an organisation's members in such a way that they contribute positively to the organisation. Others, (Bjerke, 1999; Byars, 1987), look at leadership as a higher level of potential or order of management; here a leader is one who can manipulate others' attitudes and views. A manager, on the other hand, is able only to influence activities. However, it would appear that no one has yet given an entirely satisfactory general definition of leadership (Bass, 1998). There are many of theories leadership style. Bass and Avolio, (1990) and Peters and Waterman, (1984), for instance, place emphasis on one of the most common organisational leadership theories, which distinguishes between two types of leaders i.e. transactional leaders and transformational leaders. Alternatively, Barnes and Kriger, (1986) emphasise the need for a more holistic organisational picture, where leadership's roles complement each other. This theory of organisational leadership differentiates between both formal hierarchy leaders and informal network leaders. Whichever organisational leadership approach is employed, it will be influenced by a variety of factors, as argued by Bjerke, (1999):

- Factors related to leaders and decisions makers: their culture or beliefs and values (see Chapter 4, section 4.2 and 4.3 for more details), their level of trust in their subordinates, their perception of delegation.

- Factors related to the subordinates: their culture or beliefs and values (see Chapter 4, section 4.2 and 4.3 for more details), their need to be independent, their readiness to take responsibility, their welcoming of adopting of BSC projects.

- Factors related to the situation: the culture itself, the type of organisation and the nature of ownership, and the time aspect etc.

It has been argued in the literature that in any organisation planning to modify its organisational culture, perhaps by utilizing a modern change vehicle, leaders and decision-makers play a critical role in the development (or redevelopment) of its corporate values to pave the way for adoption (Bjerke, 1999; Triandis, 1995). It

could be argued that a leader's role is to create purpose and commitment (Bass and Avolio, 1990). Leaders can shape an organisation's organisational culture to the extent that they are able to make their subordinates adapt to their own values and beliefs, or by encouraging their subordinates to suggest ideas for improvements (Humes, 1993).

American managers and leaders often appear to support new management ideas in an attempt to be up-to-date and not to be left behind by their peers and competitors (Ferraro, 1994; Hofstede, 1984). Bjerke, (1999) argues that the American people, especially leaders and managers, are action-oriented, or task-oriented. This can be called effort optimisation, which in turn means that failure may result from not trying hard enough. As a result, Hodgetts and Luthans, (1991) argue that people should be paid and promoted according to their performance and not by their position (see Chapter 4, section 4.2 and 4.3 for more details).

It is generally accepted that American managers and leaders within their organisations are comparatively informal and frank and that this reflects the national culture, which is characterised as open (see Chapter 4, section 4.3 for more details) (Rosenzweig and Nohria, 1994; Bourguignon et al., 2004). This means that a typical organisation information system is open and available for the use of everyone within the organisation (see Chapter 4, section 4.3 for more details) (Bjerke, 1999; Hodgetts and Luthans, 1991). As a result, Trompenaars, (1995) argues that conflicts are viewed as natural within an organisation. Americans also emphasise the idea of equality in social relationships. The power distance of the American culture is very low, as shown in Chapter 4, which means:

- Subordinates expect to be consulted (Bjerke, 1999);
- Managers and leaders, on the other hand, are expected to be democratic and more interpersonally oriented (Hofstede, 1991);
- It is common to support participation in the management's decisions by subordinates (Trompenaars, 1995). Therefore, decision-making style is based on a variety of two-way vertical communications and employee participation;
- Very flat organisational hierarchies are predominant (Hofstede, 1991);

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- Problem-solving mechanisms are based on discussion and logical, scientific methods, not on reference to the hierarchy or on established rules and procedures (Bjerke, 1999).

American leaders and managers stress the need for all staff to be efficient (Gibson, 1999; Merchant, 1998). They value unambiguous objectives at work, and very clear job description and feedback. As they work in a low-contextual culture, verbal communications depend upon facts and direct explanations (Bjerke, 1999). Actions within an American organisation are justified by ends and outcomes (Hodgetts and Luthans, 1991). Change can also be rapid in this culture (Trompenaars, 1995). The most significant business objective is profit maximisation to drive share prices high; therefore, the American management style focuses on finance and marketing tasks (Humes, 1993).

So, American culture, with this managerial standpoint, involves what Huczynski and Buchanan, (2001) call symbolic leadership. The later represents a means of encouraging staff to consider that what they are doing is of value and is worthwhile (Bass, 1998, Smircich and Morgan, 1982). Therefore, it is a means of increasing organisational performance. This type of leadership is also called transformational leadership, as argued earlier of which adopting the BSC is an outcome (Bass and Avolio, 1990). Transformational leadership is more about leaders adjusting the values, beliefs and needs of their followers. According to Bass (1998), a transformational leader possesses four distinct characteristics:

- Charisma: provides vision and sense of mission, instils pride, gains respect and trust;
- Inspiration: communicates high expectations, uses symbols to focus efforts, and expresses important purposes in simple ways;
- Intellectual stimulation: promotes intelligence, rationality and careful problem-solving; and
- Individual consideration: gives personal attention, treats each employee individually, coaches, advises.

As Conger notes, "if you as a leader can make an appealing vision seem like tomorrow's reality, subordinates will freely choose to follow you" (1991: p. 44).

In addition to having charisma, transformational leaders help their followers to recognize problems and solve them (Bass and Avolio, 1990). They are also supportive and clearly communicate the importance of the company mission by relying on symbols (Greenberg and Baron, 2000). The adoption of this leadership style implies the adoption of specific motivation techniques. One such technique is a performance-based compensation system (discussed in details latter), (see Chapter 4, Table 4.2 for more details) (Beugré, and Offodile, 2001).

One can encapsulate this point as follows: in American culture, leaders and the entire workforce emphasise a link between sound culture and organisational business performance. This culture is characterised by the following:

- American leaders and managers look at culture as something they have i.e. every organisation in this culture has its own specific culture (Furnham and Gunter, 1993). At the same time, these organisations are shown to be culture-formed consequences. In other words, while an existing culture is gained by employees, they can, at the same time, influence it (see Chapter 4, section 4.3 for more details) (Huczynski and Buchanan, 2001).

- Another result of this point of view is that American culture emphasises the integration between organisations (Furnham and Gunter, 1993). Integration is a view, which regards cultures as characterized by consistency, organisation-wide consensus and clarity. This integration will lead to improved organisation effectiveness through greater employee commitment and participation (Huczynski and Buchanan, 2001). Therefore, clashes and conflicts within organisations are natural and they can be controlled. However, these conflicts can alternatively be taken as failures in communication (see Chapter 4, section 4.3 for more details).

- People in American culture are future-oriented, as the US scores long in Hofstede's model Confucian dimension (see Chapter 4, section 4.2, and table 4.3 for more details), placing a high value on work, and therefore trying to improve the present (Ferraro, 1994). In a business environment, leaders and managers adopt an energetic orientation and are willing to take risky decisions within a business life characterised by acceptance of uncertainly (see Chapter 4, section 4.2 for more details). They are also more involved in

strategy (see Chapter 4, section 4.3 for more details) (Davis and Rasool, 1988; Kobayashi, 1990).

- This type of leadership drives some cultural consequences (see Chapter 4, section 4.2, and table 4.3 for more details about the BSC values) such as, high-level of commitment at the top-level management, change-support culture, and communication in change situations

  - ### HIGH-LEVEL OF COMMITMENT AT THE TOP-LEVEL MANAGEMENT

    Since the success of adopting a BSC depends upon both an organisation's dynamic capabilities, and on the ability of leaders to make sense of a project (Prastacos et al., 2002), it is obvious that commitment of top-level management and the degree of this commitment are mainly derived from the management or leadership style (Bass and Avolio, 1990). Kaplan and Norton, (1992) describe how companies, when adopting the BSC, begin to recognize that it represents an important change in the underlying assumptions of performance measurement in, and that it may not be implemented unless they without top management involvement of who have a complete picture of the company's vision and priorities. Ownership and active involvement of the executive team is the most important condition for success (Kaplan and Norton, 1996). If those at the top are not energetic leaders of the process, change does not take place, strategy is not implemented, and the opportunity for breakthrough performance is missed (Kaplan and Norton, 2001a). Sponsorship at the top level is essential and must be apparent to everybody involved in the design and adopting of the BSC (Kaplan and Norton, 2001b). Unless high-level sponsorship is apparent to the entire workforce, middle managers may try to block any changes (see Chapter 4, sections 4.2 and 4.3, and table 4.3 for more details about the BSC values and its relationship with national and organisational cultural values) (Roest, 1997). Earlier arguments have shown that there are a number of requirements for successfully adopting the BSC (Kotter, 1996). Prastacos et al., (2002), for example, argue that to adopt a BSC an organisation should consider the level or the degree of top-level

management commitment, the level of subordinates' willingness to accept change, the level of resistance, and its organisational culture.

- **CHANGE-SUPPORT CULTURE**

The American culture is less centralised, and is willing to take risks (Lawler, 1986). In this culture, change is accepted and welcomed (Bjerke, 1999) (see Chapter 4, sections 4.2 and 4.3 for more details). An organisation that ignores the concept of change does so at its own risk (Paton and McCalman, 1992, 2000). To deal with change successfully, an organisation's leaders and top managers should be aware of the mechanisms of both national and organisational culture (Wilson, 2004). Although American culture considers change as is natural and common (Bjerke, 1999; Lawler, 1986), an organisation should consider resistance to change in the early stages (Kotter, 1996; Pettigrew 1985). Huczynski and Buchanan, (2001, p. 599) defines this change resistance as "an inability, or an unwillingness, to discuss or to accept organisational changes that are perceived in some way damaging or threatening to the individual". Both receptiveness and resistance to change are natural, depending on factors associated with individuals (Clarke et al., 1996). If self-interest is perceived as being threatened, then change is expected to provoke resistance. This means that subordinates are likely to resist change, if they expect to lose something they value. Therefore, their interests come above those of organisation (Armenakis and Bedeian, 1999). If an organisation seeks to manage change in a successful way, its leaders and decisions makers should first show commitment (Eccles, 1994), then share insights, understanding, and values with those whom they expect to be influenced by this change project (Armenakis and Bedeian, 1999). Finally, they should get them involved in planning and carrying out this project (Clarke et al., 1996). This is possible through good collaboration and good elaboration.

- **COMMUNICATION IN CHANGE SITUATIONS**

Western-American culture is considered low contextual; verbal communication is very important in two-way vertical communications (see Chapter 4, sections 4.2 and 4.3 for more

details). Communications is frequently linked to flatter and more flexible organisational structures and hierarchies such as found in American culture (Applegate et al., 1999; Prastacos et al., 2002; Wigand et al., 1997). It is generally accepted that the role of communication is central to the success of organisational change efforts (Dutta and Manzoni, 1999; Prastacos et al., 2002). Organisational communication is significant in expressing beliefs, values, and points of view, and helps to convey an organisation's visions, strategies, and organisational culture to all employees and subordinates (Martin, 2001). Communication of vision and reception of feedback are essential, and must enable rather than restrict progress (Edwards, 2001). One of the most significant drivers of strategic change in the world is technological innovation. In particular, the application of innovative communication is radically changing the basis of business competition. They are linked to almost every aspect of modern organisations, the business network, and the environment as a whole (Van der zee and DeJong, 1999). A recent survey concerning communication from three different continents showed that they perceived their alignment and corporate goals as their most important tasks (Starre and DeJong, 1996). More specifically, communication is considered important when adopting the BSC. Their role can be translated into two important activities; the first involves aligning the BSC from top to bottom (Brotherton, 1998), and the second concerns transforming an organisation's strategy to a plan of action (Amaratunga et al., 2001).

5.2.2 PERFORMANCE-BASED COMPENSATION SYSTEM

The American Culture is characterised by the fair contract concept, as argued earlier in section 5.1.1. A performance-based pay system always allows employees to perceive a direct link between their efforts and compensation (Beugré, and Offodile, 2001). This system is one of the BSC values that suits the American national and organisational cultural values (see Chapter 4, sections 4.2 and 4.3 for more details). It may create a mentality, implying that rewards come through effort and hard work, rather than organizational politics (Greenberg and

Baron, 2000). A well-applied, performance based compensation may increase employee performance (Beugré, and Offodile, 2001). In the American workplace, reward is linked closely to effort, so that employees perceive no injustice in relative ranking in public employment; merit is enthroned as the basic yardstick for reward, selection and assignment of personnel (Greenberg and Baron, 2000). In addition to monetary rewards, social motivational techniques such as prize giving may help boost employee morale (Beugré, and Offodile, 2001).

5.2.3 EMPLOYEE PARTICIPATION AND EMPOWERMENT

Several scholars (Glew et al., 1995) have underscored the importance of participation in influencing employee attitudes and behaviours. Participation is a 'conscious and intended effort by individuals at higher level in an organization to provide visible extra-role or role-expanding opportunities for individuals or groups at a lower level in the organization to have a greater voice in one or more areas of organizational performance' (Glew et al., 1995: 402). This involvement is one of the BSC values that suits the American national and organisational cultural values (see Chapter 4, sections 4.2 and 4.3 for more details). Participative decision-making is considered as a set of structured processes for organizing individual autonomy in the context of group responsibility and linked to system-wide influence. Employee participation and empowerment not only lead to productivity but they also enhance employee satisfaction and trust in the system (Beugré, and Offodile, 2001; Malone, 1997).

5.3 SUMMARY

The study in this chapter discusses and analyses the cultural characteristics of the contextual origin of the BSC, the American culture (see Chapter 4, sections 4.2 and 4.3 for more details) where the proposed image of a "fair contract" characterizes the social relationships in American society. The American concept of fairness emphasises the opportunity which any individual has to work his or her way up from the bottom to the top of the hierarchy. In principle, the American ideology still favours a society where hierarchies do not depend on birth rights and which is governed by fairness: those who contribute are supposed

to be fairly rewarded. In the United States, many management techniques seem to be consistent with belief in the "fair contract". The BSC with its focus on performance measurements and rewards matches the American ideological concept of the fair contract. The American culture depends on individual initiatives, and on personal responsibility and achievement. It is characterised by transformational leadership which is more about leaders adjusting the values, beliefs and needs of their followers. A performance-based pay system always allows employees to perceive a direct link between their efforts and compensation. In addition, employee is participated and empowered where not only lead to productivity but they also enhance employee satisfaction and trust in the system.

In the next chapter, Chapter 6 the study will discuss cultural patterns, and analyse current managerial practices within the research context, the Egyptian culture.

CHAPTER 6:

THE RESEARCH CONTEXT, THE EGYPTIAN CULTURE: CULTURAL PATTERNS, AND MANAGERIAL PRACTICES

INTRODUCTION

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6.3 SUMMARY

THE RESEARCH CONTEXT, THE EGYPTIAN CULTURE: CULTURAL PATTERNS, AND MANAGERIAL PRACTICES

INTRODUCTION

Culture, as argued before in Chapter 4 refers to the collective programming of the people in an environment (Hofstede, 1980b). It is also defined as a people's way of life (Leonard, 1987). Consequently, the values, beliefs, attitudes and behaviours, which employees bring into the organization, are shaped by those prevailing in the society at large (Granovetter, 1985).

Although the cultural pattern of the Egyptian culture is discussed in this chapter, it is not unified but is characterized by diversity from rural to urban (Muna, 1980). Despite this diversity, some common features of the Egyptian culture emerge. Cultural patterns such as respect for elders, respect for authority, family orientation, collectivism, etc., appear to characterize the Egyptian culture (Muna, 1980). Indeed, the people of the Egyptian culture are influenced by several factors including language, religion and historical experiences (Bjerke, 1999). According to Christopher et al., (2001) and Hickson and Pugh, (1995), there are three major factors, which influence the Egyptian culture, and hence management and values: religion (Islam), language, and the strong top-down authority's structure, which is highly traditional.

In this chapter, the study will identify two categories of cultural patterns, namely, cultural values and cultural habits. Cultural values (see Chapter 4, sections 4.2 and 4.3 for more details about the national and organisational cultural elements) are elements of a given society that people consider important, give credit to and strive to achieve (Hofstede, 1990, 1991). Cultural habits, however, are patterns of behaviours observed in a culture that are not necessarily valued, because they are not considered acceptable norms of behaviour (Hofstede, 1991). They may be related to contingencies. Henderson notes that:

"We have to separate practice from principles. Consider a country in which there are pitifully low wages for public officials. They can only support themselves and their families by accepting bribes, and only by paying them bribes will the public get things done. It has become normal practice, but no one likes it and no one thinks it is morally right. . . . Circumstances have thrown principles and practice out of point" (Henderson, 1993: 81)

As mentioned before in Chapter 5, studying all the characteristics of the Egyptian culture would be a tedious task and beyond the scope of the present study. Therefore, the most salient cultural patterns are discussed below. They include respect for elders, the importance of the extended family, collectivism and deference to power and authority. Although this list is far from being comprehensive, it includes cultural patterns that have been considered important in describing management practices in the Egyptian culture (Bjerke, 1999).

6.1 EGYPTIAN CULTURAL PATTERNS

Relatively little has been written about Arab culture in general and the Egyptian culture in particular (Abdalla and Al-Homoud, 2001; and Kabasakal and Bodur, 2002). The discovery of oil in this Egyptian culture drew the awareness of the West to it and was to prove a major turning-point (Bjerke, 1999). Within less than two decades in oil producing countries the Egyptian organisational business and economies changed from being dependent only upon agriculture to becoming industrialised (Bjerke, 1999; Muna, 1980). They have made remarkable investments to set up economies with a broader base of industries and commodities (Abd-Elgadir, 2003; Al-Sayed, 2003).

The managerial values of the leaders, managers, and all the organisational staff of the Middle East are distinct from all other organisational cultures around the world (Christopher et al., 2001). Egyptian-Arabs are generally quite nationalistic (Bjerke, 1999). They consider themselves unique and different from others, and they do not want to be compared with others. As a result, it is difficult even to find comparative international statistics concerning Arabic culture (Bjerke, 1999; Christopher et al., 2001). In addition, the usefulness of Western (American) management and leadership thought is perceived as dubious (Hickson and Pugh, 1995), so there is less concern with the most-up-to-date management ideas (Bjerke, 1999; Hofstede, 1984). Because of this, the joint venture is a common

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way of doing business within the Egyptian culture (see Chapter 4, section 4.3 for more details) (Bjerke, 1999). The Egyptian management thinking has however been depicted as fragmented and directionless (Ali, 1990, 1995). Furthermore, he has argued that the rapid turning toward industrialisation without first setting up a modernised-Westernised managerial approach has led to some problems in this Egyptian culture, and there exists the likelihood of cultural discontinuity (Beugré and Offodile, 2001).

The literature on the research context, the Egyptian culture, is scarce compared to that concerning the American culture (see Chapter 1 for more details) (Beugré and Offodile, 2001). However, it is generally concluded that this culture has a more social attitude (Anthony, 1994; Legge, 1995). That is to say, this culture is a result of the daily routine of communication and interaction between an organisation's personnel (Huczynski and Buchanan, 2001). On the other hand, it also guides their actions and the outcomes of these social interactions (Anthony, 1994; Legge, 1995). This point of view includes some characteristics (discussed in more details later):

- This type of culture does not deny the impact of leaders and decision-makers on the formation of a culture, especially when they are involved in interaction with it (Legge, 1995).

- This perspective depends upon what (Huczynski and Buchanan, 2001) called "management control". Examples of this management control are represented by bureaucratic control, democratic control (Ray, 1986). Hales, (1993) argues that organisational culture may practice one of the most powerful forms of control because it gives all organisational members their values and norms.

6.1.1 RESPECT FOR ELDERS

In the Egyptian culture, the older a person is, the more he or she is respected (Brown and Humphreys, 1995). However, one should recognize that the Egyptian cultures respect more the wisdom of an individual than his or her age (Humphreys, 1996). For the Egyptian culture, there is a strong correlation between age and wisdom (Muna, 1980). In a culture dominated by oral tradition, the elders are those who have the knowledge, who have accumulated a lot of experience (Muna, 1980). Respect for elders implies a mutual relationship, as the

younger respects the elder, the latter must, in return, take care of the former, provide him or her with advice and help him or her realize his or her full potential (see Chapter 4, section 4.3 for more details) (Brown and Humphreys, 1995). It is a relationship based on mutual interdependence. Yet, within some urban areas, this cultural pattern tends to be reversed (Brown and Humphreys, 1995). For instance, those who have modern skills and/or wealth are often more influential and tend to command more respect (Humphreys, 1996). However, since old habits are reactionary, respect for elders still shapes interpersonal relationships in the Egyptian culture (HassabElnaby and Mosebach, 2005).

6.1.2 IMPORTANCE OF THE EXTENDED FAMILY

As in every culture, in the Egyptian culture the family is the social basic unit (Muna, 1980). The extended family system is the building block of almost organizations in the Egyptian culture (HassabElnaby and Mosebach, 2005). It socializes the individual into the system and provides him or her with a sense of security and belonging (Humphreys, 1996). In a study of managers' motivation in the Egyptian culture, Brown and Humphreys, (1995) note that Egyptian managers are required to satisfy the social needs of their relatives. For example, helping ones' relative get a job is considered normal. Behind every Egyptian employee, there is a family requesting attention, time and, mostly, money (Humphreys, 1996). However, obligation to relatives often leads to nepotism and/or favouritism (Muna, 1980). In this system, the moral obligation is of those who earn a living within the family, to support financially the aged, the poor, and the needy (Bjerke, 1999). Failure to fulfil this obligation would naturally evoke the displeasure of the elders of the family and could even lead to the exclusion of the income earner by all members of the society (Abdalla and Al-Homoud, 2001).

On the other hand, the extended family has positive impact on individuals, perhaps more so. It often provides social support in difficult situations such as death in a family, sickness or job loss (Blunt and Jones, 1992, 1997; Humphreys, 1996). "There is a general inclination of people in traditional societies to rely on members of their in-group for emotional as well as socioeconomic support and to feel some distrust for members belonging to an out-group" (Baghat and

McQuaid, 1982: p. 664). Loyalty to family members is important to social acceptance as is also the importance of the group. In a collectivist culture (see Chapter 4, section 4.2 for more details), one assures one's social integration by being loyal to one's group, family or friends (Abdalla and Al-Homoud, 2001).

6.1.3 COLLECTIVISM

The Egyptian culture is collectivist in nature (see Chapter 4, section 4.2 for more details) (Hofstede, 1980). The group has more importance than the individual does, and group success is more valued than individual success (Hofstede, 1991). Group activities have always characterized the traditional Egyptian culture societies (Muna, 1980). Egyptians feel more comfortable when they are in a group than when they are alone (Humphreys, 1996). Collectivism has been considered to be one of the main characteristics of organisational success and effectiveness in Egyptian business society (Bjerke, 1999). This has been attributed to the influence of the collectivistic nature of Egyptian culture, which is perceived to be homogeneous (Hofstede, 1991). According to Al-Sarhani (2004), Islam emphasises the idea of unity, where people are urged to care and help each other. In addition, Arabs (including Egyptians) are basically organised into families and strongly associate themselves with these unity symbols. This a main reason for highly collectivistic culture in Egyptian society. As the researchers claim that Egyptian society is homogeneous, they believe that collectivistic characteristic is distinctive and essential for the success and effectiveness of Egyptian organisations (Abdalla and Al-Homoud, 2001; Hofstede, 1991). These studies and others (e.g. Bjerke, 1999; Bjerke and Al-Meer, 1993) share the assumption of Egyptian cultural homogeneity, implying that this contributes to general and common collectivistic cultures at organisational level. From this view, national culture exerts an influence on organisational culture, enhancing principles of cooperation, loyalty, and commitment. Thus, this comes in line with the claim that employees view their organisations as their own; its successes become their success and organisational failures become their failures too. Employees in this culture interpret their organisational relationships from a moral perspective, where there is a psychological commitment and a sense of loyalty to the group (Hofstede, 1980).

However, this culture is described as being uncertainty avoiding, as shown below.

6.1.4 UNCERTAINTY AVOIDING CULTURE

While Western cultures and especially the American culture may be considered as oriented towards the dominance of nature (Bjerke, 1999), the Egyptian culture is more inclined to harmony with nature and subjugation to it (Abdalla and Al-Homoud, 2001; Hofstede, 1991, 1998, 1998a). The Egyptian culture does not try to control the external environment (Humphreys, 1996). Rather, they tend to comply with its will. One of the consequences of such a cultural pattern is the tendency to avoid uncertainty (see Chapter 4, section 4.2 for more details) (Hofstede, 1980a). The Egyptian culture like most traditional societies, are risk-averse (Brown and Humphreys, 1995). People have a higher intolerance to uncertainty. They prefer more stable, predictable situations rather than change and uncertainty that bear the unknown (Montgomery, 1987). Montgomery, (1987) contends that the Egyptian managers appear conservative, preferring the unacceptable present to the unpredictable future. Saleh (1985) notes that traditional values in Egyptian culture do not encourage change but rather direct people to accept things as they are without question. These traditional values also emphasize obedience to authorities, as shown next.

6.1.5 DEFERENCE TO AUTHORITY

Most Egyptians favour obedience to authorities (Humphreys, 1996; Saleh, 1985). In the Egyptian culture, authority is related to formal status rather than to knowledge and specialized skills (HassabElnaby and Mosebach, 2005). One of the negative consequences of such a rigid authority system is widespread corruption and social injustices, especially in publicly owned entities (Abd-Elgadir, 2003). Humphreys, (1996) notes that cultures that inculcate an acceptance of power differences lead individuals to expect, take for granted and, therefore, not get angry about injustices (see Chapter 4, section 4.2 for more details). Traditional beliefs may affect not only attitudes towards work but also work behaviours (Beugré and Offodile, 2001; Humphreys, 1996). Egyptian managers tend to tolerate more autocratic managerial styles (Saleh, 1985). Thus, if subordinates have an imperfect understanding of the need for and the nature of

change that in turn is accompanied with cuts in power and authority, then they are more likely to resist it from the outset (Humphreys, 1996). Although the Egyptian business environment is moving towards free market economies (Brown and Humphreys, 1995), not a lot of progress is being made in terms of democracy and enforcement of modern laws, especially in the workplace (Humphreys, 1996).

6.2 ANALYSIS OF MANAGEMENT PRACTICE IN EGYPTIAN CULTURE

It is obvious from the foregoing discussion that culture in Egypt, like elsewhere, plays an important role in shaping management practices (Beugré and Offodile, 2001). Therefore, an understanding of the culture of a people will help the articulation and development of effective management practices for that culture (HassabElnaby and Mosebach, 2005). This articulation and development involve the synthesis of positive cultural values with positive foreign management practices (Beugré and Offodile, 2001). The two fundamental issues that govern the productivity and viability of a business are the ability of the manager and the tendency of the workers to work. The former deals with leadership while the latter deals with motivation (Beugré and Offodile, 2001). Certain cultural tenets, which are discussed subsequently, make these features different in the Egyptian culture from in Western cultures (Brown and Humphreys, 1995).

6.2.1 LEADERSHIP

According to Humphreys, (1996), the dominant management philosophy in the Egyptian culture, although not necessarily the practice, is similar to the principles of classical management. There are sharp distinctions and status differences between senior management and workers (Brown and Humphreys, 1995). Management has the power, the control, the authority, and regulates reward and punishment mechanisms (Blunt and Jones, 1997). The workers are expected to do their work and obey management's instructions and directives (Blunt and Jones, 1992). Bjerke, (1999) notes there is shortage of quality leadership and management in the Egyptian culture. Prevailing management styles are authoritarian that are not conducive to management development and the

emergence of new leadership. Entrepreneurial, creative, and development talents are suppressed in favour of bureaucratic, risk-aversive administration based on absolute obedience. In other meanings, this autocratic leadership style expects subordinates to be submissive and obedient (Montgomery, 1987). Such autocratic leadership styles, by expecting subordinates to be submissive and obedient, may stifle innovativeness and impede employee motivation (Ali, 1990, 1995).

Kabasakal and Dastmalchian, (2001) note the autocratic leadership style characterizes the Egyptian culture where business culture is characterized by highly centralized power structures (discussed in detail below), high degrees of uncertainty avoidance, emphasis on control mechanisms, rather than organizational performance, and resistance to change (discussed in details below) (HassabElnaby and Mosebach, 2005). Such autocratic leadership styles may lead to autocratic decisions (Hofstede, 1980b). In other words, because leadership is authoritarian in the Egyptian organizations, decision making is also widely authoritarian (Blunt and Jones, 1992).

The traditional style of leadership that characterise the Egyptian culture is called transactional leadership where involves an exchange relationship between leaders and followers (Gates, 1999a, b; Johnston and Fitzgerald, 2000), according to Bass, (1998), transactional leadership is characterised by:

- Contingent reward: contracts exchange of rewards for efforts, promises rewards for good performance, recognises accomplishments;
- Management by exception (active): watches and searches for deviations from rules and standards, takes corrective action;
- Management by exception (passive): intervenes only if standards are not met;
- Laissez-faire: abdicates responsibilities, avoids making decisions.

This type of leadership drives two associated cultural consequences such as organisational hierarchy and communication in change situations. The resulting organizations are hierarchical, tall, highly bureaucratic, mechanistic, and communication is mainly one-way, from top to bottom (discussed in details below) (Brown and Humphreys, 1995).

ORGANISATIONAL HIERARCHY

In terms of organisational hierarchy, it has a rigid class structure, which is based on family background (Bjerke, 1999). Therefore, people are motivated primarily by a sense of belonging (Hofstede, 1984). It has been argued that Egyptian organisational pyramids seem to be very steep (Bjerke, 1999; Trompenaars, 1995). The consequences of this are many, such as:

- Top-down communication process, as discussed below (Humphreys, 1996);

- As a result, Egyptian organisational leaders and managers hold power, and make decisions autocratically (Baghat and McQuaid, 1982). They do not delegate this power. They also consider themselves as benevolent decision-makers (Muna, 1980);

- The chain of command is hardly ever broken, which often means time-wasting and poor communication (Abdalla and Al-Homoud, 2001);

- As a result, some hidden conflicts exist between the leaders and the powerless people (workers and subordinates) (Saleh, 1985); and

- A change, such as the BSC can take place but only when those leaders act and initiate (Humphreys, 1996).

COMMUNICATION IN CHANGE SITUATIONS

In terms of verbal communication, Egyptian culture is considered highly contextualised (Bjerke, 1999), meaning that non-verbal communications is very important. Harris and Moran, (1987), argue that a number of factors affect this type of communication, including the situation itself, the people involved, their level of education, their social class, and their age (Applegate et al., 1999; Prastacos et al., 2002; Wigand et al., 1997). Consequences of this type of high-contextual organisational culture in the Egyptian culture are many as follows (see Chapter 4, section 4.3 for more details):

- Egyptian leaders and managers are less concerned with details in planning and controlling process (Ali, 1990); therefore, much of what goes in these processes is more symbolic than substantive (Bjerke, 1999; Hofstede, 1984);

- Hence, it is accepted that planning in general and the strategic planning in particular are often not practised in the first place (Bjerke, 1999; Ali et al., 1992).

- There is less attention given to implementation and follow-up and feedback processes (Hofstede, 1984);

- Egyptian culture has often been distinguished as being social and informal. It is, however, quite ritualistic (Bjerke, 1999).

6.2.2 WORK MOTIVATION

According to Humphreys, (1996), Egyptian organizations may be experiencing serious employee motivation problems (see Chapter 5, section 5.2.2 for more details about comparing the American culture motivation systems). The sources of these problems are varied and not well understood because of lack of empirical research (Brown and Humphreys, 1995). They conducted an empirical study of the Egyptian culture, and they found that six factors – growth and advancement opportunities, the nature of the work itself, material and physical provisions elements, interpersonal relations, concerns about fairness in organizational practices, and personal matters – influence work motivation in Egypt. As one may see, these factors are also important in motivating employees in Western cultures (Beugré and Offodile, 2001). Humphreys, (1996) studied work motivation on a sample of managers using Maslow's hierarchy of needs, he found that managers ranked social relations first, self-actualization second, self-esteem third, autonomy fourth and security fifth. This result assures the nature of the Egyptian culture as a collectivist culture (see Chapter 4, section 4.2 for more details). Similarly, in an empirical study conducted on a sample of public service managers, Muna, (1980) found that their participants were more focused on developing strong relationships with their bosses than on striving to reach organizational performance. Building strong interpersonal relations is important for the Egyptian culture manager, because Egyptian bosses are often autocratic. Positive relationships may serve as a way of benefiting from the boss's favours (Muna, 1980). Despite the importance of these findings, investigations that are more empirical are needed to better understand the determinants of work motivation in the Egyptian culture (Brown and Humphreys, 1995). For instance, very few of the Egyptian organizations operate performance-based compensation systems (Brown and Humphreys, 1995). Employees and managers are rewarded according to tenure and needs.

6.2.3 ORGANIZATIONAL EFFECTIVENESS

Organizational effectiveness refers to setting goals and reaching them efficiently in a competitive and dynamic environment (Beugré and Offodile, 2001). In the context of the Egyptian culture, one may ask the following question: do Egyptian managers and employees strive to achieve organizational goals and objectives, or do they use the organization for their own selfish purposes? Baghat and McQuaid, (1982) have underscored the lack of organizational objectives from the Egyptian managers. The Egyptian managers are expected to be primarily motivated by hopes of personal and rather than improved institutional performance (Brown and Humphreys, 1995). Bjerke, (1999) echoed this assumption by contending there would be an atmosphere of management by crisis as events would seem to take everybody by surprise. Humphreys, (1996) notes the Egyptian managers are seldom driven by organizational objectives and goals. As soon as an Egyptian is appointed to a management position, especially, in the public sector, his or her major preoccupation is to grab what financial and material gains he or she can and then appoint his or her relatives and family members to positions of responsibility in the organization (Bjerke, 1999). The Egyptian managers do not strive for challenges and excellence, but rather they remain content with the status quo and mediocrity (discussed in detail later) (Al-Sayed, 2003). This result ensures the nature of the Egyptian culture as a high-level uncertainty avoiding culture (see Chapter 4, section 4.2 for more details). Thus, conflicts tend to be avoided, smoothed over rather than directly confronted. Muna, (1980) found, as mentioned before, that managers were more concerned about establishing close relationships with their bosses than about succeeding in organizational performance. This attitude is understandable because the Egyptian bosses are often autocratic and capricious. Developing a close relationship with the boss may be a way to gain his or her favour, and, subsequently, positive outcomes such as a pay rise, bonus or promotion. This leads to the conclusion that reaching the goal of the organization takes a back seat as compared to using the organization to satisfy one's selfish interests (Brown and Humphreys, 1995). Such practices may create a falling effect, leading to employee indolence and apathy, thereby preventing organizational effectiveness, which is a key for competing in a global economy (Abd-Elgadir, 2003).

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6.2.4 PERFORMANCE APPRAISAL

Formal performance appraisal measures are rarely developed and implemented in the Egyptian culture organizations (HassabElnaby and Mosebach, 2005). Several reasons may explain such practices.

- First, a lack of adequate human resource management practitioners exists (Ali, 1995). In other words, there would be many activities in these organizations, very few people however would be able to assess how well or badly they or the organization as a whole is performing.

- Second, the prevalence of nepotism may render the existence of performance appraisal measures useless (Muna, 1980). Managers may tend to appraise the subordinate's performance based on non-job-related criteria, such as emotions not fact (see Chapter 4, table 4.2 for more details about the BSC values related to performance appraisal) (Bjerke, 1999). In addition, although examples of similar favouritism may be found in Western countries (Beugré and Offodile, 2001), the existence of rules and procedures represent powerful voice mechanisms for the potential victim of unfair work practices.

Brown and Humphreys, (1995), stresses that in an authoritarian setting, an appraisal system is unavoidably one-sided, which means the supervisor's view of the subordinates' performance prevails (see Chapter 4, table 4.2 for more details about the BSC values related to performance appraisal). Because of the lack of clear organizational goals and objectives, following the manager's rules is often perceived as a sign of compliance and a criterion for assessing employee performance (Humphreys, 1996; Muna, 1980). In most of the Egyptian organizations, distribution of outcomes, such as financial rewards, promotions and the like, is based on nepotism rather than on objective measures of competence and individual performance (Bjerke, 1999; Hodgetts and Luthans, 1991).

6.2.5 RESISTANCE TO CHANGE

The Egyptian culture often favours maintaining the status quo rather than striving for change and innovation (Al-Sayed, 2003). New managerial techniques, such as the TQM, the JIT, the BPR, and the BSC (see Chapter 3 for more details) are

rarely applied in the Egyptian culture organizations (Brown and Humphreys, 1995; Humphreys, 1996). Failure to apply such techniques is often due to resistance to change and attachment to old practices (Bjerke, 1999). Respect for traditions, if revered too much, may serve as a hindrance to flexibility and adaptability to change (Baghat and McQuaid, 1982; Muna, 1980). Similarly, lack of competition among organizations and ignorance of customers' basic needs lead the Egyptian culture organizations to be complacent and not strive for change and improvements (see Chapter 4, table 4.2 for more details about the BSC values) (Muna, 1980). Some of the Egyptian cultural patterns are incompatible with some management techniques, whereas others may serve as building blocks for effective management (Brown and Humphreys, 1995). For instance, while respect for traditions and customs may impede any attempt to introduce changes (Beugré and Offodile, 2001), cultural patterns such as the importance of the group and solidarity may encourage the development of teamwork (Atkinson and Malcolm, 2000). Although this analysis of management practice in the Egyptian culture is not exhaustive, it helps us to understand the state of the Egyptian culture management (Beugré and Offodile, 2001 Humes, 1993).

6.3 SUMMARY

In this chapter, the study identified and explored cultural patterns, and management practice within the research context, the Egyptian culture. The study found that Egyptian managers and business leaders share many integrated and interrelated characteristics. It has been commonly accepted that religion is a way of dealing with an uncertain future in almost all Arab countries. In addition, religion and uncertainty avoidance (Egyptian culture scores high in this dimension), would appear to be related (see Chapter 4, section 4.2 for more details). Because of this traditional point of view, along with a slow pace of change (Muna, 1980), a good deal of emotional resistance to change exists. Hence, Arab leaders and top managers often find themselves in a difficult situation when introducing a change (Bjerke, 1999; Hofstede, 1984, 1986). The problem-solving mechanisms in this type of culture also follow traditional procedures. In addition, the study emphasised that the opportunity to talk is often denied to the Egyptian employees (Tyler, 1994). On top of that, the collectivist

nature of the Egyptian culture may favour the development of teamwork (see Chapter 4, section 4.2 for more details). Properly managed, teams may enhance productivity and boost employee morale. The Egyptian culture managers should therefore experiment with teamwork to boost productivity and employee loyalty. Such teams should be empowered and their performance should be based on reaching goals rather than following specific procedures. This result assures the nature of the Egyptian organisational culture as a normative, process oriented culture (see Chapter 4, section 4.3 for more details). All of the above influence the nature of business environment in the Egyptian organisational culture. Examples of these issues are:

- As Egyptian culture is characterised by having long or high power distance and a collectivistic nature (see Chapter 4, section 4.2 for more details), the subordinates and employees all expect leaders to be autocratic (Harris and Moran, 1987);

- Leaders depend heavily on extremely personalised and interpersonal methods in their management styles, or management is not based upon facts (see Chapter 4, table 4.2 for more details) (Muna, 1980);

- They do not delegate a great deal, which means they waste a considerable amount of their time. Time is generally used in a less efficient way than in Western culture. For example, punctuality is, to some extent, ignored.

In the following chapter, Chapter 7, the study will review the methodology used in order to conduct this study. More specifically, the study will justify using the proposed and developed action research orientated qualitative paradigm. It will go on to consider the five phases of action research, and then it will demonstrate the research methods and techniques used in each phase for both data collection and analysis. After which some research limitations are considered, as well the extent to which the results of the study can be generalised. Finally, the plan to present and interpret the empirical findings is described.

CHAPTER 7:

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7.6 SUMMARY

CHAPTER 7

RESEARCH METHODOLOGY

INTRODUCTION

The purpose of the study is to explore the influence of culture, within the context of the Egyptian fertilizer industry (a non-Western culture), on the adoption of the Western BSC in its real-life context. This involves an in-depth investigation into how this cultural influence is interpreted by Egyptians and, therefore, how it impacts upon the adoption of a Western vehicle, such as the BSC. In the preceding chapters, theoretical debates were reviewed and applied to develop a more detailed understanding of culture at national and organisational levels and its applications. The conceptual framework was developed, providing a direction for empirical research and for achieving the study's aim and objectives. This chapter sets out the methodology that guided this research, enabling relevant data to be collected and interpreted. Initially, the chapter identifies and highlights the research gap. Secondly, the research aim and objectives will be clarified. It will justify using the action research orientated qualitative paradigm. It will go on to consider the five phases of action research, and then it will show the research methods and techniques used in each phase for both data collection and analysis. The issues of validity, reliability, and generalizability are discussed. Finally, the plan to present and interpret the empirical findings is described.

7.1 THE RESEARCH GAP

One can argue that national culture may contribute to the failure of a BSC adoption process (Kim and Chang, 1995). Therefore, when attempting to adopt Western business practices, such as BSC, in different countries such as the non-Western Egyptian culture, it is necessary to comprehend the value and attitudinal framework of the cultures in question. Researchers have shown the effect of culture on the adoption of management practices (Hatch, 1995; Vance et al., 1992), yet little research has been conducted on the influence of non-Western culture on the adoption of a Western management practice. In other words, it was found that studies do not fully analyse the influence of culture within a non-Western context on the adoption of a Western vehicle, such as the BSC. Much

more research is needed to determine the relationship between cultural aspects and effective adoption.

7.2 THE AIM AND OBJECTIVES OF THE STUDY

The following research aim was developed in an attempt to address the research gap identified:

"To explore the influence of culture within the context of the Egyptian fertilizer industry, as being part of a non-Western culture, on the adoption of the BSC, as a typical Western change vehicle"

More specifically, the objectives of the study are as follows:

- To consider the BSC as a typical Western change vehicle (see Chapter 3 for more details);
- To develop an in-depth understanding of the underpinning cultural drivers and enablers (see Chapters 4, 5, and 6 for more details);
- To establish the applicability in a different culture (the Egyptian fertiliser industry) (see Chapters 3, 4, 5, and 6 for more details); and
- To investigate the influence of any differing cultural aspects (see Chapters 4, 5, and 6 for more details);
- Assuming that cultural differences exist and have an impact, then the thesis will consider how the change vehicle and/or the culture might be adapted to fit (see Chapter 8 for more details).

To date the study has covered almost all of the research objectives which address the research gap. In Chapter 3, the BSC values are considered as being typical also of many other change and innovation management frameworks such as Total Quality Management (TQM), Just-In-Time (JIT), and Business Process Re-Engineering (BPR). However, it has been justifiably chosen for this specific research context, as it is distinguished by some unique characteristics. In addition, the BSC values are identified in this chapter. Concepts concerned with culture at both national and the organisational (corporate or managerial) levels—addressed in Chapter 4—play an important role in any business environment, and

both are very relevant to organisations facing globalisation. The concept of organisational culture has developed from the variation of people found in a nation or an organisation. The American and Egyptian national and organisational cultural values and practices are explored with regard to the BSC values in Chapter 3. The study, in a deeper theoretical analysis of cultural values and practices, discusses both the American and Egyptian cultures in Chapters 5 and 6 respectively. In Chapter 8, it will empirically analyse the cultural values and practices of the research context, the Egyptian culture, with reference to the BSC values, in an attempt to address the final research objective which is to consider how the Western vehicle and/or the non-Western culture might be adapted to fit (see Chapter 8 for more details).

7.3 ACTION RESEARCH ORIENTATED QUALITATIVE PARADIGM

The study adopts an action research orientated qualitative paradigm with reflective double-loop practice. It is generally accepted that when choosing a research methodology, it is essential to match the investigation to the research aims and objectives (Adams and Schvaneveldt, 1991). Action research philosophy is one of several qualitative research methods used in the field of change (Creswell, 1994; Baskerville and Pries-Heje. 1999). In the following paragraphs, the study briefly discusses the justifications of using a qualitative, in particular action research based, paradigm rather than a quantitative paradigm.

The study is based on explorative research. It is a means of finding out what is happening; a means of seeking new insights; a means of asking questions and assessing phenomena from new standpoints (Robson, 2002). Although action research is not a form of exploratory research, it formed a framework within which the study qualitatively examined, in an exploratory manner, the research aim and objectives. Ghauri and Gronhaug, (2002) emphasise the importance of using the qualitative paradigm when the research aims and objectives are exploratory based, and the research topic is less understood. For exploratory research, qualitative methods and techniques are the most beneficial (Robson, 2002). Marshall and Rossman, (1999) have listed appropriate applications for qualitative research. This listing distinguishes the character of the qualitative

paradigm, pointing out that it is mostly exploratory or descriptive, and that it pays much more attention to the context, setting, and background of the subject. Adams and Schvaneveldt (1991), emphasise the significance of greater flexibility in qualitative exploratory-based research. This flexibility does not mean absence of direction in the investigation process, but it does mean that the study is initially wide-ranging and becomes narrower as the study progresses (Saunders et al., 2000). Denzin and Lincoln, (1994) argue that the qualitative researcher exploits a much wider range of possible methods than the quantitative, and will typically use multiple data sources in a study. Punch, (1998) also argues that qualitative research is more varied, and uses multiple strategies and methods.

Qualitative methods are more flexible than quantitative methods; they can be used in a wider range of situations and for a wider range of purposes, and they can also be more easily modified as a study progresses (Punch, 1998). Burns, (2000) stresses that qualitative paradigm encourages greater flexibility and an openness to change from the outset. In addition, samples are usually small, and sampling is guided by theoretical rather than probabilistic considerations (Huberman and Miles, 1994). Pre-structuring and formalising of design, methods, technique, and data are less common, but nonetheless possible (Levine and Zimmerman, 1996), as in the study at hand.

A qualitative paradigm is specifically beneficial when a researcher needs to clarify his understanding of a situation or a problem (Robson, 2002). Padgett, (1998) argues that qualitative studies aim to convey the complicated worlds of respondents in a holistic manner using detailed description. Hakim, (2000, p.34), emphasises the significance of qualitative research as follows:

"It offers richly descriptive reports of individuals' perceptions, attitudes, beliefs, views and feelings, the meanings and interpretations given to events and things, as well as their behaviour. It displays how these are put together, more or less coherently and consciously, into frameworks that make sense of their experiences..."

The point of a qualitative study is to look at something holistically and comprehensively (this suits the BSC values, as a holistic Western vehicle, see Chapters 3 and 4 for more details) to study it in its complexity, and to understand

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it in its context (Miles and Huberman, 1994). These points correspond to three common criticisms of quantitative social research: that it is too reductionist in its approach to the study of behaviour, thereby losing sight of the whole picture; that it oversimplifies social reality, in its stress on measurement; and that it separates context from the data (Maxwell, 1996). Sarantakos, (1998, p.45), justifies the use of qualitative research by indicating some of the drawbacks of quantitative research. The research procedure employed by quantitative researcher presupposes the presence of a research design, including hypotheses, before the research begins (Sarantakos, 1998). Consequently, this restricts the options of the research process, blocks initiative and the motivation of the researcher, limits the effectiveness of research, and produces artificial data, which do not reflect reality as a whole (Sarantakos, 1998). Quantitative researchers believe that in order to maintain objectivity they have to be distant from the researched and eliminate any form of subjectivity that could bias the findings (Punch, 1998). This distance is obvious in the way the research is done, the instruments they use and the manner in which data analysis is conducted (Sarantakos, 1998). As a result, researchers are removed from the research process, lose contact with the research and become alienated from the world they are supposed to study (Sarantakos, 1998).

Although qualitative data collecting techniques may be costly and time-consuming, they provide a more authentic basis for analysis and understanding (Hussey and Hussey, 1997; Strauss and Corbin, 1998). The main difference between qualitative and quantitative research is concerned, not with quality, but with procedure. In the quantitative paradigm, findings are reached primarily by statistical methods or other procedures of quantification (Dehar et al., 1993). Put another way, the difference between the two is not only concerned with quantification, but also with a reflection of different perspectives on knowledge and research objectives, as argued by (Ghauri and Gronhaug, 2002). However, this does not mean that the quantitative paradigm cannot be used to complement, or even enhance, a qualitative approach to research. Many elements of any research project will be quantitative in nature. For example, the financial wealth of an organisation may affect its management culture. In this case, the financial element could be analysed quantitatively, but both the cultural element, and the

way it is affected by the financial element could only be analysed using a qualitative approach. There will be many other similar occurrences in this research project.

When knowledge of the subject matter is limited, and the topic has never been studied before, in a particular context then the use of a qualitative approach is justified (Blaikie, 2000). Padgett, (1998) also supports these views as follows:

- Little is known of the research topic, and the background of the context is limited. The qualitative paradigm is known to work well, particularly in the exploratory phase of an investigation.

- Human nature resists new things and this usually results in a negative attitude towards change. The area of study here is sensitive, and as a result, qualitative research will be closer to the context and will help alleviate fears.

Returning to the action research methodology, one also can question what action research is, and what its components are. In the following paragraphs, the study briefly describes the concept of action research, the justifications for using it, and its phases (see figure 7.1 for more details).

In accordance with the initial ideas, action research is now commonly defined as a process of joint learning (about, how to, and with and from whom) (Ottosson, 2003). Action research refers to a specific way of understanding and managing the relationship between theory and practice, between the researcher and the researched (Gustavsen, 1992; Van Beinum, 1998). The relationship between researcher and researched is seen as an interactive and linguistic relationship, characterised by joint action (Van Beinum, 1998). The object of action research is a total social system with people/actors in different situations with their own individual feelings, thoughts, etc. Thus, in the spirit of action research, the researcher takes part in a complex cultural process that applies to holistic thinking and not classical thinking (this holistic perspective suits the nature of a qualitative paradigm, and the nature of BSC, see Chapters 3 and 4 for more details) (Ottosson, 2003). As it is a relationship, one encounters in the light of action research the whole range of the human condition: love, hate, fear, conflict, confusion, projections, defences against anxiety, infra- and interpersonal

processes, group dynamics, organisational cultures, values, norms, the relationship between structure and process, etc (Gustavsen, 1992). Thus, following the ethos of action research, it does not accept the idea that the method and object of study are separated and independent (this assures the nature of action research, as a qualitative methodology). From an operational perspective, researcher (A) and the other actors (B) are jointly involved in addressing the issue (X)—an ABX system with three independent elements in which each element can only be defined by its relationship with the other two (Ottosson, 2003). Such qualitative research is important for studying complex, multivariate, real-world phenomena which cannot be reduced for study with more positivist approaches. This is especially important in situations where participation and change processes are necessary (Baskerville and Wood-Harper, 1996). In the spirit of action research, researchers seek to identify the complexities of the specific situation where there is a need for change. Thus it is suited to a case study research approach (Yin, 1989), and as such its methods often have to be mainly inductive in character.

In principle, in the light of action research which is particularly suited to many industries such as that in the study at hand, i.e. the fertiliser industry, where adoption of the BSC, as a typical Western vehicle, is dependent upon organisational culture. However, it is worth noting that although valuable, action research studies have gained little reputation in the literature of organisational development and change (Waser and Johns, 2003) especially, in the context of non-Western cultures, but worldwide this approach is eclipsed by more traditional social science methods (Sanger et al., 1997; Sarantakos, 1998).

Following the spirit of action research, two basic goals are usually set: to solve a problem (the issue) for the client, and to contribute to science (Greenwood et al., 1993). Modern action research has its roots in solving social problems in society or in organisations and in drawing general scientific conclusions from the experience (Argyris et al., 1985). The objective of action research is thus not just to describe, understand or explain social reality. It also strives to improve the method of acquiring habits of coping with reality (Heap, 1992; Rorty, 1991). So, an action research based process is one in which the researcher is not solving a

problem for the other/s but with the others in joint learning. The knowledge is in the action (Zuber-Skerritt, 1992; Keating et al., 1996). This latter objective is mainly the focus of the study at hand. More specifically, the present study does not aim at solving a problem with the research context; however, it aims at gaining knowledge about the influence of culture within non-Western context upon the adoption of Western change vehicle. Since researchers place themselves in the context of their research, unfurnished data and impressions can be gained in a qualitative way (Ottosson, 2003), as opposed to when traditional research methods are used where researchers stand outside the studied social system and even make judgements on reconstructed data (Greenwood et al., 1993).

Action research phases

Research techniques

Specifying learning

Third round

Evaluating

Second round

Action taking

First round

Action planning

Diagnosing

Pre-Structured
Case outline

Multiple-Case
Design

Semi-Structured
Interviews

Data
Analysis

Member-Checking
Technique
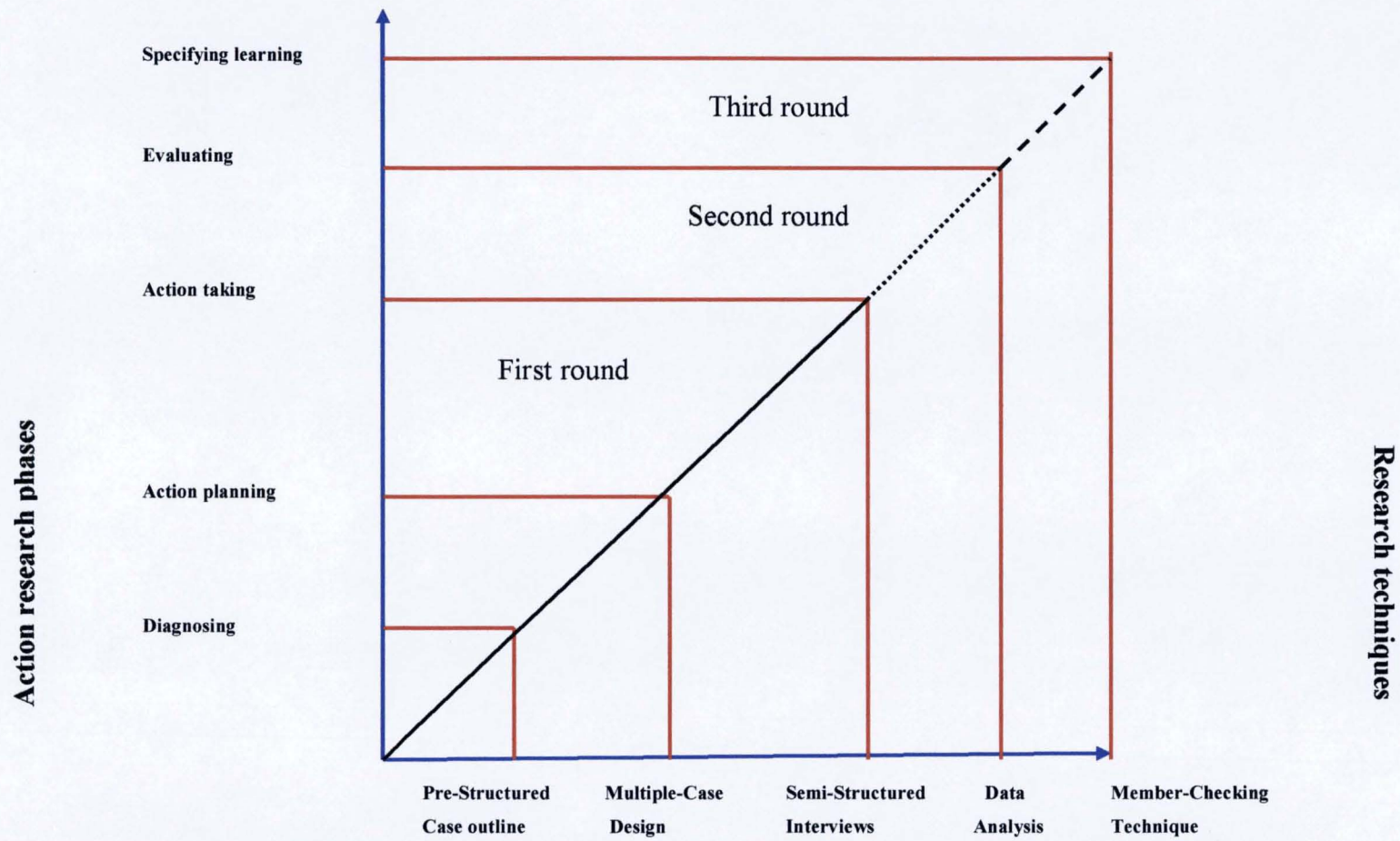
Figure: (7.1) Action research & research techniques

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As shown from figure (7.1), with regard to the study at hand, the most prevalent description of this action research guidelines principle details a five phases, cyclical process. Five identifiable phases are iterated (Kock, 2004): (1) diagnosing, (2) action planning, (3) action taking, (4) evaluating and (5) specifying learning. The study in the following sections will discuss each phase and the research technique already used.

7.3.1 DIAGNOSING PHASE

The diagnosing stage involves the identification by the researcher of an opportunity for improvement which is likely to lead to the development of relevant knowledge (Kock, 2004). For the first phase, this study established a research environment (Ottosson, 2003) within the research context through intensive contacts with the CEOs of the case organisations. These contacts enabled the researcher to diagnose and identify the initial views taken by those in research context towards change in general, in particular the BSC, and the expected influence of culture on this change. The result of these contacts was the discovery that the awareness level of this Western management practice is low. In consequence, the researcher conducted some intensive joint-learning-based seminars. The centre of these seminars was the BSC as created by Kaplan and Norton, 1992 with regard to developing the awareness level of the respondents. Some questions were directed to the interviewees in order to evaluate their awareness level after these joint-learning-based seminars (see Appendix I for more details).The study summarises the preceding information by using a technique called "pre-structured-cases outline" which assists in selecting and sharpening the focus. The study, as mentioned earlier, focuses on the influence of culture within a non-Western context on the adoption of the BSC, as a Western change vehicle. This is shown in (table 7.1).

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Table (7.1) Finding a focus: pre-structured-cases outline

Context Factors	All cases
1. The context 1.1 The organization 1.2 The population & sampling plan	The Egyptian fertiliser manufacturing sector An overview of each case organisation Five cases as units of analysis and five units of data collection each case in the first round. One unit of data collection (CEO) in each case is in the second and the third rounds of data collection and analysis.
2. Why this vehicle (BSC)?	Many justifications have been made for choosing the BSC, rather than TQM, JIT, or BPR for example. As a chronological order, the BSC goes in the footsteps of previous vehicles for change such as Total Quality Management (TQM), and Business Process Re-engineering (BPR) (Banker et al., 1996). However, it is distinguished by a holistic approach when addressing change (Kaplan and Norton, 1996). More specifically, it combines four different views of the enterprise performance in order to avoid the trap of emphasizing one perspective at the expense of the others, as discussed earlier, and many other justifications for choosing the BSC (see Chapter 3 for more details).
3. What factors may influence the adoption of the BSC?	-Culture aspects -Management and leadership styles -Top management commitment to change - Resistance to change -Communication in change situations - Stakeholders -Shareholders -Etc...
4. The results of this phase	-It increases the awareness level of organisational change in general and the BSC in particular. In addition, the respondents became more familiar with the subject matter of the study.
5. Lessons and recommendations for the next phase	-Going in depth for analysing the cultural values and practices within the research context.

This technique is considered very useful because it leads to the next phases of action research (Miles and Huberman, 1994). On top of that, it encourages the reader to become familiar with language used in the data and to gain some sense of which terms will be used in the analysis process (Ottosson, 2003).

7.3.2 ACTION-PLANNING PHASE

After completion of the first phase—diagnosis— this second phase involves action planning, which in turn involves the joint development and consideration of alternative courses of action to assist an in-depth analysis of the cultural values and practices within the research context, and then to enable the development of knowledge (Kock, 2004). The study identifies what main questions had to be asked of the respondents, and which was the best way to conduct the enquiry. More specifically, it decides the multiple-case study design, the sampling of the study (units of data collection and analysis), the sources of data, and finally the question design.

MULTIPLE-CASE STUDY DESIGN

Action research suits to a case study research approach (Yin, 1989).The study uses a multiple-case study design as the research method. Although the case study design may be employed in all kinds of research; descriptive, change, and explanatory research, it is frequently employed in exploratory and descriptive research (Yin, 1994). Many authors advocate using the case study method. Robson, (2002), for instance, argues that it is a strategy for doing research, which involves an empirical investigation of a particular contemporary phenomenon within its real life context using multiple sources of evidence. Ghauri and Gronhaug, (2002) in stressing the importance of using case study design argue that carrying out case studies is beneficial if the area of research is little known. Punch, (1998) argues that, in keeping with other approaches in qualitative research, the case study method aims to understand the case in depth and in its natural setting, recognizing its complexity. Properly conducted case studies have a valuable contribution to make in many ways, especially in situations where knowledge is shallow, fragmentary, incomplete, or even non-existent, in that they can make an important contribution, as a grounded base, for further research on the same topic and in the same context, or in any other similar context (Patton, 2002; Punch, 1998). Burns (2000) argues that while the case study method can be either quantitative or qualitative, most case studies lie within the realm of qualitative methodology. The case study method can be used for producing theory and commencing change (Gummesson, 2000). With a multiple case study approach, collective or comparative-study design seeks to compare the results of

each case. This offers an opportunity to enhance the study's rigour (Stake, 1994, 1998). Burns, (2000) argues that multiple-case study design is advantageous as the evidence will be more convincing, even though it takes more time and effort than most investigators may have. Confidence in the generalisability of the results of a case study design increases with the number of cases covered (Blaikie, 2000; Hakim, 2000). Here the study asks or researches similar questions in different cases and compares responses to draw conclusions. In this study, there is a point to compare (replicate) the phenomenon (e.g. exploring the influence of non-Western culture on the influence of the adoption of the BSC) being researched in different cases in a systematic way, hence exploring various dimensions of the research issues.

THE SAMPLING METHODS OF THE STUDY

Sampling is as an important an issue in qualitative research as it is in quantitative research (Mason, 1996). A study cannot study everyone, everywhere, doing everything (Punch, 1998). While the quantitative paradigm uses probability sampling, the qualitative paradigm employs non-probability sampling, more specifically, theoretical sampling, which is used here in this study. The nature of the relationship between sampling and theory is specified by (Mason, 1996, p. 93):

"Theoretical sampling means selecting groups or categories to study on the basis of their relevance to your research questions, your theoretical position.... Theoretical sampling or purposive sampling is a set of procedures where the researcher manipulates their analysis, theory, and sampling activities interactively during the research process, to a much greater extent than in statistical sampling"

In other words, the qualitative researcher would rarely use probability sampling as used in quantitative research but would prefer some sort of purposive sampling with some purpose or focus in mind. Purposive, purposeful, or criterion-based sampling is terms often used. This is so that it serves the study's purposes and objectives. Burns, (2000) argues that non-probability sampling is often applied in a case study method. He describes ways to use a purposive sample, two of which are already employed in the study.

- The first is the reputation method, in which the sample is chosen on recommendation of experts.

- The second is the convenience method, where the researcher has a full or reasonable access to the context.

In addition, the study decides the unit of analysis and the unit of data collection. In a case, confusion might occur because the data collecting sources may be individual people i.e. top-level managers, while the unit of analysis of the case study could be the sector or organisations to which the individuals belong (Yin, 2003). Therefore, in this study, the five big organisations, which represent the fertilizer industry in Egypt, were chosen as the case's units of analysis and the top-level and middle managers, as the units of data collection.

THE DATA SOURCES

The study is based on two types of data source. The first type of source comes from secondary data. Many authors support the value of using such sources. The importance of using secondary data with qualitative research is becoming much more recognised, since primary research or primary sources of data become more and more expensive and time-consuming (Punch, 1998). Documents, both historical and contemporary, are a rich source data for social research. Documentary research is considered important in social science (Macdonald and Tipton, 1996). Sarantakos, (1998) argues that despite their limits, documentary methods may be a very good instrument for social research. They offer quick and easy accessibility (saving time and money), and non-reactivity (the research processes and their elements do not affect the results and the findings). The range of documents, which might be used by social researchers, includes letters, essays, institutional reports, and government statistics, and proceedings (Jupp, 1996). The study employs some of them as shown in Figure (7.2).
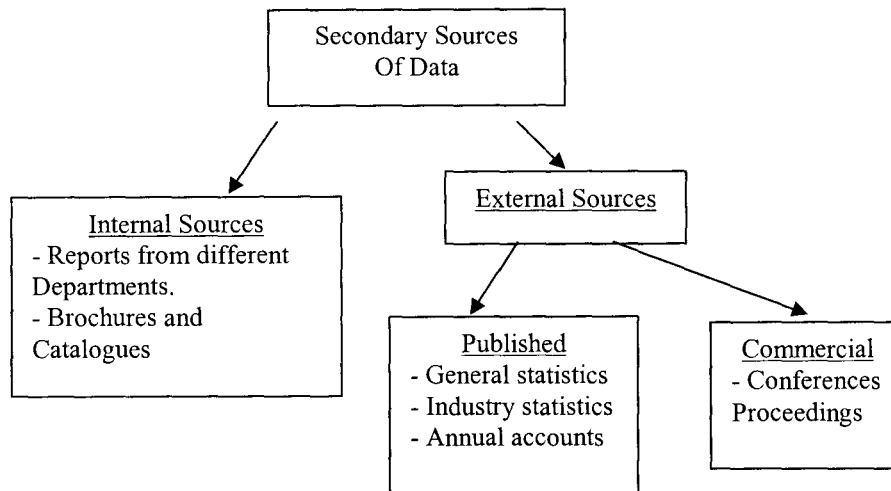
Figure (7.2) Types of secondary data of the study

The second general type of data source comes from primary data. Ghauri and Gronhaug, (2002) argue that when a study seeks to use both secondary and primary data, secondary data may used as an instrument of comparison with which the researcher can more easily interpret and understand the study's primary data. The main advantages of primary data are that they are collected for a specific study, which means that they are more consistent with the research propositions and objectives (Ghauri and Gronhaug, 2002). In addition, this helps in gaining greater understanding of peoples' attitudes. The study depends on some specific techniques for obtaining this primary data, as shown in Figure (7.3).

At the general level, the study employs both types of data to capitalise on the strengths of both types and to reduce the weaknesses of each type. In addition, the study is able to increase the validity and reliability of the findings.
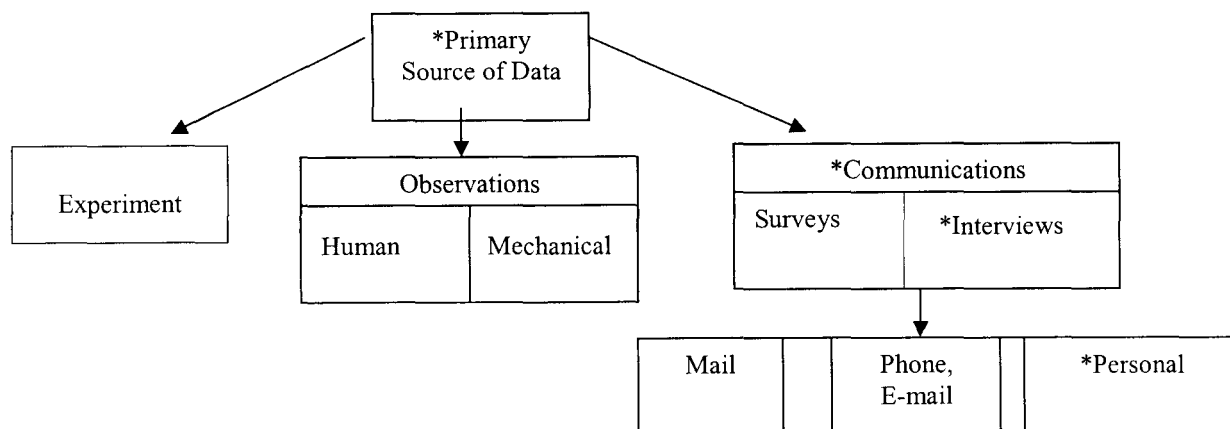
Figure (7.3) Sources of primary data
* Study's sources of primary data

QUESTION DESIGN

The questions were developed out of the main dimensions of the two-stage conceptual framework (see figures 3.3 and 4.1 for more details). They were grouped to reflect the cultural values and the practices within the research context. This provided a structure for comparability between cases. Of course, this does not imply that the interviewing questions were inflexible. In fact, there was enough flexibility to pursue the emerging topics, to consider differences between respondents, and to recognise the social context effect. Some questions were reformed, omitted, or added in particular interviews. The order of questions was also varied depending on the flow of the conversation. The types of questions used in this study are a combination of open, closed, and probing questions. Hussey and Hussey, (1997), and Saunders et al., (2000) differentiate between the three types as follows:

- "Open questions are used to motivate the interviewees to give wide-ranging and expansive replies, therefore, they may give the respondents the freedom to answer as they wish, and they also give much more flexibility for the researcher cover more ground;

- Closed questions can be employed to obtain particular information and to verify facts and opinion. They are easy to record, code, and interpret, and as a result they are not time-consuming; and

- Probing questions can be used to explore answers that are of importance concerning the subject matter of the study. Additionally, they can be used to gain further explanation".

Three issues, extended to other interviews, must also be taken into consideration:
- The first issue concerns using a Likert scale (Yin, 1989) in some questions in which the respondents were asked to give their opinions through rating items. The lower the score, the greater the importance of the factor or the priority.
- The second issue is that only managers in each case were asked to participate in the interviewing, rather then employees. This is because the former has a whole picture of their own companies and has the ability to take the final decisions concerning adoption of this new organisational vehicle. However, when the study involves implementing this BSC, it is worthwhile getting employees participating in the interviewing process.
- A number of suggested measures which reflect the four perspectives of the BSC were directed to financial, marketing, internal-process, and human resource managers. These measures were derived from the literature, such as (Kaplan and Norton, 1996, 1996a, 2001a, 2001b; Olve et al., 1999); however, the researcher gave the respondents the opportunity to add whatever measures they considered important.

At the end of this phase, the study concluded with a plan of the alternative course of action to be taken in order to analyse in depth the Egyptian cultural values and practices which may influence the adoption of Western management practice, such as the BSC. This plan represents the centre of the next phase which involves action-taking.

7.3.3 ACTION-TAKING PHASE

Action taking involves the selection and the implementation of one of the courses of action considered in the previous phase (Kock, 2004). More specifically, it proceeded to action; semi-structured interviews within a multiple-case study design were conducted. Further justifications for using this technique are set out in the paragraphs that follow.

Although this technique is time-consuming, expensive, and can be affected by bias, there are many advantages in such studies, and many authors support it. Burns (2000), and Punch (1998), for example, argue that interviews provide one of the main sources of data in qualitative research. They are a valuable way of accessing people's perceptions, meanings, and definitions of situations and constructions of reality. This can be useful in conducting studies of change (Ghauri and Gronhaug, 2002; Padgett, 1998). Sarantakos, (1998) argues that interviewers can build a constructive and successful connection with the context and with the respondents when they are from a similar background through a reflective approach (this suits the nature of action research that is characterised by a joint-learning based relationship with the respondents). Interviews are significant since most case studies are about people and their related activities, which need to be reported and interpreted through their eyes (Jones, 1985). It is a flexible technique of data gathering (Silverman, 1993; Stewart and Shamdasani, 1990). Burns, (2000), argues in support of interviews especially: they are flexible, and the response rate is good.

The type of interview selected should be aligned to the research strategy, purposes and questions. In this research, a decision was made to conduct semi-structured interviews. Churchill, (1999) defines a semi-structured interview as one where the questions are predetermined, but the respondents can use their own language and ways to answer. Ghauri and Gronhaug, (2002) argues that, while structured interviews benefit from the uniformity in the behaviour of interviewers, unstructured interviews are of greater value in the context of exploratory studies. Therefore, at the general level, the study employs this type of interview to capitalise on the strengths of structured interviews and unstructured interviews and to compensate for the weaknesses of each type. In addition, the study is able to increase the validity and reliability of the findings.

Saunders et al., (2000) argue that semi-structured interviewing and unstructured interviews are best employed in a qualitative paradigm to conduct exploratory research. Semi-structured interviewing is an appropriate technique in many cases when; existing knowledge about the research topic is little or even non-existent, and the research topic is confidential and commercially sensitive (such as the

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BSC that involves performance management) (Easterby-Smith et al., 1991, 2002). Blaikie (2000), justifies using semi-structured or unstructured interviews as they allow the researcher to get close to the natural setting of interviewees' words and meanings, to their explanations of the social interaction in which they have been engaged. The study specifically employs one-to-one interviews based upon a face-to-face method as put forward by many authors such as (Padgett, 1998; Fontana and Frey, 1994).

As indicated earlier, semi-structured interviews offer a balance between flexibility and the need for comparability in the study at hand, as a multiple-case study research. From reviewing the literature and the study's theoretical framework, a number of cultural values and practices-related themes and questions were incorporated into an interview schedule (see Appendix I for more details). Fifty-five semi-structured interviews were conducted. All the interviews were held at the work place of the respondents and lasted between 1 and 3 hours. The interview sampling was purposively selected to include different categories of management that reflect the four perspectives of the BSC. These include (see Table 7.2:

- General Manager: (an emphasis is placed on background about each case and then about the whole context that in turn reflects the characteristics of this non-Western-Egyptian culture).
- Financial management (who reflects the financial perspective of the BSC);
- Marketing management (who reflects the first non-financial perspective of the BSC, more specifically, marketing activities);
- Internal-process management (who reflects the second non-financial perspective of the BSC, as this interview comprises an organisation's internal processes); and finally,
- Learning and growth management (who reflects the third non-financial perspective of this vehicle). This perspective is represented by human-resource activities, although the original perspective is much wider than human resources alone. This is due to the fact that the job title of learning and growth manager does not exist in the context of the Egyptian fertiliser industry (based upon previous contact with the context). The reader, in this perspective, will see a greater number of measures than those in the other

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three perspectives (see Appendix I); this is because of its connection with human resources, which are considered strategically important.

Table (7.2) Distribution of the interviewees

Cases Managers	Case 1	Case 2	Case 3	Case 4	Case 5	Total
CEO*	3	3	3	3	3	15
Senior management*	4	4	4	4	4	20
Middle management**	4	4	4	4	4	20
Total	11	11	11	11	11	55

*CEO participate in the three rounds
** Senior management includes the head of each department (Financial Marketing Internal-process management Learning and growth)
*** Middle management includes one of the manager under the management of the senior manager in each department (Financial Marketing Internal-process management Learning and growth)

The respondents and interviewees were 100% male. This was attributed to that the participation of Egyptian females working in this industry is still low (based upon the respondents' opinions). This also may have a cultural perspective, as will be discussed in Chapter8.

SEMI-STRUCTURED INTERVIEWS' LIMITATIONS

It is worthwhile noting that, despite the advantages of this technique, methodologists call for caution about the effect of the interviewer on the interviewee, and the possible bias that can be generated. Saunders et al., (2000), for instance, point out that comments, tone or even non-verbal behaviour can create bias in the way that interviewees respond to the questions being asked. Such bias may affect the validity and reliability of the study. In fact, the subjectivity of qualitative paradigm can be justified by the argument made to stress that objectivity (of quantitative paradigm), to some extent, means losing the respondents' perspectives and attitudes about the phenomena under investigation, which are of great value to understand the behaviours. Nevertheless, taking this limitation into account, a combination of research methods and techniques (multiple-case study design, semi-structured interviews, under the umbrella of action research), and member-checking technique, as shown below promote accuracy, thus enhancing the research rigour.

At the end of this phase, the study obtained the raw data about the cultural values and practices of the research context, the Egyptian culture, with reference to their influence upon the adoption of the BSC. In the next phase, the study goes on to analyse the data using a combination of descriptive statistics and content analysis as discussed below.

7.3.4 EVALUATING PHASE

Evaluating involves the study of the outcomes of the selected course of action (see Chapter 8 for more details) (Kock, 2004). It involves analysing the collected raw data in the previous phases, and obtaining some understandable findings. One of the main characteristics that distinguish this phase is that in action research-qualitative research, the data collection and analysis are simultaneous (Coffey and Atkinson, 1996). In addition, it is acknowledged that ongoing analysis within the data-collection stage can support understanding and the ideas-development process in following interviews (Fischbacher, 1999). The study employs two of the most common techniques used for finding meanings, and then for sustaining the research rigor. These include descriptive statistics, and making contrasts/comparisons (Miles and Huberman, 1994) as follows:

- **DESCRIPTIVE STATISTICS**

The study in this qualitative analysis employs some descriptive statistics such as, mean, standard deviation, frequencies, and percentages. This makes it easier and faster to see what is obtained through the study, and it is more helpful in verifying the intuitive feeling about the data, and it is also a good way to protect the researcher from bias (Dey, 1993). It provides a standard method for comparisons between items, and it illustrates differences between them (Al-Shuaibi, 1991).

- **MAKING CONTRASTS / COMPARISONS**

The study utilises cross-case analysis that is a traditional and common way to analyse and examine a conclusion as argued by (Dey, 1993; Tesch, 1990; Yin, 1994). In qualitative analysis, making comparisons always involves two sets of activities and roles, in this case either within the same culture or, more usually, between cultures. These comparisons will be shown in two levels, the entire context and the case level as shown in Table (7.3).

Table (7.3) Making comparisons

Cases / Managers & Questions	Case1	Case2	Case3	Case4	Case5
1					
2					

Vertical Comparison (At the company level)

Horizontal Comparison (At the level of all cases)

In addition, the study drew on content analysis to guide the researcher in analyzing the qualitative data (Chow et al., 1999; Krippendorff, 1980). Weber (1990, p. 9) describes content analysis as "a research method that uses a set of procedures to make valid inferences from text", and can be used for many purposes, including coding open-ended questions. Content analysis is a research method that facilitates the examination of written and oral communication (Krippendorff, 1980). Content analysis possesses some advantages generally associated with qualitative methods such as richer detail, preservation of greater context information, and the potential for joint-learning development. The latter is the centre objective of action research (Insch et al., 1997). It is commonly used to examine information that was generated without the respondent's prior knowledge that the information would be analyzed. Moreover, data obtained through content analysis are amenable to both qualitative and quantitative analysis methods. Content analysis also provides a methodologically rigorous technique that can be used in multiple case studies, as the study at hand (Krippendorff, 1980; Weber, 1990).

The researcher analysed the interview transcripts with the objective of identifying and classifying into categories the cultural factors given by respondents as influencing the likely behavioural outcomes in the scenarios. Later on, the researcher reread all transcripts with the same objective, but, on this occasion, (i) determined and documented a set of decision rules, based upon the main themes of the study, for category identification and classification (see Appendix II for more details), and (ii) applied those rules to obtain a count of the

relative frequency with which categories were raised across the respondent samples. The decision rules consisted of a list of the text units of words and phrases regarded as being indicative or connotative of the cultural values and practices — such as leadership style, management style, communication, human resource practices... etc which are derived from both national and organisational cultures factors influencing the behavioural outcomes, the adoption of the BSC.

The study used words and colours, phrases and sentences as the unit of analysis (or text unit), rather than paragraphs or pages. The use of small text units carries the advantages of greater simplicity of coding (Gray et al., 1995, p. 84). In particular, the categories developed were generated from the interviews themselves, rather than from an external referent (Guthrie and Mathews, 1985; Weber, 1990). The study reports and compares the relative frequency of occurrence of those categories perceived by our respondents as important cultural influences on the adoption of the BSC in those contexts (Chow et al., 1999).

At the end of this phase, the study obtained some results (see Chapter 8 for more details) which address the research gap, the research aim, and the final research objective (see sections 7.1 and 7.2 for more details). The next phase, involving specifying-learning, represents the final phase needed to close the learning loop, as shown below.

7.3.5 SPECIFYING-LEARNING PHASE

Finally, specifying learning involves assessing the outcomes of the evaluating phase and, based on this assessment, knowledge generation in the form of a conceptual or theoretical model describing the situation under study (see Chapter 8 for more details) (Kock, 2004). This step represents a reflective practice that has been motivated by commitment towards generating valid research conclusions (Baskerville, 1996; Kock, 2004). In other words, it is especially important in situations where involvement, such as action research is necessary (Baskerville and Wood-Harper, 1996). According to Ottosson, (2003), these aspects include:

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- The researcher, through this approach, along with the qualitative paradigm used, obtains a deeper understanding of the research process they are studying;

- The research's aim and objectives can be tested with relatively fast feedback on achieved results.

This reflective practice aims at having the theoretical insights, and the research results and findings translated into applications in an effective way (Gibbons et al., 1994). As a result, research findings can be adopted for practical use more quickly for faster feedback, and all involved can experience both a better and deeper level of learning (Baskerville and Pries-Heje, 1999; Ottosson, 2003). More specifically to close the learning loop, the study finally utilizes a technique called "member-checking" (Gill and Johnson, 1991) to validate the research results and findings. Padgett, (1998), identifies six strategies for improving and sustaining research rigor. This study already uses one of them to support the validity and reliability of the study, member checking (or going back to the respondents to validate the results) (Lee Thomas, 1999), as shown in (table 7.4).

Table (7.4) Ways for supporting research rigour

Strategy \ Threats	Reactivity	Researcher Bias	Respondent Bias
Prolonged engagement	+	--	+
Triangulation	+	+	+
Peer Debriefing/Support	0	+	0
Member Checking	+	+	+
Negative Case Analysis	0	+	0
Audit Trail	0	+	0

(+)Positive effect in reducing threat (--) Negative effect in reducing threat (0) No effect

Member checking is very important, especially in qualitative research. Padgett, (1998) argues that as data collection moves smoothly into data analysis, qualitative researchers often seek verification of their codes and interpretations by going back to their respondents. Lincoln and Guba, (1985) state that member checking involves returning to the context to make sure that the research is on the right track. As respondents' points of view are not only credited but also certified as reliable, this may be an essential step in guarding against researcher bias (Padgett, 1998). Silverman, (2001, p. 235) supports it as follows:

"The researchers who are fearful of contaminating their data with the experience of the subject are being criticised. On the contrary, good research goes back to the subject with tentative results and refines them in the light of the subjects' reactions."

One of the most rational bases of confirmation is the people the study has interviewed (Kuzel, 1992; Morse, 1989). Miles and Huberman, (1994) stress the importance of getting feedback from the respondents. They further argue that there are reasonable reasons for carrying out feedback after finishing analysis; the researcher has become more knowledgeable than before and the evidence has become more convincing.

7.4 VALIDITY, RELIABILITY, AND GENERALIZABILITY

The multiple-case design has enhanced the validity of the study at hand, helping to understand cultural influence upon the adoption of Western management practices, as a whole within its real-life context (Silverman, 2001). Yin, (2003) also argues that case study strategy can achieve excellent internal validity by providing a profound understanding of the case being studied. The combination of semi-structured interviews with multiple-case design has also enhanced the validity of the current study. Both methods provided rich data and considerably sustained the researcher understanding of the subject matter of the study, and especially how culture influence the adoption of the BSC. They also contributed to the accuracy of the data since some interviewees' data was reinforced, explained, and sometimes corrected by the interviews in the other cases.

On the other hand, case study strategies and qualitative methods in general have been widely criticised as lacking external validity, reliability or generalizability. Yin, (2003) refers to the external validity as establishing the domain to which a study's findings can be generalised. Punch, (1998) also points out a common criticism of qualitative paradigm in general and the case-study design in particular is generalizability. So, how can we generalise from the study at hand? Despite focusing on one phenomenon (the relationship between culture and the adoption of the BSC), within a particular context (the Egyptian fertiliser industry), and using a few cases (5 organisations), the findings of the current study can be generalised. Some advocate that the purpose of qualitative paradigm and case-study, unlike quantitative research (Burns, 2000; Punch, 1998) is to understand the phenomena being studied, and not to determine the frequency with which they occur or to generalise. That said, many authors argue for other ways of strengthening research generalizability. Yin, (2003) argues for the employment of analytical or theoretical generalisation as an alternative to statistical generalisation in case studies. Statistical generalisation is only one type where an inference is made about a population based on empirical data collected about sample (Silverman, 2001). This is the most common way of generalising when doing surveys or analysing archive data (Denzin, 1978, 1989; Denzin and Lincoln, 1994). Analytical or theoretical generalisation, on the other hand, involves generalising from a study to a theory (Punch, 1998; Yin, 2003). Rather than asking what a study tells about the wider population (statistical generalisation), a researcher is striving to generalise a particular set of results to some broader theory. Punch, (1998) argues that there are two main ways that qualitative paradigm can generalise to theory: the first by conceptualising, the second by developing theoretical propositions. He goes on to explain that discovering the importance aspects of a new research topic, developing an understanding of them, and conceptualising them for further study, is often best achieved through qualitative and case-study.

Based upon the above discussion, it is not the remit of the present study to generalise to other industries in the Egyptian manufacturing sector (statistical generalisation). These five cases were not considered as representative sampling units as in surveys. Rather, the organisations were selected to provide a real-life

context to explore and understand the relationship between culture and the adoption of the BSC, and then to achieve the aim and objectives of the study. However, as the study contributed to a concentrated understanding of this relationship as a new topic, to develop new concepts that assist to explain cultural values and practices of the Egyptian culture, it has the potential to inform future deliberations on this relationship in different industries and different sectors and in similar industries in other context (analytical or theoretical generalisation).

7.5 PRESENTATION AND INTERPRETATION OF THE EMPIRICAL FINDINGS

The data is presented in the following integrated chapters. Chapters 8 in much more detail investigates the research context, the Egyptian culture, cultural patterns and managerial practices and their influence on the adoption of the BSC as a Western change vehicle. It also seeks to explore the relative weight and importance of the financial and non-financial perspectives of the BSC with regard to the influence of the Egyptian cultural values and practices. Chapter 9 goes on to discuss the relationship between culture and the adoption of the BSC, and then draw the research findings and conclusions together to identify the research contributions and the future research trends.

7.6 SUMMARY

A study should tailor research design to the research aims and objectives (Fischbacher, 1999). According to Punch (1998), a research design whose components do not fit together has questionable validity. A call for ensuring the consistency and overall validity of the research was emphasised. All the research components were interrelated and based on the research aim and objectives. An interpretative strategy was adopted to support the exploration of the relationship between culture and the adoption of the BSC. This is enhanced by the spirit of action research orientated qualitative paradigm that aims at obtaining understanding and meaning rather than facts, and to access the Egyptian's respondent behaviours and attitudes towards this essential relationship.

More specifically, action research is one of several qualitative research methods used in the field of change. Also, it was proven as of great value as a research technique and a vehicle for development and change. A number of complementary research methods and techniques have been used under the umbrella of action research, in order to sustain the research rigour. By taking a multi-case sampling, researchers can strengthen the accuracy, the validity, and the reliability of the findings. The evidence will be more convincing, even though it takes more time and effort. This is backed by using interviews, which is considered the most suitable method for providing information and facts at this early stage of the diffusion of this new change vehicle. In short, interviewing is one of the most common qualitative methods practiced, and one of the most important sources of case study information in organisational research. Sampling is as an important an issue in qualitative research as it is in quantitative research. A study cannot study everyone, everywhere, doing everything. The study employs non-probability sampling, more specifically, theoretical sampling, to fit this qualitative paradigm employed in this study. Qualitative samples tend to be purposive, rather than random. A combination of documentary and primary data source is also used.

CHAPTER 8:

CULTURAL VALUES AND PRACTICES WITHIN THE RESEARCH CONTEXT AND THE ADOPTION OF THE BSC

INTRODUCTION

8.1 OVERVIEW AND INTRODUCTION OF THE RESEARCH CONTEXT

8.2 EVALUATING THE LEVEL OF AWARENESS WITHIN THE RESEARCH CONTEXT OF THE BSC (THE FIRST PHASE OF ACTION RESEARCH)

8.3 CULTURAL VALUES AND PRACTICES WITHIN THE RESEARCH CONTEXT

8.4 THE REFLECTION OF ORGANISATIONAL CULTURAL VALUES AND PRACTICES UPON THE BSC

8.5 CULTURE OR BSC – WHICH TO ADAPT TO THE OTHER?

8.6 RESULTS

8.7 SUMMARY

CHAPTER 8

CULTURAL VALUES AND PRACTICES WITHIN THE RESEARCH CONTEXT AND THE ADOPTION OF THE BSC

INTRODUCTION

Findings are the abstract of any piece of research. They need to be presented and discussed in a convincing and coherent way. Taking this into account, the main findings of the present study are presented in this chapter. These findings reveal that the assumptions about Egyptian cultural homogeneity were misleading. Sub cultural differences and cultural diversity exist within Egyptian business society, and have a remarkable influence upon the adoption of the BSC. The significance of these cultural differences and subcultures on the adoption of Western management practices, the BSC in particular, will be demonstrated. Linking the findings with the earlier theoretical analysis, the chapter begins by briefly showing how the assumption of Egyptian cultural homogeneity came into being, stressing the respondents' opinions. The chapter then highlights how work-related values and practices differ among cases where subcultures exist, and it concludes that considering the Egyptian culture as homogeneous, as Hofstede's model promulgates, is illusory.

More specifically, returning to the research objectives identified before in Chapter 7, the study to date has addressed all the objectives except for the final research objective which asks: " assuming that cultural differences exist and have an impact, then the thesis will consider how the change vehicle and/or the culture might be adapted to fit". This will be dealt with in this chapter and in Chapter 9.

Chapter 8 starts with an overview and introduction of the research context, the Egyptian fertiliser industry. Subsequently, the study discusses in detail the first phase of the adopted action research methodology, the diagnostic phase (see Chapter 7, section 7.3.1 for more details). This involves evaluating the awareness level of Western management practices, the BSC in particular, within the research context, principally after the intensive joint-learning-based seminars. In the following sections, the study demonstrates and analyses cultural values and

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practices within the research context using qualitative and quantitative techniques, such as content analysis, descriptive statistics (see Chapter 7 for more details).

Furthermore, the study emphasises and discusses the reflection of organisational cultural values and practices upon the BSC. Later, the study questions which to adapt to the other, culture or BSC? Finally, it discusses the research results in a way which contributes to the research gap and the research aim previously identified (see Chapter 7, sections 7.1 and 7.2 for more details) respectively.

8.1 OVERVIEW AND INTRODUCTION OF THE RESEARCH CONTEXT

There is a broad consensus that the environment in which business firms (including the Egyptian fertiliser industry) exist is becoming ever more turbulent and uncertain (Roest, 1997). When facing the increasingly fast-changing hypercompetitive environment, these organisations should turn to a fundamental shift in competitive positions, work-related values and practices, and norms of behaviour (Beugré and Offodile, 2001). In the current study, in order to identify these cultural values and practices of the Egyptian fertiliser industry, the study begins with an overview of the entire research context. This can be described in terms of several aspects, such as company location, company type, total capital paid, number of employees, number of years in operation, the diversity of the visions and the strategic goals, and the attention given to non-financial perspectives of performance etc.

8.1.1 THE EGYPTIAN FERTILISER INDUSTRY; SOME COMMON CHARACTERISTICS

The study, in this section, discusses and compares the research cases in order to identify their similarities and differences with reference to the relationship between cultural perspectives and the BSC. This in turn can identify whether there is cultural homogeneity or only some common characteristics within the Egyptian fertiliser industry.

The data shows that the research context, the Egyptian fertiliser industry, can be distinguished by the type of ownership, i.e. privately-owned or publicly-owned entities. This is emphasised by the following quotations.

"... The company is located in the Egyptian Middle-Delta region. It was established around 54 years ago. It is a publicly- owned company which employs about 4600 staff including the top-level management..."*(Case 1, GENMAN).*

"... This company is privately owned with about 2800 staff, including the top-level management. It is located in two places, the Middle Delta and in Upper Egypt - south Delta - respectively. It was established about 60 years ago..."*(Case 2, GENMAN).*

"... The company, which has been in business for twenty-four years, is privately- owned and is located in the West part of the Egyptian Delta, specifically in Alexandria. It employs about 3000 staff including the top-level management..."*(Case 3, GENMAN).*

"... This company is one of the companies owned by the government. It was established about 55 years ago in the Middle of the Egyptian Delta. This company employs about 975 staff including the top-level management ..."*(Case 4, GENMAN).*

"... The joint-venture free-zone company, which is five years old, is located in the East of the Egyptian Delta (Suez Canal), with about 900 staff including the top-level management..."*(Case 5, GENMAN).*

Also, the data shows that the research context differs according to the nature of the products to Azote or Phosphate fertilisers. This is highlighted by the following quotations.

"... It specialises in the production and distribution of Azote-fertiliser. The raw materials used in this company are all domestically sourced. Three are main product lines represent the following product mix, Urea (NH_2CON_2) - prilled and granular; Ammonium Nitrate (NH_4NO_3); and Ammonia (NH_3). These products are characterised by a short average time of production; however, they can be stored for extended periods..."*(Case 1, MARMAN, senior).*

"... The company is focused on the production and distribution of Phosphate-fertiliser. The product mix of this company includes two groups which are distinguished by a short production cycle; nevertheless, they can be stored for long periods as follows: the main

products include Phosphates Fertilisers - powder and granular Single Supper Phosphate 18% P2O5, powder and granular Single Supper Phosphate 20% P2O5, powder Single Supper Phosphate 15% P2O5; the other products are: Sulphuric Acid (commercial Sulphuric Acid 98%, A.R. Sulphuric Acid 98%, Battery diluted Sulphuric Acid 30-34%, and fuming Sulphuric Acid (Oleum) 20-25% free So2) ..."(Case 2, INTPROMAN, senior).

"... This company is one of the Azote-fertiliser-based companies. There are three main integrated plants form the company. It produces and markets the following product mix Urea (NH2CON2) (prilled and granular); Ammonium Nitrate (NH4NO3); and Ammonia (NH3). This company does not import any of its raw materials. The average production time is brief, contrary to the average period of storing; plant 1—Urea 70 Tons/Day, Ammonia 42 Tons/Day; plant 2—Ammonia 42 Tons/Day; plant 3—Urea 2000 Tons/Day, Ammonia 50 Tons/Day, Ammonium Nitrate 100 Tons/hour..."(Case 3, INTPROMAN, senior).

"...This company, as a Phosphate-based company, uses two main raw materials: rock Phosphate and raw Sulphur. While all of the former is available in the local marketplace, the latter must be imported. The company is producing Powder Single; Supper Phosphate PSSP; Granular Single Supper Phosphate GSSP; Granular Triple Supper Phosphate GTSP; Die Calcium Phosphate; Sulphuric Acid; Phosphoric Acid. More specifically, the company monopolises the production of Granular Triple Supper Phosphate GTSP. The nature of these products, which are rapidly produced, suits the continuous production flow policy..."(Case 4, INTPROMAN, senior).

"... The raw materials used in this company are all found domestically. It is interested in producing and marketing the Azote fertiliser, more specifically, Urea (NH2CON2) with the following specifications; granular 46 % minimum Nitrogen 3% by weighting maximum, BI 1%maximum, and the size 2mm-4mm..."(Case 5, INTPROMAN, senior).

Thus, the research cases can be grouped together according to those factors shown above, and can be summarised in the following table.

Table (8.1) The research context, product nature and ownership style

Product nature / Ownership style	Azote fertiliser	Phosphate fertiliser
Privately owned	Case 3, Case 5	Case 2
Publicly owned	Case 1	Case 4

As shown from the table above, the research context is diverse, although at the level of product nature, two common aspects can be noted. One of these is that all cases share the characteristic that the fertiliser as a commodity has a short and rapid production life-cycle combined with a quick turnover. This suits the nature of Egyptian culture, as being focused on the short term (see Chapter 4 for more details). The other is that the product mix of each individual case and also of the context as a whole, is limited (see Chapter 2 for more details) compared to that of companies in the West, where great attention has been paid to Compound fertiliser (NPK) (Aldinger, 2003). This is due to the nature of Egyptian culture being change-adverse, where there is an emphasis on adhering to the old practices and maintaining the status quo (see Chapter 4 for more details). These two points will be discussed in detail later in this chapter.

In addition, the study stresses the diversity of the visions and the strategic objectives within the research context. More specifically, by going through the respondents' views on this issue, an orientation towards non-financial objectives is emphasised by the culture of Cases 2, 3, and 5 respectively. This is acknowledged by the following data.

"... In order to produce our products, the company depends upon two main raw materials: rock Phosphate, which is locally sourced, as opposed to raw Sulphur which is imported. The company is described as being entirely involved in satisfying the customers' needs locally and abroad. The company focuses a lot on getting a good foothold in the international market..."*(Case 2, HUMRESMAN, senior).*

"...This Company is customer-satisfaction oriented with a strong emphasis placed on the maximisation of the added-value of the Egyptian economy. Not only that, but this company is also clean-environment oriented. The company is aimed at coping with local and the international environmental regulations and legislation..."*(Case 3, HUMRESMAN, senior).*

"...As a free-zone entity distinguished by a combination of Egyptian and Arab businessmen as well as a number of the leading Egyptian and non-Egyptian financial institutions, it is described as achieving successful industrial growth in order to strengthen the Egyptian competitive ability. More specifically, this vision is reflected in the following strategic objectives such as; to produce products of the highest possible

quality; to produce products at competitive prices; and to market with on-time delivery..."*(Case 5, HUMRESMAN, senior)*.

As shown above, examples of these long-term non-financial aspects are shown below:

- satisfying the customers' needs locally and abroad;
- obtaining customer satisfaction in a way which maximises the added- value of the Egyptian economy; and
- achieving successful industrial growth in a way which strengthens the Egyptian competitive ability

As opposed to the culture of the aforementioned cases, the culture of Cases 1 and 4 in that order are directed more towards short-term financial business objectives, such as:

- Increasing the returns through producing fertilisers of the highest quality, and
- Making the shareholders' wealth grow.

This is shown in the following quotations that are reported by the interviewees in Cases 1 and 4.

"... The company's vision can be expressed as a wish to increase the returns through producing fertilisers of the highest quality..."*(Case 1, HUMRESMAN, senior)*.

"...It is aimed at satisfying the shareholders by increasing production capacity in order to maintain the market share in the domestic marketplace, thus increasing the shareholders wealth..."*(Case 4, HUMRESMAN, senior)*.

The study from this point notes that the first group includes those which are privately owned, as shown in table 8.1. However, those within the second group are located in the same table, under the classification of publicly-owned entities. These are considered to suit the nature of Egyptian culture which scores short-term in the Hofstede model shown in Chapter 4 (table 4.1). This raises questions about the privately-owned companies, which originated in the same culture. Therefore the study begins to examine the assumption that Egyptian culture is as homogenous as Hofstede describes it as being (see Chapter 4). This implies that

there are non-cultural factors which may influence cultural values and practices (the Crossvergence Theory). This will be explored later in this chapter.

An important common issue, from this overview of the research context, is that the entire research context emphasises the call for being in touch with leading Western or Westernised organisations in the field, as stressed by the following quotations.

"... As a result, it makes regular business visits to some of the unique organisations in the industry around the world. Examples of these organisations are UREA CASAL (Switzerland); and Stami Carbon (Netherlands). The focus of these visits is quality and technology. These two aspects are synonymous with the acquisition the certification of ISO 9000, 14000 ..."*(Case 1, INTPROMAN, senior).*

"... In order to exchange ideas about the latest technologies, solve problems in existing units, and negotiate any future extensions, regular visits to the leading organisations in the field are made. Examples of these organisations are Bradley Pulverise, and Simon Carver (UK), Technip Coflexip (France)..."*(Case 2, MARMAN, senior).*

"...For this company to be in touch with the Western business culture in the field of the fertiliser industry, an emphasis on making ordinary business visits to the leading Azote-production organisations across the world is reported. An example of these organisations is HYDROAGRI (Norway). The objectives of these visits are: to exchange experts and improve expertise, to gain experience in solving the problems of processing and production, and to keep in touch with the most-up-to-date techniques and technology..."*(Case 3, MARMAN, senior).*

"...Leading organisations such as Jordan Phosphate (Jordan), El-Sharifi (Morocco), and TECI (Tunisia) are the objects of regular visits. The purposes of these visits are to keep up with the latest technology and developments in the fertiliser industry, to exchange experience, and to discuss the company's problems in an attempt to deal with them..."*(Case 4, MARMAN, senior).*

"...A call for being in touch with the Western or Westernised leading companies in this industry is emphasised. This is simply done through making regular business visits to some of the high-performance organisations such as UHDE (Germany), Stami Carbon (Netherlands), and Norsk Hydro (Norway). The objectives of these visits are to train the staff in the most-up-to-date technology, and to gain more experience regarding the maintenance processes..."*(Case 5, MARMAN, senior).*

However, it is worthwhile stressing that all of those cases focus only on the most recent technical aspects of business, such as gaining experience for solving problems, and discussing expansions, rather than focusing on developing management theories and associated practices as well. This fits the nature of Egyptian culture, which is seen by Hofstede as being more orientated towards following institutional procedures (see Chapter 4 for more details). Another shared issue which complements the preceding point, is that the whole context sees as synonymous the adoption of the total quality philosophy with the acquirement of the ISO certifications, such as ISO 9000, ISO 9001... to ISO 14001. This matches the nature of Egyptian culture, as it is considered in the literature to be a culture of adherence to following procedures. As it is known from the literature, gaining those ISO certifications require no more than following certain procedures (Ashton, 1993; Smith, 1993); however, this does not necessarily imply the adoption of quality values (Chase, 1993; Smith, 1990) (see Chapter 2 for more details). This is discussed in greater depth later.

In addition to the above, it has been acknowledged in the literature that the process of deciding strategic deviations is considered of great value for long-term strategic planning and short-term action and budget planning (Al-Sayed, 2003; Kaplan and Norton, 1996, Maene, 2003). More specifically, the information from these deviations is used to sustain decision-making, and the organisation's strategic goals. Therefore, taking it into consideration guarantees strategy-oriented action planning and budgeting (Kaplan and Norton, 2001).

The study explores an important result while going through those transcripts, as shown below.

"... However, there is a negative deviation of 1%-2% between strategic targets and business results..."*(Case 1, FINMAN, senior)*.

"... The company is achieving its targets..."*(Case 2, FINMAN, senior)*.

"...The Company have exceeded the planned targets by about 5% in the last three years. As a result, it leads the local market by a large market share..."*(Case 3, FINMAN, senior)*.

"... However, this company is having achieved 90% of the planned targets ..."*(Case 4, FINMAN, senior).*

"... 10% to 18% more than the planned targets is having being achieved in the last three years..."*(Case 5, FINMAN, senior).*

As shown above, this includes the assumption that there is no relationship between the years of operation or the years of experience and the organisational effectiveness and efficiency. The evidence is shown in Table (8.2) below.

Table (8.2) The relationship between the years of operation and the organisational effectiveness and efficiency

Cases Factors	Case 1	Case 2	Case 3	Case 4	Case 5
Years of operation	54	60	24	55	5
Strategy Deviation (the difference between the planned and the actual results)*	1% - 2% (—)	The targeted % (=)	5% (+)	10% (—)	10% - 18% (+)

*This deviation is calculated by the respondents as a mean of the last three year of operations
(—) negative, (=) the planned equals the results, (+) positive

As shown from the table above, Cases 3 and 5 have fewer years of operation than those of Cases 1 and 4, which were established earlier. Case 2 is exceptional, as the last three years show that the planned targets have been exactly achieved. Also, in order to keep a consistency between the data sets, it is worthwhile noting that those Cases 2 and 5 are privately-owned, as opposed to those Cases 1 and 4, which are publicly-owned. This may be justified by the fact that those which are privately- owned are using the most up-to-date technology (El-Shinnawy, 1999). On the other hand, those owned by the public seem to be adhering to old practices in this changing business environment (Abul-Gheit, 1998; El-Guindy, 1997); this is discussed in greater depth later in this chapter.

Finally, expanding on the above, the study explores and emphasises the differences between the cases of the research context with references to the attention they give to both research and development, and reinvestment in process and equipment. Cases 2, 3, and 5, as shown in the following quotations,

seem to highlight the significance of these activities as a recipe for success in the long term.

> "... This company allocates 5% of income to research and development tasks and 4% of income to reinvestment in process and equipment, as one important step towards achieving the strategic objectives, identified above..."*(Case 2, HUMRESMAN, senior).*

> "...The Company got almost 70% of the domestic marketplace. The company is hoping to raise the proportion allocated for research and development from 7% to 10%, and the proportion allocated for reinvestment in process and equipment from 5% to 7%, as this will sustain the long-term competitive advantage in this changing business environment..."*(Case 3, HUMRESMAN, senior).*

> "... It is entirely convinced of the significance of both research and development, and reinvestment in process and equipment in order to compete in today's tough business environment abroad; as a result, the company allocates 10% and 7% of income respectively to be spent on these essential activities..."*(Case 5, HUMRESMAN, senior).*

However, Cases 1 and 4 seem to pay less attention to those vital tasks. In other words, other organisational operational functions such as production, finance, and marketing are carried out at the expense of those essential activities (Abd-Elgadir, 2003), (Al-Sayed, 2003). This is shown below.

> "...In addition, the percentages of income allocated to both research and development, and reinvestment in process and equipment, are roughly estimated as 2 % for each activity..."*(Case 1, HUMRESMAN, senior).*

> "... A relatively small proportion of 1 % of income is spent on research and development, and 2% is spent on reinvestment in process and equipment..."*(Case 4, HUMRESMAN, senior).*

Thus, Cases 2, 3, and 5 seem to place more emphasis on the strategic long-term aspects of business, as opposed to the short-term aspects, which appear to be stressed by Cases 1, 4. The culture of the latter is similar to the nature of the Egyptian culture, which is seen as being short-term oriented (see Chapters 4 and 6 for more details). So, this adds to the impression gained previously from the

study, that the research context may contain two disparate cultures. This will be evaluated in greater depth later in this chapter.

In the following section, the study discusses in greater depth the research context's level of awareness of Western management practices, in particular the BSC. This represents the central point of the first phase of the action research methodology, the diagnostic phase, as previously demonstrated in Chapter 7.

8.2 EVALUATING THE LEVEL OF AWARENESS WITHIN THE RESEARCH CONTEXT OF THE BSC (THE FIRST PHASE OF ACTION RESEARCH)

The diagnostic phase involved the recognition by the researcher of an opportunity for development which is likely to lead to the improvement of relevant knowledge. Through this phase, a simple controlled experiment (before and after experiment) was carried out (see Appendix I for more details) to assess the awareness level of the respondents of the BSC, and the expected influence of culture on this change vehicle. First, intensive and extensive contact with senior management was conducted. This enabled a diagnosis and identification of their initial views. The result of these contacts was the discovery that the awareness level of this Western management practice was low and shallow. In consequence, the researcher conducted some intensive joint-learning-based seminars (see Chapter 7 for more details), as the experiment. Afterwards, some questions were asked to evaluate their knowledge of the BSC (see Appendix I for more details). It was apparent that the degree of knowledge was raised (this is discussed and analysed below). This is the great value of action research, as it a research technique and a vehicle for development and learning as well. So, this section can be divided into two integrated parts as follows:

8.2.1 THE AWARENESS LEVEL OF THE BSC BEFORE JOINT-LEARNING SEMINARS

As organisations do not exist in a vacuum, all cases within the research context have emphasised that the knowledge of Western management theories and associated practices and techniques, such as the BSC, are shallow and lack focus. As a logical consequence, they lack any experience in adopting it. This, on the

one hand, emphasises the originality of the BSC, as a Western vehicle, to the research context. On the other hand, it may result in a fear of modernism, fear of change, and then resistance to these. Especially as the nature of the national Egyptian culture was designated in the literature as being unwelcoming to change, risk averse, and adhering to the status quo, (see Chapters 4 and 6). This will be expanded upon later. Thus, this justifies the efforts made regarding the educational aspects and the reflective approach with double-loop learning process of action research employed in the study, as argued by many previous studies (e.g. Baskerville and Pries-Heje, 1999; Kock, 2004; Ottosson, 2003; Van Beinum, 1998; Waser and Johns, 2003).

8.2.2 THE AWARENESS LEVEL OF THE BSC AFTER JOINT-LEARNING SEMINARS

The study was able to demonstrate that the respondents were now in a position to discuss the initial attitude towards this vehicle, or the motives most likely to encourage an organisation to adopt the BSC, as well as its relevance to and influence on Egyptian cultural values and practices, and vice versa. This was true to the extent that a number of issues were raised by the respondents (based on the most frequently-mentioned content category):

- It is a systematic approach that may help an organisation to focus on strategic long-term or non-financial as well as short-term or financial activities;

- It is a means of developing triggers for continuous change, not simply a one-off change;

- It is also expected to focus on personnel empowerment;

- Therefore, the BSC can be considered as a means of improving an organisation's business performance in order for it to survive in today's business environment.

The entire context stressed that the adoption of the BSC was likely to be heavily influenced by Egyptian cultural values and practices. This is emphasised by many studies (e.g. Brown and Humphreys, 1995; Humphreys, 1996). This will be the focus of the following sections. Also, the respondents emphasised that the BSC, to be relevant to the Egyptian culture, should be flexible enough to fit the cultural requirements, and it should be focused primarily on people, as a recipe

for success (based on the most-frequently-mentioned content category), this will be discussed latter in this chapter.

As a complement to the evaluation of the respondents' awareness level of the BSC, and the influence of culture on its adoption, some specific literature-inspired measures were employed; representing the four perspectives of the BSC (see Appendix I for more details). This was in order to explore the relative significance of both financial and non-financial perspectives of the BSC and its association to Egyptian cultural values and practices. The literature shows that the Egyptian culture in general is distinguished by a focus on short-term financial perspectives of performance rather than on long-term non-financial perspectives (Bjerke, 1999; Bjerke and Al-Meer, 1993; Hofstede and Bond, 1988). The differences between the financial and non-financial perspectives are reflected in Table 1 in Appendix II, which is shown also in the following charts (8.1 and 8.2). However, the distinction between cases in the attention they give to short-term and long-term perspectives of performance will be discussed in detail below in section 8.2.3.
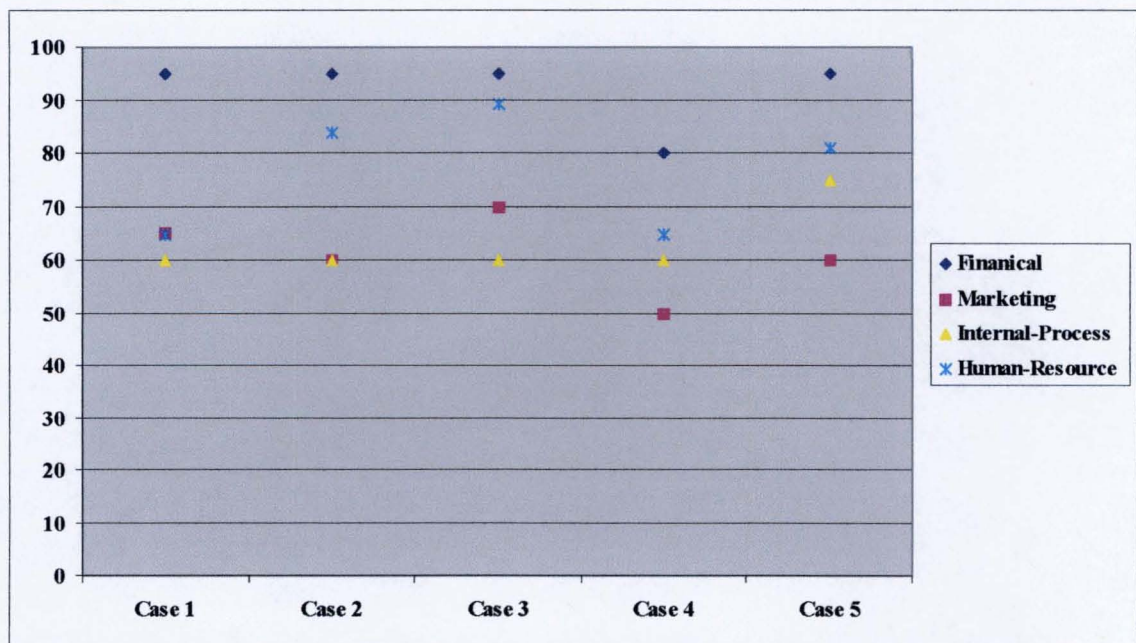
Figure (8.1) The relative significance between financial and non-financial measures of performance within the research context (at each case level)

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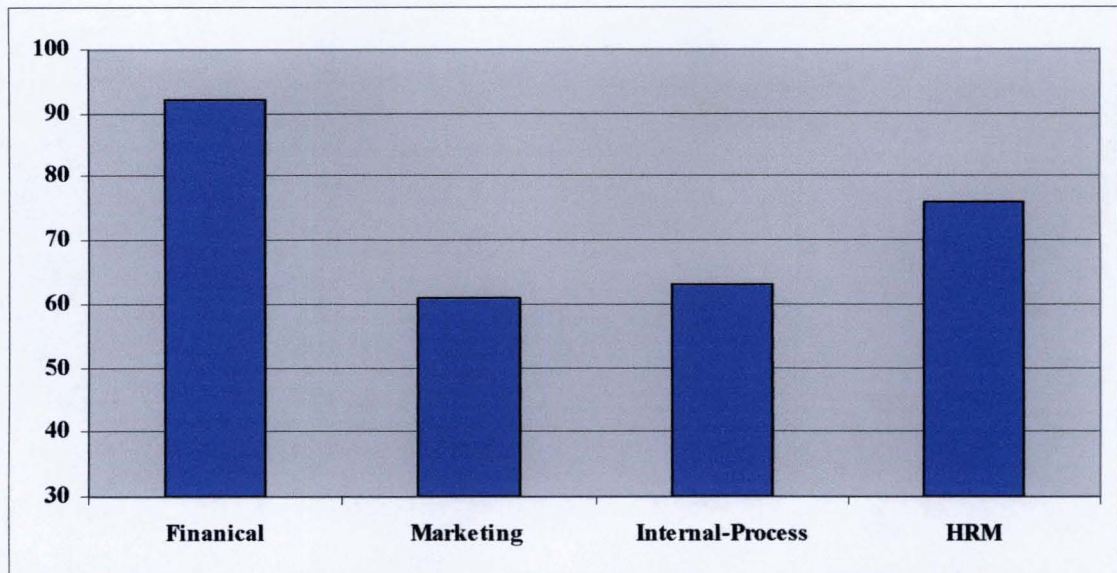
Figure (8.2) The relative significance between financial and non-financial measures of performance within the whole research context

8.2.3 THE EGYPTIAN CULTURE; EARLY INDICATIONS OF CULTURAL HETEROGENEITY

Based on a controlled experiment, as shown above, the study produced results which partially serve to achieve the final research objective (see Chapter 7 for more details). It emphasised that the awareness level of the entire research context of Western management practices, in particular the BSC, and the influence of culture, was shallow. However, after conducting intensive joint-learning seminars, the level of knowledge of the BSC is raised, as reported by the interviewees. This is evidence that action research is of great value as a research technique and a vehicle for producing and developing knowledge (Gustavsen, 1992; Ottosson, 2003; Van Beinum, 1998).

A significant issue, which is worthwhile taking into account, is that almost all cases of the research context have stressed that the BSC, in order to be relevant to the Egyptian culture, must be sufficiently adaptable to serve the requirements of this culture. This is supported in the literature by many independent studies (e.g. Ashton, 1993, 1997; Blackburn and Rosen, 1993; Chase, 1993; Davis, 1992; Denton and White; 2000; Edwards, 2001). Other previous studies (e.g. Galperin and Lituchy, 1999; Hackmann and Wageman, 1995; Hill, 1991; Epstein and Manzoni, 1997; Hasan and Tibbits, 2000) emphasise that however, like other

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Western management practices, such as TQM, JIT, BPR, the BSC is characterised by standard general rules which must be followed in order to be successfully adopted (see Chapter 3 for more details). So, although it is too early to talk about the conclusions, those rules cannot be adapted to fit the culture, otherwise the BSC loses effectiveness, as argued by (Brander and McDonnell, 1995; Brewer and Speh, 2000; Butler et al., 1997; Clarke and Tyler, 2000; Creelman, 1998). However, this flexibility can be reflected in the choice of measures, which, as has been emphasised in the literature, is a company-choice issue (Kaplan and Norton, 1996).

To put it briefly, the study highlighted the relative significance of both financial and non-financial perspectives of performance. At both the level of each case, and of the entire context, it stressed that non-financial perspectives of performance are often sacrificed in favour of financial perspectives, (see Appendix II, table 1, and figures 8.1, 8.2 for more details). The former is considered essential for an organisation to achieve long-term success, although it is absent, or exists only partially, within this non-Western Egyptian culture.

In addition, three main aspects were identified in the learning and growth perspective of the BSC. This is particularly emphasised by (Kaplan and Norton, 1996; Olve, et al. 1999). These aspects showed some differences between the cultures of the privately-owned companies and those of the public sector, (see table 8.1 for more details):

- The first aspect relates to the attention paid to research and development. The measures that reflect it, are measures 1, 2, and 4 (see Appendix I table 4 for more details). They are reported to be employed more often in privately-owned companies.

- The second aspect concerns the attention given to employees. The measures that represent it are 13, 15, and 17 (see Appendix I table 4 for more details). They are also reported to be employed more often in privately-owned companies.

- The third aspect which involves the customers is represented by measures 16 and 19 (see Appendix I table 4 for more details), and are seen more

extensively used in privately-owned companies (cases 2, 3, and 5), than those owned by the government (cases 1 and 4).

The above highlights the nature of the Egyptian cultural values, as considered in the literature as focusing on the short-term aspects of business more than on strategic long-term performance (see Chapters 4 and 6 for more details). These suppositions will be discussed in greater depth in the next sections.

The study goes on to empirically examine the research context, the Egyptian culture, in a way which serves to explore the influence of non-Western cultural values and practices on the adoption of Western management practice, the BSC. It also assists in the attainment of the final research objective which involves considering how the change vehicle and/or the culture might be adapted to fit. In this section, the study considers each case individually in order to give the reader a detailed picture which will assist in comparison of them.

8.3 CULTURAL VALUES AND PRACTICES WITHIN THE RESEARCH CONTEXT

Cultural values are essentially derived from the Arab heredity and traditions (Bjerke, 1999; Bjerke and Al-Meer. 1993; Muna, 1980). For an outsider this may indicate that Egyptians workforce share uniform and universal values in their society and in turn, in their organisations. In fact, this is a central point of the Hofstede's model assumption of socio-cultural homogeneity. To examine this assumption, attention in the present study has been paid to cultural values in the Egyptian culture, in order to demonstrate their variety and richness, or in other words, their heterogeneity. Although life style changed in the Arab world between the 1970s and 1990s some values did not change (Beugre and Offodile, 2001). These include respect for elders, the importance of the extended family, collectivism and deference to power and authority. These values may help to understand the reality of Egyptian culture better than any artificial and aggregated values. They are also considered the most dominant, prevalent and lasting among Egyptians (Bjerke and Al-Meer. 1993). Previous studies reveal that the accurate selection of certain cultural values and profiles is essential in

obtaining a realistic picture of how the society operates and to discover links between wider social and organisational cultures (e.g Beugre and Orfodile, 2001; Bjerke, 1999; Blunt and Jones. 1997). Thus, in contrast to cross-cultural studies, the Egyptian cultural values, shown below, are examined in the present study to correct for the assumption of cultural homogeneity. Hence, demonstrating variation, diversity and differences among the research context strongly support our argument.

In the following sections, the study goes on to analyse the content, and discuss those values and practices associated with the research context in greater depth, with reference to their influence on the adoption of the BSC.

8.3.1 EGYPTIAN CULTURE; ONE CULTURAL PATTERN OR TWO CULTURAL PATTERS

Based on the abstracted data of each case, shown above, the study now continues to critically analyse the communalities and differences between the research cases in order to test the assumptions of the homogeneity of the Egyptian culture.

8.3.1.1 EGYPTIAN CULTURE AT NATIONAL AND ORGANISATIONAL LEVELS

As has been argued in Chapter 4, previous studies (e.g. Bjerke, 1999; Bjerke and Al-Meer, 1993; Hofstde, 1980, 1984; and Muna 1980) implicitly or explicitly assume Egyptian cultural homogeneity. The comparative-based approaches of these studies focus on common national cultural characteristics, such as religion, ethnicity, language, and history. They presuppose cultural homogeneity, neglecting, or at least downgrading the significance of subcultures and differences at the organisational cultural level.

More specifically, based upon religion (Islam), and Arab traditions and ethnicity, Muna (1980), argues that Arabs (including Egyptians) share three interrelated common principles, that is, religion, language, and history. She also declares that Arabs live in a strong kinship-structured culture, value the collectivism and the loyalty to family. Hofstede, (1980, 1984, 1991, 1998a, b, c) also demonstrates that collectivism is one of the main distinguished cultural dimensions of Arab

society (including Egyptians). However, these studies do not consider the differences of cultural values and practices among organisations at the micro level.

Since the adoption of the BSC creates some cultural assumptions (discussed later), it assists in replacing the assumptions of cultural similarities with cultural differences, and the theory of culture homogeneity with the theory of heterogeneity. The quotations below clarify this essential issue.

> "... Since the BSC has its own different values, norms, and practices. I believe that the adoption of this vehicle will highlight the cultural differences at the organisational level ..."*(Case 1, GENMAN)*.

> "... If we look at workers who come from different organisational-cultural background, such as ex-workers in publicly-owned entities, they often take a while to adapt themselves to the organisational cultures of private sector. They are, at the end of the day, Egyptians, which means having the same national values and beliefs. The most important issue is the organisational work-related values and practices ..."*(Case 3, GENMAN)*

> "... There are common macro-cultural characteristics among all staff, such as loyalty, desire to cooperation; however, I am convinced that there are a lot of differences between them at the micro-organisational culture practices and behaviours..."*(Case 4, GENMAN)*

It is clear from the above that that the assumption behind culture homogeneity is derived by the belief that all the Egyptians share common cultural values, norms, and traditions, such as language, religion...etc. At the same time, they have common work-related values, such as loyalty, teamworking, and cooperation when doing the job. However, the most remarkable fact is that the organisational cultural practices vary at the micro-level. In other words, despite common cultural characteristics at the national-macro level, cultural differences and subcultures have been found to be influential and significant in forming workforce behaviours and practices. There are subcultures and cultural diversities even in the same industry. This will be shown and discussed in great details later.

One example that can prove the above is that if the study approves and accepts the assumptions of cultural homogeneity, then a call for unify work systems (e.g. HRM practices, rewarding package) among all organisations is emphasised, which implies a high-level of equity and fairness. This is theoretically and practically not true. Amongst the most frequently cited beneficial practices are performance appraisal practices. The data highlights two different appraisal approaches as shown in great depth later in this chapter. Outcomes and performance-based approach is used in the private sector; however, a time-based approach is employed in the public sector. This necessarily means a degree of heterogeneity among organisational cultures. The next quotes are indicative to the differences.

"...the company appoints line managers (e.g. head of unit or department) to appraise employee's performance in order to be directly reviewing employees. Most employees unfortunately are given high scores in annual reports, especially when evaluation is related to promotion..."*(Case 1, HUMRESMAN, senior)*

"...the company has a systematic approach for evaluating staff. It is derived from the governmental system for salaries and pensions, and it is annually reported. This is based upon time aspect, which means the longer one works with a company, the higher his allowances..."*(Case 4, HUMRESMAN, senior)*

"... our department is the one in charge for assessment system which is largely dependent upon outcomes and the results. It is in regular bases either overtly or secretly. The more one achieves job, the more he gets. The objectives of this system are many; it emphasises the need for fairness and equity at the workplace, it also encourage staff to increase their effort by showing them feedback, since the results are used to decide the rewarding, promotions. That is why we have different ranges of salaries and promotions..."*(Case 5, HUMRESMAN, senior)*

Thus, the data emphasises the culture of the private sector to contribute to fairness, equity, minimizing any dangers nepotism and favouritism, by enhancing evaluation feedback, and taking decisions accordingly. On the contrary, HRM practices, such as recruitment, training, promotion, performance appraisal and compensations, are derived from the governmental laws and regulations. Line managers are responsible for evaluating performance. The rationality behind this responsibility is that line managers have the opportunity to directly and

continually monitor their employees. However, centralisation time-based assessment and appraisal system are influenced by personal relationships (e.g. nepotism and favouritism). The above will be the interest of the next sections.

Turning to the national cultural dimensions, the analysis of the transcribed material shows that the research context, the Egyptian culture, can be grouped into the following table.

Table (8.3) Culture elements and the research context*

Culture elements**\ Cases	Power Distance (POWDIS)	Uncertainty Avoidance (UNCAVO)	Individualism-Collectivism (INDCOL)	Masculinity-Femininity (MASFEM)***	Confucian Dynamism Or Short-Long term (CONDIM)
Case 1	High	High or Strong	Collectivist	Masculine, job related	Short term
Case 2	Low	Low or Weak	Collectivist	Masculine, job related	Long term
Case 3	Low	Low or Weak	Collectivist	Masculine, job related	Long term
Case 4	High	High or Strong	Collectivist	Masculine, job related	Short term
Case 5	Low	Low or Weak	Collectivist	Masculine, job related	Long term

*See Tables (4.1), (4.2), (4.3) for more details
**See Appendix II, Dictionary categories for more details
***The research context is identical in this dimension; however, some implicit differences are identified, as discussed below

As shown from the table above, the research context can be divided into two culture-related groups with reference to POWDIS, UNCAVO, and CONDIM to the following Group 1 which includes Cases 2, 3, and 5 (60%), and Group 2 which includes Cases 1 and 4 (40%). However, with regard to INDCOL and MASFEM, the research context is identical (100%).

In the following paragraphs, the study goes on to analyse in depth the cultural values and practices of the research context compared to those of the contextual origin of the BSC, the American culture (see Chapters 4 and 5 for more details), in order to determine whether the BSC can be made to fit the Egyptian culture, or vice versa, or whether a combination of the two is a viable possibility (see tables 4.1 and 4.2 for more details).

In the literature, Power Distance (POWDIS) refers to how well cultures accept unequally distributed power (Hofstede, 1980, 1998c). High POWDIS cultures accept hierarchical relations, show compliance to power in exchange for job security, and are used to differences in equality more than low POWDIS cultures, such as those found in American culture (Adler, 1984).

> "...In the company and due to pressures there is a misuse of power and position and it affects most practices. Everyone wants to keep or improve his or her position and to retain his or her power. Staff you know are expected to give obedience to authority in exchange for material security In addition, if you take care of today's problems, tomorrow's will take care of themselves..."(Case 1, INTPROMAN, junior).

Staff occupying subordinate roles in high POWDIS cultures acknowledge that they do not have a right to additional benefits that accrue to superiors (Hofstede, 1984).

> "...The leadership style is considered as being autocratic with centralised decision-making. The management style, on the other hand, is distinguished by formality. Unfortunately the relationship with staff is like two different-position jobs. This is, to a great extent, derived from the prevailing style of the government, where long-time employed staff feels unpleased when they are rewarded almost like a manager. Since, you know, our reward system is based upon time rather results..." (Case 1, GENMAN).

Thus, staff in high POWDIS relationships would feel uncomfortable if their compensation neared or surpassed the level of their superiors, as can happen in pay-for-performance settings, such as can be found in low POWDIS cultures. Hence, compensation in high POWDIS cultures is more likely to be time-based rather than performance-based to maintain the pay hierarchy (Adler and Jelinek, 1986), as discussed in detail later. Subordinates in high (rather than low) POWDIS societies are more reluctant to challenge their supervisors and more fearful of expressing disagreement with their managers (Baghat and McQuaid, 1982). More specifically, in the culture of high POWDIS contexts compliance with authority is expected; staff may inherently reject managers' authority while complying with their requests.

The data shows that goal attainment in low POWDIS cultures is achieved either through incentives or through normative means. Using incentives generally requires that compensation be performance and outcome-based (Gomez et al., 2000). However, using normative methods to achieve goal attainment in low POWDIS cultures requires that managers attain authority and legitimacy through non-hierarchical arrangements (Hofstede, 1991). In addition, the organizations of low POWDIS perform better as they are participative, using more normative and fewer hierarchical controls. The following quotation supports this:

> "...Since the Egyptian culture is considered as being authority deferent, and change averse, the study is convinced by the significance of senior management commitment to change, and satisfying personnel. Top level management is considered as being friendly, approachable. They always show commitment, which must be apparent to everyone, otherwise the anticipated opportunities for success will be lost, and the level of resistance to change will rise. Not only that, but also the company's system support reward getting the targeted figures..."(Case 2, INTPROMAN, senior).

Generally, POWDIS and a hierarchical orientation in society have an impact on management policies in organizations (Hofstede, 1991, 1994, 2001). For example, POWDIS in society is also directly related to leadership. In other words, POWDIS can be seen as particularly relevant to some leadership roles, such as the aspect of participation in decision-making as a measure of leadership behaviour, or expectations of this behaviour, shown in the culture of Cases 2, 3, and 5 (60%), as follow.

> "...The management style is approachable and supportive of teamworking and employees empowerment. It is really one of the main characteristics that distinguish our company. You know it is not easy to be the leader of the local market in Azote fertiliser..."(Case 3, MARMAN, senior).

> "....Since this company is a distinctive joint-venture free-zone entity launched by a combination of Egyptian and Arab executives, its culture is distinguished by a leadership and management styles which are open and participative. It is a big challenge to empower employees; however, we make it ..." (Case 5, GENMAN).

In addition, POWDIS is considered to influence perceptions of the appropriate extent to which power may be delegated to subordinates (e.g. Adler and Jelinek, 1986; Chow et al., 2001). In the research context, Cases 1 and 4 (40%) are reported to be less willing to delegate authority, as opposed to Cases 2, 3, and 5 (60%). The following quotations are of great value to show this.

"...It is emphasised that although senior management commitment is essential while taking a critical decision, such as adopting any new management practice, it must be directed upward to those at the top of the holding company of fertilizer and chemicals. Thus, a long chain of command exists, and a desire for delegation does not exist. This means the opportunity for change may be lost..."*(Case 1, MARMAN, junior).*

"....In addition, a decentralised decision-making approach that characterises our company leads to the leadership style being described as democratic, where an emphasis is on showing trust and encouraging delegation..."*(Case 2, MARMAN, junior).*

"....The company system supports teamworking and empowers employees. The management style is also seen as being supportive and caring for others and creating a family spirit in the workplace. For example, according to my department which involves financial activities, I can take decision that is for the benefit of the work and the whole organisation in general ..."*(Case 5, FINMAN, junior).*

Thus, in cultures with wide gaps in power between individuals, organizations will typically have more layers, and the chain of command is thought to be more important. In line with Hofstede's model (See Chapter 4 for more details); the study in hand contrasts hierarchical Cases 1 and 4 (40%), and the egalitarian cultures of Cases 2, 3, and 5 (60%). The former emphasize the chain of authority and hierarchical structures. An unequal distribution of power and status is legitimate and expected. Staff complies with directives without questioning them. In contrast, people in the latter view each other as moral equals. Employees typically have their say in decisions which affect them and share in goal-setting activities. POWDIS has an influence on subordinates' expectations and preferences regarding leadership (e.g. people want and expect more guidance in societies with more POWDIS), as well as on acceptable or typical patterns of leadership behaviour (i.e. autocratic leadership is more acceptable and effective in high POWDIS societies). POWDIS also plays a role in personnel willingness

to accept supervisory direction, and on their emphasis on gaining support from those in positions of authority. Managers in the culture of Cases 1 and 4 (40%), as high POWDIS, report more use of formal rules and procedures set by the top in managing day-to-day events. They also report reliance on their own experience rather than on their subordinates, contrary to managers from cultures low in POWDIS, such as Cases 2, 3, and 5 (60%). Support from those at the top of the hierarchy is emphasized more in high POWDIS cultures. These findings are acknowledged by the next citations.

"....A myopia of power exists which has created a culture of sycophancy. People are used to respecting power; power-holders are entitled to privileges; however, they should tell personnel what to do..." ..." *(Case 1, INTPROMAN, junior).*

"....The management style is considered formal and having a steep hierarchy. The leadership style is reported to be autocratic. This indicates a centralised decision-making style, which means a long chain of command. These command that we should get them as them without any explanations ..." *(Case 1, GENMAN).*

"....A call for decisions to go upward to those at the top of the holding company of fertilizer and chemicals is emphasised. The consequences of this long chain of command are many, for example, a programme which ensures that specific and well-defined goals for each subordinate are set; this programme is reported as being in the form of an order from top-level management who make the financial perspective of performance their top priority; personnel, however, are not participating in these programmes; and the commitment of senior management is not apparent to those at the lower levels..." *(Case 4, MARMAN, senior).*

"...Changes in management style and supervisory have been acting as a major lever in changing the organisational culture, since more flexibility allows greater efficiency and more effective teamworking. An integrated system for managing business links the whole organisation together, and is based upon continuous and regular organisational development focused on people. The leadership style is considered as democratic, and based on decentralised decision-making. The above encourages employees to raise problems, discuss them and jointly search for solutions..."*(Case 3, MARMAN, senior).*

"... Our system is really distinguished by leadership style and decentralised decision-making approach that are based upon sharing ideas and encouraging employees in goal setting programmes..." *(Case 5, GENMAN).*

So, as shown above, the study can summarise this cultural dimension (POWDIS) as follows. It has previously been discussed in the literature; there are two different types of leadership power, (informal leadership, and formal leadership) (e.g. Abdalla and Al-Homoud, 2001; Bass, 1990a, 1990b, 1998; Bass and Aio, 1990). The former can be found in the low POWDIS cultures, such as American culture and those of Cases 2, 3, and 5 (60%), and is based on good interpersonal relations, identification, admiration and personal liking of a supervisor (Bjerke, 1999). The latter, on the other hand, is seen in the high POWDIS cultures such as Cases 1 and 4 (40%), and is based on subordinates' beliefs that the supervisor has the right to control their behaviour (Bjerke and Al-Meer, 1993). In other words, Egyptian managers in Cases 1 and 4 (40%) tend to rely on the use of power in superior–subordinate relationships in their organisations, as opposed to Cases 2, 3, and 5 (60%) that are actively inclined towards consultative or participative styles. Cases 1 and 4 operate within the logic of 'power myopia', which has created a culture of inequality and apathy. This logic influences their thinking about most practices.

Uncertainty Avoidance (UNCAVO) is another dimension identified by Hofstede, (1980). It refers to the degree to which members in a society feel uncomfortable with ambiguous and uncertain situations, and take steps to avoid them (Adler, 1984; Adler and Jelinek, 1986). It describes a society's reliance on norms and procedures, such as providing greater (career) stability, establishing more formal rules, and rejecting deviant ideas and behaviours in order to alleviate the unpredictability of the future (Adsit et al., 1997). Cultures weak or low in UNCAVO, such as those found in both the American culture and Cases 2, 3, and 5 (60%) (See Chapters 4, 5, and 6) tend to act consistently with Western sensibilities; they take higher risks, have as few rules as possible, and tolerate deviations in behaviour from group norms. Since they find unpredictability less threatening, they have higher tolerance for ambiguity and less stress and anxiety about the unknown. This is emphasised by the following quotations.

"...Calculative risk-taking is a must to survive in the present uncertain environment so; some decisions such as those of selection and downsizing are influenced. Deviation is

considered as being not threatening, but manageable. In our company, routine and bureaucratic rules and procedures are minimised to great extent ..."*(Case 2, HUMRESMAN, senior)*.

"...A willingness to take risks in business life is important. They are reported to be wholeheartedly convinced of the validity of and the need for development and change. Those at the top are energetic and keen to change. To reduce uncertainty in this company — training and career development are considered as being a must, as business is constantly changing...."*(Case 3, MARMAN, senior)*.

"....The consequences of our system are many, a clear commitment of senior management to all personnel at all levels; people are happy to take responsibility and risks; a desire for positive change exists; and short chain of command..." *(Case 5, INTPROMAN, junior)*.

However, personnel in strong or high UNCAVO cultures, such as Cases 1 and 4 (40%) take fewer risks, have more rules and regulations, and show little or even no tolerance for individual deviations in behaviour (Bass, 1998; Hofstede, 1994, 2001). In these cultures, uncertainty and ambiguity create stress and raise anxiety, so behaviour is more predictable, as shown in these quotations below.

"...Uncertainty in company life is a continuous threat. Because of this uncertainty, people avoid taking responsibility. As a result, detailed job descriptions and clearly defined functions, along with role clarification are all emphasised. The work of subordinates is carefully coordinated. To prepare for an uncertain future human resource activities are reported as requiring more development..."*(Case 1, HUMRESMAN, senior)*.

"...The goal-setting programmes are completely dependent on the estimated budgets at the start of every fiscal year. However, personnel should be involved in these programmes through discussion and consensus, and not in the form of an order from top-level management. The reason may be attributed to the pressure of uncertainty and ambiguity found in today's changing business environment that generate feeling of tension and anxiety ..."*(Case 4, FINMAN, senior)*.

Consequently, incentive-based, and performance or achievement-oriented compensation creates a risk to employees and increases the uncertainty of rewards. This is supported by many independent studies (e.g. Abdalla and Al-

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Homoud, 2001; Bass, 1990a, 1990b; Bjerke, 1999). That is why employees in cultures with strong or high UNCAVO, which are less tolerant of ambiguity and risk, are likely to prefer time-based compensation, as opposed to those in weak or low in UNCAVO cultures where performance-based rewards are used (Bjerke and Al-Meer, 1993), as will be discussed in great detail later. These findings are acknowledged by the following.

"...As a public organisation, the reward package is pre-determined by the government. However, since the company does not exist in a vacuum, personnel compare themselves to others working within the private sector where high rates of allowances are found. As opposed to appraisal system found in the private sector that is based upon results and outcomes, our performance-appraisal system is based upon years of working within the company, or time. I believe that this is due the high-level of uncertainty in doing business in public sector, where a remarkable autocratic along with centralisation exist ..."(Case 1, HUMRESMAN, junior).

"....Due to a fear of uncertainty, there is too much prescription in policies. A need for written rules and regulations is stressed. Deviation is considered as being threatening to some extent. It is necessary to help subordinates to resolve conflicts among themselves..." (Case 4, INTPROMAN, senior).

So, as shown above, the UNCAVO dimension, focusing on the extent to which levels of perceived stress are dealt with by the uncertainty-reducing mechanisms, such as rule-following orientation and job security, can be seen as being most relevant to the role-clarification aspect. This is reported to be of great significance in Cases 1 and 4 (40%). The tendency toward avoiding uncertainty may also increase the perceived need to avoid uncertainty by making specific plans, setting clear goals, coordinating group work, and facilitating tasks. It has also emphasised that conflicts appear undesirable when UNCAVO is high, as in the culture of Cases 1 and 4 (40%), and those cases are thus expected to score highly also on the conflict management aspect. This is to the contrary of Cases 2, 3, and 5 (60%) where they emphasise that conflict is not threatening, however, it can be managed, and it is a sign of failure in communication .

UNCAVO, similar to the POWDIS dimension, has several broad implications for leadership and management practices (e.g. Bjerke, 1999; Bjerke and Al-Meer,

1993; Chow et al., 2001). Uncertainty-acceptance contexts, such as American culture (See Chapters 4 and 5), and those of Cases 2, 3, and 5 (60%) are more innovative than uncertainty-avoiding societies. As discussed earlier, the data showed that leaders and managers from Cases 1 and 4 (40%), were considered to be more controlling, less delegating and less approachable. UNCAVO is not only reflected in leadership attributes but also in ways in which leaders are prepared for the leadership role (Gomez et al., 2000). In societies high in UNCAVO, such things as career stability, formal rules and the development of expertise tend to be valued, whereas in low UNCAVO cultures, more flexibility in roles and jobs, an emphasis on a skilled workforce and more job mobility are more typical. This is acknowledged by previous studies, such as (Adler, 1984; Adler and Jelinek, 1986; Abdalla and Al-Homoud, 2001; Bass and Aio, 1990).

Thus, the study can sum up this cultural dimension as follows. The very high UNCAVO score in Egypt (see Chapter 4, Table 4.1 for more details) indicates that they do not accept uncertainty. It is understandable to have such behaviour in a country with a high rate of poverty, unemployment, low per capita income, and an increasing gap between rich and poor (Abd-Elgadir, 2003; Bjerke, 1999). Egyptian managers are also known to decline to take responsibility. More specifically, uncertainty forces managers of Cases 1 and 4 (40%) to value job security, stability, and sticking to the status quo (Bjerke, 1999; Bjerke and Al-Meer, 1993). This has implications for the recruitment function. In this regard, in comparison to the private sector, the public sector in Egypt offers more secure jobs, but low allowances compared to those of the private sector (Abul-Gheit, 1998), as will be discussed later. They believe that due to UNCAVO, the functions of training and development, and performance appraisal are influenced (see Table 8.4 for more details). In the uncertain business environment, they feel that the contingency approach to management is more appropriate as it helps to develop proper HRM guidelines. Unlike Cases 1 and 4, Cases 2, 3, and 5 (60%) emphasise the ability to take risky decisions, to welcome change, and to stress the significance of training and human resource development (HRD), which will be gone into in greater detail further on.

The literature shows that Individualism-Collectivism (INDCOL) dimension measures whether personal time, freedom and challenge (in order to achieve a personal sense of accomplishment), were more appreciated than the use of skills, physical conditions and training (e.g. Gomez et al., 2000; Hofstede, 1980, 1984, 1991). The latter are reported to distinguish the Egyptian culture in general (the entire research context, 100%), where they emphasise collectivism (see Table 8.3 for more details) (e.g. Lituchy, 1997; Morris et al., 1994; Pillai and Meindl, 1998). More specifically, a tight social framework with strong and cohesive in-groups that are opposed to out-groups is a key characteristic of high COL. People expect their in-group to look after them and are loyal to it in return. This cultural dimension will be discussed later in more detail, as one of the common cultural characteristics that distinguish the Egyptian culture, which is theoretically considered homogeneous (Hofstede, 1980, 1984, 1991; Bjerke, 1999; Bjerke and Al-Meer, 1993). These following quotations are of great value to reflect this cultural dimension.

"...Similar to the nature of Egyptian culture, the company's culture is distinguished as being collectivist. Membership in organizations is considered essential..."(Case 1, HUMRESMAN, senior).

"...Teamworking can also allow a significant reduction in external control, which is then replaced by colleague monitoring and peer pressure. In order to be entirely effective, teams should be as self-managing as possible. Regular job rotation within the teamworking approach allows teams to be self-managing and develops a teamworking spirit rather than an individualistic style..."(Case 1, MARMAN, senior).

"...The company's policy tends towards collectivism, to utilising team potential. Belief is placed in group decisions. The development of the organisational culture requires not only training of existing staff, but also ensuring that new recruits have the required competencies of flexibility, willingness to improve and change, working in teams ...etc..."(Case 2, HUMRESMAN, senior).

"...Collectivism is more prominent at all managerial levels, especially at the lower level where unions dominate; hence it affects recruitment, pay, and promotions. The company is entirely convinced by the significance of teamworking and group based decision. It also encourages employees to work, as it recently established a new school and club for personnel families ..."(Case 3, INTPROSMAN, senior).

"....Similar to the Egyptian culture as a whole, the company's culture centres on collectivism, on utilising teamwork potential. Just as Egyptian people are born into extended families that protect them in exchange for loyalty, there is an opinion that this should be reflected in the company's culture values and work-related practices..." *(Case 4, INTPROMAN, junior).*

"....our Company creates a family spirit; to the extent it is considered a second family to my self. Emphasis is on collectivism, e.g. training for team working. Belief should be placed in group decisions. The workforce is also actively encouraged to use their brains along with their hands. In other words, to make suggestions which are taken seriously, to the extent that actions are taken immediately. One of the best-known approaches to making suggestions is the teamworking system..." *(Case 5, INTPROMAN, junior).*

"....Teamworking is central to our culture at all levels i.e. both in terms of cell-based and cross-functional work teams. Teamworking provides the possibility for greater personnel participation and responsibility. Consequently, team, rather than individual, performance is assessed. This assessment is reported to be characterised by the following; fairness, regularity, and identifying and developing the potential for future performance, by reviewing past mistakes and shortcomings. This system supports the level of employees' loyalty..." *(Case 5, MARMAN, junior).*

So, as shown above, group and teamworking efficiency and group performance were positively related when COL was high. Collectivists are expected to be more inclined to identify with their leaders' goals and the common purpose or shared vision of the group and organization and typically exhibit high levels of loyalty. Collectivists tend to have a stronger attachment to their organizations and tend to be more willing to subordinate their individual goals to group goals. So, in COL culture both employee and employer have moral obligations to develop relationships that lead to increased group solidarity, as argued before by many studies (e.g. Lituchy, 1997 Morris et al., 1994; Pillai and Meindl, 1998; Schwartz, 1990; Triandis, 1982). Further, employees' personal lives are intricately intertwined with their organizational lives; organizations not only offer economic security, but also provide emotional support based on moral obligation. Although, the literature and the data collected in this study highlight the research context, the Egyptian culture is described as being collectivistic; the attention given to and the effectiveness of the aspects of this dimension (e.g.

teamwork effectiveness, training...etc.) differ among cases, as will be discussed later.

As far as the dimension of Masculinity-Femininity (MASFEM) is concerned, the results, as demonstrated by Hofstede's model, show that Egyptian culture scores MAS (Hofstede, 1994, 2001). This is based on the cultural roles of men and women in the traditional Egyptian society where women are expected to devote themselves to internal household affairs and men are required to work outside to provide the economic maintenance of their households (Chow et al., 2001; Gomez et al., 2000). This is shown in the following citation.

> "...More specifically, females rarely work at the production level; the nature of the Egyptian culture is one where the role of women is seen as that of homemaker, rather than that of wage-earner..."(Case 5, INTPROSMAN, senior).

Moreover, men appear to be perceived as physically stronger, more assertive and suitable for tough jobs, whereas women are perceived as soft, humble, and more suitable for household chores and serving their families. Understandably then, until recently, the female literacy rate in Egypt was low, (it is still very low in rural areas), and a relatively small number of females sought employment (Abd-Elgadir, 200; Abul-Gheit, 1998). A significant imbalance between the male and female categories of employees exists in favour of male employees regarding their number in the top positions in organisations, full-time positions, and wage levels. The following quotations support this finding.

> "...Men dominate the company's society to great extent however; the influence of sex on all business aspects varies with jobs. For a particular job you need a particular individual therefore recruitment, for example is influenced..."(Case 1, HUMRESMAN, junior).

> "...The recruitment of females is strongly discouraged at the lower level; they cannot be forced to come on to night shifts. Also, the nature of the fertiliser products, as they are chemically produced, poses certain risks, obliging males to work on the frontline. However, females are in demand for the secretarial work..."(Case 1, INTPROMAN, senior).

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"....One more common characteristic of Egyptian culture (including this industry) is that men dominate the company's society. However, the influence of sex on all business aspects varies according to the nature of the activity. According to the records, there are very few females working in the company, and those who are, are employed in an administrative capacity only, rather than on the frontline of production, where the male is dominant..." *(Case 4, HUMRESMAN, junior).*

"... The nature of the Egyptian culture in general is distinguished as being male-dominated. This national value extends to the character of the organizational culture as well. In other words, males overwhelm the company's society. The latter may be attributed to he nature of this hazardous industry makes it necessary that it is men who work on lower production levels, and the Egyptian culture looks to women as caring, and they are suited to clerical work... "*(Case 2, INTPROSMAN, junior).*

"...The influence and the role of sex on personnel and jobs are reported as being dependent upon the nature of jobs; however, the Egyptian culture in general is considered to be a male domain. For different jobs the company needs to recruit appropriate staff... "*(Case 3, INTPROSMAN, junior).*

As shown above, the study reveals the masculine nature of the Egyptian society, which is in line with previous studies (e.g. Bjerke, 1999; Bjerke and Al-Meer. 1993; Chow et al., 2001; Gomez et al., 2000). The HRM managers in the research context believe this dimension influences the recruitment process, appraisals and internal transfers, as will be shown later. Consequently, it is shown that the role of sex in organisations is related to the nature of the job, which means that for specific jobs, such as secretarial and administrative ones, females are of great value.

Certain items on the MAS side of the dimension are also related to some specific aspects of leadership style. As has been previously shown in the earlier cultural dimensions of POWDIS, UNCAVO, the most clearly related aspect is the recognition, as demonstrated in Cases 2, 3, and 5 (60%). The reward aspect may be a link between leadership and the MAS cultural dimension, in which the leadership measures traditionally measure the extent to which rewarding is based on the performance of the subordinates of Cases 2, 3, and 5 (60%). Since it may not always mean that a person wants earnings to be related to the level of performance, as seen in Cases 1 and 4 (40%), it might also be expected that the

tendency of leadership to show recognition and to give rewards based on good performance is related to the tendency to criticize poor performance. There might also be a connection between MAS and the productivity emphasis aspect, as argued by previous studies, such as (Adler and Jelinek, 1986; Adler et al., 1986; Adler and Kwon, 2002).

It has argued in the literature that Confucian Dynamism (CONDIM) or Short-Long term is linked to the span of time orientation, the extent to which they centre on long-term, as opposed to short-term objectives. The former involves showing a pragmatic, future-oriented perspective rather than a conventional historic or short-term perspective, as shown in the latter (Chow et al., 2001; Gomez et al., 2000; Hofstede, 1994, 2001). On the contrary, of short-term orientation, long term-oriented cultures are distinguished by valuing acceptance of change (Hofstede, 1991).

The data shows that the research context varies according to this cultural dimension Cases 2, 3, and 5 emphasise (60%) a call for paying much more attention to customers' satisfaction, employees' empowerment, and the non-financial perspective of the BSC, as a recipe for success. This is particularly emphasised by the following quotations.

"...Growth of human resource is a step towards a long term perspective. Problems are corrected to prevent them from reoccurring, rather than a temporary "quick fix" being used. The entire workforce is considered as a source of competitive advantage. In addition, adopting a Western change vehicle requires new levels of personnel improvement and team working. The human resource (HR) function, therefore, is reported as influential, and plays an equal role with other departmental functions in strategy formulation..."(Case 2, HUMRESMAN, junior).

"...As not everyone may be comfortable with the desired management style, training and educational programmes should be provided to create change symbols i.e. coaches and facilitators. It is emphasised that it is well worth ensuring that the training and educational programmes are appropriate to the needs of both the personnel and the organisation, encouraging the workforce to acquire new skills which will support flexibility and career development and change. It is considered that these play a critical

role in increasing the personnel's awareness of exercising quality assurance in all their activities, teamworking competence, and problem-solving techniques..."(Case 2, MARMAN, senior).

"...Human resource development also aims for long term orientation. The organisation encourages all managers and employees to think strategically about the organisation and the future. Based on the company's records and databases, most of the employees felt, to some extent, empowered within the existing organisational culture. This is recognised as being one of the main changes of recent years. Part of this change is in the traditional supervisory role which has changed to that of teamleader, and the introduction of teamworking. Top-level management understands the implications of development for their own performance. In order to ensure success in the long term, special attention to the organisation's team leaders at all levels is reported to be essential, i.e. to those who have by virtue of their roles, their personality, or their achievements, influenced others..."(Case 3, HUMRESMAN, senior).

"....Delegation is of great value in achieving long-term success and growth. This delegation is defined as allowing subordinates to determine how they do their work, to make decisions about daily work-related issues, and to decide about the means by which they strive for their objectives. This is due to the fact that organisations with powerless personnel perform sub-optimally..." (Case 5, INTPROMAN, senior).

As shown, the emphasis is on new qualifications and quality standards to move toward more long termism. On the contrary, Cases 1 and 4 (40%) stress satisfying shareholders, and increasing returns, which are short-term financial aspects of performance, as demonstrated by the next quotes.

"...In terms of change, as it is human nature to be suspicious of anything new and unknown, the workforce within a developing business culture often has a fear of change. This applies especially to those working in the public sector, where there is a need for job security. If those at the top are not enthusiastic enough to change, the opportunity for development may be lost ..."(Case 1, FINMAN, senior).

".... Employees are the true wealth of the company, as their contribution is the essential condition for surviving in today's changing culture; therefore there is a need to give them attention in the near future..." (Case 4, HUMRESMAN, senior).

".... As a public entity, the most important objective is to survive in this ever changing business society. This also involves getting the targeted figures that please the holding

company of chemical and fertiliser, which we belong to it ..." *(Case 4, FINMAN, senior)*.

This mirrors the financial perspective of the BSC. Also, in the ever more uncertain and competitive business environment, Egyptian managers in the aforementioned cultures feel that the question is that of immediate survival, hence it seems that there is now more emphasis on short termism, as supported by many studies (e.g. Abd-Elgadir, 200; Abul-Gheit, 1998; Bjerke, B. 1999; Bjerke and Al-Meer, 1993).

Now, after these discussions, the study can summarise the relationships between the cultural elements of Hofstede's model (see Chapter 4 for more details) and the aspects of leadership in the following table (8.4). These relationships were the centre of many independent studies (e.g. Adler, 1984; Adler and Jelinek, 1986; Adler et al., 1986; Adler and Kwon, 2002; Adsit et al., 1997; Ali et al., 1992; Barney, 1986; Baghat and McQuaid, 1982; Chow et al., 2001).

Table (8.4) Cultural dimensions and aspects of leadership*

Power Distance (POWDIS)	Decision participation Delegation
Masculinity-Femininity (MASFEM)	Interaction facilitation Recognition Rewarding Criticizing Productivity emphasis
Uncertainty Avoidance (UNCAVO)	Role clarification Planning Goal setting Coordinating Work facilitation Conflict management
Individualism-Collectivism (INDCOL)	Informing Teamworking Individualized consideration
Confucian Dynamism Or Short-Long term (CONDIM)	Planning

*Based upon analysing the content (word count & colour) of transcripts, see Appendix II Dictionary categories

So, the study can summarise the preceding detailed discussions about the cultural dimensions of the research context, with reference to their influence on work-related management practices, as follows:

In high POWDIS cultures, such as Cases 1 and 4 (40%) effective managers are task-oriented benevolent autocrats, both subordinates and superiors consider each other as different kinds of people. Superiors are inaccessible, managers as power holders are entitled to privileges and try to look as powerful as possible, the underdog is to blame, and most subordinates are dependent on their superiors. In contrast, in low POWDIS cultures, such as Cases 2, 3, and 5 (60%), effective managers are people-oriented and participative style leaders, both subordinates and superiors consider each other to be "people like me", superiors are accessible, superiors and subordinates have equal rights. Managers try to look less powerful than they are, when something goes wrong the system — rather than the underdog — is to blame, and all members of the organization are interdependent.

In high UNCAVO cultures, such as Cases 1 and 4 (40%), organizations have clearly formulated rules and procedures. The manager is expected to issue clear instructions, and subordinates' initiatives are tightly controlled. Both subordinates and superiors experience a high level of stress. Employees place a high premium on job security, career patterning and retirement benefits. Deviant persons and ideas are thought to be dangerous and intolerance is the norm. In contrast to Cases 2, 3, and 5 (60%), where there is low UNCAVO, both superiors and subordinates prefer to have as few rules as possible and are prepared to break rules if necessary. There is more acceptance of disagreement, a higher level of consultation, and deviation is not considered threatening. Greater ease and lower stress are experienced; people are more willing to take risks.

In COL cultures, such as the entire research context, group members value group decisions and private life is invaded by the organization. Also, the reward system is based on group performance. In MAS cultures, women are expected to play certain roles such as staying home and taking care of the children or to be employed in the "caring professions". Two groups were identified according to

CONDIM, Group 1 which includes (Cases 2, 3, and 5) (60%), and Group 2 which includes (Cases 1 and 4) (40%). The former is a more strategic long-term-oriented culture. However, a short-term business environment is the focus of the latter.

Thus, it is expected that the organizational culture in publicly-owned companies will exhibit norms and values which are inconsistent with those of Western-American culture. By contrast, for privately-owned companies, the organizational culture is expected to reflect norms and values associated with those of Western-American culture.

The study will go on to evaluate and determine the assumptions of cultural homogeneity which exert an influence on cultural values and practices by differentiating between cases in greater depth in the following paragraphs.

8.3.1.2 ONE CULTURAL MODEL; ASSUMPTIONS OF HOMOGENEITY (COLLECTIVISM, HIGHLY CONTEXTUALISED CULTURE) AT NATIONAL CULTURAL LEVEL

As has been previously argued in Chapter 4, the literature shows that in collectivistic societies (including the Egyptian culture) people are integrated into strong, cohesive in-groups. Here, contracts with employers tend to be viewed in moral terms (like a family link). Collectivism is characterized by a tight social framework in which people do not distinguish between themselves and their group. The data demonstrates that the entire research context highlights the belief that the Egyptian workforce (including fertiliser industry) is group-oriented, where a call for cooperative work environment and teamworking is emphasised.

> "...me and our colleagues working a more obliging work environment, we are all here like a family..."*(Case 1, HUMRESMAN, junior)*

> "...we have a spirit of big family; we share each other feelings and sympathy. It is rarely to find someone away from the group, because this is considered as disgraceful. This family can be divided into subgroups among departments ..."*(Case 2, MARMAN, junior)*

"... our company have both a cell-based and a departmental teamworking. For each group there is something called (savings box) that can assist all in their own personal circumstances. This very much creates a feeling of ownership, cooperation either between employees or between them and the management ..."*(Case 3, FINMAN, junior)*

"... the company enhance informal and social relationships among all staff. At the same time, it emphasises formal linkages ..."*(Case 4, INTPROMAN, junior)*

"...teamworking is entirely supported. Employees are encouraged to suggest ideas and raise problems within each group. They feel to great extent empowered. This based upon attitudes surveys..."*(Case 5, HUMRESMAN, junior)*

As exemplified, it was common to hear respondents expressing their desires and preferences for working together in groups or teams rather than as individuals. Related to the appraisal system shown above, while the basic and standard approach to performance evaluation in the public sector seems to be more appropriate for individual work, it has been found to be problematic in the culture of private sector where teamworking is encouraged. Employees working in teams show individuals strength, and ascribe success to them as a whole. Thus, appraisal systems in private sector considers the nature of teamworking-support culture. This will be discussed in detail later. The following quote is indicative to this issue.

"...most of our work is a filed work which calls for teamworking. Therefore, the company and the management encourage collaboration and cooperation in the workplace. The performance appraisal system focuses on evaluating the results of team. At the same time, individual-based systems exist ..."*(Case 3, HUMRESMAN, senior)*

Another one common cultural chrematistic among the research context, the Egyptian culture is highly contextualised culture, where an emphasis is on non-verbal communication (e.g. voice tone, hand movements). The data shows a common character of the Egyptians is to use hands when talking to express one self, clarify ideas, and to give examples. Also, the data exemplifies and stresses a call for using low voice tones, especially while talking to the boss or customers.

"...in our Egyptian culture, in general, it is common to express yourself using hand movement. At the same time, according to voice tone. It should be in average; otherwise it is a sign of unrespectable manner ..."*(Case 2, MARMAN, junior)*

"...speaking with a clear voice and using hands are considered as normal manner in our society, when one is speaking with manager, one should use obvious not loud voice tone ..."*(Case 4, INTPROMAN, junior)*

Although, the data emphasises the similarity among the Egyptian culture (including the Egyptian fertiliser industry) in both collectivism, and communication (highly contextualised), it however, places greater emphasis on the dissimilarities in the aspects of these common characteristics among cases. Put another way, the attention that is paid to empowering employees, the effectiveness of teamworking, the two-way communication, is different at the organisational culture level. This is the focus of the following section.

8.3.1.3 TWO DIFFERENT CULTURAL MODELS; ASSUMPTIONS OF HETEROGENEITY AT ORGANISATIONAL CULTURAL LEVEL

Previous studies claim that Egyptian public sector organisations (including public fertiliser companies) reflect the hierarchy of the culture of the Egyptian government (e.g. Abdalla and Al-Homoud, 2001; Muna, 1980). This mirrors a high level of bureaucracy (e.g. Ali et al., 1992; Bjerke, 1999). Focusing on organisational characteristics, such as hierarchy, bureaucracy, and many others, the study believes that the adoption of the BSC, as a Western management vehicle, will highlight the different corporate cultures among and within Egyptian organisations. Examples of these differences are democratic v. autocratic leadership styles, centralised v. decentralised decision making, long chain v. short chain of command, communication, recruitment, rewarding system and motivation, appraisal system, and ...etc, as discussed in detail later. The data shows that the influence of the adoption of the BSC does not mean that organisational cultures will be uniformly and homogeneously adapted. As noted, bureaucracy and collectivism, for example, are some of the main characteristics at the Egyptian national cultural level. However, using these characteristics, as standards for comparing among the cases within the research context, the findings of the study at hand show a different image. That is, despite belonging

to similar national culture, working in the same industry, the case organisations reflected widespread dissimilarities in their organisational cultures. The differences are more apparent and significant when comparing between cases according to the ownership style (private owned v. public owned companies). This is discussed in great depth below.

In the public sector, hierarchy and bureaucracy are theoretically considered as means of clarifying and regulating work and formal relationships in the workplace. However, there is a common belief among the respondents of publicly-owned cases (Cases 1 and 4), especially managers of middle level, is that hierarchy and bureaucracy impose greater level of controls on staff, downgrading flexibility at workplace, and creating an environment of formality. The next quotations are indicative of this belief.

> "... hierarchy and bureaucracy are like rule of the thumb of Egyptian public sector in general. These mechanisms unfortunately affect our work relationships, in a way of more controlling, more formality, more centralisation, then less flexibility in doing jobs ..." *(Case 1, HUMRESMAN, junior)*.

> "... it is not preferable to contact the head of department directly, without a prearranged appointment, or to talk to him in an informal way. There is a stress on formal relationships at workplace..." *(Case 1, INTPROMAN, junior)*.

> "... the public sector has both advantages and disadvantages. By offering secure jobs, creating feeling of patriotism loyalty among staff one cane note that it does a good job. However, there is an urgent need to enhance flexibility, informality, less stressful business environment, similar to that of our private-sector competitor..." *(Case 4, FINMAN, junior)*.

> "... I believe keeping work relationships formal is necessary in order to keeping dignity and prestige of the department..." *(Case 4, INTPROMAN, junior)*.

Thus, bureaucracy and centralisation are preferable in the public sector; however, they have been found to damage informal relationships at work place, thereby exerting negative influence on job performance. On the contrary, in the culture of private sector, a flat hierarchy that allows a simple distribution of the authorities encourages the informal relationships among staff. Also, it leads to a short chain

of command, the management plays a key role in the communication process which encourages employees to contribute to decision making. The following quotes are examples to support this issue.

"...we are encouraged to participate in making decisions. Also, the relationship between me and the head of the department is not like a boss and subordinate, but like a father and his son ..." *(Case 2, MARMAN, junior).*

"... our company offers us a family spirit workplace. The management is approachable, communicative. Informal relationships are very important to affect performance. It is difficult to work in a tough, formal environment. ..." *(Case 3, INTPROMAN, junior).*

"... good relationships with your colleagues and with the management are conditions for success. Our management employs the open-door policy ..." *(Case 5, FINMAN, junior).*

Although, it has been argued before that the entire context shares a high-contextualised culture, along with emphasises the role of non-verbal communication, the data demonstrates that the attention given to this activity differs among the research organisations. The hierarchy, bureaucracy, and the long chain of command found in public sector often slow down the communication activities, and cause undesirable interruptions at work. The data highlights that the culture of organisations 2, 3, and 5 (the privately-owned entities) prefers and enhances informal and personal two-way communication. On the contrary, formal, and hierarchical one-way communication is identified, which implies conformity and compliance with orders, rather than conviction with information. This is shown in the following quotes.

"... in communication process either within departments or between departments, we formally obligated to go through certain roots to pass orders and instructions. Regrettably we have a long chain of command, which means losing good chances to marketing our products, or losing customers ..." *(Case 1, MARMAN, junior).*

"... in our company, we count on personal, informal, short chain of command, with two-way communication process. This type of process has a great value to maximizing understanding, creating a family spirit working environment..." *(Case 2, HUMRESMAN, junior).*

So, in the culture of the private sector, communications go up and down through the flat and open hierarchal channel, either among or within departments. Written communications are preferred over verbal ones to save and document information. However, a degree of formality and official roots, and routines are emphasised by the culture of Cases 1 and 4. This is attributed to the adherence to hierarchy and bureaucracy found in public culture. As a result of the assumptions of heterogeneity and pluralism found in the data, human resources HRM practices vary among organisations, as shown below.

The study also shows the differences among the research cases in the attention given by an organisation to human resource, which is considered in the literature as a recipe for success in the long term (Hofstede, 1980; Olve et al., 1999). The quotations below assist in the understanding of this issue.

> "... our company very much considers forming a productive employee. This can simply done through providing him with the appropriate means i.e. good working environment, and good source of income, and ascertaining his reward on the basis of his work not on his time-spent with the company..."*(Case 2, HUMRESMAN, senior)*.

> "... the company keeps in mind to develop human resources and continually ensure an increasing supply of personnel to meet the requirements of our company leading position..."*(Case 3, HUMRESMAN, senior)*.

> "...the ultimate source of a nation's wealth increasingly lies in its human resources and the productive skills of its labour force or in its human capital. Recognising this trend from the onset of developing planning, the company's plans have given greater attention to human resources development through continuous support of selection, recruitment, empowering, and training..." *(Case 5, HUMRESMAN, senior)*.

It is clear from these quotations that the culture of organisations 2, 3, and 5 involves a high level of strategic decisions of human resource. This is expressed in terms of developmental objectives. These include a high level of effectiveness, productivity, fairness, trust, job satisfaction, loyalty, and commitment. On the contrary, the culture of Cases 1, 4 is more likely to be involved in raising the level of stability, patriotism, and job security, as shown in the following quotations.

"...to improve and upgrade the level of unemployment, by creating job opportunities..."
(Case 1, HUMRESMAN, senior).

"... I believe that by offering secure jobs, we can raise the level of stability and patriotism, which imply a high level of loyalty among employees in public sector than those in the private sector..." *(Case 4, HUMRESMAN, senior).*

Thus, as shown above, unlike the situations of Case 2, 3, and 5, the developmental and changing-focused objectives have not been matched by the practices and attitudes in the culture of organisations 1 and 4. The collected data shows that human resource activities have been directly linked with national perspective i.e. unemployment difficulties in the wider society. This includes offering jobs and job security. However, there is a lack of awareness of improvemental dimensions highlighted in strategic long-term dimension of Hofstede's model (See Chapter 4 for more details), especially in human resource and the accompanying practices, such as recruitment and training, as shown later. The culture of organisations 2, 3, and 5 seem to pay great attention to develop and raise the level of skills of the employees, as a recipe for future success. Examples that support this result are shown below.

The data demonstrates that the culture of Cases 2, 3, 5 (60%) aims at controlling, organising, and managing recruitment processes and procedures in a way that minimize unfairness, and therefore create a satisfying work environment. Also, the data reveals that a state of centralised recruitment processes exists in the culture of organisations 1, and 4. This centralisation, which unfortunately proves to be ineffective in delivering the expected developmental benefits, is accompanied by a high level of nepotism and favouritism. Although, the original principle behind the public sector is, as argued earlier, to offer security jobs and prevent unfairness, the quotations below show contradictory points of view:

"...today's our business environment is characterised by an increasing job seekers and high-level of unemployment. One unfortunately could not be employed without any interference of personal relationships..." *(Case 1, HUMRESMAN, junior).*

These quotations imply that the recruitment processes in the public sector are viewed as being lacking trust, and implicitly depending upon personal relationships and nepotism, as argued before in Chapter 6. This shows that the culture of public sector is an obstacle to the supposed purposes set out to offer secure jobs and achieves fairness. On the contrary, the culture of non-public sector depends upon a staffing policy that gets the right candidate in the right job, as the performance really counts. More specifically, the data demonstrates working for private sector, Cases 2, 3, and 5, are more punctual, more willing to innovate, and take initiatives. It is like "shape up or ship out" which means that everyone who wants to keep their job must do their best. So, to renew their contract with the company one must expend more effort and show more initiatives. As opposed to private sector, the data shows those that since the personnel in the public sector believe in the jobs as their own privilege and they will not be dismissed for lack of performance, regrettably low levels of punctuality and exerting low levels of performance exist. This feeling that jobs are protected and more secure assumes a high level of loyalty and commitment, among staff working for public sector, exists in the long term. As shown from the following quotations.

"... At the beginning of my working life I was working for a private company of an annual contract, I was worried and afraid of my contract not to be renewed. However, I was transferred to permanent job in this public company, which make me feel more secure..." *(Case 1, INTPROMAN, junior)*.

"... Despite I got some other jobs alternatives for private companies, I prefer to stay with this public company as it is permanent ..." *(Case 4, HUMRESMAN, junior)*.

In other words, the sense of having a protected job is based upon a positive relationship between job security, job satisfaction, organisational commitment and job performance, as argued by previous studies (e.g. Al-Nimir, 1993; and Yousef, 1998). However, this assumed one-dimensional relationship is

oversimplified and misleading. Since the data emphasises that an organisation does not work in vacuum, which implies that staff working for public sector are comparing themselves with their private-sector counterparts with high-level rewarding packages (discussed later). It is worthwhile noting that the relationship between job security, job satisfaction and job performance is multidimensional and sophisticated, rather than one-dimensional. Thus, while permanent public-jobs are supposed to lead to security, in the long-term, this could also produce a passive or minimum level of loyalty and commitment. The latter is defined in the literature as the desire to remain with the organisation, but with less or no belief, or acceptance of, its goals and values, and with little willingness to exert additional or serious effort in the favour of the organisation especially in the long term (Angle and Perry, 1981).

In addition to the above, another example that shows heterogeneity within the Egyptian culture emerges from the data. Since the appraisal system in the private sector is based upon performance and outcomes, as opposed to the time-based system that found in the public sector (discussed later), the data from some mangers working in private entities often attempt to exert additional efforts, such as night shifts, working extra hours... etc. The motives behind this desire are many, but the most frequently mentioned among the private respondents are; to achieve self-esteem, self-actualisation, and showing high-level of commitment. These are shown from the following quotations.

> "...I like my job very much, I like my colleagues. We have a family spirit environment. I want to achieve the best I got, because I believe the company's success is mine..." *(Case 2, MARSMAN, junior)*

> "... I started working with this company since it was established. I stated as an accountant. I worked so hard to achieve self respect. I became the head of the marketing department. This company is worth to exert a huge effort..."*(Case 3, MARSMAN, senior)*

> "...The organisation's goals are always in my mind; my desire is to serve the organisation as a whole to become the leading company in the region. ..."*(Case 5, MARSMAN, junior)*

However, as public entities, the culture of Cases 1 and 4 stresses having a good relationship between bosses and juniors, since the former is the one who regularly assesses the performance of the latter. This is emphasised by the following quotations.

"... I have good relations with all here in the company. If I have been asked by my head of department to do something for the company, I will be pleased to do so..." *(Case 1, FINMAN, junior).*

"... I often try to get my boss happy of my job. One reason is that I do not want conflict with him, then to be in trouble ..." *(Case 4, MARMAN, junior).*

Heterogeneity within the research context, the Egyptian culture can also be seen in the following organisational activity i.e. training. This is considered essential to keep personnel qualified and competent. A number of training styles are identified, such as internal and external. The motives behind training are many (shown below). The data shows that two statuses are identified in the culture of Cases 1 and 4. The first involves mismatching between jobs and candidates or personnel qualifications. The second emphasises matching between jobs and personnel qualifications, but in paper (theoretical) only.

"... I was graduated from the faculty of science; however, sorry to say I was appointed as a researcher in marketing department..." *(Case 1, MARMAN, junior).*

"...My brother is the head of this financial department. He did help me to get this permanent job. But it is away from my degree..." *(Case 4, FINMAN, junior).*

These conditions are, on the one hand, related to and can be attributed to the policy of centralisation recruitment that characterise the public sector, as argued earlier, where a high level of nepotism and bureaucracy exists. On the other hand, this is related to the desire to keep good relationship with senior management, as argued earlier. The centralised recruitment policy, shown earlier characterises the public sector associates the aptitude for job promotion or job rotation with attending training and educational programmes and courses. These are stressed by the following quotations.

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"... in order to get promoted, I am obliged to attend these kinds of training courses. Although, they are sometimes not 100% related to my area of interest ..." *(Case 1, INTPROMAN, junior).*

"... in general there are shortage of training opportunities. However, when they are available, it is compulsory to attend them, if one to be promoted to a higher position. Also, these courses unfortunately may not be fitted with the trainees' requirements ..." *(Case 4, HUMRESMAN, junior).*

The data draws attention to the fact that publicly-owned entities lack of developmental and long-term growth and success, training is often placed the second row. Training is no longer achieving its potential benefits. It is now a condition for job promotion or job rotation. This undoubtedly underestimates the diversification of training plans and strategies. Also, this represents an obstacle for the assessment of the training process. At the same time, it promotes a high level of nepotism, as argued earlier.

On the contrary of the culture of Cases 1 and 4, the culture of organisations 2, 3, and 5 considers training as the gate to a more qualified and skilled staff, easily transferable job, job rotation, and competent teamworking. The data shows, almost all the respondents of these organisations emphasise their eagerness to attend training and educational programmes. They express their willingness to participate in these courses. The following quotations emphasise.

"...training is essential either in our department or aboard within the leading companies in the filed. Every one in the company is encouraged to participate. The most important aspect of training process is the feedback of assessment ..."*(Case 2, HUMRESMAN, senior)*

"...training in our company is based upon the trainees' needs. They are reported as really enjoy it. It is regularly assessed by attitudes surveys..."*(Case 3, HUMRESMAN, senior)*

"...it is, training, of great benefit. It assists trainees to participate and initiate ideas. It also keeps them up-to-dated with the latest technologies. One measure is used to assess the effectiveness of training process is taking trainees' suggestions seriously ..." *(Case 5, HUMRESMAN, senior).*

As shown above, training is not the only important aspect of this activity, evaluation is also considered as being essential. The outcomes of this process should be apparent to everyone. Evaluation could be in the form of attitude surveys at the end of a training process, or in the form of organisational regular reports.

As well as the above, the study offers further confirmation that the assumption of Egyptian cultural homogeneity is misleading. This involves punctuality in the work place, which is one of the main aspects of cultural dimensions. Muna, (1980) argues that the lack of punctuality characterises the Arab cultures (including the Egyptian culture). It is also associated with Bjerk's (1999, p.118) claim that in the Arab cultures, loyalty to family or group is seen as a virtue and considered more significant than efficiency. The latter may even be ranked as a tertiary value. It seems that this view is influenced significantly the assumptions about cultural homogeneity attached to the Egyptian culture, since it concentrates mainly on similarities at the national level, neglecting dissimilarities at the organisational level.

The data shows that there are two different attitudes towards this issue. The first one distinguishes the culture of privately-owned entities, where all respondents emphasise behaviours, such as regular absenteeism, late arrival and early departure, are entirely unacceptable. This is attributed to the business loss that may happen. The following quotation exemplifies this issue as follow.

> "...it is restricted for someone to come late or do not come at all without very good reason; otherwise he gets a black mark in his file. The same is when leaving. We have timetable for arriving and for leaving. The company always maintain work punctuality first place ..."*(Case 3, FINMAN, junior)*

As opposed to the situation above, these aspects of punctuality (late arrival and early leaving) are considered as normal or not a very big issue. It is considered as synonymous to flexibility. However, this is not true. As flexibility means that unless confined to serious specific conditions, such as disabilities, illness, one can either come late or leave early. This is emphasised by the next quotation.

"...in the company we appreciate and understand ourselves' situations. If some one come let, we can cover it by signing in place of him in the book. It is easy, not like the big issue ..."*(Case 4, FINMAN, junior)*

As previously noted, the managers in private sectors hold management values and practices that differ from those of their counterparts in the public sector. So, the data reveals that the cases of the public sector were emphasised to follow similar HRM practices when doing their jobs, as opposed to HRM practices in the private sector. In the former, performance appraisal is annually reported to higher authorities in the holding company of fertiliser and chemical. In the later, human resource managers are regularly (openly or covertly) in charge of reporting employees performance, which will be the base for identifying skills, competencies, and training needs. At the same time, it aims at achieving an environment of fairness. Such differences contradict previous management studies (e.g. Al-Aiban and Pearce, 1993; Bjerke and Al-Meer, 1993; Bjerke, 1999) that tend to undermine the influence of cultural differences on management values.

In other words, the study, as shown earlier, highlights two different cultural patterns among the cases of the research context. The culture of the first pattern matches the culture of the BSC to great extent. The culture of the second one is largely mismatches the contextual origin of this vehicle. As a result of the misleading assumptions of Egyptian cultural homogeneity, the adoption of the BSC, as a Western vehicle, may exert an influence on organisations to adapt their cultures to fit the values and principles of the BSC. Thus, the study reinforces an emphasis on considering the possibility that initiatives to change organisational culture may have little success in obtaining the anticipated adaptations. This is because cultural change may result in superficial manifestations of a dedicated organisational culture, but not in deep values and beliefs. As shown above, the informal and traditional cultural values and practices of Cases 1 and 4 are, to great to extent, identical. At the same time, they are different from the culture of Cases 2, 3, and 5. These similarities and differences are attributed to the ownership style.

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In the next section, the study discusses in detail the influence of organizational cultural values and practices upon the BSC, as a Western management technique in order to decide which to adapt to the other.

8.4 THE REFLECTION OF ORGANISATIONAL CULTURAL VALUES AND PRACTICES UPON THE BSC

From the foregoing discussions about the cultural values and practices at national level within the research context, the Egyptian culture, the study can now determine the main organizational values and beliefs that exert an influence on the adoption of the BSC. These values and beliefs are considered in the literature to distinguish those organizations which can adopt the BSC (e.g. Hofstede, 1980, 1984, 1991; Bass, 1998; Lituchy, 1997; Morris et al., 1994; Pillai and Meindl, 1998; Schwartz, 1990; Triandis, 1982). (See Chapter 4, section 4.3 for more details). These include the following elements: information must be available to everyone and be used for improvement, not to judge or control people; authority must be equal to responsibility; there must be rewards for results; cooperation, not competition, must be the basis for working together; employees must have secure jobs; there must be a climate of fairness; compensation should be equitable; and employees should have an ownership stake.

Now the study will examine these organizational cultural values with reference to the research context.

8.4.1 INFORMATION IS USED FOR IMPROVEMENT PURPOSES

The first element states that in order to ensure that information is used for improvement purposes, a process approach, as well as a results approach must be adopted (Hofstede, 1991, 1998). A process approach advocates the use of performance data by those who can apply it directly to identifying problems, solving them, and making improvements, in addition to assessing the results (Adler, 1984; Adler and Jelinek, 1986). Unfortunately, in some organizations, such as those of Cases 1 and 4, emphasis is placed on final results. Often, performance information is not used to improve performance, but it is used to control employees. This is emphasised by the following quotations.

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"...Although communication and information influence day-to-day activities, and is also a means to pass all full and relevant orders down to the employees in a regular way, access to those at the top level management, and access to information are not available to all personnel, who are controlled by through this information..."*(Case 1, HUMRESMAN, junior).*

".... What really count are the final results. They play a critical role to assess our performance. Also, in order to achieve change and lasting success in a turbulent business environment, a "culture of assistance" construct should be reinforced, rather than reverting to a "culture of blame"..." *(Case 4, FINMAN, junior).*

Due to their adoption of a results approach which is short-term oriented, Cases 1 and 4 do not integratively use information for improvement purposes. Consequently, quality problems, for example as the centre of the internal business process perspective of the BSC, are rarely found during the process, and corrective actions cannot be used for improvement purposes.

On the other hand, in Cases 2, 3, and 5 (60%) a process approach is widely adopted. Information is available to all first-line employees and supervisors. By comparing data with the goal during the process, corrective actions are taken immediately, including shutting down the plant if necessary. As cooperation between management and employees exists, so, it is expected that information will be used by all employees for improvement purposes. These represent one of the main cornerstones of acquiring long-term success, as supported by many previous studies (e.g. Chow et al., 2001; Gomez et al., 2000; Schwartz, 1990). The following citations are indicative to this finding.

"...our company involved in a process approach. This is essential in today's business environment. As it is important that the workforce is satisfied, their satisfaction is assessed through regular personnel attitude surveys. To create a sense of ownership these surveys are designed with the employees' participation. Feedback is provided and corrective action taken accordingly ..."*(Case 2, HUMRESMAN, senior).*

"...According to our reorders, the personnel of the company are encouraged to participate in rising problems and give solutions. This is critical in achieving growth in the long run; as they feel that the management is open, accessible, and approachable.

The company is completely convinced of the need for using the information for improvement and change. Thus, to showing interest in those at the lower levels and to giving the impression that they are valued, these information are available to all at all levels..."*(Case 3, INTPROSMAN, senior).*

"....Consequently, the making of informed decisions by employees is considered vital, as a sign of empowerment. Therefore, timely and accurate information is available to everyone. Thus, based upon the company's attitude-survey records, employees are satisfied, to a great extent, with communication in the company. A feeling that top-level management is friendly, accessible, and values the bottom-up linkages, exists..." *(Case 5, HUMRESMAN, junior).*

Thus, one can confirm that the BSC, as a Western-American originated vehicle, emphasises using information for achieving the long-term strategic objectives. However, this does not imply sacrificing the short term results (See Chapter 4, Table 4.2 for more details).

8.4.2 AUTHORITY MUST EQUAL RESPONSIBILITY

The second element, authority must equal responsibility, is also essential to the success of the adoption of a BSC (Heinz, 2001; Hoffecker and Goldenberg, 1994). Employees should have the authority to control their own work activities. As discussed earlier, managers in the culture of Cases 1 and 4 (40%) prefer not to delegate to their subordinates. Managers fear that they will lose their jobs in the process if they lose their formal authority. In other words, because of their fears, many managers are hesitant to empower their lower-level employees. The following quotations are indicative to this issue.

"...In addition, there is a call for employees to be actively involved in the process of change and making suggestions through encouraging a teamworking approach, which could be a strong force for monitoring and improving personnel security issues (health, job safety...etc.). In other words, there is a call for paying much more attention to people, as a recipe for success. Educational programmes, training, and encouraging job rotation between personnel are of particular interest in this task..."*(Case 1, INTPROMAN, senior).*

".... since the recruitment policy of the company is derived from that of the government, which is centralised, there is a need for getting the right personnel in the right place at

the right time. Employees are considered to be a mechanism for achieving change and successful business results. A call for getting those personnel to be empowered, and to participate in both identifying problems and solving them is emphasised. This may create the feeling of ownership among the personnel. However, empowerment is reported not to be an easy task. It requires employees to be aware of the lines of authority, the limits of responsibilities, the objectives towards which their actions should be targeted, and the standards to which they should be working..." *(Case 4, HUMRESMAN, senior)*.

Conversely, in the culture of Cases 2, 3, and 5, group membership is viewed as long-term and permanent. Thus, many of the actions in the workplace centre on the long-term aspects of their workgroup memberships. Managers in those cases are comfortable with the concept of empowering employees. In other words, they give employees the authority to share in making decisions. This is supported by the following quotes.

"...We encourage employees to take responsibility; authority must be equal to responsibility. This is simply done by selecting new personnel may involve utilising new, and more sophisticated, techniques than those previously used. This means the following: keeping records for all skills required and acquired by the workforce; the human resource (HR) planning system should include forecasts of the required skills, and then action should be taken to ensure that those skills are available when required. However, the potential difficulties involved in obtaining the appropriate person for a certain job should be understood and considered..." *(Case 2, HUMRESMAN, senior)*.

"...In order for personnel to show commitment to change, the organisation encourage them to take and participate in decision making. It shows that they are all valued, and shows fairness at all levels. This means the following: standardising and harmonising terms and conditions, since different terms and conditions give the message that some employees are valued more than others; treating all the personnel with respect. However, there are still calls from the workforce for a greater degree of empowerment..." *(Case 3, HUMRESMAN, senior)*.

Therefore, the BSC highlights the significance of empowering employees or delegating authority, as one of the main factors for success in the long term (See Chapter 4, Table 4.2 for more details). This is emphasised by previous studies such as (Kaplan and Norton, 2001a, b; Olve, et al., 1999).

8.4.3 REWARDED FOR RESULTS

The third element is that of employees being rewarded for results (Bjerke, 1999; Bjerke and Al-Meer, 1993; Olve, et al., 1999). When adopting a BSC process, individuals, teams and all members of the organization must be rewarded for results. In the culture of Cases 2, 3, and 5, as shown earlier, a high level of personal interdependence exists together with a great sensitivity towards other people's needs, and they are regularly rewarded according to their performance results. Most importantly, the organization creates and maintains a reward system that is based on the team. Teams provide a structural basis for cooperation, which is a necessity in a BSC culture (See Chapter 4, Table 4.2 for more details). So, everyone acts as part of a team, for the good of the organization. Hence, group-based rewards are appropriate because the jobs are often designed as team structures and accomplishments are team-based. This issue is acknowledged by the following data.

"...A reasonable level of job satisfaction has been reported by personnel. This satisfaction is reported to be measured by several indicators such as the rate of turnover, and the rate of absenteeism. It is a result of a fair-contract performance-based appraisal system. The entire reward package is predetermined by the organisation's own policies... "(Case 2, FINMAN, junior).

"...On the basis of skills, pay and benefits are given, recruitment and selection is done; the human resource manager, for example, tries to bridge the gap of wage differentials. In other words, subordinates are rewarded for jobs well done, and the company tries to provide supplementary rewards or benefits for efficient subordinates. There is an order of equality in which everyone has a rightful place... "(Case 3, HUMRESMAN, senior).

"...The reward system is of great significance in steering personnel behaviour in the desired directions, particularly as it is characterised by fairness. All reward packages are predetermined by the company's own policies and regulations. However, the allowances are related to performance. It is a case of "shape up or ship out", which means that everyone who wants to keep their job must do their best... "(Case 5, FINMAN, senior).

However, in the culture of Cases 1 and 4, organizations design reward systems using mostly, or solely, time-based rewards.

So, it is emphasised that for the BSC to be easily adopted, an organisation should design a reward system on the basis of outcomes or performance, rather than on a time base (Bass and Aio, 1990; Hofstede, 1980, 1991) (See Chapter 4, Table 4.2 for more details).

8.4.4 COOPERATION, NOT COMPETITION

The literature emphasises that cooperation, not competition, must be the basis for working together, although competition should be used where necessary for the benefit of the organization (e.g. Barney, 1986; Baghat and McQuaid, 1982; Chow et al., 2001; Gomez et al., 2000). Members must cooperate to accomplish their work with the common aim of achieving long-term success. The cooperation found in the research context, the Egyptian culture, is not just a "management practice" but is deeply rooted in the collectivistic culture (Bjerke, 1999; Bjerke and Al-Meer, 1993). In the culture of Cases 2, 3, and 5, teamwork and consensus are an important part of those organisations' work ethic, as shown in these quotations.

"...According to our company, the workers are encouraged to work in groups, on the basis of cooperation that achieve the success and growth..."(Case 2, INTPROSMAN, senior).

"...the atmosphere in our company is a combination of management that is open, accessible, and approachable; value those at the lower levels; and an environment of cooperation that assist getting our objectives ..."(Case 3, INTPROSMAN, senior).

".... Culture of assistance and cooperation are indicated as a valuable way to reduce the high level of uncertainty in the international marketplace..." (Case 5, GENMAN).

On the other hand, however, the culture of Cases 1 and 4 is reported to be collectivistic (See Table 8.3 for more details); they are reported to be publicly-owned and also have autocratic leadership and centralised decision making styles.

> ".... As you know our company is governmental-owned entity. The management system is basically derived from this of the government where a high-degree of centralisation. This means a need to wait for information; I mean orders to come from the holding company of chemical and fertilisers. This in turn mirrors the degree of disagreement with these orders to be in very low level ..." *(Case 1, INTPROSMAN, junior).*

This implies that consensus and cooperation take second place. This mainly reflects the significance of taking both national culture influence and the organisational effect when taking an essential decision, like the adoption of the BSC. This is supported by many previous studies (e.g. Adler, 1984; Adler and Jelinek, 1986; Adler et al., 1986; Adler and Kwon, 2002; Adsit et al., 1997).

8.4.5 JOB SECURITY

For the BSC to be adopted successfully, a feeling of job security must be propagated throughout the organization. If employees do not feel secure in their jobs, they may not take risks to make improvements. As discussed earlier in Section 8.3, personnel in the organisations of Cases 2, 3, and 5 are reported to be empowered and have a high level of loyalty. This is of great importance to distinguish the relationship between bosses and subordinates or peers. This is demonstrated by previous studies (e.g. Lituchy, 1997; Morris et al., 1994; Pillai and Meindl, 1998). It is also believed that this loyalty will translate into job security. A concern for achieving development and change require that employees feel secure. Change cannot be attained unless managers operate in a culture of openness. This is shown in the next data.

> "....However, given that personnel may be understandably reluctant to become involved in organisational change if they feel that it will result in them, or their colleagues, losing their jobs, the organisation is careful to minimise their concern over their future employment..." *(Case 2, MARMAN, senior).*

"....Also, change is considered as you know is not threatening. Some shared cultural values exist in the company, such as willingness to take risks and be responsible for decisions. The culture of our company is characterised by both openness and secure personnel jobs to get the best of performance ..." *(Case 3, FINMAN, senior).*

"....Since, our company is free-zone exporting oriented company, uncertainty in the company's business life is not perceived as a threat, as the company is used to working in an ever-changing and very challenging business environment. However, a must is to create a feeling of job security, such as health care, good allowance..." *(Case 5, HUMRESMAN, senior).*

Although Cases 1 and 4 are reported to be publicly-owned, which implies offering lifetime job security for employees (Bjerke, 1999; Bjerke and Al-Meer, 1993), there is a feeling of insecurity. This is attributed to low level rewards compared to their counterparts in the private sector. As shown in the following quotations.

"...Our company is state-owned; the appraisal system is decided by the state. But, as you know we do not work alone in the local marketplace, workers look to those of non-sate owned companies, such as Abo Qir company where high salaries. So, loyalty is theoretically found especially in today's poor economic conditions..."*(Case 1, HUMRESMAN, junior).*

"...People working in business public sector culture often have a fear of change, especially they do not want to lose their jobs, rather there is a need for job security..."*(Case 4, FINMAN, junior).*

8.4.6 CLIMATE OF FAIRNESS

This element reflects the importance of a climate of fairness within the organization. The literature shows that the mechanisms for assuring this climate of fairness are many (e.g. Adler, 1984; Adler and Jelinek, 1986; Adler et al., 1986; Adler and Kwon, 2002; Bass and Aio, 1990; Bjerke, 1999). It is emphasised in Cases 2, 3, and 5 that in order to instil a climate of fairness, there must be trust and a sharing of useful information. Moreover, top management must respect their employees and show concern towards them. Managers and leaders of those cases have a tendency to share resources with group members. In

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addition, relationships are viewed as respectful. As demonstrated by the following quotations.

"....This Company is considered to be completely convinced of the cultural value which involves equality across the company; everyone should have equal rights...." *(Case 2, GENMAN).*

".... Those at the top are reported to have recognition of subordinates who perform efficiently or who do a particularly good job. Senior management communicate properly with employees, who, by their very nature, are essential to survive and compete effectively in a tough, uncertain business future..." *(Case 2, HUMRESMAN, senior).*

"...This Company is reported to be an equality-oriented culture. A call for assuring that subordinates have the necessary work equipment and resources, and the skills and knowledge they need in their work is emphasised...." *(Case 3, GENMAN).*

"....Communication and sharing information is of great value in passing decisions from the top downwards, and in avoiding contradictory messages. The messages of new values are well understood. Communication barriers and also possible solutions to these are identified in order to make the workforce generally satisfied with the level of communication at the company. Staff feels that the whole company is connected, with a two-way communication and information system, with no sign of cross-departmental conflicts, or of role interventions..." *(Case 5, MARMAN, junior).*

Unlike those organizations, the data shows that the organizations of Cases 1 and 4 emphasize the widespread sharing of information in the form of orders from the top downwards.

"...Inequality in our business society should be minimized. Also, it is reported that poor performance or the violation of rules are criticized..."*(Case 1, HUMRESMAN, senior).*

"... All official communication processes are documented. The flow of decisions and information is you can say one-way in the form of orders from top to down..."*(Case 4, MARMAN, junior).*

8.4.7 COMPENSATION SYSTEM BASED ON EQUALITY

Related to the above, the study highlights the importance of having a compensation system based on equality. This is highlighted by other studies,

such as (Davis, 1996; Kirkman and Shapiro, 2000). In Cases 2, 3, and 5, compensation systems are based on an equality and fairness principle.

> "....An environment of fairness is being maximised in this business society ..." *(Case 2, HUMRESMAN, senior)*.

> "....The reward system as a way for alleviating uncertainty is mainly decided by the company's own procedures. It is emphasised that if the company seeks better performance, driven by the commitment of personnel, it should take care to recognise and appreciate their efforts. This recognition is described as being a mixture of financial and non-financial rewards based upon performance..." *(Case 5, HUMRESMAN, senior)*.

When a compensation system is based on a time principle, large pay differentials exist. (To avoid repetition, see section 8.3 for more details). On the other hand, when compensation is based on an equality principle, small pay differentials are apparent.

8.4.8 EMPLOYEE OWNERSHIP

The final element, employee ownership, highlights the concept that employees should have an ownership stake in their firms. Total involvement increases when employees have a stake in their firm, as argued by many previous studies (e.g. Alder, 2001; Al-Nimir, 1993; Blossom and Bradley, 1998; Bu et al., 2001; Cowherd and Levine, 1992; Davis, 1996; Kirkman and Shapiro, 2000; Sheridan, 1992). Although, in collectivistic cultures, such as the entire research context, employees naturally develop feelings of involvement and belonging towards their organizations, Cases 2, 3, and 5 provide employees with various ownership stakes. This is attributed to the nature of those entities as being privately-owned, where employees often need to have an ownership stake in order to feel empowered. It is emphasised below.

> "...our records stress the employees to have stake in the company. I believe that creates a feeling of commitment to the company..."*(Case 3, FINMAN, senior)*.

However, Cases 1 and 4 do not offer employees any stake; this is due to their being publicly-owned. This is emphasised by the following quotation.

"...One mechanism for creating and enhancing the feeling of loyalty and the total commitment and ownership, the company should get the employees in the general board of directors and to give them the opportunity to get some shares in the company..." *(Case 4, GENMAN).*

- ## ORGANISATIONAL CULTURE AND THE BSC; THREE POSSIBLE CONDITIONS

The eight elements given are essential for adopting a BSC because they consist of the fundamental beliefs and values that define a BSC culture. At the same time, they reflect the interaction between national and organisational cultures.

The members of the research context are different in the way they view their national culture, how they deal with uncertainty, the degree to which individuals are integrated into groups, the extent to which the less powerful members of organizations accept and expect that power is distributed unequally, how information is processed, conceptions of time, how individuals establish relationships with others, the modality of human activity. Many of these differences represent opposing tendencies. Cultural patterns may and usually do reflect a capability to evoke both the values and the contextual cues which stimulate perceptions that lead members to select appropriate behaviour and practices. Thus policies, preferred management and leadership styles, decision-making styles, for example, are based on the dominant values within a given society or organisation. These influence policies and procedures, reward systems, and norms of accepted behaviour within the organization.

After contrasting the BSC values and principles with the cultural values and practices within the research context, three possible consistency conditions might emerge. The first possible condition is that the cultural values are consistent with the BSC and adoption may proceed. The second is that the culture and the BSC rely upon different and contradictory dominant values. In the final condition, the BSC and/or the culture depend simultaneously on both of the paired values.

- **THE FIRST CONDITION; CONSISTENT VALUES**

When consistency between values exists conflict is unlikely to ensue. This was the case, for example, with the adoption of a BSC in U.S. companies as it relates to the focus on achievement-based rewards. The BSC espoused rewarding personnel for the accomplishment of defined behaviour which is consistent with organizational goals. This was consistent with American values and thus little conflict occurred related to this facet of the BSC. This matches the culture of Cases 2, 3, and 5 where the reward system is also based upon performance, as opposed to Cases 1 and 4 where rewards are based upon time. Further, empowerment is frequently included in BSC adoption in the U.S. Effective utilization of empowerment in organizations becomes an issue of consistency in management policy more than a conflict with basic employee tendencies. Empowerment is one of the basic work ethics of Cases 2, 3, and 5, to the contrary of the culture of Cases 1 and 4 where employees are told what to do.

- **THE SECOND CONDITION; INCONSISTENT VALUES**

Two sets of value orientations in particular may conflict as a result of the introduction of a BSC at the Egyptian fertilizer industry, and they present clear examples of inconsistent values. The first is the importance placed on power as opposed to achievement. The achievement-orientated cultures refer to "doing," whereas power-orientated societies refer to "being". The latter, in contrast to the former, assigns status and power based on some characteristics, such as age, gender, social connections, education or profession. This is the situation of Cases 1 and 4, where status requires no justification, and simply implies "power", which is associated with position. Achievement-oriented societies, like those of Cases 2, 3, and 5, place a high emphasis on skill and knowledge, and authority is assigned on this basis. Power comes with position only if the job is performed effectively. In the BSC philosophy, personal achievement through creativity and innovation are highly valued. A BSC focuses on personal or group achievement, particularly as a means of improving the organization as a whole. The belief is that individuals can each prosper when the organization as a whole prospers. All rewards, as shown above, whether they are intrinsic or extrinsic, are based on personal or group achievement and performance, hard work, and the acquisition of skills that will make an individual more beneficial to the organization.

A second example of value incongruence occurs at the merging of the fatalism of the Egyptian culture and the determinism assumed in the BSC approach. However, this issue is not greatly influential, as justified below. Fatalism is viewed as being in opposition to determinism. They describe, respectively, an individual's relationship with religion, and the perception of free will within the world context. As with all value orientations, both fatalism and determinism exist in all societies and in all individuals. However, some cultures for example the American culture, is described as deterministic, where people are responsible as individuals or as a group for their actions and can affect the future. In societies that tend to be more fatalistic, such as the Egyptian culture, peoples' control over events is believed to lie ultimately with a greater power i.e. God. It is religion that controls their destiny. So, this reliance on fatalism may be considered incompatible with a BSC. However, it is worthwhile noting that the fatalism of the Egyptian culture does not conflict with the BSC deterministic philosophy, rather, it serves it. In particular, both are considered to be masculine-oriented cultures which imply high level of assertiveness and achievement (See section 8.3 for more details). In addition, fatalism implicitly involves some principles of determinism, such as the belief that a person should do the job in a perfect way (achievement and performance); time has value, and must not be wasted while working and a high level of loyalty should be devoted to work.

- **THE THIRD CONDITION; RELIANCE ON BOTH OF THE PAIRED VALUES**

A third condition exists in evaluating the congruence of dominant values. In the research context and/or the BSC, both of the pairs of a particular value orientation are salient. This is the case in evaluating individualism versus collectivism (INDCOL) in both the Egyptian culture and the BSC approach. As has previously been argued, it identifies the importance of the individuals in a society as compared to the group (Hofstede, 1983b; Jennifer, 1997). It mirrors the level at which the culture tends to prefer to organize, make decisions, structure government, and structure reward and punishment systems. The BSC philosophy is strongly rooted in the foundations of US culture, which is very individualistic; the collectivism that is the cornerstone of Egyptian society has little or no place in the U.S. The values of both individualism and collectivism

are seen in the BSC philosophy as it is interpreted by the respondents in the research context. A focus on team decision making, engineering, and problem solving reflects the collectivistic nature of the Egyptian culture. Yet, the focus on empowerment of individual workers, to the extent that they have ultimate power to shut down production lines, mirrors the BSC's more individualistic American roots. The BSC promotes a balance between solid individual behaviour and rewards, with a utilization of teamwork in key areas. The dual orientations, of individualism and collectivism, of the Egyptian fertilizer industry would appear to be consistent with the dual orientations of the BSC philosophy. Difficulties arise, however, in channelling these competing orientations to capitalize on the power of each in the appropriate situation. In managing a culture by using a vehicle such as the BSC with dual dominance value orientations, channelling each appropriately becomes the primary objective.

Thus, it is clear-cut from these discussions and presentations that the adoption of the BSC, as a Western management vehicle requires and emphasises the relationship between national and organisational cultures, which are intertwined and interrelated. As a result, it declares that national cultural values and norms can be transferred to work organisations. However, this does not necessarily imply that these macro-national values have identical and homogeneous meanings, interpretations, and practices among all organisations. These differences of cultural influence prove that subcultures and cultural diversities exist in the Egyptian culture, exerting an essential influence on work-related values and practices. So, the study contradicts the results of previous studies which suggest that organisations operating in the same society or the same national culture mirror the same organisational cultures (e.g. Bjerke, 1999; Hofstede, 1980, 1991); that organisations working in the same field or industry reflect the same values (e.g. Dastmalchian, et al. 2000). This can be attributed to various levels of analysis and most significantly, to the different perspectives adopted. While the previous studies make claims for cultural homogeneity and the unitarism of nation, sector and organisation, the present study stresses cultural diversity and pluralism within the Egyptian culture (including the research context). Unitarism has been criticised for providing an unrealistic view of organisational culture. While organisations, as part of wider society, are

composed of various groups, often with different values and practices, and are exposed to different internal and external influences, assumptions of unitarism omit these differences or assume uniform responses from organisations. It also neglects the influence of factors, such as the ownership style, in the workplace. Obviously, organisational cultures vary among Egyptian organisations according to different subcultures and other organisational factors (e.g. ownership style), as shown in Table 8.5.

Table (8.5) Two cultural pattern within the research context*

Culture pattern / Factors	Cultural pattern 1	Cultural pattern 2
1. Ownership style	Privately-owned cultures	Publicly-owned cultures
2. Power Distance	Low or short	High or Long
3. Individualism v. Collectivism	Collectivist	Collectivist
4. Masculinity v. Femininity	Masculine	Masculine
5. Uncertainty Avoidance	Low or short	High or Long
6. Confucian Dynamism	Long term culture	Short term culture
7. Employee orientation	Employees are empowered to participate in making decisions	Employees are told what to do
8. Using information	It is an open culture. Information is available to every one and it is used for improvements.	Information is in the form of orders coming from the top downwards; it is thus used for controlling employees.
9. Teamworking orientation	It is a teamworking-support culture.	Although it is a collectivist culture, there is room for improvement of teamworking.
10. Management style	It is considered as being open, communicative, participative, and approachable or accessible.	It is considered as being formal, with a steep hierarchy.

11. Leadership style	Democratic	Autocratic
12. Decision-making style	A decentralised style along with short chain of command.	A centralised style with long chain of command. Decisions need to be referred back to specific high public authorities.
13. Senior management commitment	Thus, clear commitment to staff at all levels.	Therefore, commitment is not easily apparent to the frontline employees.
14.Communication	Two-way, high-contextualised	One-way from the top downwards, high-contextualised.
15. Desire for change	Change is welcomed.	Change is threatening; a degree of change resistance because of attachment to old practices.

* Based upon, Chapters (4, 5, and 6), the previous discussions of Chapter 8, tables (4.2, 4.3), and table 8.3

This variation implies that each organisation does not have a uniform culture. Subcultures and cultural differences contribute to organisational distinctiveness, and hence to the way that the adoption of this Western vehicle (the BSC) is received. In other words, the adoption of the BSC emphasises the pluralism theory, which offers a more realistic way of portraying organisational culture, and contradicts the unitarism theory.

8.5 CULTURE OR BSC – WHICH TO ADAPT TO THE OTHER?

As has previously been argued, the adoption of the BSC, as a Western vehicle, requires a considerable amount of cultural insight and careful attention to organizational conditions and the expectations of personnel. Instead of simply transferring the BSC (copying it), organisations should be well aware of their own organization–culture profile, in order to have a higher likelihood of success when adopting the BSC into their culture (e.g. Lituchy, 1997; Morris et al., 1994; Pillai and Meindl, 1998; Schwartz, 1990; Triandis, 1982). Lack of national and organizational culture awareness seem to be one of the biggest barriers to the adoption of the BSC (Bjerke, 1999; Bjerke and Al-Meer, 1993; Bass, 1990a, 1990b, 1998).

From both a theoretical and practical perspective, it is interesting and useful to consider whether to adapt this Western management practice, the BSC to fit this non-Western culture, the Egyptian culture, or the other way around. In the following paragraphs, the study highlights this essential issue, and the quotations below are of great interest to demonstrate it.

"...This Company emphasises the significance of programming the culture channels in order to fit with the new values of the BSC, and eradicating any old contradictory values of this culture. Integration of all new change and business improvement policies, human resource management, and business strategy are essential if conflict is to be avoided. This integration also ensures that a consistent message is given to employees. With reference to the significance of the ownership type, it is reported to be extremely significant, as it affects organisational management practices such as leadership style, senior management commitment, teamworking support ...etc. ..." *(Case 1, GENMAN)*.

"...There is a call for deciding and examining the ways in which the organisation transmits new values of the BSC: could this happen through management style, work systems, employment policies, reward systems, or a combination of those? Consequently, there should be a common vision amongst those managers at the top level of the desired organisational culture, and of the appropriate way to manage employees within these changing circumstances. Regarding the influence of the ownership style, this is of great importance, especially in non-Western developing cultures where remarkable differences between government-owned businesses and those owned by the private sector are apparent, for the latter favouring change and welcoming improvement. ..." *(Case 2, GENMAN)*.

"...Although, the company, to a great extent, is matching the contextual origin of the BSC, it does not exist in a vacuum. So, it is must to considering the influence of the national cultural values upon the organisational practices. Thus, a need for integrating and fitting those cultural values and practices to the values of the BSC is essential. As an example of the importance of the ownership style, the opportunities for breakthrough performance may be lost if the company is not a private entity with a progressive style of management, where personnel are well-trained, participating, and the management are open and approachable..." *(Case 3, GENMAN)*. .

"...A desire for changing the existing organisational cultural practices is a must to survive and compete in this era of changing business environment. In order to fit the culture to the values of the BSC, some questions of great interest are must as well: does the organisation's culture support the long-term and the short-term business strategy? Is

the organisation's structure consistent with the business strategy? Are the right training, recruitment, and reward system evidently helping to build an effective management team? Are the human resources i.e. selection, training, performance appraisal, communication, working as planned? According to the influence that the ownership style may exert on a management practices and behaviour, as opposed to the private sector, the public sector has less independence to allow change..." *(Case 4, GENMAN)*.

"...It is essential to decide on the cultural practices which support the BSC values and which do not. Also, it is reported that if the company does not have this distinctive joint venture style of ownership, then the opportunities to achieve the strategic objectives are lost..." *(Case 5, GENMAN)*.

CULTURE ADAPTATION IS A MUST

So, as shown from the quotations above, culture adaptation is a must. More specifically, organisations facing conflict between dominant cultural values and those embedded in a particular management approach, such as the BSC, must first recognize that the conflict exists. The conflict creates destructive behaviour and practices that lead to unsuccessful attempts to adopt this Western vehicle. The BSC approach can be adopted to evoke consistent values (See section 8.4 for more details) by analyzing the employees' view. The study suggests that management should attempt to adapt the culture to fit this vehicle, by focusing on ways that are within management's control to mitigate the most negative organizational practices which act as impediments and which are produced by specific cultural values. In each case, however, the change is different in rate, and in kind, due to the unique qualities of the people. Some of the values held by Egyptian culture may conflict with the BSC values, as seen in section 8.4. High UNCAVO, for example, stifles proactive behaviours and practices that are required in the BSC. On the other hand, some other Egyptian cultural values are compatible with the BSC values (See Chapter 4, Table 4.3, and section 8.4 for more details). More specifically, collectivism and teamworking values support the BSC.

In addition, within the entire research context, either the culture of Cases 2, 3, and 5 which are privately-owned, or the culture of Cases 1 and 4, which are publicly-owned, has emphasised the significance of the type of the ownership style as a determinant of managerial practices.

8.6 RESULTS

Following on from the beginning of this chapter, the study is now in a position to assert that there are, from a general perspective, salient cultural differences between American culture, i.e. the contextual origin of the BSC, and Egyptian culture, i.e. the research context (See Chapters 4, 5, and 6 for more details). Many of these differences are not due to managerial failures but to fundamental dissimilarities in the value priorities of the societies which encapsulate them. The variation in these cultural values undoubtedly leads to different practices. Examples of these differences can be seen in Hofstede's model for national and organisational cultures (See Chapter 4 for more details), such as POWDIS, UNCAVO, INDCOL, MASFEM, CONDIM (See Chapters 4 and 8 for more details). Differences are also observed in authority systems, leadership and management styles, receptivity to changes, the consideration given to financial and non-financial perspectives of performance, reward systems, and use of information...etc (See Chapters 4 and 8 for more details). These cultural differences no doubt influence the adoption of Western management practices, such as the BSC.

From a more specific perspective, the study emphasises that some of the cultural patterns of the research context are incompatible with the BSC, such as the culture of Cases 1 and 4, whereas others serve as building blocks, such as those cultures of Cases 2, 3, and 5. Thus, the study is in a position to highlight that not only does the lack of national culture awareness seem to be a barrier to the successful adoption of the BSC; the lack of organizational culture awareness is also an obstacle, especially as the organisational culture may not mirror the national culture. In other words, based on the results of this study it is possible to conclude that both national and organisational cultures have a great effect on managerial behaviour and practice.

However, there are significantly more differences than similarities between the practices of managers among the five-case research context. As a result, the study discusses the idea that this is basically dependent on the ownership style. The differences in organisational structures, communication approaches, and

decision-making are attributed to the ownership style. Thus, the assumption of cultural unitarism at organisational levels is misleading and unrealistic. More specifically, two cultural patterns emerge, deriving from this factor, as shown earlier in Table 8.5:

- Cultural pattern 1 involves the culture of Cases 2, 3, and 5
- Cultural pattern 2 includes the culture of Cases 1 and 4

As for the assumptions of homogeneity of Egyptian-Arab culture, the results of the present study contradicted Hofstede's study, which evokes an assumption that the culture of Arab countries (including that of Egypt) is homogeneous. In other words, this supposition implies the absence of subcultures within the Egyptian culture. However, this study confronts that supposition by emphasising the research context to be heterogeneous, and even if the national culture is homogeneous, the subculture of organisations may be varied. Put another way, the study stresses the existence of subcultures within one society, especially when those subcultures do not mirror the national culture. So, grouping all the Arab cultures in one cluster may not be appropriate, and may indeed be misleading. The study then warns of the results of employing a sample that overlooks the effects of subcultures within the Egyptian national culture. Organizational cultures are not necessarily identical. Specifically, the study emphasises that neglecting sub-cultural variation can lead to non-significant cross-national differences. In addition, and perhaps more importantly, it illustrates how inattention to sub-cultural variation may also result in overlooking relevant cultural similarities across cultures.

Also, the results of the study in hand contradicted Hofstede's study with reference to the dimensionality of culture. Though the study has treated the cultural dimensions one by one, it is convinced of the fact that different cultural dimensions can be simultaneously active in affecting leaders and followers. Consequently, considering them as discrete elements of culture is vague. So, the study emphasises the importance of remembering that there remains some disagreement about the dimensionality of culture. Rather than perceiving these two facets of culture as existing in a subordinate/superior relationship to each other, the study considers that when taken separately they provide a limited

perspective on the contribution of culture to understanding personnel practices and behaviours. They are directly intertwined and overlapping.

This thesis provides an analysis of non-Western Egyptian national and organizational culture traits deemed necessary for the successful adoption of the BSC, as a Western management vehicle. The study therefore stresses that as people of different nations have different values or norms which influence their attitudes and priorities on issues relevant to organizations, people from the same nation have to greater extent the same norms and cultural values. However, organizations and their people have distinct cultures. So, the study emphasises that the amenability of organizational cultures to specific management techniques, particularly to those techniques stemming from an entirely different national culture, can vary.

Several recent studies have suggested that values and practices are important elements of culture (Karahanna et al., 2005), with individual values being closer to the core, and shared practices being more peripheral. Values are acquired early in life through childhood socialization and education, and are often "stable in nature but can change over time reflecting changes in culture" (Karahanna et al., 2005). Practices develop later in life through activities such as workplace socialization, and are more subject to change than values. On this basis, the findings obtained in this study indicate to a large extent a positive relationship between cultural values and managerial practices, however, unlike the former, the latter are somewhat manageable. This is supported by previous studies (e.g. Hofstede, 1980; Karahanna et al., 2005).

8.6 SUMMARY

As was previously argued in Chapter 7, the transcribed interview data was content-analysed using word count frequencies and colours. A number of descriptive matrices were formed; different categories were also formed on the basis of interviewees' responses. Based on the content analysis, some tables were designed (see Appendix II for some examples) to highlight a series of constructs presented by the interviewees which are of great assistance in helping the study to acquire the aim and objectives (See Chapter 7 for more details). The results of

these processes are represented in Chapter 8 where an emphasis is on exploring the influence and consequences of culture for individuals and organizations (values and practices) on managerial behaviour and practices. It is suggested that differences in these values and ideologies are an important source of variation in managers' behaviour and practices across cultures. The findings presented in the previous chapters and Chapter 8, focus on the assumptions about cultural homogeneity and unitarism that are tied to the Egyptian culture. They revealed that these assumptions are misleading and unrealistic, evidence suggesting that societal-national cultures and organisational cultures are more diverse and complex in reality than predicted in the literature. Examples of these variations are as follow; the study at hand shows that POWDIS in society has an impact on different aspects of leadership and employees' relationships. People tend to prefer leadership that is more egalitarian when POWDIS is low. Where it is high, leaders tend to be less participative and more authoritarian and directive. In addition, a stronger emphasis on the use of rules and procedures is seen when POWDIS is high and people are more inclined to gain support from those in authority before carrying out new plans. UNCAVO has an impact on the characteristics associated with outstanding leadership and leaders' typical career patterns. It also influences the expectations leaders have of subordinates. In high UNCAVO contexts detailed agreements are the norm, whereas in low UNCAVO contexts flexibility and innovation are more prominent.

On the cultural element of INDCOL, traditionally Egyptian national culture shows an emphasis on collectivism (100%). Despite strong interference of social relations, caste and religious dynamics, teamworking in the work place is still observable in Egyptian organisations, although there are salient differences in the effectiveness of these aspects of this culture dimension among the research cases.

A culture dimension labelled MASFEM is also described. According to Hofstede, high societal MAS (or low FEM), such as the research context, characterize societies in which men are expected to be assertive and tough and women are expected to be modest and tender. The research context varies according to the attitude towards CONDIM. The culture of Cases 2, 3, and 5 (60%) is considered to be more long-term oriented which means there is a call

for paying much more attention to customers' satisfaction, employees' empowerment, and the non-financial perspectives of the BSC, as opposed to the culture of Cases 1 and 4 that is described as being more oriented toward acquiring short-term objectives.

Although there is no single appropriate method for the adoption of the BSC, the study has explored the values and beliefs that reflect the nature of the compatible organisational culture to the BSC. These include the following elements; information must be available to everyone and be used for improvement, not to judge or control people; authority must be equal to responsibility; there must be rewards for results; cooperation, not competition, must be the basis for working together; employees must have secure jobs; there must be a climate of fairness; compensation should be equitable; and employees should have an ownership stake. The study, after comparing the values of the cultural context with the values of the management approach, in this case BSC, sees three possible consistency conditions emerge. The first possible condition is that the cultural value is consistent with the BSC and adoption may proceed. The second is that the national culture and the BSC rely upon different and contradictory dominant values in the pair. In the final condition, the BSC and/or the culture rely simultaneously on both of the paired values.

The study developed a more realistic picture about the influence of the culture and the adoption of the BSC. A number of conclusions are drawn from the study, either to challenge some assumptions of Hofstede's model, or to corroborate others, as shown below:
- Considering Egyptian culture, one of the cornerstones of the Arab cluster, as homogeneous, is misleading and unrealistic. The study therefore emphasises the existence of subcultures which may not mirror the wider society or the national culture. So, the Egyptian culture, the research context, is described as being heterogeneous. The study justifies that as being basically dependent on the ownership style of the entity within the research context, where two different cultural patterns emerge, although they are from the same national culture. These include cultural pattern 1, which involves the culture of Cases

2, 3, and 5, and cultural pattern 2, which includes the culture of Cases 1 and 4.

- Also, the study stresses a call for disagreeing with the assumption that evokes the dimensionality of culture. All culture elements are related. In addition, the study highlights the inappropriateness of considering national and organisational cultures as being detached. They are directly intertwined and overlapping.

- On the other hand, some findings support and agree with Hofstede's model in the assumption that implies that, unlike cultural values, managerial practices are somewhat manageable.

The study in Chapter 9 verifies those results with the respondents using a member-checking technique. This is one of several qualitative techniques, and is considered as being of great value when validating research findings. The study will go on to draw the research findings and conclusions together to identify the research contributions and the future research trends.

CHAPTER 9:

CONCLUSIONS, IMPLICATIONS &
RECOMMENDATIONS

INTRODUCTION

9.1 UNDERSTANDING THE RELATIONSHIP BETWEEN CULTURE AND THE ADOPTION OF THE BSC

9.2 A SYNTHESIS OF RESEARCH OBJECTIVES AND THE RESEARCH FINDINGS

9.3 THEORETICAL CONTRIBUTIONS

9.4 RESEARCH METHODOLOGY AND RESEARCH LIMITATIONS

9.5 MANAGERIAL IMPLICATIONS

9.6 FUTURE ACADEMIC RESEARCH

CHAPTER 9
CONCLUSIONS, IMPLICATIONS & RECOMMENDATIONS

INTRODUCTION

The aim of this study was to explore the influence of culture within the context of the Egyptian fertilizer industry, part of a non-Western culture, on the adoption of the BSC, a typical Western change vehicle, within a real-life context. This is useful to critically evaluate how national and organisational cultures, values, norms, and practices influence the adoption of this Western management vehicle. Pursuit of this aim has not only confirmed the findings of previous studies, in particular Hofstede, (1980-2001), but it has also enabled this study to make key contributions in order to better understand and set in contrast the work of Hofstede and others. (See Chapter 8 for more details).

This chapter begins by giving an understanding of the relationship between culture and the adoption of the BSC. Then it draws together the findings from this study, and states their relationship to the research objectives, and the theoretical contributions; their contribution to the research gap, identified in Chapter 7. After which some research limitations are considered, as well as the extent to which the results of the study can be generalised. It then goes on to consider the managerial implications. It concludes by discussing directions for future academic research.

9.1 UNDERSTANDING THE RELATIONSHIP BETWEEN CULTURE AND THE ADOPTION OF THE BSC

It has been argued in the literature, and also in this study, that national and organizational cultures are interrelated and intertwined. This is mirrored in a 'virtual onion' metaphor, which was introduced by Straub et al. (2002), basing their conceptualization on social identity theory (Tajfel, 1970, 1978, cited in Straub et al., 2002). This metaphor suggests that, like layers of an onion, each individual contains different ''layers'' of cultural identity and experiences, but that the sequence of these layers is virtual, in the sense that they can shift, depending on time and circumstances. The social identity theory recognizes that people define themselves as members of an ''in group'' or ''out group'' with

regard to several reference points (ethnicity, religion, occupation, nationality, gender, etc.). The layers of social identity, like layers of an onion, reflect how deeply held or superficial certain beliefs may be in shaping peoples' beliefs and behaviour. Rather than conceiving of culture as just national culture, organizational culture, or just any one dimension of a person's identity, social identity theory considers how multiple layers of identity converge and interact for each individual.

The idea of investigating the cultural influence on the adoption of Western management practices, in particular the BSC, was aimed at improving the results of business performance in the Egyptian fertilizer industry. There is a need for an appropriate culture to support the scope of the BSC. The concept of the BSC should be the driving force behind the changes taking place within the cultures and practices of today's organizations (Olve et al., 1999). There is no single best approach to adopting the BSC. There should be a dominant and coherent culture, in which values and practices fit and support the BSC values (See Chapters 4 and 8 for more details). In addition, it has been acknowledged in the literature that one of the most common modern trends in organisational development and change is an intensifying focus on designing organisational culture as a means of managing change (Armenakis and Bedeian, 1999). Thus, managers should analyse the relevance of corporate values to the evolving organisational environment. As a result, enabling managers to adapt and nurture the constructs that support the development of the desired organisational culture (See Chapter 8 for more details). This enables the smooth flow of information and nurtures harmony among its members. Improvements in work culture and internal communication thus improve customer (internal and external) satisfaction, which is essential for market growth and profitability in the long term. This culture will also assist members of a diverse workforce in establishing an organisational identity, and in identifying shared goals.

The study has explored, as shown in Chapter 8, the fact that the culture of some of the patterns of the research context are incompatible with the BSC, as a Western American change vehicle (Cases 1 and 4), whereas others may serve as building blocks (Cases 2, 3, and 5). Thus, the study is in a position to summarise

the cultural values that fit the BSC values with references to the research context (See Chapter 8 for more details). These in turn mirror Hofstede's cultural dimensions.

- The group dimension represents an orientation based on values associated with affiliation and concern for people. The development of human resources, trust, teamwork, participative decision making, and morale are emphasized in organizations whose cultures are high on the group dimension, such as the culture of Cases 2, 3, and 5 (See Chapter 8 for more details).

- The hierarchical dimension describes an orientation reflecting values associated with bureaucracy, such as the culture of Cases 1 and 4 (See Chapter 8 for more details). In organizational cultures high on the hierarchical dimension, stability, centralization, efficiency, coordination, and compliance with organizational mandates are emphasized and members' roles are defined and enforced through formal rules and regulations.

- The developmental dimension represents an orientation permeated by assumptions of change. Innovation, entrepreneurship, risk-taking, growth, creativity, and resource acquisition are emphasized in cultures high on this dimension, as shown in the culture of Cases 2, 3, and 5 (See Chapter 8 for more details). As opposed to the culture of Cases 1 and 4 (See Chapter 8 for more details) where risk-aversion and attachments to old practices are stressed.

- Finally, the rational dimension describes an orientation based on concepts of performance, and goal achievement, represented by the culture of Cases 2, 3, and 5 (See Chapter 8 for more details).

So, the results emphasize a significant relationship between culture and the adoption of the BSC. They are helpful in understanding the association between national and organisational cultures and change in this developing context. Such understanding helps minimize misconception and misinterpretation of the adoption of Western change vehicles in non-Western developing cultures, such as Egypt.

In order to highlight this link between cultural values and practices of Egyptian culture at both national and organisational cultural levels, and the principles of

the BSC, the study groups Tables 4.2, 4.3, and 8.5 together in the following table.

Table (9.1) The link between cultural values and practices of Egyptian culture at both national and organisational cultural levels, and the principles of the BSC

The BSC principles	The research context	
	Cultural pattern 1	Cultural pattern 2
(1) It is a continuous effort, not a one-time event which would be a recipe for failure (Olve et al. 1999). **(Confucian Dynamism) (A combination of process and results orientation)**	Low or short	High or Long
(2) It is a participative approach to maximise the acceptance and commitment (Lipe and Salterio, 2000) as employees' empowerment will inspire greater ownership (Davis, 1996). **(Collectivism), (Confucian dynamism) (Employee orientation, Tight control)**	Collectivist	Collectivist
(3) It is a strategic orientation based vehicle, which tells the story of an organisation's strategy (Heinz, 2001). **(Confucian dynamism) (A combination of process and results orientation)**	Masculine	Masculine
(4) It is based upon a detailed elaboration (Brown, 1994, 1996; Creelman, 1998; Heinz, 2001; Kaplan and Norton, 1996, 1997), as it would cause significant problems if the recommendations were too general (Weber and Schaffer, 2000). **(Uncertainty avoidance) (Open system, Tight control)**	Low or short	High or Long
(5) It is essential that functional lines of authority are clear, as otherwise cross-functional conflicts between managers could arise (Kaplan and Norton, 1992; Letza, 1996). **(Power distance), (Uncertainty avoidance) (Tight control)**	Long term culture	Short term culture
(6) It is a holistic and multidimensional vehicle, and also it is stakeholder-focused (employees, suppliers, the environment, and customers) (Atkinson et al., 1997), as improvement goals randomly negotiated rather than being based on stakeholder requirements is a recipe for failure (Norreklit, 2000). **(Collectivism), (Confucian dynamism) (Pragmatic orientation, Professional orientation)**	Employees are empowered to participate in making decisions	Employees are told what to do
(7) It is based upon top-down alignment and commitment & bottom-up feedback,	It is an open culture.	Information is in the form of orders

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making it a double-loop learning vehicle (Balkcom et al., 1997). **(Power distance) (Open system, Tight control)**	Information is available to every one and it is used for improvements.	coming from the top downwards; it is thus used for controlling employees.
(8) It is clearly a dynamic and flexible tool, and its contents may change over time, as strategies develop and key success factors change (Bititci et al, 1997; Blossom and Bradley, 1998; Parker, 2000; Sarkis and Sammunt, 2000). **(Confucian dynamism) (A combination of process and results orientation)**	It is a teamworking-support culture.	Although it is a collectivist culture, there is room for improvement of teamworking.
(9) It is not simple, as it involves modifying the power of people (Lobo et al., 2000). **(Power distance) (Tight control)**	It is considered as being open, communicative, participative, and approachable or accessible.	It is considered as being formal, with a steep hierarchy.
(10) It is a value-creation vehicle & enhances bottom-line results. It understands the relationship between internal value-adding processes (core competencies) and delivery of business outcomes (Quinlivan, 2000). **(Confucian dynamism) (Employee orientation, A combination of process and results orientation)**	Democratic	Autocratic
(11) It highlights trade-offs and thus brings increased transparency, which may be threatening for some managers (Epstein and Manzoni, 1997; Kaplan and Norton, 1996; Norreklit, 2000). **(Uncertainty avoidance) (Power distance) (Open system)**	A decentralised style along with short chain of command.	A centralised style with long chain of command. Decisions need to be referred back to specific high public authorities.
(12) It encompasses qualitative non-financial and quantitative financial measures, as not all measures can be quantified (Schneiderman, 1999), so it focuses on the future and the past (Clarke and Tyler, 2000; Senge, 1990). **(Confucian dynamism) (A combination of process and results orientation)**	Thus, clear commitment to staff at all levels.	Therefore, commitment is not easily apparent to the frontline employees.
(13) It should be reviewed regularly (Amaratunga and Baldry, 2000; Edwards, 2001; Tate, 2000). **(Uncertainty avoidance) (Open system, Tight control)**	Two-way, high-contextualised	One-way from the top downwards, high-contextualised.
(14) It is a management vehicle based upon facts, not emotions (Norreklit, 2000). **(Uncertainty avoidance) (Professional orientation)**	Change is welcomed.	Change is threatening; a degree of change resistance because of attachment to old practices.

From the table above, it can be discerned that the culture of Cases 2, 3 and 5 (culture pattern 1), is better suited to the principles of the BSC than that of Cases 1 and 4 (culture pattern 2). These findings have already been discussed in detail in Chapter 8. This chapter therefore draws them together and considers how they relate to the research objectives, and the research gap.

9.2 A SYNTHESIS OF RESEARCH OBJECTIVES AND THE RESEARCH FINDINGS

Before considering the synthesis between both the research objectives and the research findings, the study reconsiders the research objectives (See Chapter 7 for more details):

-To consider the BSC as a typical Western change vehicle.

-To develop an in-depth understanding of the underpinning cultural drivers and enablers.

-To establish the applicability in a different culture (the Egyptian fertiliser industry).

- To investigate the influence of any differing cultural aspects.

-Assuming that cultural differences exist and have an impact, then the thesis would consider how the change vehicle and/or the culture might be adapted to fit.

Under the umbrella of the action research methodology, a clear two-stage conceptual framework, along with thematic map and categories dictionary, guided the process of data analysis, helping to interpret the main dimensions of national and organisational cultures, and connecting the fieldwork to these key research objectives. The conceptual links have a crucial bearing upon the overall success (or otherwise) of the research.

9.2.1 OBJECTIVE 1: TO CONSIDER THE BSC AS A TYPICAL WESTERN CHANGE VEHICLE

Detailed comparisons between the BSC and many other change and innovation management frameworks such as Total Quality Management (TQM), Just-In-Time (JIT), and Business Process Re-Engineering (BPR) have been made (See Chapter 3 for more details). Examining such comparisons serve to increase the

understanding of the common and unique features among these Western or Westernised vehicles. The study points out some common characteristics between them (See Chapter 3, for more details), which imply that the BSC is a typical vehicle; however, some unique features of the BSC are considered. These justify the reason for choosing the BSC in particular. They include the following (See Chapter 3, for more details):

- Chronologically, the BSC is the most recent technique;
- It is now one of the best known and most widely adopted vehicles;
- As a strategic management and change vehicle it is an easy-to-explain concept, and so is easy for senior management to adopt;
- The BSC is essentially a holistic multi-dimensional performance measurement and management vehicle which is linked specifically to organisational strategy;
- It captures the critical value-creation activities;
- It enhances the bottom-line results, and
- It has not been adopted before in the research context, the Egyptian fertiliser industry.

Thus, the result of these comparisons is to demonstrate that the BSC is a typical Western change vehicle. Moreover, it has been chosen for the above reasons.

9.2.2 OBJECTIVE 2: TO DEVELOP AN IN-DEPTH UNDERSTANDING OF THE UNDERPINNING CULTURAL DRIVERS AND ENABLERS

Based on the theoretical contributions and results, the study emphasises that the BSC is transferable and can be adopted by non-Western cultural environments. Thus, in addition to national cultural values and beliefs, organizational traits and practices appear to play an essential role. Also, it stresses that in order to increase the chances of a successful transfer and adoption level, six organization–culture conditions are necessary (See Chapters 4 and 8, Sections 9.2, and 9.5 for more details):

- A clear employee orientation, supported by a (contractually or verbally assured) no-layoff policy;
- Personnel who are committed to the company's long-term viability;

- Free flow of information, both along the vertical axis and between units that belong to the same hierarchical level;

- Empowered employees, i.e., employees who have the information and skills needed to take decisions on a wide range of issues concerning their own working environment;

- A so-called 'pragmative' orientation; and, finally,

- Personnel who are both process- and results-oriented.

So, as shown, the adoption of the BSC provides stimuli to redirect the organization towards a more human and productive environment as a recipe for long term growth and success.

9.2.3 OBJECTIVE 3: TO ESTABLISH THE APPLICABILITY IN A DIFFERENT CULTURE (THE EGYPTIAN FERTILISER INDUSTRY)

As shown above, the BSC is convertible and can be adopted in other non-western cultures, Egyptian culture in particular. In order to establish this applicability (See Chapters 4 and 8, Sections 9.2, and 9.5 for more details), the study emphasises that an organisation should be aware that culture is maintained and transmitted through stories, rituals, symbols and practices. Also, one of the key determinants of organizational culture is the way in which the organization manages its employees, or, in other words, the organization's human resource (HR) management practices. Consequently, the HR policies (staffing, training, compensation, performance appraisals, career management, recruiting, etc.) send messages to the employees as to what behaviour is considered desirable and, hence, they determine the shared practices which define, according to Hofstede, the organization's culture.

In addition, an organisation should consider that unlike national and occupational cultures, organizational culture can be, at least to some extent, modified. By the time personnel enter the organization, their national and professional cultures are already in place. Being aware of them can be helpful to manage the adoption of change in a better way, but changing them is often difficult. On the contrary, there are several levers that, given the need, the time and the resources, management can attempt to move in order to influence and shape the

organization's culture. This potential manageability of organizational culture makes it particularly interesting from the point of view of adopting change.

9.2.4 OBJECTIVE 4: TO INVESTIGATE THE INFLUENCE OF ANY DIFFERING CULTURAL ASPECTS

Having arisen from a Western context, the BSC assumes that relations are inherent in an individualistic society with low uncertainty avoidance, low power distance, and masculinity suppositions. However, this does not mean that Western vehicles do not apply to non-Western cultures; the study emphasises that it works with a "twist" (See Section 9.2.5 for more details). Market, and social structure and relationships take primacy over individuals and their interests, whether those structures and relationships are hierarchical (stemming from high power distance relationships), such as those of Cases 1, and 4 (See Chapter 8 for more details), or social (stemming from social capital relationships), as seen in the culture of Cases 2, 3, and 5 (See Chapter 8 for more details). These have many implications, for example non-Western cultures (including Cases 1 and 4) may have a stronger preference for time and behaviour-based contracts, not outcome-based contracts, which are employed in Cases 2, 3, and 5 (See Chapter 8 for more details).

So, the study emphasised outstanding differences between the contextual origin of the BSC, American culture, and the research context, Egyptian culture, at national cultural level. However, at the organisational cultural level, it explored some of the patterns of the research context being incompatible with American culture while others match it (See Chapters 4, 5, 6, and table 8.5 for more details).

9.2.5 OBJECTIVE 5: ASSUMING THAT CULTURAL DIFFERENCES EXIST AND HAVE AN IMPACT, THEN THE THESIS WOULD CONSIDER HOW THE CHANGE VEHICLE AND/OR THE CULTURE MIGHT BE ADAPTED TO FIT

The findings are not to argue that transference of Western change vehicles between cultures is impossible or unwise, but rather that the process of transference has to be culturally sensitive. The cultural practices, rather than

values, should be adapted to fit this Western management practice, the BSC, and not the other way around; this is due to the fact that adapting the BSC may lead the vehicle to lose its effectiveness. Thus, although adapting culture is a difficult task to do, it is not impossible.

In other words, for a particular technique such as the BSC, an unavoidable mismatch between actual and required practices exists, the only alternative available lies in the transformation of the organizational culture. Unlike values, practices are somewhat manageable. An organization's culture can be adapted to fit the requirements imposed by a certain technique. However, a word of caution against undue optimism must be expressed: in spite of the relatively superficial nature of the practices, most cultural transformations are expensive and lengthy endeavours (Adler, 1984; Adler and Jelinek, 1986; Abdalla and Al-Homoud, 2001). Examples of changing practices are, for example, lowering the locus of control so that responsibility may filter down to even the lowest level, thus generating attitudes of greater individual self-control, a practice of pivotal relevance for the BSC's success. Several personnel policies should also be overhauled. For example, if long-term commitment and loyalty are to be enhanced or fostered, remuneration and career paths must be reset, avoiding an exclusive reliance on either intrinsic or extrinsic rewards. To optimize motivation, an organization should structure 'the work in a way that fosters intrinsic motivation (for example, by providing challenge, autonomy and direct feedback from customers) and then support that positive motivation with performance-contingent extrinsic rewards'. Further means to the same end are the transformation of employees from stakeholders to shareholders.

9.3 THEORETICAL CONTRIBUTIONS

This study promotes a more sensitive and informed evaluation of the Egyptian culture, represented by the research context, contributing to knowledge by cultivating critical awareness of the links between national, organisational cultures and the adoption of a Western management vehicle, the BSC. To this extent it promotes useful reflection on cultural diversity theory, pluralist thinking, crossvergence, and the multidimensionality of culture.

9.3.1 CULTURAL DIVERSITY THEORY

This research supports the theory of cultural diversity when examining the relationship between the national culture and organisational culture. In the literature, there is an over-simplistic and superficial view towards Arab culture in general and the Egyptian culture in particular, depicting these cultures as homogeneous since the people have the same religion, language, ethnicity, and share some common values (See Chapters 4 and 6 for more details). By contrast with this, the empirical evidence provided in this study reveals that commonalities and similarities at the national culture level do not necessarily imply homogeneity at the organisational cultural level. Subcultures and cultural diversities exist in the Egyptian culture, and exert significant influence on business life, and then the adoption of Western management vehicle, the BSC (See Chapter 8 for more details). Thus, it is emphasised that the narrow and homogeneous views of the Egyptian culture are misleading (See Chapter 8 for more details). They misrepresent reality and misinterpret the linkages between the national and organisational cultures. Since this perspective is often promoted, implicitly or explicitly, in the literature (See Chapter 4 for more details), cross-cultural studies and the assumptions and frameworks behind them should be received with caution. Too many comparative studies focus on commonalities and similarities at the national level (See Chapter 4 for more details), neglecting subcultures and cultural diversities at the organisational level. This study extends an understanding of culture diversity in the Egyptian society. It draws attention to focus on the differences at the organisational level, which are all too often ignored.

9.3.2 PLURALIST THINKING NOT UNITARY

This research emphasises the significance of pluralist theory, especially to an informed exploration of the link between culture and the adoption of the BSC. Previous studies have shown organisations as uniformed or unitary entities (see Chapter 4 for more details). By contrast, the findings of the present study highlight significant cultural differences among and within the research context, the Egyptian culture. Despite working in the same national culture, the same industry, the organisational culture varies from organisation to another, according to many factors, such as the ownership style (see Chapter 8 for more

details). This empirical evidence supports the assumption of previous studies (Al-Sarhani, 2004; Jones, 2000) that since pluralist theory considers diversity among and within organisations, it offers more realistic insights into cultural influence upon the adoption of Western management practices. Thus, the study at hand emphasises that the linear relationship between culture and the adoption of the BSC is misleading, as long as diversity exists.

9.3.3 CROSSVERGENCE PERSPECTIVE

By contrast with the theories of convergence and divergence, the crossvergence considers the influence of non-cultural factors as well as cultural factors. The empirical evidence of this study highlights the significance of the ownership style in the adoption of Western management vehicles (see Chapter 8 for more details). The study also stresses the need to fit the culture to the BSC not the other way around. This is one of the main assumptions of the crossvergence theory. However, as it tends to neglect the intra-cultural differences or so-called the subcultures, it is worthwhile having some caution when we deal with it, especially as it may conflict with the diversity theory.

9.3.4 THE MULTIDIMENSIONALITY OF CULTURE

Finally, this research attempts to draw attention to multidimensionality of culture. The findings in this study are inconsistent with previous studies, in particular Hofstede, (1980), who argues and emphasises that culture is something consisted of some dimensions. Although for convenience of research these dimensions are often dealt with separately, the present study highlights that cultural dimensions are intertwined and overlapping, this is the multidimensionality of culture (See Chapters 4 and 8 for more details).

To sum up all the above, and to keep all the research components consistent, the following part consider the contribution to the research gap.

9.3.5 CONTRIBUTIONS TO THE RESEARCH GAP

These findings contribute directly to the research gap identified earlier (See Chapter 7 for more details). The research gap is summarised in Table 9.2 below and is paired with the findings from this study

Table (9.2) Research gap and the research findings

The research gap	The research findings
It was found that studies do not fully analyse the influence of culture within a non-Western context on the adoption of a Western vehicle, such as the BSC. Much more research is needed to determine the relationship between cultural aspects and effective adoption.	There are, from a general perspective, salient cultural value differences between American culture, i.e. the contextual origin of the BSC, and Egyptian culture, i.e. the research context (See Chapters 4, 5, and 6)
	The variation in these cultural values undoubtedly leads to different practices (See Chapter 8)
	These cultural differences no doubt influence the adoption of Western management practices, such as the BSC (See Chapter 8)
	The lack of national culture awareness does not only seem to be a barrier to the successful adoption of the BSC, however the lack of organizational culture awareness is also an obstacle, especially as the organisational culture may not mirror the national culture (See Chapters 4 and 8)
	The findings acquired in this study point to the ownership style as an influential factor in an organisation's managerial practices (See Chapter 8)
	A number of results acquired challenge the assumptions of Hofstede's model, such as homogeneity of Egyptian culture and the dimensionality of culture.
	On the other hand, the findings of the study support and agree with Hofstede's model in the assumption that, as opposed to cultural values, managerial practices are somewhat manageable (See Chapters 4 and 8)

These findings make a particularly important contribution to understanding the influence of culture within non-Western contexts, in particular the Egyptian culture, upon the adoption of Western management practices, particularly the BSC. Following the review of empirical studies in Chapters 3 and 4, it would have been easy to conclude that the adoption and the transferability of the BSC had been difficult to do, but not impossible. The insights gained in this study, however, emphasised a call for considering both national and organisational values and practices, especially as the latter may not mirror the former; rather, it

has organisational values and practices fit with those of the BSC (See Chapter 8 for more details).

9.4 RESEARCH METHODOLOGY AND RESEARCH LIMITATIONS

Before going on to consider managerial implications and some areas for future research and drawing this final chapter to an end, it is important to reflect on certain aspects of the research methodology and some of the limitations of this study (See Chapter 1 for more details).

9.4.1 THE IMPORTANCE OF ACTION RESEARCH

A further contribution of this study concerns the adoption of an action research method of enquiry (See Table 9.2 for more details). As Chapter 7 has discussed, action research was taken; it is one of several qualitative research methods used in the field of change (exploring the influence of culture of a non-Western context on the adoption of a Western vehicle, the BSC). Although action research is not a form of exploratory research, it formed a framework (action research phases) within which the study qualitatively examined, in an exploratory manner, the research aim and objectives. The significance of action research is derived from the fact that all phases are intertwined, interrelated, and they lead to each other. The action research helps in many ways:

- The study emphasises that the BSC requires a form of action research in its early stages of evaluation and introduction, while during implementation and consolidation it requires reflective practice and double-loop learning (See Chapter 1 for more details).

- As a joint learning research technique, it aims at giving new insights and knowledge to both parties; the researcher and the researched. Also, it raises the level of the existing awareness of the latter about the subject matter under investigation (See Chapter 8 for more details).

- As a vehicle for development and change, it is of great value in enhancing the understanding about the relationship between culture and the adoption of change. With reference to the study in hand, during the first phase of action research, the homogeneity of Egyptian culture is detected. However, at the fifth phase, this assumption of homogeneity is considered misleading. There

are cultural differences, and subcultures that may exert an influence on management practices. (See Chapter 4, 6, and 8 for more details).

- As a double-looped non-stop research method, it gives the opportunity for discovering new ideas for future research (See section 9.6 for more details), since research is a continuous non-stop process as well.

More specifically, the significance of action research can be summarised in the table below (Table 9.3).

Table (9.3) The significance of action research*

Action research phases	The significance
Diagnosing phase	The awareness level of the research context about Western management practices in general, and the BSC in particular, is shallow. Also, the research context is considered as being homogeneous. The adoption of the BSC by this non-Western culture is difficult.
Action-Planning phase	Planning to raise this awareness level, and exploring the nature and the characteristics of this culture through using the following: -Educational joint-learning based seminars -Multiple-case design -Semi-structured interviews
Action-Taking phase	Conducting these seminars, and these interviews within each case
Evaluating phase	They include evaluating and measuring this level of awareness after those seminars. Also, they involve analysing the transcripts using content analysis (word count and colours).
Specifying-Learning phase	Verifying the results of the previous phase which are: -The level is raised -The research context is not homogeneous -The adoption of the BSC is a function of both national and organisational cultural values and practices
Diagnosing phase	-New future research ideas have been explored and decided (See Section, 9.6 for more details), such as starting an expansion of the present study, starting related research projects, or starting new studies

*Section 9.6 for more details

9.4.2 RESEARCH LIMITATIONS "GENERALIZABILITY"

As has been previously argued in Chapter 7, it cannot be assumed that the research findings will necessarily be generalised elsewhere in the Egyptian manufacturing sector. This is because the purpose of qualitative research, unlike quantitative research (Burns, 2000; Punch, 1998) is to understand and describe the phenomena under investigation, and not to determine the frequency with which they occur. The study, as argued before in Chapter 4, was limited only to

Hofstede's dimensions while analysing the transcribed material. This analysis, as shown in Chapter 8, is comparative- content-based driven. The research results are generated by a small sample (See Chapter 7, and section 9.6 for more details), they however add to knowledge even by small contribution (See Table 9.1 for more details). Although the results of this study may be generalizable to other Egyptian contexts, and to other Arab Middle East countries, they may not be generalizable to countries outside the Middle East due to cultural differences. Major difficulties with transferring management practices, such a BSC, are partially a result of cultural differences. The study has presented the inconsistencies that exist between the values embedded in the BSC management philosophy and those held by the employees of the Egyptian fertiliser industry (see Chapter 8 for more details). It highlights the conflict that could occur in any context where new management practices and change vehicles, which are launched and developed successfully in one culture, are introduced into vastly different cultures with different histories, political and social systems and thus different values. Three conditions of value consistency were presented and approaches to address each were discussed (see Chapter 8 for more details).

Many aspects of research had to be considered. One of the most significant is the originality of the BSC as a Western change vehicle within the context under investigation (based on preliminary research within the context), despite the BSC having been launched in the early 1990s. This originality may result in fear of modernism, fear of change, and hence resistance. This is demonstrated by what happened when the researcher contacted the targeted sample. Six companies of the fertiliser industry in Egypt were originally targeted. However, one of the organisations responded by arguing that the subject matter of the study was too advanced. Therefore, the study focused on the other five companies. This justifies the efforts made regarding the learning aspects of the process through a reflective practice and the double-loop learning process of the action research approach (See Chapter 8, and section 9.3.1 for more details).

9.5 MANAGERIAL IMPLICATIONS

It is clear that culture is very important and plays a critical role in shaping management theories and practices. As has been previously argued in section 9.1, national and organisational cultures are considered significant to the extent they: identify behaviour, how individuals interact; identify how personnel relationships are conducted. Thus, understanding them helps to articulate and develop effective management practices and change vehicles for that culture.

The study explored and emphasised the need to 'match' organisational culture values and practices with those associated with the BSC (See Chapter 8 for more details). These values are summarised in six attributes as follows (See Chapters 4 and 8, and Section 9.2 for more details):

- Management style: "the management style in the company is characterized by teamwork, consensus, and participation."
- Organization's leader: 'the head of the company is generally considered to be a mentor, a facilitator, or a parent figure."
- Climate: "The climate inside the company is participative and comfortable, high trust and openness exist."
- "Glue": "the glue that holds the company together is loyalty and commitment, cohesion and teamwork are characteristics of the company."
- Definition of success: "the company defines success on the basis of its development of human resources, teamwork, and concern for people."
- General dominant characteristics: "the company is a very personal place. It is like an extended family"

In order to pave the way for cultural transformation to fit that culture, and successful adoption of unfamiliar management practices, such as the BSC, the study proposes a culture-fit model for facilitating a successful adoption. This is the so-called culture-fit-model for the BSC, which is a means of helping it to develop and improve the organisational culture in order to survive and compete in today's changing business environment. Since organisational success depends upon both the strength of constructive forces which may facilitate this process, and on the absence of destructive forces which may impede it (Saleh, 1985), this model (Figure 9.1) is based upon the following assumptions:

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- This culture-fit-model suggests that a synthesis between an organisation's culture and the BSC should be made;

- Two concepts, integration and eradication, are essential for this model. Integration refers to the extent to which a learner assimilates new principles. It incorporates all the constructive factors which may support implementing the BSC, within this culture, into this model. Eradication refers to the extent to which the learner eliminates old practices that may impede the learning process. In other words, it excludes all the destructive factors which may impede the implementation of the BSC, within this culture, from this model.

Two important arguments should be taken into account. When organisational values or behaviour must be changed to fit change vehicle, the 'sensitivity' to these cultural aspects may help in developing the 'fitting' methods and deciding the level of change (Drucker, 1988; and Saleh, 1985). Also, one of the main challenges which face managers in shaping culture is to identify cultural aspects which will serve as building blocks for adopting the BSC. Managers may use this culture-fit model to dramatically change their management styles. In a global economy calling for constant change and competition, one may no longer rely on customs and traditions unless they facilitate organisational effectiveness. For instance, (Hammer and Champy, 1993) note in re-engineering, traditions count for nothing. For another instance, if change is the only constant of today's corporate life (Porter, 1990) then Egyptian managers should adapt to this new paradigm. By so doing, they should attempt to apply new ideas and management techniques such as "collaborative management", which implies that organisations should put their resources together in the management of key functions such as marketing, human resources, accounting and finance, and research and development. This is supported by many previous studies, such as (Beugré and Offodile, 2001; Drucker, 1988; and Saleh, 1985).

Continuous process

Integration

Organisational cultural values and practices

Fit

The BSC values and principles

Eradication

Feedback
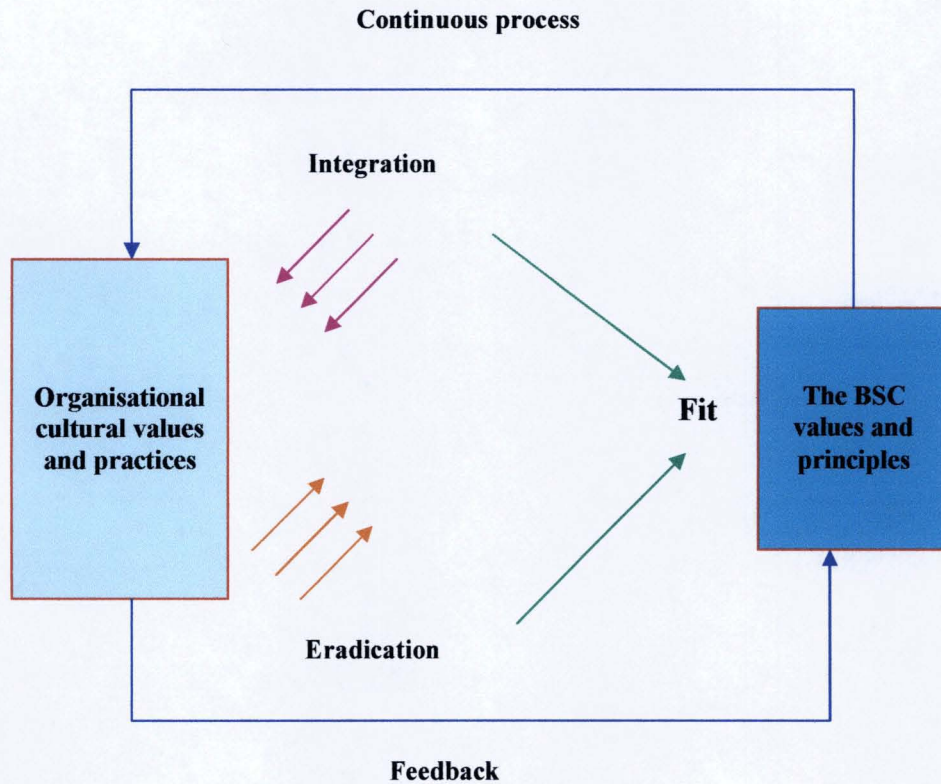
Figure (9.1) The Culture- Fit-Model for the BSC

This model (Figure 9.1) largely mirrors that of action research which is also a reflective approach, with a double-loop learning process, already used in the study, where the research is characterised by a constant flow back and forth between the researcher and the context. This means that research findings can be adopted for practical use more quickly for faster feedback. This, in turn, means a better and deeper level of learning for all those involved in the research process i.e. the researcher and the context.

9.6 FUTURE ACADEMIC RESEARCH

Following discussion of the conclusions and implications arising from the study, this section of the thesis identifies the area of the future research. In the literature, a distinction can be made between two types of learning: namely single loop learning and double loop learning (Morley et al., 1998). Single loop learning is useful for routine, repetitive issues (Argyris, 1992). Double loop learning, on the other hand, occurs where mismatches are corrected by first examining and altering the underlying systems and then changing the actions (Argyris, 1992). In

an organisational context, double loop learning is required for complex, non-programmable issues, where a number of variables can be said to influence the learning situation (Morley et al., 1998). The present study is basically involved in the second type of learning process, double-loop learning, as argued before in Chapter 7. This is in turn related to one of the best known and most widely applied theories, certainly in terms of learning and development (Stewart, 1999). It is the theory known as 'experiential learning', devised by David Kolb (Kolb, 1983). This theory suggests that learning is continuous and cyclical. In other words, Kolb (1983) described learning as a cyclical process involving four developmental phases as follows:

- Concrete experimentation refers to the researcher's involvement, dealing with the respondents by being sensitive to their values, beliefs, and experiences (represented by Chapter 8).

- Reflective observation implies that information is gathered and analysed (represented by Chapter 8)

- Abstract conceptualisation is the process through which knowledge is acquired (shown in Chapter 9)

- Active experimentation is the stage which involves implementation and acting (this will be the focus of future research activities).

As has been previously demonstrated in Chapter 7, in the spirit of action research, the study involves the double-loop learning process and learning cycle of David Kolb, as shown in Table 9.3. As a result, three main steps, as identified by (Lewin, 1951), were the focus of this study, as follows:

- Unfreezing the status quo to lessen resistance and create need for changes (this is shown in Chapter 8)

- Moving from old behaviour and practices to a new state (this is shown in Chapter 9)

- Refreezing the new state to make it permanent, and establish the new patterns of behaviour as being normal (this will be the focus of future research).

In other words, Lewin's framework emphasises that before an organisation can be transformed to a completely new culture (as identified and recommended by the present study, see section 8.5), the embedded culture must be unfrozen and made

more susceptible to change. Subsequent to the change Lewin's framework highlights the importance of stabilising the new culture, in Lewin's words refreezing. This means for future research the following:

- Action researchers could follow-up and effectively monitor and shape the implementation of the BSC within the organisations.
- And/or the organisation should now endeavour to implement the BSC using 'my' thesis as a guide.

This study suggests that Egyptians management experts and others should make a concerted effort to study systematically the salient features and the underlying principles of the indigenous Egyptian workplace utilising the culture-fit model. Interaction of patterns of indigenous cultures with new management practices is a potentially fruitful area of scientific inquiry, and empirical investigations may have positive consequences for Egyptian managers and scholars. The more we know about Egyptian personnel and their thought-systems, the more effective we shall be in managing the workplace and change. In addition, there is a need to continue this research by testing this culture-fit-model for the BSC within the research context, which facilitates development and change, encourages creativity in both theory and practice. However, future research should be longitudinal in nature. This is preferable when conducting organisational change and development studies, as supported by (Saunders et al., 2000).

Several directions which could be taken regarding future research on individual-culture congruence are identified as follows. The influence of an individual's congruence with an organization's culture on their orientation toward the organization should be the focus of future research. More specifically, there should be an examination of this relationship in the context of an organization undergoing significant cultural transformation; especially as it is unclear whether individual-culture congruence has the same implications for affective outcomes in the context of transformation as it does in the context of cultural stability. A longitudinal study could assess the influence of unfolding culture changes and any subsequent effects on congruency. Such research could provide important data regarding the longitudinal dynamics of congruency effects.

Culture comparisons that might prove salient during transformation include previous versus ideal, previous versus current, and ideal versus anticipated should be the central of future research. Examining such comparisons should serve to increase our understanding of the features of culture most germane to individuals during transformational periods. Across all cultural dimensions, the individuals' assessments of the current culture and their ideal culture should be well examined. The study should examine the affective implications of individual-culture congruence across various dimensions of organizational culture. In other words, it should investigate whether individual-culture congruence is identical across all dimensions of culture or is variable. Also, of particular interest would be whether the salience of affective congruence along particular culture dimensions was triggered by change circumstances. To sum up, the following question should be addressed in the future: do the effects of individual-culture congruencies typically found in stable cultural contexts also manifest themselves during significant cultural transformations?

The influence of the external environment on organisational performance also needs further scientific inquiry, particularly in Egypt where the organisational environment is dependant on the West to some extent. This dependency obstructs organisational creation and expansion, so the extent to which it affects organisational variables, such as organisational performance and innovation, should be investigated.

Other research is necessary to expand the generalizability of the findings. Because this study employed a small sample multiple-case research design, the results and implications drawn from it may have limited application for other organizations. Therefore, replications involving different organizational settings and different transformational conditions are needed. Also, there may be a good opportunity in the future for replication studies to compare the culture of other Egyptian industries with that of the origin of change vehicles, (in this case the Balanced Scorecard and the USA), to be able to set up benchmarks between them.

As has been previously explored, the differences in organisational structures, communication approaches, decision making, etc. are attributed to the ownership style. Thus, the assumption of cultural unitarism at organisational level is misleading and unrealistic. So, there is a need for strong confirmation of this result by exploring whether there are other factors to support the differences at the organisational level.

However, the debate as to the relationship between corporate cultural values and managerial ownership (private or public) is still unresolved. There may be a need in the future for exploring and clarifying the nature of the relationship between corporate values and managerial ownership, whether it is significantly linear or nonlinear, and whether managerial ownership is determined by corporate values or vice-versa. Also, there is a need for investigating the relationship between managerial ownership levels, and the direct investment and decisions made by management, such as the adoption of change. In other words, the study explores whether or not the effectiveness of management practices and decisions is potentially a function of the level of managerial ownership of a firm. In addition, the study suggests which form of ownership is appropriate: CEO ownership, insiders' ownership, external blockholder ownership, or a combination of all these. It also questions whether this class of blockholder is different from the others and what the inter-relationships between holdings of the different types of large shareholders are.

Although benchmarking has become established in the culture of both the Western manufacturing and service industries, only very limited research has been carried out for the non-Western manufacturing and service industries in general, and the Egyptian culture in particular. In Egyptian culture both privately- and publicly-owned companies are facing the challenge of learning how to improve their companies' performance and competitiveness in the new era of market economy. The former operates without clear-cut directives or instructions, taking initiatives and responsibility needed in a situation, drastically different from the command-and-control way of management, learned in a central planning context found in the latter. Thus, it is essential to set

benchmarks between privately-owned companies and those owned by the government.

Certainly, in the Arab world, any approach to organizational change is assumed to be influenced by existing work ethics and norms (Ahmad, 1976; Rice, 1999). The Islamic work ethic (IWE) is an orientation that has tremendous influence on people and organizations (Abbas, 1996). Quranic principles and prophets' prescriptions serve as a guide for Muslims in conducting their business and family affairs (Ahmad, 1976). It stands not for life denial but for life fulfilment and holds business motives in the highest regard (Abbas, 1996). The concept has its origin in the Quran, and in the sayings and practices of Prophet Mohammed. The Quran instructs the Muslim to pursue work persistently in whatever form, whenever it is available. Prophet Mohammed lectured that "no one eats better food than that which he eats out of his work". Similarly, Imam Ali, the fourth successor of Prophet Mohammed, stated: "Failure to perfect your work while you are sure of the reward is injustice to yourself", and that "poverty almost amounts to impiety". So, there will be a greater need in future for clarifying the implications of organizational change, and organizational development under Islamic principles.

Also, while this study provides evidence of the appropriateness of using the action research for exploring of the influence of culture on the adoption of a Western change vehicle the BSC, this influence should be tested using culture assessment approaches, such as those described by (Cooke and Rousseau, 1988).

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APPENDICES

APPENDIX I

APPENDIX II

UNIVERSITY
of
GLASGOW

CHANGE AND CULTURE: THE BALANCED SCORECARD AND THE EGYPTIAN FERTILIZER MANUFACTURING SECTOR

SEMI-STRUCTURED INTERVIEW

(SENIOR AND MIDDLE MANAGEMENT)

Serial	Organisation	Department	Job position	Time	Location

October/2002—February/2003; November/2003—January/2004; and
September/October 2004

1. OVERVIEW AND INTRODUCTION OF THE RESEARCH CONTEXT

Please, answer the following:

Type of plant with regard to capital: (private plant, public plant, private and public plant, joint venture plant)

Total paid up capital (millions L.E.)

Number of employees (including top-level management)

Number of years in operation

-What do you think are the major strategic objectives and goals of your plant (s)?

-What do you think of the factors that may influence your strategic decisions?
(Prompts: customers of your product (s); government regulations; public attitudes toward the industry (*environmentally- friend*ly); keeping up with the most up-to-date technological requirements in the industry; shareholders)

-What do you think of the following as your competitive priorities?
(Prompts: consistent quality (*meeting the production specifications*); customer satisfaction; good neighbour (*commitment to environment*); high profits; competitive product price)

-Does a team from your plant (s) make business visits to some of the high-performance organisations/plants in the industry either nationally or internationally in order to improve specific issues in manufacturing?

          _____ Yes

          _____ No

-Please, name some of these high-performance organisations and their nationality

-What are the issues that your plant targets in such a visit?

-Do/does your plant (s) experience a deviation between strategy formulation and its adoption results? If so, how great is this deviation?

_____ Yes

_____ No

-What do you think are the factors that drive that deviation?

-Please, estimate the percentage of the source of the raw materials

_____ % National

_____ % Imported

-Number of plant (s)

_____In operation

_____Planned

-Please, specify the product (s) produced by your plant (s)

-Please, indicate the average time for your plant (s) to produce each of the above products. Is this fertiliser distinguished by a short or a long capital life cycle?

-Please, estimate the following percentage:

_____ % of plant's (s') income spent on research and development

_____% of plant's (s') income spent on reinvestment in process and equipment

-Please, evaluate the nature of competition to your plant (s)

	Non-Existent 1	Little competition 2	Moderate competition 3	High competition 4	Very high competition 5
National producers					
Foreign competitors					

-If you export, please name some of the major countries that buy your product (s), and the percentage purchased by each country.

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1.1 EVALUATING THE AWARENESS LEVEL OF THE RESEARCH CONTEXT TOWARDS THE BSC (THE FIRST PHASE OF ACTION RESEARCH)

(BEFORE THE CONTROLLED EXPERIMENT; OR BEFORE THE JOINT-LEARNING-BASED SEMINARS)

-Had your plant (s) heard about the Balanced Scorecard as a Western management practice before?

_____ Yes

_____ No

-If yes, from your point of view, to what extent is the Balanced Scorecard applied in your plant (s)?

(AFTER THE CONTROLLED EXPERIMENT; OR AFTER THE JOINT-LEARNING-BASED SEMINARS)

-What do you think about the following?

Your initial attitude towards this vehicle

The motives that could encourage you to implement it

Its career relevance (Prompts: the BSC was originated and created in the American business culture. Thus, do you think that the difference between this culture and yours affects adoption of this model?)

_____ Yes

_____ No

-Please, indicate how these differences affect adoption the Balanced Scorecard approach within your plant (s)

-The following four tables include some measures suggested by the literature. These represent the four perspectives of the BSC, as follows; financial perspective,

marketing perspective, internal-process perspective, and learning and growth perspective respectively. Please, go through these measures, and identify which of them were used before but are not used any more, what measures are currently used, and what measures you intend to use in future.

(1) Financial perspective

Measure	Used before, but any more	Currently Used	Intended for use
1. Total assets (L.E.) 2. Total assets/employee (L.E.) 3. Revenues/total assets (%) 4. Revenues from new products or business operations (L.E.) 5. Revenues/employee (L.E.) 6. Profits/total assets (%) 7. Profits from new products or business operations (L.E.) 8. Profits/employee (L.E.) 9. Market value (L.E.) 10. Return on net assets (%) 11. Value added/employee (L.E.) 12. Return on total assets (%) 13. Return on capital employed (%) 14. Profit margin (%) 15. Contribution/revenue, or contribution margin (%) 16. Contribution/employee (L.E.) 17. Cash flow (L.E.) 18. Shareholder equity/total assets, or solvency (%) 19. Return on investment (%) 20. Total costs (L.E.) 21. other ...			

(2) Marketing perspective

Measure	Used before but not any more	Currently Used	Intended for Use
1. Number of customers (no.) 2. Market share (%) 3. Annual sales/customer (L.E.) 4. Customers lost (no. or %) 5. Average time spent on customer relations (no.) 6. Customers/employees (no. or %) 7. Sales closed/sales contacts (%) 8. Satisfied customer (%) 9. Customer loyalty (%) 10. Cost/customer (L.E.) 11. Number of visits to customers (no.) 12. Number of complaints (no.) 13. Marketing expenses (L.E.)			

14. Brand image (%) 15. Average duration of customer relationship (no.) 16. Average customer size (L.E.) 17. Customer rating (%) 18. Customer visits to the company (no.) 19. Average time from customer contact to sales response (no.) 20. Service expense/customer/year (L.E.) 21. Other ...			

(3) Internal-Process perspective

Measure	Used before, but not any more	Currently Used	Intended for Use
1. Administrative expense/total revenues (%)			
2. Processing time, outpayments (no.)			
3. On-time delivery (%)			
4. Average lead time (no.)			
5. Lead time, product development (no.)			
6. Lead time, from order to delivery (no.)			
7. Lead time, suppliers (no.)			
8. Lead time, production (no.)			
9. Average time for decision-making (no.)			
10. Inventory turnover (no.)			
11. Improvement in productivity (%)			
12. IT capacity (*CPU*) (no.)			
13. IT capacity /employee (no.)			
14. Change in IT inventory (L.E. or %)			
15. IT expense/administrative expense (%)			
16. Emissions from production into the environment (no.)			
17. Environment impact of product use (no.)			
18. Cost of administrative error/management revenues (%)			
19. Contracts filed without errors (no.)			
20. Administrative expense/employee (L.E.)			
21. Other			

(4) Learning and growth perspective

Measure	Used before but not any more	Currently Used	Intended for use
1. R&D expense (L.E.)			
2. R&D expense/total expense (%)			
3. IT development expense/IT expense (%)			
4. Hours, R&D (%)			
5. R&D recourses/total resources (%)			
6. Investment in training/customers (no.)			
7. Investment in research (L.E.)			
8. Investment in new product support and training (L.E.)			
9. Investment in new development of new market (L.E.)			
10. Direct communications to customers/year (no.)			
11. Patents pending (no.)			
12. Average age of company patents (no.)			
13. Suggested improvements/employee (no.)			
14. Competence development expense/employee (L.E.)			
15. Satisfied employee (no.)			
16. Marketing expense/customer (L.E.)			
17. Employee's view (empowerment) (No.)			
18. Share of employees (%)			
19. Non-product-related expense/customer/year (L.E.)			
20. Ratio of new products/full company product lines (%)			
21. Number of employees (no.)			
22. Employee turnover (%)			
23. Average employee years of service with company (No.)			
24. Average age of employees (no.)			
25. Time in training (days/year) (no.)			
26. Temporary employees/ permanent employees (%)			
27. Share of employees with university degrees (%)			
28. Average absenteeism (no)			
29. Number of women managers (no.)			
30. Number of applicants for employment at the company (no.)			
31. Number of mangers (no.)			
32. Share of employees less than 40 years old (%)			
33. Per capita annual cost of training (L.E.)			
34. Percentage of full-time permanent employees (%)			
35. Per capita annual cost of training, communication, and support programmes (L.E.)			
36. Number of full-time temporary employees (no.)			
37. Number of part-time employees or non-full-time contractors (no.)			
38. Other …			

2. CULTURAL VALUES AND PRACTICES WITHIN THE EGYPTIAN CULTURE

- What do you think about the following cultural elements?

Power	
Uncertainty	
Collectivism	
Male or Female Domination	
Short or Long-term Orientation	

-What do you think about the factors, which may affect the adoption of Western management practices, such as the BSC?

(Prompts: stakeholders; reporting mechanism; national culture; organisational culture)

-How do you measure your business performance?

(Prompts: do you use non-financial performance measures in evaluating the performance of your plant (s)?)

_____ Yes

_____ No

-The following are some of the cultural practices and mechanisms used by an organisation to translate a strategy into measurable objectives, this being one of the main principles of the BSC. With reference to your plant (s), please indicate what is nature of each one and how does it work?

Goal-setting programmes

Communication

Information system

Education and training programmes

Reward system linkage

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-Do you agree that the adoption of the BSC would be influenced by top-level management commitment and support? (Prompt: if yes, please indicate how?)

_____ Yes

_____ No

-Is this commitment dependent on the ownership style?

_____ Yes

_____ No

-Please, specify what your leadership style is like

Democratic	Autocratic	Other...

- How do you describe this style?

- What does this style mean to you?

-Please, specify what your management style is like

Open and accessible	Participative	Empowering employees	Teamworking support	Supportive of change	Acceptance of conflict
Closed, not easily accessible	Non-Participative	Controlling employees	Individual-based work	Adverse to change	Non-acceptance of conflict

-How do you describe your style of decision-making?

-To what extent do you think that the fear of change and change resistance can affect the adoption of organisational development and change projects?

-What is your view about the role of communication in your company?

-Do you think that information on aspects of business is available to everyone? (Prompt: if the answer is yes, what is this information used for?)

-Do you think that authority is equal to responsibility?

-Are rewards given according to performance or to years with the company?

-Do you consider your company environment as cooperative, competitive, or a combination of both?

-Do you make regular attitude surveys to measure your employees' feelings about job security?

-Do employees get an ownership stake?

3. CULTURE OR BSC – WHICH TO ADAPT TO THE OTHER?

-Does the ownership really count, as a determinant of cultural values and practices?

-What do you think of the appropriate style of ownership?

-From your point of view, is it more viable to adapt the cultural values and practices to fit the BSC, adapt the BSC to fit the cultural values and practices, or a combination of both?

APPENDIX II

1. THEMATIC MAP
2. DICTIONARY CATEGORIES
3. DATA TABLE

THEMATIC MAP *

(1) Power Distance

(5) Confucian Dynamism

National culture

(2) Individualism–collectivism

Management & Leadership styles

Top-Level Commitment

(3) Masculinity—femininity

(4) Uncertainty Avoidance

Fitting the culture to the BSC

The Adoption of the BSC

Cultural Interaction

A Combination of Both

Fitting the BSC to the culture

(1) Employee or job orientation

(2) Parochial or professional orientation

(6) Process or results orientation

Change Resistance

Communication

Organisational culture

(3) Open or closed system

(4) Loose or tight control

(5) Normative or pragmatic orientation

*It is both words count colures-based content analysis

DICTIONARY CATEGORIES*

Tag	Full Name	Definition
CUL	Culture	All words with the connotation of a state of intellectual, artistic, social development of a group, customs, ideas, and beliefs of a particular society, country, etc.
NATCUL	National culture	Words denoting customs, ideas, and beliefs of a particular society, country, or nation, such as fair contract, individualism, respect for elders, the extended family, collectivism, and deference to power and authority…etc.
AMECUL	American culture	All words which relate to customs, ideas, and beliefs of American culture, such as fair contract, individualism…etc.
EGYCUL	Egyptian culture	Words denoting customs, ideas, and beliefs of Egyptian culture, such as respect for elders, the extended family, collectivism…etc.
POWDIS	Power distance	Words providing emphasis the extent to which the less powerful members of organizations within a country expect and accept that power is distributed unequally, such as centralisation or decentralization, consultation, holding power, control, authority, responsibility…etc.
INDCOL	Individualism V. collectivism	All words which relate to the extent to which individual independence or social cohesion dominates, such as loose relations, strong, cohesive in-groups, independency or dependency…etc.
MASFEM	Masculinity V. femininity	Words refers to the degree to which social gender roles are clearly distinct, such as distinct gender roles, assertive, tough, modest, tender, equality, solidarity…etc.
UNCAVO	Uncertainty Avoidance	Words denoting the extent to which the members of a culture feel threatened by uncertain or unknown situations, such as tolerance of

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		ambiguous, innovation resisted, strict rules of behaviour...etc.
CONDIM	Confucian Dynamism	All words with clearly time-based character, which focus on long-termism, as opposed to short-termism, such as pragmatic, future-oriented perspective, conventional historic perspective, acceptance of change and innovation, change averse...etc.
ORGCUL	Organisational culture	Words denoting customs, ideas, and beliefs of a particular organisation, such as transformational leadership, transactional leadership, performance-based compensation system, and employee participation and empowerment...etc.
EMPJOB	Employee or job orientation	Includes words that reflects whether the organization is more concerned with the well-being of the person or with getting the job done, such as groups-based decisions, or individual, top-down decision making, mutual commitment, responsibility for personnel...etc.
PARPRO	Parochial or professional orientation	Words denoting the weight that is given to the occupational cultures of the members of the organization, such as profession- or -job identity, organisation identity...etc.
OPECLO	Open or closed system	All words relate to system that refer to the communication climate within the organization, such as easily flows of information, vertical and horizontal axes of information flows, effective communication, lacking trust...etc.
LOOTIG	Loose or tight control	All words indicating that organizations vary in the amount of control they exert over individuals, such as strict-times schedules, strong cost-saving consciousness, control and performance standards are reluctantly pursued or willingly pursued...etc.
NORPRA	Normative or pragmatic orientation	All words denoting that organizations vary in their degree of conformity to institutional pressures, such as market driven culture, following

		institutional rules, correct procedures to be followed…etc.
PRORES	Process or results orientation	All words refers to whether an organization is more concerned with the means and procedures that must be followed to carry out the work or with the goals that are pursued with that work, such as mechanistic or bureaucratic organisation, risk-taking organizations…etc.
CULINT	Cultural Interaction	All words in the connotation of showing relationships between national cultural values and organizational practices, such as a sense of identity, improving loyalty and then performance, acting in given situations, comparative studies…etc.
MANSTY	Management style	Words denoting the process of influencing activities and controlling an organisation, such as centralisation, decentralisation, planning, organising, directing, controlling, and feedback…etc.
LEASTY	Leadership style	All words in the connotation of the process of influencing and manipulating others' attitudes and views in such a way that they contribute positively to the organisation, such as democracy, autocracy, centralisation, and decentralisation…etc.
TOPLEVCOM	Top-Level Commitment	All words in the connotation of preparation to give a lot of time, attention, and responsibility to an issue as it is believed to be right and important, such as energetic leaders, ownership and active involvement, and sponsorship…etc.
CHARES	Change Resistance	All words indicating the state of trying to stop an issue or something to take place, such inability, or an unwillingness to discuss, damaging or threatening individuals, self-interest is threatened, conflict, cutting power, misunderstanding the need for change…etc.
COM	Communication	All words in the connotation of the process of

		passing of information between organisational parts; they involve a formal and informal two-way process either inside an organisation, or between the organisation and groups outside, such as expressing beliefs, values, and points of view, reception of feedback, horizontal and vertical communication…etc.
BSC	Balanced scorecard	Words denoting an integrated set of critical financial and non-financial measures of performance designed to capture an organisation's strategy, such as holistic approach, stakeholder approach…etc.
FINPER	Financial perspective	All words in the connotation of managing activities that is related with money, such as profit maximization, value added, activity based costing, budgeting…etc.
NONFINPER	Non-Financial perspective	All words in the connotation of managing activities that is not related with money rather with marketing, production, personnel, and systems, such as customer loyalty, productivity, personnel competency, and high-tech systems…etc.
GENMAN	General manager	Words denoting the process of influencing an organisation's activities, such as strategy, vision, targets, decision making, problem solving techniques, power, control, authority…etc.
FINMAN	Financial manager (Senior & junior)	All words in the connotation of defining the short-run objectives of the business unit that satisfy shareholder expectations of excellent financial returns, such as competitive prices, profit maximization, shareholder wealth, value added, minimised costing…etc.
MARMAN	Marketing manager (Senior & junior)	All words in the connotation of defining the long-run objective of the business unit in customer perspective that deliver on the value propositions of customers in targeted market segments, such as customers and market segments, competition

		levels and strategies, competitors…etc.
INTPROMAN	Internal process manager (Senior & junior)	All words in the connotation of defining the long-run objective of the business unit in internal-business-process perspective, such as the critical internal-processes, manufacturing techniques and strategies, effectiveness and efficiency…etc.
HUMRESMAN	Human resource manager (Senior & junior)	All words in the connotation of defining the long-run objective of the business unit in learning-and-growth perspective that creates long-term growth and improvement, such as competent people, flexible high-tech systems, and simple and easy-to-follow organisational procedures…etc.
CHA	Change	All words denoting the process of becoming or making something different or innovative such as risk-averse culture, change-welcoming culture internal and external change triggers, continuous and one-off change, contradictory expectations, alternatives to change, motivations to change …etc.
CON	Conflict	All words in the connotation of differences between two or more idea, values, practices, attitudes, such as conflict between costs and benefits, clear lines of authorities and responsibilities, negotiation to solve conflict, trust and distrust, equality and fairness, failure in communication, power and powerless staff…etc.
CONMAN	Conflict management	All words refers to the extent to which a leader helps subordinates to resolve conflicts and quarrels among them
GOASET	Goal setting	All words refer to the extent to which a leader ensures that there are clear and specific goals for each subordinate and emphasizes the importance of setting specific performance goals for each aspect of a subordinate's work
DECPAR	Decision participation	All words refer to the extent to which a leader consults with subordinates and otherwise allows

		them to participate in making decisions.
PROEMP	Productivity emphasis	All words refer to the extent to which a leader emphasizes and tries to improve productivity and efficiency.
WORFAC	Work facilitation	All words refer to the extent to which a leader makes sure that subordinates have the necessary work equipment and other resources, and the skills and knowledge they need in their work.
REW	Rewarding	All words refer to the extent to which a leader sees that subordinates are rewarded for jobs well done and tries to provide supplementary rewards or benefits for effective subordinates.
CRI	Criticizing	All words refer to the extent to which a leader criticizes group members who show poor performance or violate rules.
DEL	Delegation	All words refer to the extent to which a leader allows subordinates to determinate how to do their work, to make decisions about daily work-related issues, and to decide about the means by which they strive for their objectives.
REC	Recognition	All words refer to the extent to which a leader shows recognition of subordinates who perform effectively or who do a particularly good job.
INTFAC	Interaction facilitation	All words refer to the extent to which a leader tries to get subordinates to be friendly with each other and to cooperate
ROLCLA	Role clarification	All words refer to the extent to which a leader clarifies roles by making sure that the work group has clear rules, detailed job descriptions and clearly defined functions
INF	Informing	All words refer to the extent to which a leader keeps subordinates informed about future plans and other matters that may affect their work
INDCON	Individualized consideration	All words refer to the extent to which a leader treats each employee as an individual, and gives personal attention to each follower's needs and

		hopes
PLA	Planning	All words refer to the extent to which a leader sees that a group's daily work is planned in advance and stresses the importance of planning.
COO	Coordinating	All words refer to the extent to which a leader sees that the work of subordinates is carefully coordinated and emphasizes the importance of careful coordination of work.
OUR	OUR	All pronouns, which are inclusive, self-reference.

*It is both words count Colures-based content analysis

DATA TABLE

Table (1) The percentages financial and non-financial perspectives of performance, summary table *

Managers / Cases	Financial manager	Marketing manager	Internal-Process manager	Human-Resource manager
Case 1	95	65	60	64.86
Case 2	95	60	60	83.78
Case 3	95	70	60	89.19
Case 4	80	50	60	64.86
Case 5	95	60	75	81.08
Means	92.0	61.0	63.0	76.8
SDs	6.7	7.4	6.7	11.2

* Because there were different numbers of measures within each manager, the study converts these numbers to percentages to be able to compare between them.