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## **What locals want: Jordanian employees' views on expatriate managers**

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### **Abstract**

This paper sheds light on the expatriate-local relationship based on local employees' perspectives of expatriate managers. Drawing on a survey of local employees working in three Western multinational banks in Jordan, the study explores local employees' views on expatriate managers and their performance. The study reveals that local employees are generally indifferent to their manager's nationality as long as the manager has the capability to drive the subsidiary forward. However, one key concern of locals is the ability of expatriates to adapt to the local culture and business environment. The study also points towards a significant gap between the formal rationale for expatriation by MNCs and what local employees perceive as real reasons behind expatriation.

**Keywords:** culture; expatriate managers; host country nationals; local context; local employees; MNCs

### **Introduction**

Multinational companies (MNCs) are considered to be chief transmitters of innovation in management practices around the globe (Bonache and Zarraga-Oberty, 2008; Lipparinia and Fratocchi, 1999; Mellahi, Demirbag & Riddle, 2011). However, management practices also need to undertake certain adjustments to fit different cultures and perspectives (Redman and

Wilkinson, 2006; Vance and Ensher, 2002). With the enhancement of technology and communication, host country nationals are now well equipped with the knowledge and experience needed to manage new subsidiaries of MNCs (Toh and DeNisi, 2003; Wong and Law, 1999). It is, nevertheless, a fact that human resource (HR) practices in MNCs do not always focus on or realise local employees' skill, knowledge and abilities. This underestimation or under-utilisation of local staff and the associated unfair treatment may result in lower rates of employee satisfaction, commitment and performance. This dissatisfaction may in turn hinder expatriates' ability to adjust to their new work, thus leading to higher rates of expatriate failure (Toh and DeNisi, 2005).

As a critical component in the international management process, expatriation deserves considerable attention in the literature (Downes et al., 2007; Selmer, 1995). However, Werner's (2000) review of 271 International Management (IM) articles published in 20 top-rated management journals during 1996 to 2000 revealed only 16 focusing on expatriation. Werner notes the scarcity of micro-level research in IM. Specifically, there is a lack of studies on local employees' views on expatriate managers and their performance. Mahajan (2011) notes the lack of literature that explores the reactions of host country nationals to ethnocentric pay policies of MNCs. Templar (2010) highlights the importance of examining expatriate managers' job knowledge, leadership skills, and cultural openness and adaptability from the perspective of host-country national subordinates.

The aim of this paper is to examine local employees' perspective about expatriate managers and their performance. The study is important in view of the current lack of attention to local employee perspectives in making decisions about expatriates' deployment. The study is also important because its findings may help scholars and practitioners in understanding and overcoming the trust deficit and possible conflict that may at times emerge

between host country nationals and expatriate managers. The study's findings may also shed light on reasons for possible failure (or partial failure) of some expatriate managerial posts.

This paper argues that expatriate managers' success depends not only on multinational companies' (MNC) preferences but also on local employees' perspectives. The majority of studies in the extant literature focus on MNCs' approach to expatriation; however, barring a few exceptions (e.g., Templer, 2010; Mahajan, 2011), local employees' perspectives on expatriate managers remain relatively under-explored. The paper seeks to explore host country nationals' views of expatriation and expatriate managers in the context of MNCs in Jordan.

Drawing on a study of local employees working in three multinational banks in Jordan, this paper focuses on the host country nationals' views of expatriation and expatriate managers. The study seeks to explore local employees' views on their managers' nationality and managerial performance. It also investigates the gaps, if any, between formal rationale for expatriate managers by the MNCs and what local employees perceive as actual reasons behind expatriation. In their recent study of strategic HRM in the hotel industry in Jordan, Altarawneh and Aldehayyat (2011) note that little research has been undertaken to investigate HRM within the Middle East in general or in Jordan in particular. A similar assertion has been made by Budhwar and Mellahi (2006). Of late, the literature has witnessed an increasing number of publications on the region, e.g., a special issue of the *Journal of World Business* (Mellahi et al, 2011) is dedicated to MNCs in the Middle East; a special issue of *Equality, Diversity and Inclusion journal* (Syed et al, 2010) is dedicated to diversity management in the Middle East. Recent studies by Al-Husan et al (2009) and Afiouni et al. (2013) offer valuable insights on HRM in the Middle East. There is a need to augment the current literature. Given the unique cultural and other contextual characteristics of Arab countries, a

study highlighting Jordanian nationals' perspectives on expatriate managers may complement the growing scholarship on this region.

The paper is structured as follows. A literature review of expatriation and localisation is first presented. It is followed by a discussion of the research context and the research methodology. Finally, the paper offers the research findings and also identifies some implications for future research and practice.

### **Literature Review**

Expatriation, the practice of sending home country managers to other country locations, is a popular, albeit expensive practice among MNCs (O'Boyle, 1989). Galinsky and Maddux, (2009) suggest that the effort of adapting to a new culture, as a part of working abroad, creates a "psychological transformation" and increases the degree of creativity. Much of the literature on MNCs and expatriation has searched for ways to maximise expatriates' benefits and reduce the chances of their failure (Black, 1988; Mendenhall and Oddou, 1985). Based on their study of academic expatriates from Turkey and USA, Katrinli and Penbek (2010) highlight a positive relation between intercultural sensitivity and perceived creativity of expatriates. Research has also highlighted the process of localisation and development of local staff for future management roles (e.g., Hailey, 1996). Harvey and Moeller (2009) have highlighted the need to develop expatriate managers' cross-cultural effectiveness depending on the evolving nature of the globalisation of business. Overall, scholars have looked at expatriation and localisation from the headquarters' perspective; relatively less attention has been paid to local employees' views on expatriation and the expatriates' performance.

We identify the following three themes in the literature on expatriation and MNCs which we deem relevant to our research: reasons behind the expatriate usage; issues of expatriation vs localisation, and managerial conduct and performance of expatriates.

### *Reasons for the expatriate usage*

Globalisation and international business are an important characteristic of business environments in the 21<sup>st</sup> century. Many companies today are forced to expand or relocate to other countries in search for new markets, technology, labour and other resources. The decision to expand or relocate is usually accompanied with the transfer of employees from the home country towards the host country (Mendenhall and Oddou, 1985). The main reason for transferring employees is that the requisite skill may not be present in the new country. Other reasons include internationalisation of management cadre and emphasis on organisational identity and central control (Harzing, 2001; Kobrin, 1988; Selmer and De Leon, 1996). In the context of Jordan, Al-Husan et al (2009) suggest that Western MNCs tend to prefer and transfer their HRM practices and techniques to developing countries.

Expatriates are charged with facilitating the bidirectional flow of knowledge and resources between company headquarters and overseas subsidiaries (Lyles and Salk, 2007). Typically, the company expects its expatriate managers to infuse company philosophy into the local subsidiary, as well as to impose policies and procedures consistent with the headquarters' operations (Downes et al., 2007). When using expatriates from the home or a third country, some companies use them to fulfil certain jobs for a certain periods of time or a phase in their overseas expansions, whereas other companies staff their higher positions permanently with expatriates (Banai and Zeira, 1985).

For many years, expatriation was treated as the best approach to MNCs' subsidiaries management (Toh and DeNisi, 2003). By virtue of their transnational structure, MNCs usually find it critical to have control over their subsidiaries in various countries. Therefore, they seek to build common values and purpose in subsidiaries, and exercise this control through expatriates (Taylor, 1998).

Caligiuri and Colakoglu (2007) shed light on the relation between a company's international management strategies and the frequency and the time scale of expatriation used by the company. The authors argue that the three main international strategies (local, centralised and global) dictate the mission and the duration of each expatriate used by any MNC. Firstly, a company that pursues a local strategy will use expatriates just in the first stages of its international expansion with a mission to transfer knowledge that the host country lacks and then it will run the subsidiary as if it is local to that country. Secondly, in the centralised strategy, MNCs apply the mother company's own policies, cultures and norms without being sensitive to the local needs; expatriates do not only transfer knowledge in the subsidiary but also act as "mini-headquarter" in it. Finally, in the global strategy, MNCs seek to build a common global culture and policies for all subsidiaries; expatriates here help in generating the new common policies and culture.

To summarise, MNCs use expatriate managers for a number of reasons, e.g., to provide management skills and expertise not found in host countries; to transfer knowledge and skills; to maintain control and organisational identity, among other things.

### ***Expatriation vs localisation***

According to Redman and Wilkinson (2006), the development framework of HR in transnational environments is made-up of three steps. The first step is the spreading of existing knowledge and the company's best practices into its subsidiaries in different countries. Usually the disseminating of new technologies and processes is easier than introducing new practices that are either challenging to the existing local beliefs or attitudes or practices that are related to the social organisation of work. Secondly, the process of developing the local competence of talented employees focuses on a continuous development

and upgrading of employees. The final step is the process of giving the right and adequate training to expatriates such as language, cultural and field training.

The choice of expatriation and localisation is an important consideration for MNCs. A company that fails to utilise all human resources they have, including local employees, may fall short in competing with other multinationals in the market. Local employees in several countries are now more than ever equipped with the characteristics of transformational leaders and thus MNCs should take advantage of them (Beamish and Inkpen, 1998).

In their discussion of determinants of success of expatriate managers, particularly as transferors of knowledge, Bonache and Celia Zarraga-Oberty (2008) argue that, in addition to the specific characteristics of the knowledge involved, transfer success is affected by three sets of human-related factors: abilities and motivation of expatriate staff; abilities and motivation of local employees; and the relationship between local and expatriate staff.

However, in MNCs using expatriate managers, local employees may perceive that senior positions in the company are filled by expatriates and that local employees' career progression is threatened by expatriates. The glass ceiling that expatriation may build for local employees may result in lower performance of locals who may not exploit their abilities and may search for other jobs. While there is some evidence of attention towards equal opportunities and equal representation in organisations (Redman and Wilkinson, 2006), the usual trend is to comply with minimal legal requirement. Any mistrust of the management by host country nationals may result in lower productivity and may initiate high turnover and absenteeism across them. This may in turn adversely affect the subsidiary's performance and produce a hostile environment for expatriate managers (Toh and DeNisi, 2005).

Drawing on a study of MNCs in China, Li and Kliner (2001) examined the relationship between the expatriates and locals which affect their working together and therefore the effectiveness of their companies. The authors highlight the need to consider the



contextual and institutional factors that affect the relationship and the categorisation of co-workers. Their study points towards factors such as localisation of personnel, equality and integration and sharing of cultures as possible solutions to overcome the expatriate-local conflict.

Research suggests that local employees dislike the ethnocentric approach of their headquarters for staffing in subsidiaries. Locals complain that expatriates always occupy the higher-ranking managerial positions (Zeira et al, 1975). The feeling that locals are treated worse than foreigners in their own countries may create a hostile behaviour that often leads to lower performance of both locals and expatriates (Jureidini, 2003). Locals may also think that headquarters have sent expatriates to watch over them creating a feeling of mistrust (Toh and DeNisi, 2005).

A noteworthy study of local views on expatriation was presented by Hailey (1996) which highlighted the position of locals towards expatriation. The author researched the perspectives of Singaporean managers on their expatriate colleagues from different angles. Hailey looked at four areas of the Singaporean employees' views, i.e., the perceptions on expatriates pay and appraisal, perception on the adjustment of expatriates, perception on the different management styles employed, and the reasons for the use of expatriate employees. The study suggests that expatriates are looked at as if they are outsiders who have low commitment and inadequate interpersonal skills. Expatriates are perceived to take decisions that benefit them not the company since their career span in the subsidiary is usually small. Those perceptions were linked to the privileges, especially the appraisal programs, enjoyed by expatriates over locals. Finally, the most worrying finding was the frustration of the young Singaporean generation of managers who are discouraged by the continual usage of expatriate managers; this in turn resulted in poor performance and even higher turnover in those companies (Hailey 1996).

Scholars have also highlighted the issue of discontent among local staff and resentment towards expatriates because often inept expatriates are ostensibly treated as superior relative to the locals in terms of their compensation, benefits, and developmental opportunities (Li and Kleiner, 2001). This is especially so when expatriates do not have a clear advantage over the local employees in terms of work qualifications, expertise, or experience. Local staff may feel that they are treated like second class citizens; they may also perceive expatriates as being sent to be “watchdogs” for headquarters instead of value added resources (Toh and DeNisi, 2005).

Contrary to the fact that MNCs often under-utilise local human resources, there is some evidence that local managers can offer more control to MNCs than expatriates can; this is particularly true in situations where cultural asymmetries between the headquarters country and the host country are high and the operating environment is risky (Volkmar, 2003). Vance and Ensher’s (2002) multi-country study of local employees in MNCs highlights the important contributions that can be made by host country nationals in achieving success in expatriate-managed operations.

Furthermore, if the market that the MNC enters is one where its existing personnel have little relevant knowledge or expertise to effectively run the local subsidiary, local human capital would be especially useful because the local managers speak the local business language and also understand the country’s culture and political system better than most expatriates sent to perform the job (Toh and DeNisi, 2005; Wong and Law, 1999). Local employees are thus often better equipped than expatriates to penetrate the target market.

To summarise, MNCs prefer to use expatriate managers in situations where locals may be lacking in skills or competence, or in situations of distrust between local workers and managers. Generally MNCs want to tightly oversee and control the subsidiary’s operations to maintain the MNC’s culture. In contrast, local employees tend to value their cultural identity

with a desire to be provided with equal opportunity in career growth at par with expatriate managers.

### *Management style and performance of expatriates*

Studies of international management suggest that model management styles and behaviours in one country may turn out less effectual in other cultural settings (Black and Porter, 1991). For example, if the selection decision of managers is based on a belief that management of a subsidiary is a scientific art, then the HR directors may be so overwhelmed with the accomplishment records of their managers that they might overlook other important contextual and social factors (Mendenhall and Oddou, 1985).

Based on their study of automobile manufacturers in Thailand, Petison and Johri (2008) identify four types of expatriate roles: commander, conductor, coach, and connector. The authors argue that the four roles correspond to the degree of task readiness and managerial capabilities of local employees. However, a short-term business orientation may obscure the need to look for certain managerial qualities such as individual flexibility and the ability to embrace change. Managers who do not possess those important characteristics may be hard to change, and may always follow what they already know without altering it according to each circumstance (Black and Porter, 1991).

Black and Porter (1991) identify two schools of thoughts with respect to the relationship between managerial conducts and overseas' task performance. The two schools are the practical school and the cross-cultural school. The practical school states that any successful managerial behaviour in one country will be successful in another, and thus employees sent for expatriate assignments may not need prior training. According to this school, the skill and expertise that managers possess and bring with them are enough to succeed in overseas tasks. On the other hand, the cross-cultural school of thought emphasises

the effect of cultures and values on expatriates' performance. This approach states that the success of each managerial conduct depends on the cultural environment in which it is performed.

The expatriation process is very expensive and complex; however the unsuccessfulness of expatriates is even more expensive for companies. Unstable MNCs may not be favoured in the future and may experience increased restrictions on their operations in host countries (Banai and Zeira, 1985). The failure of expatriates may cost the MNCs enormous losses in productivity and in their affairs with other employees, customers and suppliers (Toh and DeNisi, 2005). Scholars suggests that expatriates' failure rate can be quite high which can reach 30-50% in developed countries and up to 70% in the developing world (Li and Kleiner, 2001; Mendenhall and Oddou, 1985).

Yet, the fact that the local environment of the subsidiary has a major influence on expatriates' performance must not be ignored. Scholars have discussed the importance of host country nationals' approval and their cooperation with expatriate managers in order to facilitate their mission (Toh and DeNisi, 2003). Toh and DeNisi (2005) suggest that MNCs need to initiate programs to improve the relationships between expatriate managers and their new environment.

In this area, Black (1988) has identified two types of expatriates' adjustments and factors that affect them in the host country: work adjustment and general adjustment. He associates the role uncertainty and the role discretion with the work adjustment, whereas he relates the family's adjustment, host-country's nationals' relationships and the pre-departure training to the general adjustment.

Black and Porter (1991) and Okpara and Kabongo (2010) discuss how cross-cultural training is critical for expatriates' adaptation. Other studies (e.g., Toh and DeNisi, 2007;

Selmer, 2001) suggest that host country nationals are motivated to socialise with expatriates; the studies also highlight the effect of such socialising on expatriates' performance.

To sum up, expatriates are important transfer agents of the parent company's culture and knowledge (Taylor, 1998). However the cultural context of HR practices requires different approaches in each context (Black and Porter, 1991). While existing employees of MNCs in the host country may have gained much knowledge and experience, and therefore may be able to perform in place of expatriate managers, MNCs may still ignore such capabilities of local employees and may not take full advantage of them (Beamish and Inkpen, 1998). Having an approach to expatriation that is open to both perspectives of the headquarters and the local environment of the subsidiaries may be helpful in selecting better international managers and employees (Banai and Zeira, 1985).

While skill and experience are usual rational used by MNCs in their choice of expatriate managers, local employees may perceive expatriates to be overrated by the company. Similarly, there are also contentions about competence and performance levels of expatriate employees relative to local employees. In particular, an uncritical adoption and implementation of MNC headquarters' management approach and practices is not always welcomed by local employees.

This paper builds on the above body of knowledge by considering that expatriate managers' success depends not only on the MNC's preferences but also on local employees' perspectives. However, local employees' perspectives on expatriate managers have not received much attention in the extant literature since the majority of studies focus on MNCs' approach to expatriation. Next, we provide a contextual overview of our empirical study in Jordan.

### **Research Context: Expatriates in Jordan**

While Jordan is known to be a source of skilled migrants, around 600 to 670 thousand Jordanian citizens are working abroad of whom the majority are skilled labour (De Bel-Air, 2009), the number of expatriate workers in Jordan is equally significant. Around 450 thousand authorised expatriates (workers not holding the Jordanian nationality) were reported to be working in Jordan according to official sources (Fargues, 2007).

In 1997, Jordan signed a Partnership agreement with the European Union that came into effect in 2002. The agreement establishes a free trade area between Jordan and the EU over twelve years; encourages more direct European investment and facilitates the transfer of technology. In 1999, the country joined the World Trade Organization (WTO) thus gaining access to the global market, promoting its trade and economy. In 2000, Jordan and the United States signed “Jordan-US Free Trade Agreement” which seeks to phase out virtually all tariffs on two way trade in goods and services (USDOS, 2011).

In the aftermath of these trade agreements, Jordan became a host for many MNCs and their subsidiaries (Fargues, 2007; USDOS, 2011). Usually, MNCs hire expatriates to enable the transfer of both the know-how and organisational cultural capabilities (Al-Husan & James, 2003). See, for example, Al-Husan et al's (2009) empirical study of transfer of French HRM practices to Jordanian subsidiaries. In their recent study of strategic HRM in Jordanian hotels, Altarawneh and Aldehayyat (2011) note that SHRM adoption is generally more common in multinational hotels than in locally owned hotels. However, the Jordanian ministry of labour is seeking to reduce and replace expatriate workers in the country with locals in the hope to reduce unemployment (Fargues, 2007). The current unemployment rate in Jordan is 12.3% (2012 est.); the unofficial rate is approximately 30% (CIA, 2013). Jordan has a very large pool of talented employees from which the country sources for export purposes, but MNCs tend to employ expatriates particularly in senior management positions (Fargues, 2007).

Jordanian culture is quite complex comprising elements of Arab heritage, local traditions and a focus on relationships and centralisation. Sing et al's (2012) study of the role of the HR director in Jordanian organisations highlights an element of gender difference when it comes to asserting the strategic importance of HRM function. Male HR directors in general are more likely to rate the importance of strategic HR functions as 'high'. The HR function is also affected by macro-level socio-economic factors. The implementation of privatisation policy by the Jordanian government gave the country a chance to be the pioneer in economic progress in the region. However, the management style of Jordanian managers has been criticised in the literature for being highly bureaucratic, weak in coordination and incompetent in the use of human capital (El-Said and Becker, 2001).

Jordan has undergone a significant economic liberalisation wave within the past fifteen years. The banking sector in particular has played a major part in the country's bid to become a free market trader. The sector is still expanding and diversifying due to the governmental emphasis on encouraging more investment and to increase its competitiveness (Arab Advisors Group, 2007).

Although Jordan's banking sector is small by global standards, it has attracted strong interest from regional and other international investors (e.g., UK, USA, Lebanon and the GCC). New regulations have helped to create a favourable investment environment. By virtue of conservative policies, Jordan was able to avoid recent global financial crisis, e.g., Jordanian banks were amongst very few in the world that posted a profit in 2009. Jordan's banking sector is widely regarded as advanced by both regional and international terms. In 2007, total profits of the 15 listed banks rose 14.89% to \$909m (OBG, 2011).

In the next section, we outline the empirical study, which explores local employees' views on expatriate managers in MNCs in Jordan.

## Methodology

This study draws on survey data collected from local employees working for Jordanian subsidiaries of three renowned multinational banks. The primary research question was: *What are Jordanian workers' perspectives on expatriate managers working in multinational banks in Jordan?*

Other supporting structured questions focused on local employees' explanation for their organisation's use of expatriate managers, their perception of expatriates' performance and management style, and their preference for expatriates or local managers (see Appendix 'A'). Our aim was to gauge local employees' views about their expatriate managers and colleagues; therefore, expatriate employees were excluded from this study. The quantitative data were triangulated through a review of secondary data including formal policies on HR and expatriation and also through a few qualitative questions.

The survey was completed by local employees working at various levels of organisational hierarchy of three big multinational banks in Jordan, which we rename as follows: Bank Alpha, Bank Bravo and Bank Charlie. Two of the banks have international HQs in the UK whereas the third one is based in the US. The data were collected from 98 Jordanian employees currently working in any of the three banks. In order to collect usable data, the survey required respondents to be of Jordanian nationality. All respondents needed to have worked with or under an expatriate manager in the same branch, and an even balance of male and female respondents was required where possible.

The study included 49 female and 49 male employees. Initial contacts were made with six respondents through the researchers' personal networks which were also used to refine the survey questionnaire. That is, face validity was assessed through the six respondents reviewing and providing feedback of the questionnaire which led to the removal of redundant questions and adding the additional open-ended questions. In the second stage, we also



gained support from the Banks HR managers to gain access to employees meeting the criteria. Participation in this study was purely voluntary. The sampling method for this study was considered suitable since our aim was to elicit local employees' candid views on expatriate managers and the organisational approach to expatriation. The survey was written in English because all employees working in multinational banks have good English proficiency as a second language.

Survey questions were both quantitative and qualitative. The first part of the survey comprised 14 quantitative close ended questions; the second part comprised two qualitative open ended questions asking the respondents to express their views on expatriation (Appendix A). The qualitative questions related to the respondents' preference for an expatriate or local supervisor, and also their perceptions on comparative implications of hiring a local vs expatriate manager on the bank's performance. The first eight questions in the survey instrument were related to demographic features of the respondents; the remaining eight questions related to respondent' preferences related to expatriates.

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Table 1 provides an overview of the respondents' profile in this study. The majority of the employees belonged to the age groups of 26-30 and 30-35. Twenty nine per cent of the respondents were working in Bank Alpha and 36 per cent each were working in Bank Bravo and Bank Charlie. Average time spent in the current bank was 3-6 years. Of the 98 respondents, 36 per cent were from the top management, 36 per cent from the middle management, 14 per cent from first line management and 14 per cent were operations staff. Given the high percentage of top managers as respondents in this research (this included senior managers responsible for departments as diverse as HR, Marketing and Mortgage), we

expected the study to offer insights into not only respondents' personal perspectives but also formal organisational rationale for using expatriate managers. Fifty seven per cent of the respondents were under direct supervision of expatriate managers whereas 43 per cent either worked with or were indirectly working under expatriate managers in their company. Figures on total number of expatriates (both Western and non-Jordanians) working in each bank were not made available due to company confidentiality.

The quantitative data were collected and processed electronically through a professional survey website. However, some of the respondents were unable to access the online survey link. Thus, hard copies were printed and sent to the respondents. All hard copies were later retrieved through courier for subsequent manual entry of the data into the computer. The online data were exported as a spreadsheet into Microsoft Excel while the data received in hard copy were manually entered. The quantitative data were interpreted by using descriptive statistics through an analysis of frequency and percentage of responses. For the qualitative data, repeated readings of the descriptive responses led to axial coding (Miles & Huberman, 1994; Strauss & Corbin, 1990), thus, enabling the researchers to identify key perspectives of local employees on expatriate managers.

## **Findings**

In terms of their definition of expatriates, 86 per cent of all respondents said they define an expatriate employee as someone who is not a Jordanian citizen; the remaining 14 per cent indicated that an expatriate manager is someone who comes from outside the Arab world. This shows that at least some host country nationals in Jordan do not consider employees from other Arab countries as expatriates, which is reflective of the traditional Arab unity discourse in the Middle East.

The findings below are divided into three key themes which are in the main consistent with the literature review. The findings are supported by the respondents' own words as applicable; the percentages written are rounded to the nearest figure. Table 2 offers an overview of key findings.

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 Insert Table 2 about here  
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### ***Justification for the expatriate usage***

While we found a general lack of clear cut organisational policies on using expatriate or local managers, Table 3 offers a summary of the three formal policies which we identified as having some relevance to the MNC's approach to international management and cultural diversity management. Overall, the review of formal policies of the three banks suggests a formal commitment to principles of equality, diversity and inclusion, and an attention to manage cultural diversity to enhance organisational performance.

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 Insert Table 3 about here  
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Based on Perlmutter and Heenan's (2000) typology, the policies appear to have elements of polycentrism and geocentrism. Polycentric policy is evident because the majority of employees (except a few in top management positions) in the banks are citizens of the host country (i.e., Jordan) where the subsidiary is operated. A geocentric approach is evident because the banks also have a transnational orientation, e.g., in their desire to appoint most suitable personnel to work at senior or sensitive positions, notwithstanding their nationality.

We now turn to our analysis of the survey data on the justification of expatriation. While answering the question of the headquarters' formal justification of expatriate usage, the majority (57 per cent) of the respondents stated that their headquarters' *formal*

*justification* - as described in organisational policies and memoranda - was to fill in for the expertise and knowledge not found in Jordan. By comparison, seven per cent stated that their headquarters *actual* justification for expatriation was to transfer knowledge to locals. Nonetheless, 29 per cent of all respondents believed that scarce knowledge was transferred to local staff.

Fourteen per cent of the respondents (most of them top managers) said that their headquarters' formal explanation was to maintain control and organisation identity whereas 21 per cent identified their headquarters' justification was to prepare future managers and to give them global orientation.

Several top managers in this study (15 out of 35) suggested that the headquarters wanted to maintain control and organisational identity through its use of expatriate managers. Another 14 top managers suggested that the headquarters were interested in providing managerial expertise not found in Jordan. Only 6 top managers stated that by deploying expatriate managers, the headquarters wanted to transfer knowledge and skill by training local employees. It is, however, interesting to note that this element of organisational control was not a key feature in response by the operations and junior management staff who thought that the headquarters were using expatriates to provide managerial expertise not found in Jordan and to train future managers.

There was a clear divergence between the formal policy documents' stated reasons for using expatriates on the one hand – supported generally by top managers - , and what locals perceived the reasons behind expatriation on the other. In response to the question (“What is your own explanation for your bank’s use of expatriate managers?”), 59 per cent of all respondents believed that the headquarters wanted to retain control and transfer the organisational identity. Only 14 per cent believed that the headquarters perceived locals as less competent with insufficient skills and abilities. However, no respondent supported the

view that headquarters did not trust locals and that this was the fundamental reason for using expatriates to oversee the subsidiaries.

### *Locals' preference for expatriate or local managers*

The question of the preference of expatriate or local managers was an open-ended one through which respondents expressed their personal views about who they prefer to work with or under supervision. A majority of respondents showed indifference to their managers' nationality by expressing their belief in having a competent manager who understands her work notwithstanding her nationality. For example, a top management male respondent working in Bank Alpha said:

“I have no preference. I just want a competent manager who would support the team and help the organisation grow.”

Respondents who were indifferent to their manager's nationality also stated that an incompetent manager regardless of nationality would not survive long in the company, and that it is always the best person who should be hired.

Other respondents indicated different preferences for using expatriates based on the type of the expatriate position or expertise offered. For example, a male respondent (middle management) at Bank Charlie stated:

“...depending on the sort of expertise he/she would bring to the country and add to my skills. Some expats add value to our work as they bring new concepts and different working techniques and policies.”

Several respondents believed that expatriate managers were preferable because they possess better professional insights, experience and knowledge (relative to locals). For example, an operations employee (a female) in Bank Charlie expressed her preference for expatriates:

“*Why prefer expatriates?* Because his managerial and personal approach and management is more professional than that of a local person. He also brings with him an international fresh way of managing the people and work”. (*emphasis added*)

However, some respondents also expressed concern about expatriates’ unfamiliarity with local culture and routines. In the words of a top management female employee in Bank Alpha:

“Expatriate manager can share different experience and skills; however it might contradict with the knowledge and awareness of the local employees.”

The respondents seemed to believe that each job has its own work skills and that certain jobs need locals whereas others are better performed by expatriates. For one male top manager working in Bank Bravo, cultural sensitivity is also an important requisite in addition to professional competence:

“My preference is for the best person for the job, regardless of nationality. One additional consideration when hiring an expat, though, is their sensitivity to local customs and tradition as well as their ability to adapt to the business environment.”

Two of the respondents who expressed their preference for local staff believed that locals understood the Jordanian context better and would be more effective: “locals are better as they understand more the local needs” (Middle Manager, Bank Alpha, female).... “especially in operations jobs” (First line manager, Bank Alpha, male).

There were also some concerns raised about the company’s ethnocentric approach. For example, a middle level female manager revealed that while she did not mind the nationality of employees, her current bank routinely preferred expatriates.

### ***Locals’ perception of expatriates’ management style and performance***

While answering the question “how do you perceive expatriates”, the respondents’ answers were quite dispersed. Around 29 per cent of the respondents believed that expatriates were better educated and more competent; 29 per cent thought that expatriates were as competent as locals while another 29 per cent suggested that expatriates were competent yet they did not understand the local Jordanian culture.

Moreover, 7 per cent of the respondents believed that expatriates were highly overrated by the company and another 7 per cent believed that expatriates were overwhelmed by their sense of occasion and performed worse than locals. However, no respondent agreed that expatriates learnt more than what they imparted to locals.

A majority of the respondents (57 per cent) believed that the expatriates’ management style was tolerant of local culture and had also adjusted to some elements of the local context (e.g., centralised bureaucracy, sensitivity to local religio-cultural customs). Twenty one per cent of the respondents thought that expatriates showed sensitivity to the local context within their managerial functions. However, at least 14 per cent believed that expatriate managers depended greatly on the headquarters’ management style, a blind adoption without questioning the fact that it might not fit the Jordanian context.

Further, when asked about the perceived impact of expatriates on the subsidiary’s performance and if the performance would be different if the subsidiary was directed by a local manager, the responses were, once again, quite diverse. One third of the respondents expressed concerns about expatriate managers’ ability to understand the business context in Jordan by applying the wrong management style. For example, a middle management female employee in Bank Alpha suggested that:

“More locals than expatriates would have aligned the strategy to match reality by knowing opportunities, rather than trying to implement unrealistic one.”

Another one third of the respondents suggested that the performance of each subsidiary is contingent, not on manager's nationality, but on other factors, e.g., professional and interpersonal abilities. The respondents stated that only competent managers could stay in their position for long. Some referred to factors such as the support each manager is given and how well he/she is equipped for a managerial position. This was more important than nationality. A top management male respondent (Bank Bravo) stated that nationality was not a key influence *per se* indicating that:

“One person can only make so much of a difference in a global organisation. At the end of the day, value is created by the people in the front lines and the overriding corporate culture.”

Similarly, the following response by a top manager (male) was typical of Bank Charlie:

“Nationality is not a significant difference. If there was a difference, I do not perceive the difference to be due to the manager being local vs an expat. Rather I believe the difference would be stemmed from the manager's ability to lead the organisation, manage the team, and maintain relationships with clients.”

The final third of the respondents believed that the performance of subsidiaries is much improved if they are supervised by expatriates since they have better qualifications and experience as well as an enhanced international orientation.

While the focus of this study is not on gender, it is possible to discern some gender differences in the responses received. For example, the majority of female respondents (45 out of 49) believed that expatriate managers customised the headquarters' management approach to take into account local customs. In contrast, only a tiny minority of male respondents (9 out of 49) agreed with this belief. While male responses were more dispersed, at least 15 of them perceived expatriates' management style to be based on a blind import of the headquarters' policy. This gender difference in perspectives may be explained by the fact that since men have a dominant share in top management jobs in the three banks (see Table 1,



only 2 women vs 33 men in top management positions), their masculine and achievement orientation (Freeman, 2001; Hofstede, 2012) may be making them more sensitive to ethnocentric policies of expatriate managers.

## **Discussion**

The findings of this study highlight clear differences between formal justifications by the MNCs (i.e., transmitters of knowledge and innovation) and what the local employees perceive as actual reasons for the use of expatriate managers (i.e., guardians of organisational identity and control). This outcome is consistent with Hailey's (1996) study which highlighted the frustration of local employees in Singapore with the continual use of expatriate managers as a source of organisational control. The dichotomy between the two justifications raises attention to some problems that may arise, e.g., the issue of mistrust which might distort the efforts of the company to achieve employee harmony in working together towards one shared goal.

Overall, the study suggests that human resource managers in the Middle East may pay special attention to assisting both expatriates as well as local employees to develop mutual cross-cultural understanding. Human resource managers may need to more clearly communicate organisational goals and policies particularly with respect to the use of expatriate managers. Contextual understanding and actual performance are crucial for expatriate assignments to be seen in positive light. The majority of respondents thought that the real reason for using expatriates was to build the organisational culture and to maintain control. Distrust on local employees was not cited as a main reason for the use of expatriate managers. This suggests that locals view the use of expatriates as a method to preserve the identity of the corporation. As such, they do not consider that expatriates are used to offset local employee abilities or trustworthiness. Furthermore, the study suggests that locals have

little problems with the expatriates' nationality as long as they are sensitive to local customs and work environment. Thus, manager's nationality is not so much an issue. There is a clear theoretical implication that managerial capability and cross-cultural competence is what matters to enhance trust and improve organisational performance. This view is consistent with previous research that to be effective in a foreign culture, expatriate managers must understand both the origin of their own behaviour and the congruence of their behaviour with that of individuals who are from the foreign culture (Black, Mendenhall and Oddou 1991).

Regarding locals' view on expatriates, the results obtained were quite dispersed. The majority (except for 7 per cent who considered expatriates as less competent than local employees) believed that expatriates were competent and worthy of the positions they held in the organisation.

In terms of locals' preference for managers, the study shows that the majority of the respondents did not regard nationality as important as long as the manager was competent and could contribute to the subsidiary's growth. This finding is consistent with Adler's (1987) revelation with respect to local Japanese employees' views of female expatriate managers. The latter study found that if locals face problems and reject expatriates, it is not because they perceive them as outsiders or because of the perceived glass ceiling. Rather, it is because they are anxious about the expatriate's ability to adapt to local culture. In the current study, even a minority of respondents who preferred local managers did so because they were not sure of the expatriates' capacity to understand the Jordanian business environment and culture.

The study suggests that competence, not nationality, is most important. The majority of respondents expressed generally positive views about expats. Almost one third of them expressed concern that contextually inappropriate management style would have a negative impact on subsidiary's performance. Another one third believed that performance was better

with expats, given their experience and knowledge. Indeed, it is not always necessary or useful to adjust to the local culture (e.g., when it comes to blatant gender discrimination). Equally important is the implication that employees in Arab countries, particularly the younger generation, may prefer a more participative approach, instead of the traditional power distance based approach (UNESCO, 2011). Similarly, local employees appear to welcome the transfer of knowledge and expertise from MNCs as distinct from the expertise and knowledge of strictly local employees.

Another important issue was the perceived impact of expatriates on performance. While subsidiary's performance is a function of all employees' performance, responses to this question were divergent. Some respondents believed that if locals were managing the subsidiary, it would perform better while others related the strong performance of subsidiaries to expatriate managers. Almost all the negative answers concerning expatriates' performance were a consequence of the perception that expatriates are less sensitive to local culture and are less able to spot new opportunities in the local market.

Overall, this research suggests that MNCs should pay attention to and gather information on the attitudes, aspirations and feelings of their local staff. It also means that organisations need to develop programs to increase local staff motivation and participation within the devolution of organisational strategies and policies (Toh and DeNisi, 2005). This would also mean that MNCs should consider the impact on local staff of proposed policies, including the use of expatriates. Similarly, the pros and cons of expatriate usage and HRM procedures involving both local and overseas staff should be carefully considered before implementing new policies.

## **Conclusion**

This study has helped the researchers in developing an understanding of host country nationals' views on expatriation and expatriate managers. The study has highlighted that the formal justification of the headquarters for using expatriates may not always match with how host country nationals explain or perceive the use of expatriates. In particular, there are persistent questions about expatriate managers' cultural sensitivity and understanding of the local business context.

The study generally shows that local employees value competent expatriates, notwithstanding their nationality, and prefer to work with them if they add value to the organisation. However, local respondents in this study also voiced their concern about expatriates' insensitivity to local culture and their ethnocentric ways of thinking and managing. Overall, the study suggests that there is no universally right mix of localisation and expatriation. Thus, if there is some expertise lacking in the host country, or if there is an issue of shared organisational identity, then expatriation may be welcomed, and locals may be willing to work along with competent expatriates to enhance the subsidiary's performance.

### ***Limitations of the research***

Despite some useful theoretical and empirical insights, the sample size of this study may make it hard to generalise its finding. Future scholars may wish to conduct similar studies in a broader sample of organisations and respondents to evaluate the insights and contentions offered by this study.

While the present study has highlighted some gender differences in terms of local employees' views on expatriation, the focus was not on gender *per se*. Given that women constitute only a tiny minority of top management staff in Jordan (as is the case in many other countries and continents, e.g., EU (Holt, 2012)), it may be useful to compare and contrast local employees' views of expatriate managers based on gender in future research.

For instance, one useful research question could be related to both ethnicity and gender: ‘How does the intersection of gender and ethnicity affect host country nationals’ perspectives of expatriate managers?’ For detailed gender-based insights, it may be useful to conduct in-depth interviews with female and male respondents in future research; this was beyond the scope of the current study.

### ***Implications for future research***

The study has contributed to explaining the theoretical gap that exists between local employees’ perspectives of expatriate managers on the one hand and their performance as expatriate managers in Jordan on the other. Its findings, particularly the local employees’ sensitivity to cultural context, while indifferent to the managers’ nationality, highlight the need to address the possible trust deficit between host country nationals and expatriate managers. Such trust deficit may emerge when there is a gap between a company’s formal policy on expatriation and what local employees perceive as the company’s actual reasons for using expatriate managers. The situation may be further aggravated if expatriates happen to be unaware of and/or insensitive to local culture and the business environment.

Scholars may consider extending this study to other industrial and national contexts with larger sample sizes. Clearly the contextual (including religio-cultural) sensitivities facing Western MNCs in Jordan (and other countries in the Arab Middle East) may not be as profound in certain other contexts, e.g., in parts of Europe and Latin America. Further empirical studies across a wider range of companies and countries may be helpful in assessing the findings of this research. One specific topic which remained unaddressed in the present research is the issue of equality and fairness in treatment of local employees versus expatriates (e.g., Chen et al., 2002). While there is some indication in the present findings that locals are more concerned about competence and professional ability than nationality,

future research might explore issues of inequity and discrimination in MNC organisations, e.g., in terms of remuneration, promotion, and performance management.

Scholars may also wish to compare the responses from expatriates from those of local employees. It will be interesting to learn whether expatriates agree with the host nationals' opinions that "locals understand more the local needs." Future research might also explore how local culture has influenced MNC policies and procedures and to what extent the latter have changed to accommodate local customs and traditions.

### *Implications for practice*

There are some important implications of this study for managerial practice. The study has highlighted that host country nationals have little concern about the nationality of managers as long as the managers are competent. In other words, there is no universal benchmark of the ratio of local and expatriate employees. Accordingly, MNCs are recommended to carefully study the needs of their subsidiary and hire the most competent person regardless of his/her nationality. In their pursuit of organisational identity and control, MNCs must not prefer expatriate managers over local managers.

The study has also highlighted a clear concern about the ability of expatriates to understand the local culture and business environment. MNCs may consider designing adequate cross-cultural training for expatriates, also including training on diversity and self-reflection to enable expatriates to expand their cultural, ideological and professional horizons.

The study also suggests that MNCs should more clearly and formally explain their reasons for using expatriate managers in order to prevent losing host nationals' trust. Given that MNCs' competitiveness depends on their capacity to amend strategically their resources (Caligiuri and Colakoglu, 2007), it is of paramount importance that they earn host country

nationals' trust and foster a cooperative relationship between expatriates and local employees. Formal, transparent policies on expatriation may be a useful step in that direction.

The above implications may be considered in the light of the previous research which suggests that ethnocentric HR practices may send a message to local employees that they are less valued than the expatriates. As a result, local employees may be less likely to cooperate with expatriates who receive favourable treatment for reasons that may not always seem fair or acceptable. Such differentials could reinforce us-versus-them stereotypes, increase friction and frustration, and could create further misunderstandings and conflict (Schneider and Barsoux, 2003; Toh and DeNisi, 2005). Therefore, MNCs need to carefully review their HR policies to eliminate any elements or practices which cultivate ethnocentrism and inequality.

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**Table 1.** Respondents' profile

<b>Feature</b>	<b>Detail</b>
Gender	Male: 49 Female: 49
Age	26-30 = 28 31-35 = 28 36-40 = 21 41-50 = 21  Average age = 31-35
Nationality	Jordanian = 98 Palestinian = 0 Other Arab nationality = 0 Any other nationality = 0
Position	Top management = 35 (female 2) Middle Management = 35 (female 21) First-line Management = 14 (female 12) Operations Staff = 14 (female 14)
Directly working under expat manager?	Yes = 56 No = 42 (worked with expats indirectly)
Time in Bank	Less than 1 year = 7 1-3 years = 14 3-6 years = 28 6-10 years = 21 10-20 years = 21 Above 20 years = 7  Average time = 3-6 years
Respondents per MNC	Bank Alpha = 28 Bank Bravo = 35 Bank Charlie = 35  Total = 98

**Table 2.** What locals want?

<b>Key theme</b>	<b>Summary of findings</b>
<i>Justification for the expatriate usage</i>	<p>57% of the respondents stated that their headquarters' formal justification was to fill in for the expertise and knowledge not found in Jordan.</p> <p>59% believed that the headquarters wanted to retain control and organisational identity.</p> <p>[Several top managers in this study (15 out of total 35 top managers) stated that the headquarters wanted to maintain control and organisational identity through its use of expatriate managers. Another 14 top managers thought that the headquarters wished to provide managerial expertise not found in Jordan. Only 6 top managers stated that by deploying expatriate managers, the headquarters wanted to transfer knowledge and skill by training local employees.]</p> <p>21% of the respondents stated that the headquarters wished to prepare future managers and give them global orientation.</p> <p>14% believed that the headquarters perceived locals as less competent with insufficient skills and abilities.</p> <p>7% stated that the headquarters justified expatriation by claiming they wished to transfer knowledge to locals. However, 29% believed that scarce knowledge is transferred to the local staff.</p>
<i>Locals' preference for expatriate or local managers</i>	<p>Majority of the respondents stated that managers' professional competence, not nationality, mattered to them.</p> <p>In addition to professional competence, cultural sensitivity was also described as an important trait for managers.</p>
<i>Locals' perception of expatriates' management style and performance</i>	<p>29% of the respondents believed that expatriates were better educated and more competent than locals.</p> <p>29% thought that expatriates were as competent as locals.</p> <p>29% thought that expatriates did not understand how things were done in Jordan. 7% believed that expatriates were highly overrated by the organisation. Another 7% believed that expatriates' performance was inferior to locals' performance.</p> <p>57% believed that the expatriates' management style was flexible and tolerant of local culture. Another 21% believed that expatriates showed sensitivity to the local context in their managerial functions.</p> <p>However, 14% believed that expatriate managers depended greatly on the headquarters' management style without giving due consideration to local context.</p> <p>One third of the respondents expressed concerns about expatriate managers' ability to understand local business norms. Another one third suggested that professional and interpersonal abilities were equally important. The final third believed that performance of subsidiaries is improved if they are supervised by expatriates since they have rich experience, international orientation and better qualification.</p>

**Table 3.** MNCs' policies relevant to expatriation and cultural diversity

<b>Bank's Policy</b>	<b>Description</b>
<i>Bank Alpha's policy on International Management</i>	According to Bank Alpha, international managers (IMs) are one of their most talented groups of employees. So the bank expects them to make an immediate impact, regardless of the level they join at; they must be able to cope with situations outside their comfort zone; they will have a passion for ongoing learning; and will be eager to seize the opportunities and rise to the challenges of constant change. An IM's career is built up by a range of generalist assignments, offering exposure across the bank's business lines. They can expect to be given a new assignment, in a new country and new area of the bank regularly throughout their career. This is initially approximately every 18 months, increasing to every 24 - 36 months as the IM's career progresses. According to Bank Alpha: "International Management does not appeal to everyone. If you wish to live in one country or to specialise in a particular area of banking, it is not for you. We expose our IMs to a wide range of locations in both developed and emerging economies to broaden their understanding. We also deliberately expose them to different business lines and customer groups to build their general management skills. But if you are excited by the idea of developing a generalist and global management career in financial services, this cultural and business diversity makes International Management the most extraordinary banking experience available."
<i>Bank Bravo's policy on diversity</i>	According to Bank Bravo's formal policy on diversity, the bank aims to be a leader in the attraction, selection and hiring of diverse candidates to positions in Europe, Middle East and Africa (EMEA) through open, fair and objective recruitment policies embracing and encouraging applicants through the organisation's diversity initiatives and commitment to an inclusive environment. The bank wishes to attract and retain the best and the brightest individuals throughout EMEA. The bank offers an inclusive and supportive environment for all employees, and the opportunity to make a full and meaningful contribution to corporate objectives - regardless of gender, sexual orientation, ethnic or racial background, religion, parental status, age, disability, or any other diverse background. Taking a lead role, the bank actively encourages people of diverse backgrounds to apply for opportunities at all levels of the organisation. The bank's recruiters work closely with the banks' Difference networks and the business managers, advising them on the best recruitment practice and specific diversity approaches.
<i>Bank Charlie's policy on HR</i>	According to Bank Charlie, HR relationship managers add value to their organisation by leveraging various HR products to drive business performance. The bank believes that if they invest in attracting, retaining and developing talented people, outstanding financial performance will quickly follow. They prefer to identify and develop an individual's strengths rather than focus on trying to fix their weaknesses. HR relationship managers in the bank strive to make the bank a great place to work by creating an engaging, inclusive and safe environment that rewards success and encourages employees to take control of their personal development. At the core of the bank's people strategy is their focus on employee engagement. Engagement is a key driver of productivity and performance, which creates the foundation of their performance culture. The bank's values place great emphasis on collaborative working, creativity and innovation.



**Appendix 'A'****Survey: What are Jordanian worker's views on expatriate managers in multinational banks in Jordan?**

*The aim of this survey is to explore the local employees' perspectives on their expatriate managers in the Jordanian banking sector. All data including your personal details will be treated confidentially.*

\*1. Do you have an expatriate manager in the subsidiary you are working in?

Yes    No

If no, this survey is not intended for you. Thank you very much for participation.

\* 2.Gender: Male                              Female

\*3.Age group: 21-25                      26-30                      31-35                      36-40                      41-45  
                               46-50                      51 and above

\* 4.Name of the bank you are working for:

Bank Alpha                                      Bank Bravo                                      Bank Charlie

\* 5.Position:

Top management                      Middle management                      First-line management                      Operations Staff

\* 6.Nationality:

Jordanian                      Palestinian                                      Other Arab nationality                                      Any other nationality

\* 7.How long have you been working in this bank?

It is my first year here.                      1-3 years                                      3-6 years                                      6-10 years  
 10-20 years                                      More than 20 years

\*8.How long have you been working in the field your working in?

It is my first year here.                      1-3 years                                      3-6 years                                      6-10 years  
 10-20 years                                      More than 20 years

***Reasons for the expatriate usage******Expatriation vs localisation******Local's perception of management style and performance of expatriates***

\* 9. Are you under direct administration of an expatriate manager?

Yes, directly.                                      No, but indirectly or worked with.

\*10. How do you define expatriate managers?

Someone who is not Jordanian.  
 Someone coming from outside the Arab world.  
 Someone who never lived in Jordan.

\*11. What is your bank's headquarters' justification for the use of expatriation?

To provide managerial expertise not found in Jordan

To maintain control and organisational identity  
 To prepare future managers and to give them a global induction  
 To train employees (transfer knowledge and skills)

\* 12. What is your own explanation for your bank's use of expatriate managers?

Headquarters do not trust local and thus to oversee the subsidiary's operations.

Headquarters perceive locals as less competent and with lower skills

To transfer the bank's culture and values

To transfer the expertise and skills not found in Jordan

\*13. How do you perceive expatriates?

Better educated and more experienced

They are highly overrated by the company

They are competent; however, they don't understand the way things are done in Jordan

They are so overwhelmed by themselves that they even perform less than locals

They are as competent as locals

They learn from locals more than they give them

\*14. How do you perceive your expatriate manager's management style?

They adopted the local managerial approach

They blindly adopted their headquarters' managerial approach

They had a new totally different managerial approach that is sensitive to local conduct

They adjusted the headquarters' managerial approach to consider different local customs

\*15. Do you prefer to have an expatriate manager or a local one? Explain.

\*16. In your view, would this subsidiary's performance be different if it was managed by a local manager? Explain.