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Case Study

Cross-Cultural Management in the Middle East



Introduction

Companies that expand their operations to different regions across the globe face a major challenge. To be successful in those regions, they must adapt their business techniques to the cultural practices of those regions, a practice known as cross-cultural management. One such case was that of Impression et Enregistrement des Résultats (IER), which had to adopt the practice of cross-cultural management when expanding its business into the Middle East and North Africa region (MENA).

Case Presentation

IER was founded in France in 1962 and is fully owned by the Bolloré Group. IER supplies printing terminals and IT solutions to various industrial and service sectors, including the air and public transportation industries, logistic platforms, and postal industry. It currently employs about 850 people and has branch offices in China, Germany, Singapore, Spain, the United Kingdom, the United Arab Emirates and the United States. Given that 1,482 airports and 121 airlines operate in the MENA alone, expanding into the MENA airline industry provided IER a major opportunity for growth. IER, therefore, established its Middle East office in Dubai, United Arab Emirates in 2002. Because the MENA is a culturally rich and diverse region, it was essential for IER to adapt to the cultural norms of doing business. In particular, IER had to learn about two important factors in order to be successful in the MENA: first, the cultural elements in the process of doing business; and second, and the culturally appropriate means of building human relationships with business partners (Moonesar & Thibaud, 2015).

Management & Outcome

In terms of the cultural elements involved in the business process, IER found that the local culture in MENA countries greatly influenced the ways of greeting business partners, the appropriate methods of communicating with business partners, punctuality and the value of time, the length of negotiations, and the number of formal and informal meetings. IER observed the following characteristics when dealing with business partners in the MENA (Moonesar & Thibaud, 2015):

- Face-to-face communication or phone calls are preferred over written communication
- Business partners prefer to have multiple meetings
- The process of price negotiation is usually longer
- The average timeline for implementing a project in an MENA country is longer than in other parts of the world

Although cultural elements in the business process were important, culture played a larger role in IER's ability to build relationships with business partners. IER found the following cultural elements impacting relationships with partners (Moonesar & Thibaud, 2015):

- Punctuality is not as important in the MENA as it is in Europe, but service providers are expected to respond and adapt quickly to changing requirements
- Arabic is the primary language of communication between business partners
- One is expected to have knowledge and understanding of the country's socio-economic context, culture, economic goals, and religious values
- It is important to have knowledge of the country's legal requirements
- Many partners plan their daily activities around the prayer times
- Projects work on a last-minute basis
- The quality standards for products and price sensitivity vary across countries within the region
- Customers expect efficient service, for example quick deliveries and immediate responses to communication
- In many projects, meeting the deadline is more important than the cost of the project
- Many jobs were completed on the basis of trust, without the security of a binding contract

Discussion

Although the cultural practices in the MENA were very distinct from those in Europe, it was in IER's best interests to incorporate these practices into the services they offered in the Middle East. For example, IER scheduled meetings keeping the prayer times in mind and ensured that project deadlines were met at all costs. Additionally, IER suggested solutions that catered better to the MENA's needs, in particular, rather than suggesting solutions that had been previously utilized in Europe.

By adapting its strategies and practices in the MENA to the cultural norms and practices of the region, the company IER was able to establish and maintain its position as the leading provider of printing terminals and IT solutions to the airline industry in the MENA. This is an indication that successful cross-cultural management can prove profitable for a company looking to expand its operations to other regions, and in time can allow it to establish itself as a key player in the regional market.

Reference

- 1- Moonesar, I.A. & Thibaud, L. (2015). Research & Development: Impression et Enregistrement des Resultats (IER). Emerging Markets Case Studies Collection. 5(3), Emerald Group Publishing, UK. <http://dx.doi.org/10.1108/EEMCS-03-2015-0039>

This short case extract summary was written by Madiha Sayani (madihasayani1@gmail.com) and Immanuel Azaad Moonesar (Immanuel.moonesar@mbrsg.ac.ae) based on a previously published case study. It was prepared using an organisation information, and its intention was to provide material for class discussion through publication. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.

Potential Case Questions:

- 1- What are the Strengths, Weaknesses, Opportunities, Threats (SWOT) facing this organisation in relation to the strategic planning/cross-cultural management/leadership?
- 2- Compare and contrast this case with your current organisation in terms of operations, management and/or leadership. Discuss.

About Mohammed Bin Rashid School of Government

Launched in 2005 under the patronage of His Highness Sheikh Mohammed Bin Rashid Al Maktoum, UAE Vice President, Prime Minister and Ruler of Dubai as the first research and teaching institution focusing on governance and public policy in the Arab world. The School aims to support good governance in the UAE and the Arab world, and build future leaders through an integrated system offering education and training programs, as well as research and studies. The School's operations are founded on global best practices developed in collaboration with the Kennedy School at Harvard University, and it is considered a unique model for academic institutions in that it focuses on the practical side of governance. The School also collaborates with several government and private institutions both regionally and internationally. The overall design and implementation of training programs is built on the foundation of scientific thought and is inspired by the reality of Arab public administration and with a view to addressing the issues and helping future leaders meet the challenges facing public administration in various parts of the Arab world. The School also organizes international and regional conferences and specialized workshops, and holds forums to facilitate the exchange of ideas and knowledge between Arab region and the world.