



JIMMA UNIVERSITY
JIMMA INSTITUTE OF TECHNOLOGY
SCHOOL OF GRADUATE STUDIES
FACULTY OF CIVIL AND ENVIRONMENTAL ENGINEERING
CONSTRUCTION ENGINEERING AND MANAGEMENT CHAIR

**ANALYSIS OF THE IMPACT OF CULTURAL DIFFERENCES ON FOREIGN
CONTRACTORS' PERFORMANCE: THE CASE OF ROAD
CONSTRUCTION PROJECTS IN BENCH SHEKO AND
SHEKA ZONES, ETHIOPIA**

A Thesis submitted to School of Graduate Studies, Jimma University, Jimma Institute of
Technology, Faculty of Civil and Environmental Engineering in Partial Fulfillment of the
Requirements for the Degree of Master of Science in Construction
Engineering and Management

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DECLARATION

I undersigned, declare that thesis research entitled “Analysis of the Impact of Cultural Difference on Foreign Contractors’ Performance: The Case of Road Construction Projects in Bench Sheko and Sheka Zone, Ethiopia” is my original work and has not been presented by any other person for an award of master degree in this or any other university.

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ABSTRACT

In recent years culture has become one of the most studied topics in project management research. Some studies have investigated the influence of culture at different levels such as national culture, industry culture, organizational culture and professional culture. As a project-based industry, the construction industry needs to have more insight concerning cultural issues at the project level and their influence on the performance of construction projects. The general objective of the study is analyzing the impact of cultural differences on foreign road contractor's performance in the case of Bench Sheko and Sheka zones road construction projects in Ethiopia. The specific objectives of the study are; to determine barriers that foreign road contractors faced due to cultural differences, to determine the effects that barriers caused by cultural differences brought to foreign road contractors' performance, and to determine strategies to manage barriers that foreign contractors faced due to cultural differences. The research is a descriptive cross sectional exploratory type of research with quantitative approach. Both primary and secondary sources of data are used. A total of 40 questionnaires were distributed to foreign professionals working on road construction projects in Bench Sheko and Sheka zones. The research used purposive sampling technique and analyzed data using statically package for social science & relative important index to rank the barriers caused by cultural differences and the strategies adopted. It was found that cultural differences created different attitude related, communication relate and belief and custom related barriers that negatively affect the performance of foreign road contractors in engaged in road construction projects and neglecting and failure to effectively manage cultural differences can cause different problems like conflict, misunderstandings, and dissatisfactions and weaker team spirits which negatively affect the successful accomplishment of projects with respect to cost, time and quality. Providing training on national culture, assigning cross culturally competent leaders and implementing professionalism are found to be the most important strategies to manage and mitigate the impact of cultural differences on foreign road contractors.

Key words: Cultural differences, Foreign contractors, Impacts, Performance, Road construction projects

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ACRONYM

EI	Emotional Intelligence
ICE	Institution of Civil Engineers
ICT	Information Communication Technology
IJV	International Joint Ventures
IDV	Individualism versus Collectivism
IT	Information Technology
JIT	Jimma Institute of Technology
LTO	Long Term Orientation
MAS	Masculinity versus Femininity
MBO	Management by objective
MNC	Multi-National Corporations
PDI	Power Distance Index
SNNPR	Southern Nations, Nationalities and People Regional State
SPSS	Statically Package for Social Science
TQM	Total Quality Management
UAI	Uncertainty Avoidance Index

CHAPTER ONE

INTRODUCTION

1.1 Background

In today's constantly changing global business environment, cultural issues and understanding cultures have become essential and a prerequisite for business success. (Walker, et al., 2018) The issue of culture and cultural differences become more critical, especially for companies operating in the global markets or having employees from two different cultural background. Since culture has a significant impact in business operations, companies need to consider the cultural issues in their day to day business activities to maintain their profitability and success in the international marketplace. Understanding, recognizing, and accepting cultural differences are believed to be key issues for successfully accomplishing projects when doing business with employee from different countries (Serkan , et al., 2008).

As Ankrah and Proverbs (2014) stated, culture and cultural differences are important issues for every organization in every industry and these concepts become more critical in construction due to contracting, internationalization of procurement, joint venturing, and partnering in this industry. Due to globalization, just like in other industries, the increase in strategic construction alliances also increases cultural differences due to people's interaction with different cultures (Shore & Cross, 2005). Yet, many construction firms are still adopting traditional management style in managing their diverse workforce ((Loosemore & Al Muslmani, 2012). Most project managers traditionally plan their leadership style to deal with a diverse workforce through faster giving out of orders, rigid rules, continued supervision in organizing and strict controlling the diverse workforce (Hofstede, 2013).

Whenever foreign contractors engaged in construction projects in different countries, they face many challenges. Among challenges faced by foreigner, barriers caused by cross-cultural differences are among the most critical barriers due to the different cultures in the host countries (Chan & Tsi , 2003). These barriers have been affecting smooth implementation and performance of construction projects. The cultural difference is the core challenge when a firm does business globally because it would lead to problems and even make the international business fail (Reilly & Karounos, 2019).

The advantages of successful management of cultural differences has been addressed by many scholars (Fatehi, 2015). It can enhance organizational performance that leads to successful accomplishment of construction projects in the global market. Therefore, understanding and managing cultural differences in this industry are becoming an increasingly important topic, especially in construction projects which involve participants from different cultural backgrounds (Serkan , et al., 2008).

1.2 Statement of the Problem

Mega–construction projects in developing countries usually require capable foreign contractors. Consequently, cultural differences with the host countries significantly impact their performance. The greatest sources of challenge in such construction projects are: (a) “Local institutions”; (b) “Work practices”; and (c) “Differences in professional cultures” (Mahalingam et al. 2005). In addition to this, the nationality of laborers has been identified as one of the major causes of delays in large construction projects like in road construction projects. (Assaf & Al-Hejji, 2006)

Cultural difference can be a major source of conflicts arising from differences in: language, cultural background, nationality, and differences in practice (Okolie & Okoye, 2012). These workplace conflicts are due to ineffective communication among labor coming from different culture. As stated by Jung (2020), Cultural differences has been identified as the source of increased stress levels, reduced job satisfaction, conflict, and increased workplace relations difficulties.

Previous studies by different such as Beckers & Bsai (2018), had confirmed that the attitudes and performance of labor working out of their home countries are greatly influenced by their national cultures, differences that exist between these national cultures, and the local culture (Zuo & Zillante, 2017). Intercultural communication has become a challenge to foreign construction firms as they now struggle to standardize their methods of communication. In addition to that, there has been evidence of a correlation between cultural difference and reduced labor performance (Syed, et al., 2020).

1.3 Research Questions

To answer the main research problem above, three research questions were addressed;

1. What are the barriers that foreign road contractors faced due to cultural differences in road construction projects in Bench Sheko and Sheka zones?
2. What are the effects that barriers caused by cultural differences brought to foreign road contractors' performance in road construction projects in Bench Sheko and Sheka zones?
3. What strategies shall be adopted to manage barriers that foreign contractors faced due to cultural differences in road construction projects in Bench Sheko and Sheka zones?

1.4 Research Objectives

1.4.1 General objective

The general objective of the study is to analyze the impact of cultural differences on foreign contractors' performance in the case of road construction projects in Bench Sheko and Sheka zones in Ethiopia.

1.4.2 Specific Objectives

- To determine barriers that foreign road contractors faced due to cultural differences in road construction projects in Bench Sheko and Sheka zones.
- To determine the effects that barriers caused by cultural differences brought to foreign road contractors' performance in road construction projects in Bench Sheko and Sheka zones
- To determine strategies to manage barriers that foreign road contractors faced due to cultural differences in road construction projects in Bench Sheko and Sheka zones.

1.5 Scope of the Study

The scope of this study is limited only on the road construction projects executed by foreign contractors in Bench Sheko and Sheka zones. The study focuses only on the analyzing the impact of cultural difference on foreign road construction companies. Due to the time and resource

shortage, the study only focused on road construction project being executed by foreign road contractors in Bench Shekon and Sheka zones in the southwestern part of Ethiopia. Even though many studies have been conducted on other topics in Ethiopian topics, no prior studies have been conducted on the impact of cultural difference on foreign road contractors and this also created some limitations on the study.

1.6 Significance of the Study

The research findings may help mainly foreign road contractors engaged and will be engaged in road construction projects in Ethiopia. It can improve cross-cultural and multinational management capabilities; multinational corporations and enterprises can get some useful knowledge from this study. Besides industrial relevance, the survey findings will also have an academic significance for future studies on the area.

CHAPTER TWO

LITERATURE REVIEW

2.1 Definition

2.1.1 Culture

There are many definitions of culture. According to the definition by House, Abdullah & Marican (2017), culture is defined as shared motives values, beliefs, identities, and interpretations or meaning of significant events that result from common experiences of members of collectives and are transmitted across age generations. In general, culture is considered as the accepted behaviors, customs, and values of a given society (Dlabay & Scott, 2017). Rodrigues (2019) defined culture as a set of ideas, beliefs, behaviors, and attitudes of individuals which are learned while being together with others. Culture represents certain factors acquired from being part of a group, such factors includes: knowledge, customs, beliefs, language, religion, and any other habits acquired from being part of a group (Liu, 2015), each of these factors have their own positive and negative impacts on organizations.

Culture is all the achievements of a particular society which are transferred from one generation to the next. This includes a set of rules, concepts, terms defining specific behaviors. Culture has the following characteristics and features: dynamic nature, behaviors, values and attitudes, which are present in the minds of all the people living within a particular culture (Matsumoto & Juang, 2012)

2.1.2 National Culture

National culture is defined as the “software of the mind” that is comprised of values, attitudes, beliefs, norms, and behaviors of any particular nationality (Hofstede, et al., 2010). According to Hofstede’s definition, national culture is software that can be acquired through family, school, and workplace. Therefore, culture is a reflection of the reality in which an individual lives. It is argued the national culture of any country is comprised of patterns of experiences, education, language, religion, and geography (Ali, 2006).

According to Bik (2010) national cultures are created by different forces such as history, language, wars, and religions. These forces can shape the culture of any country. From the earlier definitions one can conclude that national culture has deep roots in every human.

2.2 Cultural Dimensions

Hofstede's multicultural study is the most widely used model of cultural syndromes. Hofstede focused on the matters concerning work-related attitudes (Harris, et al., 2015). These dimensions are:

- Power Distance
- Individualism versus Collectivism
- Masculinity versus Femininity
- Uncertainty Avoidance
- Long-term orientation

2.2.1 Individualism versus Collectivism (IDV)

Individualists reign from North America, Europe and Australia. Individualists are described as independent, self-contained and autonomous. Managers from individualist countries tend to be more results-orientated when it comes to employee relations and who value individualism and achievement. Collectivists, on the other hand, are countries such as Asia, Africa, South America and the Middle East. In these countries, family relations are very strong and loyalty in the workplace is of high value (Maude, 2014). Collectivists look towards a harmonized group, as opposed to individualists who do not look down on overt conflict and disagreeing is acceptable (Harris, et al., 2015).

The employee and employer relationship is a contract based on mutual advantage. Wrongdoing causes loss of self-esteem and guilt in individualistic cultures (Hofstede, 2013). West Africa, on the other hand, scoring at a low 20 is a collectivistic society. Loyalty is the paramount and society fosters strong relationships. Employer and employee relationships are linked to moral terms; promotions and hiring decisions are based on an employee's in-group. While wrongdoing in collectivist societies is led to loss of face and shame (Hofstede, 2013).

2.2.2 Power Distance (PDI)

Power distance, according to Hofstede, expresses the degree to which the less powerful members of a society accept and expect that power is distributed unequally (Hofstede, 2013). In high power distance countries, hierarchy and inequality is valued. This is where managers tend to not communicate on an equal level with their employees and opt for autocratic management

methods. These methods often lead to low levels of disclosure, openness and informality. Subordinates' style of communication is often deferred and managers have a condescending aura to them. In such countries, confrontation and conflict is highly avoided. As for Scandinavian and other northern European countries, people are more of equals and their managers consult employees. A high level of informality is practiced in the workplace (Maude, 2014). Unequal distribution of power within a culture is prominent when dealing with high power distance countries. It is studied that collectivist cultures tend to be more of high power distance (Harris, et al., 2015).

As Finnish score low on PDI, they are characterized as having accessible superiors and being independent for instance. As for West African cultures, the score is significantly higher at 77. This would mean, according to Hofstede, that within organizations reigning in West Africa, centralization is popular and characteristic inequalities. Subordinates are usually directed in what action to take and the ideal views of bosses are autocrats (Hofstede, 2013).

2.2.3 Uncertainty avoidance (UA)

When referring to uncertainty avoidance, it puts a question on the behavior of individuals when it comes to taking risks. Arab, German and Japanese are particularly high on uncertainty avoidance. By taking a view on the world in what we refer to as "black" and "white" terms. In the workplace, this would be reflected through less apt to promote innovative behavior. Low-uncertainty avoidance cultures, on the other hand, would more likely engage in riskier behavior. (Harris, 2018) Higher levels of anxiety have been noted and formal rules are implemented in high-uncertainty-avoidance cultures. People fear failure, take fewer risks, resist change, want job security and plan careers. Countries, which score lower-uncertainty-avoidance, are innovative and those of higher scores are experts in precision technology for instance (Maude, 2014).

Finland and West African cultures follow into the medium to a high score of UAI. The main characteristics of these cultures are time is money, work hard and stay constantly busy, precision and being punctual is important. Security also plays a role by being an important element in individual motivation (Hofstede, 2013).

2.2.4 Masculinity versus Femininity (MAS)

Another note-worthy cultural dimension is gender associated. Masculine countries are ones that value achievement, acquisitiveness and competitiveness. There are distinct roles for females and males in a high masculine country. It is also believed that it is easier for men to climb faster on the career ladder as opposed to females. In low masculine countries, it is an equal arena for both genders. Women can do what men can do. These countries show respect to females in high positions (Abeysekera, 2012)

Finland scores considerably low in masculinity. Finland is therefore classified as a feminist society, where can be found managers that strive for consensus, equality is valued, solidarity and quality in their working lives. Finns tend to solve conflict by means of compromising and negotiating. In the work environment, incentives such as free time and flexibility are favored. The overall focus on well-being and status in society is not shown. An effective manager in a feminist society is one that is supportive and decision-making is done through involvement (Hofstede, 2013). West Africa, scores higher than Finland, but is still considered relatively feminist. Similarities are found when comparing Finnish masculinity culture and West African. West Africans value an enjoyable working environment and good work relations are high motivators (Hofstede, 2013).

2.2.5 Long-term orientation

As for long-term orientation, Hofstede defines it as a society's search for virtue. Those with short-term orientation have a strong concern for the absolute truth and are normative thinkers. These societies have great value for their traditions. Those of long term orientation tend to believe that truth depends on a situation, context and time.

2.3 Elements of Culture in Global Business Perspective

Many components can be considered as elements of culture. These elements arise and are related to the beliefs and behavior of people. From multinational companies' perspective, a culture of every foreign country through its elements affects their business activities. The main elements of culture that may have an impact on the operation of multinational companies are (Vasudeva, 2017):

1. Attitude and beliefs – In every host country, there are norms of behavior based on attitudes and beliefs that constitute a part of its culture. The attitudes and beliefs vary from country to country. Multinational companies face a different set of attitudes and beliefs of a culture in each foreign country separately, and it influences all aspects of human behavior, providing organization and directions to a society and its individuals. Identifying the difference in attitudes and beliefs among various countries helps the multinational managers more easily understand people's behavior;

2. Attitude towards time - It refers to people's behavior about punctuality, responses to business communication, responses to deadlines and the amount of time spent waiting for an appointment. For instance, Americans are known to be punctual and the phrase time is money exactly explains their attitude towards time. In contrast, people from other countries may show more flexibility towards time. Analogically, multinationals operating in various countries should take into consideration these differences in attitudes towards time;

3. Attitude toward work and leisure - There are differences in attitude towards work and leisure among various countries. In some countries, people work much more hours than is necessary to satisfy their basic needs of living. This attitude is indicative of their views towards wealth and material gains;

4. Attitude towards achievement - Cultural diversity in the general attitudes towards work is related to people's achievement motivation.

5. Attitude towards change - Multinational companies should anticipate a difference in attitudes toward change between separate countries. Some consideration should be taken on key cultural issues, such what aspects of a culture resist change, how the process of change takes place in different foreign countries, how the areas of resistance differ among them, and how long it takes time for implementing same change;

6. Attitude towards job – The importance of certain profession in country significantly determinate number and quality of people who want and seek to join that profession. Consequently, if the business is considered as a prestigious occupation in some country, multinational companies will have at their disposal broader pool of local professionals.

The influence of culture on the operation of multinational companies is real and widespread. Multinational companies are affected by more than one culture at a time. Through their subsidiaries located in various countries, are exposed to different national cultures. Consequently, a certain multinational company builds its corporate culture based on the cultural differences that exist among the countries where it operates.

Therefore, it is very important for multinational companies to adapt their production, marketing, and sales activities depending on the culture of the given country. Culture in particular country directly, or indirectly, reflect on the achieved performance of multinational companies.

However, cultural differences among various national countries are often quite challenging for multinational managers. In order to carry out many managerial tasks successfully, it is very significant for them to acquire a cross-cultural proficiency. In addition to that, multinational managers should be also proficient in (Cavusgil, et al., 2015).

2.4 Culture and Organizational Performance

With the ongoing rapid globalization of markets and consumption activities, it has become critical that managers “develop understanding of decision making, intercultural negotiation and cross-cultural communication” lest there be conflict when the company operates internationally (Mba, 2015). According to Kotter (2011), foreign business firms face an inevitable conflict with culture, corporate social responsibility, and operating practices of local employees whenever operate business in different and unfamiliar operating environments, with often very different practices than the company’s host country. Often managers are able to manage these challenges and subsequent conflicting behaviors with advanced understanding and intercultural communication skills (Handler, 2016).

Efficiency and competitiveness are at the forefront of the ideals structuring relations among employees in the modern corporate workplace. When problems or tasks need addressing, especially in a multicultural workplace, issues of communication and transmission of ideas becomes the primary conflict (Angouri & Glynos, 2016). Such a breakdown in the communication process is a threat to a MNC’s competitiveness. Cultural differences the manner of communication, the power structure of that particular culture, and the view of teams in the workplace can easily hinder team efforts to complete jobs and solve important problems. Substantial cultural research expresses the view that “problems or clashes are only to be expected

when distinct cultures come into contact with each other,” which is why this particular conflict needs to be addressed by Multinational Corporations. Thus, international management practice has become highly influential in this space. Work by Hofstede, Adler, and Trompennars researched about these cultural differences and helped to influence the current practice of international management. Examples of the application of Hofstede’s work in particular will be detailed in the analysis of three major multinational companies.

National cultural differences are only one facet that creates significant conflict in the globalizing world. Different internationalization strategies such as acquisition or joint ventures present the issue of the clash of corporate or organizational cultures. Corporate culture differs on two levels: the values of the organization and the patterns and behavior of the organization (Kotter, 2011). Because of this, conflict in an organizational setting can arise quickly and be hard to overcome. One specific way that this type of culture can create conflict is at the individual level. If employees of the company do not agree on a fundamental level of the values of the organization, there is often conflict among employees and their “fit” in the organization (Handler, 2016). Person Organization fit, or the “the congruence of an individual’s beliefs and values with the culture, norms, and values of an organization,” is a difficult concept to measure but can negatively impact employee performance (Handler, 2016). In terms of team optimization, this Person Organization, fit is crucial. To maximize the performance of any given team within a company, each individual member must feel connected to the organization and be performing optimally. P-O fit is the easiest predictor of employee tenure with a company and can thus show the return on investment of internal and external hiring practices (Handler, 2016). “Turnover of key members, rapid assimilations of new employees, diversification into different businesses, and geographical expansion” can impact the corporation’s inherent culture and a strong corporate culture is part of a company’s key to success (Kotter, 2011).

The breakdown of a corporate culture or mismatch of employee values and company beliefs can severely impact the organization’s productivity and thus profitability in the long run. It is clear that cultural differences are a huge source of conflict for Multinational Corporations. From the need to address simple cross-cultural communication errors to larger issues such as the exploitation of a certain country for company profit are often problems handled by international management teams and human resources officers. Diversity of culture and the impact on human

resource policies has increasingly become an important topic of discussion as it can be a way to mitigate some of the conflict of cultural differences in MNCs.

Aluko (2003) conducted a research on the impact of culture on organizational performance in a selected textile firms in Nigeria. The author has set four different objectives for his study and one of the significant is clearly identifying the cultural variables that could affect the organizational performance. According to the author culture is a key element in the society, which could explain the nature of social context. In order to carry out the research the author has used qualitative and quantitative methods. The main finding of the research was that other than the cultural elements the workers of the textile had their own way of living their industrial life. During the study the author has found out positive attitude towards work, low labor turnover, low level of absenteeism and positive feel about the working environment. One of the main reasons is that there are other factors that could affect the organizational performance. Other factors are namely technology, economic situation, and environmental changes. Furthermore size of the organization, organizational structure and style of the management also will play a role in the organizational performance. At the same time the main study shows that there is an adequate amount of relationship between cultural variables and organizational performance.

Abdullah, A., & Marican, S. (2017) conducted a study organizational culture and its impact of the organizational performance in the American, Japanese, European and Malaysian Multinational Companies, which are operating in Malaysia. The research was conducted with the support of various empirical studies and models that are related to culture and organizational performance. The primary objective of this particular research is to provide the insights about the culture and how it will increase the performance of an organization.

2.5 Cultural Dissimilarity and Productivity

Cultural dissimilarity is said to have varied effects on diverse key performance indicators. Mathews (2015) purported that deficiencies in cultural diversity programs has implications for not just productivity but also organizational profit. Richard, Barnett, Dwyer, and Chadwick (2013) purported that when there are inadequate measures in place to address cultural diversity it is likely to result in missed business opportunities, which in turn result in reduced profits.

In their study regarding cultural diversity and its effect on productivity within the manufacturing sector in Germany, et.al (2018) had mixed results. They introduced the matter of cultural fractionalization, positing that this would help to determine the impact on productivity. They indicated that while some studies examined the impact of cultural diversity on productivity, insufficient attention was placed on cultural fractionalization, which is the number of various cultural groups. Sparber (2019) purported that cultural diversity is often associated with several ills including but not limited to societal unrest, violence, and mistreatment of individuals. The divisive impact of cultural diversity is supported by Easterly and Levine (2007), who purport that a move from absolute heterogeneity to absolute homogeneity can account for as much as a 380% increase in corporate income.

Ottaviano and Peri (2006) sought to examine the effects of cultural diversity by examining several United States cities that were popular for their recipients of migrants. The study focused on the effects to the economy of these cities to determine whether productivity increased or decreased due to the spate of migration within the cities. Specifically, the study focused on rent and wages as indicators of the economic performance of the cities. The results of the study indicated that United States residents were more productive based on the cultural diversity within the cities that ensued from the migrant population.

There is also a train of thought that diversity increases the effectiveness of teams. Diversity is said to increase the creativity and innovative thought process of teams based on the introduction of new perspectives and hence new ideas (Robbins & Judge, 2017). Lazear (2017) concurred with this view

Sparber (2019) conducted a study of various industries across the United States in an attempt to better understand the impact of cultural diversity on productivity. The results of the study supported the notion that there are positive implications of cultural diversity. In particular, he indicated that decision making benefits directly from cultural diversity based on the increased insights that accrue from the variety of perspectives gained from a culturally diverse working environment.

Syed et al. (2020) sought to obtain information on the perceptions of local Jordanian employees in respect to the performance of expatriates in multinational companies in Jordan. They identified a lack of research on employees' perceptions of expatriates' performance as a gap in the literature that their study would address. Additionally, they identified a lack of

research on human resource issues in Jordan as another gap that the study would address. Of note, the perception of the host country employees was considered important as it had implications for trust, productivity job attitudes, and expatriates success.

The methodology employed for Syed et al. (2020) took the form of a survey administered to 98 Jordanian employees of three Jordanian based multinational banks. The sample had employees from various hierarchical levels within the organization. A mixed method approach was taken with both qualitative and quantitative questions. The results of the study revealed great disparity in the perceptions of the participants. Overall, there seemed to be consensus that competence was more important than nationality in predicting management success. Notwithstanding the aforementioned, the results also revealed the need for expatriates to receive cultural sensitivity training as there was consensus that the expatriates were often insensitive to the culture of the nationals.

2.6 Barriers Caused By Cultural Differences

According to the Farmer Richman Model (2002), Barriers are the problems caused by cross-cultural differences, such as conflicts and misunderstandings. Wild and Wild (2012) identify three barriers in international construction projects: the language barrier, business etiquette, and religious difference.

2.6.1 Language barrier

Barthorpe, et al., (2016) claim that individuals speaking a different language will influence international business, directly and indirectly, both horizontally within a project and vertically across projects and organizations. Hofstede (2013) also strengths that one bad translation, which involves at least two different languages, may invalidate the communication within two countries. A language barrier increases the cost not only because it gives rise to the money and time spent on translation but also disrupts its relationships. Thus, impacting the project's daily worked even the whole project strategy (Hall, 2019). Physical gestures cause most misunderstandings among people because their meanings could be completely different in different cultures (Wild & Wild , 2020).

2.6.2 Business Etiquette:

Business etiquette is a barrier because of cultural differences in proper behavior rules, such as greetings, dining, and dressing. Martin & Chaney (2012) define business etiquette as “the behavior, manners, and protocol established by convention as acceptable or required in a business or profession.” Lack of business etiquette knowledge could be costly when building international relationships (Martin & Chaney, 2012). For example, the French like to check kissing when greeting, while the Chinese cannot accept it. However, they also state that improving the innate ability to adjust to another culture through training can build a good business relationship.

2.6.3 Religious Differences

Different countries have different religions. As Ricks (2009) claims, religious differences are constantly causing problems for international business. For example, beer and pork are forbidden for Muslims, which could be normal, even favorite food and drink. Feldman (2007) also argues that as religion directly affects people's views toward things, it is easy to cause disagreements, intolerance, or even conflicts.

2.7 Cross-Cultural Values Comparison between Some Pre-Dominant Nations in Global Business and Sub-Saharan Africans

2.7.1 Chinese and sub-Saharan Africans Cultural Difference

Today, there is about a thousand of Chinese companies have been relocated to Africa in retail shops, mining, oil exploration as well as construction. However, according to Herbert Jauch (2009) reports on the working conditions among Chinese companies in Angola, Botswana, Ghana, Kenya, Malawi, Namibia, Nigeria, South Africa, Zambia and Zimbabwe; researchers found a “common trait” of the Chinese companies being “among the worst employers everywhere”. Thus, it is important to understand whether it is just a question of cross-cultural misunderstanding within these companies or they are based on other external factors. Numerous studies have been published about Chinese investments in Africa, but not yet or quite few on the Sino-African cross-cultural values and Human Resource Management outlooks, which constitutes an important research gap and justifies the present study. As mentioned above, in addition to its ancestral culture, while Africans have been influenced by Occidental civilizations during the colonization, Chinese have inherited from Confucianism, Buddhism and Shintoism influence. Consequently, it is obvious that these two cultural backgrounds are distant enough to

allow cultural differences to be easily observed. This paper attempts to offer a comprehensive overview of these two heterogenic cultural backgrounds and to assess an in-depth analysis of their cross-cultural values, convergences and differences.

2.7.1.1 Affiliation and Identity

Africa is the most heterogeneous continent in the world-linguistically, culturally, and ethnically. In business, identity in Africa can be a complex and sensitive issue. Primarily, identity in Africa still revolves around ethnic affiliation; expatriate managers need to tread carefully around personal questions as conversation starters, particularly as they may relate to ethnicity, which constitutes a sensitive subject in Africa. Identity among “black” Africans is based on ethnicity, linguistic and geographic affiliation as opposed to race or nationality. For example, “ethnically speaking,” an African may be in this order Lari (ethnic group), Kongo (linguistic group), South or North (Regional appurtenance), Congo (nationality), Central African (regional affiliation), and African (ancestral origin) all at once. Awareness of these distinctions is essential in designing strategies to deal effectively with local counterparts. Diversity is not about race, since over 90% of the population is black African; it is instead based on membership in a variety of ethnic groups. For example with its 3.8 million people, ethnologist recognizes 62 spoken languages in the Republic of Congo, 15 principal ethnic groups with more than 70 subgroups. Being aware of language differences, status differences, various ethnic perceptions, and stereotypes may make a competitive advantage possible into this marketplace. The choice of business partners to represent a company to the general populace stays a sensitive issue.

However with its 1.3 billion people, Chinese can be divided into 56 ethnic groups, with the major called “Han”. Ethnologist recognizes 292 living languages within them. Even though, there exist great differences in terms of political, social and economic dimensions between the mainland Chinese and from other places where Chinese culture dominates, there is still possible to identify certain core cultural values that have been held in common by the Chinese people, no matter where they live; mainland China, Hong Kong, Taiwan or overseas. These core values are unique and consistent, shaped by a tradition of four thousand years of history and maintained by the same written language. These values distinguish them not only from African or Western cultures, but also from other Eastern cultures such as Japanese or Korean culture. Chinese cultural values and identity are shaped on three major categories: traditional culture, communist ideology, and more recently western values. The traditional Chinese culture encompasses diverse and

sometimes competing schools of thought, including Confucianism, Taoism, Buddhism, etc. Nevertheless, it is undisputedly that Confucianism is the most influential thought, which forms the foundation of the Chinese cultural traditions and still provides the basis and norms of Chinese interpersonal behavior in business and daily life.

2.7.1.2 Collectivism vs. Individualism

A popular African axiom says: "Go the way that many people go; if you go alone, you will have reason to lament". The African idea of security depends on personal identification within the community and thus individuals must go where the community goes. With regard to Kongo people (from the kingdom of Kongo), people should go to the "Mbongi" or "community centre", which represents a social, political, judicial and religious centre; beyond the community "stands the void in strong and ever present contrast. Outside this ancestrally chartered system there lay no possible life; a man without lineage is a man without citizenship, without identity, and therefore without allies...and thus, a man outside his clan is like a grasshopper which has lost its wings". Africans believe that individuals who live communally are protected.

Therefore, individualism as an ideology of life is not encouraged; living together as brothers and sisters express the extended family system in Africa and a person can only be truly safe in a safe community. As noted by (Biko, 2008): "Poverty was a foreign concept. It never was considered repugnant to ask one's neighbors for help if one was struggling. In most cases there was a mutual assistance between individuals, tribes, chiefs and kings; even in spite of war". Thus, in ancient time, community may have poor people but not beggars. The solidarity was fostered to bring the community together. Regrettably, as noted by Miahouakana (2008), because of this loyalty toward the community attachment, many Africans still clasp on their leaders even though these latter have demonstrated critical derives on their leaderships. However, if the communal life is encouraged among Africans, the collectivism characterized the core of the Chinese human relationships. Hofstede (2013) indicated that Chinese as well as other Asian people are collectivism. Collectivistic people view themselves as an integral part of in-group such as the family and co-workers. Maintaining harmony within an in-group is often regarded as a duty of all group members. An important concept relevant to in-group harmony is face. Giving face to others (showing respect) and avoiding losing one's own face (being humiliated) help maintain in-group harmony. Thus, according to Hu (2014), losing face would make it difficult for a person

to function properly within the community and constitutes Chinese interpersonal behavior in business.

2.7.1.3 Human Relationship and Reciprocity

In Africa, the philosophy of life is characterized by “live and let’s live together”. Relationship between individuals recognizes their worth as human beings, and not only what they possess or they can do for each other. However, in terms of reciprocity, people should help one another without demanding immediate or an exact equivalent remuneration. Everyone is mindful that each person has something to contribute to his welfare, sometimes and somehow. The art of dialogue and conversation is a cherished value in African human relationship. People freely discuss their problems and look for suggestions and solutions together. The unwillingness to talk to people about either private or public affairs can be interpreted as bad manners or sign of enmity. Above all Africans believe that he who discusses his affairs with others hardly runs into difficulties or makes mistakes in the execution of his plans. According to Kongo people (Miahouakana, 2008), anyone who seeks public opinion does not enter into trouble, and the one who tells people what he does never suffers mishap. Discussions should respect individuals’ sentiments; hence conversations that may cause misgivings should be avoided.

Human relationship among Chinese pulls its doctrine on the Confucianism. It is basically the behavioral or moral doctrines that teach and influence human relationships, social structures, virtuous behavior and work ethics. In Confucianism, rules are spelled out for the social behavior of every individual, governing the entire range of human interactions in society. According to Chen (2017), the basic of Confucius orientation is distilled into five constant virtues: humanity, righteousness, propriety, wisdom and faithfulness, which defined the basic of human relations and principles called. These relationships are structured to deliver optimum benefits to both parties. Among these five principles, three are family relations, which clearly show the importance of family in Chinese society and account for its paternalism, which particularly lead to a paternalistic management style. Confucian “Doctrine of the Mean” encourages people to avoid competition and conflict, and maintaining inner harmony as well as to adopt a non-assertive approach to conflict resolution. Chinese believe that once a relation is established, it should not be easily broken. Guanxi (relationship) represents the main catalyst of the Chinese business and it cannot be sustained between two parties if there is no need of reciprocity. It is true that the concept of reciprocity is universal but in case of Chinese people it has a particular

salience. When internalized in both parties, the norm obliges the one who has first received a benefit to repay it at a later time. Consequently, there may be less hesitancy in being the first but the transaction will only take place once there is a mutual benefit for the involved parties.

2.7.1.4 Hospitality and Trust/Mistrust

Hospitality is one of the main African values, which is still alive among Africans. Africans easily incorporate strangers and give them lands to settle hoping that they would leave one day, and the land would revert to the owner. For Africans, the person cannot be completely opted out of his original community. Therefore, strangers are always warmly welcomed into their community. For instance, "In the traditional African culture, whenever there is food to be taken, everyone present is invited to participate even if the food was prepared for far less number of people without anticipating the arrival of visitors. It would be a height of incredible bad manners for one to eat anything however small, without sharing it with anyone else present, or at least expressing the intention to do so". However, visitors should not take advantage of their hosts. A Kongo proverb says: "Ĝhaba dila, kaba neninaka roko", which means, "You should not hurt your host from where you have been eating." Guests should not harm or leave bad impressions to their hosts since you may never know if you will need again their assistance. This concept depicts somehow Africans attitude toward business.

However, it is obvious that for Chinese people, chronic suspicion prevails. Chinese appear to be quite suspicious and cold toward strangers with whom relationships have not been established. Nobody could be trusted except one's kinfolk in the form of the extended family. Consequently, the social network is first consisted of family members, relatives, friends, classmates, and colleagues, which represent the immediate sphere on which trust is established and developed. Such obsession in trust defines the behavior of Chinese people in business, and why most important key positions within Chinese organizations are mainly supervised directly or indirectly by them. During the transactions a deal of adulteration of goods is practiced, weights and measures are juggled. To protect one's interest and ensure that opportunistic behaviors such as cheating are kept to a minimum, trust must be established before any serious business relationship can be cemented. Trust-based is the alternative to the market which is often characterized by opportunistic behaviors. They believe that exchange relationships based on personal trust will survive greater stress and display a better adaptability. Contrary to Westerners

or Africans, for Chinese once the trust is established between both sides, it is not necessary for transitions to be sealed by a formal contractual assignment.

2.7.1.5 Religion and Beliefs

It has been admitted by many authors that Africans do not know how to live without religion. The traditional African society was almost characterized by the absence of atheist; religion in the indigenous African culture was incorporated into the society's institutions. It was and stills an integral part of the entire culture. For Africans, religion is something practical; each action is reflective to one's religious concepts and practices. It is the basis of the social morality. They do not make any attempt to separate the two; and it is impossible, for them to do so without disastrous consequences". The traditional African culture tailors on it moral and religious attitudes. Thus, "the ancient African was far from being an abode of laissez-faire morality. There were strict moral principles and determined code of conduct, which established the nature of right-doings, and custom established penalties and taboos against malefactors. Moral sanctions were mainly religious sanctions and were effective". The religion has also been the core of traditional Africans' life, no matter on whom they believe or attached their faith. However, Chinese are characterized for having a deep belief in the forces of death and of a life after death. In the ancient time, from emperors to peasants, life and death were inseparable and continuous.

One reason is that the Chinese believed their ancestors' souls could treat them well or harm according to how good or poorly they revered them. Post-mortem rituals that society today regards as ancient Chinese religious practice were merely threads of everyday life, interlaced into a cultural fabric as spiritual as it was secular. Chinese religion is not like attending church, synagogue or mosque, but rather carrying out duties that honored previous generations of one's kin. Imperial tombs were filled with fabulous riches, sealed with human sacrifice in the earlier dynasties, at least and guarded like the palaces of the living. Peasants, meanwhile, buried their dead with far more modest accompaniments: crops from their farm fields or other symbols of goodwill, but no less devotion. Intermingled with such piety are beliefs in spirits that governed the stars, weather, forces of nature, animals, etc. Despite a strong cultural emphasis on magical and mystical forces, ancestral worship is not merely folk religion. Chinese monarchs believed imperial ancestors dwelled in heaven with a supreme spirit and ruler called "Di", who also determined the fate and success of each royal administration.

2.7.1.6 Time and Time Perception

In the African culture, time is polychromous; a person can do three or more things within a given period simultaneously. In a typical village, a woman could be at the same time cooking, preparing her cassava, attending to her baby, and would also be prepared to attend to any other duties coming up. Combining several responsibilities is one of the cultural factors stimulated by the communalism life in Africa. Therefore, the time should be controlled by the man but not to be controlled by the time. This does not mean, nor imply that Africans have no sense of punctuality in their concept of time; as it is common to hear about the "African time"; i.e. the absence of punctuality. Nevertheless, according to traditional Africans, time can be socialized and should be programmed into socio-cultural norms of human behavior and inter-personal relationships. Therefore, the death of one person in the neighborhood could change appointments previously taken even for business purpose. The time is first related to the social obligations and comes later the professionalism. An African proverb says: "where the runner reaches, there the walker will reach eventually". The most important thing is to arrive; beyond these social obligations, Africans do have and conceive the time in the punctual sense; however they do not sacrifice social duties and human relations on the clock-time punctuality.

General speaking, Chinese are quite punctual, but the time conception of Chinese has other connotations. It implies on duration of carrying out a relationship. Once a relation is established, it is hard to break and once broken, it is very difficult to re-establish. Continuity indicates that Chinese people are long-term oriented. Once *guangxi* is established, both parties will try their best to keep this relationship by reciprocating benefits. Chinese have a great respect of the past-time; it is represented by strong family traditions and worship of ancestors. They have a strong admiration of their culture, which survived several thousand years. According to Yau, Chinese are risks averse and less innovative since it was safer to follow the traditional proven methods, which have been worked for generations than to try new facilities, which could cause losses in business.

2.7.2 Intercultural Communication and Language

Samovar (2011), noted that different languages organize the world differently; no individual is free to describe with absolute impartiality because it must be constrained by certain modes of interpretation. Therefore, the same physical evidence does not lead all observers to the same picture of the universe, unless their linguistic backgrounds are similar. Contrary to Africans,

Chinese are portrayed to be non-verbal people. However, it is quite often in some African countries, business relationships are usually established rather based on friendships than business competitiveness. In Africa, the language still and represents a sensitive asset and it is often incrustated with proverbs, idioms, and riddles that can even make the communication more difficult to understand. An African proverb says “the stranger who returns from a journey may tell all he has seen, but he cannot explain all”; because to explain all, you must share the people’s language categories. Italians added: “Traduttore traditore”, which means, “translators are traitors”.

These sayings depict the complexity of the communication and how difficult it is to convey information coherently and accurately in intercultural environment. Thus, the relation between the interactional language and cultural values represent an important factor in business. It is obvious that the language represents the symbol of communication, however it is not possible to bring everything across language barriers; in other words there is no perfect translation; it nonetheless helps to determine how people encode messages, meanings, conditions and directives under which various messages may or may not be noticed or interpreted (Samovar, 2011). It is obvious that communication is the basis of culture, it is characterized by the verb and non-verbal language and substantially has consequences on cross-cultural management. Therefore, to succeed in cross-cultural environment, it is relatively important to have a basic knowledge of the cultural background of the country in which foreign companies are stepping for business, particularly in Sub-Saharan Africa. Biko (2008) observed, Westerners have in many occasions been surprised at the capacity of Africans for talking to each other not for the sake of arriving at a particular conclusion but merely to enjoy the communication for its own sake. Among other factors, one of the big cleavages between Africans and Chinese in the intercultural communication dwells on the conceptual way of thinking and dealing with things (Miahouakana, 2008).

2.7.3 Basic characteristics of Chinese in business

Although several scholars have analyzed the influence of cultural diversity on managerial issues in China (Hofstede 2013), and examined the role played by “relationship and of other fundamental Chinese cultural determinants such as: “family “or “social relationship”, “feeling”, “face” or “understanding” and “politeness” as well as “habits and customs”. Thus, Guanxi is characterized by the interpersonal ties and can be described as a personal connection, in which

an individual is able to convince another to accomplish a favor or service. As above-mentioned, guanxi is completed by other fundamental elements, which are also essential to consider such as: a) - Jiating, which particularly reflects Chinese family relations.

Faure and Fang (2008) noted that the family represents the foundation of the Chinese society and considerably influence Chinese behaviour; b) - Renqing represents the moral obligation to maintain the relationship and deals with the exchange of favors, in respect of social norms and behavioral patterns; c) - Ganqing reflects the depth of feeling within interpersonal relationships. According to Haley (2006a), ganqing plays a central role in maintaining and developing relations based on guanxi, and able to change impersonal business relationships into personal connections; d) - The concepts of Lian and mianzi are related to the idea of "face". Lian can be described as the confidence of a society in the moral character of a person, while mianzi represents social perceptions of the prestige of a person; e) - Lijie and keqi refer to custom and etiquette of empathy between two people; f) - Fengsuxiguan reflects tradition and past orientation of the Chinese society. Qian, et al. (2010) considered that tradition and past orientation might impact on the behavior of Chinese individuals. These characteristics define and symbolize some of the main Chinese cultural values, which influence cultural dimensions, beliefs, principles, and business behaviors.

2.7.4 Fundamental characteristics of Africans business

As written by Geert Hofstede (2013), "Culture is more often a source of conflict than of synergy. Cultural differences are a nuisance at best and often a disaster." This study has summarized some guidelines and principles leading to specific conduct toward Sub-Saharan countries; knowledge of these principles is not only helpful, but also critical, to succeed when operating in this business environment. They could also be stated as the core of African management principles based on the concept of Ubuntu (Mbigi, 2015), original came South Africa means "humanity toward others". They represent managerial strategies including paternal leadership, management practices, consultation, and HRM's core root and allow you to gain insight into the cultural intricacies of managing business in Sub-Saharan Africa: —Humanity is a shared value in which personhood exists within a group context, only in so far as person values. Rooted from this principle, modern African companies are structured so that every team member is given a meaningful role to play. Concern revolves around team rather than individual interests. Personal achievement is underplayed in favor of group achievement (Booyesen, 2015); Employee teams

work most effectively, achieving cohesiveness and solidarity, by working toward a common purpose (Mbigi, 1995). The business management system is rooted on the traditions and ideals and many African organizations are often structured like families owned business -reflecting the regional history, ethnic origins, linguistic structure, and even the family background of the founders (Fadiman, 1994). Africans are motivated to work in teams and are loyal to their own group. Emphasis is placed on collective decision-making. Conformity, collaboration, and cooperation are encouraged (Booyesen, 2015). Competition is discouraged, as is individuality; — Stress is placed on maintaining peace and keeping conflict to a minimum by promoting internal, communal, and familial harmony (Southerton, 2018).

Thus, interconnectedness and communal relationships, dignity, and mutual respect are very highly valued;-African companies are often structured like African families and, therefore, organizational leaders and managers tend to behave with paternal responsibility toward their staff members. The leaders are expected to be more supportive and even somewhat intrusive, providing advice on matters both personal and professional, and also to be more parental by nature, working to maintain group harmony, solving employees' personal problems, and generally to be considerate and helpful. In addition, they should exhibit the capacity of facilitating collective decision-making, exercise strong listening and problem-solving skills, and should also respect and encourage groups' loyalties;-The age of the person is important to consider when operating in business area. In the business relationship, the age of the subject constitutes an important factor; while advanced age is inherently equated with authority, business wisdom, rank, title, and experience. Thus, an older person automatically holds a certain level of superiority, regardless of rank, title, or education;-The time standards are ambiguous, and thus require flexibility on the part of non-African managers. Western time restrictions and deadlines do not apply, and must be unfortunately a bit fat. As mentioned previously, Sub-Saharan Africans have an acute sense of solidarity and communal life. A clear perspective of this value provides deep insights into the principles that drive business practices, behavior patterns, and communication structures.

2.7.5 South Koreans and Africans Cultural Difference

Just like Chinese and other countries construction companies, South Korean construction companies are also predominant foreign construction companies engaged in specially road construction projects in Africa and in Ethiopia. The difference among the south Koran and African culture is compared with different cultural dimensions below.

2.7.5.1 Power Distance and Hierarchy in South Korea

As stated in Geert Hofstede Cultural Dimensions, Power Distance Index (PDI) that is the extent to which the less powerful members of organizations and institutions (like the family) accept and expect that power is distributed unequally. This represents inequality (more versus less), but defined from below, not from above. It suggests that a society's level of inequality is endorsed by the followers as much as by the leaders. Power and inequality, of course, are extremely fundamental facts of any society and anybody with some international experience will be aware that all societies are unequal, but some are more unequal than others' (Sama & Papamarcos, 2016). Compared with the Geert Hofstede Cultural Dimensions of Africa, South Korea has higher power distance (Chaney and Martin, 2011; Sama and Papamarcos, 2000). This indicates that the society has higher level of inequality, and individuals and society in South Korea are more unequal than those in the Africa. The comparison of Africa and South Korean Geert Hofstede Cultural Dimensions explains the atmosphere what the African or other foreigners face in their daily business with Korean business partners or employees.

The high power distance/hierarchy does not only exist in the personal life, but also in the business world. Besides the way of name addressing, negotiations with Koreans also show the power distance. For example, senior Korean officials will not deal comfortably with a junior member of an African negotiating team, no matter how expert he/she may be. Koreans are extremely sensitive about titles and status, and those African s who wish to deal with senior Korean officials should have senior rank themselves (Alston, 2008). Therefore, in order to collaborate well with South Korean companies, African ones must be aware of the higher power distance, and show their respect by sending the right officials to successfully negotiate the deals. On the other hand, the senior manager is usually the decision maker. Junior staff may possess more knowledge of the issues in hand, so it is important to engage with them as well. They may not offer an opinion, however, until the senior member of staff has passed judgment (Chen, 2014). Therefore, African companies should focus on the decisions made by the Korean senior managers, and at the same time, maintain the contacts with the junior staff. It is suggested for the African companies to send documents, such as proposals, company brochures, and marketing materials, to the decision makers as well as the junior staff in advance.

2.7.5.2 Korean Confucianism and Collectivism

Confucianism influences South Korean society very much in many different ways, such as the status, social contacts, relationships with others, etc. For example, Korean status is determined

by age, gender, education, family background, wealth, occupation, and political ideology. Social contacts determine success. Genealogy and backgrounds are important and determine how people are treated in the hierarchical society (Chaney & Martin, J. S., 2011). South Koreans tend to be very friendly, and their culture has a strong emphasis on group ties. An individual is expected to consider the benefits and interests for the whole group/community which he/she belongs to. The Korean society, as a collectivist society like many other Asian countries, requires people living in a harmonious “family”. Consistent with the concept of *Kibun*, people are not supposed to embarrass others or cause others losing face in public. People are expected to avoid disturbing others’ *Kibun* by considering the “family” as a whole. In other words, South Koreans are generally more group-oriented and collectivist. This is also shown in the comparison Geert Hofstede Cultural Dimensions chart of Africa and South Korea.

On the individualist side, it was found societies in which the ties between individuals are loose: everyone is expected to look after him/herself and his/her immediate family. On the collectivist side, it was also found societies in which people from birth onwards are integrated into strong, cohesive in-groups, often extended families (with uncles, aunts and grandparents) which continue protecting them in exchange for unquestioning loyalty. The word “collectivism” in this sense has no political meaning: it refers to the group, not to the state. Again, the issue addressed by this dimension is an extremely fundamental one, regarding all societies in the (Sama & Papamarcos, 2016). The score of 18 indicates that South Korea is a very collectivist society. This is manifest in a close long-term commitment to the member “group”, be that a family, extended family, or extended relationships. Loyalty in a collectivist culture is paramount, and over-rides most other societal rules and regulations. The society fosters strong relationships where everyone takes responsibility for fellow members of their group (Sama & Papamarcos, 2016).

The impact of this culture to South Korean business manifests especially in decision making and negotiations. Usually, it takes longer for South Koreans to make a final decision, because all of the members need to consider others’ opinions and values. The decision is based on the careful consideration of the interests of the whole team, and at the same time, maintaining the stable *Kibun* environment. Therefore, when negotiating with South Koreans, Africans or other Westerners should be aware of this culture, and be patient during the negotiation process, or be prepared that the negotiation process may take more than one meetings to complete the deals. They should also appreciate the collectivism, and think in terms of the good of the whole team, to successfully negotiate business with Koreans.

2.7.5.3 Personal Relationships for Doing Business

In South Korea, the personal relationships are essential for doing business, and usually established before the beginning of the business process. In order to be successful, it is vital to establish good personal relationships based on mutual trust and benefit. Korean business culture is firmly grounded in respectful rapport (Southerton, 2018). In order to establish the personal relationships, it is very helpful to be introduced by a mutual friend or acquaintance at the appropriate level. Once the foreign company is successfully introduced to the Korean one, it is important to send the relevant documents, such as proposals, company brochures, etc. to get the contacts. After establishing the personal relationship, it is suggested for the foreign company to maintain the relationship by continuously contacting the Korean company. Therefore, time should be allocated for this process, particularly during the first meeting, which is frequently used to simply establish rapport and build trust. Once good, solid relations have been recognized in South Korea, continuous reinforcement and maintenance is vital (Chaney & Martin, J. S., 2011). Foreign companies should be patient doing business with Korean ones, and take the business as a long-term one instead of one-time deal. The better and stronger the personal relationship with the Korean company, the more successful the partnership would be.

To more understand the personal relationships in South Korea, foreigners and foreign companies should be aware that it is a collectivist society. People are not comfortable doing business by individuals. In other words, Koreans are not willing to do business with a stranger without friends' introduction and support. By introducing and establishing the personal relationships, South Koreans would be more willing to consider the foreign company as a part of the group, and thus, they would collaborate for the interests and benefits of the whole group.

2.7.3.4 South Korean Business Etiquette

South Korea has its own unique business etiquette, and all of the etiquette is influenced by their unique cultures in some extent. Acquiring this culture is essential for foreign companies to do better business with South Korea. South Korean unique business etiquette mainly exhibits in six aspects, which are introduction, greeting, business cards, business meeting, K-Type management style, and gift giving.

In South Korea, introduction by a friend or a person in a company that you are working with is very important. Meeting the right people in a company almost always depends on having the right introduction (Chen & Hamilton, 2017). As discussed before in this paper, personal

relationships are one of the key cultures in doing business in Korea. Introduction by a third party is one of the personal relationships. Koreans are more comfortable doing business with those who they know and trust. Introduction by a third party implies to Koreans that the person/company they will work with are trustable, and thus, the business relationships between them could be more solid and last longer.

2.8 Culture within the Construction Industry

According to Newcombe (2018), the stakeholders within the project coalition interact with the project in two primary arenas; cultural and political, with the cultural arena represented by the ideology or shared values of the project participants. Cultural issues are therefore always at the fore (Ofori, 2016). In trying to give ore flesh to this cultural arena Abeysekera (2012) defined culture within construction to be about the “characteristics of the industry, approaches to construction, competence of craftsmen and people who work in the industry, and the goals, values and strategies of the organizations they work in”. In essence, culture within construction is about what is carried out, how and when it is done, who is involved and why certain things are done the way they are. The insight derived from Abeysekera (2012) is particularly useful as it fulfils the need to see culture through the eyes of construction industry members.

As demonstrated from the discussion so far, culture must be an important consideration for every organization in every industry. In construction, this becomes more critical because of the nature of contracting, internationalization of procurement, joint venturing, and the transfer and implementation of innovative philosophies and practices such as partnering, JIT management, Supply Chain Management and TQM from relatively more successful industries such as manufacturing and retail (Rely, 2018). As aptly stated by Hall (2019), the project-based arrangements that characterize the production of the built environment make the potential impact of culture even more pronounced than in any other industry.

The role of culture a number of important contributions have been made in support of this argument. It was also found to have an influence on the degree of participation and openness, approaches to decision-making, the quality of communications and working relationships (Hall, 2019), rendering otherwise successful managers and organizations ineffective and frustrated when working across cultures.

They demonstrated that any organization that wanted to carry out or manage a construction project successfully in another country had to understand the culture of the host country clearly. According to Ofori (2016) culture had an influence on the choice of foreign parties in joint ventures. Ngowi (2000) also showed the difficulties associated with the implementation of such foreign philosophies as TQM in developing countries, with their successful implementation usually requiring changes to the shared assumptions, frames of reference and understandings that most organizations have developed. This is because these philosophies and practices are invariably embedded with their own set of cultural beliefs, norms, values and assumptions (Reilly & Karounos, 2019).

Culture has also been found to be a potential source of competitive advantage by some researchers, especially in the face of increasing globalization through a survey of Australian contractors working internationally, Abeysekera (2012) found cultural awareness to be an element of competitive advantage.

At the project level, Soetanto et al. (2020) also found that quality of interrelationships between project participants ultimately determines overall project performance and individual participant performance. Although these interrelationships were not examined within the context of research into culture, it is reasonable to infer that culture must be an important factor. It also has an influence on the propensity for litigation (Feen, 2017), and the attitudes and behaviors towards such aspects as health and safety (Copr, 2018).

These influences can lead to positive or negative outcomes (Ofori, 2016), and to this extent culture merits serious consideration. However, research into these issues within the construction research community has been very limited and disparate (Ankrah & Proverbs, 2014). Whilst some industries have had the benefit of research drawing from the general principles and models espoused by culture researchers for industry-specific research, for instance food (Harries, 2012), quite a significant body of the existing literature on culture in construction tends to be anecdotal. Barthorpe et al. (2016) for instance presented a profile of the UK construction industry, citing the hierarchical structure, wage structure and confrontational nature of contracting as factors setting the tone for the culture of the industry, but failed to produce any systematic research to justify these role of culture assertions or to show the extent to which these factors impact the culture and output of the industry.

This and many other literature including renowned construction industry reports have highlighted the more negative aspects of culture within the construction industry, in particular traits such as being litigious, antagonistic, dangerous and dirty, sexist and discriminatory (Barthorpe, et al., 2016). This has fuelled the negative stereotyping of the culture of the construction industry. Whilst culture has a wider scope than suggested by these stereotypes (Abeysekera, 2012), there is little by way of systematic research into culture to show what the full extent of the culture of the industry is, and to examine empirically, the extent to which it affects the output of the industry. As Barthorpe et al. (2016) suggested, this provides a fascinating field of study of the industry within the context of culture.

2.8.1 The Influence cultural on Construction Industry

Cultural differences in international projects may be the key sources for wasted resources, schedule delays, and decreases in productivity. Kivrak et.al (2008) find out the influence of on construction project management practices including;

- Human resources management
- Knowledge management
- Communication management
- Safety management
- Time management
- Negotiation
- Risk management
- Quality management
- IT management

Construction Management

Baba (2008) found that strife and resistance was exposed when transferring and implementing an advanced construction management strategy from western nations, for example, the U.S.A. and United Kingdom in Asian nations. This contention and resistance was mainly caused by three types of culture differences:

1. Differences in traditional organizational structures;
2. Managerial differences; and
3. Differences in fundamental concepts and philosophies

Project planning plays an important role in construction management and this demonstrates the influence of national culture on the planning processes. The study focused on comparing the differences that exist between British and Arab project managers' attitudes and perceptions of planning. They concluded that the understanding of planning processes is impacted by the national culture of the project managers.

Risk Management

Zhi (2010) considered the influence of national culture on risk management for overseas construction projects. As indicated, risk factors at the national level can be classified into three categories:

1. Political situations
2. Economic and financial situations; and
3. Social environment

Cultural differences such as language barriers, religious inconsistencies, and informal relationships are the main causes for social environment problems. He mentioned that these risk factors could be managed, regardless of the fact that they are beyond the control of construction companies.

In a recent paper, Liu et al. (2015) conducted (Reilly & Karounos, 2019) an exploratory study to examine the influence of national culture on contractors' risk management practices. The authors argued that national culture differences impact the understanding and managing of risk.

Total Quality Management

Ngowi (2000) discussed the impact of national culture on the execution of total quality management (TQM) in construction firms. In the first study, there was some conflict between implementation of TQM and national culture. Ngowi (2000) presumed that a successful implementation of TQM in a specific culture required including the host cultural values.

Knowledge Management

Kivrak et al. (2009) reported that there is a direct relationship between culture differences and knowledge management in construction projects. They claimed that culture differences control knowledge transfer, knowledge sharing, knowledge capture, learning, and training. Along similar lines, Kivrak et al. (2009) examined the impact of national culture on knowledge sharing

in international construction projects. Both qualitative and quantitative data were collected from three international projects. Each project had multicultural construction professionals. They found that national culture is one of the most prevalent obstacles to knowledge sharing in these projects. Their findings suggested the following:

- Both high and low context cultures can impact knowledge sharing.
- Individuals from collectivist cultures share knowledge with people from their group more than with those from different groups.
- People with high MAS, PDI, and UAI face more problems in knowledge sharing.

Safety Management

Ali (2016) examined the influence of national culture dimensions on the safe work behavior of construction workers in Pakistan. After a series of analyses, a strong linear correlation was found between three dimensions of national culture and workers' attitudes and perceptions. Collectivism and Femininity was the primary national cultural dimension that had a strong positive correlation with the workers' attitudes and perceptions. Furthermore, UAI showed a strong correlation with the attitudinal factors. On the other hand, a negative correlation existed between PDI and workers' attitudes and perceptions. It was concluded that laborers working in environments with characteristics such as high Uncertainty Avoidance, low Individualism, and low Masculinity would have more safety awareness and beliefs that lead to safer work behavior.

2.8.2 Effects of cultural difference on construction project team performance

Comu et al. (2010) conducted an experiment consisting of 20 simulated project networks to examine the effect of both cultural and linguistic diversity on the performance of construction project networks. The results showed that the performance of multicultural project networks suffered initially, however, they learned fast and improved their performance throughout the experiment. It can be concluded that performance on international construction projects might suffer initially, but they will eventually achieve project success.

A similar study observed that cultural differences and inadequate management styles impede the success of multi-cultural project teams (Ochieng & Price, 2010). Additionally, Dulaimi and Haris (2011) examined the influence of cultural diversity on both project team performance and project management style. Their empirical study showed a negative relationship between national diversity and project performance. They found no significant relationship between

national diversity and project management style. Waziri and Khalfan (2014) found a direct relationship between national culture dimensions and the performance of Chinese construction firms working in Tanzania.

Ullah Khan (2014) studied the consequence of cultural assimilation on the performance of construction management teams for two Chinese contractors working in the United Arab Emirates. The study used Hofstede's five dimensions' model as its base theory. A comparison of the two projects revealed differences between the national culture of both Chinese contractors and the original Chinese national culture. Differences were also observed between the United Arab Emirates' national culture and Chinese contractors' national culture.

Construction Disputes

Chan (1997) observed the effect of culture on the management of construction disputes in China. In a second study, Chan and Tse (2003) concentrated on studying how culture impacts contractual arrangements, conflict causation, and dispute resolution. The study depended on findings from two different surveys conducted in 1998 in Hong Kong and 1999 in London. The results obtained from the study suggested that inappropriate contractual arrangements and cultural clashes are the most significant factors affecting international construction project disputes.

Construction Joint Venture

Joint venture is a widely used method for conducting international business in the construction industry. Therefore, studying the effect of culture on joint ventures is critical. In 2002, Swierczek studied how culture creates conflicts in an international joint venture. A project, that had managers from both single culture groups such as Malaysian was selected, Thai, and French, and multicultural groups of Europeans and Asians. Swierczek (2002) concluded that different cultural frameworks for joint ventures are the main source of conflict in international joint ventures.

The relationship between national culture and venture choice in the Singapore building and construction industry. They developed a model to examine the effect of cultural characteristics on foreign firms' choices of entrant. Their results showed that UAI significantly impacted joint venture partner selection when compared to socio-cultural distance. Ozorhon et al. (2008) however, suggested that both national culture and host country culture have a minor effect

on the performance of international joint ventures (IJV) but they also concluded that organizational culture had more influence on IJV performance.

Communication

Loosemore and Muslmani (2012) investigated the communication problems in international construction projects that result from cultural diversity between UK and Arabian Gulf nationals such as Saudi Arabia and the United Arab Emirates. For example, language differences were recognized to be one of the most important communication problems in international construction projects. Another cultural difference was the perception of time, values, technology, and uncertainty. Additionally Loosemore and Muslmani (2012) claimed that language barriers had impacted laborer's safety behavior because some laborers could not read safety notices.

2.9 Strategies Used to Manage Cultural Differences in Project Management

Cultural Exchange Programs

According to Mbemba (2016), cultural exchange include programs developed to assist people become intercultural competent through the use of repeated interactions. Other names or models synonymous with cultural exchange programs includes: cultural awareness consortia, cross-cultural partnerships, multicultural partnerships, diverse peer interactions, and diversity partnerships (Norviliene, 2016). Historically, cultural exchange programs originated from students from two schools who met, interacted, and continued relating with each other via letters and a few other visits (Wilby, et al., 2015). The development in communication technologies resulted in increased number of individuals/groups that now participate in cultural exchange programs (Wilby, et al., 2015).

Cultural exchange programs provides individuals the opportunity to interact with others from different countries and exposes them to different cultural nuances like cultural dances, foods/cuisines, artifacts, different histories and foreign language (Chen & Hamilton, 2017). Some employers promote the participation of their employees in intercultural activities as a means of developing employees; professional competence, intercultural understanding, to satisfy a particular recreational desire, and to expand their knowledge about different cultures (Pajtinka, 2014). Other reasons includes: to promote interfaith dialogue/understanding, spiritual Pluralism, inclusivity, justice, fairness, and peace (Chen & Hamilton, 2017).

Cultural Frame Switching

Cultural frame switching is sometimes employed by employees in multicultural workplace (Dulaimi & Hari, 2011). Frame switching occurs when a different cognitive and behavior frames are used by a person in a multicultural environment to switch to different cultural identities (Van Oudenhove & Benet-Martinez, 2015). The different frames may include the person's own cultural identity as one frame, and a more global multicultural identity as a second frame (Dulaimi & Hari, 2011).

The degree and ability to which the concept of cultural frame switching can be applied by individuals depends on: individual's intercultural competence, the value placed on one's own cultural heritage within the workplace, and the individual's desire to maintain relations with other groups (Swierczek, 2002). According to Van Oudenhoven and Benet-Martinez (2015), the specific personality factors that can be identified with an individual includes: (a) empathy, (b) respect, (c) interest in local culture, (d) flexibility, (e) tolerance, (f) technical skill, (g) open-mindedness, (h) self-confidence, (i) sociability, (j) positive self-image, and (k) initiative.

Cultural Adjustment

Three independent dimensions are used to measure the degree of cross culture adjustment: (a) work adjustment, (b) interaction adjustment, and (c) general adjustment (Al-Rajhi, et al., 2016). Work adjustment focuses on the individual's adjustment to a new job including new tasks, roles and work environment (Al-Rajhi, et al., 2016). Interaction adjustment focuses on both work and non-work interactions adjustments by an individual, while general adjustment is employed to indicate adjustment factors in new working cultures focusing on how an individual adopts to living in a foreign country including: housings, food, healthcare, and cost of living (Al-Rajhi, et al., 2016).

Black's model was developed in 1988 as a cultural adjustment model used for a new or different working culture, but focused on the impact which an individual's psychological comfort and familiarity has in a new host country (Gudykunst, et al., 2011). Using Black's model of adjustment, Al-Rajhi et al. Conducted survey based on Saudi Arabia work environment, and they discovered that the outcome were in line with other survey outcomes carried out in other countries using this same cultural adjustments model. In summary, their results revealed that cultural adjustment factors in the three categories of work adjustment, interaction adjustment,

and general adjustment are largely the same for an individual adjusting to the Arab Middle East culture as well as with those adjusting to other country cultures (Al-Rajhi, et al., 2016).

The Emergence of a Third Culture

Rodriguez (2019) posited that the process of developing relationships involving communications and exchange amongst managers and leaders from different national cultures, foster the redefinition of exchange relationships and the emergence of a third culture which is created in the process of various interactions and relationships. International strategic alliances are characterized by the presence of at least two interacting cultures and successful alliances depend on the creation of coherent and unitary culture that combines elements of the different cultures (Rodriguez, 2019). This emerging third culture requires renegotiation and synthesis of vital components of the original independent cultures, thus it is often more inclusive than the original component cultures.

Emotional Intelligence

Emotional intelligence (EI) is considered as one of the most important attributes for successful leaders (Rely, 2018), an organization is effective if it is able to identify and match leadership behavior with appropriate cultural expectations for different cultural situations. Reilly and Karounos (2019) examined EI leadership skills across different cultures and established a linkage amongst them. The authors identified five components required of an effective leader to include: self-awareness, self-regulation, motivation, empathy, and social skill. Thus achieving organizational success requires systematically studying and understanding the host cultural environment, global leaders should therefore align their leadership styles with the different cultural situations the face.

The Concept of Power, Tolerance and Respect

Ghorashi and Sabelis (2013) stated the importance of unravelling and reexamining power structures in the management of diversity in an organization, especially since power structures are capable of producing inequalities in organizations, even when inclusion of all is assumed (Van Laer & Janssens, 2019); The authors suggested that power analysis should form part of an integral approach to diversity management in organizations; they posits that minimizing cultural discrimination by altering the power equation is a necessary step towards achieving organizational CC. This may include: the sharing of power with minorities, the inclusion of

minorities in decision-making process, formulating multicultural programs and practices that are accorded the same level of value and priorities as other programs in the organization (Ghorashi & Sabelis, 2013).

Kotter (2011) identified tolerance as essential, especially in societies where people have profoundly divergent lifestyles; the definitions of tolerance are diverse; tolerance means the willingness to accept anything, including attitudes, opinions, or behaviors, that otherwise would not have been acceptable to a person or social groups. Tolerance has been discovered to be both a multidimensional and context dependent construct (Butrus & Witenberg, 2015), it is considered a multifaceted comprising feelings, beliefs, behaviors in relation to others with different perspectives. Lozano and Escrich (2018), considered “tolerance” and “respect” as two broad perspectives to managing the challenges of cultural diversity in organizations. The concept of respect is based on the recognition for equal human dignity, it is more inclusive and broader than that of tolerance; a person can tolerate something, but may not necessarily respect that which is tolerated. Ortlieb and Sieben (2017) considered “tolerance” and “respect” as the two broad perspectives for managing the challenges posed by cultural diversity in organizations.

The KSAOs Concept

The development of global leaders involves the integration of knowledge, skills, abilities, and other personality characteristics (KSAOs). Within the global leadership development context, individuals' KSAOs can determine the extent of effectiveness of a training and development activities. Rotational programs are some of the means to develop global leaders, designed to give high potential individuals the necessary exposure by allowing them to work in more than one foreign countries (Caligiuri, 2011). Developmental interventions should also consider those KSAOs necessary for individuals to succeed and also benefit from the intervention.

Among the KSAOs, knowledge has been described as the most mutable (Caligiuri, 2011) it includes culture-general knowledge, which is defined as the knowledge of societal-level values and norms. Skills are defined in the context of KSA as “practiced acts”, both skills and abilities are considered mutable, it includes intercultural interaction skills like foreign negotiation skills, or cross-national conflict resolution skills. These skills can improve over time as one learns from the various cultural interactions (Caligiuri, 2011).

Other personality characteristics included the expectations of humans to behave in certain ways, within a particular situation, in order to accomplish certain goals; five factors, named “the Big Five,” have been proposed as the taxonomy for classifying personal characteristics (Caligiuri, 2011). These factors have been found to be consistent across time, contexts, and cultures, they include: extroversion, agreeableness, conscientiousness, emotional stability, and openness or intellect. These factors are also considered as critical success factors for people who live and work internationally (Caligiuri, 2011). Personality characteristics requires individuals to be open and receptive to learning new cultures, initiate contacts with host nationals, to handle the peculiar stress associated with the environment of the host national. Management practice in Africa has some characteristics like teamwork and respect for relationships, however disconnection exist in the successful application of theories and models of Western origin in the African society (Reilly & Karounos, 2019).

2.10 Gap Identified Literatures

Even though many researches were conducted by different researchers on the influence of cultural differences on organizational performance, they are all mainly concerned with identifying the difference among cultureless using cultural dimensions. This research filled this gap through identifying the barriers caused by cultural differences and their effect on the performance of foreign construction firms. Plus ton that the research outlined important new strategies to manage cultural differences for successful accomplishment of road construction projects.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Area

The research is conducted on road construction project in Bench Sheko and Sheka zones in the Southern Nations Nationalities and People Regional State and the southwestern part of Ethiopia.

3.3 Research Design

The strategy followed in carrying out the research was started with problem identification which has been done through unstructured literature review, archival study and informal discussion with colleagues and professionals in the sector; and then the research design was formulated.

Following that, data and information sources were determined. Then the research instruments were decided on the basis of the data and information sources; and available documentary sources relevant to the research were reviewed. The review includes books, journal and articles, internet sources and archival documents.

A descriptive cross sectional exploratory survey design with quantitative research approach had been used in this study. It was attempted to collect data from the relevant population to analyze the impact of cultural difference on foreign contractors' performance and indicate strategies to manage barriers caused by cultural difference.

Finally, after an in-depth review of literature, a questionnaire was designed and distributed to foreign road contractors who engaged in road construction projects in Bench Sheko and Sheka zones. Upon obtaining the desired data, checking and sorting of data has been done for the selected method of analysis. It enabled to obtain the result followed by comprehensive discussions in order to draw a conclusion and to forward recommendations based on the finding of the research study.

3.4 Study Variables

Dependent variables: the variable that will change due to variations in the independent variable, or it represents the change in the situation studied.

- Foreign Contractors Performance

Independent variables: The factor that is measured, manipulated or selected by the researcher to determine its relationship to an observed phenomenon, or it is the cause for change in other variables.

- Language difference
- Religious difference
- Value and norms difference
- Attitude difference
- Customs difference
- Ethics and morality difference
- Thoughts and feelings difference

3.5 Population and Sampling Method

The research population was drawn from foreign road construction companies currently engaged in road construction projects in Bench Sheko and Sheka zones, in Ethiopia. A purposive sampling technique was used. Purposive sampling allows the researcher to choose respondents who have good knowledge about the subject in question. As much as possible attempts have been made so that the samples drawn from the population are representatives. Professionals include those reputed foreign experts who are currently engaged in the road construction projects in the study area.

3.6 Sources of Data

Data for the research was collected using both primary and secondary sources. The preliminary data was obtained through structured questionnaires. The secondary data was collected from both published and unpublished documents like thesis, journals, books, and different articles. The secondary data was used to get an insight into the problem and was used as criteria for developing and analyzing the primary data.

3.7 Data Collection Procedure

The strategy followed in the research are; first started with problem identification that had done through unstructured literature review, and informal discussion with colleagues and professionals in the sector; then data and information formulated research design. Based on the data and information research instruments decided; and available documentary sources relevant to the research reviewed. The review includes books, journal and any other relevant documents.

3.8 Method of Data and Analysis

Data collection tools were adapted after review of relevant literatures and used. Data collection was free from any bias and all collected data were included in the output. Assistances were trained to collect the data carefully.

3.8.1 Relative importance index

The Relative Importance Index (RII) is a statistical method which is used to determine the ranking different factors in quantitative researches. A 5-point Likert scale was used to analyze the data for the ranking of barriers caused by cultural differences and their effect.

$$RII = \frac{\sum w}{A*N} = \frac{1*n_1+2*n_2+3*n_3+4*n_4+5*n_5}{5*N} \dots\dots\dots [Eq.3.1]$$

Where:

w = the weighting given to each factor by the respondents ranging from 1 to 5

= the highest weight which is 5 in this case

N= the total number of respondents = 40

The RII value ranges from 0 to 1 (0 not inclusive), the higher the value of RII, the more that causes is. Both the primary and secondary data collected are entered in to Excel and other statistical software. The result is organized and presented in terms of tables.

3.9 Data Quality Assurance

Data required in analyzing the impact of cultural differences on foreign road contractors' performance in the case of road construction projects in Bench Sheko and Sheka zoes in Ethiopia was collected from foreign road contractors engaged in Sheko and Sheka zoes road construction projects. No invalid data was used to generate a solution for the problems solved by the researcher. There is no misleading conclusions, and every data analysis was analyzed by using necessary information and technics. The final output included both the positive and negative impacts of the case.

In order to keep the data quality, the following measures was taken:

- Took a daily diary in each data collection process and Make a daily check after collecting data.

- The equipment used for the study, such as the tape recorder (mobile), were checked before any data is collected
- Training was given for the data collectors regarding the data collecting

3.9.1 Reliability of Data

Cronbach's Coefficient Alpha can be used to check reliability of questionnaire. The normal range of Cronbach's coefficient alpha value between 0.0 and + 1.0, and the higher values reflects a higher degree of internal consistency (Hammad, 2013). The equation used to analyze Cronbach's Coefficient Alpha is:

$$a = \frac{Kr}{1+(k-1)r} \dots\dots\dots [Eq.3.2]$$

Where: *a* = is Cronbach's Coefficient Alpha

K = is items (variables) in the scale and

r = is the average of the inter-item correlations.

3.10 Plan for Dissemination of Findings

The study mainly concentrates on academic purposes that the Jimma University enrolls; the finding will be presented publicly and defended in examiners' presence. Also, the final report will disseminate to Jimma University, Jimma Institution of Technology postgraduates research and publication director office and will be published in an international journal of construction engineering and management. Also, a dissemination plan will be designed by implementing effectively oriented toward the audience's needs, using Amharic, English, and other appropriate languages and information levels by applying various dissemination methods.

CHAPTER FOUR

RESULT AND DISCUSSION

4.1 Chapter overview

This chapter provides explanations for data collection such as distribution of the questionnaire, collection of responses and subsequent analysis of the data acquired through the responses from foreign professionals working in different in road construction projects found in Bench Sheko and Sheka zones in Ethiopia.

The principal purpose is to analyze the impact of cultural differences on foreign contractors' performance in the case of Bench Sheko and Sheka zone road construction projects in Ethiopia and to find out the way how to enhance the performance of these foreign contractors.

A questionnaire survey has been conducted to gather the required information foreign professionals involved in the road construction projects in Bench Sheko and Sheka zones in Ethiopia; towards answering the basic research questions.

A total of 53 questionnaires were sent to the selected sample of respondents, which comprised of foreign employees working as field superintendent, engineer, project coordinator, project manager, safety manger, and other positions. A sample of the questionnaires is attached in Appendix A.

4.2 Analysis of Questionnaire Response

A total of 53 questionnaires were sent to three groups of respondents from three foreign road construction companies. Out of 53 questionnaires, 40 were collected, comprising 12 from the Gore Masha Tepi road construction project, 13 Tepi- Mizan road construction project, eight from Shishinda-Tepi road construction project, and seven from Mizan Aman city road upgrading project. This gives a response rate of 75.47%, as shown in Table 4.1 below the breakdown of responses from the sample groups.

An overall response rate of 75.47% was achieved. This is significant for validating the research results. Table 4.1 shows summary of overall survey response levels below;

Table 4.1: Summary of overall survey response level

Group	Questionnaire Distributed	Questionnaire Returned	Percentage Returned (%)
Gore-Masha-Tepi, 140.2 Km road construction project	15	12	80
Tepi- Mizan, 47.86 Km road construction project	15	13	86.6
ShiShinda-Tepi, 71Km road construction project	12	8	66.6
Mizan Aman city 1.2 Km, road upgrading project	11	7	63.6
Total	53	40	75.47

4.3 Analysis and Discussion of Results

In this section, analysis of respondents' understanding and views on the impacts of cultural differences on foreign contractors' performance has been considered and discussed. The responses of the respondents to the questionnaire (Appendix A) were analyzed and discussed in subsequent sections.

4.3.1. Respondents Academic Background

The purpose of part one was to know the educational and professional capability of respondents to undertake the work. The questionnaire was to be completed by respondents involved in road construction projects as Filed Superintendent, Engineer, project coordinator, project manager, safety manager and other positions. The survey result showed that 20 percent of the respondents have MSc. Educational qualification and the rest 80 percent BSc. Degree Educational qualification.

The percentage distribution of the various professionals indicates that the majority of the questionnaires were completed directly by professionals involved in the road construction industry. The survey also shows that it was well represented by better qualified professionals in the construction management and these groups of respondents are expected to have plenty of knowledge on the subject matter.

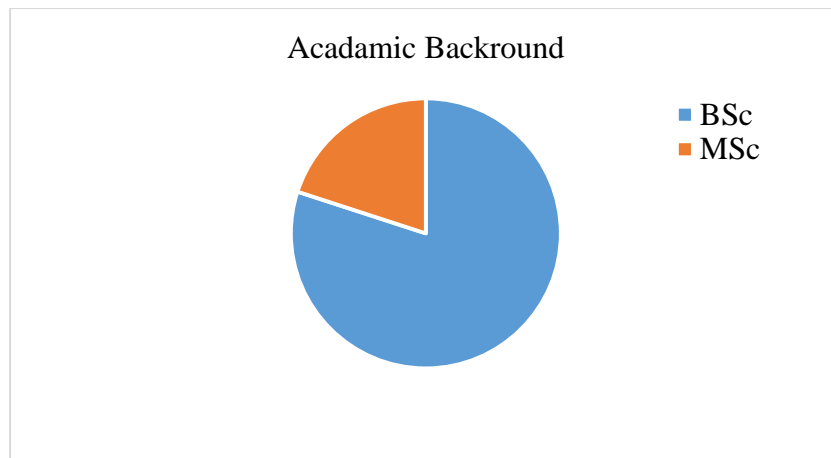


Figure 4.1: Respondents' academic background

4.3.2. Experience of Respondents

Collecting data from an experienced respondents who have a longer exposure good understanding on the issue makes the results of researches more reliable and confidential. Out of the total 40 respondents 22.5% of the respondents had less than 5 years of working experience, 45.2% had between 5 to 10 years of experience, 18.8% had between 10 to 15 years of experience and 13.5% had more than 15 years of experience. Respondent's year of experience is summarized in the chart below.

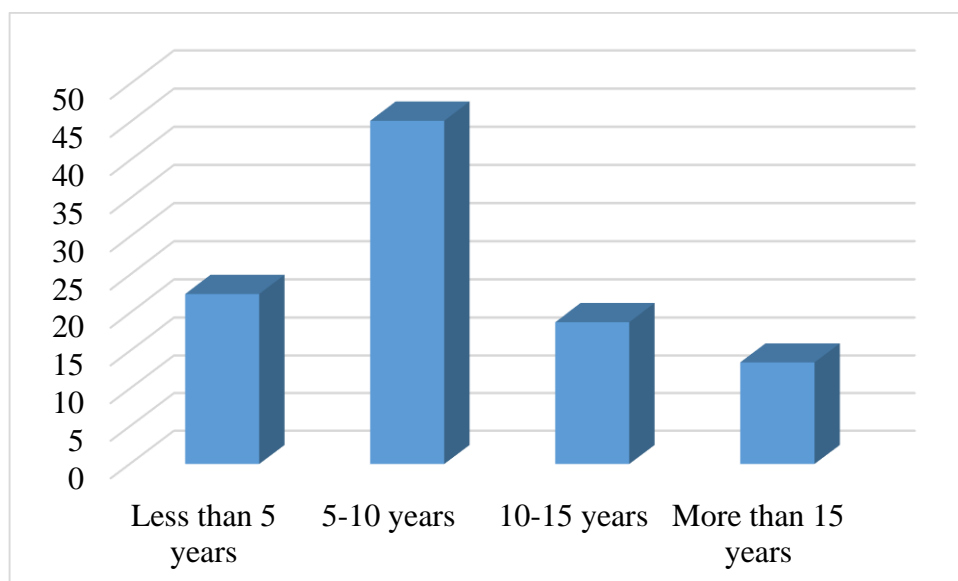


Figure 4.2: Respondents work experience

4.3.3 Reliability Checking - Cronbach's Alpha

The reliability of the data was analyzed by using Statistically Package for Social Sciences version 20 (SPSS v20). SPSS v20 was used to check the value of Cronbach's alpha and the result of barriers cultural differences, their effect and the strategies formulated. The result of data reliability test is presented in table 4.2 below.

Table 4.2: Questionnaires reliability checking with Cronbach's Alpha

S.No	Group of Items	Cronbach's Alpha value	Number of Items
1	Attitude related barriers	0.86	7
2	Communication related barriers	0.81	7
3	Belief and custom related barriers	0.76	7
4	Effects of barriers	0.78	6
5	Strategies to overcome barriers	0.91	13

Results which have Cronbach's coefficient alpha value of greater than 0.7 are considered as highly reliable and Cronbach's coefficient alpha value of between 0.3- 0.7 is considered as moderately reliable. The result from reliability test in table 4.2 indicated that in all questionnaires are highly reliable because they had Cronbach's alpha value of greater than 0.7.

4.3.4 Barriers Faced By Foreign Road Contractors Due To Cultural Differences in Road Construction Projects in Bench Sheko and Sheka Zones

From the literature review in chapter two, barriers caused by cultural differences are categorized under three groups. These groups of categories are attitude difference related barriers, communication related differences and belief and custom related barriers.

4.3.4.1 Attitude Related Barriers

Table 4.3 presents the rank of impacts of attitude difference related barriers on foreign road contractors' performance in Ethiopia.

Table 4.3 Attitude Related Barrier

Attitude Difference Related Barriers	RII	Rank
Attitude difference towards time and punctuality	0.85	2
Attitude difference towards work	0.82	3
Attitude difference towards quality of work	0.52	7
Attitude difference towards teamwork	0.70	5
Attitude difference towards sense of patriotism and responsibility	0.76	4
Attitude difference towards risk and uncertainties avoidance	0.91	1
Attitude difference towards technology adoption and new skills development	0.64	6

In the above table 4.3, the respondents were asked to rate the degree of impacts of attitude related barriers on the performance of foreign road contractors in road construction projects in Ethiopia. The barriers were ranked based on their relative importance index resulted from the respondents' rating. The result from the questionnaire survey is discussed below;

Attitude difference towards risk and uncertainties avoidance

According to the respondents, the impact of attitude difference towards risk and uncertainties was ranked at the first place with the relative importance index value (RII=0.91). This indicates that the cultural difference towards risk and uncertainty avoidance has been greatly influencing the performance of foreign road contractors in Ethiopia. This result also indicates that the foreigners give special attention to minimize work related risks and uncertainty management as a culture. However, the magnitude of the attention given to work related risk and uncertainty management by the Ethiopians is not as required by the foreigners and this is a great challenge for the foreigners.

Attitude difference towards time and punctuality

Among the listed attitude difference related barriers that affect the performance of foreign contractors on table 4.3, the impact of attitude difference towards time and punctuality was ranked at second place by the respondents with the relative importance index value (RII=0.85).

This indicates that the foreigners do have a strong culture towards effective time management and punctuality compared to the local employee. As the result, delay of activities occurs and the project as well.

Attitude difference towards work

Among the listed attitude difference related barriers that affect the performance of foreign road contractors on table 4.3, the respondents ranked the impact of attitude difference towards work at the third place with the relative importance index value (RII=0.82). This indicates that the foreigners have a strong cultural background in performing each and every work with a great commitment and desire. However, in Ethiopia as a culture people prefer only to engage themselves in those tasks and jobs which are considered to be higher class tasks and jobs. Because of this, the foreigners faced with difficulty in getting local employee who work together with equal commitment and desire.

Attitude difference towards sense of patriotism and responsibility

Out of the listed 7 attitude difference related barriers that affect the performance of foreign contractors on table 4.3, the respondents ranked the impact of attitude difference towards sense of patriotism and responsibility at the fourth place with the relative importance index value (RII=0.76). This indicates that cultural background of the foreigners towards the sense of patriotism and responsibility is different from that of the Ethiopians. This can be manifested in different aspects like improper use of resources at work place by the locals, stealing of resources, corruptions etc.

Attitude difference towards teamwork

Out of the listed 7 attitude difference related barriers that affect the performance of foreign contractors on table 4.3, the respondents ranked the impact of Attitude difference towards teamwork at the fifth place with the relative importance index value (RII=0.70). This indicates that the foreigners have relatively a better attitude towards teamwork as a culture than the Ethiopians and this has an impact on the performance of the foreigners in executing road projects in Ethiopia.

Attitude difference towards technology adoption and new skills development

Out of the listed 7 attitude difference related barriers that affect the performance of foreign contractors on table 4.3, the respondents ranked the impact of attitude difference towards technology adoption and new skills development at the sixth place with the relative importance index value (RII=0.64). This incites that it very difficult for the foreigners to adopt technology and new skill that the local employee are not familiar with. It shows that the local employee

prefer the traditional methods of work and they are not flexible in welcoming new skill as a culture. As the result it affects the performance of the foreign road contractors in executing projects in Ethiopia.

Attitude difference towards quality of work

Out of the listed 7 attitude difference related barriers that affect the performance of foreign contractors on table 4.3, the respondents ranked the impact of Attitude difference towards quality of work at the seventh place with the relative importance index value (RII=0.52). This indicates that there is a disagreement on the quality of work being executed on the project. The foreigners try to follow each and every work procedures to achieve quality work as a culture. However, the local labor only focuses on the completion of the task without giving the required attention for quality. As a result it affects the performance of foreign contractors towards quality.

4.3.4.2 Communication Related Barriers

Table 4.4 presents the rank of impacts of communication related barriers on foreign road contractors' performance in road construction projects in Ethiopia.

Table 4.4: Communication-Related Barriers

Communication-Related Barriers	RII	Rank
Language difference	0.93	1
Difference towards information management culture	0.89	2
Difference in degree of trust and transparency	0.86	3
Leader-subordinate relationship difference	0.64	7
Perception difference towards ICT adoption	0.65	6
Difference in mode and communication channel preference	0.71	5
Difference in emotional intelligence in solving disputes	0.75	4

On the above table 4.4 the respondents were asked to rate the degree of impacts of communication related barriers on the performance of foreign road contractors in road construction projects in Ethiopia. The barriers were ranked based on their relative importance

index resulted from the respondents' rating. The result from the questionnaire survey is discussed below;

Language difference

The impact of language difference was ranked at the first place by respondents with the relative importance index value (RII=0.93). This indicates that language difference is a critical barrier among the listed communication related barriers on table 4.4 that affect the performance of foreign road contractors in Ethiopia. Language difference among team members makes communication among project team members which leads to ineffective information flow during the projects execution that leads to continuous changes, delay of tasks, conflict due to misunderstanding etc.

Difference towards information management culture

The impact of difference towards information management culture was ranked at the second place by respondents with the relative importance index value (RII=0.89). This indicates that there is a cultural difference towards information management between the foreigners and the Ethiopians. Information is considered as an important a resource in the developed countries which needs to be effectively managed for a successful accomplishment of construction projects. However, the significance of effective information management is not well understood in developing countries in Ethiopia. This creates a difficult situation for the foreigners to implement effective information management system in road construction projects in Ethiopia.

Difference in degree of trust and transparency

The difference in the degree of trust and transparency the thirdly ranked cultural difference barrier that impact the performance of foreign road contractors in Ethiopia with the relative importance index value (RII=0.86) on table 4.4. This shows that there is a cultural difference towards trust and transparency between the foreigners and the Ethiopian employee. As the result, there is communication and relationship limitations between the foreigners and the Ethiopians. This in turn affects the smooth execution of road construction projects in Ethiopia.

Difference in emotional intelligence in solving disputes

The impact of difference towards difference in emotional intelligence in solving disputes was ranked at the fourth place by respondents with the relative importance index value (RII=0.75). This indicates that there is an emotional intelligence difference in solving disputes between the foreigners and the Ethiopian employees which is the result of cultural difference towards dispute resolution. As a culture the foreigners have more emotional intelligence in managing their

feelings and solving dispute with negotiation. The cultural background of the Ethiopian employee is not as good as the foreigners and this has been a barrier for the foreigners to perform as planned.

Difference in mode and communication channel preference

The impact of the difference in mode and communication channel preference is fourthly ranked barrier among the listed communication related barriers on table 4.4 with the relative importance index value (RII=0.71). This indicates that there is cultural difference on mode and communication channel preference between the foreigners and the Ethiopians. The foreigners usually prefer formal communication than the informal one plus they do have a good culture in using modern electronic based information channels in exchanging necessary information. However, in Ethiopian the culture towards technology usage not yet advanced yet. This become a barrier for the foreigners in performing their activities as planned.

Perception difference towards ICT adoption

Among the listed communication related barriers that affect the performance of foreign contractors on table 4.3, the impact of perception towards ICT adoption is ranked at the sixth level by the respondents with the relative importance index value (RII=0.65). This indicates that there is a difference in adopting g ICT in working environment as a culture. Since coming from developed countries, the foreigners try to use ICT for each and every activity as a culture. Like most of developing countries in the world, the perception towards using ICT in Ethiopia is also not as good as the developed once. Tasks and activities are more performed in the traditional way which is more time and resource consuming. As the result it is difficult for the foreigners to perform well as they desired.

Leader-subordinates relationship difference

The last and seventhly ranked communication related barrier that impact the performance of foreign road contractors by the respondents is leader-subordinate relationship difference with the relative importance index value (RII=0.64). This indicate that there is a cultural difference towards leader-subordinates relationship between the foreigners and the Ethiopians. The relationship between the leader and the subordinates can affect smooth implementation of projects either positively or negatively. The result from the survey shows that, when compared to the other top most ranked communication related barriers, the impact of leader-subordinate relationship difference is the not very significant.

4.3.4.3 Belief and Custom Related barriers

Table 4.5 presents the rank of impacts of Belief and custom related barriers on foreign road contractors' performance in road construction projects in Ethiopia.

Table 4.5: Belief and Custom Related Barriers

Belief and Custom Related barriers	RII	Rank
Religious difference	0.67	5
Difference in jobs equality perspectives	0.32	6
Work habit difference	0.96	1
Rigidity towards cultural exchange	0.88	2
Difference in leadership preference	0.23	7
Difference in holidays and leisure time	0.70	4
Perception towards foreigners' culture	0.81	3

In the above table 4.5 the respondents were asked to rate the degree of impacts of belief and custom related barriers on the performance of foreign road contractors in road construction projects in Ethiopia. The barriers were ranked based on their relative importance index resulted from the respondents' rating. The result from the questionnaire survey is discussed below;

Work habit difference

The respondents were asked to rate the impact of belief and custom related barriers on foreign road contractors' performance. Among the listed belief and custom related barriers, work habit difference is the top most barrier which is ranked at the first place with the relative importance index value (RII=0.96). This indicates that there is culturally a critical work habit difference between the foreigners and the Ethiopians at work place. As a culture, the foreigners have a strong work habit that lets them to be very committed in working their work than the Ethiopians. This greatly affects the performance of foreign contractors who engaged in road construction projects in Ethiopia.

Rigidity towards cultural exchange

According to the respondents rating the secondly ranked belief and custom related barrier that impact the performance of foreign road contractors is rigidity towards cultural exchange with

the relative importance index value (RII=0.88). This shows that rigidity towards cultural exchange is the second most barrier that affect that negatively affect the performance of foreign road contractors in Ethiopia under belief and custom related barriers. Cultural exchange is very important in creating good team spirit and cooperation but the result shows that flexibility towards cultural exchange by the employees is not as required.

Perception towards foreigners' culture

The result from the survey on table 4.5 shows that the local employee perception towards foreigners' culture is the thirdly ranked barrier that affect the performance of foreign road contractors in Ethiopia with the relative importance index value (RII=0.81). It shows that the perception by the local employee towards foreigners' culture is not very positive. This leads the foreigners to dissatisfied and feel uncomfortable. Everyone wants his/her culture respected and welcomed in order to be committed in their job. This affects the way the foreign contractors perform in executing road construction projects in Ethiopia.

Difference in holidays and leisure time

The result from the from the respondents' rating on table 4.5 shows that the difference in holydays and leisure time is the fourthly ranked barrier that affect the performance of foreign road contractors in Ethiopia with the relative importance index value (RII=0.70). This indicates that the difference in cultural and religious resulted holidays has been affecting the performance of foreign contractors towards specially in achieving project goals on the planned schedule. It is obvious to see different religious and cultural based holidays which are considered to be non-working days by the Ethiopian employees. This can result in delay of tasks and activities which in turn affect the schedule of road construction projects.

Religious difference

According to the respondents rathing the fifthly ranked belief and custom related barrier that impact the performance of foreign road contractors is religious difference with the relative importance index value (RII=0.67). This indicates that a religious difference has some negative effect on the performance of foreign road contractors who engaged in road construction projects. Religion has the power to determine the way people act, believe, think and work in their day to day activities. Hence, working with employee with a different background is challenging for the foreigners.

Difference in jobs equality perspectives

The result from the survey on table 4.5 shows that the difference in jobs equality perspectives is the sixthly ranked barrier that affect the performance of foreign road contractors in Ethiopia

with the relative importance index value (RII=0.32). This indicates that even though its impact is not as critical as the other top ranked barriers, the cultural difference towards job equality has an impact on foreign contractors' performance. As a developing African country, there are some culturally supported jobs inequality understandings in Ethiopia which consider some jobs/tasks as inferior. This a challenge for the foreigners in assigning tasks for the Ethiopian employees.

Difference in leadership preference

Among custom and belief related barriers on table 4.5, the impact of the difference in leadership preference is ranked at the seventh place with the relative importance index value (RII=0.23). This shows that the cultural difference towards leadership preference hasn't a significance impact on the performance of foreign road contractors in Ethiopia. However, the leadership style preferred by the local employees has an impact on the successful management of road construction projects.

4.3.5. The Effect That Cultural Differences Brought To Foreign Road Contractors' Performance in Road Construction Projects in Bench Sheko and Sheka Zones

The respondents were asked to determine what effect cultural differences brought to their company's performance in executing road construction projects in Ethiopia. Out of the 40 respondents, all of them agreed that the barriers caused by cultural differences brought a negative effect to their company's performance in Ethiopia. The negative effects that barriers caused by cultural differences brought to foreign road contractors are listed in table 4.6 below;

Table 4.6: Effects of barriers caused by cultural differences

Effects	RII	Rank
Misunderstandings that leads to continuous change orders	0.88	2
Dissatisfactions that affect productivity of labor	0.65	5
Weaker team spirit that affect project team member's cooperation	0.77	3
Conflict among team members that affect the smooth and timely execution of projects	0.96	1
Higher difference in interest that lead to difficulty in decision making	0.61	6
Miscommunications that lead to non-uniform flow of information within the projects	0.72	4

In the above table 4.6, based on the degree of occurrence respondents ranked the effects of barriers caused by cultural differences. The effects were ranked in accordance with their relative importance index resulted from the respondents' rating. The result from the questionnaire survey is discussed below;

Conflicts among team members that affect the smooth and timely execution of projects

Conflict among team members that affect the smooth and timely execution of projects is the first ranked effect of barriers caused by cultural differences in the selected road construction projects with the relative importance index value (RII=0.96). This indicated that there is frequent conflicts among project team members due to cultural differences that affect the time, cost and quality performance of road construction projects. Conflicts also affect the interpersonal relationship between project team members through creating a non-desirable work environment that negatively affect their performances.

Misunderstandings that leads to continuous change orders

Among the effects of barriers caused by cultural differences in table 4.6, misunderstandings that leads to continuous change orders is the secondly ranked effect with the relative importance index value (RII=0.88). This indicates that barriers caused by cultural differences create misunderstandings among project team members and this results in frequent change on scope and quality of works. The changes occurred due to misunderstandings incurred additional time and budget in road construction projects.

Weaker team spirit that affect project team members' cooperation

Among the effects of barriers caused by cultural differences in table 4.6, the respondents ranked the degree of occurrence of weaker team spirit that affect project team members' cooperation at the third place with the relative importance index value (RII=0.77). This shows that the barriers caused by cultural differences create a weaker team spirit among project team members that negatively affect their company's performance in Ethiopia. Weaker team spirit results in less cooperation among employees in achieving project goals.

Miscommunications that lead to non-uniform flow of information within the projects

Among the effects of barriers caused by cultural differences in table 4.6, the respondents ranked the degree of occurrence of miscommunications that lead to non-uniform flow of information within the projects at the fourth place with the relative importance index value (RII=0.72). This

indicates that barriers caused by cultural differences create a non-uniform flow of information with in the projects and this leads to ineffective communication which can results in different problems like delay of tasks, disagreements and frequent changes.

Dissatisfactions that affect productivity of labor

Dissatisfactions that affect productivity of labor is the fifth ranked effect of barriers caused by cultural differences in the selected road construction projects with the relative importance index value (RII=0.65). This indicates that the barriers caused by cultural differences create dissatisfaction on foreign employee that hinder them from their effective performances. As the result of dissatisfaction their behavior and their performance negatively affected. Without a motivated employee, it is very difficult for the company to meet its objectives.

Higher difference in interest that lead to difficulty in decision making

Among the effects of barriers caused by cultural differences in table 4.6, the respondents ranked the degree of occurrence of Higher difference in interest that lead to difficulty in decision making at the sixth place with the relative importance index value (RII=0.61). This shows that employee who came from different cultural background have different interest with in the projects and this creates unfavorable environment for effective and fast decision making. As the result of this, frequent time, cost and quality related problems occurred within the road construction projects.

4.3.6. Strategies to Manage Barriers That Foreign Contactors Faced Due To Cultural Differences in Executing Road Construction Projects in Ethiopia

The respondents were asked to rate the relative importance of the formulated strategies to manage the barriers faced by foreign road contractors due to cultural difference in Ethiopia. The strategies are ranked in accordance with the respondents' response on table 4.7 bellow.

Table 4.7: Strategies to Manage Cultural Difference

Formulated strategies	RII	Rank
Establishing clear lines of responsibility	0.70	10
Establishing trust with local employee	0.52	13
Introducing cultural empathy within the team	0.58	12
Cultural matching	0.77	6
Selecting cross culturally competent leader	0.86	2

Implementing professionalism	0.84	3
Establishing performance measurement standard based on merit not culture based	0.74	7
Training and development programs on national culture	0.91	1
Creating inclusive organizational culture	0.83	4
Encouraging employee interaction with local employees	0.59	11
Applying contingent leadership style	0.71	9
Implementing management by objective (MBO) system of leadership	0.73	8
Empowering local employees in some key positions	0.79	5

From table 4.7, the top five ranked strategies are training and development programs on national culture, selecting competent cross cultural competent leader, implementing professionalism, creating inclusive organizational culture and empowering local employee in key positions respectively. This top five ranked strategies are discussed in detail below.

Training and development programs on national culture

The firstly ranked top most important strategy to overcome cultural difference related barriers is training and development programs on national culture with the relative importance index value (RII=0.91). This indicates that to overcome cultural difference related barriers and to enhance foreign contractors' performance, providing training and development programs on local culture is the most important strategy. Through training and development programs it very easy to introduce foreigners with the local culture and this lets them to work with the local employee with harmony.

Selecting cross culturally competent leader

The secondly ranked top most important strategy to overcome cultural difference related barriers is selecting cross culturally competent leader with the relative importance index value (RII=0.86). This shows that choosing a leader/manager who is familiar with both the foreigners' and the local culture is very important strategy to overcome cultural difference related barriers and to enhance foreign road contractors' performance. Whenever a leader/manager is culturally competent he/she got the chance to understand the cultural perspectives of employees on the construction side. This helps his/her in making the right decision during in both planning and execution of the project.

Implementing professionalism

The thirdly ranked top most important strategy to overcome cultural difference related barriers that foreign contractors faced is implementing professionalism with the relative importance index value (RII=0.84). This indicates that it is very important for both the foreigners and the Ethiopian employees to implement professionalism in doing their tasks. Professionalism at work place helps everyone to accept any differences with a positive attitude, perform their tasks with a great responsibility and commitment and to work in any different environment. So that, professionalism is a good strategy to enhance foreign road contractors in Ethiopia.

Creating inclusive organizational culture

The fourthly ranked top most important strategy to overcome cultural difference related barriers that foreign contractors faced is creating inclusive organizational culture with the relative importance index value (RII=0.83). This indicates that, creating an inclusive organizational culture through understanding the cultural the cultural pattern that exists in the project is very important strategy to overcome cultural difference related barriers faced by and foreigners and to improve their performance. Here it is also possible to understand that creating an organizational culture which is in favor of some group is not good for the successful completion of road construction projects. An inclusive organizational culture lets all employee to serve with a great commitment and devotion.

Empowering local employees in some key positions

The fifthly ranked top most important strategy to overcome cultural difference related barriers that foreign contractors faced is creating inclusive organizational culture with the relative importance index value (RII=0.79). This indicates that empowering local employees in some key positions is very important strategy to overcome cultural difference related barriers faced by foreigners. Through empowering local employees in some key positions within the projects has different benefits like motivating them to work better, to develop sense of ownership on the project, to make a good decision on the cultural context etc. This can enhance the performance of foreign road contractors.

CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusions

From the results of the analysis of respondents' responses the following major conclusions have been drawn:

1. Cultural differences create different attitude related, communication related and belief and custom related barriers that negatively affect foreign road contractors' performance. Thereby, cultural differences influence foreign road contractors' entire co-operation with Ethiopians through creating barriers that affect the smooth implementation of road construction projects and not being able to handle the cultural differences can lead to projects failure. Foreign road contractors who are not aware of this fact can suffer large losses and thereby fail to be able to perform as they desired.
2. Neglecting and failure to effectively manage cultural differences, can cause different problems like conflicts, misunderstandings, weaker team spirit and dissatisfactions in road construction projects. As long as this problems occurred in road construction projects, it is very difficult for foreign road contractors to achieve their maximum performance towards cost, time and quality. As the result, effective management of cultural differences in construction projects executed by foreign firms is very crucial for successful accomplishment with respect to time, cost and quality.
3. In order to overcome the barriers caused by cultural differences and to enhance the foreign road contractors in Ethiopia, providing training and development programs on Ethiopian culture, selecting cross culturally competent leader, implementing professionalism, creating inclusive organizational culture and empowering local employees in some key positions are very the important strategies.

5.2 Recommendations

From the study of the research, the following major recommendations are forwarded;

- ❖ Foreign road contractors engaged in road construction projects in Ethiopia are suggested to have enough information about the Ethiopian culture specially the work related culture.
- ❖ Project managers are recommended to consider and to give a special attention to the cultural aspects during project planning and execution.
- ❖ The government of Ethiopia is suggested to train construction professionals who are capable of understanding foreigners' culture, language, customs, and believe. So that the cultural difference related barriers faced by foreign contractors can be mitigated.
- ❖ The foreigners are suggested as much as not to act against the existing value, norms and believe in order to create a favorable condition for the smooth implementations of construction projects.
- ❖ The local employees are advised not to be rigid to share and exchange important cultures with the foreigners. It is highly recommended for them to share specially the culture behind the foreigners' hard work.

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APPENDICES

Appendix-A: Questionnaire

Jimma University
Jimma Institute of Technology
School Of Graduate Studies
Faculty of Civil and Environmental Engineering
Construction Engineering and Management Chair

Dear Respondents,

This questionnaire is prepared to conduct a study in the partial fulfillment of a Master's Degree in Construction Engineering and Management (MSc) program entitled with “**Analyzing the Impacts of Cultural Differences on Foreign Contractors' Performance: The Case of Road Construction Projects in Bench Sheko and Sheka Zone, Ethiopia**”. Hence, you are kindly requested to give the necessary information for the research questions. There is no need to write your name and address and the information that you provide will be kept confidential. The accuracy, honesty, and fairness of your response will have a great impact on the outcome of the research.

Aim of the questionnaire: This questionnaire is to analyze the impact of cultural difference on foreign contractors' performance: the case of road construction projects in Bench Sheko and Sheka Zones, Ethiopia.

Part One: General information (Respondent Background)

1.1. Academic background

MSc

BSc

1.2. Work experience in construction industry (in years)

Less than 5

Between 10 and 15

Between 5 and 10

More than 15

1.3 Which of the following describes your current position?

- Filed Superintendent
- Engineer
- Project Coordinator
- Project Manager
- Safety Manger
- Other

Part Two: The impact of cultural differences on foreign road contractors' performance

2.1 Barriers that foreign road contractors faced due to cultural differences in road construction projects in Ethiopia

2.1.1 How do you rate the impacts of barriers caused by cultural differences on your company's performance in executing road construction projects in Ethiopia?

Please rate the degree of impact of the following cultural difference caused barriers using the following scales

- 1-Very Low 3-Moderate 5-Very High
- 2-Low 4- High

Table1.1 Barriers caused by cultural differences

No	Barriers	Degree of impact				
		1	2	3	4	5
I	Attitude Related					
1	Attitude difference towards work					
2	Attitude difference towards time and punctuality					
3	Attitude difference towards teamwork					
4	Attitude difference towards technology adoption and new skills development					

5	Attitude difference towards sense of patriotism and responsibility					
6	Attitude difference towards risk and uncertainties avoidance					
7	Attitude difference towards quality of work					
II	Communication Related					
1	Language difference					
2	Difference in mode and communication channel preference					
3	Difference towards information management culture					
4	Leader-subordinate relationship difference					
5	Perception difference towards ICT adoption					
6	Difference in degree of trust and transparency					
7	Difference in emotional intelligence in solving disputes					
III	Belief and Custom Related					
1	Religious difference					
2	Difference jobs equality perspectives					
3	Work habit difference					
4	Rigidity towards cultural exchange					
5	Difference in leadership preference					
6	Difference in holidays and leisure time					
7	perception towards foreigners culture					

2.1.2 Please write additional barriers caused by cultural differences (If there is any)

2.2 The Effects that cultural difference brought to foreign road contractors' performance in Ethiopia

2.2.1 Do you think that the barriers caused by cultural differences created some problems that negatively affect your company's time, cost and quality performance in Ethiopia?

Yes, I do

No, I don't

If your answer for question number 2.2.1 is "yes, I do", please rate the degree of the occurrence of the following effects due to cultural differences in your company while working here in Ethiopia.

1-Very low occurrence

3-Moderate occurrence

5-Very High occurrence

2-Low occurrence

4- High occurrence

No	Effects of cultural differences	Degree of occurrence				
		1	2	3	4	5
1	Misunderstandings that leads to continuous change orders					
2	Dissatisfactions that affect productivity of labor					
3	Weaker team spirit that affect project team member's cooperation					
4	Conflict among team members that affect the smooth and timely execution of projects					
5	Higher difference in interest that lead to difficulty in decision making					
6	Miscommunications that lead to non-uniform flow of information within the projects					

Part Three: Strategies adopted to manage cultural differences in road construction projects executed by foreign contractors

3.1 How do you rate the importance the following strategies to manage barriers caused by cultural differences in executing road construction abroad?

Please rate the degree of importance of the following proposed strategies using the following scales;

- 1-Very low importance 3-Moderate important 5-Very High importance
2-Low importance 4- High importance

Table 1.1 Strategies to manage barriers caused by differences

No	Formulated strategies	Degree of importance				
		1	2	3	4	5
1	Establishing clear lines of responsibility					
2	Establishing trust with local employee					
3	Introducing cultural empathy within the team					
4	Cultural matching					
5	Selecting cross culturally competent leader					
6	Implementing professionalism					
7	Establishing performance measurement standard based on merit not culture based					
8	Training and development programs on national culture					
9	Creating inclusive organizational culture					
10	Encouraging employee interaction with local employees					
11	Applying contingent leadership style					
12	Implementing management by objective (MBO) system of leadership					
13	Empowering local employee in some key positions					

Please write additional barriers to manage barriers caused by cultural differences (If there is any)

Thank You

Appendix-B: Computation of rank with RII

Table 1.1 Rank of attitude related barriers

	N	Sum	RII	Rank
Attitude difference towards time and punctuality	40	170	0.85	2
Attitude difference towards work	40	164	0.82	3
Attitude difference towards quality of work	40	104	0.52	7
Attitude difference towards team work	40	140	0.7	5
Attitude difference towards sense of patriotism and responsibility	40	153	0.765	4
Attitude difference towards risk and uncertainties	40	183	0.915	1
Attitude difference towards technology adoption and new skills development	40	128	0.64	6
Valid N (listwise)	40			

Table 1.2 Rank of communication related barriers

	N	Sum	RII	Rank
Language difference	40	186	0.93	1
Difference towards information management culture	40	178	0.89	2
Difference in degree of trust and transparency	40	172	0.86	3
Leader-subordinate relationship difference	40	128	0.64	7
Perception difference towards ICT adoption	40	129	0.645	5
Difference in mode and communication channel preference	40	143	0.715	6
Difference in emotional intelligence in solving disputes	40	150	0.75	4
Valid N (listwise)	40			

Table 1.3 Rank of believe and custom related barriers

	N	Sum	RII	Rank
Religious difference	40	134	0.67	5
Difference in jobs equality perspectives	40	64	0.32	6
Work habit difference	40	192	0.96	1
Rigidity towards cultural exchange	40	176	0.88	2
Difference in leadership preference	40	46	0.23	7
Difference in holidays and leisure time	40	140	0.7	4
Perception towards foreigners' culture	40	162	0.81	3
Valid N (listwise)	40			

Table 1.4 Rank of the effects that cultural differences brought

	N	Sum	RII	Rank
Misunderstandings that leads to continuous change orders	40	176	0.88	2
Dissatisfactions that affect productivity of labor	40	130	0.65	5
Weaker team spirit that affect project team member's cooperation	40	154	0.77	3
Conflict among team members that affect the smooth and timely execution of projects	40	192	0.96	1
Higher difference in interest that lead to difficulty in decision making	40	122	0.61	6
Miscommunications that lead to non-uniform flow of information within the projects	40	144	0.72	4
Valid N (listwise)	40			

Table 1.5 Rank of formulated strategies

Formulated strategies	N	Sum	RII	Rank
Establishing clear lines of responsibility	40	140	0.7	10
Establishing trust with local employee	40	104	0.52	13
Introducing cultural empathy within the team	40	116	0.58	12
Cultural matching	40	154	0.77	6
Selecting cross culturally competent leader	40	172	0.86	2
Implementing professionalism	40	168	0.84	3
Establishing performance measurement standard based on merit not culture based	40	148	0.74	7
Training and development programs on national culture	40	182	0.91	1
Creating inclusive organizational culture	40	166	0.83	4
Encouraging employee interaction with local employees	40	118	0.59	11
Applying contingent leadership style	40	142	0.71	9
Implementing management by objective (MBO) system of leadership	40	146	0.73	8
Empowering local employees in some key positions	40	158	0.79	5
Valid N (listwise)	40			

