Professional MBA
Entrepreneurship & Innovation

# THE EFFECT OF CULTURAL DIVERSITY BETWEEN MIDDLE EAST AND EUROPE ON BUSINESS SUCCESS

A Master's Thesis submitted for the degree of
"Master of Business Administration"

supervised by
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# Affidavit

I, **FARHANG FARZAN**, hereby declare

1. that I am the sole author of the present Master's Thesis, "THE EFFECT OF CULTURAL DIVERSITY BETWEEN MIDDLE EAST AND EUROPE ON BUSINESS SUCCESS", 95 pages, bound, and that I have not used any source or tool other than those referenced or any other illicit aid or tool, and
2. that I have not prior to this date submitted the topic of this Master's Thesis or parts of it in any form for assessment as an examination paper, either in Austria or abroad.

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# A THESIS PAPER ON THE EFFECT OF CULTURAL DIVERSITY BETWEEN MIDDLE EAST AND EUROPE ON BUSINESS SUCCESS

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**Abstract**

Technological advancement in infrastructures such as transport and communication sector has created a global market that calls upon the corporate leaders to increase their international operations and relationships. The geographical location of a business is no longer a barrier to a potential market as the entrepreneurs have access to commercialized business environment that allows organizations to operate in more than one country. In terms of business ventures, the geographical boundaries are flattened, and the world made smaller through the quick mean of transportation through air, roads, rails, and water body. The integrated system in the transport and communication sector is of great benefit to the economic progress among countries as well as the fusion of different cultures into a global culture. Economic interdependence has resulted in international competition among companies with innovative technologies to meet the dynamic nature of the global culture.

The study addresses a specific problem of cultural barriers between Europe and the Middle East in terms of business opportunities for international companies. The focus is on the UAE and European Union countries that exhibit distinct cultural norms and traditional practices. Addressing the cultural difference in Europe and the Middle East, there are many factors to consider before running an international company in both regions. Some of the cultural issues tackled in the paper include the branding of the product, the promotion approach, and handling of employees in a culturally diverse environment. Besides, there is a need to check on the institutional framework in the two countries and its impact on the business environment.

***Key Words***: Globalization, International business environment, cross-cultural management techniques, consumer behavior, UAE cultural orientation, European diverse culture

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# Introduction

## 1.1 Background to the Study

Due to globalization, companies are operating at an international level by moving into other countries to open up their branches. Crossing business operations into other countries by companies give rise to multicultural organization whereby employees working in such an organization will be from different companies. Besides, the company will also have to design products favorable to a multicultural market. It is obvious that these international companies are finding expansion into more than one company attractive and lucrative, though the effort for operating and managing an international company appears tricky than that of a local firm. The reason behind the expansion of companies into the global market by moving into other countries is to reduce the production cost, meet the vast market opportunity from the integrated commercialized operation. Effective knowledge on the application of cross-cultural management approach is key to liberate cultural barriers that hinder the progress of business ventures in a foreign country. Such knowledge of cultural diversity is key for source experience and innovative thinking to drive the vision of the organization to the next level and ensure the competitiveness of the company. The cultural difference between two countries may hinder the progress of the company, especially when it comes to appealing to the taste and preference of the customers. A diverse set of employee is a challenge for managers to handle within a workplace environment, especially in the enhancement of effective communication. Managers and employees who appear to be ethnocentric may find it uneasy about staying around people with a different set of beliefs and behaviors. To avoid cultural misunderstanding among managers and employees, there need for cultural sensitivity and promotion of flexibility in an international business environment.

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Cross-cultural management is of great importance as it influences the success of an international business corporation. Cultural understanding and international business management are two inseparable operations since culture stands at the center of progress by defining the norms, symbols, beliefs, and values for a set of people. International managers must integrate different cultural norms and practices to create a conducive atmosphere within a business environment to accommodate various stakeholders, such as employees, consumers, suppliers, and financiers. The traditional techniques applied by managers in a culturally diverse environment proves inadequate to handle the diverse cultures international business face while operating in more than one country. Managers should attain the required training for handling a culturally diverse business environment from experienced mentors and by going through certain novel approaches that prove adequate to ensure success in a multicultural environment. Managing diverse culture in a globalized environment requires close patience and a high level of flexibility to understand other cultures and be able to integrate a multicultural work environment.

Without a single doubt, globalization has become the center of focus among business entrepreneurs as people become more assimilated and integrated into new cultures and lifestyle. The extreme advancement in the telecommunication sector allows for connection among people globally. Similarly, the corporate world is thriving, thanks to the improved communication network where business partners can operate in different countries effectively through the internet. Globalization has also come along with the modernity where other countries are copying the western culture in terms of dressing code, entertainment, and other different spheres of social life. Looking at the extent that globalization has transformed the business sector in the Middle East and Europe, it is important to look into the cultural dimension between the two

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regions. My primary focus will be the United Arabs Emirates for the Middle East and Germany in Europe.

However much has been written concerning the effect of globalization in the corporate environment, majority of the scholars focus on the economic and political dimensions without paying much attention to the cultural methodology of looking at the global dynamics on the matter. There concept 'modern society' analyzes the integrated world that is characterized with technology and internet connectivity with advanced transport system where people move freely from one country or continent to another for recreational and business trips. Good and capital no longer have deep economic repercussions, but instead, culture remains as the core influencer of the traditions and the common values among a group of people. To what is termed as 'Western Culture' the spirit of, modernity is slowly encroaching into the Middle East as witnessed in the United Arabs Emirates.

## 1.2 Motivation

With the changing trend in trade and commercialization, there is a need to analyze the effectiveness of international business operation and some of the challenges that companies are likely to face in going global. Apart from issues like political instability and business environmental conditions, culture becomes another factor of interest for international corporations. The pressures from globalization force companies to go international in search of a new market and to build a competitive environment. However, the technological advancement favors other aspects of the business environment such as improvement of infrastructure, both communication, security, and mobility, but leaves a wide gap in cultural understanding among countries. The Middle East is a potential business zone, primarily based on its proximity to the East and Europe. However, the cultural difference between the West and the Middle East creates difficulties for international companies to run business in the two regions. Dubai in the Emirate

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Gulf stands out as the business hub in the Middle East where many international companies have opened up their operations in the region. Therefore, a business entrepreneur would be interested to understand what it takes to run a business in such an environment that is dominated by Arabs. Is it the same way someone can run a business in Europe?

Moreover, if not, what are some of the challenges surrounding cultural difference that a manager should be prepared to face in the Middle East, especially the Gulf of Emirates. What about Arabian planning to expand into Europe in this era of globalization where companies are moving to meet the demands of a global market? Another factor of interest is the way culture dictate the behavior of a customer in terms of preference to a given commodity and frequencies of making a purchase. These factors, among others, motivates the intention of the researcher to come up with extensive research to address the stated challenges.

## 1.3 Problem Statement

When an organization moves into another country, it meets people of diverse culture, starting with the employees and the consumers. New employees from different culture bring distinct beliefs, values, and attitudes to the workplace. Besides, the organization must also understand the cultural aspect of the new environment to promote its products effectively to the customers. Another need for cultural understanding for an international company is the business transactions that relate to the set institutional environment in a foreign country. Therefore, there is a need for a business manager to observe the behavioral regularities to help understand some of the basic principles for survival in the new environment. To interact with people from a new environment, there is a need to understand their language, rituals, norms, and traditions to prevent conflicting interests that result in isolation. Cultural diversity stands out as a major barrier for the success of international companies as it defines the taste and preference among a group of people. Moving into a new culture becomes problematic for managers to expand their operations internationally

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to boost sales and gain international competitiveness. To overcome the pressures of globalization, companies must devise mechanisms of multicultural management. Failure to meet the expectations of a given group of people may lead to the collapse of such a business venture. Culture defines the kind of products and services to develop to meet the expectations of the target market. It also defines the interaction between international business partners, whereby effective communication can only be achieved when the two parties have a common language. Cultural understanding is the key to screening the best workforce as distributors and marketers in another country. Culture stands as a key to effective business negotiation among international commercial ventures as well as the presentation of international business trade fairs.

## 1.4 Purpose of the Study

The purpose of this research is to understand the cultural differences between Europe and the Middle East and their potential impact on international business ventures. According to the literature review below, cultural differences have several complications to the success of international corporations, including the diverse nature of the workforce. Therefore, it is the responsibility of the management to understand the techniques of cultural simulation to create a positive environment for maximization of workforce input. It is important for the manager to understand the cultural dictates of business operation in terms of compensation, promotion, and employee relations. Besides, the international business should also stay in line with the regulations set by the existing institutions such as business transaction policies. The paper will narrow to the cultural elements that directly affect the business activities in the two environments and look at the appropriate management approach to mitigate the barriers and ensure the success of the international business venture in both Europe and the Middle East.

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## 1.5 Research Hypotheses

a. Corporate managers are lacking sensitivity towards the role of cross-cultural differences on a business environment.

b. Corporate managers' knowledge about cultural diversity is limited to the traditional approaches that cannot work in a globalized business environment.

c. The cultural norms and traditions in the Middle East are different from those in Europe hence international business managers must adjust accordingly while traversing from one region to another.

d. The flexibility, adaptability and tolerance to cross-cultural business environment are key to international business progress.

## 1.6 Research Objectives

i. To understand the basic features of a multicultural corporation

ii. To understand the influence of culture in a business environment

iii. To understand how cultural diversities influence business decision making

iv. To understand how the cultural background among the various business stakeholders affect the decision-making within an organization

v. To understand the effectiveness of performance-based evaluation on cross-cultural workforce

## 1.7 The Significance of the Study

Cultural factors influence the international marketing communications and success of business ventures in foreign countries. Such aspects of culture as values, customs, language traditions, religion, and attitudes affect consumer behavior on a particular product. Despite the current pressures from globalization and homogenization, other cultures are becoming more distinct, and the existing gaps are becoming even stronger. Culture is a significant barrier for an international business organization as it leads to miscommunication and misinterpretation between cultures.

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The major challenge arises between the marketers and consumers from different cultures as the former lack the bargaining power the appeal to the cultural dictates of the potential customers. The international business manager should understand the fundamental aspects of culture in the new country such as religion, social norms, education, values, and lifestyle to boost the communication with the potential customers, suppliers, and employees. The study uses various models and theories to enhance cultural understanding in a global business environment and advice on how managers can promote effective communication across cultural boundaries. The reciprocal actions of cultural understanding follow some of the effect of culture on business progress, such as influencing the purchasing behavior and marketing communication between marketers and customers. Approaching a cross-cultural business environment with the basic traditional knowledge is inadequate as it lacks some of the basic requirement for a global market. To achieve economies of scale, entrepreneurs must attain the global standardization of activities to that of the global market. The present study analysis on the two fundamental steps to achieve business success in a cross-cultural environment; first is by adjusting to the cultural expectations of the new population through bottom-up approach or developing universal symbols to generate ideas for multicultural management and control of different social and economic spheres through the top-up approach.

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# Literature Review

## 2.1 Globalization

Three theories characterize globalization; the "homogenization thesis" where the non-Western nations such as the Middle East adopts the Western culture that promotes the internationalization of society. Majority of the non-Western countries are giving into the Western culture due to the extreme pressure from the United States and other European countries, France, and Britain. Another hypothesis that defines globalization is "hybridization thesis," that defines a situation where numerous cultures meld together without any dominating one that turns out to be superior (Maxwell, 2016). The second theory defines the situations among many countries, especially in Africa and the Middle East, where the Western culture blends in with the traditional norms. Lastly, we have the "polarization thesis," that focuses on the strong bond formed due to the global interconnectedness where the traditional norms become polarized. The polarization of the traditional beliefs defines new cultures among the people as modernity gets its way into the Middle East and other countries who believe that Western culture is superior to their initial beliefs (Hills, and Atkins, 2013). The three theories form the basis for globalization that many scholars believe contribute to the increasing volume of exchanges in the cultural dynamics and rising of power that make the Western as popular culture. Majority of women in the Middle East, especially Saudi Arabia views the Western culture as a promotion of freedom and leisure for everyone. Many of these women give less attention to the cultural norms and traditional attributes that define their heritage. It is not a surprise to note the rising number of women running from the Middle East in search of asylum in Europe, Australia, and the United States. Authors have therefore looked into the cultural manifestations to define globalization in terms of the labor provision, the sociological changes, and traditional values.

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According to Maxwell, (2016), being global refers to losing the sense of cultural, national, and communal identity and acting in an integrated dimension to accommodate people from other cultures and believes. Therefore, the strong cultural dimensions existing in the Middle East and other countries globally have been subject to the overwhelming socio-economic realities from the Western world. People believe that adopting Western culture is a way of freedom, as they feel slaved by some of the cultural heritage practiced by their people. The Western commercialism is quite evident in the Middle East from the products and services they offer to these countries. For example, the United States has been at the epitome of global connectivity through the services offered by Google Company. Besides, some of the top technological advancement has been sourced from the West. These countries from the West constantly contribute to the facilitation, creation, and advocate for cultural imperialism. It is interesting to note that globalization acts as a subculture that roams to conquer the existing traditions and cultural heritage.

Quite different, Greenwood, (2016), argues that the call by the imperialists have not only corrupted the traditional heritage among different countries but has also brought different communities together to appreciate their uniqueness and cultural pride characterized by unique customs. The author claims the intensified globalization stimulates a response from different cultural groups to rediscover their unique customs and particularity. Moreover, there is a connection driven between the greater global community and the realistic concept of the global culture with the latter defining the chain of the hybrid system defining a nation and a local community. Such analysis builds on the concept of 'hybridization thesis' that tries to connect the international social structure with the community norms and beliefs (Coker, 2014). Therefore, the pressure of globalization has a bolstering influence on the national, regional, tribal, and even

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family relationships. Another impact of globalization is the widening gap between the rich and the poor because of the rampant commercialization characterized by the commodification of social life. Such social transformations affect the ethics and morals of Third World countries. They also weaken the community solidarity and social harmony grounded on cultural heritage (Greenwood, 2016). Globalization has played a fundamental role in diminishing the social and cultural values in the Middle East among the Third World countries that struggle between preserving their norms and giving in to the economic pressure from the West.

The global movements in the Middle East have faced a skeptical outlook that links it to the Western cultural imperialism resulting in economic pressure. Some authors believe that globalization in the Middle East is to undermine the Islamic ways and ensure force alienation from the Muslim realities. A typical case of the Western consumerism is the changing dimension of how Muslims celebrate the holy month of Ramadan. Initially, before the influence of globalization, such a celebration was purely religious, as Muslim faithful would resort to charity works and remembrance of the Islamic ideology of common goodness (Wunderlich, 2016). Today, Ramadan is a commercialized event where Arab entrepreneurs exploit their fellow faithful through the purchase of various commodities, including household and other consumer goods. Therefore, opportunistic businesspersons target the celebration of the holy month to engage in commercial activities and ensure they reap maximum during the celebration. Such practice is similar to that of the Western world and Europe with the majority of the Christian faithful who commercialize different celebrations such as Christmas and Easter.

Zaman, and Meunier, (2017), questions the observations arising surrounding the debates and the criticism around the relations between religion and the quest for commercialization in the Middle East. There is a rising concern where globalization deprives the Arabs their cultural heritage

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grounded on the strong foundation of the Islamic faith (Coker, 2014). Suh diversities have opened up the Middle East for commercialization where vendors are no longer limited by the Islamic traditions and culture in the choice of commodities but rather also engage in the Western commodities. These countries in the Middle East are slowly adopting the global culture that allows for the smooth running of business among the countries. Friction exists between commercial globalization and traditionalism where cultural heritage becomes the center of attention as the leaders within the third world countries in the Middle try to control the level of commercialization to ensure that their cultural heritage remains of virtue. The situation in the Middle East is different from that of Europe, where globalization is in line with the culture and the leadership style characterized by democracy, human rights, and social freedom. Entrepreneurs in Europe enjoy a vast market from the Western World culture where free will is the order of the day. The Europeans are free to decide the kind of makeup, clothing, and living conditions. Besides, the freedom in the region encourages different commercial activities such as nightlife full of clubbing, cultural events, and beach life, unlike the Middle East, where beach life is not dominant. Another core determinant of globalization in the commercial world is technological advancement, primarily through internet connectivity (Greenwood, 2016). The level of privacy in Europe is not as compared to that of the Middle East. European traders can reach out to their clients through online platforms such as social media that have no boundaries. In the Middle East, security reasons and cultural heritage limit the people they engage with through the media platforms. Such practice limits access to clients through online marketing, unlike Europe, where entrepreneurs can effectively source for customers through social media platforms (Zaman, and Meunier, 2017).

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In general, the views among the Middle East countries on globalization is in terms of its impact on the cultural and social values on the traditional community while the Western views are based on the economic and material benefit to the people. Therefore, the pressure of the global culture would differ between the two regions based on the perception of the people on the nature of globalization. For a Westerner, global pressure means a strict commercial nature that comes with the development of new technologies in terms of communication gadgets, automobiles, and fashions in clothes and shoes (Hills, and Atkins, 2013). Other topics of discussion in the Western concept of globalization includes national wages, imports, and exports, domestic and international stocks, and the mortgage industry. They think about transforming the lives of the people by introducing new commodities in the market and adapting new lifestyles. However, those from the Middle East have a different concept on the topic of globalization. They will be talking about the cultural heritage of the people, family, and social relationships, traditional history, and regional partnerships to national affairs (Tlaiss, 2013).

## 2.2 International Business Competitiveness

Business competitiveness refers to a situation where potential businesspersons seek for opportunity or a common goal together. In economics, competitiveness is key to business success, whereby those who can increase their competitiveness will dominate the rest in a given field of the venture. The microeconomic approach looks at the competitiveness of goods and services among firms in a given geographical area. The competitiveness of goods and services rely on their quality, availability, and price. These factors affect the sales volume of a particular product and come alongside other elements such as market research, customer relations, customer support, distribution channels, and advertisement. These factors also affect the changes in consumption trend of a particular commodity, barriers to market entry of other conditions such as market saturation (Al Ariss, 2014). The competitiveness of a business venture depends on its

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ability to make profits that directly relate to the competitiveness of the products and services offered. Besides, the competitiveness of a business venture also relies on the corporate image also known as the brand image, the increase in the market shares for a given product and the ability to access funding for business expansion.

Macro-level business competitiveness refers to a case where a corporate or a firm produces goods and services that pass the test of international competition. Macro-level competitiveness shows the ability of a nation to maintain a high level of income and defend their financial position in the global ranking. It refers to the rate that a nation can enforce the political, military, and the socioeconomic interests at an international level. Based on the business venture, macro-competitiveness refers to a situation where a corporation can operate effectively in more than one country and meet the demands and customer taste of the global market. It shows the ability to create a business environment where the local firms and commercial ventures compete effectively at international levels. The analysis of international business competitiveness come along with the macroeconomic elements that contribute to the success of a given business venture. National business competition greatly depends on the micro-level factors such as the government policies touching on access to finances and tax rates (Al Ariss, 2014). On the global map, business competitiveness brings in other factors, including change in environmental conditions and cultural influence from different countries. Moreover, international business competitiveness also introduces the element of strict government policies within the country's governance framework.

The global business competitiveness index (GCI) constitute twelve pillars defining micro competitiveness such as macroeconomic environment, institutions such as health and education, market size, and infrastructure (Muhammad Siddique, 2012). There are also micro

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competitiveness elements such as financial market, technology, labor market, innovation, and market of goods. Similarly, the World Competitiveness Index (WCI) contains four elements, such as economic performance, infrastructure, and government intervention and business efficiency. The GCI enables a businessperson or a corporation to understand the different environment, especially between the developed and developing countries. WCI builds on the other indicators of global business competitiveness, including the government policies, ready market, cultures, and technological advancement such as infrastructure services.

One of the methods to analyze the potentiality of a country for a business venture is the FOI Model that looks into the division of labor and the sources of wealth for a given population. According to the model, those countries that believe in the distribution of resources among the people stand higher chances of economic development as they have the potential to increase the quantity of output with the same labor input. According to the findings by the Harrod-Domar model, investment is the only key to the development of a country, and it depends on the saving rate of an individual. However, such claims on the relationship between savings and economic growth received a backlash following the research by Solow back in 1956 who claimed that technology changes are the key to economic growth for a country. Due to the fluctuations in the economy, investors are only able to gain profit in their business when they draw their profits above the equilibrium limit. The author also supports that the primary motivator for an entrepreneur is not the profit they make from business ventures but rather the achievement of special goals. After the collapse of the colonial empires, scholars conducted research that explained the relationship between development and the cultural differences (Muhammad Siddique, 2012). The colonial empires could not foster the development of some nations due to the cultural differences with the West.

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The confrontation between the local values and the Western values resulted in two groups with distinct ideologies and a social structural framework. Therefore, international business competitiveness depends on the institutional rules of society. These set of institutions affect the economy of a country by influencing the behavior of the firms and potential market, the size and competitiveness of the business ventures, and technological advancement. Policy development is key in opening up avenues for investment and development of infrastructural incentives to promote business activities. Therefore, the institutional approach explains the government contribution in building a competitive business environment both at national and international level.

Some of the outside factors of business competitiveness and commercial development are as shown in the table below.

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Table 2.1: Inside and outside competitiveness/ development factors (Bartha, and Sáfrányné Gubik, 2014)

| Inside factors | Outside factors |
|---|---|
| Division of labour (Smith) | Free trade – international division of labour (Ricardo) |
| Savings rate (Harrod-Domar)<br>Abundance-scarcity of capital | Protectionism<br>Defence of infant industries (List) |
| Equal-unequal income distribution (Keynes) | Equal or unequal trade partners (Balogh)<br>Pressure to fit to modern patterns (Balogh) |
| Drive to innovate (Schumpeter) | Unilateral dependency - diversification (Myrdal) |
| Entrepreneurial behaviour (McClelland) | One-sided specialisation (Singer) |
| Rigid-flexible social structure (Meier)<br>Imported or organically developed social structures (Boeke) | Immiserizing growth – terms of trade (Bhagwati)<br>Forced bilateralism (Myrdal) |
| Dual-homogeneous economic structures (Meier) | International wage division- mobility of labour (Emmanuel) |
| Investments into human capital (Marshall)<br>Human capital, as a renewable resource (Lucas)<br>Positive externalities of R&D (Romer) | Geographical position – core and periphery (Wallerstein) |
| Institutional incentives (North)<br>Path-dependent development | Investment strategies of multinational companies (Furtado) |
| Government failure (Tullock)<br>Rent-seeking (Krueger) | |
| National diamond (Porter)<br>Innovation systems (Freeman) | Demonstration effect |
| Rule of law, democracy (Barro) | |

According to El Amouri, and O'Neill, (2014), trade between developing and developed countries is a case of imperialism. Developing countries face different economic and social challenges that hinder the progress of any business venture. Introducing a new product or service to a developing country may face a backlash due to social values and traditional norms that oppose the use of certain products. For example, the use of birth control measure in the developed world, especially the western countries, is a regular activity. However, talking about birth control

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measures among the Middle East countries goes against the norms and values of the people. It, therefore, implies that dealing with such products may not achieve international competitiveness, as they do not meet the demand at the global market.

Similarly, poor infrastructure may hinder global competitiveness when it comes to moving goods and services from one country to another. A nation without good infrastructure such as air transport network may not be suitable for perishable products hence limiting the choice of business venture an individual may undertake in such places (Zaman, and Meunier, 2017). The unequal exchange of business engagement between the two countries can also arise because of the uneven distribution of resources, immobility of labor, and wage differences. Another factor is the bargaining power among different nations on trade based on taxation and other incentives that affect the returns from the business. The international flow of goods and capital are the primary considerations among the entrepreneurs before venturing into certain business activities. Besides, others also look at the geographical location, especially those countries bordering the target nations and water bodies. The investment strategies among transnational companies are the basis of development among nations. Such companies can introduce new products to the market, improve the technological level of a country, create jobs, and improve the financial flow among the people.

## 2.3 Business environment in the Middle East

Due to globalization, the Middle East should adopt democratic means of leadership rather than the currently applied authoritarian one that demands total loyalty from the junior employees. The democratic political approach is suitable for traditional leadership styles for commercial activities. Especially the Gulf countries should look for other sources of labor from their immigration dependent workforce to favor the increasing privatization of the labor sector. In other words, the author suggests that the Gulf nations would be more favorable for

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commercialization if they adopt the Westernized approach of leadership and economical operations (Hills, and Atkins, 2013). To support the same claim, the author believes that lack of free trade in some of the Arab territories coupled with undemocratic society is the great hindrance to business progress in the region. Adoption of the Westernized approaches is the only way for the Middle East countries to handle the pressure of globalization and to benefit as a global society. A significant transformation has been evidenced in the Arabian Gulf in terms of commercial growth over the past several years. Those who criticize the Western approaches of commercialization are more concerned about their impact on the traditional norms and values other than looking at the positive effects that can also arise from the same (Al-Khazraji, 2009). Western civilization, in terms of the global commercialization, has transformed traditional communities from different parts of the world into more aggressive and well-organized people. It is important also to consider the positivity of such commercialization other than grounding it on the offender and a foreign invader to the long-preserved cultural heritage.

According to Hills, and Atkins, (2013), there are three distinct perceptions among the intellection Arab classes. The first class supports the rejection of the global pressures on the commercialization from the Western countries, something they term as cultural imperialism and whose primary influences cultural disintegration and degradation. The second class of the intellects views the global pressure as something inevitable and desirable to many. They relate it to increased communication platforms for business opportunities, technological advancement towards the betterment of life, and improved methodology of education to train the young ones for the corporate world. Considering these unending benefits of globalization, the second group of intellects believes that the progress of the Middle East countries relies on the adoption of Western civilization through global culture. According to Al-Khazraji, (2009), this group of

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people does not give into the notion that adopting the global lifestyle will derail their traditions and sense of Arab ties and heritage. Then there is the third group of Arab intellectuals who advocates for acceptance and rejection of the global culture depending on which one benefits them. They believe that Western imperialism has both positive and negative side and can only accept what is beneficial to society. However, such belief sounds naïve given the powerful pressure that comes along with globalization. In all the three cases, these Arab intellectuals still believe that their cultural heritage and sense of pride as a people should be never extinct throughout history.

Focusing on the Islamic Crescent, Sidani, and Al Ariss, (2014), believes that the acceptance of global culture should come along with the cultural heritage where the modern commercialization and technological advancements must undergo through a filter to segregate some aspects. The political and economic spheres have formed the basis for the discussion among the Middle East countries where few look into the tangible goods consumed by the target population. It appears that there is a need to reinterpret the Islamic identity when dealing with the global culture to ensure that the Arabian nations benefit from some of the commodities from the Western world. The question of political interference is evidenced among the top bureaucrats in the Middle East who want to continue their authoritative leadership approach in the commercial sector (Al-Khazraji, 2009). Moreover, the issue of commercialization in the Middle East closely relate to the religious believes where culture and religion are two inseparable items. In the Arab countries, Islam is unquestionably integrated part of life that defines the beliefs and culture of the people. It plays a significant role in defining the kind of business activity to venture into in the region, considering the taste and dictates of the culture of the people.

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In the recent past, the region has experienced a massive transformation from the pressure of global culture based on technological advancement, access to new commodities, and communication platforms. Some of the developments in the Middle East, especially the Arabian Gulf, is the introduction of the petrochemical industry that has led to the economic diversification in the region. Some countries like Qatar, UAE, and Bahrain have experienced a significant transformation in terms of commercial development from the pressure of global culture. The physical infrastructure in these regions have changed over the past few years, enabling business travels and tour trips into the area (Sidani, and Al Ariss, 2014). UAE is one of the tourist destination in the Middle East with top class hotels and recreational activities put up in the region to boost the tourism sector. Doing business in the Arabian Gulf has taken a new dimension in the recent past following the modernization of the commercial industry in the region. Both visitors and residents have access to social amenities that are in line with both the Arabian and the global culture. The industrial sector has also followed suit in the region with international banks opening up to link the West and the Middle East. The existing financial institutions in the area have expanded their operations to the international standards to match the demands of the global market. Many international corporations have consumed the Gulf markets as they take advantage of the quality of life, fast-rate telecommunications, improved medical care, and better infrastructure to conquer the Middle East (Al-Jenaibi, 2017). While other countries in the Middle East region are staggering in terms of economic progress due to violence and political instability, the Arabian Gulf is excelling in the commercial sector. Different industrial elements of the global culture have moved into the Arabian Gulf, transforming it into a Westernized region to accommodate people from all lifestyles.

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To adapt to the pressure the national heritage and traditional cultures, the local leaders within the UAE have come up with cultural centers and heritage sites to highlight their past life to both locals and tourists. The cultural heritage centers have become the platform for the local people to promote their traditions and beliefs and to allow the Emirati youths to understand their origin. The effort to preserve their heritage among the locals is to enable the continuation of the traditions and cultures in the new environment coupled with massive commercialization. Some of the outstanding social set up for the preservation and promotion of culture is the Emirate of Sharjah that has remained a focal point when it comes to traditions and cultural practices. Though connected to Dubai, Sharjah has maintained its traditional practices and embraced the commercial transformation within the region (Zahlan, 2016). The region has promoted its heritage, history, and institutional centers to remind the locals and foreigners about the cultural heritage among the people. The author confirms that the city has maintained its successful preservation of the traditional values and norms through the educational centers and traditional architecture that remain a pillar of history from the spouting skyscrapers in the region. Both the local leaders and residents believe that Sharjah serves as the cultural center for the Emirates Gulf, especially considering its proximity to Dubai. Sharing the border with Dubai makes it an ideal place to assess the influence of commercial pressure (Bealer, and Bhanugopan, 2014). Sharjah has both foreigners and just like Dubai and Abi Dhabi, and the presence of the local leaders makes it appear as a traditional set up that merges the influence of global culture and preservation of cultural heritage.

The establishment of UAE governmental, educational opportunities offers formal education to the locals to meet the rising demand for skilled labor among the Dubai industrial sector. Foreign colleges and universities have opened up their branches in the Gulf region such as George

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Mason's facility, Qatar, and Doha to offer learning opportunities to the Emirati population. Because of the available social and economic amenities in the region, UAE remains a suitable place for foreign investment and settlement as it offers the best health services and training opportunities for the global market (El Amouri, and O'Neill, 2014). Some of the contributors to the development of the strong educational system in the UAE include the difficulties in obtaining a visa to study in the US among the UAE residents following the aftermath of the 9/11 and the cultural practice among the families where the female students are to stay close to their families. Since education has remained a significant factor for economic progress, the UAE authorities continue to advocate female education by establishing better educational facilities within the region to allow their girls to acquire training for the global labor market. According to Tlaiss, (2015), the quest for Western culture among the Emirati people have multiplied significantly over the past years. However, there is a need for further research to check on the impact of western education on the lives of the Emirati people.

In another article by David Ignatius, "Wave of Change in the Persian Gulf," acknowledges the role of Sheikh Zayid Al-Nahyan on education. Under his leadership, UAE has seen a tremendous transformation in the educational sector with the establishment of various institutions of higher learning to acquit the local population with the necessary skills for a commercialized society. Zayid made education one of the priorities for the locals, as it was the only way to meet the demands for a global market. There was a need to understand the concept of globalization and enable the residents to preserve the traditional heritage of the Emirati through education. Access to quality education served as the only path towards meeting the technological requirements in the industrial sector. Moving towards a commercialized region required communication to the rest of the world, and this was only possible by learning the English language (El Amouri, and

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O'Neill, 2014). The local authorities also realized the role of females in the global market, especially in the media and communication sector. It was, therefore, a necessity to educate the females to fill the gap in the new industries. Such methodologies of change were vital for the progress of the Emirates Gulf to understand the religious traditionalist and fit into the global demand.

Al Ariss, (2014), looks into the fundamental strengths of the reforms witnessed among the UAE systems, especially by promoting female education. The UAE authorities acknowledged that traditional and cultural beliefs had burdened their education system, especially the Emirati public schools. Some of the deficiencies outlined by the author include female participation, access to knowledge through internet platforms, and English proficiency. The system realized that before addressing these issues, the UAE could not match the target of global culture and commercialization. The Emirati officials decided to bridge the traditional norms and cultural boundaries to invite foreign universities and colleges to offer higher education programs for the UAE students. However, the critical interest in culture remains a central point with the organization of the public school's management other than the universities of higher learning that receive huge financial grants. According to Tlaiss, (2015), the pattern of the administration of the public schools is in line with the cultural and traditional standards of the Emirati people. In the recent past, the enormous increase of wealth in the region has directly affected the pattern of the education system among the public schools in terms of access to learning facilities.

The education system in the UAE also comes in through the way the government runs the early childhood education in major cities such as Dubai and Abi Dhabi. Such systems target to identify the actions, effects, and the state of affairs among the early childhood education system set among the wealthiest residents. In a study by Abdullah Hokal, "Managing Progress Monitoring

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in United Arab Emirate Schools," there is evidence on how the Emirati public school administration handles their duties amid the pressure from cultural changes (Al Ariss, 2014). The increasing influx of petrochemical dollars within the region continue to raise concerns among the locals. They feel that the potential commercialization of the operations in the educational sector undermines the traditional norms and values of the Emirati people.

Moreover, the author points out the rising concern among the locals on the education system that fails to equip the learners with the basic skills to fill the market labor gap. He writes that social services, especially the public school management remain a challenge despite the modernization of the coastal cities such as Dubai and Qatar to meet the standard of the developed nations. In the article, the majority of the labor force in Dubai come from Egypt, Pakistan, Jordan, and Yemen, among other developing countries. Another challenge among the public institutions in UAE is the presence of large families that call for more schools (Zahlan, 2016). To meet such demand, the public institutions focus on quantity rather than quality, making the students to lack access to some of the individual facilities that broaden their thinking in terms of the global scope.

Due to the nature of unemployment among the locals with no skilled labor, the government runs the public schools with the state funds and since the public have not contribution towards such institutions, no one would dare complain about the quality of the education system (Sidani, and Al Ariss, 2014). Despite the huge funding towards the higher learning institutions, the state has failed to produce the labor market demand since it is hard to find qualified local students from the public funded institutions to meet the required skills. Monitoring the education system in the region has remained one of the challenges for the local authorities to ensure that the quality of training the students receive is suitable for the market target. The challenges facing the education system in UAE continue to raise concerns among the local authorities who try to understand the

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link between the adopted systems and the pressures of globalization. Zahlan, (2016), argues that the involvement of women in the education system in UAE fails to meet the expected demand as the promotion of such initiatives do not favor women but rather men. As a result, one of the impacts of globalization to the cultural and traditional norms of Emirati people is the new definition of women in society. The Emirati traditional culture considered women as caregivers whose positions were in the kitchen and raising the children. However, the pressures from the global culture introduces opportunities for women, pushing many to acquire education and serve in various sectors of the economy. The struggle by the local authorities in UAE to accept the call for commercialization forces them to accept the changes in traditional culture and redefine the position of women in the society by building more local institutions to accommodate young girls in pursuing the Western education.

## 2.4 Business environment in Europe

The massive economic growth among the European Union countries defines an integrated financial system that open opportunities for potential business ventures. The European Union countries are creating a more homogeneous environment for commercialization based on the business environment properties, including modern infrastructural facilities and social amenities (Maxwell, 2016). Europe has made a tremendous growth based on technological advancement with the introduction of modern transport systems such as light rails, cable systems, and advanced air transport. Mobility is a key business parameter, and European Union countries have heavily invested in meeting the standard of infrastructure required for sustainable development in a commercialized society. Business convergence results in the European Single Market that open opportunities for countries within the European Union to trade in goods and services in a vast market with diverse culture. The creation of a common market for the European Union countries is a strategy to create a competitive environment for the global market and enhance the creation

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of job opportunities for the existing population (Głodowska, 2017). The EU environment remains homogeneous in terms of business conditions and constant improvement of business properties. Business environment in the European nations relates to the macroeconomic concept of the functioning companies in the region. The connection between the business environment and economic growth in the region defines a convergence situation where technological advancement and improved infrastructure trigger the economic achievement in the region. According to the concept of institutional economics, understanding economic progress relate to the legal, sociological, organizational, and political system in a country. The impact of strong institutions among the European Union countries is manifested through political stability and policy formulation that favor business operations (Wunderlich, 2016). The creation of an open market in the region is a product of strong institutions that focus on economic development other than individual progress. The 1980s mark the onset of institutional economics in the European Union countries with the definition of the relationship between civil liberty and economic progress. Law enforcement institutions play the central role of ensuring the economic policies are in use among the various economic spheres in the region. Some of the international institutions responsible for the economic progress of the EU include the International Country Risk Guide (ICRG) and the Business Environment Risk Intelligence (BERI). Such institutions defined the relationship between a regulated business environment and economic development. The countries in the EU settled for the institutional business management to meet the macroeconomic target with the rapid change in technology and the dynamic nature of the market demand.

The connection between institutional regulation and economic progress contribute to the foreign direct investment in the region. Strong policies ensure business security in terms of regulations

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and protections on domestic firms as well as opening opportunities for international companies to invest in the region. Internationalization of business activities opens up the EU to the global market that presents modern technologies in terms of efficient communication and production process. Accepting the international business organization to open branches in the region create not only job opportunities but also introduces new production skills and technologies for the local companies (Głodowska, 2017). Besides, the internationalization in the EU business space promotes specialization and effective utilization of the natural resources for economic development. Foreign investment in the Central and Eastern European countries contribute to the creation of job opportunities, innovations, and international competitiveness among the local firms. According to the entrepreneurial theory, the nature of the business environment in a region is the pillar for developing a global market economy. Improvement of business environment among the EU countries promote the entries of international companies, especially from Asia and the United States. The presence of the new companies in the region promotes the development of a competitive commercial environment where the local companies acquire the international standards of production and marketing. The introduction of international companies to the EU market has promoted cross-cultural production that also meets the market demand of other countries, especially in Africa and the Middle East.

The presence of a skilled workforce in Europe contribute directly to the level of economic development among the EU countries. It defines productivity and innovativeness to enhance the efficiency of production and quality of products for the global market. The presence of prestigious higher learning institutions in the region has enhanced academic training for the local population to meet the market requirement (Wunderlich, 2016). European civilization has been in place for many centuries and forms the background for the formal education for other nations

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globally. As a result, the education system in the region corresponds to the market demand as the learner is exposed to the current technology and the necessary skills for the production sector. The World Bank acknowledges education as one of the key aspects of economic development and pays great attention to the promotion of learning among third world countries. The presence of skilled labor in EU countries also encourages international companies to open up branches in the region. Having skilled labor in the EU countries also limit the pressure of cross-cultural workplace where people from different countries with unique cultural backgrounds share the same working environment (Coker, 2014). Skilled labor is a challenge, especially in the Middle East, whereby companies import workforce from other countries, including Africa and Asia, to fill the gap left by the locals due to the weak education system in the region.

Business regulation is a key to economic growth in the European countries as it defines the border relations, dealing with construction permits, property registration, and getting credit. Some of the policies, such as financial access and business transactions, dictate the operation of international companies (Hamilton, and Webster, 2018). Simulation of economic growth and enhancement of international competitiveness for EU companies defines the progress of commercial activities in the global market environment. Promoting European competitiveness in the global space has defined the region as one of the viable opportunity for international companies to do business. The improvement in the business environment among the EU countries relates to the level of economic development in the region. The European countries enjoy their geographical location as the link between the United States and the Middle East. It remains a suitable place for international companies like Samsung from South Korea and General Motors in the US to operate due to its political stability (Kolk, 2016). Therefore, the

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presence of advanced technology, improved infrastructure, and other social services such as schools and hospitals make the region a suitable venue for commercial activities.

## 2.5 Culture

### 2.5.1 Cultural diversity

The cultural diversity between Europe and the Middle East relate to the numerous scholarly works that distinguish West and Islam, modernity and tradition, democratic and despotic, war and terror, progressive and static, enlightened and traditional, and secular and religious. These are the distinctive cultural characteristics marking the boundaries between Europe and the Middle East. Not only are these theories mystified, but they also form the narrative of the European modernity that has been in place since the eighteenth and the nineteenth centuries. Europe drew the political boundaries in the Middle East that led to the definition of geographical location and history of the region. Same limitations formed the fundamental concepts of societies and cultures between Europe and the Middle East. The question of cultural identity in the Middle East revolves around Islam and Modernity and their relations to human rights, democracy, enlightenment, and secularization (Greenwood, 2016). The conventional self-image among the European countries has seized to being traditional societies but rather a unified set of secular modernity, unlike the Middle East countries where Islam still provide the foundation of social norms and ethics. Besides, the Middle East is always associated with numerous terror threats coupled with constant immigration both in search of freedom like the case of Saudi woman while others look for safe countries away from wars and violence. The issues of terrorism and demography form a clear basis on the cultural perspective between Europe and the Middle East.

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The latter has its traditions and cultural norms founded on strong Islamic faith that controls the dressing code and social setup. In Europe, freedom is termed as the onset of democracy, where the social structure relies on modernity and taste of different lifestyle. Some scholars believe that the future of Europe and the Middle East lies in the precise definition of modernity, democracy, secularism, and the basic concepts of science (Burton, Yamin, and Young, 2016). The whole idea of diversity in Europe and the Middle East lies in the perimeter of religion, race, and ethnicity that defines the social codes of practice. In the Middle East, nation-states bound by strong religious and institutional cultures exist and continue to evolve, forming a strong foundation for the preservation of traditions. The Persian, Turkish, and Arabic languages shape the politics, economy, culture, religion, and science in the Middle East. However, the migration of Arabs from the Middle East countries into the European cities are changing the face of Europe.

Similarly, the economy, culture, and politics in Europe firmly lie on the contribution by Christianity, Judaism and the works of the Ottoman Empire. The culture of Europe and the Middle East remain interwoven since the era of Classical Antiquity. The mutual transformation of the European and Middle East traditions has been accelerated by the influence of globalization and has become more radical in the past few decades. With the call for freedom among the Western nations, people from the Middle East, especially women, have begun to realize the need for gender equality (Geppert, Matten, and Williams, 2016). Many have come out in the past to rattle the traditions that bar them from engaging in certain activities like the Saudi women who were not allowed to drive. Besides, the Islamic religion has also formed a strong foundation on the dressing codes where women are supposed to be dressed accordingly. Dressing code remains one of the outstanding cultural differences between the Middle East and Europe, where the latter

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embraces modernity where women put on scantly with bikini and tight pants unlike the former who must remain in Hijabs.

At a glance, someone may believe that major cities in UAE such as Dubai and Abu Dhabi just existed in the last fifty years because of their recent developments as visible from skyscrapers from steel and concrete with modern architectural works. However, such cities existed many centuries ago have they have a long traditional and cultural history that defines the tribal network and the religious beliefs that bound the people together (Głodowska, 2017). The cultural and traditional heritage among the people of Emirates has remained hidden behind the recent modernization of the cities because of the forces for global culture and commercialization. A trip to the UAE in the modern days leave the visitors with a vast impression from the classy hotels, leisure facilities both in the desert sands and the bitches and also the presence of top class shopping malls that render it acculturation or culture of commercialization. Unlike the older days where culture was a sense of heritage and pride to belong, the region has adopted the global sense of modernization that appears to accommodate people from different backgrounds. Besides, the modern cities of UAE leave nothing unturned as it offers every service ranging from the banking sector to the hotels and hospitality (Al-Khazraji, 2009). The Arabian Gulf has remained the central point for modern commercialization. Back in the 1970s, the Emirate cities remained deep into the traditional beliefs and practices before the pressure of globalization. In three years, the traditional Gulf leadership gave in to the pressure to adopt a global culture and integrate it into the system to achieve the desired growth. The familial and tribal dealings that have existed in the region for a long time depict a very sensitive transformation in the mode of operations and leadership within the region. Being the central point between the superpowers, China, and the United States, UAE experienced a vast economic advancement in the late 20th

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century where these countries showed interest in the oil blocks within the region (Baker, and Saren, 2016). The political system in the UAE has remained constant through the social and familial bonds have transformed of the years have they have been integrated into the global culture. Unlike the older days where the royal families would control the massive wealth in the region, entrepreneurs both domestic and international companies have set foot in the major cities of Dubai and Abi Dhabi to reap from the thriving commercialized society.

According to Baker, and Saren, (2016), the familial bonds that formed the basis of cultural identity were the primary indicators of the family status in the Emirates and still, today remain a controlling factor in the region. Just as the past where political powers were within tribal lines, the Arabian Gulf remain under the control of the wealthy families who own large enterprises within the region. One of the sources of the funding for the families is minerals such as oil that has seen the development of megastructures such as hotels and other commercial buildings. As the central hub for accessing the other countries within the Middle East, UAE has also invested heavily on the communication network and infrastructural services to ensure that businesspersons within the region can enjoy these services just like any other developed country. The current ruler of UAE is Sheikh Zayid Al Nahyan, who is from the royal family that has been in control over the region for centuries (Al-Khazraji, 2009). Their mode of leadership has not changed from the traditional set up where leaders would resort to an authoritative approach to gain loyalty from their subjects. Sheikh Zayid is a typical example of how family lineage has contributed to the traditional and cultural heritage among the residents. Other studies show that the Sheikh family runs the commercial sector of Dubai and Abi Dhabi, as they own the top class hotels and other commercial buildings. The same family has also engaged in the naval machines and gold business that accounts for their massive wealth (Al-Khazraji, 2009). Therefore, the

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family lineage and cultural heritage still define the status of the Arabian Gulf to date, considering how the influence of the Sheikh family has contributed to the development of the region into a commercial hub. It implies that the majority of the decisions in the political, economic, and social sphere within the area remain an obligation among the royal family.

Let us focus on the impact of traditional leadership on commercialization between the two cities of the UAE, Abi Dhabi, and Dubai. Today, the two cities are no longer dessert villages as they were before, but instead, have turned into urban metropolises serving both the locals and international organizations and entrepreneurs. Dubai and Abi Dhabi are vital to ground for the corporates within the Middle East to enjoy the fruits of globalization. Someone would question how the Emiratis who have lived for centuries guided by traditions and cultural heritage would embrace modernity and its global commercial consequences of degrading the cultural past (Sidani, and Al Ariss, 2014). An example is a case of the modern shopping malls found in Dubai and Abi Dhabi, where shoppers from across the globe can feel accommodated as they can easily access their fashions and styles of clothing. These cities in the Arabian Gulf have opened up to the other developed countries where culture and traditional heritage do not define the design and operation of the commercial activities in the region. It is common to find Asians, Arabs, Africans, and Westerners shopping at the same mall expressing similar taste of clothing and other products. Besides, technology plays a key role in defining the modern Emirates from the traditional villages that existed over the past centuries. Considering a global fashion, the situation at the UAE marketplace can best define the grandest form of globalization based on social interaction among different cultures where there is no dominant one.

However, some scholars like Al-Jenaibi, (2017), believe that embracing the Western-style consumerism is unfriendly to the local people who have a great attachment to the traditional

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heritage and their sense of cultural pride. The author states that the polarization of the traditional culture is typical among the Emirate residents where students walk with cell phones and with baseball caps without feeling the sense of alienation from the family, religious and the tribal virtues. However, there is a confession about the contribution of modernity, commercialization, and the global culture on the life of the people from the Persian Gulf. Al-Jenaibi, (2017), points out that the Emirati culture remain in place despite the presence of commercialization and modernity among the Emirate residents. The author builds the argument by claiming that the people have embraced the industrial society from the Western influence and prevented the pressure from the global culture to derail their societal norms based on the historical sense of family traditions and tribal communal system. Too many visiting tourists, the region has little to offer in terms of cultural heritage through artifacts, ancient structures, and paintings because of the new structures and modern lifestyle adopted since the 20th century after the wave of massive commercialization (Muhammad Siddique, 2012). Therefore, it becomes a challenge to understand the cultural heritage of the residents in the Arabian Gulf as they have little evidence to define their historical background. However, learning about people's lifestyle offers a sense of traditional cultural connection. Those who want to understand the cultural identity of the people must look beyond the glamorous skyscrapers, modern hotels, and shopping malls. The culture of commercialization in the UAE remains at the periphery of their heritage as it only defines history and sociology life. Therefore, evaluating the historical background of the Emirates people is the only way to understand how culture and social heritage controls the commercialization evidenced among the top Gulf cities. A visitor to the region can only appreciate how friendly commercial environment is and forget to discover the cultural heritage of the community (Zahlan, 2016). Before the global influence into the Emirates, the family lineage and social status

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defined the roles and responsibilities of an individual and the decision-making patterns. Since the ruling family, Sheikh management to balance culture and traditions with the modernity and aggression od technological advancement, the UAE has united through acceptance of the tribal differences to accept every given community in the region. The careful balance of culture and commercialization through modernity has enabled international businesspersons to invest in the region. Today, people from all races run different investments in the area, including the financial sector, transport and communication sector, hotel and hospitality, and fashion and entertainment. Zahlan, (2016), states how the past has effectively influenced the future through leadership styles and visionary development under political stability (Bealer, and Bhanugopan, 2014). The fact the ruling family, Sheikh, has managed to balance cultural heritage and the pressure from global culture opens up the region as a commercial hub to the rest of the world. Recently, the pressure from the worldwide market has transformed every aspect of life in the Emirates Gulf as it defines the traditional concepts and values among the people. Modernity in the region is about the change from the conventional occupations to venture in the commercial world that deal with the provision of goods and services to people globally along the technological line. Such an aspect of change defines the social and economic realities and the way that the foreign laborers have influenced the local youths to change from the traditional norms to adopt Western life in the UAE.

### 2.5.2 Gender Roles in Business environment in Europe

According to the study by Al-Khazraji, (2009), there are three outstanding changes in the role of women in the Emirati familial nucleus; there is marriage perceptions, education, and attitudes towards financial dependent and self-development. Because Emirati women are part of the Islamic faith that give men more powers to women, the transformation experience in recent decades contradicts the traditional norms of the people. First, the primary role of education is to

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seek economic empowerment among women in society as it opens doors for the workforce. Such empowerment contradicts the traditional Islamic role of women in the society that is more on the household responsibilities. Besides, education women mean that they rise in the workplace in terms of leadership positions, a move that contradicts the dictates of the Islamic faith where men are supposed to lead, and women follow. The role of women has changed over the past with the introduction of Western education where Emirati females have a say on the choice of their husbands and a right to an equal education as men as well as the freedom to pursue their career path (El Amouri, and O'Neill, 2014). Some of these transformations are more in line with the Western imperialism than the traditional and cultural dictates on the role of Emirati females. Education in the UAE has undergone a complete transformation under the leadership of Sheikh Zayid, who plays a significant role in women empowerment. An example of higher learning institution set by the ruler to offer women equal learning opportunity is the Zayid University that advocates increased participation of women in development roles and the realization of the academic competency among Emirati females. The Emirati leaders not only focus on the oil-based economy but also explores other sectors that are suitable for the females especially media and commercialization where women can undergo university training to acquire the basic skills for the workforce (Al Ariss, 2014). The realization that women play a key role in a diversified economy away from the petrochemical sector opens opportunities for the Emirati female to venture into various business activities in the global economy. The local leaders continue to acknowledge that educating women is the only opportunity to maintain the increasing pace of domestic industrial growth away from the petrochemical sector. Quite obviously, the traditional position of women in the Emirati society continues to receive criticism as the nation offers more

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opportunities for women to attain graduate and postgraduate educational programs suitable for the workforce in a global economy.

The conflict between daughter and mothers is significant among the Emirati population were close to ninety-three percent of the girls aspiring to pursue professional career opportunities, unlike the mothers who dominates the household duties like working in hotel and restaurants. Besides, the same conflict also comes in on marriage when it comes to the choice of their partners. Most young girls wish to choose their husbands, especially those they meet at higher learning institutions and other corporate avenues, unlike their mothers who relied on traditionally organized marriages. Marriage age also differs in the new generation where young females wish to get married at their twenties, unlike most of their mothers who settle at around sixteen years of age. The author acknowledges that the conflict between the mothers and daughters is a clear indication of departure from the traditional norms to an aspiration to adopt the global culture characterized by place for women in the economy, a tangible career and quality education as well as preferable marriage partner. The analysis of the cultural and social aspect of the Emirati women indicates a drastic change over the past decades. Such changes are due to the rapid advancement in the technological sector with the introduction of smartphones that connects the young generation to the outside world. Unlike their mothers, these young females are exposed to television, radios, and western lifestyle coupled with fashion and glitzy shopping malls offering every variety of dressing and makeup (Al Ariss, 2014).

The abundant life for the Emirati females has come so rapidly beyond the boundaries of the traditional norms and cultures. With the vast oil economy along the desert, the life in UAE has changed rapidly, offering a welcoming environment for women to enjoy their freedom and taste the products from the West. However, the young women remain at conflict with their parents

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since they have only known one side of life, one full of entertainment, friends and communication channels, unlike their parents who grew in a society governed by traditional values and cultures. The global culture has moved into the lives of the young ones without warning detaching them from the traditional ways and exposing them to the global and commercial pressure from the West coupled with fashion, fun, and freedom across gender. Not only do these mothers and daughters differ in terms of a generational barrier but also based on civilization. The differences come in terms of future goals and hopes for young females. Despite the pressure from western civilization, the people from the Middle East are still adamant to accept the change as they fear their children would stand to demand everything that money and education can provide (Hills, and Atkins, 2013). The young girls will stand talking about the use of birth controls, deferment of marriages and others remaining single, choice of marriage partners, family planning, and promotion of career path. Mothers in the context represent a generation that knew the traditional dessert life where women solely dependent on men and their position was in the household chores, and have been introduced to a life where their daughters tend to copy everything they watch over the TV, and listen to from music and well as access through smartphones. These young girls want to apply the cosmetics, dress the Western style, and exploit freedom just like the men, clubbing and enjoying the nightlife.

### 2.5.3 Islamic discourse contested: European and Middle East perspective

The cultural identity in the Middle East reflects the Islamic faith that defines various concepts such as good society, good life, and good governance. However, there is a discourse arising between the Islamic faith and the Western worlds based on the cultural practices concerning human freedom and good governance. Most Western countries view such Islamic driven leadership approaches as authoritative and a barrier to human freedom and social equality. However, there is keen interest among the Middle East leaders on the conservation of the

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traditional norms and cultures in terms of leadership framework and social structure. The Islamic discourse offers a platform for the analysis and interpretation of the consequences of modernity on the traditional values. It is a contest over the social norms, moral values, traditional beliefs, and political institutions that control both the Middle East and Europe (Tlaiss, 2013). According to the recent report by the World Bank, the current Muslims are giving in to the pressure of the global culture and many practices the rule of law, human rights protection, good governance, and gender equality. Initially, the dictates of the Islamic faith defined the social role of women as household duties and not the leadership and corporate responsibilities. Such dictates deprived women various fundamental rights, including lack of education and leadership positions. Some countries like Saudi Arabia would not allow women to drive and still, date majority of young Saudi females walk in the company of either their elders of brothers. The concept of Islamic discourse defines a critical aspect of culture among the Middle East that contradicts the ideology of the European countries. The Western pressure forces the Arabian leaders to fuse the global culture with their traditional norms and social heritage. Since these values originated from the Western world, they are universally accepted in other parts of the globe as they advocate for human rights and social freedom across gender (Tlaiss, 2013). Besides, Western culture is in line with massive economic development as it comes with great transformation in technology in various economic sectors. Countries like UAE that have adopted the global culture are making miles in terms of commercialization with major international companies moving into the major cities like Dubai and Abi Dhabi to engage in trade.

In spite of the massive pressure from the global culture, the Islamic discourse points out some of the key concerns among the Arabian leaders concerning the impact of the Western commercialization of the proper conduct and preservation of the traditional values among the

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residents. Majority of those who advocate for the Islamic culture attach it to the strong traditional norms that govern the behavior and conduct of the people. It also defines the political and economic system that advocates for the common good among everyone, unlike the Western culture that defines commercialization as a path to enriching few individuals at the expense of the whole society. There are groups of Islamic intellectuals who believe in the power of Western culture who fuse the two cultures to reap the positive for their social and economic development. One of the reference points for these intellectuals is the technological advancement in countries who believe in the global culture as seen in the West (Isakovic, and Forseth Whitman, 2013). However, those for the Islamic discourse argue that the system does not advocate for gender equality as seen in Middle East countries where women seek asylum in the European and other Western countries. Global culture opposes any traditional norm that does not advocate for social justice, freedom of movement, and equality. Besides, the Islamic culture is deep into religion other than looking at the common good among everyone. It sounds like advocating for global culture in the Gulf countries is a call for freedom, economic development where women contribute to the national economy, and females access quality education to fill the corporate career positions. From the concept of "Europe in the Middle East," the Western pressure has forced the majority of the Arabian leaders to advocate for fairness in resource allocation (Al Ariss, 2014). As seen in Dubai, the top institutions of higher learning are opening branches in the city to allow access to technical training to the young females in the Gulf region.

According to the historical background check on the role of the Emirati women, it appears that their recent positions are relatively marginalized compared to where they used to serve in the past. According to a study by Sidani, and Al Ariss, (2014), the Emirati women used to enjoy economic positions back in the early 90s through their freedom of expression and movement

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were limited. Today, these women struggle to redefine their position in the commercial landscape with male dominance in most of the sectors, unlike the past, where men and women served in different positions in the economic sphere. Men would operate shipping operations and trading activities while women ventured into local commerce such as selling the local farm produce. The contribution of women to society sounded more liberal and attached to the norms and traditions of the people as they could engage in economic activities besides childbearing and other home responsibilities. However, the era of 1930 to 1970 saw women experience harsh social conditions as they struggled to fit into the new wave of commercialization. Because of the drastic change in economic operations, the role of women shrank due to their social limitations such as freedom and mobility. They remained dependent on men who could fit into the dynamic economic times where entrepreneurs would travel from one country or continent to another in search of commodities for trading. However, the situations for women had a little liberation during the 1960s of the major oil finds where Sheikh Zayid made a great bid to unite the country and encourage women to join hands in building the nation (Bealer, and Bhanugopan, 2014). However, the women could not fit the gap since they lacked the necessary skills and energy to work in the oil fields. The same period marked the vast influx of foreigners into the UAE to work on the oil exploration sites. Considering the footprint set by Sheikh Zayid to unify the national population, there arose need by the local leaders to redefine the position of women in the society and reevaluate how social norms and economic aspects could merge for the good of the people.

The first step to achieve the unification deal was to allow women to attend the classroom to acquire knowledge for the global market. Considering the move to enroll more women to acquire education, the number of female attendance to higher learning institutions rose significantly

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resulting in from m decreasing in the level of illiteracy among Emirati women. Involving women in education systems did not only serve to unify the people but also played a critical role in boosting the economic progress in terms of commercialization in the region. Through increase literacy, the status of women changed significantly as women started serving in various sectors of the economy compared to the previous years. The introduction of women into the workforce transformed their traditional roles that only focused on raising family and related household responsibilities (Bealer, and Bhanugopan, 2014). Numerous Emirati women moved from traditional ways of life into career opportunities with some serving as nurses, others teachers and accountants, and many other aspects of the economy that men controlled.

While it appears clear that the role and status of Emirati women have positively changed over the past few decades due to modernity and rapid urbanization, it remains unclear whether these changes surrounding tremendous influx of wealth are in line with the cultural identity of the people and build on the traditional role of women. The UAE has increased its exposure to the global market through the education of women to fill the existing gaps in the labor market. The pressures resulting from the commercialized society on the Emirati population has led to the transformation of the role of female Emirati about the social and economic structure. Another study by Bealer, and Bhanugopan, (2014), explores how global pressure has contributed to the social development of the UAE. Such development is linked to the higher increase in the number of women in the workforce and that joining the higher education sector. Although few women have secured employment opportunities in both public and private sector, they have the opportunity to expand their horizons by enrolling in the university level formal education to equip themselves with the basic knowledge in the medicine and commercial sector.

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The government has also come it to support the women education by boosting their workforce opportunities in the public sector to raise the social status of women and help them move from the traditionally defined roles. Tlaiss, (2015), offers an insight on how globalization and modernity have influenced the lives of the Emirati families, especially on the role of daughters and mothers. The author several social problems have since erupted among the Emirati society, including schools and families such as drug use and changes in the family values and morals. Another significant transformation among the traditional cultural norms of the Gulf people is the gender roles and beliefs of the family relationships. With the introduction of western education to all genders, women are becoming independent of men, unlike the past where the latter dominated the majority of the economic sector. The family roles are experiencing great transformation with women gaining financial empowerment.

### 2.5.4 Forum Tradition and Critique of Modernity

The critique of modernity originates from the Middle Eastern countries who view the global culture as a threat to their traditional norms and sense of social responsibility and leadership framework. According to the critics of modernity, the concept of global culture is a call for Western imperialism to kill the traditions and history of the Arabian nations. However, modernity is a result of the pressures of globalization that hits every corner of the globe where every continent feel the sense of accepting the global culture because of its advantages in terms of commercialization (Sidani, and Al Ariss, 2014). However, some aspects of modernity have faced massive criticism from the religious point of view, as they tend to contradict the dictates of religion. Secular modernity comes in as a practice where people exercise their freedom of movement, lifestyle, and social values. The only danger is the overexploitation of such freedoms to bridge the values and norms of social conducts and practices. The concept of “Europe in the Middle East; The Middle East in Europe,” explores the connection between the Jewish and

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Muslim culture in terms of secularization. Therefore, modernity has received a backlash among the Middle East countries who are deep in their traditions and cultural heritage. Most of these countries view modernity as a product of the West and a concept whose intention is to kill the Arabian lifestyle. These countries feel marginalized in terms of industrialization and massive commercialization that is a key product of modernity (Zahlan, 2016). Other than rejecting modernity on a religious basis, leaders like Sheikh Zayid have come up with new revolutions to adopt the global culture and simulate it within the traditional believes and cultures. The leader has set different museums in Dubai and Abi Dhabi to display their beliefs like displaying the history of Prophet Mohammed.

### 2.5.5. Effect of culture on buying behavior

Consumers are the key stakeholders of any business venture that has to ensure that the products and services are in line with the taste and preference among the customers. Product marketers have the responsibility to study the market behavior and advice the production sector on some of the incentives to incorporate in the production system to ensure that the products get market acceptance. However, consumer behavior is directly influenced by the culture and the traditional norms (Isakovic, and Forseth Whitman, 2013). A potential product marketer should look into how the customer receives the information about the product, how they can access the product, reasons for the preferences among the consumers and how to arrive for product price to attain value for money. Brand design and promotion should contain certain features that appreciate cultural beliefs. Some of the underlying elements for culture, including language, customs, laws, myths, rituals, and artifacts contribute to the choice and preference for commercial products. Culture is the primary determinant of the human want and general behavior as it dictates the instincts, perceptions, and preferences (Tlaiss, 2015). A child growing up in European countries

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as Germany has access to efficiency, activity, success, progress, comfort, freedom, humanitarianism and individualism unlike that child in the war dominated countries, especially in the Middle East. The culture of a group of people defines their preferences for shopping, depending on the level of exposure. According to research by Greenwood, (2016), culture can influence supermarket, bazar, and store shopping. Such preferences come along with the product availability and convenience in terms of access and variety of choices. Similarly, culture, traditions, and beliefs define the choices for commodities at the supermarkets, stores and bazaars. Another parameter that defines the shopping style is the level of literacy among a group of people that defines their wealth and preference of lifestyle. The result showed a varied taste and preference across the educational level and point of shopping where the intellectual class goes for bazaars and supermarkets.

Level of literacy also relates to job occupation and the disposable income in every household. Those with better-paying occupations will conform to a high standard of living that also defines their shopping pattern. Therefore, consumers look for products that suit their job occupations and living standards. It is important for every business entrepreneur to deal with products that can gain market acceptance based on the job specification. Age bracket also plays a key cultural role in defining the nature of a business venture in a given region (Geppert, Matten, and Williams, 2016). An aged population may require more care and recreational facilities such as healthcare units and beach hotels than a young population who require education facilities and other entertainment venues such as clubs. Besides, age also defined the level of disposable income whereby a community with the majority of the working class may be suitable for setting up a business than one with a young population who are mostly students and persons under parental care and provisions. Marital status plays a key role like lifestyle and commercial activity in a

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region. A population that comprises of families and married couples require various amenities such as better living spaces compared to the single individuals who may require more recreational grounds than living spaces. Marital status also defines the family organization and a specific lifestyle that is more organized. A research by Kolk, (2016), indicates that married persons visit shopping centers more frequently than the singles. Lastly, gender is a key determinant in business preference for a given cultural setup. Gender will dictate the kind of wears and other social amenities and products an entrepreneur deal in since the two genders have distinct taste and mode of dressing. Besides, there are other products and services unique to a specific gender, making the gender proponent a great deal in designing the nature of business for an entrepreneur.

### 2.5.6 Culture's effect on business

One of the outstanding cultural industries in the region that has survived the influence of commercial products is the traditional production of herbal medicine sold at the open markets. Despite the presence of advanced medical centers in the region, the people have maintained their quest for the herbal medicine that has been in use for many centuries to prevent and cure many illnesses. Another outstanding cultural practice that has stood the test of time is trading on jewelry for the Emirati women (Tlaiss, 2013). The taste for jewelry has been a practice among the Arabs for many centuries, and despite the thriving commercialization of the significant cities along the UAE, sales, and purchase of the products has remained on the rise. The availability of gold in the region has attracted many foreigners to the jewelry products in the UAE, where businesspersons have gotten into the trading of jewelry products for the women, both the locals and the tourists. Many tourists who purchase the jewelry products look forward to tasting the nomad lifestyle that defines the traditions and cultural heritage of the Gulf people. Apart from

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the jewelry trade, the locals have also decided to explore their traditional lifestyle through camel riding experience for the tourists and taking dinner at sunset to enjoy the desert life on the dunes. Therefore, the cultural experience within the area has remained a significant concern among the local leaders and the businesspersons who merge the traditional lifestyle and the global culture to entertain the tourists (Bealer, and Bhanugopan, 2014). It is obvious to acknowledge that the majority of the packages in the tourist sector are in the line to preserve the traditional norms and practices and to serve as a financial source for future growth and commercialization.

Other avenues meant for promotion of the Arabian culture include the Dubai Shopping Festival that seeks to connect the Emirati culture to the outside world as it contains both imports and local products. However, some critics question the rise of modern shopping centers and media city that tend to adopt goods and services from the global market. Dubai Media City and Dubai Shopping Festival are two platforms meant to link the global market to the traditional cultural heritage of the UAE. Recently, pop-culture has found its way into the UAE, thanks to the Dubai Media City that tend to adopt both local and international entertainment elements (Isakovic, and Forseth Whitman, 2013). The primary target of the media stations is to remain within the cultural outlook while getting into consumer preference. Dubai Media City offers the pop culture to entertain the tourists and to meet global demand. However, the author still believes that the media center in Dubai has managed to balance the Islamic and traditional norms with the influx of Western approaches and ideologies. As the private sector push for global cultural industries to meet the demand of the commercial pressures, the Emirati rulers have moved to promote their industries towards meeting the global standards to accommodate people from different lifestyles. Recently, the Dubai Authority of Arts and Culture declared the construction of a museum to promote the life of Prophet Mohammed. The promoters of the museum acknowledge Dubai as the focal point

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for the construction of the museum due to its diverse population. Creation of the museum will not only remind the locals about Prophet Mohammed but also sell their religious beliefs to the outside world (Isakovic, and Forseth Whitman, 2013). The move to put up the museum was motivated by the global pressure from the foreign influence in the region that threaten the traditional heritage. Either way, putting up the museum for Prophet Mohammed in the region is a sign of juxtaposition between the wave of commercialization and cultural heritage and a way that Dubai leaders try to preserve their beliefs and culture amid the massive transformation in the region.

### 2.5.7 Managing Culturally Diverse Workforce

When an organization expands its operations to more than one country, it must operate as a multicultural business entity because of the barriers that arise due to cultural and ethical diversities. One of the outstanding challenges that international organizations face is the blending of employees across diverse cultural backgrounds. A case where two or more employees work together in a given corporation, there is an emergence of a multiculturalism and the management of the organization must device a modality of handling such a situation. Besides, employers moving to another nation must adjust to their cultural setup in terms of language, leadership styles, and various aspects of cultural dynamics (Burton, Yamin, and Young, 2016). Similarly, employees moving to other countries must also adapt to the culture of the new country by first learning the language and the way of life. One of the challenges that international companies face in traversing new territories is the reduction of productivity among employees who face the challenge of cultural boundaries. The cultural difference may result in seclusion and isolation among the employees hence lack of consultation and teamwork within the organization. People from the same culture will tend to stick together and isolate themselves from those from other

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cultures. At times, cultural differences build hostility and sense of rejection. The expatriate employees face a challenge of seclusion and intimidation in their new environment, a situation that forces the management of the organization to device a mechanism of fusing the two cultures to build a favorable environment for all employees (Głodowska, 2017). Since the productivity of any business organization depends on the input among the employees, creating a favorable environment for all should be a priority in setting the management approach for a multinational corporation.

### 2.5.8 Barriers to Cultural Adaptation

International business corporations face several barriers to traversing new countries. Some of these barriers include the following;

Individualism: This is a common problem when people from different cultures come together at a workplace where some tend to give priorities to their needs and welfare. Individualism is a crucial challenge to working productivity where some employees tend to believe that their cultures and norms are superior to others. They will end up putting their interest ahead of others, as a result, may be segregation and isolation.

Parochialism: When employees from the country where the organization is based move to other nations to work in the opened branches, they get absorbed into the social system of those countries and ay believe that there is little difference between the two cultures. The failure to recognize the differences in the two cultures may bring conflict of interest when it comes to the traditions and values that they once believed. It becomes a problem of catching up on cultural recognition and adaptation.

Ethnocentrism: Another significant barrier to cultural adaptation is ethnocentrism of self-preference criterion whereby people believe that their values and beliefs supersede that among

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the foreign countries. Failing to acknowledge other people's culture may be a barrier to understanding the behavior, especially among the employees. Building a competitive environment implies coming up with a strong foundation of cultural understanding to enable the various business stakeholders to read from the same page. Winning the market requires meeting the needs of the target customers that are in line with the cultural beliefs and practices. Besides, these are close proximity between cultural understanding and customer preference.

Cultural shock: When employees move to a different country, they suffer from a cultural shock because of the cultural gap between their home country and the foreign land. Such trauma may result in intimidation and lack of confidence to react to the situation. Some end up being emotionally upset and decide to isolate themselves to escape the embarrassment of not being able to speak the foreign language to behaving in a particular manner. The cultural shock has even forced some people to abort their international mission and return home in fear of loneliness and embarrassment. Excitement comes because of many reasons; there is the issue of language, different management philosophy, unique currency system, attitudes at work, separation from friends and family and alternative foods, driving patterns and dressing. Some of these practices create an entirely new environment for a foreigner, and it takes time to adjust.

Cultural distance: For one to predict the time required to adapt to a particular culture, there is a need to understand the cultural distance/gap between the two countries. Most employees would tend to judge the social condition in foreign countries from the standard of their homeland. It is critical to check on the language difference between the two countries and the ease to master the foreign language. Other barriers may also come with their taste for food and dressing that requires one to check on the differences and the level of the existing gap before moving to a foreign country.

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### 2.5.9 Overcoming Barriers to Cultural Adaptations

In spite of the need for cultural adaptation among employees and business entrepreneurs moving to a foreign country, the majority get into these situations unprepared only to find themselves under awkward circumstances that lower their self-esteem. Because the majority of these individuals are ethnocentric and parochial, they do not give much attention to the fact that they will be dealing with persons from a different ethnic and social background with a unique set of traditions and beliefs. Many do not even know the foreign language but have to move to the new environment in search of greener pastures in terms of broader market or job opportunities. However, there is a need for cultural understanding while moving into another country to avoid embarrassment and minor error while interacting with the locals. Misunderstanding between the employees or employers with the local might be costly to the business as some potential customers may aught out of the product simply because an employee has not met their cultural expectations. Several strategies an organization can use to settle the difference in terms of cultural barriers to limit its impact to the progress of the business are as follows;

Compatible assignment: There is a need to consider the cultural boundaries before assigning duties within an international organization. Some of the barriers that may come in with such transfer include gender issues whereby, in some countries, a given gender is not associated with a particular job. Compatible assignments also come along with the management approach that should be in line with the dictates of the new culture.

Careful selection: Before assigning employees to a foreign country, it is essential to check some of the characteristics that may influence their cultural adaptations. An employee who seems to be ethnocentric may be of low appetite to ensure that once the new team moves to the foreign land, they can quickly adapt and meet the expectations of the company. The desire to experience other

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cultures and live in a different country should be a motivating factor for selecting employees to work in a foreign land. Another key consideration is checking the reaction of the close people to the employee, especially the spouse who may not be for the decision. Ensure that assigning an employee to a foreign country to receive full support among the close family members, including wife and children.

Pre-departure training: One of the critical progress for overcoming cultural barriers is pre-departure training that ensures that the team is psychologically prepared for the condition in the foreign land. Besides, such training can also come immediately after arrival in the foreign land before assignment of duties to ensure that the team is equipped with some of the basics such as language, customs, political environment, and culture. Ensuring pre-exposure training boosts the confidence among the group and prevents premature intimidation while in the foreign land.

Incentives and guarantees: Another problem that people are moving to another country face is unprecedented deficiencies. Due to the differences in economy and value for money, many foreigners find it unbearable during their first few years to adapt to the foreign country. Therefore, one of the ways that a multinational company can motivate its employees to work in a foreign country is through the provision of incentives such as accommodation. The organization should offer extra pay to the employees to cover for the inconveniences, emergencies, international hub assignment, and new responsibilities. Such payment such come along with compensations for the damages that may occur during their stay in foreign countries. Another way to motivate the employees is through job promotion back in their home countries.

Orientation and support in the foreign land: It is important to orientate the new employees in the foreign to acquire some of the basic survival tactics and help boost their confidence. Some of the assistance may come in terms of improving the family settle by providing transport, housing, and

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shopping services. If possible, the company can assign a resident to induct the new employees to meet their foreign expectations within the shortest time possible and resume to the assigned tasks.

Preparation for reentry: Another problem that faces the transition from a foreign country to the homeland is the cultural shock that comes in after adapting to the new cultures and traditions. Majority of people who take many years in foreign land tend to conform to such customs, and when they return they face another cultural gap in their home country. They need time to readjust to the new environment, and employers should offer them some good time to be with their families embrace the home culture before the assignment of new tasks.

## 2.6 Cultural diversity and its limit in Europe

### 2.6.1 European Society

The European nations came together after WWII to build a stable economy through strong institutions that govern political activities in the region. The creation of the European Union was to prevent any event of war by building cohesion across all countries within the union. With time, the ideology of the EU broadened as it focused more on the economic development other than just political stability (Maxwell, 2016). Through the existing institutions, the EU developed regulations on business operations to promote a stable environment for business opportunities. Despite the distinct existence of the EU countries, they share the same institutions that govern their political, social, and economic spheres.

Moreover, the move to promote the EU influenced the growth of the European culture characterized by art, music, films, and retail stores across every country in the region. Other scholars argue that the move for Europeanization may result in mutual cultural dynamics with similar values and traditions (Głodowska, 2017). A program among the European University

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students permits that to experience life in other European countries by taking two semesters at other universities. Such exchange program not only promotes academic exposure among the students but build mutual relationships, business ideas and future partners, and friendship between two or more countries. These students get the rare opportunity to study other cultures and appreciate the sense of global commercialization and modernity through advancement in technology that improves the business environment. However, some critiques claim that the open borders among the EU countries only benefit the few intellectuals who can move to their city of choice. Besides, the union has also led to the dominance of new political powers in the region that influence the decision and the institutions around economic and social progress (Coker, 2014). The pressure from critics has led to Euroscepticism that continue to divide the member countries with the recent withdrawal of the UK from the EU.

The question around the impact of the European cosmopolitanism on the cultural influence raises concerns as critics claim that global migration threatens the cohesion and norms among the population. Immigration has been an issue among European countries, especially Western and Southern Europe. Western Europe experienced massive immigration in the late 19th century during the massive industrialization in the region as people moved to search for job opportunities. Southern Europe still faces massive immigration issues to date following the political instability and in countries like Libya, Syria, Sudan, and Morocco. Other immigrants into Europe run away from the harsh economic conditions in their countries. Due to the diverse culture in the region from across the globe, from Africa, Asia, and the Middle East, EU feels more threats on its cultural heritage due to the practice of open borders among the member countries. Some of these immigrants moved to Europe during WWI and WWII where their colonies like Morocco, Algeria, and Turkey moved to settle in the peaceful continent (Hamilton,

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and Webster, 2018). Majority of the non-European migrants remained in Europe, a move that has led to diverse communities who have embraced the European culture. However, the dominance of the non-European migrants in the Western and Southern Europe led to the stigmatization of the European migrants who moved away from their neighborhoods to segregated settlements. Non-European origin has been stigmatized due to police brutality and association with criminal activities in the region. The backlash of cultural integration in the European countries is a result of increasing global politics and economic factors (Kolk, 2016). The European market has since opened up for the Asian and other multinational companies, distributors, and products. Strong governance and institutional regulations result in cultural diversification in the region because of global migration. European remains an important place for a different social business practice than any area globally due to the past massive movements.

### 2.6.2 Hybrid products

Most hybrid products such as TV, music, film, and other technologies originated from the West. The early day's globalization opened opportunities for the then industrialized countries, the US and UK, to export the hybrid products to other countries in Africa, the Middle East, and Asia. However, the rise of China, India, and South Korea on the technological index has since diversified the hybrid products across all cultural industries. Initially, the film industry was dominated by Western culture and traditions with the majority of the film stars coming from Europe and the USA (Cavanillas, Curry, and Wahlster, 2016). The increased prominence of other countries in the global market allows for the production of films exploring every culture among the Arab countries, Africans, and the Asian world. Another aspect of cultural diversity is the growth of pop-culture in Europe. Hip-hop began in the US form the African Americans who used the piece of art to champion for their liberation during the dark days of racism. Hip-hop

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culture quickly developed among the immigrant minorities in Europe who could relate to the oppression and segregation the African Americans faced in the US. Eventually, hip-hop culture has become a universal practice across the European countries as Germany, French, Britain, and Dutch (Kolk, 2016). In the modern days, hip-hop has collectively brought the African, Asian, Arabian, and European culture into the mainstream through the sound display, themes, and cultural spaces such as entertainment at restaurants and advertisement purposes.

Fashion, lifestyle, and beauty products have flooded the European market from a multicultural design. Yoga from the Indian culture has been integrated into the global market across Europe where European professionals have resorted to the practice as a means of maintaining physical fitness, especially among the women. It also forms part of the entertainment platforms such as British Got Talent show where talented individuals perform the Yoga that is a typical replica of the Indian traditions and culture (Cavanillas, Curry, and Wahlster, 2016). Other aspects of diverse culture in the European market is the marketing sector where facial scrubs, beauty creams, dietary supplements, and fashion accessories are advertised based on the notion of foreign culture. The design of culturally diverse consumer products in Europe creates a cosmopolitan business environment that is attractive to international companies. European shopping malls and open markets contain a variety of products that promote a diverse culture hence exposing the Europeans to culturally diverse influences. Considering the nature of the European market, local companies require diverse production skills to design and promote products that appeal to a global market composed of numerous cultures (Greenwood, 2016). Such conditions make Europe a strategic place for international companies to boost their sales as it also has a potential market because of high disposable income among the working class.

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### 2.6.3 Demographic drivers

Despite the numerous speculations about the situation of the future Western Europe, it is no doubt that the region is becoming more culturally diverse because of the global pressure. The key demographic drivers for the multicultural state of Europe include intermarriages and birthrates in the region. The two dominant factors implies that Europe will become racially homogenous in the future because of the interracial marriages in region (Burton, Yamin, and Young, 2016). A typical case is France that has experienced massive intermarriages between whites and blacks over the past decades. Intermarriages result to fusion of two cultures to develop a global form of culture that accommodates everyone. Such cultural diversity extends beyond the couples to their family members who gain personal connection and appreciation of the diverse culture. Geppert, Matten, and Williams, (2016), confirms that the intermarriage between the immigrants in Europe and the Europeans is rising that will lead to a generation that embrace both the European and the non-European traditions. The culturally mixed Europeans are visible in the learning institutions especially among the young generation who share environment of diversity and multicultural nature. Intermarriage in the European communities is one of the key determinant of culture especially among Christians who find it appealing to engage fellow Christians from other races. Religion is a major determinant of cultural fusion in Europe since Christians freely interact with those of the same faith. Cultural beliefs is closely attached to religion hence other faiths like Buddhists, Hindus and Muslims may find it strange to adopt other faith like Christianity (Zaman, and Meunier, 2017). Another revelation indicates that other religions in Europe marry people of the same origin regardless of their faith. However, some of the native practices become extinct

after marriage when one party decides to assimilate the other into joining their faith and traditional norms.

Another demographic factor of the cultural composition in Europe is birthrate. According to the European families, the rate of birth per woman is two, and in other countries like Germany, it is even low where youths are not taking marriage and childbearing a priority. Unlike the Europeans, the non-Europeans have maintained their cultural practice of a large number of children of up to five per family (Głodowska, 2017). Such variation in the number of childbirth will contribute to the future cultural shift in Europe with the dominance of non-European origins. These demographic factors threaten the traditional and cultural heritage among the Europeans, as the foreigners tend to dominate their space as witnessed in the shopping centers and other institutions. The recent threat is the massive influx of the Middle Eastern refugees in Europe who are majorly young men with families and children in their native countries. However, considering the low number of non-Europeans in Europe with the exemption of the Netherlands, France, and Britain, the non-European will one day dominate little likelihood? Otherwise, as far as cultural diversity is concerned, Europe remains a favorable environment for a business venture. EU member countries have strong institutions that regulate the business environment in the region by ensuring political stability and free movement of goods and services among the member countries.

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# Methodology

The following chapter presents analysis on the research methods and data collection and analysis techniques applied for the study.

## 3.1 Study Design

The cross-cultural survey will be appropriate design criteria to analyze the stated research study and for testing the stated hypotheses. Such design supports the present descriptive study that is in line with the initial assumptions and demographic characteristics. A cross-sectional research study is suitable for the study design, especially in collecting two sets of data to identify the pattern of association. The survey research study is conducted through a questionnaire and structural interview. Concerning the validity and reliability of the research design, there is need to evaluate and measure the design concepts by considering the following factors: achieving security through stable and consistent data over time, a combination of the primary and secondary data to support the validity of the research study outcome. Another measure is to use professional software for data analysis to minimize errors and variability.

### 3.1.1 Study Structure

The research process is based on the deductive theory, implying that it relies on the available data and founded approaches that define the stated hypotheses and set background for further empirical analysis. The deductive nature of the research study builds on quantitative research as a means of testing the above assumptions. Quantitative is suitable for the research study as it describes the existing situation and presents the reasons behind such cases. Besides, a quantitative research study comes along with several advantages such as being a tool for

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hypothesis examination, suitable for time-limited research, established results are ideal for other reviews and provides useful data that are easy to analyze.

### 3.1.2 Study Delimitation

The study was conducted in a large sample population that consist of varied cultural and international business experience. Dubai is a commercial hub in the Middle East and is a suitable representative of the global business environment. Besides, the research variable addressed in the study directly tackle the set objective on the impact of cultural diversity in an international business organization between Europe and the Middle East. Addressing issues such as global business management influence of culture on consumer behavior and institutional regulations on business transactions between the two countries form a firm foundation for addressing the research problem. Besides, the nature of the research study design captures the target population through valid and reliable responses obtained through questionnaire and interview sessions.

### 3.1.3 Study Population

The study targets the two countries, Germany in the EU and the UAE, where the researcher will focus on the suitability of international business venture in Dubai and Berlin in the two countries respectively. It will focus on the cultural difference between the Emirati community in UAE and the European origin in Germany as part of the European Union countries. Because of the globalization, the cultural norms and practices in the two countries try to conform the global culture though the majority of the traditional values and beliefs still dominates the regions.

### 3.1.4 Population Sample

The primary target population for the study was European countries and the Middle East. Because of the vast research population, the sample was narrowed to two countries that stand as a fair representation of the target population, Germany, and Dubai. Therefore, the research targeted the natives and immigrant entrepreneurs in Germany, especially the Berlin city and those doing business in the UAE, specifically Dubai city. The population was a wide range of

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individuals from different cultural backgrounds, including whites, Arabs, non-Europeans, and other nationalities who are part of the internal business venture. Besides, the study also targeted the employees in international companies, university students, local and global leaders, and the business managers who face the challenges of managers a cross-cultural business environment.

### 3.1.5 Designing Study Questionnaire

A self-completion questionnaire was selected as the primary tool for data collection since it is convenient in terms of distance; it is cheap and prevents a high level of variability. The questionnaire involved the use of cover letter and open sheets with clear instructions on the structure and questions for the analysis. Structured and closed-ended questions were defined in the questionnaire with limited choices of response. The use of open-ended questions was limited in the study as they open room for exploratory research. The rating of the variables attached to the questions was in terms of scale; the level of importance, level of agreement, level of influence, and level of frequency. The ratings were in verbal, numerical, and frequency formats, especially in defining the frequency of visiting shopping malls between Germany and UAE. The Likert-type scales had the codes of numbers (0,1,2,3 and 4) while the level of influence, importance and agreement had the code of 0 towards the most positive and 4 for the most negative/least positive. Finally, the level of frequency had the system of 0 for the lowest and 4 for the highest. Considering the cross-cultural perspective among the respondents, the level of awareness and knowledge will differ based on the educational background, level of exposure, and social roles. Besides, the existing government policies and regulations on confidentiality of information may affect the willingness among the respondents to reveal some of the required details. The questions will, therefore, conform to the social constraints between the countries and avoid direct information that may compromise the security of the respondents. Finally, language and culture are critical concerns in designing questions to promote adequate communication with

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the respondents. Appropriate presentation of the questionnaire is to avoid misinterpretation of the items by the respondent that may lead to misleading information. Simple formulation, direct translations, and easy words are vital in designing the questionnaire to boost the level of understanding and responses to the questions.

### 3.1.6 Designing Study Interview

The interview sessions were conducted through video recordings, both one on one sessions and online platforms. One of the reason for online interview seasons was to reach a wide range of respondents in both Germany and UAE in various commercial and social spheres including students, entrepreneurs, managers and leaders. The sessions were conducted between 10mins to 20 mins by asking a set of questions and obtaining quick response from the target person. The sessions engaged 250 individuals across social, political and economic backgrounds between the two countries.

## 3.2 Data Collection Design

The general research objective serves as a guideline for choosing the suitable information required for the research analysis. Considering the specificity of the study objectives, the use of a mixed study method that combines both the primary data and secondary data suitably suits the purpose of the study. Secondary data alongside the formulated theories will form the background information for the formulation of the research hypotheses, while the primary data will serve in testing the hypotheses. The secondary data include the published articles on the topic, the financial information among international organizations and cultural diversity between the two countries. The questionnaire design conformed to the theories and knowledge from the secondary research findings.

### 3.2.1 Secondary data description

The secondary research data gathered for the analysis were related to the following topics: impact of globalization on international organizations, global influence on the cultural norms and

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traditions in the Middle East, global authority on the cultures of the EU member countries, competitive business environment, cultural dynamics in the UAE especially Dubai, the influence of non-European immigrants in Europe. Other areas of concern include the institutional business regulations in the EU and UAE and the cross-cultural management principles. The secondary data sources were gathered from reliable sources such as financial institutions, government institutions, bureau of statistics in UAE and EU, and historical records. Besides, the international business publications and website reports, as well as the industry directories, formed part of the secondary data sources for the study. However, the proxy variables were used to analyze the cultural issues between the two countries. .

### 3.2.2 Primary data description

The information derived from the secondary data formed the basis for understanding the trends on the research area. However, a number of issues on the research objectives and the stated hypotheses cannot be answered by simply referring to the secondary data. In this case, the primary data collection is necessary to expound on the topic beyond the available information from secondary sources.

### 3.2.3 Data Collection Instruments

The key instruments for the primary data collection include the survey questionnaires and open interviews among the sample population.

### 3.2.4 Data Collection Process

The primary data collection involved the use of survey questionnaires and interview sessions to reach the target population both in Western Europe, Germany and in the Middle East especially UAE with the major city of Dubai as the primary target.

#### *3.2.4.1 Conducting survey questionnaires*

The questionnaires were spread across different populations among the university students, university professors, working community, international organizations, domestic entrepreneurs,

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and government institutions dealing with commercial regulations and policy development. The researchers targeted a population of 1200, including natives and immigrants in Germany and the same to the UAE in Dubai city. Other parts of the questionnaire sessions were conducted among the public places that target the sample population, including the fitness studios, restaurants, cafes, commercial zones, and other street board that attracts public attention. Other questionnaire sessions were conducted through online courses by engaging both Dubai and Berlin business managers and residents to respond to some of the questions targeting the study objectives and research hypotheses.

#### *3.2.4.2 Conducting Study Interview*

Alongside the study questionnaires, there were also sessions of direct interviews through online conversations and one on one sessions with the target population to get responses concerning the stated research questions and objectives. The interview sessions involved international business managers, university students, immigrants in Western Europe Germany and the foreigners in Dubai. The interviews were conducted alongside audio recordings for further analysis.

## 3.3 Data Analysis and Interpretation

The most outstanding and relevant results and other observations from the primary and secondary data sources were summarized as sources of information for the analysis. The SPSS program as an analytical tool to handle the sophisticated options and provide sufficient and reliable outcome processed the primary data. Other basic descriptive statistics were relevantly conducted for the data to assess the frequencies among the various variables. Besides, the mode was computed among the variables to determine the central indicator as a summary of the answers. The mode was relevant to the data analysis due to the nominal nature of the data from the survey questionnaire and interviews and its convenience to develop most frequent answers overview. However, the mean values were relevant for the analytical comparison between

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Germany and UAE to obtain a detailed and reliable numerical outcome. Moreover, the use of independent t-test allowed for the analysis and comparison between the two countries on the same variables. T-tests were strictly for specific questions to check on the validation of the stated hypotheses as it offered the basis to reject or validate the same hypotheses. The tables derived from the t-tests outline the summary of the basic statistical components such as N (number of participants), standard deviation, mean, variance, and the standard error. The analysis also presents the P-values, the variations in the standard error and the mean differences.

### 3.4 Research Limitations

The secondary data design procedure had various limitations that undermined the research outcomes. Not all data about consumer influence on business success were available in both countries; some data sources are only available in the native language that distorts the translation during the compilation of data as some were obtained from the statistical offices that had regulations of the confidentiality of information. Besides, there was the use of different data measurements that affected the authenticity and comparison of the research outcome. Another limitation arises from the dynamics of the international business environment that may develop some inconsistencies related to the theory of approach during the analysis. It should be noted that some publications done even four years ago might not reflect the current situation in terms of cultural dynamics and international business environment.

Further limitations of the research arise from the use of non-random sampling method for the primary data collection. Though the approach sounded more convenient, the data proved to be general and could not substantiate the authenticity of the research findings. Given that some of the participants in the interview and questionnaire sessions were randomly chosen, the results could only be applied in a generalized form for the study population. Other limitations are evidenced by the use of the study questionnaire where the use of a cross-sectional approach

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might render the misinterpretation of the questions hence giving misleading information that could significantly affect the research outcome. Another challenge during the study is the translation of the Arabic documents into the English language for the compilation of the paper besides other questionnaire responses where a majority of respondents from Dubai was in the Arabic language. Ultimately, there were errors in the compilation and analysis of data as well as study bias during the research. Despite the efforts to stay positive and objective during the study session, there is no doubt that the research outcome might reflect personal judgment and opinions on issues surrounding cultural diversity between Europe and the Middle East.

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# Findings

## 4.1 Direct Cultural Influence on Business

International business corporations face several barriers to traversing new countries. Some of the cultural influences on business include the following;

**Individualism**: This is a common problem when people from different cultures come together at a workplace where some tend to give priorities to their needs and welfare. Individualism is a crucial challenge to working productivity where some employees tend to believe that their cultures and norms are superior to others. They will end up putting their interest ahead of others, as a result, may be segregation and isolation.

**Parochialism**: When employees from the country where the organization is based move to other nations to work in the opened branches, they get absorbed into the social system of those countries and ay believe that there is little difference between the two cultures. The failure to recognize the differences in the two cultures may bring conflict of interest when it comes to the traditions and values that they once believed. It becomes a problem of catching up on cultural recognition and adaptation.

**Ethnocentrism**: Another significant barrier to cultural adaptation is ethnocentrism of self-preference criterion whereby people believe that their values and beliefs supersede that among the foreign countries. Failing to acknowledge other people's culture may be a barrier to understanding the behavior, especially among the employees. Building a competitive environment implies coming up with a strong foundation of cultural understanding to enable the various business stakeholders to read from the same page. Winning the market requires meeting

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the needs of the target customers that are in line with the cultural beliefs and practices. Besides, these are close proximity between cultural understanding and customer preference.

**Cultural shock**: When employees move to a different country, they suffer from a cultural shock because of the cultural gap between their home country and the foreign land. Such trauma may result in intimidation and lack of confidence to react to the situation. Some end up being emotionally upset and decide to isolate themselves to escape the embarrassment of not being able to speak the foreign language to behaving in a particular manner. The cultural shock has even forced some people to abort their international mission and return home in fear of loneliness and embarrassment. Excitement comes because of many reasons; there is the issue of language, different management philosophy, unique currency system, attitudes at work, separation from friends and family and alternative foods, driving patterns and dressing. Some of these practices create an entirely new environment for a foreigner, and it takes time to adjust.

**Cultural distance**: For one to predict the time required to adapt to a particular culture, there is a need to understand the cultural distance/gap between the two countries. Most employees would tend to judge the social condition in foreign countries from the standard of their homeland. It is critical to check on the language difference between the two countries and the ease to master the foreign language. Other barriers may also come with their taste for food and dressing that requires one to check on the differences and the level of the existing gap before moving to a foreign country.

## 4.2 Managerial Tips for Successful International Business

Cross-cultural proficiency is a tool that enables managers to create a positive relationship and better understanding with their foreign business partners. Seasoned managers work towards the achievement of basic knowledge of foreign cultures, such as learning the language for communicating with the employees or colleagues from a different ethnic setting. Therefore,

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managers for international companies can achieve effective integration of cultures by being open-minded, lack of prejudice, and staying curious about other's behaviors. Experience managers, on the other hand, understand the necessary skills, facts, and knowledge to avoid offensive remarks and behaviors in a cross-cultural environment. Such skills come through cultural training that emphasizes human relations techniques and appreciating diversity, especially at the workplace. Skills in handling a multicultural environment are critical for business success across many countries as it is important in understanding more than one culture and being able to deal with employees, customers and business partners including suppliers from overseas. However, having information about a particular culture is also essential in handling cross-cultural diversity, but it is limited to a specific country and group of people. Several resources are available to help managers and other business stakeholders understand the importance of a diverse cultural environment. Some of these tools include cross-cultural consultants, online tutorials, government programs, and courses from the training institutions on the same. The following guidelines are key to making an effective cross-cultural integrated system that accommodates all the business stakeholders, including employees, suppliers, customers, and managers.

***Guideline 1***

Achieving cross-cultural business success requires avoidance of cultural bias. The primary causes of cross-cultural barriers if the attitudes that result in ethnocentric assumptions, one should avoid cultural bias by being flexible in a multicultural environment. A situation whereby a manager believes that foreign employees will behave just as those back at home creates confusion at a workplace by placing the foreign employees at an awkward position of cultural bias. Some of these managers distort any communication with the new employees as they have a

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set standard of behavior that they expect everyone to achieve. At times, these managers would complain about how it is hard to deal with such employees. They will always view them on the wrong side, either with detrimental conducts, stubborn or ill-behaved. Having a mindset about culture is not suitable for the management of an international corporation as most of the time, it leads to a conflict of interest. When a manager interacts with new employees who never appreciate their food, mode of dressing, anything they consider fun or a given history, he or she will attribute such behavior as inappropriate. As a result, the manager may find it uneasy to interact freely with the foreigner hence building a rift and isolation between the two. The result of such a decision may be fatal as the two may start to experience communication breakdown. It is essential to appreciate how other people behave, react to issues or systems to build on their work morale, and promote cross-cultural success. Being ethnocentric kills the chances of cultural adaptation as it makes an individual to believe that their culture, believes and traditions are superior to other hence anything that contract such belief is strange and unhealthy. Self-reference criterion kills the spirit of cultural diversity and leads to isolation. Critical incident analysis (CIA) presents the necessary procedure for dealing with awkward situations in terms of cross-cultural understanding. It helps in creating empathy among the parties involved to avoid cultural shock and the trap of self-reference where they become flexible to evaluate and understand the concept of other cultures. An example of an awkward situation is the type of food that people eat since it is something that directly reacts with the body. It becomes a challenge to adapt to some food products, and that may make one perceive certain foods as poisonous or unsuitable for consumption.

***Guideline 2***

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It involves the development of cross-cultural skills. As an international manager, there is a need to invest in understanding other cultures for the benefit of business success. Though it becomes a challenge to integrate between cultures, taking time to study and understand the way other people behave and perform certain activities is critical to appreciate their traditions and cultural differences. Some of the skills necessary for a manager for an international company include business transactions, dispute resolution, customer service, and negotiations. Therefore, a manager must have the following four personalities to help in the integration of diverse cultures in a business environment. First is tolerance of ambiguity whereby a manager may face many instances where the new employees sound ambiguous according to their cultural beliefs and traditions. It is essential to have the patience for the lack of clarity in behaviors, thinking, and actions of others. Second, a manager must be conscious that entails the ability to observe and appreciate the response and traditions of others, including how they think and act. Understanding the cultures and traditions of others is a crucial attribute for any manager who runs an international company as it helps in building cohesion and understanding among the various business stakeholders. The third virtue is valuing personal relationships that are the ability to acknowledge the importance of the interpersonal relationship that plays a critical role when it comes to winning arguments. An individual who values personal relationships tries to avoid any behavior that may undermine the second party hence always believe in equality. Lastly, the international manager must be flexible and adaptable. Such qualities are essential in understanding new environments and changes that come with innovations through open-mindedness. It is crucial for a manager to be flexible, especially when it comes to cultural practices as he or she finds it easy and pleasing to interact freely with people of different beliefs and traditions.

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***Guideline 3***

An international business manager should acquire factual and interpretative knowledge about a foreign culture and try to gain necessary skills such as speaking the foreign language. Successful business managers acquire the necessary knowledge about some of the fundamental issues surrounding cross-cultural events such as values, lifestyles, and attitudes towards the working environment. The starting point for these managers is to engage in an in-depth study about the economic and historical background of the foreign country. Besides, it is also essential to understand the perception of people about other cultures and to interact with the effect by avoiding some of the different behaviors that may lead to a communication barrier. The knowledge of different cultures is necessary for building a clear understanding of other's mindset and objectives. It also helps in interpreting the decisions and behaviors of the colleagues and promoting the interpersonal relationship. Staying positive about different cultures create trust and positivity towards other people, laying the foundation for a productive and open relationship. Language proficiency is also crucial in creative, competitive advantage in a cross-cultural environment as it ensures good customer relations and retaining the best workforce within the organization.

## 4.3 Cultural Pressure in the Middle East on the Business Success

Given the rapid pressure from the global culture among the residents of the Arabian Gulf, the region has since remained a strategic point for commercial activities among potential investors. International corporations are putting up resources in the technology sector, especially in the communication network. Others are also majoring into the hotel and hospitality business that attracts people across the globe because of the classy beaches and desert sands. Besides, the Arabian Gulf has remained a strategic point for accessing other third world countries within the Middle East for commercial activities. The connectivity and the infrastructural network,

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including right roads, rails, and airlines allow for the movement of goods and services easily across the region. Another contributing factor to the humble commercial atmosphere in the Gulf region is the political stability compared to other areas of the Middle East. The Sheik family in the UAE concentrates majorly on the business affairs rather than legislative duties hence attracting other potential investors into the region. The reclamation of land in the UAE such as the Palm Island opens space for recreational grounds, especially the sandy beaches. Considering its recent and rapid commercial development, the Arabian Gulf is an excellent example of a place in the Middle East to study the potentiality of a business venture in the Middle East. It is necessary to discover how the forces of the traditional beliefs and the cultural heritage in the region affect the business venture. Besides, the historical background of the region also plays a critical role in defining its commercial transformation and the role of the Arab culture on the evident developments.

The response to the disturbing question on the global pressure in the Middle East is active by looking into the cultural subtleties among the Gulf nations and their relation to commercial development in the region. Considering the cities such as Abu Dhabi and Dubai's current development status will offer a better platform to address the industrial transformation in the region. Both Dubai and Abu Dhabi are some of the most developed cities in the Middle East that offer opportunities for the global market. These cities have experienced unprecedented growth, expansion, development, and commercialization of the past several years because of the pressure from global culture. International companies from Asia and the Western world have opened up the region through advanced technology in the communication sector, trade and commercialization, banking and finance and in the hotel and tourism. Businesspersons view the region as a potential hub for accessing the Arabian world with Western commodities. Therefore,

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considering the cultural influence on the two Arabian cities will define the potentiality of the Middle East for a business venture.

Despite the pressure from global culture in the Emirates Gulf, some regions have remained traditionally intact holding to their communal practices such as childbirth, death and marriage ceremonies. These areas have remained strong through their faith, traditions and rituals and have had no influence from the global culture as they are away from the periphery of the cultural norms. The isolated regions in the Gulf may not experience the commercial pressure that is at forefront in the major cities in UAE. Some of the old town had been demolished to pave way for the construction of the modern skyscrapers and other infrastructural facilities to boost the commercial activities in the region. Besides, the ratio between the locals and the foreigners among the Gulf cities has also contributed to the compromise of some traditional and cultural values within the region. The increasing number of foreigners in the Gulf called for dependency on commercial products and adoption of lifestyle among the globalized nations. Such massive increase of foreigners in the region made UAE become a central point for the consumption of the commercial products rather than their production. The pressure from the increasing number of residents within the Emirates has weaken some of the traditions of the Gulf society because of the increasing tendency towards nationalism and dependence on foreign products. The locals feel that their identities is threatened by the growing pressure from the Western civilization and global culture that open room for foreigners to flock the region both tourists and traders. Their national pride and cultural heritage is under threat as people adopt the foreign lifestyle, including both commodities and the technological advancement.

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# Discussion

Copying from the practice set by the Emirate of Sharjah, both Dubai and Abi Dhabi have moved into the preservation of their cultural heritage by linking the tourism sector into the promotion of the traditions and beliefs among the nomads. Both the Arab and the Emirati have come up to develop sites specifically for cultural promotion and preservation of the traditional heritage. The Oil boom in the UAE has boosted the economy of the region as it has transform into a commercial hub with foreigners and the local residents setting up business premises to serve the ever-increasing population. The growing tension between modernization and the global culture is evidenced by the move among the local leaders in both Dubai and Abi Dhabi to set up cultural centers. The Emirati and the Arabs have attempted to promote their cultural and traditional heritage in a global society and operate according to the Western standards. Such move open opportunities for both the local and foreigners to engage in trading activities in the region by relying on modern amenities through advanced technology and access to quality social services. However, there is pressure in merging the traditional culture and the Western sense of 'culture' considering the move by Abi Dhabi to put up the Guggenheim Museum. Some people believe that the construction of the museum in the city is a move to object the Western culture. Others also see it as a symbol of conflict between the West and the Gulf traditions where the local leaders are resistant to the global culture. Most Arab countries are adapting to the Western traditions as they buy, copy and live to the standards of the global culture. The proponents to the conflict states that promotion of the local heritage should go along with globalization since the danger of the global culture is only evidence when it creates a homogenous society.

The promotion of local traditions is also evidence in Dubai, where Christie's look forward to expand sales on the traditional paintings to promote cultural heritage. The significant push to

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auction houses in Dubai for promotion of traditions have opened room for the regional artists to sell their piece of artifacts, including those from Arabian Gulf as far as Iran. Given the oil influx in the region, the regional artworks have translated into the huge financial return. The locals have indulged the Western approach in the sales of the art by making fine sales through the promotion of regional interest rather than adopting the London system where the Western art and those from East Asia dominate the sales catalogs. The locals have relied on their cultural heritage to build a market for their artists through the commercialized economy where huge cash flow motivates more production of art to sell the Gulf culture and gain a financial return. The commercial system arising from the global market encourages the local artists to develop authentic pieces of art that promote local traditions and cultural heritage.

Another avenue for cultural display in the region is the Dubai International Film Festival, an event that highlights the films created by the Emirati people to display the various aspects of culture in the UA alongside films from another part of the world. The choice for Dubai to host such event is due to its rich cultural heritage and the geographical location that puts it at the boundary between the West and the East. The city serves as a focal point for the display of different cultures to accommodate both the Gulf people and the tourists from the West. The promoters of the great event believe that the diversity of Dubai makes it a suitable ground for people from different cultural backgrounds. The presence of the film festival is an indication on how the local leaders of the Emirates, especially in the larger cities like Dubai and Abi Dhabi have decided to utilize the pressures of globalization to promote the local culture to the rest of the world. Dubai has remained a city of diverse cultural interaction, understanding, and dialogue through commercial and economic approaches. Besides, the move by the local leaders to promote the traditional norms through the global market has not only promoted the region as a

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financial hub within the Middle East but has also ensured peace and stability within the area. Another author by the name Mohammed Naim Chaker in his article, “The Impact of Globalization on Cultural Industries in United Arab Emirates,” discusses the pressure arising from the global culture on the media sector by looking at the Dubai Media City that host both the local and international media stations including Reuters, CNN and McGraw Hill. The author feels that the content of the media stations capture not only the traditional Emirati culture but also the international entertainment functions that promote Western culture.

In any business venture, culture plays a critical role in its success at it defines the market nature, the labor force, and the general consumer behavior. It dictates the values, attitudes, traditions, and social practices within a community. Culture can come in six dimensions, either defining the past and the future events, the well-being of an individual as well as the beliefs of a person or a group of people. It defines five basic value orientations such as time, human nature, activity, man-nature, and relational orientations. According to international differences in the workplace, there are four dimensions of cultures, including power distance, masculinity, individualism, and uncertainty avoidance. For instance, the masculinity dimensions define the relationship of culture with job designations; it defines human sexuality and gender affairs at workplaces and their influence on the way people behave and conduct themselves at work. It tries to merge gender, occupation, and age in a commercial set up whereby men and women perform distinct roles within an organization.

Similarly, a multinational business organization must integrate between the cultural differences while designing the regular operations and the nature of the job for employees. Another aspect of culture defines collectivism and individualism at the workplace. It remains a concern to develop the workforce framework that accommodates everyone based on his or her customs. However,

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some of these practices may not be beneficiary to the progress of business ventures especially where collectivity is of great value. In terms of business, there is a need to study the relationship between different cultures and their impact on the development of a corporation. Moving from one country to another comes along with a severe cultural impact as it takes time for the corporation to study and understand the nature and behavior of a different society. The level of shock arising from moving into another country relate to the cultural distance between the two countries. However, the traumas that come alongside with the adjustments make an entrepreneur be sensitive to the cultural difference and ensure the business operations do not contradict the beliefs and traditions of a country. Besides, changes to culture in a foreign country also contribute towards identifying any similarity between the two cultures that eventually creates a bond and raises some sense of cultural security. One of the ways to a successful international business is to be able to understand the appropriate way to communicate and adapt to the new culture. One of the critical challenges among the foreign businesspersons is the communication barrier between cultures that make it difficult to win customers and access various amenities, including social services. Cross-cultural management in a business is key for an international entrepreneur to be able to understand how to handle the new workforce, customers, suppliers, and the regulating authorities. At some point, it may force the entrepreneur to undergo through cross-cultural training to be able to understand and adapt to the foreign cultures. It is a way that firms get to adapt to the global market where they interact with people from a diverse set of literature. Effective communication instills some sense of confidence to learn the new culture as people begin to accept you and feel that you appreciate their ways of life and traditions.

Culture is key to business success as it defines the implicit and explicit reward systems in an organization based on the chart, the business strategy and the mission statement that adheres to

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the set principles and values of the practice. International companies face a severe challenge of diverse culture, as they have to adapt to a new set of values and belief while moving to a new country. Culture controls the set of regulations and principle of practice within an organization as it defines the way workers view the organization and its value to the society. Other companies have decided to turn their culture into a competitive advantage for attracting more consumers from different cultural backgrounds. Culture defines the type of workforce an organization has and services they offer through endless innovations and consistent growth. It remains the backbone of any profit organization to thrive since the consequences of cultural issues can significantly affect the success of a business. In the twenty-first century where companies are trying to go international, there is a high risk of cultural boundary every company must strategize to overcome for its successful realization. Initially, cultural issues were viewed as HR related, but now it has come to the light that culture is the foundation of success for all organizations. There is a need for both HR and business leaders to consider some of the cropping issues of culture in the global market that affects the business operations.

Because of cultural diversity among the Middle Eastern countries, a company's business practices and personal decisions in the corporate society relies on the cultural background of an individual. The dominant religion in the Middle East countries is Islam, and leadership styles adopted in the region is in line with the doctrines of the Islamic faith that calls for obedience, respect, and loyalty towards the seniors in a work environment. Besides, fatalism marks nature among the Muslim workers in an organization. Certain cultural practices in the region like the strict gender divisions are not in line with the Islamic faith but a misguided tradition. It implies that anyone running a large corporation in the region must adhere to the authoritative style of leadership that contradicts the dictates of the charismatic leadership styles. Lack of political

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freedom and liberties in the Middle East scare away the majority of the business entrepreneurs who wish to concur the region. In Europe, the management styles such as laissez-faire and autocracy promote a favorable working environment.

The culture in the Middle East presents a system where priorities come in line with immediate family considerations and individual decisions. Islam has a direct influence on family relations, hierarchical distance, and orientation. It contributes to the molding and shaping of an individual's character and mode of dressing. As a result, the culture of the people in the Middle East dictates the kind of business to engage in, especially when it comes to clothing and entertainment sector. Since there is little modernity in the region, business opportunities are limited to what supports and remain in the line of cultural heritage. Islam plays a critical role in the Arab world as it shapes behavior among individuals in the following lines; a deep sense of family honor, respect to the elders, and recognition of Arabic as the Qur'an language. The historical background and tribal affiliation among the Middle East countries define the cultural diversity in the region. Even though not all are Muslims, Arab culture dominates and define the lifestyle of the people. One of the central pillars of the Islamic culture is the fair distribution of wealth among the people and the promotion of human welfare. Its primary aim is to associate the faith with social justice such as democracy, collective good, equality, and human rights. Economically, the leaders of the region argue that globalization contradicts the umbrella of justice. Therefore, the majority of the Middle East countries are deep into the traditional and cultural practices based on the Islamic faith that oppose modernity and promotes human welfare through collective goodness. Loyalty stands out as one of the critical components of the culture in the Middle East, where the business entrepreneurs understand the team of employees under

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their watch. Managers have an easy time dealing with the junior employees, as the kind of leadership style adopted is somewhat authoritative.

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# Conclusion and Recommendations

## 5.1 Conclusion

Borderless business environment comes along with other benefits such as better education system, information access, capital, social services such as better hospital, access to quality products in a vast market. International companies dealing in various aspect of commercial operations are opening up in different countries to improve on their sales from the new target markets. The pressures from globalization lead to the technological revolution, cultural diversity, and cross-regional dialogue that are suitable for business progress. Developments in technology have transformed the business environment by improving communication between organizations. It has led to an increase in a culturally diverse organization that deals with varied nature of employees, customers, and other stakeholders such as suppliers and funders. At some point, international organization managers undergo through cross-cultural training to be able to handle people from different cultural backgrounds. Operating in two countries require an international business manager to be flexible to adapt to different cultures. Globalization through the advancement of technology has created a global platform for commercialization where potential entrepreneurs not only focus on the national market potential but the global market composed of different cultures.

## 5.2 Recommendations

Based on the study results, the international business management team should consider the cross-cultural factors as primary determinants of successful commercial ventures across two countries. There is need for the managers to undergo training to boost their knowledge on cross-cultural understanding in a global society. Therefore, it is essential to integrate the formal

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training through seminars and the mentoring sessions by experienced managers on cross-cultural management to assist people facing the challenges of cultural barriers to gain the skills of fusing the two cultures and adapting useful for the betterment of the business. In spite of the uniqueness of various cultures, there are standard guidelines that can serve to help in achieving consistent cross-cultural success.

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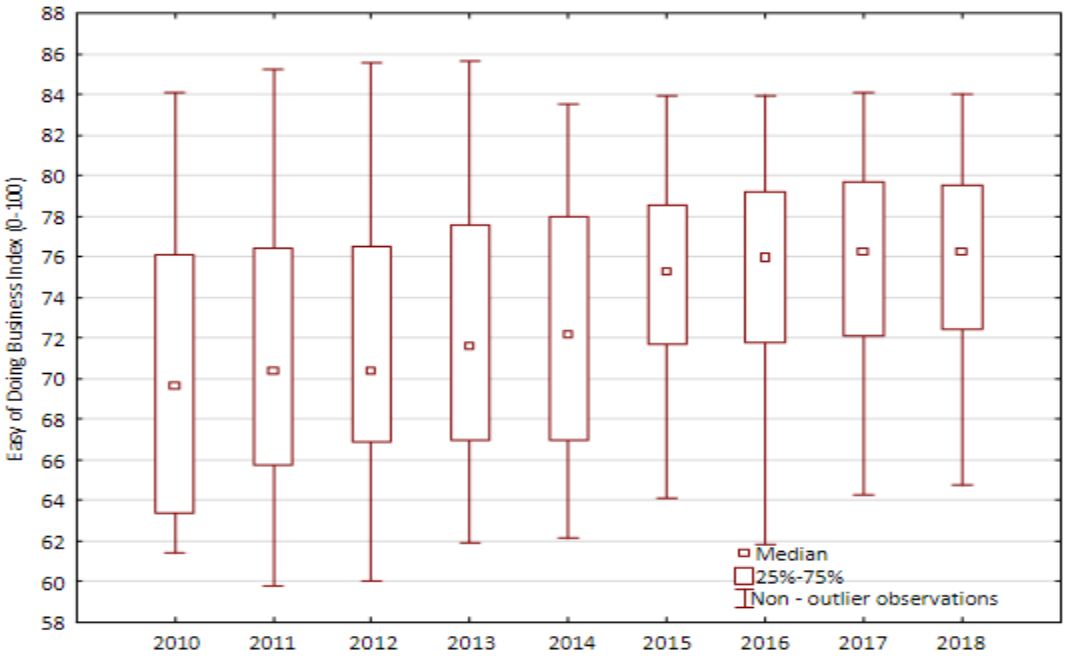
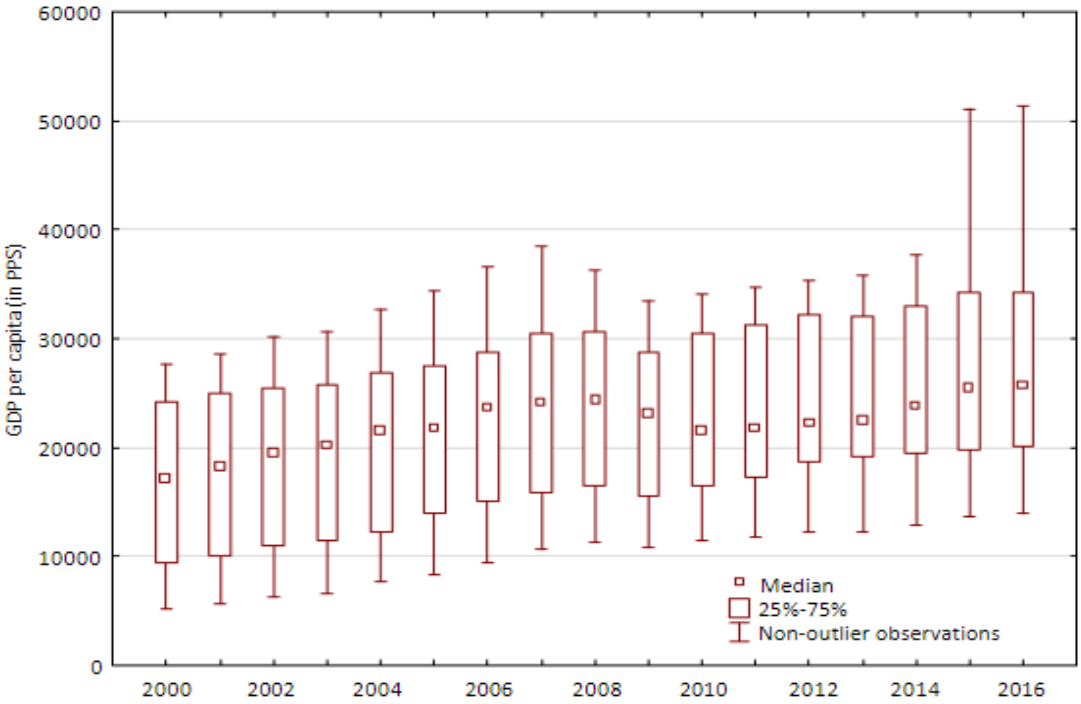
# *Appendices*

Appendix 1: Descriptive Statistics of Doing Business in EU countries




Appendix 2: Descriptive statistics of GDP per capita for the EU countries




Appendix 3: Stigma convergence for doing business Index in EU countries

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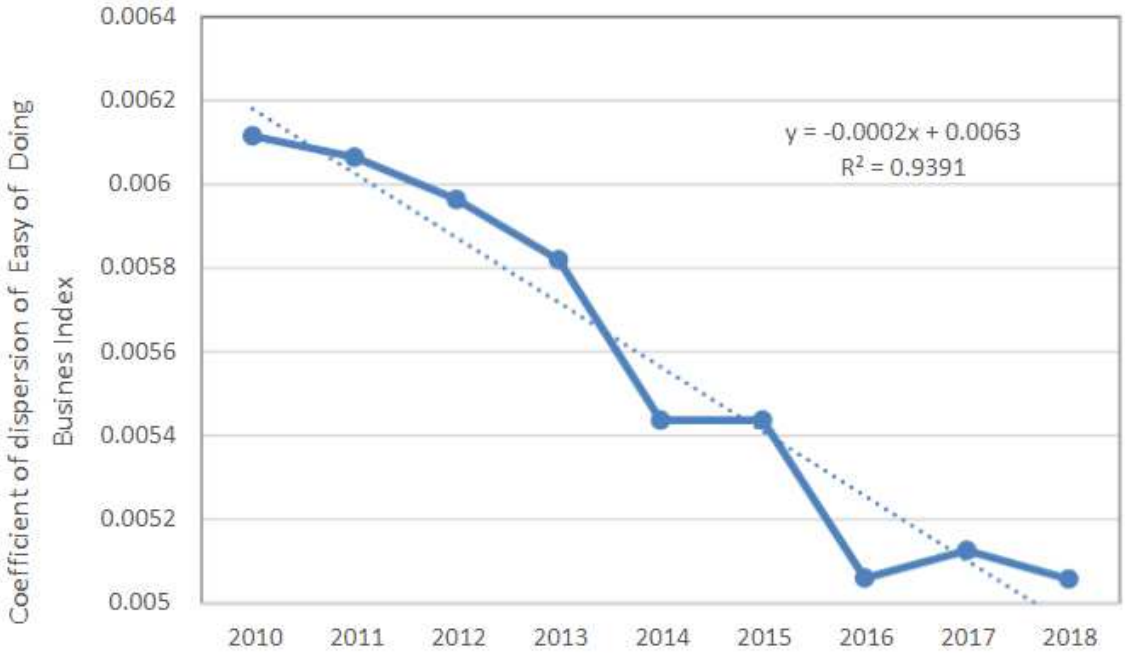
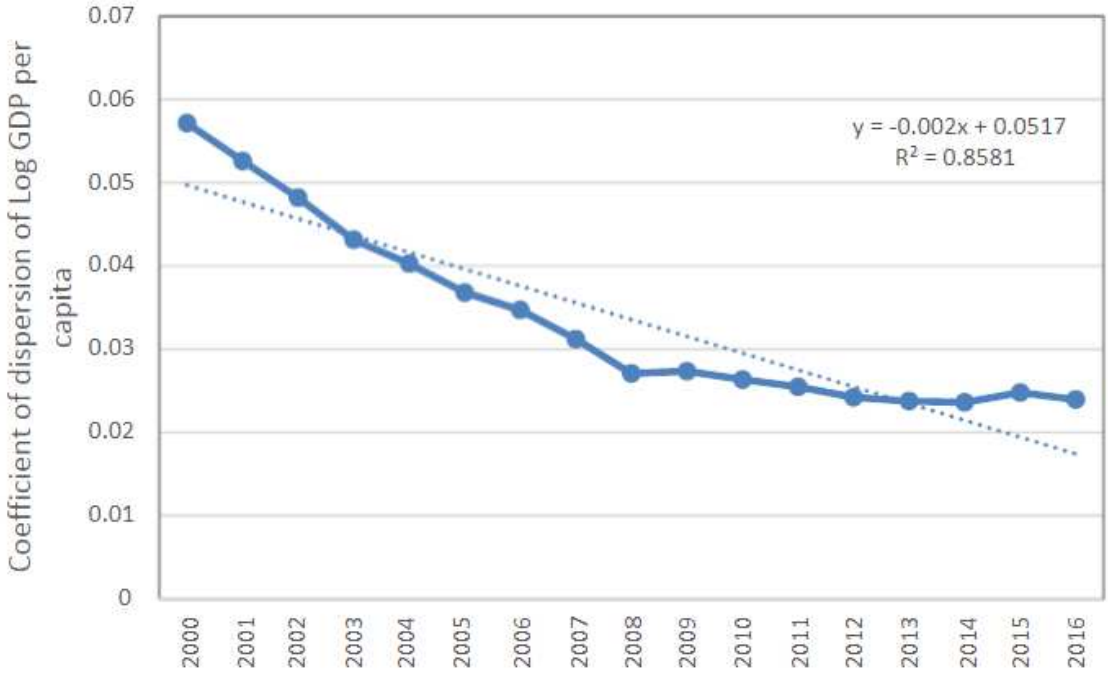



Appendix 4: Stigma convergence of GDP per capita in EU countries




Appendix 5: Investment in Lebanon, IDAL

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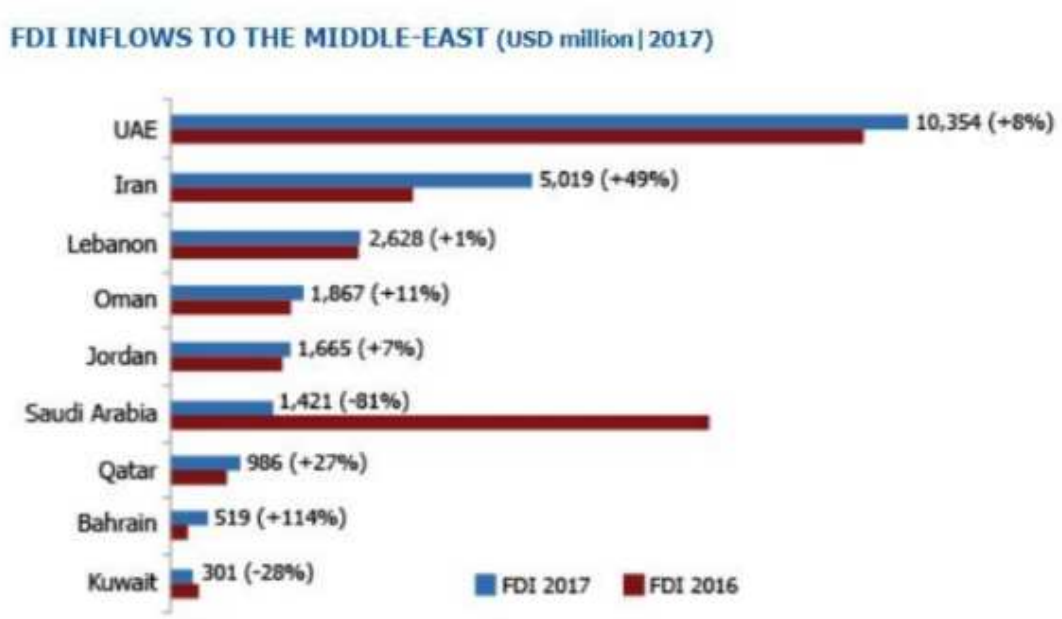
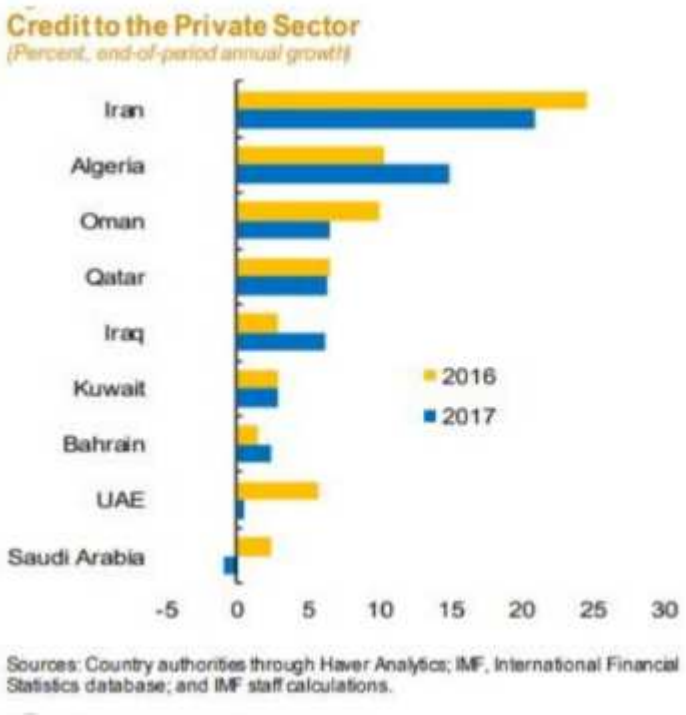



Appendix 6: International Monetary Fund 2018.

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