

# **Culture and the prevalence of Knowledge Transfer**

## **A case study of Egypt**

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### **Abstract**

The researcher believes that this paper makes an important contribution to the existing literature on knowledge transfer and the implications of cultural differences in business practice, by providing the ground work required for further research and investigation into the relationship between culture and knowledge transfer in Egypt. The word culture in this paper denotes both organizational and national culture. An understanding of national culture may be gained using Hofstede's (2001) five indices to assess basic cultural values, as well as Trompenaars (2004) five value dimensions, among others. Corporate culture, in this article, is used as a context for leadership, employee behavior and trust, among other factors. Since this paper is an exploratory study, inferences will be made based on observation as well as on preliminary data collected through two focus groups composed of around 30 junior and senior managers each, employed in various leading multinational and local companies in Egypt within different sectors.

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## **1 Introduction**

The issues raised by culture in its impact on knowledge transfer are wide-ranging. Businesses need employees to share knowledge and insights as essential to their efficient functioning. But culture raises significant barriers, which can take generations to overcome, and might always remain. This can negate the creation of a working global knowledge economy in many parts of the world. The current global recession and a considerable decline in business opportunities in the developed world have resulted in increased business for Western multinationals in emerging markets. But these are the places where these cultural barriers can be the most significant. These barriers are certainly outside of the expectations of the Westerners, and they are tacit, unrecorded, and often involuntary on the part of the emerging market businessman or woman. Yet they can serve to make partnerships and supplier/customer relations difficult, especially from the Western viewpoint. Firstly the researcher will examine the theoretical cultural constructs involved, and secondly, will apply these to the Egyptian environment, attempting to explain some of the barriers created in the process.

## **2 Preliminary Notes**

Culture presents itself on different levels. “At the highest level is the culture of a national or regional society. Trompenaars defines culture as “the way in which attitudes are expressed within a specific organization is described as a corporate or organizational culture” (1998, p.7). There is clearly a relationship between the two main strands of identifying and describing culture, and they

constantly interact with each other. In Egypt, the national culture impacts on the way businesses are run and the arrival of multinationals and other factors (indicated above) are gradually transforming the national culture. All this has an impact on knowledge transfer and the wider issue of knowledge Management in Egypt.

## **2.1 Introduction to Organizational Culture**

Kotter and Heskett (1992) provide a comprehensive analysis of how the culture of a corporation influences its business performance, and in doing so they provide some valuable definitions and insights into corporate culture. The American Heritage dictionary defines culture as “the totality of socially transmitted behavior patterns, arts, beliefs, institutions, and all other products of human work and thought characteristics of a community or population” (Kotter and Heskett, 1992, p.4). They discerned two levels of organizational culture: the visible tip of the iceberg representing behavior patterns or norms, which are easier to change; and the invisible, deeper roots, which represent shared values, which are more difficult to change since they are ingrained in the participant’s tacit knowledge (Ibid, pp.4-5). In Egyptian business culture, the layout of an office and staff uniforms can be changed, but it may not impact on the traditional ways of doing business. Concepts of knowledge sharing go beyond the surface and are related to the heart of the Egyptian business culture.

From the perspective of national culture, Trompenaars states that there are three layers of culture, whereby the outer layer represents the explicit products which represents the “observable reality of the language, food, buildings ... fashions and art. They are symbols of a deeper level of culture” (1998, p.21). The middle layer embodies both norms and values, where norms “are the mutual sense a group has of what is ‘right’ and ‘wrong’ while values “determine the definition of ‘good and bad’, and are therefore closely related to the ideals shared by a

group” (Ibid, pp.21-22). Finally, the core signifies assumptions about existence, where “each has organized themselves to find the ways to deal most effectively with their environments, given their available resources” (Ibid, p.23). It is in this core area where individuals make decisions about sharing knowledge and information, or keeping it to themselves, or accepting that they will never have it.

Schein formally defines group culture as “a pattern of shared basic assumptions that was learned by a group as it solved its problems of external adaptation and internal integration” (2000, p.17). Ladd and Heminger offer a different perspective and state that “from an organizational perspective, the collective values and beliefs of the individual members of that organization represent a phenomenon called, “organizational culture”“(2002). Trompenaars offers a practical way of thinking about culture and states “culture is the way in which a group of people solves problems and reconciles dilemmas” (1998, p.6). Their problems are very often linked to accessing the knowledge capital of the organization, especially in terms of providing information to make decisions.

From Schein's standpoint, “any social unit that has some kind of shared history will have evolved a culture, with the strength of that culture dependent on the length of its existence, the stability of the group's membership, and the emotional intensity of the actual historical experiences they have shared” (2000, p.11). It is worth noting that most “culture” authors have agreed to the role of leadership/management in organizational culture. This is evidenced by Schein’s statement that “culture and leadership... are two sides of the same coin; neither can really be understood by itself” (Ibid, pp.10-11). Similarly, Kotter and Heskett assert that “ideas or solutions that become embedded in a culture can originate anywhere: from an individual or a group, at the bottom of the organization or the top. But in firms with strong corporate cultures, these ideas often seem to be associated with a founder or other early leaders” (1992, p.7). In Egypt, a relationship-based culture, these leaders can exert very powerful influences, especially in terms of who knows what, and who is in or out of the inner circle.

## 2.2 Organizational Culture Theories

“A number of studies have identified a variety of organizational cultures – each using different terminologies and methods to describe seemingly similar concepts” explain Ladd and Ward (2002). A recent study consolidated much of this research, where the authors identified four basic organizational culture types (Xenikou & Furnham, 1996):

- *Openness to Change/Innovation*: Humanistic orientation, affiliation, achievement, self-actualization, task support, task innovation, and hands-on management (i.e., managers who not only plan but also participate). The Egyptian context has seen a lack of innovation, studied by colleagues and fellow students of the author, and some of these cultural issues are being examined to understand the shortcoming in the country’s economic development, and the role of communication in this.
- *Task-Oriented*: Being the best, showing attention to detail, quality orientation, profit orientation, and a shared philosophy. In Egypt, task orientation is preferred more than people orientation, but status is closely observed.
- *Bureaucratic*: Approval-seeking, conventionality, dependence, avoidance, and lack of personal freedom: these elements can be widely seen in the Egyptian context, and information resides within restricted layers.
- *Competition/Confrontation*: Oppositional orientation, power, competition, and perfectionism (Xenikou & Furnham, 1996, p. 363) are clear features of many Egyptian organizations, and information can be used as a tool for self-advancement, rather than for the organization.

Wallach (1983) conceptualizes organizational culture as a composite of three distinctive cultural types: bureaucratic, innovative, and supportive. Bureaucratic cultures are characterized by clear lines of authority and high regulation. Innovative cultures are creative and risk-taking, hence work under pressure is customary. In contrast, supportive cultures are those that provide a friendly and warm environment. From Wallach's (1983) standpoint, any given firm will have

all three types of culture, each to varying levels of degree. (Leidner, Alavi and Kayworth, 2006).

Several authors have addressed the manager's role in developing a healthy culture for his or her organization, and commonalities include the manager's exemplification of trustworthiness and trust, empowerment and delegation, consistency and mentorship. These themes will be discussed in relation to the power/role/task/person cultures within organizations described by Handy (Urrabazo, 2006). Each of the aforementioned types is unique and can simultaneously co-exist with others. They can all be seen to exist in Egypt, and impact on the way that people communicate and share knowledge.

- *Power culture*: Is one that exists frequently in entrepreneurial organizations and is ruled by a central power or hub. “Trust and personal commitment are important characteristics, thus it is important for employees to have interpretations of the job that are similar to those of the leader” (Ibid). It is worth noting that minor bureaucracy is apparent since staff functions with a few rules and procedures. Popular in small businesses and professional practices in Egypt, with communication flows and knowledge transfer relating to the central source of power.
- *Role culture*: Is generally known as bureaucracy, whereby the strength of organizations resides in “its pillars, its functions or specialties” (Handy, 1985, p.190). Each person/business unit has its role in supporting the organization. Employees operate based on job descriptions whereby their individual roles and responsibilities are laid down and specified. Accordingly, if the “separate pillars do their job, as laid down by the rules and procedures, the ultimate result will be as planned” (Ibid, p.190). Much of the Egyptian public sector is like this. Information flows according to a strict hierarchy, within these silos.
- *Task culture*: The focus is on a particular job or function. “This culture aims to assemble the right people with the right resources, so that a job can be

accomplished” (Urrabazo, 2006). This can take the form multifunctional groups which come together for a specific task and later disband when the task is complete. It is important to note that this is similar to the matrix structure, where the core culture is a role culture, with a task culture as the underlying subculture. This is developed in small consulting businesses, but the ambiguous role of the leader can be difficult in the Egyptian context. Who makes decisions on the sharing of knowledge? Should it be kept just within the task group?

- *Person culture*: “Exists only to serve and assist the individuals within it” (Handy, 1985, p.195), a style which is unusual in most environments, especially in Egypt. All information flows and communication would take place to serve these individuals.

“Having explored organizational culture, we now may ask what specific types of organizational culture might be identified as ‘fertile’ or ‘infertile’ with respect to knowledge transfer” (Ladd and Heminger, 2002). This is one of our main purposes in this study, especially in the context of the Egyptian business. It would seem that the Egyptian organizational culture, impacted strongly by the national culture, is generally not fertile for creating a mainstream global knowledge player.

## **2.3 National Culture**

One of the most prominent ‘culture’ authors is Geert Hofstede, whose work focuses on identifying the cultural differences between nations and illustrates that cultures and hence values, rituals and symbols vary throughout the world. Hofstede states that “culture has been defined in many ways. One well known anthropological consensus definition runs as follows: culture consists in patterned ways of thinking, feeling and reacting, acquired and transmitted mainly by symbols, constituting the distinctive achievements of human groups, including their embodiments on artifacts; the essential core of culture consists of traditional

ideas and especially their attached values” (Hofstede, 2001, p.9).

If one carefully analyzes the above definition, the relationship between culture and knowledge transfer is bound to emerge. Since artifacts, symbols and values are common to certain cultures, they therefore constitute a person’s tacit knowledge, which inevitably affects several domains including the group’s orientation towards knowledge dissemination, their behavior during the knowledge transfer process, as well as the meanings associated to pieces of information including how knowledge is internalized and absorbed. Since the study of “national character” was a popular research subject in anthropology in the 1930s to 1950s (Ibid, p.13), it is imperative to comprehend the dimensions of culture introduced by Hofstede as follows (pp.xix-xx):

- *Power distance index*: is the extent to which the less powerful members of organizations accept and expect that power is distributed unequally. Hofstede sheds light on this concept by associating it to French and Raven's classification of the five types of social power, where he postulates that “other things being equal, more coercive and referent power will be used in high-PDI societies and more reward, legitimate, and expert power in low-PDI societies”(Ibid, p.97). Egypt was seen by Hofstede as mostly high PDI, with unequal rankings tolerated and even welcomed, which definitely impacts knowledge transfer.
- *Uncertainty avoidance index*: refers to the extent a culture programs its members to feel either uncomfortable or comfortable in unstructured and novel situations. Hofstede cites March and Cyert (1963) in their argument that firms avoid uncertainty in their environment in two major ways: “they solve pressing problems rather than develop long-run strategies [and] they impose plans, standard operating procedures, industry tradition, and uncertainty-absorbing contracts on that situation by avoiding planning where plans depend on prediction of uncertain future events” (p.147). Egypt is seen as high in UAI, with most people requiring detailed



guidelines, being happy with clear structures, and fearing ambiguity. Anything unclear, they may have a tendency to play safe and keep things to themselves. If they believe in specialists and experts having control over knowledge, they may be reluctant to share what they might think is imperfect knowledge – they might be wrong!

- *Individualism versus collectivism index*: is the degree to which individuals are supposed to remain independent versus integrating themselves in a group usually around the family. Hofstede asserts that “in some cultures, individualism is seen as a blessing... [and] in others... as alienating” (Hofstede, 2001, p.209). Egypt is mostly collectivist, with family ties remaining a strong feature of community and even business life.
- *Masculinity versus femininity index*: refers to the distribution of emotional roles between the genders. Hofstede defines both terms as two poles of any national culture and states that “masculinity stands for a society in which social gender roles are clearly distinct: Men are supposed to be assertive, tough, and focused on material success; women are supposed to be more modest, tender and concerned for with the quality of life. Femininity stands for a society in which social gender roles overlap: Both men and women are supposed to be modest, tender and concerned with the quality of life” (Hofstede, 2001, p.297). Egypt is seen as a masculine rather than a feminine culture.
- *Long term versus short term orientation index*: refers to the extent to which a culture programs its members to accept delayed gratification of their material, social and emotional needs. Hofstede offers a simple explanation of this index, whereby he states that “long term orientation stands for the fostering of virtues oriented towards future rewards, in particular perseverance and thrift. Its opposite pole, short term orientation, stands for the fostering of virtues related to the past and present. In particular, respect for tradition, preservation of “face” and fulfilling social obligations”

(Hofstede, 2001, p.359). Since this is the fifth dimension, Hofstede has only studied 23 countries instead of the original sample of 53; hence sufficient observations on the work environment are unavailable, although Egypt would appear to be changing from more long-term to short-term.

## 2.4 The Nuts and Bolts of Culture

Schien addresses several other concepts, especially invisible components of a national culture, which will definitely impact relationships within the corporate culture:

- *Basic time orientation*: “Time orientation is a useful way to distinguish national cultures” (Schein, 2004, p.152). Hofstede and Bond identified that at the organizational level, companies can be differentiated based on their orientation as follows (Ibid, p.152):
  - ❖ *Past*: Thinking of the ways things used to be
  - ❖ *Present*: Concern is only for the immediate following step
  - ❖ *Near future*: Apprehension for quarterly results
  - ❖ *Distant future*: “investing heavily in research and development or in building market share at the expense of immediate profits” (Ibid, p.152)
- *Monochronic and Polychronic time*: Edward Hall’s insightful studies of culture discern that can be viewed as “monochromic – an infinitely divisible linear ribbon that can be divided into appointments and other compartments but within which only one thing can be done at a time... or as polychromic, a kind of medium defined more by what is accomplished than by a clock and within which several things can be done simultaneously” (Ibid, p.154).
- *Distance and relative placement*: For proper social interaction to occur, one should feel comfortable with his surroundings. This includes the placement

of physical objects in the environment as well as the spatial distance between people in groups. "Placement of oneself in relation to others symbolizes status, social distance, and membership" (Ibid, pp.163-164). For example, the size of one's office and its view symbolizes your position in an organization and bestows prestige upon its owner. Schein categorizes distance as follows (Ibid, pp.164-165):

- ❖ *Intimacy distance*: Is what is called the "ideal sphere", which comprises the space around us in which we only let intimate people into.
  - ❖ *Personal distance*: This is the distance within which we have personal conversations with another individual either alone or within a crowd. A calm tone of voice and eye contact characterize this form of interaction.
  - ❖ *Social distance*: Defines how we talk to several people at once in a gathering, party or seminar. This form usually commands less focus and no eye contact.
  - ❖ *Public distance*: "At this distance, the audience is defined as undifferentiated, and we raise our voice even more or use a microphone" (Schein, 2004, p.165).
- *Body language*: One of the most influential yet subtle messages one can display gestures "On the gross level, whom we sit next to, whom we physically avoid, whom we touch, whom we bow to, and so on convey our perceptions of relative status and intimacy" (Ibid, p.167).

Trompenaars offers a distinct perspective and reasons that cultures differentiate themselves according to the way they choose to solve certain problems and accordingly categorizes them under three headings; "those which arise from our relationships with other people; those which come from the passage of time; and those which relate to the environment" (1998, p.8) Accordingly, seven rudiments of culture can be identified as follows of which only five relate to

our research regarding culture:

- *Universalism versus particularism*: “Universalist, or rule-based, behavior tends to be abstract, [while] particularist judgments focus on the exceptional nature of present circumstances” (Trompenaars, 1998, p.31).
- *Individualism versus communitarianism*: “Individualism has been described (Parsons and Shils) as a "prime orientation to the self," and communitarianism as "a prime orientation to common goals and objectives" (Ibid, p.51).
- *Neutral versus affective*: Affective cultures show their emotions, in which case they get an emotional response in return, versus a neutral approach. (Ibid, p.70).
- *Specific versus diffuse*: Trompenaars contends that “closely related to whether we show emotions in dealing with other people is the degree to which we engage others in specific areas of life and single levels of personality, or diffusely in multiple areas of our lives and at several levels of personality at the same time” (Ibid, p.83).
- *Achievement versus ascription*: This is a value dependant on how we accord status. He simply states that “while some societies accord status to people on the basis of their achievements, others ascribe it to them by virtue of age, class, gender, education and so on” (Trompenaars, 1998, p.105). Simply put, “achieved status refers to doing, [while] ascribed status refers to being” (Ibid, p.105).

## 2.5 Culture and Knowledge Transfer

“At the national level cultural values reside mostly in values and less in practices. At the organizational level, cultural differences reside mostly in practices and less in values” (Hofstede, 2001, p.394). Lyles and Salk reported that cultural differences often affect the flow of information and learning (1996). On

the other hand, Simonin argues that cultural discrepancies between the source and the recipient can impede the knowledge transfer process (1999). Similarly, Walsham contends that knowledge sharing is reliant on cultures, due to differences in the concept of knowledge itself. Members of individualistic societies view themselves as independent and are motivated by their own thoughts and preferences. They hence have less incentive to share information and knowledge with others. In a work environment, members from a more individualistic society believe that “withholding information” is the key to success and prefer to “venture out on their own” (Hofstede, 2001).

In an article by Sarker et al, he tested hypotheses relating to credibility, capability, communication and culture in relation to knowledge transfer. In the realm of culture, he hypothesizes that individuals from more collectivist cultures will transfer more knowledge (2002). Using regression analysis, the data collected supports the above mentioned hypothesis and shows that individuals should descend from a relatively collective culture to be perceived as a knowledge transferor (Sarker et al, 2002). Accordingly, this supports our notion of the relationship between different culture types and knowledge transfer conduciveness. National culture affects the liability of employees to engage in knowledge transfer activities since the perception of knowledge is deeply engrained in their values and belief system.

In two similar articles by Ladd and Ward (2002) and Ladd and Heminger (2002), they hypothesized a positive correlation between the following culture types and knowledge transfer using linear regression to analyze data. A “squadron” or regiment or troop was used as the unit of analysis. From a population of 3,881 squadrons, 50 were randomly selected out of which 23 submitted usable data, with a confidence level of 90%:

- Openness to change and innovation
- Task-oriented culture
- Bureaucratic culture

- Competitive / confrontational culture

The findings of the research showed that an openness to change and innovation cultural traits as well as task oriented cultures tended to increase an organization's ability to transfer knowledge. This is due to the fact that innovative cultures rely on exchanging knowledge in a research and development atmosphere in order to enhance their products/services/performance. Similarly, task-oriented cultures, which mobilize the right people with the right resources to get the job done realize that knowledge is an imperative for success since multifunctional teams or t-groups are a characteristic of this culture as mentioned above. On the other hand, competitive / confrontational cultures decreased an organization's ability to transfer knowledge, while the relationship between bureaucratic cultures and knowledge transfer has not been supported by the collected data. Scrutiny of the competitive cultures according to Thomas Kilmann shows that such cultures are assertive and uncooperative; accordingly data exchange will not be possible since knowledge will be regarded as "power" and ownership problems will arise since it may be regarded as an edge in achieving individual goals.

## **2.6 Egyptian Culture in Light of Hofstede's and Trompenaars' Research**

According to Hofstede, Egypt exhibits high PDI and high UAI ranking the 7<sup>th</sup> and 27<sup>th</sup> out of the 53 researched countries respectively. He states that "the UAI norm deals fundamentally with the level of anxiety about the future in a country and the consequent need to protect society through three kinds of measures: technology, rules and rituals" (2001, p.159). Egypt is well known as a country with a strong heritage of deeply rooted values and beliefs. Most of its rituals have been embedded in the societal culture for decades. Hofstede explains that cultures that display a high UAI tend to be emotional. Moreover, "more conservatism and

a stronger desire for law and order on the high UAI side... coupled with more fear of things [that are] foreign” (Ibid, p.160) is a dominant characteristic. He contends that such societies constantly seek clarity and structure and feel that their life is governed by a superior power which they must surrender to (Ibid, p.161). Accordingly, religion is an important element in the Egyptian society since it provides people with the required comfort zone in which they are able to believe in a better future and a life where a greater power will relieve them of their daily problems and burdens. High PDI and UAI both indicate the existence of strong barriers to knowledge transfer, the result of a fear of doing something wrong in the definition of the boss, and uncertainty over which kind of knowledge might be shared, and which might not be.

Hofstede's research shows Egypt to be among the collectivist societies of the world, with a low IDV ranking the 26<sup>th</sup> along with other countries such as Turkey and Iran. This brings us to his definition on collectivism, which we think suits the Egyptian culture, whereby he states that “collectivism stands for a society in which people from birth onwards are integrated into strong, cohesive in-groups, which throughout people's lifetime continue to protect them in exchange for unquestioning loyalty” (2001, p.225). If one scrutinizes this definition, we will find that this is typical of the Egyptian culture where family ties are very strong. Groups formed in the workplace are based on trust and collaboration, which are deeply valued as characteristics and usually develop into personal / family relations. To gain confidence to share knowledge, this trust must be well-developed. Accordingly, employees usually act in the interest of the group, whether or not it coincides with their own benefit, to avoid a sense of guilt and attain a feeling of belonging and self-fulfillment. So knowledge will be shared if everyone else is doing it. To conclude, “in the collectivist society, the personal relationship prevails over the task and over the company and should be established first” (Hofstede, 2001, p.239).

On the masculinity index, Hofstede's research results denote that Egypt is on

the border line between masculinity and femininity, since it recorded a value of 53 (on a 0-100 scale) and ranked the 23<sup>rd</sup> (2001, p.286). Nevertheless, graphically it is grouped in the high masculinity quadrant. Hofstede explains that “concerns for relationships and life quality in feminine cultures and for material rewards, performance and competition in masculine cultures are carried over from the family and school to the work environment” (Ibid, p.313). Examination of the above, leads us to discern that Egypt is a predominantly masculine culture, although not as high as Japan (95), but quite similar to Pakistan (50). This is due to the fact that recently more women have entered the workforce due to the necessity of social conditions and rise in their qualifications, consequently women are viewed as “partners” after their traditional role as “nurturers” has been forsaken for gratifying career opportunities. Masculinity also goes with a strong achievement focus, which sometimes acts as a barrier to knowledge transfer, as knowledge is sometimes perceived as power.

Although the workforce remains masculine to a large degree especially in some occupations where women have been denied access such as the police force, fire brigade and courthouse among others, women have managed to penetrate the work environment on the majority of other fields including leading posts in the government, parliament, public and private sector companies. Hofstede supports the above by arguing that “jobs are stereotyped as being “masculine” or “feminine”, but these designations differ from one country or organization to another over time” (2001, p.313). Accordingly, one can deduce from the above statement that migration from one end of a continuum to another over time is possible. However, many of the successful women in the Egyptian environment may not necessarily exhibit feminine characteristics, but might follow masculine habits.

According to Trompenaars, the situation is similar, whereby his diverse research identifies Egypt to be a particularistic country where “relationships have a flexibility and durability” (1998, p.40). Only 36% of Egyptian respondents



claimed that they would not tone down their claims in favor of a friend. He thus comments that “the more particularistic, the greater the commitment between employer and employee. Relationships are typically close and long-lasting. Job turnover is low and commitments to the labor force long-term” (Ibid, p.41). Similarly, Egypt scored 30%, the least in percentage of respondents opting for individual freedom as opposed to taking care of their fellow human beings, proving that the Egyptian culture is a group or community society (ibid, p.52). He states that “in communitarian cultures, the organization is not the creation or instrument of its founders so much as a social context all members share which gives them meaning and purpose. As such, when managing and being managed, communitarianists seek to integrate personality with authority within the group and give attention to morale and cohesiveness. 18% of respondents in Egypt claimed that they would not show their emotions openly categorizing Egypt as an affective culture (Trompenaars, 1998, p.71).

Trompenaars states that “communication is of course essentially the exchange of information, be it words, ideas or emotions. Communication is possible only between people who to some extent share a system of meaning, so here we return to our basic definition of culture” (1998, p.75). He believes that in such cultures, discussions and negotiations are rarely concerned with the topic or subject at hand, but rather focuses on you as a person. On the other hand, 63% of respondents claimed that they would not paint the boss's house if he asked since he has little authority over them outside the work place (Ibid, pp.88 – 90). This classifies Egypt as a diffuse culture where private and business issues interpenetrate and ambiguous and vague instructions are seen as allowing subtle and responsive interpretations through which employees can exercise personal judgment (Trompenaars, 1998, p.104). It is worth mentioning that Egypt is an ascribed society where only 4% of respondents disagree with acting in a manner that suits you even if nothing is achieved. This percentage places Egypt on the top of the researched countries where respect for a manager is based on seniority and

decisions are challenged by people with higher authority (Ibid, p.122). Hence, “if rewards are to be increased, this must be done proportionately to ascribed status” (Ibid, p.114).

### **3 Main Results**

The two focus groups conducted by the researcher in January 2010 were part of a larger research with the following characteristics. Respondents were of both male and female gender within the age group of 25 – 40. Egyptian citizenship was a prerequisite since the topic of national culture required their in-depth knowledge of the Egyptian traditions and workplace dynamics. Minimum education of a bachelor’s degree was necessitated to ensure that respondents are well-educated and would be able to easily comprehend the posed questions (in English) without need for translation. Finally, respondents were employed within a variety of departments in different multinational and local companies to ensure that the relationship of culture and knowledge transfer is discussed within all Egyptian companies.

When questioned about Hofstede's dimensions, the focus groups interviewed by the researcher in Egypt claimed that the primary perception of staff and managers is that they are untrustworthy and have hidden agendas. Unfortunately, both parties don't exert any effort to work on their relationship and hence the advancement of the corporation for which they work. Respondents feel that maybe if they did, that would stimulate research and development and divert the nation's strategy from a 'me too' imitation strategy to one based on innovation. Focus group members felt that the major drawback to this advancement was that peoples' values in Egypt are very closely guarded to them and hence are difficult to change. The employer-employee relationship in Egypt, being one of them, has been based on exploitation, command and superiority and that will not change quickly. If

values are unknown, trust is difficult and a reluctance to achieve knowledge transfer will be an inevitable result.

When questioned about power distance, both focus groups agreed that Egypt's power distance has been lowered over the last decade due to several reasons. The first being increased foreign direct investment and therefore the integration of a new foreign corporate culture into society based on informality, team work and cooperation. The second being the increased gap in the distribution of income, affecting education and job opportunities. It is this discrepancy that has recently characterized the Egyptian population, creating a median, whereby the higher-middle class rank low on power distance, while the lower-class income groups who work for the government are characterized by high power distance, since public sector management cherishes superiority over employees.

Respondents overall believed that Egyptians suffer from a dual personality crisis when it comes to group versus individual behavior. Although the Arab community is characterized by tribal behavior both in their private and professional lives, Egypt tends to be different. Within their personal lives, Egyptians exhibit a collectivist culture, whereby they belong to the group and family relations are of utmost importance. Men and women do not leave home until they're married, regardless of their age; not only would that be considered a huge offence to their parents, but also would be the subject of discontent and shame to the whole family. Respondents concurred that by instinct Egyptians are motivated to conform to the expectations of a larger group or community. The pressure to measure up to society's standards and values are engrained in the upbringing of both males and females at different stages of their life, be it at school or home.

On the other hand, the alternate personality of the dual personality crisis is one of selfishness and concern for personal interests following the political regime of ex-president Anwar Al Sadat who – many suggest – emphasized that people should engage in all sorts of activities to increase their personal wealth without

regard for others or the interest of the country. Respondents affirmed that by giving a common example of Egyptians whilst driving a car, stating that they only care about their journey and are not concerned with fellow drivers in the street, or the traffic problems at large. They also stated that this new personality has surfaced due to several economic reasons, which include the increased influx of multinational companies promoting a professional, individualistic attitude and the large gap in wealth distribution between the rich and poor, which has increased the frustration of the needy, compelling them to lose concern for everything except themselves. Respondents concluded that Egyptians are a mixture of both personalities with the situation dictating the emphasis on one or the other.

Both focus groups agreed that Egyptians suffer from high uncertainty avoidance given their need for structure, rules and information. They inferred that it might be the result of a collectivist culture bound by rules as well as an outdated educational system that dictates knowledge rather than encourages creativity and innovation. Egyptians have been accustomed to receiving orders from the time of the Pharaohs, which has inhibited their desire to make decisions. Respondents stated that this is the current situation in politics, but the respondents feel that this has partly changed after the revolution on January 25<sup>th</sup> 2011, whereby many Egyptians have tried to rise up from their repression and have become more proactive members in the society, unusual for an uncertainty avoiding country. Finally, both focus groups agreed to a masculine culture where the roles of men and women in the society are known and clearly differentiated. Quality of life is not a concern for those facing poverty and illiteracy – they focus more on living and providing for their families on a daily basis.

## **5 Conclusion**

Overall, Egypt can be seen as high PDI and UAI, collectivist, a mix of

masculinity and femininity, and strongly relationship-oriented. These characteristics can strongly moderate knowledge transfer activities, as a result of authoritarian leadership and a comparative lack of individual decision-making autonomy, a fear of risk and the unknown, and a need to support the community. If sharing knowledge undermines, rather than supports, the community or team in which the person operates, it will not happen. Where relationships are all-important, knowledge sharing takes place if this strengthens the relationship, and it depends on a high degree of trust. Communications are based on the person rather than the item being communicated – so the knowledge being shared is impacted by that relationship. The Egyptian society is generally more ascribed than achieved, and information and knowledge is related to power, so sharing depends on the parallel status of the knowledge sharing partner. Decisions can only be challenged by a person with higher authority than oneself. So, if you are aware of information which contradicts your boss, you are simply unlikely to share it. Sharing depends on who, rather than what. This cultural revelation alone is arguably sufficient to show how knowledge transfer – and the whole concept of knowledge management – is suffering from contradictory influences in Egypt. For many other countries like Egypt, being a member of the Global Knowledge Economy comes at a big cultural price, which so far it is not prepared to pay in full.

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