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ROUTLEDGE

# The Palestinian Executive

Leadership Under  
Challenging Conditions

**FARID A. MUNA**  
and  
**GRACE C. KHOURY**

Foreword by **TALAL ABU-GHAZALEH**



# THE PALESTINIAN EXECUTIVE

*Dedicated to the people of Palestine: Past, present, and future.*

Farid A. Muna

*Dedicated to the future Palestinian leaders and executives who will lead the new Palestine.*

Grace C. Khoury

# **The Palestinian Executive**

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Talal abu-Ghazaleh

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## About the Authors

Dr Farid Muna is Chairman of Meirc Training & Consulting. He earned his MBA in Finance from the University of California at Berkeley and his PhD in Organizational Behavior from London Business School, University of London.

Farid held managerial positions in finance with an American manufacturing company in California and Texas before joining Meirc in 1973. Between 1982 and 1985, he was seconded to Qatar Petroleum (QP) where he established and managed their Qatari training and career development function. Between 1992 and 1997, he was the Managing Director of Meirc. He has participated in consulting, research, and management training assignments in Japan, the USA, the Middle East and the Gulf area. His training and consulting interests concentrate on leadership, strategic thinking and planning, as well as human resource management. He has written several articles in academic journals on these topics. His early research findings were published in a book titled *The Arab Executive* (1980). He has also directed and published Meirc's research project titled *The Making of Gulf Managers* (1989). Farid is the author of *Seven Metaphors on Management: Tools for Managers in the Arab World* (2003), and the co-author of *Developing Multicultural Leaders: The Journey to Leadership Success*, new edition, (2011).

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Dr Grace C. Khoury is a faculty member of the business administration and marketing department and the Director of the MBA Program at Birzeit University, Palestine. She holds an MBA from Suffolk University, Boston, USA, and a PhD in Human Resource Management from Bradford University, UK.

Dr Khoury is a founder of Grace Consulting Group, a management consulting business that provides services to private, governmental, and non-profit organizations. She is also the Marketing Director at Taybeh Brewing Company, a family-owned business. She serves as an academic council member and in a number of university and community committees.

Grace obtained a certificate in project management from Bradford University and a teaching certificate in Customer Relationship Management from Grenoble School of Management, France. She has published a number of management case studies through the ECCH. She has also published several articles on leadership, entrepreneurship, performance appraisal, and stress management in academic journals. She is co-editor of a book in e-business titled *Rising to the Digital Challenge: Lessons from Mediterranean Enterprises* (2005).

Dr Grace Khoury can be reached at [gkhoury@birzeit.edu](mailto:gkhoury@birzeit.edu)

## Foreword

It is a great privilege to have been presented with the opportunity to provide a foreword for this book, *The Palestinian Executive*.

Farid Muna is an inspirational author. One of his previous books, *The Arab Executive*, was an overwhelming success, so I was immediately drawn to this latest work, co-authored by Grace Khoury, another experienced writer on the subject of management, business and commerce.

Not surprisingly, this collaboration has lived up to my high expectations.

No stone has been left unturned in the authors' bid to provide an extensive and indepth examination of the leadership styles of effective executives and managers living and working in the West Bank and Gaza. This exhaustive research exposes the challenges of doing business in Palestine while shedding light on the differing styles and approaches of successful Palestinian business leaders.

A particularly pleasing aspect is the recommendations for developing the Palestinian business leaders of tomorrow who face increasing challenges within Palestine.

*The Palestinian Executive* has been crafted from the foundations of astonishing attention to detail and it is clear that the authors have gone to extraordinary lengths to produce this remarkable book. No less than 110 executives from 63 companies participated in the field research carried out by six researchers who have all contributed to producing this first-of-a-kind book.

It is important that we, as Palestinians, celebrate and share our successes and support those who are making great strides across all sectors of society in order to inspire and engage the next generation of leaders to emerge from our lands.

It is also essential to demonstrate to the rest of the world that we have incredible resources of talent. Palestinians are making a name for themselves in all fields of professional life and this book plays a significant

role in reminding the world that exceptional minds and determined personalities continue to thrive in the West Bank and Gaza.

But, until now, they have been relatively anonymous to the outside world. Not enough has been written about those who continue to succeed in the face of adversity and occupation within our homeland. These individuals have made outstanding contributions to life in Palestine and they continue to be a source of inspiration to us all.

From chairmen of companies employing 3,000 employees to those running businesses with just a handful of family members, *The Palestinian Executive* provides an insightful guide to professional life and practices which have never been captured in such depth before.

This unique book is written for company executives, HR managers and aspiring leaders, but in my opinion it is a must-read for anyone with an interest in conducting business in Palestine or wanting a better understanding of what makes Palestinian businesses and business leaders tick.

I thoroughly enjoyed reading *The Palestinian Executive*. It confronts every issue faced by our business leaders head-on and explores areas that have not been explored before to leave a lasting impression which cannot be ignored.

Talal Abu-Ghazaleh



## Acknowledgments

Palestinian executives and companies deserve special thanks for making this book possible. We are very grateful to the 110 executives and the 63 companies who participated in the field research. As promised, their names will remain confidential.

We would like to express our appreciation and gratitude to the six members of the research team who conducted the interviews, assisted and directed by Grace. They are (in alphabetical order):

Rasha Al-Hawash  
Kareem A. Alhusani  
Niveen Eid  
Zein Khalaf  
Amal Nazzal  
Muntaha R. Obeid

We are particularly grateful to the 21 individuals and companies who donated generously to our research fund, making it possible to conduct the field research and to publish this book. Proceeds from the sales of the book will be earmarked towards a scholarship for a qualified Palestinian MBA student. We are grateful to the donors, most of whom preferred to remain anonymous, and to the following for their donations (in alphabetical order): Peter Barsoom, Rima Muna and Dan Callaghan, Nadia and Cristian Gil, Albert Hazbun, Riad Kamal, Ned Mansour, Mitri and Farid Muna (in memory of their parents), Nadia and Stepho Stephan (in memory of their son Wael) and Mahmoud Zeibak. We are equally grateful to Birzeit University for its generous research grant.

Many thanks are also due to Garry Clark for his useful comments on the manuscript. We would also like to thank Rima Muna for her suggestions on designing the book jacket and Luba Muaddi for the idea of including parts of an olive tree on the cover – a tree that ‘survives under challenging conditions’, as she pointed out. Our thanks go to Jonathan Norman and his

team at Gower Publishing for their excellent work at all stages of the publication of this book.

We are very grateful to Dr Talal Abu-Ghazaleh for writing the Foreword. He is one of the most prominent Palestinian Arab businessmen and is the recipient of several international awards for his numerous accomplishments in the fields of accounting, auditing, IT and intellectual property rights. He is an active patron of cultural events and is the founder and sponsor of a graduate school of business.

On the personal side, Farid would like to offer a special thanks to Doris, his wife, for being one of the main pillars in his life. To our daughters Rima, Nadia and Zeina – we thank you for the pride and joy of being your parents, for the gift of seeing you grow and mature, and for bringing your three wonderful gentlemen into our life. Farid would also like to thank his teachers, colleagues and mentors who taught him much of what he knows – but, more importantly, helped him to discover how much more there is yet to learn. Gratitude is due to his late parents who, despite losing their home and their property, never wavered in their integrity, perseverance and devotion to their children.

Grace would like to thank Farid for the idea of this book and for his efforts in approaching our generous donors. She would like to express gratitude to her family, especially her husband Riyadh for tolerating the long work hours during the data-gathering process; her mother and siblings for their continuous encouragement and support; as well as to her late father whose wisdom still inspires her to work hard and excel. Grace would also like to thank her daughters for their precious input and hopes to see them among Palestine's future leaders.

Farid A. Muna  
California, USA

Grace C. Khoury  
West Bank, Palestine

# Reviews for *The Palestinian Executive: Leadership Under Challenging Conditions*

*The Palestinian Executive highlights the resilience and determination required to survive and prosper in an environment long marked by arbitrary, often deliberate, barriers. This book provides first-hand evidence of the ingredients for successful business leadership: self-development, early responsibility, experience, and training. Warning signals are given: risks of excessive social pressures from connections, cronyism, and nepotism. What are strengths in one context may be weaknesses in others. Farid Muna and Grace Khoury are to be congratulated on this clearly written work.*

Michael Jefferson, London Metropolitan Business School and University of Buckingham, UK

*The Palestinian Executive: Leadership Under Challenging Conditions is an important and insightful work that fills a major gap in our knowledge of Palestinian leadership and business within the context of the Israeli occupation. I highly recommend it for anyone interested in a critical understanding of the economic and political impact of the conflict on business in Palestine.*

Ibrahim S. Dabdoub, Group CEO, National Bank of Kuwait

*Any business executive, academic scholar or manager intent on gaining a deeper understanding of the business context and challenges facing managers in Palestine will benefit from this thought-provoking yet delightfully written book. Muna and Khoury brilliantly lead readers through the intricacies and complexities of the Palestinian business context, masterfully blending thoughtful analysis solidly grounded in research with rich anecdotal evidence. On this basis the authors derive pragmatic and insightful recommendations that will undoubtedly have an important impact on future generations of Palestinian business leaders.*

George Tovstiga, Henley Business School, University of Reading, UK

*A truly unique view into Palestine's business world and the complex reality that Palestinian business executives face on a daily basis to maintain an economy of survival. This rare look into the fabric that makes up the robust network of Palestinian executives evokes feelings of respect for their persistence, as well as hope that once the Israeli military occupation collapses, Palestine is well-equipped to flourish among the world's developing economies.*

Sam Bahour, Managing Partner, Applied Information Management (AIM),  
Al-Bireh, Palestine

*The Palestinian Executive offers readers a balanced approach to understanding executives who are aspiring to build a thriving economy under difficult circumstances. The book blends theory with practice; and the rare insights into the interplay of social, political, cultural, and economic factors makes the book both intriguing and intellectually inviting.*

*Farid Muna and Grace Khoury are intellectual entrepreneurs who not only grasp the reality of managing in Palestine and the entire region, but have tackled issues that are current, significant, and have far reaching implications for MNCs and global leaders. Strategies for developing future leaders and setting the foundations for aspiring entrepreneurs have been articulated with clarity and a guarded hopefulness.*

*This book is essential reading for students of Middle East business, Arab culture and management, and entrepreneurship. It is a welcome addition to any library and inspiring reading for managers and researchers alike.*

Abbas J. Ali, Indiana University of Pennsylvania, USA

*The Palestinian Executive provides a concise synthesis of the leadership literature, while adding a unique cultural perspective. It is a valuable addition to both the literature on executive leadership and the literature on Palestine. This insightful book, co-authored by one of Birzeit University faculty members, is a source of pride for the University community.*

Khalil Hindi, Birzeit University President, Ramallah, Palestine

*Many volumes have been written on leadership in the recent past. However, none is as potent and inspiring as The Palestinian Executive. This book highlights the challenging environment in which Palestinian executives work. This inspiring empirically-based volume has been subjected to the rigor and scrutiny of scientific analysis, hence offering a unique collection of guides and action levers which pragmatically support business executives, HR managers, and serious MBA students to excel in their challenging roles. It speaks volumes for motivating and inspiring leadership despite unimaginable environmental pressures. Reading this thought-provoking book is a must for present and future leaders of Palestine and the Arab world.*

Farhad Analoui, University of Bradford, UK

*The Palestinian Executive provides hard evidence and enlightened hope that Victor Hugo's words: 'Nothing can withstand the force of an idea whose time has come', will echo in the occupied West Bank and Gaza. This positive testimony emerges from 110 Palestinian business leaders, 19 of them exemplary women executives, whose stories Farid Muna and Grace Khoury skillfully linked to management theory and practice. Confronting harsh economic realities, the leaders have developed business strategies and management styles which fit their unique culture and created motivated workforces that are not daunted by the inequitable odds against them. The authors argue convincingly that directed by such resilient leaders their companies will not only survive, but prevail in this fiercely divided land. Their data-driven, catalyst book is part of the unstoppable momentum for change.*

Susan Vinnicombe OBE, Cranfield University, UK

*Farid Muna and Grace Khoury have written an empirical and insightful book that sheds much-needed light on leadership in non-Western organizations. The findings of The Palestinian Executive will be invaluable not only for present and future business leaders in Palestine, but are also vital for understanding management practices in the rest of the Arab world.*

Riad Kamal, Founder and Executive Chairman, Arabtec Construction and  
CEO, Arabtec Holding Dubai, United Arab Emirates

# Introduction

Imagine an executive successfully leading an organization and its employees to meet or exceed customers' needs and make a decent profit – all under the harsh conditions of occupation. Moreover, this organization is based in a turbulent region plagued by continuous waves of conflict and war. What you see in your mind's eye is the typical Palestinian executive.

This book examines the leadership styles of effective executives and managers living and working in Palestine. Its main objectives are to:

- explore the impact of culture, environmental pressures and challenging conditions on doing business in Palestine;
- shed light on the leadership, interpersonal and decision-making styles of successful Palestinian executives;
- provide recommendations on how to develop future Palestinian business leaders.

The pursuit of these objectives is made particularly challenging due to two factors:

- first, a dearth of studies of business leaders in Palestine: we found only one book on the subject (Analoui and Al-Madhoun, 2006) and a few empirical articles (As-Sadeq and Khoury, 2006; Khoury and Analoui, 2010; Elmuti, Khoury and Abdul-Rahim, 2011);
- second, our attempt to understand Palestinian leadership from within Arab culture; that is, without direct comparison to leadership practices in the West and without using prevailing Western or Far Eastern leadership perspectives.

**THE DECLINE OF THE 'UNIVERSAL' SCHOOL OF THOUGHT**

When one of the authors attempted to study Arab business executives in the late 1970s, one of his PhD supervisors initially insisted that any study of Arab managers should compare their styles with those of their counterparts in the West. This approach would have required the use of questionnaires and instruments designed by Western scholars and would have resulted in Arab managers falling short on most leadership measures and concepts, such as interpersonal and decision-making styles. The debate continued until the supervisor was asked:

*When you studied British managers, did you have to compare them to French, Japanese, Latin American, or any other foreign managers?*

In the end, the research was completed successfully and the thesis was published under the title *The Arab Executive* (Muna, 1980).

The ‘universal’ school of thought, which advocated convergence toward a Western managerial style, together with cross-cultural studies that viewed leadership from a Western perspective, started to decline at the beginning of the twentyfirst century. Much, if not all, of the cross-cultural leadership research conducted recently has focused on the issue of equivalence, determining whether aspects of leadership and leadership theory are ‘universal’ or are culturally contingent. Most management scholars and practitioners agree that around 90 percent of management tasks are universal: management functions such as accounting and finance, information technology, production and maintenance, safety, research and development, and quality control. But the human factor (the remaining vital 10 percent), which includes effective leadership of employees, is cultural, contextual and situational. Likewise, marketing, strategy formulation, negotiating and networking with stakeholders must take cultural factors into account.

Many recent studies have shown that culture, context and situation do matter when observing leadership behavior and practices (a brief review of the literature on cross-cultural leadership appears in [Appendix A](#)). In this book, we will endeavor to understand Palestinian executives by examining them from within their own cultural context rather than trying to understand their behavior from the outside.

## **THE RESEARCH APPROACH**

The approach used in our field research is both empirical and eclectic. It is empirical because the data were collected during semi-structured indepth interviews with 110 executives and managers from 63 organizations in the West Bank and Gaza, Palestine. The executives were carefully selected from both private family-owned and publicly traded companies. The companies ranged in size from 10 to 3,000 employees. Because this book is intended mainly for executives, human resources (HR) managers and aspiring leaders, the research methodology and most of the relevant data and statistical analyses appear in [Appendix B](#).

The lengthy face-to-face interviews (averaging one hour and 14 minutes each) were conducted in confidence by Dr Grace Khoury and her experienced team of six researchers. Their dedication and efforts were outstanding and they are thanked in the Acknowledgments section. We interviewed at least one top executive (and in many cases one or more middle-level managers) from each organization in order to secure more reliable data. The interview process started in mid-September 2011 and was completed four months later in January 2012. Around 42 percent of the interviews were conducted in Arabic, 31 percent in English and 27 percent in both English and Arabic. The questionnaire, which included many open-ended questions, appears in both languages in [Appendix C](#) along with the invitation letter sent to the selected organizations.

The approach is also eclectic because we made no effort to develop a comprehensive model or theory. Instead, we went out of our way to understand the culture and context of the interviewees without direct comparison or reference to existing Western practices or theories. Instead, various perspectives were used to integrate and synthesize the available leadership literature in order to better understand the leadership practices and behavior of Palestinian executives. Existing cross-cultural and international studies are incorporated in our discussions where appropriate.

Quotations from the Palestinian executives, which appear at the beginning of most chapters and throughout the book, have either been translated from Arabic to English or edited slightly.

## **STRUCTURE OF THE BOOK**

The book begins with an examination, at the macro-level, of the unique cultural and contextual factors that impact executives and managers doing



business in Palestine ([Chapter 1](#)). We then examine the current economic and political conditions, as well as the social structures and the various environmental pressures and constraints facing Palestinian executives. It was a surprise to witness – from a bird’s eye or a helicopter view – the uniqueness of business conditions in this small country. The country resembles a mosaic of small, closed communities in which people are connected by intricate and overlapping personal and business networks based on extended families, friendship, birthplace and more. The situation becomes more complex and challenging given the hardships of occupation. Survival, steadfastness and endurance are perhaps the three words that best describe life in this mosaic, adding more color to the unique circumstances of this business community, especially when compared with other business environments.

We were left with the impression that this small and physically divided (West Bank and Gaza) country – a truly unique and colorful tapestry – would be fertile research grounds not only for the ‘expected’ archaeologists, political scientists and economists, but also for anthropologists and sociologists, as it was for us.

Although this book is about business leadership, not politics, any study of Palestinian executives would be rendered futile and trivial if the following variables are not discussed, even if briefly: history, politics, military occupation, economics and social environment. These elements are perhaps more intertwined and inter-related in a small country like Palestine (with a population of 4.1 million people) than in other countries. Thus, we shall briefly address these elements and how they relate to doing business in [Chapter 2](#).

Next, we present our research findings at the mid- and micro-levels, describing the various managerial roles and leadership styles of the 110 executives interviewed for this book. Once again, we witness the significant impact of culture, environmental pressures and other organizational variables on how Palestinian executives motivate their employees and manage their businesses ([Chapters 3, 4 and 5](#)). To become and remain successful, these executives adapt their leadership and interpersonal styles to fit the prevailing political, economic and social conditions in Palestine – exactly what other Arab executives did while working in various other parts of the Middle East (Muna and Zennie, 2011).

More importantly, we discovered how Palestinian executives perceive their own roles within and outside their organizations. It was also fascinating, for example, to discover how these executives feel about short and long-term planning, loyalty versus efficiency, motivation and training of their employees, given the conditions of working under occupation. But perhaps the most interesting finding was the preferred decision-making styles of the interviewees. In both instances (roles and decision-making styles), an eye-opening phenomenon is taking place: the classic self-fulfilling prophecy. Successful Palestinian executives are *fulfilling the expectations of their followers!*

Chapters 6 and 7 are devoted to the journey to leadership success. We asked the Palestinian executives ‘when’, ‘where’ and ‘how’ they acquired the knowledge, skills and competencies that helped them in their life and career. The executives also described the significant events and individuals that had influenced their lives and impacted their success. Here, our objective was to find out whether there were certain common ingredients for leadership success and, if so, what advice these experienced persons would give to aspiring managers.

In the final analysis, one of our main goals was to make specific and practical recommendations to future generations of Palestinian men and women who have both the aptitude and the desire to pursue careers in the business world. These recommendations (which are covered in Chapter 8) are closely related and linked to the topic of improving performance and motivation (which was discussed earlier in Chapter 5).

In Chapter 9, we present a few specific suggestions for future scholarly research on the subject of leadership in Palestine, in the Arab world and across cultures.

*The Palestinian Executive* will be a valuable book to many people, among them:

- successful CEOs, business leaders and HR professionals who are responsible for recruiting, motivating and developing their current and future managers;
- aspiring young Palestinian students, supervisors and managers;
- academic scholars as well as students of cross-cultural leadership;

- multicultural managers and expatriates who work with or for Palestinian organizations.
- 

## **NOTE TO THE READER**

We hope that you will enjoy reading the whole book and will perhaps tell your colleagues, friends and relatives about it. However, if you are extremely busy with work, family and personal commitments (and who isn't nowadays?), we suggest that you read at least the chapters mentioned below.

If you are:

- a top executive or a middle manager read the entire book;
- an HR professional, read [Chapters 5, 6, 7 and 8](#);
- an aspiring leader, read the entire book;
- an academic scholar, a student of cross-cultural leadership or a journalist, read the entire book;
- a politician or a government employee, read [Chapters 1, 2, 3 and 4](#);
- a multicultural manager or an expatriate, read [Chapters 1, 2, 3 and 4](#);
- a parent or a teacher, read [Chapters 5, 6, 7 and 8](#).

We have attempted to make the text and style of this book less academic, and hence easier to read, by placing the literature review and much of the statistical analyses in the appendices.

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**PART I**

**Palestine: A Challenging Context**

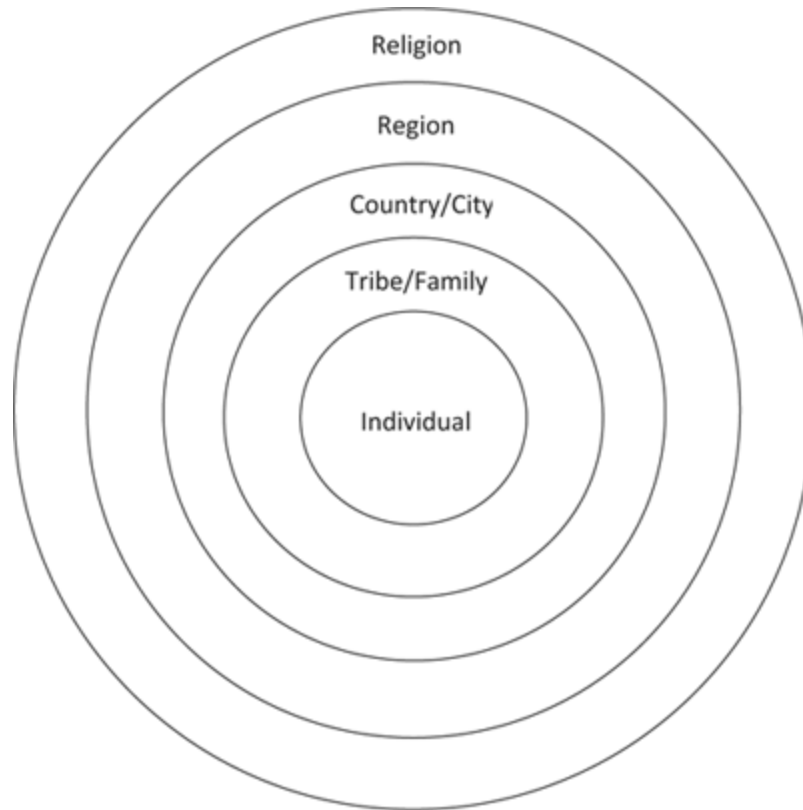
## 1 Understanding Culture from Within: Culture and Context Do Matter

Two men meet after Friday prayers at the mosque located in Regent's Park, London. They consider themselves brothers in religion. If one of them is curious, the conversation would probably proceed along these lines:

- The first action would be to establish the other's identity as an Arab or a non-Arab.
- If an Arab, which part of the Arab world is he from: North Africa, Fertile Crescent or from the Gulf region (Arabic dialects are helpful in establishing region or country)?
- Which country?
- Which town or city?
- Which tribe or family? Is he a relative perhaps?
- Finally, what is his occupation? And so forth.

This is, of course, a simplified rendition of a concept of identity, which is called the 'concentric circles of identity and loyalty' (as shown in [Figure 1.1](#)). The concept of concentric circles has been around for years; in fact, the Greek philosopher Hierocles introduced it nearly 2,000 years ago. The individual (the inner circle) identifies with and has more trust in people belonging to the next contiguous and larger circle, and so it continues until the outer circle is reached.

However, in other parts of the world, the concentric circles would be different, and perhaps not as layered. For example, in social conversations in the USA one would be asked: 'Where are you from?' If you are from the same state or city, the conversation might drift toward the school or university you attended. Then what you do for a living. Or your favorite sports team. And so forth.



**Figure 1.1 Concentric circles of identity and loyalty**

For many years, it was a surprise to one of the authors when Japanese managers attending an orientation to the Arab world seminar would introduce themselves on the first day by stating their company's name first, followed by their surname – the very opposite sequence followed by participants from other countries. The circles in Japan, it seems to us, start with the outer circle of country, then prefecture, followed by the inner circles of university attended and then by employer (the company or organization).

In today's China, family, class and geographical location seem to be important in identifying people. In a recent book entitled *Chinese Leadership*, the authors write:

*A person's family background plays a key role. 'Where is your family from?' or 'What do your parents do?' are the most frequent questions raised during social talk or even a job interview. For some Chinese managers recruiting new staff, family background is more important than education or commercial background. Not surprisingly, 'What are your parents' jobs and positions?' is one of the questions in the job application form provided by most Chinese companies. There is an old saying; 'The dragon produces a dragon, the Phoenix produces a Phoenix, and the mouse produces a mouse, who is destined to dig a hole'. Chinese people are still very class conscious. (Wang and Chee, 2011)*

Compare and contrast the above with questions that you cannot legally ask during a job interview in the USA: those relating to age, race or mother tongue, marital or parental status, and religion.

The ‘concentric circles of identity’ is only one way of looking at cultural differences. Scholars, especially social anthropologists and behavioral scientists, have been studying cultures for many decades. There is general agreement that culture is defined as a shared system of core values, beliefs, norms, meanings, traditions and practices. Others have defined culture as ‘the rules for living and functioning in society’ (Samovar et al., 2012).

Hofstede (2001) and Trompenaars and Hampden-Turner (1997) have discussed culture using the metaphor of an onion, where each layer of the onion represents different aspects of culture (starting with symbols and artifacts represented by the outer layer, moving to norms, beliefs and core values representing the inner layers of the onion). To avoid stereotyping, however, it has been suggested that culture is best viewed as a ‘normal distribution’ or a bell-shaped curve:

*People within a culture do not all have identical sets of norms and values. Within each culture there is a wide spread of these. This spread does have a pattern around an average. So, in a sense, the variation around the norm can be seen as a normal distribution. Distinguishing one culture from another depends on the limits we want to make on each side of the distribution. (Trompenaars and Hampden-Turner, 1997)*

The idea of differences among people – even if they are from the same culture – was best described many years ago by the social anthropologists Kluckhohn and Murray (1948):

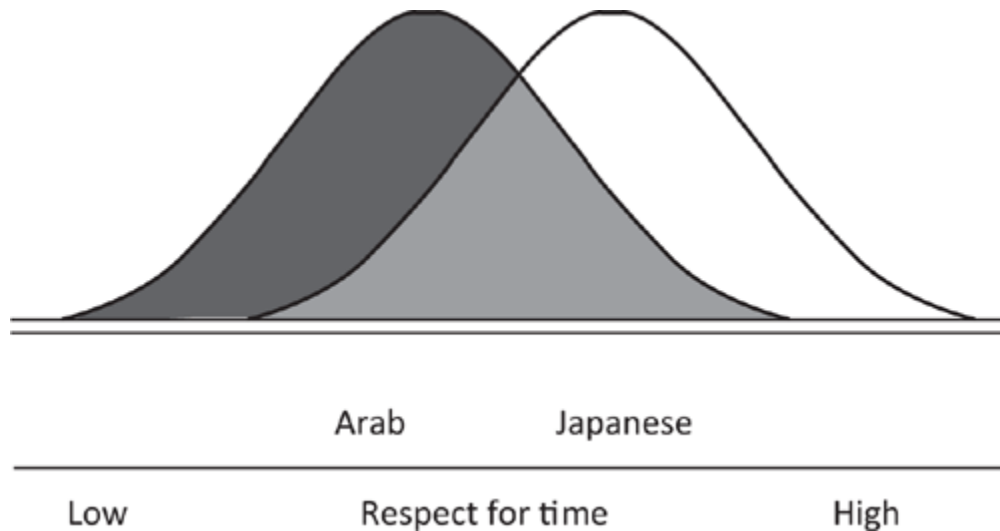
*Every person is in certain respects:*

- *Like all other persons.*
- *Like some other persons.*
- *Like no other person.*

Human beings are like *all* other persons (biology or human anatomy), but we are also like *some* other persons (sociology, culture or professional groups) and finally we are like *no* other persons (psychology and personality traits). Within a certain culture there is great variety among behavior and attitudes.

For example, the Arabs’ respect for time is generally considered to be less than that of the Swiss or the Japanese. Yet there are Arabs who respect

time more than some Swiss or some Japanese; see [Figure 1.2](#). On the other hand, Arabs are likely to score high on their attachment to religion, family or friends. One finds similar patterns when examining work relationships, power structures, work ethics or other work-related practices or values within a certain culture. In brief, when culture is depicted as a normal distribution, it helps people avoid the pitfalls of cultural stereotyping. It reminds us that there is variety within cultures, which are constantly changing – at least on the outer layers.



**Figure 1.2 Culture as a normal distribution**

## **CULTURE DOES MATTER**

Because this book is written with executives, HR professionals and aspiring leaders in mind, a review of recent academic theories and research on cross-cultural leadership appears in [Appendix A](#). This literature review indicates that scholars are increasingly taking into account the effects of culture and context when studying leadership in non-Western countries. To reiterate, it is difficult to understand leadership in a non-Western country using only Western concepts and viewpoints. Moreover, cultures are dynamic and ever changing, especially the artifacts or the outer layers of the onion.

Knowingly or unknowingly, business leaders too are exerting some influence on both their corporate and national cultures. Their influence extends not only to economic and technological changes but also to changes in social values and norms. For instance, some Palestinian executives are concerned with the low value attributed to time among people in the



business community. They are cognizant of the need to instill a work ethic in employees and to develop their organizational discipline.

The following are examples of some salient and observable cultural differences that have been discussed in the recent literature.

#### **IMMEDIACY AND WARMER RELATIONS**

Andersen et al. (2003) wrote that:

*Cultures that display considerable interpersonal closeness or immediacy are labeled 'high-contact' because people in these countries stand closer, touch more, and prefer more sensory stimulation than do people in lower-contact cultures.*

Notice the proximity of people standing in queues at banks or at airports around the world: Pakistanis, Indians or Bangladeshis, for example, tend to stand almost touching each other – uncomfortably close from an Arab's or even more so from a Westerner's point of view. Consider greetings among close friends or relatives: Americans greet with one kiss on the cheek or with a quick bear hug (for men), while many Europeans would greet with two kisses, one on each cheek, but not so in all Scandinavian countries. Arabs would use at least three kisses on the cheeks, and in some areas kissing the forehead or the nose. The Japanese, on the other hand, never touch but show their respect by the degree and extent of their bow.

#### **EMOTIONS**

In some cultures it is not considered unusual to express emotions openly while conducting business transactions. According to Scherer and Walbott (1994), the Japanese, the Scandinavians or the British would attempt to be somewhat unemotional, while it would be normal to show, and not control, emotions among business people in southern countries (such as countries in the Mediterranean region, the Middle East or Latin America). The intensity of displayed emotions differs from one culture to another.

#### **COMMUNICATION**

Intercultural communication is an important and growing topic of inquiry. Understanding the nuances in verbal and non-verbal communication across cultures helps people solve business problems and enhances understanding and cooperation (Samovar et al., 2012). For instance, it is essential to differentiate between 'high and low context' cultures (terms made popular by Hall, 1971). Western countries tend to be low-context, while Eastern ones are high-context. LeBaron (2003) stated that at times we 'say what we

mean, and mean what we say', leaving little to be 'read into' the explicit message used in low-context cultures. Compare this with high-context cultures, where messages are sent by nonverbal cues or are inferred and implied in the message without them being stated directly.

Consider the use of the words 'yes' and 'no'; they may imply different meanings in different cultures. One of the authors made a list of Japanese words to use during his frequent business visits to Japan only to discover on the third visit that the list did not include the word 'no'! When the hosts were asked, the answer was 'Well, it depends'. Apparently, it is not polite to use 'no', 'iie' or 'iiye' with seniors such as a supervisor (but it is OK to use with juniors). Instead, a variety of nonverbal expressions, voice inflections or verbal phrases are used to convey disagreement, including 'Yes, I see'.

#### **PERSONALIZED APPROACH**

To facilitate doing business quickly, many around the world may revert to using personal networks of friends, relatives or business connections, which are used to build trust and exchange favors. However, in the Arab world, using connections or *wastah* is essential to doing business (Muna, 1980, 2003). In Japan it is called *kone*, and in China connections are referred to as *guanxi* (Kambil et al., 2006; Wang and Chee, 2011). In an interesting article, Hutchings and Weir (2006) compare *guanxi* and *wastah* and the role of trust, family and favors in underpinning these traditional modes of interpersonal connections and networks in China and the Middle East.

The personalized and person-oriented approach goes further, however. Businesspeople tend to take relatively more time at the outset getting to know the other party before starting to discuss business or negotiating. The approach of 'business is business' is seen as too dry and impersonal, and thus is frowned upon or minimized by many in the Middle East (Muna, 1980).

#### **PATERNALISTIC MANAGEMENT STYLE**

It has been observed that Arab managers and leaders favor what is called the paternalistic style (Muna, 2003; Ali, 2005; Yahchouchi, 2009; and Muna and Zennie, 2011). Arab executives view their role, and are viewed by their employees, as 'head of the family', 'elder brother', 'uncle' or '*Mu'allim*' (which literally means teacher). Although this style is not widespread in the West, it is not seen as inappropriate by leaders and followers in other parts

of the world, and certainly not in the Middle East. One can substitute paternalism by using other terms such as ‘tribal’, ‘familial’ or ‘clannish’ leadership styles. This paternalistic style is not restricted to family businesses, but can also be observed in public organizations.

Arab executives spoke of their duty to visit their employees at home for particularly happy or sad events, or in hospitals if they fall ill. These practices were confirmed by this study of Palestinian executives, as we shall see in [Chapter 3](#). In a paternalistic organization, an executive is expected to help employees with their personal and family problems. In addition, a paternalistic executive is expected to provide ‘kind and humane treatment, care, respect, control, and guidance’ to his or her employees – all of which are the characteristics and behavior of a father figure (Muna, 1980, 2003). In keeping with socio-cultural norms, Palestinian executives also felt a need to pay attention to the personal and social affairs of their employees. The roles of Palestinian executives will be examined in greater detail in [Chapter 3](#).

In brief, the above examples indicate that certain attitudes and behaviors differ from one culture to another. These cultural differences are not indicative of cultural superiority or inferiority, wrong or right, but are genuine differences that must be understood and appreciated. Much has been written on transcultural and bicultural people who are able to combine both cosmopolitan and local affiliation (Hannerz, 1990; Welsch, 1999). Others have written on multicultural business leaders (Muna and Zennie, 2011). During this current research, we have interviewed many Palestinian executives whose exposure to the outside world would allow us to call them bicultural or transcultural. They exhibited cultural sensitivity and cultural competence, which were acquired by some of them as a result of being born or raised in North America or Europe and by others while studying and/or working outside Palestine (for detailed data, see [Appendix B](#)).

## **CONTEXT MATTERS TOO**

Leaders, by definition, have followers (employees), most of whom are motivated and engaged to do the work assigned to them. But followers differ from one culture to another, as do their interactions with leaders. The interactions of followers and leaders are based on cultural values and expectations, and leaders use different styles that are congruent with these

values. For instance, one cannot lead an average Texan or New Yorker in the same way that one would lead an average French, Palestinian or Japanese employee – unless that person has gained extensive exposure to many cultures by travelling or living overseas, or through successful employment in a multinational organization within or outside his or her native country.

The situation is further complicated by the unique culture of each organization. Clearly, when employees decide to join an organization, they accept to abide by the values and practices of that organization even though they may do so only during working hours. However, the ‘company culture’ and the national culture are not completely divorced from each other. Followers bring to their working day values, beliefs, expectations and attitudes that have been ingrained since childhood by their culture, society, community, family, friends and peers. To remain gainfully employed, these followers must adapt their work attitudes and behavior to fit organizational demands, at least during working hours. Palestinian leaders are intent not only on training their followers on managerial and technical skills, but also on instilling a work ethic, accountability and setting a model for them to follow.

Successful Palestinian leaders are adept at balancing and integrating these two cultures (national and organizational) by adapting their interpersonal and leadership styles to the context and the situation. They also adapt well to harsh political, economic and social environments.

Moreover, Palestinian entrepreneurs and executives in the diaspora have successfully built region-wide organizations in Jordan, Lebanon, the United Arab Emirates (UAE) and elsewhere in the world. For instance, large and flourishing companies that were established outside Palestine include: the Consolidated Contractors Company (CCC), the Arab Bank, the Nuqul Group, the Edgo Group, Arabtec Construction, the Arabia Insurance Company and the Talal Abu-Ghazaleh Organization (TAG-Org), to name but a few. Other Palestinian executives have recently returned to Palestine and have been successful in establishing new vibrant organizations. Many of these executives were interviewed for this book.

It has also been found that Lebanese executives who were born and raised in Lebanon were able to successfully adapt their leadership styles and behavior when they moved to new contexts and new host cultures (Muna,

2011). For example, leaders working and living in Lebanon had significantly different decision-making styles (highly autocratic-consultative) than those leading employees from diverse cultural backgrounds in the Gulf Cooperation Council (GCC) countries (less autocratic, more consultative) and still more different than those leading American followers in the USA (more democratic).

Successful multicultural leaders, regardless of nationality, are those who are able to bridge cultural differences and build on cultural similarities. They are able to competently manage across borders because they have the necessary cultural sensitivity (Muna and Zennie, 2011). Some Anglo-Dutch companies (for example, Shell Oil, Unilever and Reckitt Benckiser) are managed by multicultural executives who consider their companies global.

Consider this quotation from the CEO of Reckitt Benckiser (RB), a company that employs 27,000 people and operates in more than 60 countries:

*Now in every country we have people of many nationalities as well as local citizens. Today an Italian is running the UK business, and an American is running the German business. A Dutchman is running the US business, an Indian the Chinese business, a Belgian the Brazilian business, and a Frenchman the Russian business. It is not that you can't advance at RB in your local company. You can. But we also offer unique global mobility and experience to people who want to grow their careers on a world stage. (Becht, 2010)*

If culture and context do matter, and it seems that they certainly do, then Palestinian executives can be best understood by taking these two elements into account – this will be attempted throughout the book. In the next chapter, we will explore the pressures, challenges and opportunities posed by the ever-changing political, economic and social environments in which Palestinian executives conduct business.

## 2 Environmental Pressures, Challenges and Opportunities

*Palestinian working mothers sometimes go to extreme lengths for childcare. One woman, who asks not to be named, drives each morning to the military checkpoint along the graffiti-covered wall that separates Ramallah from Jerusalem. There she kisses her child on the cheek and hands over the car seat to her mother-in-law, who looks after the child at her Jerusalem home until the end of the workday, when mother and child meet again.*

*While it traces its history to 1960, the bank [Bank of Palestine] was shuttered for 14 years. When the Israeli army entered Gaza in 1967, his grandfather was ordered to change the name to anything without the word Palestine, [Hashim] Shawa says. He refused and the bank was closed, its sign covered in black paint. It reopened in 1981, after a legal fight. (Bloomberg Businessweek, August 2011)*

*If there is a breakdown in a production line, companies all over the world will pay extra to ship the spare parts. In Palestine, I don't have that privilege, because Israel keeps our spare parts in security checks for months and it hurts our business badly. (A Palestinian executive, January 2, 2012)*

Business organizations do not operate in a vacuum; they influence, and are influenced by, the various environments in which they operate. Palestinian organizations are no exception – their environments are perhaps more unique and challenging than others, as we shall see.

Starting at the macro-level, we shall briefly discuss the various pressures facing Palestinian executives from the political, economic and social environment. Later we will examine the challenges and opportunities of doing business in Palestine, corroborated by quotations from some of the 110 Palestinian executives we interviewed for this book.

### **INTERNATIONAL ENVIRONMENT (POLITICAL AND ECONOMIC)**

The economic globalization, or 'semiglobalization' as aptly coined by Ghemawat (2011), has shrunk the world of commerce, industry and services. However, this 'semiglobalization' did not 'flatten' the world as claimed and over-simplified by some (for example, Friedman, 2005). The Noble Prize-winning economist J.E. Stiglitz (2007) wrote:

*Today, few deny the problem of growing inequality, to which globalization has contributed. No one really thinks the world is flat. Today, the debate has shifted to the merits of particular reform measures. (emphasis added)*

The world is not flat – instead, it continues to have many borders, contours, barriers and walls with huge differences in economic, political, cultural, religious and administrative spheres.

In Palestine's case, the concrete walls, barriers and security checkpoints not only restrict international trade but also obstruct internal commerce and the movement of people. The current Palestinian President, Mahmoud Abbas, is issued a travel permit good for two months at a time. According to [Haaretz.com](http://Haaretz.com), Abbas was reported telling European diplomats:

*Look at what they've done with my VIP pass, which has now been limited to only two months for security reasons. (Haaretz, January 23, 2012)*

The economy of the occupied Palestinian territories remains under strict control by Israel, which limits the economic interaction of the occupied territories with the rest of the world, making Israel their main supplier. The World Bank (2011), the International Monetary Fund (2011b) and the United Nations (2011) have concluded in recent reports that Israeli restrictions must ultimately be lifted in order for the Palestinian National Authority (or PA for short) to sustain reform momentum and its achievements in institution-building. The World Bank report stated:

*One factor that imposes a negative influence in every sector is the closures and restrictions imposed, suppressing economic as well as institutional development in WB&G [West Bank and Gaza]. Israeli control of all international borders inhibits the import of raw materials and the export of finished products. The restrictions controlling the internal and international movement of goods and people discourage foreign investment vital to economic growth and job creation. The lack of access to land and local water sources has devastated the agriculture sector. Restrictions on movements of materials and people hinder the supply and distribution of health and education services, as well as the access of workers to their jobs. (World Bank, 2011, 32)*

However, increased globalization has been a double-edged sword: although cross-border integration enables the flow of ideas, people, money and goods across borders, it has also led to increased macroeconomic volatility, trade imbalances, global financial crises and market meltdowns, all of which we have witnessed during the past few years.

While the positive impact of cross-border integration was felt in almost every country in the world, Palestine was again an exception due to the occupation and the resulting financial and trade restrictions and embargos. For instance, the PA was allowed only an observer status at the World Trade Organization (WTO) in December 2005. An article by Salman (2010) in the

*Palestine Chronicle* describes the desire of Palestinian officials to join the world's trade community:

*A Customs Union [with Israel] will always remain economically unfeasible despite the many proposed changes to the Paris Protocol. The political instability, security measures and the porous border control – all weigh heavily on the success of this trading option. Hence the WTO is increasingly becoming the popular choice as it encourages liberal solutions that are both economically and politically advantageous. Most of these benefits would arise directly as a result of the removal of anti-trade biases (most of which have been a direct result of Israeli interference in Palestinian affairs) and the allocation of resources to industries with the greatest potential. As such, Palestine would have to be prepared to reshape its entire commercial structure based on the expectation of global exposure and unrestricted access across economic borders.*

Salman goes on to explain how membership in WTO would provide a 'globalized' economy, which is favorable to Palestine's economic and political future:

*There is genuine belief amongst [Palestinian] officials that a globalised Palestine is a 'normal' Palestine ... This process of 'normalisation' through globalisation assumes an expansive role regarding Palestinian stability. David Fidler, an expert on International Law and the economics of the Occupied Territories, supports this view with his formulation of 'no peace–no trade, no trade–no peace'; and it very much encompasses the dilemma Palestinian officials find themselves in at this crucial economic junction of Palestine's future. Saeb Bameya [a representative of the PA] recognises as much when he emphatically declares that the WTO is an 'opportunity, an inspiration', a fundamental building block towards establishing peace.*

Understanding and accepting the links between peace, security, justice and equality is critical to reaching a permanent solution. Bassem Khoury, a former Palestinian minister of economics, aptly described his frustration in a speech addressing the Jerusalem Fund, Palestine Centre (2009) in Washington, DC:

*We do not have 'til eternity, we have wasted already too much time and the reality is that the window of opportunity is actually shrinking. To miss it now will ensure that we are alienating what is remaining of the moderate core of Arab and Muslim societies and of Palestinian society and will for sure usher in more extreme leaders who are not willing to negotiate. So my question, wide and clear to Israel is: Israel make up your mind. No more [of] this immoral and illegal out of wedlock relationship. Either marry us or let us go. Either a two-state solution or a one-state solution. But to maintain it like this is simply impossible. And, of course, to Israel I say the choice is yours.*

Sam Bahour, a Palestinian-American entrepreneur who lives in the West Bank, asks how Palestinians could have a real economy when every aspect



of their livelihood is micromanaged by the Israeli government. In an article entitled 'Palestine's Economic Hallucination', he wrote:

*The economic resources we need are known to all who need to know, first and foremost the donor community. Strategic state-building economic resources are land, water, roads, borders, electromagnetic spectrum, airspace, movement, access, electricity, free trade relations, and the most important resource of all, the human resource. All of these and many more are not 99 percent in Israeli hands but are 100 percent micromanaged by the Israeli military occupation. (Bahour, 2011)*

Clearly, the international environment and the related political and economic ramifications exert negative pressure and have an enormous impact on Palestinian business organizations. Many readers of this book are already aware of the above points (either by living in Palestine or by following the regional news). Yet, analyses of the interviews we conducted with 110 Palestinian executives yielded many interesting quotations, which illustrate the tremendous impact such environmental conditions have on the behavior of business executives and their employees:

*The Paris Agreement was not for the benefit of Palestinians; it does more harm than good because it protects Israeli trade at the expense of Palestinian trade, especially in custom tariffs, quotas, and standards.*

\*\*\*\*

*It is difficult to compete because of the high cost of doing [agricultural] business in Palestine due to the occupation. Our utilities are controlled by the occupiers. For example, Israel takes our water and resells it to us at a higher price than in Israel.*

\*\*\*\*

*A frequent Israeli punitive measure is to stop payments of taxes collected on behalf of the Palestinian government. The government cannot pay the salaries of its employees, and thus these employees are not able to spend or pay their bills, including their insurance premiums they owe us.*

\*\*\*\*

*The main problem facing our company [beverages] is logistics – created by the occupation. Sometimes it takes seven months to clear raw material and goods because of 'security issues'. It is also difficult to obtain visas from Israel for foreign experts. When we explain this to our international headquarters, they are astounded.*

*During closures, we built living or lodging accommodation for the employees to be able to sleep at the company. Allowing female employees to sleep in company facilities was a challenge in Palestinian society; we managed to overcome these constraints.*

\*\*\*\*

*We have to deal with several authorities or governments: Israel, the Palestinian Authority, and if you have business in Gaza we have to deal with the government there.*

\*\*\*\*

*Getting an import license from Israeli authorities is extremely difficult. Take the example of a product like Clorox; we were not permitted to import it because the product was considered a security threat. We had to go to the Egyptian manufacturer of Clorox and ask them to dilute it in order to meet Israeli specs.*

**According to the Applied Research Institute – Jerusalem (ARIJ):**

*Since 2002, the Government of Israel has progressively added materials, machinery, and equipment (including telecommunications equipment) to the list of items considered ‘dual-use’. In 2008, as part of the new Defense Export Control Law, a new list was approved by MoD [Ministry of Defence] that includes 56 items. The latter includes: fertilizers, chemicals and raw materials for industry, steel pipes, lathe and milling machines, optical equipment, and navigation aids, amongst others. (ARIJ, 2011)*

As mentioned earlier in the Introduction, this book is about leadership in business, not politics; therefore, we ought to summarize this section by stating our own observation: an economically viable peace, with sovereignty, seems to be the best hope for Palestinian organizations, their executives and employees.

## **ECONOMIC ENVIRONMENT (REGIONAL AND LOCAL)**

The economy of Palestine is minuscule and indigent: the gross domestic product (GDP) in 2011 was only \$6.3 billion and the GDP per capita was US \$1,502. To get an idea of how small the Palestinian economy is, let us compare its GDP and GDP per capita with its neighboring countries:

Egypt: \$218 billion and \$6,504  
Israel: \$217 billion and \$31,004  
Syria: \$59 billion and \$5,078  
Jordan: \$27 billion and \$5,900  
Lebanon: \$16 billion and \$15,597  
Palestine: \$6 billion and \$1,502

For comparison purposes, the GDP per capita is \$66,625 in the United Arab Emirates, \$48,147 in the USA and \$35,887 in the EU (IMF, 2011 estimate).

Population (in thousands): 4,169  
GDP per capita (US\$): 1,502  
GNI per capita (US\$): 1,639  
Imports (\$ in millions): 3,959  
Exports (\$ in millions): 576

The Palestinian economy depends on donations for its survival and it has a huge trade deficit of \$3.4 billion, or \$816 per capita, compared to a gross national income (GNI) per capita of \$1,639. Exports to Israel amounted to 84.9 percent of all Palestinian exports in 2010, while imports from Israel equaled 72.6 percent of total imports (PCBS, 2012). Barring any resolution of the conflict, the future economic outlook looks grim. Here is a portion of the executive summary of a report prepared by the World Bank right after Gaza's bombardment and closure:

*Indeed, the post-conflict economic booms in other countries were mostly not hampered by the extreme restrictions facing the Palestinian private sector today. Very few economies have faced such a comprehensive array of obstacles to investment – not just of physical impediments to movement, but also comprehensive institutional and administrative barriers to economies of scale and natural resources, along with an unclear political horizon and the inability to predictably plan movement of people and goods. This report shows that progress in the relaxation of these restrictions during 2008 has been marginal at best. As a result of the Israeli security regime, the Palestinian economy has hollowed out, with the productive sectors declining and the public sector growing, as more of the population looks to the public sector for employment and assistance in coping with the impact of unemployment. The PA's wage bill alone is equivalent to 22 percent of GDP. The result is a growing dependency on donor aid for the prevention of fiscal collapse. In 2008, external aid to the PA amounted to nearly 30 percent of GDP. (The World Bank, 2009)*

The 'price tag' of the occupation has been estimated at \$6.9 billion in 2010, according to experts attending a two-day conference sponsored by the United Nations in Cairo on February 6–7, 2012. Experts at the conference said that the GNP of Palestine would be double what it is now if it were not for the occupation (United Nations, 2012). This an excerpt from a report prepared by the ARIJ:

*The Israeli military occupation of the Palestinian territory imposes a huge price tag on the Palestinian economy. Israeli restrictions prevent Palestinians from accessing much of their land and from exploiting most of their natural resources; they isolate the Palestinians from global markets, and fragment their territory into small, badly connected, 'cantons'. As recently highlighted also by international economic organisations, including the World Bank, UNCTAD and the IMF, these restrictions are the main impediment to any prospects of a sustainable Palestinian economy. (ARIJ, 2011)*

One expert attending the conference stated that:

*The confiscation of land and water resources and the mass uprooting of olive trees have crippled the Palestinian agricultural sector, which currently could not even meet the food requirements of the Palestinian population itself, let alone export agricultural produce in order to draw much-needed foreign currency into the Palestinian economy.*

The economic damage is deep, not to mention the loss of life and the psychological damage that an occupation causes.

The overall unemployment rate is also very high at 22 percent (see [Table 2.1](#)). Three related problems are:

1. the brain drain of talented people to countries with more opportunities for better careers and pay;

**Table 2.1 Labor force statistics, West Bank and Gaza, third quarter 2011 (rounded, in percentages)**

|                                | West Bank and Gaza | West Bank | Gaza |
|--------------------------------|--------------------|-----------|------|
| Unemployment rate              |                    |           |      |
| Overall                        | 22                 | 20        | 28   |
| Youth                          | 29                 | 23        | 38   |
| Labor force participation rate |                    |           |      |
| Overall                        | 43                 | 45        | 38   |
| Youth                          | 35                 | 38        | 30   |
| Women participation rate       | 17                 | 19        | 13   |

*Source:* Adapted from PCBS (2011).

2. creating harmful long-term dependency on nongovernmental organizations (NGOs); and
3. the high wages that NGOs are paying.

This is how one top executive, and former minister, summarized this problem:

*NGOs are taking away our best human resources because they pay much higher salaries than us ... so, our good human resources are few because of emigration and NGOization ... it is hard to find qualified cadre.*

What is the future outlook for Palestinian business organizations? When discussing business conditions in Palestine, one of the questions that we asked the 110 executives was: ‘What can be done to make things better?’ Based on the positive thinking of those executives we interviewed and based on our reading of the prognosis of the situation by experts (from the

United Nations, the International Monetary Fund and the World Bank), we are cautiously optimistic about business conditions despite the grim outlook for the overall economy. This cautious optimism is plausible, we believe, given that the Palestinian people and businesses have shown resilience, determination and willingness to endure and persevere over the past 45 years of occupation. Any peaceful resolution (whether a one-state or a two-state solution) will be far better for the economy and business than the current status quo.

## **INTERNATIONAL ENVIRONMENT (COMMUNICATION)**

Today's media and digital communications have had an enormous influence on organizations and people around the world. The information technology revolution has enabled faster communication and increased social networking. We are told that the Internet, smartphones, Facebook and Twitter played a role in the 'Arab Spring of 2011'. But it is not only Arab youth who have capitalized on this new communication revolution, or what is being labeled 'social power'; business organizations too are taking advantage of these relatively unrestricted and effective modes of communication, including organizations based in Palestine. An article in *Forbes* magazine (2011) describes how this 'social power' has started to permeate organizations in the West:

*The institutions of modern developed societies, whether governments or companies, are not prepared for this new social power. People are changing faster than companies. 'I don't think it's crazy to ask if your CEO is the next Mubarak', says Gary Hamel, one of business' most eminent theoreticians of management. 'The elites – or managers in companies – no longer control the conversation. This is how insurrections start'. Says Marc Benioff, CEO of [Salesforce.com](http://Salesforce.com): 'This isn't just about [the] Arab Spring. This is about corporate spring'.*

Despite the suffocating political and economic environments, Palestinians have access to mass communication and media, including TV stations in several languages from around the world (Arab, Israeli and Western TV stations). More importantly, the Internet, Facebook, Twitter, LinkedIn, Skype, local and international telephone services and mobile phones alleviate the heavy burdens of the occupation and thus have had a slightly favorable impact on doing business in Palestine. In December 2011, the first conference on social media took place in Palestine and was attended by around 200 local and international media experts and journalists. However,

there remain significant restrictions on telecommunications companies, as was explained by one of the executives we interviewed:

*For example, the Israeli government does not allow us to have the 3G or BlackBerry licences, for 'security' reasons. Also, we have to locate our switching centres outside Palestine in order to increase frequencies and maintain quality of service.*

To complete our research, we had to conduct several interviews with executives from Gaza using email, telephone or Skype.

The status of the telecommunication systems in Palestine is well known to Helga Tawil-Souri, an assistant professor of media, culture and communication at New York University, who is currently at the final stage of publishing a book titled *Digital Occupation*. In an article on the recent hackings, she asserts that:

*Israel continues to determine much that shapes Palestinian telecommunications, from the allocation of frequencies to where infrastructure can be built, from how much bandwidth is allocated for Internet use to what kind of infrastructure equipment can be imported and installed.*

She adds:

*All of these limitations reinforce territorial barriers on high-tech flows, inhibit the development of Palestinian infrastructure, and perpetuate Palestinians' economic dependence and de-development (and hence the uneven economic relationship). They also, in a word, keep Palestinian networks open to hacking. (Tawil-Souri, 2011).*

Because of all the above-mentioned political, economic and communication restrictions, we kept wondering out loud:

*What are the long-term implications of these restrictions (for instance, restrictions on mobility of people and goods and access to high-tech communication) on managing and developing young Palestinian employees?*

And:

*What long-term effect will these restrictions have on innovation, quality, profitability and growth of Palestinian companies?*

In the final section of this chapter, we shall attempt to answer these questions when we discuss the challenges and opportunities facing Palestinian executives.

## **SOCIAL ENVIRONMENT**

To better appreciate the impact of the social environment on Palestinian business executives, it is helpful to refer back to the concept of the ‘concentric circles of identity and loyalty’ shown in [Figure 1.1](#) in [Chapter 1](#). The reader may ask: ‘How do these circles of identity fit with the topic of social environment and business?’ These concentric circles of identity and loyalty partly explain the widespread use of favoritism, nepotism and *wastah* (the use of connections) – three forms of social pressures commonly used in business. Family relationships, friendships and, to a much lesser extent, religious affiliations exert a need for reciprocity and trust.

Consider religion, the largest outer circle. In the not too distant past, Arab Palestinians were not concerned about the religion of their friends, peers or neighbors; they simply did not enquire about it! Only if a person is called Mahmoud or Hanna could one tell if that person is Muslim or Christian. Both religious groups share common Arabic first names. Young students or neighborhood friends simply did not ask about the religion of classmates or friends. Even after the relatively recent rise of fundamentalism in the early 1980s, religion is still not the deciding factor in business or friendship in Palestine, which is known as the Holy Land – holy to the world’s three monotheistic religions. This tolerance has deep historical roots in Palestine. It was further strengthened due to the solidarity exhibited by Palestinian Muslims and Christians from the early 1920s to the 1940s when they stood together against the British Mandate’s political approach of divide and rule. The historian Rashid Khalidi writes:

*Thus, early after the British occupation, Palestinian political figures set up Muslim-Christian Associations (and later a Palestinian Arab Congress) in major cities and towns all over the country as a means of countering an attempt to use this approach to divide the Palestinian Arabs along religious lines. (Khalidi, 2006)*

The next circle of identity is country. Palestine was part of the Ottoman Empire for hundreds of years, just like the surrounding countries of Egypt, Syria and the rest of the Fertile Crescent. Palestine became a British Mandate following the First World War until 1948. Parts of the country were occupied by the newly established state of Israel in 1948; the rest, the West Bank and the Gaza, were later occupied in 1967. The birth certificate of one of the authors was issued in Jerusalem, in 1943, by the Government of Palestine, and is printed in three languages (English, Arabic and Hebrew), as were the stamps of Palestine before 1948. One can easily

distinguish a Palestinian accent from other Arab dialects; thus, if two Palestinians meet overseas, the dialect alone will prompt one of them to ask the other person ‘where in Palestine are you from?’ or ‘where in Palestine are you *originally* from?’. Hence, the next circle of identity is city or town.

Although Palestine is a small country, Palestinians in general first try to establish the other person’s city or town. The sense of identity starts to become significant at this point, but it quickly jumps to the next critical concentric circle: clan or family (Palestine’s only tribes are the few Bedouins living mainly in the deserts in the southern parts of the country).

Thus, many of the executives we interviewed for this book mentioned *wastah* as a social pressure that had to be either used or dealt with. Cronyism, favoritism and nepotism were also often mentioned. As was noted briefly in [Chapter 1](#), using connections in business is common in many countries. However, its prevalence in the responses of our interviewees makes it relevant to our discussion. For example, connections in the USA or Germany may help in business, but they are essential in other parts of the world; recall the use of *wastah* in the Arab world, *kone* in Japan and *guanxi* in China.

However, *wastah*, like globalization, is a double-edged sword: you use it when it advances your cause and you try to minimize its negative effects when it is imposed.

## **MAJOR CHALLENGES AND OPPORTUNITIES**

During our interviews with Palestinian executives, we asked them to describe the major challenges they face when doing business in the West Bank and Gaza. Throughout the following chapters, we will present many quotations from the 110 Palestinian executives we interviewed. The quotations illustrate the challenges summarized in the list below.

### **POLITICAL AND ECONOMIC**

- Lack of sovereignty and statehood
- Doing business under the challenging conditions of the occupation: checkpoints, closures, restrictions on movements of goods and people, strict and unfair economic regulations, etc.
- Dealing with at least two governments (three if doing business in Gaza)



- Lack of a national currency
- Bureaucracy and red tape in local governments
- PA does not have good laws or regulations, such as fair trade laws found in the USA and Europe, resulting in unfair and unregulated competition, and dumping of goods that are not taxed or regulated by standards
- Unstable tax laws – changed three times since 1994
- Corruption and cronyism among government officials: two ex-ministers are on trial
- Small and unstable economy: need for diversification

#### **BUSINESS AND LABOR**

- War for talent: NGOs are paying high salaries and attracting talent
- Shortage of skilled workforce
- Fierce price competition: customers are not loyal to Palestinian products or brands, looking for lower prices
- Labor laws and unions

#### **SOCIAL AND CULTURAL**

- Favoritism, nepotism and *wastah*
- Work ethics: employee commitment and belongingness (*intima*’ or الانتماء) are low
- Low respect for time

Our findings were corroborated by another study of Palestinian entrepreneurs conducted by Elmuti, Khoury and Abdul-Rahim (2011), who found that the most critical challenges facing current and prospective entrepreneurs are:

1. Weak and unstable economy;
2. Limited access to financial capital;
3. Bureaucracy in public offices;
4. Corruption and bribery issues; and
5. Exporting process of products is difficult and costly.

#### **OPPORTUNITIES**

Our earlier cautious optimism about the future was partly based on what Palestinian executives said about their companies' plans to improve things. Their responses are categorized as: (a) internally focused; and (b) externally focused and outward looking.

#### **INTERNALLY FOCUSED**

A large number of executives said that improvements can be made in managing the company they worked for. The most frequently mentioned plans included:

- more investment in people (hiring and training new talent);
- better strategic planning (including scenario planning and creating Plan Bs to cope with and manage uncertainty);
- reorganizing the company;
- better use of technology;
- improving the company's culture, including changing the work ethic among employees;
- improving teamwork.

#### **EXTERNALLY FOCUSED AND OUTWARD LOOKING**

The overwhelming majority of the responses fell into this category. The company plans were (in order of frequency of mention):

- seeking new markets (geographical and/or new products and industries): the executives mentioned increasing exports (and/or diversification) to Israel, Egypt, Jordan, Algeria, Malta, GCC countries and Russia. Some spoke of possible mergers and acquisitions. Also mentioned was possible diversification within Palestine by starting new projects or branches in different cities, such as Gaza, Hebron, Jericho and Ramallah;
- winning the customer: many executives spoke of the need to create better customer awareness of Palestinian products in order to increase brand loyalty. Other frequently mentioned actions were to improve customer service, improve quality and find new ways of 'engaging the customer';
- lobbying the PA: improving government regulations and industry standards; renegotiating more fair and just Oslo and Paris Agreements (especially the economic aspects, such as those relating to tax and VAT

matters), protecting local industries through fair trade laws, stopping tax evasion, protecting patent rights and so on;

- increasing cooperation with academic and other institutions with a view to creating more internships and cooperative projects, and undertaking joint actions to increase corporate social responsibility (CSR).

Here are some quotations from Palestinian executives on the above issues:

*Continue to look for new markets: we now manufacture some of our food products in Jordan, and we export whatever is made here to other countries through Jordan.*

\*\*\*\*\*

*We are planning to start a beverage plant in the West Bank because currently we import our brands to the West Bank from Jordan.*

\*\*\*\*\*

*Increase customer awareness with a view to improving customer loyalty towards Palestinian products and their good quality. Right now customers are only price conscious.*

\*\*\*\*\*

*Gain more consumers by enhancing the shopping experience for our products; extend quality coverage in the market; commercialize joint ventures with the customer (we give training to customers every three months about joint business plans and scorecards); keep building the brand and being number one in customer service in the country.*

\*\*\*\*\*

*We can't work under occupation. The government needs to create an environment that protects the investors. When are we going to have freedom of movement? The occupation has to end. We also have to elect individuals for government positions who are competent.*

Interestingly, only a few executives were downcast about the future of business conditions in Palestine. Instead, what we heard was optimism and a great willingness to find solutions despite the occupation. 'We have to find creative ways to overcome the restrictions imposed by the occupation', one executive said.

**PART II**  
**Leadership Styles**

### 3 Roles of the Palestinian Executive

*If we are to perform our job well, we need to know how others perceive our roles and our performance in them. Only then can we begin to either change our performance or to adjust their expectations of us. (Charles Handy, 1990, 76)*

*I consider myself as the father of 280 employees. I have a special relationship with my employees both inside and outside the company. (A Palestinian executive, October 10, 2011)*

*Employees look at me as a role model. I am also the person in the company they see as their problem solver, whether it is for business or personal problems. (A Palestinian executive, November 11, 2011)*

William Shakespeare wrote:

*All the world's a stage, And all the men and women merely players; They have their exits and entrances; And one man in his time plays many parts. (As You Like It, Act 2, Scene 7).*

We play many roles during our lives: starting as a son or a daughter, later a student, husband or wife, father or mother, uncle or aunt, or grandparent, neighbor, politician, citizen, doctor, lawyer, entrepreneur, employee, teacher, manager, leader, follower and so on. In fact, we play several roles during the course of a normal day, depending on the situation.

Understanding these roles leads to a better analysis and deeper understanding of our behavior. But what other roles do we play when we are managers or executives? And how are we perceived by those who work for us? To what extent do these roles influence and shape our behavior? To answer these questions, we asked the 110 successful executives how they perceive their own roles inside and outside their companies, and how they are seen by people working with them. We probed and encouraged the executives to elaborate in order to reveal what types of actions resulted from these roles. Even more importantly, we wanted to find out whether the roles played by Palestinian executives are congruent with the roles played by executives from other parts of the world, and to see whether culture and context have any impact on these roles. To accomplish this, we will first briefly review what others have written about managerial and leadership roles.

In this chapter, we also discuss three other related topics:

- The role of women in management, with particular emphasis on Palestinian women executives.
- The critical and inter-related topic of the value and respect for time, and the time horizons of Palestinian executives.
- The subject of loyalty and efficiency.

## **THE ROLES OF PALESTINIAN EXECUTIVES**

Around 40 years ago, Henry Mintzberg, a professor at McGill University, wrote a groundbreaking book in which he debunked some of the myths surrounding contemporary managerial tasks (Mintzberg, 1973). He delineated ten managerial roles, which are shown in the list below. In our research we discovered a few additional roles that Palestinian executives play inside and outside their companies. It would be interesting to see how our findings compare and contrast with Mintzberg's.

### **INTERPERSONAL ROLES**

1. Figurehead: acts as representative, symbol and ambassador of the organization.
2. Leader: motivates, inspires and develops people and teams.
3. Liaison: develops external links and networks.

### **INFORMATIONAL ROLES**

4. Monitor: seeks and receives information from within and outside the organization.
5. Disseminator: communicates information and keeps employees informed.
6. Spokesman: transmits information to external stakeholders.

### **DECISIONAL ROLES**

7. Entrepreneur: scans environment for opportunities, initiatives and formulates new strategies.
8. Disturbance handler: takes charge and handles conflict, crises and strategic changes.
9. Resource allocator: oversees allocation of major resources of all kinds.
10. Negotiator: engages in major, non-routine, negotiations with other organizations and people.

One of the authors of this book has been interested in leadership roles for some time. Using metaphors, he wrote a few articles describing seven roles that leaders play, which are shown below:

---

1. Leader as gardener: cultivates human capital.
2. Leader as Canada Goose: learns the lessons of teamwork, delegation and humane treatment.
3. Leader as abacus: exhibits wise long-term financial management.
4. Leader as captain: articulates company's vision, direction, and strategy formulation and execution.
5. Leader as worldly mindset: leader is culturally sensitive and sees the big picture (helicopter view).
6. Leader as negotiator: aims to enlarge the 'pie' or 'cake' and, whenever possible, reaches a win-win outcome.
7. Leader as acrobat: balances work, family and personal life.

(Sources: Muna, 2004; Muna, 2006; Muna and Mansour, 2005, 2009)

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## **THE ROLES OF PALESTINIAN EXECUTIVES**

We asked Palestinian executives how they perceive their roles both inside and outside their companies. To re-confirm these roles, we also asked them: 'What roles are you playing as seen by those around you at work?' The list below shows the inside and outside roles (shown in order of frequency of mention).

### **INSIDE ROLES**

- Visionary, strategist and agent of change.
- Decision maker/problem solver (business and personal matters).
- Leader: motivator and team builder.
- Keeping control/discipline and following up.
- Directing and organizing, and monitoring profitability.
- Head of family, father, older brother/sister or friend.
- Communicator (information disseminator).
- Cultivating human capital: trainer, coach or mentor.

- Role model.
- Building a healthy company culture.
- Linking pin and facilitator between top management and employees (a role mostly seen by middle managers).

#### OUTSIDE ROLES

- Ambassador, representative (company image and reputation).
- Corporate social responsibility (CSR) and national duty.
- Networking and lobbying (with different stakeholders).
- Building brand image and improving public relations.
- Negotiator.

It is clear that most of the executive roles shown above are universal – not culturally specific. The exceptions are: (a) the role that requires Palestinian executives to be involved in helping their employees solve personal problems; and (b) their familial or paternalistic role as ‘head of family’, ‘father’, ‘older brother/sister’ or ‘friend’. As we shall see shortly, these two roles add a considerable burden and require executives to spend more time and effort on people-related matters.

It is interesting to quote Larry Page, co-founder and CEO of Google Inc., about his company’s ‘family’ culture. Google has been known as one of the world’s best places to work – and it was considered the number one company in this respect by *Fortune* magazine (February 6, 2012). In an interview with *Fortune*, Page said:

*It’s important that the company be a family, that people feel they’re part of the company, and that the company is like a family to them. When you treat people that way, you get better productivity.*

It is worth noting that Google currently employs around 18,500 people worldwide (*Fortune* magazine, 2012).

Another role worth noting is community service and national duty. Some of the Palestinian executives we spoke to felt that the time and effort they devote are part of a national duty to develop their country – especially for those executives who came back from the diaspora in the early 1990s after the Oslo Accords were signed. Finally, there were numerous mentions of CSR, which seems to be part of the vocabulary and objectives of some



companies as well as some individual executives. Here is an example of this role as described by the CEO of a privately-owned beverage company:

*As a company, we are highly engaged in health, sport, and education sectors ... In other words, CSR is part of my role ... it is a commitment for the company and the individual in charge.*

Another executive from a publicly-owned company took upon himself the role of CSR in his small town. He said:

*I play an active role in my town and I consult with the city council to help them out. We assist in the administration of the kindergarten and the nursery school. Also, in our neighborhood, I organize an annual clean-up campaign to clean up the streets – setting an example for other neighborhood to follow.*

## **THE ROLE OF PALESTINIAN WOMEN IN MANAGEMENT**

In Palestine, the participation rate of women in the labor force is 16.7 percent, compared with 26 percent for the Middle East and North Africa, and 40 percent globally (PCBS, 2011; World Bank, 2011). For our research, we interviewed 19 successful female executives (17 percent of our sample). What they had to say was fascinating, and some of their words will be quoted in this section.

The truism that half of all Palestinians are women masks the fact that among this 50 percent there are leadership talents that may not be fully utilized. Education is considered essential: Palestinian parents are extremely keen to send their sons and daughters to schools and universities even if they can barely afford to do so. One of the executives told us that her family had to sell some of their property in order to pay for her university education. Another described how her mother ‘pushed her children hard’ to complete their university education because she had never had the opportunity to complete her own higher education.

We were pleasantly surprised to find that 99 of the 110 executives (90 percent) we interviewed have a university degree and many of them (46 percent) had a Master’s or higher degree. Additionally, of the 19 women we interviewed, ten hold a Master’s degree and eight have a Bachelor’s degree. For more data on their educational backgrounds, see [Appendix B](#).

At Birzeit University, where one of the authors teaches, 62 percent of the students were women. Female faculty and teaching assistants constitute 28 percent of the total for the academic year 2011–2012, and the graduating

class in that year included 1,267 female and 738 male graduates (Birzeit University, 2012). The 21-member Palestinian cabinet, which was formed in May 2012, included a record number of six women ministers.

Another truism is that certain cultural and social restrictions and taboos do not allow women the same freedom or opportunity that men have in the business world. One of the universal challenges for working mothers is balancing work and family obligations. However, the presence of large extended families in Palestine eases the burden of childcare.

In conservative societies, the subject of working women can be controversial – therefore, it will not be discussed in this book on business leadership. However, we will report the particular managerial challenges faced by the female executives interviewed for this research. The following quotations illustrate these challenges:

*One of my skills is time management: I was able to succeed in accomplishing tough tasks like completing my MBA when I was pregnant and had three little children – while I was also working. Being responsible for many things made me work harder and think deeply on how to manage my time and how to complete my assignments on time and accurately.*

\*\*\*\*\*

*As a woman I have to work twice as hard as the men in the same level of management in order to prove myself.*

\*\*\*\*\*

*Being a woman, one of the junior male managers reporting to me refused to accept me as his manager, and because he was older than me, he was always trying to bypass me and go to my manager. In this case my manager supported me and referred the managerial decisions back to me.*

\*\*\*\*\*

*One of the challenges we face as women holding managerial positions is this: not all males accept women to lead them. In our community [society], people think women are more emotional and cannot make rational decisions.*

\*\*\*\*\*

*One of the challenges is the cultural issues facing working women. There are obstacles when it comes to men accepting a woman manager unless she is forceful; and thus she has to exert a lot of effort to overcome this challenge.*

\*\*\*\*

*In the Arab world the number one issue facing businesswomen is the 'old boys' club' or 'network'. I, as a women manager, will be criticized and misunderstood if I try to negotiate a business deal over a lunch, or at a café; while men can do that easily.*

\*\*\*\*

*Because of the old boys' network, businessmen have a competitive advantage over women when it comes to finding and cultivating business opportunities.*

Discrimination against women of talent is apparent in Palestine, the Arab world, Europe and the West – encouraged and supported by the 'old boys' club' or 'network'. In an article published in the *Harvard Business Review* at the time we were conducting this fieldwork, the author stated that in the USA, 'high-potential women must be sponsored by C-suite executives, most of whom are men' (Lang, 2011). Lang urges women to become outstanding leaders in order to attract the attention of senior management. She explains the current situation:

*Women have long constituted roughly half of the US workforce and just over half of managerial and professional positions. Yet their rise to senior-executive posts and corporate boards has stalled at about 15%.*

She concludes that:

*The old boys' club isn't going away. For years we've tried to dismantle it. Instead, simply be the best kind of leader – one who makes a difference: Co-opt the club so that it works for women.*

The 'glass ceiling' preventing women from climbing to the top positions of their organization is pervasive even in Western countries. Women progress only so far up the career ladders and bump into a seemingly impenetrable barrier to their future advancement (Vinnicombe and Bank, 2003). Women are still facing gender barriers to their advancement to boardroom positions. In the UK, the number of women holding board directorships in the FTSE 100 companies in September 2011 was 155 out of a total of 1,092 directorships, which is only 14 percent (Sealy et al., 2011). The UK and other European governments have already considered, or are considering, taking action such as setting quotas or targets to create gender balance in their boardrooms.

There are notable exceptions, such as the recent appointments of female CEOs at three of the world's largest technology companies (Hewlett-Packard, IBM and Yahoo), Pearson's long-serving female CEO in the UK, Olayan Financing Company's female CEO in Saudi Arabia and Commercial International Bank's co-chairperson and Managing Director in Egypt, to name but a few.

Women all around the world have been making progress, albeit slowly, to top positions in large organizations according to the World Bank's 'World Development Report 2012: Gender Equality and Development' (World Bank, 2011). (For an interesting article on Arab women breaking the glass ceiling, see *Executive* magazine, 2011.)

There is a long and rich history of Palestinian women's participation in social, community and political activities. Palestinian women were extensively involved in the national struggle for the country during the British Mandate (1920–1948). Women from notable Muslim and Christian families were active in politics, building charitable institutions and establishing schools and universities (Fleischmann, 2003; Robson, 2011). There are numerous books on Palestinian women written in English and Arabic documenting the deeds of these women. For example, some of the active women came from these families: 'Abd al-Hadi, Husayni, Khalidi, Nashashibi, Nusseibeh, Sakakini, Shihabi, Siksek, and many others – whose activities and contributions to Palestinian society became legendary (Al Najjar, 2011, in Arabic).

Today, there are several social and educational organizations devoted to improving the conditions of women and children in Palestine. One such non-profit organization is Tomorrow's Youth Organization (TYO) based in Nablus and founded in 2007 by an American-Palestinian businessman. TYO focuses on early childhood education and women's empowerment; it is run by international and local staff with activities in Nablus and Lebanon. According to a report in *The Atlantic* (2011):

*From spring 2008 through the summer of 2011, TYO has benefited 1,414 children ages 4–8; 1,872 children from ages 9–16. The operation has 474 volunteers between the ages of 18–22 from local universities – and 196 women have participated in programs, indirectly benefiting more than 20,000 community members.*

TYO runs programs to coach and mentor women entrepreneurs. The report provides one example of TYO's success in which a woman participant:

... has taken part in the 'Fostering Women Entrepreneurs in Nablus' (FWEN) program, implemented by the Cherie Blair Foundation in cooperation with TYO. She and her partner co-founded a company called 'H2 Fashion' which provides traditional Palestinian embroidery with modern twists.

Another example of these small-scale, yet important, initiatives is the one supported by the British charity Oxfam, and more specifically Oxfam's capital fund called Enterprise Development Program, which was set up to invest in small enterprises in developing countries, one of which was the New Farm Company in Palestine, consisting of 11 cooperatives, four of them run by women. The fund's aim is to help them grow into sustainable medium-sized businesses (Oxfam, 2010). These two examples may seem small and modest, but they are steps in the right direction in terms of empowering 50 percent of the Palestinian population, and thereby giving employment and a better lifestyle to more people and communities.

## **ATTITUDE TOWARD TIME**

While analyzing the transcripts of the interviews (especially the section on time), three words from Leo Tolstoy's novel *War and Peace* kept coming to mind: 'Time and Patience'. These words were uttered (and were well used) by the Russian Field Marshal Mikhail Kutuzov who defeated Napoleon's army during the invasion of Russia in 1812.

When conducting business under the current challenging conditions, Palestinian executives are competing against 'time' while embracing Kutuzov's 'patience'. They not only have to manage and use time well, but they also have to be very patient while watching time being wasted. It is an unusual predicament that requires further elaboration.

### **Table 3.1 Proverbs on the value of time**

| <b>Proverb</b>  | <b>Frequency of mention</b> |
|---|-----------------------------|
| Time is like a double-edged sword – it could either benefit you or harm you | 34                          |
| Time is money (or gold)   | 28                          |
| Don't put off until tomorrow what you can do today                          | 11                          |
| Time is of the essence  | 11                          |
| Time is life (or life is time)  | 6                           |
| Time is the only thing that will never come back                            | 4                           |
| Other proverbs (or none provided)   | 16                          |
| <b>Total</b>  | <b>110</b>                  |

Palestinian executives place a very high value on time, especially when asked to provide proverbs or sayings that would represent their views toward time. The results are presented in [Table 3.1](#). However, cognizant of the fact that their responses are only views and attitudes and as such are not necessarily indicative of actual behavior, we attempted to uncover the meaning of time and what they considered good or poor time management. In other words, could this high value placed on time possibly be an over-reaction to what they see as the general low value attributed to time by the people around them? Or could it be that the political and economic environments are major burdens on their use of time? Where do executives draw the line when they say ‘time is money’?

We found that there are several competing factors that often work against good management of time: some are controllable while others are not – most require a lot of patience and perseverance. The factors competing for time are found in three areas:

1. within the organization and in the community;
2. when working with the PA; and
3. when conducting business under the occupation.

#### **ORGANIZATION OR COMMUNITY**

As noted earlier, the executives we interviewed stressed their familial role as ‘father’ or ‘older brother’, one that takes time to solve personal problems of his or her employees. The majority (59 percent) of Palestinian executives practice an open-door policy. They allow their employees from any level of the company to contact them and talk about personal problems. Moreover, Palestinian executives often said that they take lunch with their employees

and that they make time to get together with their employees during happy occasions (e.g. births, weddings, graduation ceremonies, birthdays and religious *Eids* or occasions) and during sad events (e.g. illness and death).

Additionally, many executives mentioned their involvement in community and civic activities, and the time spent on such activities. The above obligations and demands place an extra burden on time management and test the limits of patience of Palestinian executives. However, the executives we talked to seemed to be aware that time spent on such activities is a worthwhile investment in motivating employees and/or building a good reputation in the community.

Another important factor that was mentioned frequently by the executives interviewed was the low appreciation or respect for time in society. Their comments about this unfortunate phenomenon were expressed on four separate occasions during the interviews. First, when asked what talents or skills helped them in their careers, many attributed good time management as one of the reasons for their success. Second, when asked about the challenges they face in doing business, many complained that time is not highly respected. Third, when asked to provide a proverb or saying that reflects their views and attitudes about time, many indicated that an appreciation of time is critical to success in business. Fourth, when they were asked to give advice to aspiring future leaders, 'Respect time, and manage it well' was frequently mentioned advice for younger generations.

#### **PALESTINIAN AUTHORITY**

Governmental bureaucracy, delays, inefficiency, corruption, lack of timely economic statistics, unstable laws and poor regulations wreak havoc with the planning and management of time. One executive expressed his frustration with these words:

*Recently the PA changed the tax laws for the third time since they took over in 1994. At first, we had the Jordanian law, then the Palestinian law, which has changed twice so far. In addition, there is no coordination between government agencies and you find certain laws contradicting other laws!*

According to the International Monetary Fund, the World Bank and the United Nations, the PA has been fairly successful at building institutions and infrastructure (as was noted in [Chapter 2](#)). However, much remains to be done to support, protect and encourage small and medium-sized

businesses. The Palestinian executives we spoke to expressed their grievances and aspirations in the hope that these will be discussed in this book. Among the most frequently mentioned was the need to provide fair trade and anti-trust laws and regulations that encourage fair competition and provide reasonable protection from dumping of goods and cut-throat competition – in short, to give the local economy a level playing field. Equally importantly, the PA ought to play an important role in minimizing time delays on its part, thereby alleviating to some extent the heavy time constraints caused by the occupation.

### THE OCCUPATION

Doing business under the challenging conditions of an occupation requires a special mindset: patience, perseverance, resilience, creativity and contingency planning (many executives mentioned the need to always have a Plan B). Below are typical challenges described by some of the Palestinian executives we interviewed:

*During the Intifada [2000–2003] and because of the road closures, we used donkeys to transport and deliver our merchandise on time.*

\*\*\*\*\*

*In Gaza, to get spare parts and some of the raw materials for our products we depend on the tunnels, which is dangerous, risky, and costly.*

\*\*\*\*\*

*I would estimate that 25 percent of our time is spent dealing with logistical problems and obstacles caused by the occupation; this valuable time can be used to run the business better.*

\*\*\*\*\*

*Because we know that imported raw materials will be delayed at the Israeli ports and airports (sometimes up to six months) we have to place our orders way ahead of normal; which ties up money, causes cash flow problems and increases cost.*

\*\*\*\*\*

*When Israel invaded Palestinian cities in 2002, our banking system could not cope with the closures and without electricity. Working from home (and so did my team) we developed a program that allowed people to withdraw money even when the branches were closed.*



\*\*\*\*

*In Palestine, logistics and free movement of goods and people is a great challenge. To overcome this, we innovated the concept of ‘satellite depots’ where we store quantities of our merchandise near large cities and distribute our products from these rented small depots when transport conditions become tough.*

Hearing these words from top executives makes one appreciate better the old proverb:

*Where there’s a will, there’s a way.*

How far into the future do Palestinian executives plan? To what extent does the political and economic situation influence their time horizon on matters such as corporate planning and investment? Given the unpredictability of the region and country, their answers were not surprising. Their responses, shown in [Table 3.2](#), indicate that the vast majority (65 percent) have a time horizon of three to five years when developing company-wide plans. However, 27 percent have a planning horizon of two years or less. And if we add these two percentages together, we can see that 92 percent of the executives have a planning horizon of five years or less!

These men and women are aware of the importance of long-term planning. After all, 46 percent of them hold Master’s or higher degrees, and 62 percent studied and/or worked outside the country, some with multinational companies. Yet, the unstable and uncertain business climate, according to them, prevents them from planning for longer periods. And when they do conduct long-term planning, they have to review the plans on a frequent basis. Many told us that a Plan B is always considered necessary because of the unpredictable and fast-changing conditions.

**Table 3.2 Time horizons: Planning and investments (frequency of mention, in percentages)**

| <b>Time period (years)</b> | <b>Company-wide planning</b> | <b>Return on capital investmants</b> |
|----------------------------|------------------------------|--------------------------------------|
| Under 1 year               | 13                           | 11                                   |
| 1–2                        | 14                           | 21                                   |
| 3–5                        | 65                           | 40                                   |
| 6–10                       | 4                            | 23                                   |
| Over 10                    | 4                            | 5                                    |
| Total                      | 100                          | 100                                  |

Further statistical analysis shows that there were significant differences only with the type of company ownership and planning. Executives from

publicly owned companies had a longer time horizon when it came to company-wide planning than their counterparts in the private/family-owned companies (Chi-square = 14.897, df = 4, p. = .005; ANOVA = 0.029, p. = < .05). For the Chi-square analysis of ownership and company-wide planning, see [Table B.8](#) in [Appendix B](#).

In addition, there was a statistically significant difference between male and female executives on return on investment (ROI). Female executives believed that ROI should be faster (ANOVA = .027, p. = .035). This preference for shorter ROI periods may have been due to the fact that the sample of women we interviewed were mostly from middle levels of management (senior departmental managers, branch managers and so on) rather than CEOs or owners.

## **LOYALTY AND EFFICIENCY: THE CHICKEN AND THE EGG**

Recently, employee loyalty has become a debatable topic in leadership studies – do loyal, or engaged, employees lead to better customer satisfaction? What about better efficiency? Does efficiency, if rewarded, leads to loyalty? How do Palestinian executives view this topic?

When asked for their preference for either ‘more loyal’ or ‘more efficient’ employees, 52 percent of the Palestinian executives opted for efficiency over loyalty, 39 percent preferred loyalty and 9 percent preferred both. Three schools of thought emerged among the executives we spoke to. One group was saying ‘give me efficient employees and I will appreciate and reward their work and they will become loyal’. Another group was saying ‘give me loyal employees and I will train and develop them to become efficient’. And the third group believed that both loyalty and efficiency are important and that the company can and ought to do something to strengthen both loyalty and efficiency. Consider the following quotations representing the three groups.

For efficiency:

*If employees are efficient, they will be rewarded. If they are rewarded, then they will become more prone to being loyal; efficiency drives loyalty.*

For loyalty:

*If employees are loyal, we can make them more efficient – we are a learning organization, we can develop our employees. We had an employee who was considered hopeless – but*

*loyal – after training him, he is now considered one of the best.*

### Another executive lamented:

*I sent one of our managers to China to attend an educational conference (at the cost of \$5,000), but he betrayed us and left the company soon after he returned back.*

### Both are important:

*Creating loyalty is the responsibility of the company and the manager; but efficiency is the responsibility of the company and the employee himself. I have to create programs for my employees to make them both loyal and efficient.*

### Another executive qualified his preference for efficiency by saying:

*For employees at the first line level, efficiency is needed. For managers at my level, loyalty is more important.*

### Many who preferred loyal employees gave two reasons when asked ‘why?’. First, fear of defection to competitors:

*If we train employees and they leave the company, we will lose not only talent, but also vital proprietary company information.*

It seems that low organizational commitment and low sense of belongingness (*intima*’ or **الانتماء**) among employees are posing problems for many of the Palestinian executives we spoke to. Second, wasting money: ‘Investing in a non-loyal employee is a waste of money’, we were told. One company rewards loyalty by giving a university scholarship to one child of an employee who completes 15 years of service.

**Table 3.3 Loyalty versus efficiency by company size (N = 110)**

|   | Number of employees |        |      |       |
|---|---------------------|--------|------|-------|
|   | <50                 | 51-250 | >251 | Total |
| Prefer loyalty                                | 14                  | 19     | 10   | 43    |
| Prefer efficiency                             | 21                  | 14     | 21   | 57    |
| Prefer both                                   | 2                   | 1      | 7    | 10    |
| Total   | 37                  | 34     | 39   | 110   |
| Chi-square = 10.681, df = 4, p. = 0.030 < .05 |                     |        |      |       |

Statistical analyses show that preferences for loyalty or efficiency were not significant for any of the individual or company variables, except for a preference for efficiency among executives working for the larger

companies (size of company in terms of number of employees). [Table 3.3](#) shows the results of the Chi-square test for company size (for additional statistical analyses on this and other variables, see [Appendix B](#)).

Much has been written about having loyal employees who play a critical role in creating loyal and delighted customers. The idea of a ‘service-profit’ chain that links loyalty to customer satisfaction and to increased value was introduced around the turn of this century (Heskett, Sasser and Schlesinger, 1997; McCarthy, 1997). Reichheld (2001) wrote that employee loyalty ‘provides a far more exacting standard for leadership excellence than do profits demanded today by impatient shareholders. The long-term rewards of loyalty ultimately outstrip even the most spectacular short-term profits’. Finally, the former CEO of Southwest Airlines described how his ‘dedicated’ employees created loyal customers and larger profits for the company (Parker, 2008). It appears that employee loyalty, dedication or engagement (the fashionable term) are directly linked to long-term profitability.

So, we have a paradox: does loyalty come first, and efficiency follows, or is it the other way round? Recently, much has been written about employee engagement. Macey and his colleagues (2009) make a sharp (and much-needed) distinction between employee engagement and employee satisfaction. To them, engagement is the aggregate energized feeling that employees have about their work that emerges as a product of their feelings of urgency, focus, intensity and enthusiasm. The authors then link engagement to competence:

*the engaged employee feels not only energized but competent, and this sense of competence emerges from both his own experience and the conditions of work provided for him by his company.*

Finally, Macey et al. discuss the factors that may influence engagement:

*Of course, there are determinants of employees’ engagement behavior other than feelings of engagement. These include personality, skill levels, the personality and leadership style of their manager, the national culture in which they work, and many others. (2009, 27)*

What does it take to engage employees? We believe it requires outstanding and wise leadership, along with excellent HR practices, including hiring and developing talented people who have the ingredients for success. These

topics, along with performance and motivation, will be covered in the next three chapters.

## 4 Leadership Styles of Palestinian Executives

*Consult them in affairs of the moment, then, when thou hast taken a decision, put thy trust in God. (The Holy Quran, III, 159)*

*Management is always a decision-making process. (Peter Drucker, 1986, 351)*

*I am from the open-door school. I tell the managers reporting to me that they should not object if any employee contacted me; and that they should create the trust so that their employees knock on their doors first, before contacting me. (A Palestinian executive, September 28, 2011)*

If culture and context matter – which we believe they do – then how do they influence leadership styles? Do leaders adjust their behavior and styles and, if so, when and why? Further, what makes some leaders more successful than others? To answer these questions, and to gain a deeper understanding of the behavior and styles of Palestinian executives, we looked at various aspects of being a successful leader from different angles and multiple perspectives. Perhaps it is appropriate at this juncture to revisit the main approach and show the levels of analysis used in this book.

### *Macro-level:*

- Culture and context ([Chapter 1](#)).
- Environmental pressures and challenges ([Chapter 2](#)).

### *Organizational level:*

- Roles of the executive ([Chapter 3](#)).
- Decision-making and leadership styles ([Chapter 4](#)).
- Performance and motivation ([Chapter 5](#)).

### *Individual level:*

- Early ingredients for leadership success ([Chapter 6](#)).
- Developing future talent ([Chapters 7 and 8](#)).

## **DECISION-MAKING STYLES**

The study of leadership has evolved over time. It started with a search for common traits displayed by great leaders (the trait school), evolving into contingency theories, situational leadership and now competency and results-based approaches – each phase building in part on its predecessors. Meanwhile, the process of decision making (how and when to decide) is still a critical leadership task, which is influenced by many variables, including context and culture. Peter Drucker, one of the management gurus of the twentieth century, wrote:

*Whatever a manager does he does through making decisions. Those decisions may be made as a matter of routine. Indeed, he may not even realize that he is making them. Or they affect the future existence of the enterprise and require years of systematic analysis. But management is always a decision-making process. (Drucker, 1986, 351)*

Whether executives make decisions in an autocratic or participative style depends on many variables. Clearly, executives vary their decision-making styles in accordance with the situation and the type of decision or problem that they face. The main variables that influence styles include the following:

- *Corporate environment, structure and culture:* is the company centralized or decentralized? How large is the company (in terms of number of employees and locations of its operations)? How stable is the industry or the environment in which the company operates? How responsive is the company to change? What is the overall climate as set by the top management team? How autocratic or participative is the top executive (CEO or general manager)? And, finally, are employees and managers empowered, trusted and trained to make important decisions?
- *Type of decision:* is the decision strategic, tactical or a routine decision? Is it confidential, important or urgent? Does it require a multidisciplinary expertise? Does it need the involvement and commitment of different parties?
- *Leader:* what is the leader's cultural, social and educational background? What is his or her level of experience? Is the leader inclined toward autocratic or democratic style of leading, and how much confidence and trust does he or she have in his or her employees?
- *Followers or employees:* what are their cultural and educational backgrounds? What expectations do they have regarding the style and

role of their manager? What are their levels of experience, competence and expertise, maturity? And what is their readiness to assume responsibility?

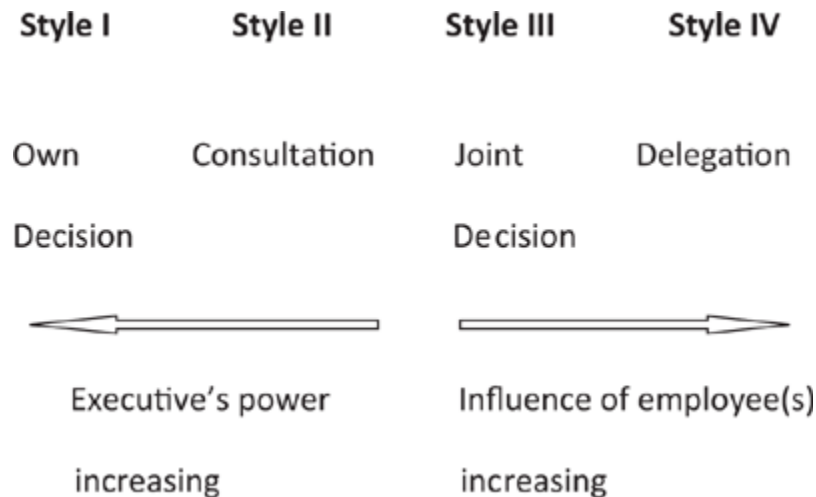
For the current study, we are interested in the extent to which Palestinian executives share their power of decision making with their employees. We are also interested in finding what effects, if any, socio-cultural, economic, political and personal factors have on the decision-making styles of Palestinian executives. In brief, the aims are to:

- a. draw a profile of the decision-making styles of Palestinian executives;
- b. isolate those variables that provide the best explanation of the variation in decision-making styles; and
- c. provide support for the empirical research which emphasizes that decision-making styles are dependent on the interaction between socio-cultural, situational and personal variables.

Furthermore, we will examine whether there are significant differences in the decision-making styles of Palestinian executives and the styles of their counterparts in other parts of the Middle East.

For the current research, decision-making style is defined and measured using a four-point equal interval scale reflecting the degrees of power sharing between the executives and their employees. We utilized a power-sharing continuum used by many researchers in the past (Muna, 1980; Vroom and Jago, 1988; Vroom, 2000; Muna and Zennie, 2011). The power-sharing continuum has four decision-making styles (see [Figure 4.1](#)). During the semi-structured interviews, each executive was presented with a description of the four decision styles:





**Figure 4.1 Power-sharing continuum**

- *Style I*: usually makes his or her own decisions, but later explains the reasons for making these decisions.
- *Style II*: usually consults with his or her subordinates before making decisions; their opinion may or may not influence decisions.
- *Style III*: usually meets with subordinates when there is an important decision to be made. Puts the problem before them and invites discussion; accepts the majority viewpoint as the decision.
- *Style IV*: usually asks his or her subordinates to make decisions and holds them fully accountable for the outcome of these decisions.

Each executive was then asked to indicate which of the four styles:

- is usually the most effective;
- he or she prefers to work under; and
- represents the style of his or her own manager.

Contingency and situational leadership theories, as well as common sense, tell us that executives use all four styles. However, it would seem reasonable to expect that each executive would have a preferred decision-making style – one that is used more often in most situations when solving problems, resolving conflict or implementing company strategy or policy.

[Table 4.1](#) and [Figure 4.1](#) summarize the results using frequency distribution of responses by style for the 110 Palestinian executives. It is clear that Style II (consultation) was predominantly selected by Palestinian

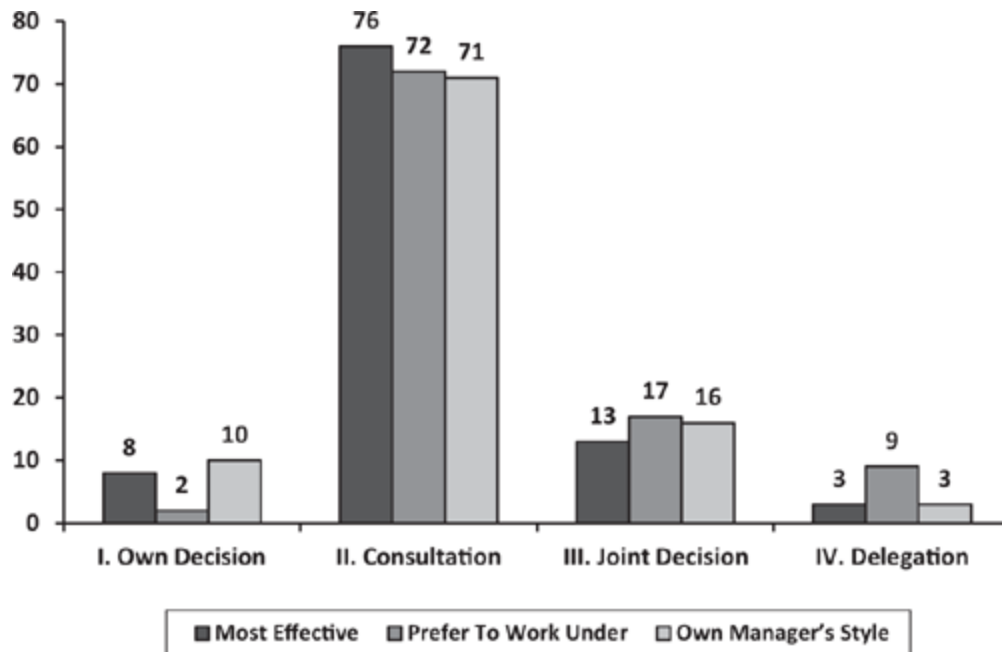
executives as the most effective style, the style they prefer to work under, as well as own manager’s style.

One would expect to see significant variances between decision-making styles and some of the individual variables such as managerial level, education or exposure to other cultures. Or, perhaps, to see significant differences when looking at organizational variables such as ownership, size or type of industry. The findings, in fact, show no statistically significant differences on any of these variables.

**Table 4.1 Decision-making styles of 110 Palestinian executives (N = 110, expressed in percentages)**

|                      | I  | II | III | IV |
|----------------------|----|----|-----|----|
| Most effective       | 8  | 76 | 13  | 3  |
| Prefer to work under | 2  | 72 | 17  | 9  |
| Own manager’s style  | 10 | 71 | 16  | 3  |

*Note:* 49 out of the 110 executives responded with a ‘not applicable’ answer to ‘own manager’s style’. They did not report to a board of directors, owners or a higher manager.



**Figure 4.2 Decision-making styles of 110 Palestinian executives**

This leads us to believe that the plausible variables are culture and trust. The equally important question is this: why is consultation the most preferred and practiced style? We will elaborate on this topic in the next two sections.

## WHY CONSULTATION?

Consulting employees is a strategy that serves many purposes:

1. Obtaining knowledge and ideas of those involved in doing the actual work – experienced employees are closer to the short-term operations, closer to the customer and are most familiar with production or delivery of products or services.
2. Listening to the opinion of employees may motivate them, especially if the consultation is genuine and the final decision occasionally takes into consideration the advice given. When consultation is genuine, employee commitment to the decision is likely to become stronger.
3. Consultation, for some Arabs (and Palestinians), seems to be an effective ‘human relations’ technique. First, it serves as a face-saving device: ‘Yes, I was consulted on this matter’. Second, it placates or wins over persons who may be potential obstacles to a decision. And it seems to avoid potential conflict between an executive and his or her subordinate (Muna, 1980).
4. Consultation has strong historical and religious roots in Arab culture and in Islam. Heads of tribes and family clans consult senior members of their groups on matters of importance. In Islam, consultation is advocated and actively encouraged by the Holy Quran and the *Hadith* (the *Hadith* consists of the acts and sayings of Prophet Muhammad, as well as approved behavior). In fact, one of the 114 *Suras* (chapters) of the Holy Quran is titled *Shura*, or consultation.

## WHY IS THE AUTOCRATIC-CONSULTATIVE STYLE USED IN PALESTINE?

Whether using Style I (own decision) or Style II (consultation), the decisions are made by the executive with little, if any, power sharing. For our present purposes, we can label the combination of Styles I and II as ‘autocratic-consultative’. Thus, if we add these two styles (shown in [Table 4.1](#) and [Figure 4.2](#)), the lack of power sharing becomes more obvious: 84 percent compared with only 16 percent for the democratic styles (Styles III and IV) for the most effective style. This highly autocratic-consultative style confirms an earlier study by As-Sadeq and Khoury (2006), which

found that Palestinian executives displayed a strong transactional style of leadership, in contrast to the more democratic transformational style.

**Table 4.2 Decision-making styles of Palestinian executives working in GCC countries (N = 21, expressed in percentages)**

|                      | I  | II | III | IV |
|----------------------|----|----|-----|----|
| Most effective       | 5  | 62 | 28  | 5  |
| Prefer to work under | 0  | 43 | 29  | 28 |
| Own manager's style  | 17 | 33 | 33  | 17 |

*Note:* In the above research, the 'own manager' was most likely not a Palestinian, but rather another Arab, or a Gulf national, or a Western expatriate.

As part of extensive research, Muna and Zennie (2011) interviewed 310 Middle Eastern executives, of whom 21 were Palestinians living and working in the six GCC countries. Their decision-making styles are shown in [Table 4.2](#). These 'expatriate' Palestinian executives were more democratic than their counterparts working and living in Palestine – their combined scores were 67 percent (5 plus 62) for most effective; 43 percent for prefer to work under; and 50 percent for their own managers. We believe that these results reflect the fact that they:

- a. had multicultural staff;
- b. were working for larger, more mature and older organizations; and
- c. were not working under a military occupation.

To answer the question 'why is the autocratic-consultative style seen as the most effective, most preferred and most used style in Palestine?', we propose the following possible explanations (some of which were mentioned on previous pages):

- **Self-fulfilling prophecy at work:** as noted earlier, Palestinian executives took on the roles of 'head of family', 'elder brother/sister' or 'role model'. In an Arab culture, employees and followers expect their leaders to make decisions, preferably after they are consulted. Leaders fulfil those expectations and a self-fulfilling prophecy is set in motion.
- **Occupation:** Palestinian business executives and managers have been living and working under military rule since 1918 (British for 30 years and now Israeli occupation for the past 45 years). They lacked control over their general affairs and thus, we believe, prefer to keep control over

whatever business affairs they now have. Under occupation, there is little democracy, and one would expect this to be reflected in business organizations.

- Taking calculated risks: we were told repeatedly by the executives we interviewed that taking calculated risks, and not being afraid to take hard decisions, were the hallmarks of a successful leader. When and if this attitude is overdone, it may lead to less power sharing and less delegation.
- Lack of multicultural employees: in Palestine, the workforce is indigenous with hardly any foreign expatriates. Moreover, the average employee is less likely to have been exposed to other countries or cultures. The presence of multicultural employees and more exposure seem to encourage more participation or power sharing. (For a comparison of decision-making styles of Palestinian executives working in the GCC countries, see [Table 4.2.](#))
- As discussed earlier, decision-making styles depend on many variables. One of these variables is the trust an executive has in his or her people's level of experience, competence and expertise, maturity and readiness to assume responsibility. Therefore, low levels of power sharing may indicate low levels of trust, an important topic that warrants a separate section, which appears under the heading 'Lack of Delegation'.

Looking forward, rapid technological changes and the recent democratization of information are likely to encourage more power sharing in organizations. We suspect that the younger, future generations of Palestinians (more educated and more exposed to other cultures) may desire and prefer more participation in decision making. This is precisely what happened in the Middle East region. There was a significant drift toward power sharing over a period of 30 years, as found by earlier studies in that part of the world (Muna, 1980; Meirc Training & Consulting, 1989; Muna, 2003; Muna and Zennie, 2011).

*The autocratic-consultative style (for 'own manager's' style) has dropped from 77 percent in 1980, to 73 percent in 1989, to 67 percent in 2003, and now stands at 57 percent: a large, but gradual, drop of 20 percentage points in 30 years. (Muna and Zennie, 2011: 128)*

Sizeable decreases in autocratic styles took place for 'the most effective' style', as well as for the 'Prefer to work under' style. It is interesting to compare the Palestinian data with the 2011 research findings on the

decision-making styles of 310 Middle Eastern executives, which are shown in [Table 4.3](#).

[Table 4.4](#) and [Figure 4.3](#) compare the decision-making styles of three groups of executives:

- a. 110 Palestinian executives from Palestine;
- b. 21 Palestinian executives working in GCC countries; and
- c. 310 Middle Eastern executives working in 12 Arab countries.

**Table 4.3 Decision-making styles of Middle Eastern executives working in 12 Arab countries (N = 310, expressed in percentages)**

|                      | <b>I</b> | <b>II</b> | <b>III</b> | <b>IV</b> |
|----------------------|----------|-----------|------------|-----------|
| Most effective       | 2        | 54        | 36         | 8         |
| Prefer to work under | 2        | 40        | 41         | 17        |
| Own manager's style  | 19       | 38        | 27         | 16        |

*Source: Muna and Zennie, 2011.*

**Table 4.4 Comparison of decision-making styles (three groups) (Expressed in percentages)**

|   | <b>Autocratic-Consultative<br/>Styles I + II</b> | <b>Democratic<br/>Styles III + IV</b> |
|---|--|---------------------------------------|
| 110 Palestinians                            | 84   | 16                                    |
| 21 Palestinians (in GCC)                    | 67   | 33                                    |
| 310 Middle Eastern executives               | 57   | 43                                    |
| Chi-square = 17.53, df = 2, p. = .000 < .05 |  |                                       |

[Table 4.4](#) is a summary of [Tables 4.1](#), [4.2](#) and [4.3](#). Clearly, there were statistically significant differences between the decision-making styles of the three groups.

Why are there significant differences in decision-making styles between these three groups? Is it culture or context? Is it geographical location? Is it size of the organization? Is it the nature of the business or the industry? Or do any other individual-level variables explain the variation? It should be recalled that decision-making styles are a function of four variables: corporate culture, type of decision, leader and followers/employees (as discussed earlier in this chapter). The answer, we believe, is a combination of all these factors. However, the strongest argument is perhaps to attribute these significant differences to the individual variable of culture of both leaders and followers/employees. Most Palestinian employees, we believe,

expect their manager to make the important decisions, and the manager fulfills these expectations – it is the self-fulfilling prophecy at work again.

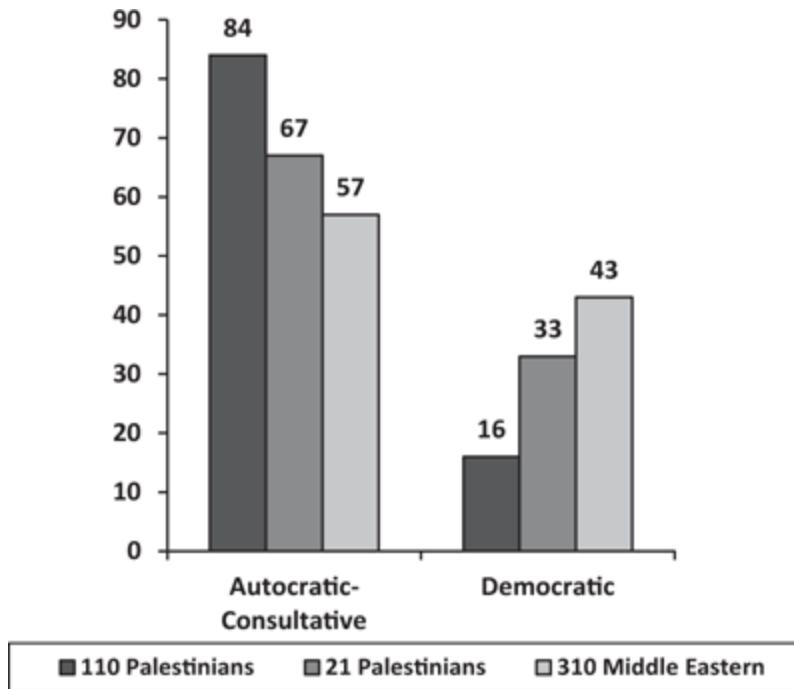


Figure 4.3 Comparison of decision-making styles (three groups) (expressed in percentages)

## LACK OF DELEGATION

We were taken aback when delegation (Style IV) scored so low (only three percent) by Palestinian executives – especially when both top and middle executives showed low preferences for delegation. This does not bode well for the future of Palestinian companies. Delegation is an essential managerial responsibility with potentially great benefits to three parties: the organization, the executive and the subordinate. If delegation is underutilized, the consequences for the growth and development of the above-mentioned parties could be detrimental.

Delegation has at least four benefits. First, delegation can serve as a motivator to employees. It demonstrates trust in subordinates. Charles Handy (1993) wrote that:

*The essence of the delegation problem lies in the trust-control dilemma. The dilemma is that in any one managerial situation, the sum of trust + control is always constant. The trust is the trust that the subordinate feels that the manager has in him. The control is the control that the manager has over the work of the subordinate.*



Thus,  $\text{Trust} + \text{Control} = \text{Constant}$  ( $T + C = k$ ). Training a subordinate to do a certain task will increase trust and ultimately will require less control.

Second, delegation is perhaps one of the best on-the-job training and development techniques. If delegation is performed gradually, the manager limits risks of mistakes and is able to monitor progress while retaining overall control. Delegation is in many ways similar to teaching a young child to swim: it has to be done gradually. One does not throw a child in the deep end of a pool and expect the child to swim! It is done in stages with detailed instructions and close supervision at the beginning, until the child is able to swim independently. Similarly, delegating decisions, tasks and work assignments to subordinates is best done gradually, with control being decreased as employees become more skilful and experienced.

Third, proper delegation saves time in the long run. Palestinian executives seem to work hard and long hours. Many complained about the enormous amount of time they spend dealing with the restrictions imposed by the occupation and dealing with the bureaucracy of the two governmental authorities just to get normal things accomplished. They also felt that a lot of time had to be spent visiting and socializing with employees during religious celebrations, attending weddings, celebrating births, expressing condolences in person and so on.

Fourth, delegation by top executives makes succession planning more likely to succeed, especially for family-owned businesses. By carefully delegating certain tasks to middle-level managers, the wise executive can determine who has the highest potential for possible promotions to key positions. The critical subject of succession planning is discussed in more detail in [Chapter 8](#).

Of course, delegation is a temporary activity: the delegated decision or task still belongs to the delegator, while the responsibility and accountability will always remain with the one who delegates.

Finally, what concerns us is the frequency of ‘upward delegation’ that we have observed during our work careers in different parts of the world – including the Arab world. Upward delegation takes place when a subordinate walks into the manager’s office and says ‘I have this problem’; the manager listens to the problem and responds ‘Well, leave it with me, and I’ll see what I can do with it’. In their book, *The One Minute Manager Meets the Monkey*, US-based Kenneth Blanchard and his colleagues (1989)



would say that, at the very moment these words were uttered, the monkey (the problem) has jumped from the subordinate's shoulder to the shoulder of the manager!

Beware of upward delegation; it can be dangerous to the health of the organization, to your health and to the health of your subordinate. Instead, encourage your subordinates to come to you only if they have alternative courses of action or recommended solutions to their problems, and only then can you coach them on selecting the best course of action. If that is done, upward delegation will decrease dramatically, and coaching/training will have taken place.

## **OPEN DOOR**

A deeply rooted tradition that found its way into today's Arab organizations is the open-door policy. In keeping with the Arab and Palestinian culture, employees expect to be able to speak with the top manager or the head of the company/family. However, this paternalistic leadership style could easily become a disruptive and demotivating practice (demotivating to the manager who is bypassed). Thus, we notice that executives all over the world have found ways to limit or regulate the open-door practice. For example, in parts of the Middle East, executives use a home *majlis* (an open-house room at home designated for non-family guests) or they hold periodic town hall meetings or visit employees at the work sites (Managing By Walking Around: MBWA) (Muna and Zennie, 2011). The same seems to be true with Palestinian executives; they too are using the above practices. In addition, social company gatherings and company picnics seem to be popular, as mentioned by several Palestinian executives. Moreover, many Palestinian executives mentioned that they visit their employees during religious *Eids*, weddings, graduation ceremonies and so on. Such activities allow employees to interact with the heads of their companies during these informal events, thereby reducing the need to see them in their offices.

How widespread is this open-door policy? [Table 4.5](#) summarizes the responses of the 110 Palestinian executives concerning this practice. It should be noted that many of the executives who believed in the unconditional open-door policy (59 percent) hastily added that their employees come to them with two kinds of problems/complaints: work-

related or personal. If the problem is personal, they listen and try to solve it. If, however, the problem is work-related, they prefer to involve the direct manager/supervisor of the employee. Here is what one executive said:

**Table 4.5 The open-door policy**

| <b>Level of employees who can meet the executive</b>             | <b>Number</b> | <b>Percentage</b> |
|--|---------------|-------------------|
| 1. Any level of the company, without going through the hierarchy | 65            | 59                |
| 2. Any level, provided they go through the hierarchy             | 41            | 37                |
| 3. Immediate subordinates only                                   | 4             | 4                 |
| <b>Total</b>   | <b>110</b>    | <b>100</b>        |

*My policy is that whoever wants to complain about someone, he has to be ready to confront the other person in front of me as I will bring both of them in to discuss the problem.*

Here are some typical responses that depict variations on the open-door practice:

*There are two ways employees can contact management:*

- (a) I have an open-day practice: I schedule one day per month where any employee can meet me to talk about any personal or work-related issue.*
- (b) For routine matters, they can contact their supervisors through formal communication channels or the company's hierarchy. (Mentioned by the Chairman and CEO of a manufacturing company that employs 300 employees.)*

*Any employee can come and see me. But he has to go through his manager first. I insist on respecting my managers.*

A relevant question here would be whether there is any relationship between an open-door policy and company variables such as size and ownership of the company, the nature of the industry and whether there are any significant differences on personal variables such as age, gender, level in the organization (top or middle), educational level or exposure to other cultures. The results were fascinating: there were no statistically significant differences between the backgrounds of the executives and their use of an open-door policy. Further statistical analyses showed that there was only one significant difference between the open-door policy and company variables, namely company ownership. Executives from private companies were more likely to practice an open-door policy than executives from

publicly owned ones (Chi-square = 6.30, df = 2, p. = .043, < .05: see [Table B.11, Appendix B](#)).

The best explanation, we believe, is found in the influence of culture, the context and the self-fulfilling prophecy (SFP). First, the open-door tradition is in keeping with Arab social norms and culture. Second, as we have seen in [Chapter 3](#), Palestinian executives play a paternalistic, familial or older sibling role and believe in personalized relations with their employees. Third, given these first two factors, the employees expect to be able to see their top executive or manager without going through the formal hierarchy, thus triggering a SFP whereby executives meet the expectations of their employees. Had these executives been working in, say, the West or in multinational companies (as many of them have), the expectation of their multicultural employees would be different. Culture and context, it seems, do matter.

Finally, let us keep in mind that 41 percent (37 plus 4 percent; see [Table 4.5](#)) were not practising an open-door policy. Perhaps the long-term trend is toward limiting this tradition, given that earlier research (Muna, 1980) found that, three decades ago, only 25 percent of Arab executives from six Arab countries discouraged the open-door practice. It is certainly an interesting topic for future research.

## 5 On Performance and Motivation

*My parents sold some of their gold jewelry and a piece of their land to put me through university; this motivated me to become more responsible and to excel so that I can live up to their expectations. (A Palestinian woman executive, September 21, 2011)*

Much, perhaps too much, has been written about motivation as a desired outcome – as an end result rather than the means to improving performance. According to the psychologist Thomas Gilbert (1996):

*There is more nonsense, superstition, and plain self-deception about the subject of motivation than about any other topic.*

Instead, Gilbert emphasized the importance of human competence and its final outcome: accomplishments or performance. He wrote:

*Great quantities of work, knowledge, and motivation, in the absence of at least equal accomplishments, are unworthy performance.*

Gilbert's findings inspired us to view motivation as one small part of performance – not motivation as an end result but rather as means to an end. Consider this: do we really want highly motivated employees who are not able to produce the desired accomplishments or performance? In other words, besides motivation, what else matters? We are not belittling motivational theories; they are great contributions that led to a better understanding of human behavior. What we are saying, though, is that employee motivation, or engagement, by itself will not suffice in a profit-oriented competitive world. What we need is effective performance on mutually agreed goals and results, which in turn are in line with a company's vision and purpose. And that was Gilbert's legacy – focusing on competence and performance.

### **WHAT MOTIVATES PALESTINIAN EMPLOYEES?**

In the mid-1970s, an Arab management consulting firm formulated an explanation of employee motivation based on research conducted for their clients in four Arab countries (MEIRC S.A., 1975, 1976a, 1976b). The MEIRC explanation was called *TPU* and it was based on the employees' expectations of their managers and organizations.

*T* stands for treat us well: a good manager, employees said, would treat them in a respectful, considerate and humane manner. Good managers, they added, would be willing to provide good services and facilities at the workplace; provide care and guidance to job-related as well as personal problems; and act in a friendly and personalized manner. The quotations (which will appear later in this chapter) from Palestinian executives we interviewed will substantiate this type of style.

*P* is for pay us well: employees expected to be recognized and rewarded fairly for their accomplishments and skills. Monetary rewards count, and perhaps more so in developing countries where income and wages are low, prices are high and the number of dependants from both immediate and extended family is also relatively high.

*U* stands for use us well: employees expected to be trained in new skills, to have their knowledge and skills used well in their current jobs and to be developed for more responsible positions in the future.

The reader will notice that TPU focuses on the immediate manager and the organization, and thus provides only a partial view of motivation and performance. Great managers would ask: ‘How can I create the conditions within which my people will stay motivated?’ However, putting the burden of motivation solely on the immediate manager is not fair and is indeed an over-simplification of reality at the workplace. Hence, we need to step back, or zoom out, to see the bigger picture – and that is precisely what we will do next in order to better understand performance and the role of motivation in improving performance.

In a book titled *Seven Metaphors on Management*, Muna (2003) devoted an entire chapter to the subject of motivation using the ‘tripod’ metaphor. We believe it is time to revisit the tripod, especially in view of the fact that the findings of this current research fit well with the idea of the tripod.

It is believed that Andy Grove, co-founder and former CEO of Intel Corporation, once remarked:

*If an employee is not doing his job, there are only two possible explanations. Either he can't do it or he won't. To determine which, apply the following test: If the person's life depended on doing the work, could he do it? If the answer is yes, the problem is motivational. If the answer is no, the problem is lack of ability.*

We agree with Grove, but have added a third factor to his ability and motivation: opportunity. Performance = Ability (can do) x Motivation (willingness to do) x Opportunity (chance to do). In brief, P = AMO, which happens to mean 'uncle' in Arabic. Thus, motivation becomes one of three necessary factors contributing to performance. Muna wrote:

*Therefore, our concern is not motivation per se after all, but rather how motivation contributes to improved performance. I say 'contributes' because either one of the remaining factors could cancel out the performance of a highly motivated individual. Likewise, any competent employee with ample opportunities will not perform well if he or she is not motivated. All three variables are essential. (Muna, 2003, 47)*

However, the question remains where does motivation, the M in AMO, originate from? How do we motivate people? John Adair (1996) believes that self-motivation accounts for roughly 50 percent of all motivation. He wrote:

*Fifty percent of motivation comes from within a person and fifty percent from his or her environment, especially from the leadership encountered there.*

Adair is referring to self-motivation. We all remember the old proverb 'You may lead a horse to the water, but you cannot make it drink'. Self-motivation (an inner need, ambition and desire to achieve) is a one of the characteristics that a person develops starting in childhood. The American social psychologist David McClelland (1961) found a strong correlation between the need for achievement (nAch) and the stories narrated to children in different cultures.

If self-motivation in the AMO equation represents only 50 percent, what constitutes the other 50 percent? Here is where the tripod metaphor comes in. Imagine that the individual is a telescope or a video camera placed on a tripod. Further, imagine that the three legs of the tripod are the immediate manager, the corporate culture and the external environment. It is precisely these three legs that make up the second 50 percent of motivation, as shown in [Figure 5.1](#). We can now see why motivation per se is not our only concern. Motivation, when put in its proper context, depends largely on self-motivation (mostly influenced by upbringing and education) *and* on the environment surrounding the individual (immediate manager, corporate culture and external environment).

*Immediate manager*: provides effective leadership through recognition, good treatment, rewards, training, clear and challenging performance targets, teamwork, delegation and effective communication.

*Corporate culture*: leadership styles of the CEO and the top management team, strategic vision, empowerment, modern

**Performance = Ability x Motivation x Opportunity**



**Figure 5.1 The tripod: Performance and motivation**

HR systems and practices such as performance management systems, good compensation and benefits, training and career development, other HR practices, and inter-departmental communication and teamwork.

*External environment*: leadership that attempts to protect the company from outside pressures: political and military crises, governmental laws and regulations, labor laws and economic conditions, recessions and restrictions due to military occupation. Some Palestinian companies have to deal with three governments: Israel, the West Bank and Gaza (for more details, see [Chapter 2](#)). External environment also includes managing relationships with partners and stakeholders. This also covers community relations and leadership that monitors market conditions and the competition for new products, ideas and practices, both inside and outside the country.

Support for our proposed tripod recently became available from research conducted by scholars at the Norwegian School of Management (Kuvaas and Dysvik, 2010; Dysvik and Kuvaas, 2011). These scholars found that

intrinsic or inner motivation acts as a moderator on the relationships between employee development, opportunity and job autonomy, HR practices and supervisory support, which in turn have a positive influence on employee performance.

The tripod proposition was corroborated by nearly 650 responses we received from the 110 Palestinian managers when we asked them this open-ended question: ‘How do you motivate your employees?’ Their answers fit in well with TPU and with the six factors (discussed below) that make up the tripod. The answers will also allow us to make sounder recommendations when we discuss the subject of developing future Palestinian executives in [Chapter 8](#). The following were the most frequently mentioned actions or systems used by the Palestinian executives (with a rather unusual practice or quotation at the end of each heading):

#### **ABILITY**

- ‘We use competency models to identify training needs’
- ‘Training, both on and off the job’
- ‘Attending conferences and industry exhibitions’
- ‘Delegating tasks so they can learn new skills’
- ‘Rotational moves’
- ‘Each employee spends five percent of his/her time to learn (internal and external learning) in our training facilities’
- ‘I had one employee who had never been out of the country, so I sent him on a training course in Jordan and covered the cost for him and his wife’ (Two birds with one stone.)

#### **MOTIVATION**

- ‘Recognition, thanks, and praise’
- ‘Continuous appraisals throughout the year’
- ‘Salary increases depending on performance appraisals’
- ‘Bonuses’
- ‘Profit sharing’
- ‘Master’s degree scholarship for their children’
- ‘We give deserving employees tickets, for them and their family, to Turkey where they stay at five stars hotels’



## **OPPORTUNITIES**

- ‘Challenging tasks and more responsibility’
- ‘Opportunities for promotions’
- ‘Rewards for new suggestions’
- ‘From time to time, I create positions and keep them vacant to encourage the best performers to strive to fill these posts’

## **IMMEDIATE MANAGER**

- ‘Appreciation through verbal and written thanks’
- ‘Be a role model for my employees’
- ‘Treat my employees with respect. Treat them like brothers and sisters’
- ‘Allow people to learn from their mistakes’
- ‘I use [an] open-door policy’
- ‘I lead by example and I walk the talk: if I say something, I am the first to do it’
- ‘Listen to their personal problems and try to help if I can’
- ‘I practice MBWA or management by walking around’ (CEO of a company that has 3,000 employees.)

## **CORPORATE CULTURE**

- ‘Encourage teamwork’
- ‘Clear career paths’
- ‘Communication’
- ‘We maintain a family atmosphere’
- ‘We use KPIs and targets’
- ‘We reward employees according to merit and performance’
- ‘Employee of the month and the year’
- ‘We have a social committee that looks after company parties, picnics, sports, weddings, births, *Eids* [Holy festivals], etc.’
- ‘Every employee who serves the company for 15 years, we pay the university tuition for one of his children. If a manager gets five “A” ratings on his performance appraisal, the company pays university tuition for two children’

## **EXTERNAL ENVIRONMENT**

- ‘Palestine has no currency of its own, so we guarantee fixed rates for our employees so they won’t suffer financially because of fluctuation in the exchange rates of the US Dollar and the Jordanian Dinar to the Israeli Shekel’
- ‘Give mobile phones to employees so that we can stay in touch during border closures, slow army checkpoints, or on curfew days’
- ‘Provide loans if employees are not eligible to get them from banks’
- ‘We are highly engaged with the community in the areas of health, sports and education. One of my roles is managing corporate social responsibility [CSR], thus making sure that the company’s commitment to CSR is implemented’
- ‘We pay salaries on time’ (Government employees are sometimes not paid because tax revenues collected by Israel on behalf of the Palestinian Authority, around \$100 million per month, are withheld as a punitive measure. This happened twice in 2011, in May and in November.)

Additionally, the reader will recall the harsh environmental factors that were discussed in [Chapter 2](#). Much time and effort is devoted by Palestinian executives who have to deal with these external environmental factors, almost on a daily basis.

To summarize, improved performance depends on ability, motivation and opportunity ( $P = AMO$ ). Roughly 50 percent of motivation ( $M$ ) is self-motivation and the other 50 percent is influenced by the three legs of the tripod: immediate manager, corporate culture and external environment. Interestingly, all three legs require effective and visionary leadership behavior. [Chapter 8](#) is devoted to the actions that CEOs and HR professionals should take to enhance performance ( $P = AMO$ ), followed by discussions on what the immediate manager and the organization can do to create a healthy corporate culture (two of the legs of the tripod).

## **WHAT MOTIVATES THE PALESTINIAN EXECUTIVE?**

Palestinian executives, in aggregate, seem to be instinctively aware of what is required to motivate their employees. We wondered what motivates them; what contributes to their self-motivation (or their  $M$ ); and at which stage in their life was this self-motivation created?

After analyzing the responses from the 110 interviews, we were able to shed some light on what motivates the Palestinian executive. The following quotations are arranged into two categories:

### **EARLY CHILDHOOD**

*I was brought up as an orphan, and as a young child watching my widowed mother barely cope and manage, I decided that I must become successful in my career.*

\*\*\*\*

*I came from a poor refugee background. I began working when I was seven years old (selling corn and sweets on the streets) to help my father (who was a taxi driver). I learned to be independent; and determined to achieve something in life.*

\*\*\*\*

*Every time I learned something about management, I would think of my mother and how she managed under very difficult circumstances (while my father was not allowed back into the country), and how she managed very tough, challenging, and big responsibilities at the beginning of our life.*

\*\*\*\*

*I think it's mainly the challenge inside me that drove me to become what I am now. You have to challenge yourself and say I have to prove it to myself. My purpose was to become a successful businessman. I always had ambition.*

### **CHALLENGING CONDITIONS DURING ADULTHOOD**

Recall the quotation at the top of this chapter from a woman executive:

*My parents sold some of their gold jewelry and a piece of their land to put me through university; this motivated me to become more responsible and to excel so that I can live up to their expectations.*

This woman executive became highly self-motivated when she was attending university because of the sacrifices her parents made.

*The harsh conditions of the occupation are double-edged: the good and positive part of it is that it made me more motivated and challenged to succeed to overcome the negative aspects.*

\*\*\*\*

*My failed business increased my motivation and determination to succeed. I learned from my mistakes, and it drove me to work harder and smarter.*

\*\*\*\*

*My active involvement in politics developed my leadership skills and created a challenge for me. I stopped my education after high school, became involved in the Intifada, spent time in prison, and then 10 years later completed my university education.*

One senior Palestinian executive told us that one of the things that helped his career was going through several crises, one of which was being thrown in Israeli prisons a number of times. While in prison, he said that he had:

*the opportunity to meet people who were highly educated and intellectual, with a great sense of integrity, sacrifice, struggle, and dedication; and from whom I learned a lot. They kept me going strong all these years.*

It seems likely that self-motivation, regardless of its origin or source, can be regenerated and recharged by specific events, people or insights and new ideas that one encounters throughout life. Many leadership scholars have written about the ‘adaptive capacity’ of great leaders (Bennis, 2009) and the role of ‘crucibles’ in the life of successful leaders (Thomas, 2008). The adaptive capacity of leaders, according to Bennis, refers to their hardiness, their ability to continuously learn, their inclination to proactively seize opportunities and to think and act creatively.

Similarly, in *Crucibles of Leadership*, Thomas (2008) described the experiences of leaders he interviewed as:

*transformative events that occurred outside their professional lives as often as they cited ones that happened on the job. The most profound among those experiences – the crucibles that led to a new or an altered sense of identity – were nested in family life, wartime trauma, athletic competition, and/or personal loss far more often than in work assignments.*

Many of the Palestinian executives we interviewed spoke about their crucibles and traumatic experiences in both their personal and professional lives. They too exhibited the same ‘adaptive capacity’ that was described by Bennis and Thomas. These executives rekindled their self-motivation and bounced back with renewed vigor. The key for organizations, therefore, is to identify, recruit and develop people who display (or have displayed) signs of adaptive capacity and self-motivation. After all, self-motivation is the critical factor in improving performance: first in AMO and later supported by the three legs of the tripod.

We began this chapter with a quotation from a Palestinian woman executive; it would be appropriate perhaps to end it with a quotation from a

Palestinian entrepreneur in the diaspora. Elia Nuqul, born in Ramleh, Palestine, is the founder of a successful conglomerate in Jordan (Nuqul Group). He described his success in these words:

*While good organizational skills, discipline, and sustainability of energy levels are central to the ability to work on multiple projects, it is the urge to create something that enables you to do it. It may be hard to believe this, but what helped me on the road to success was this urge, which is omnipresent, deep inside me, in my brain, in my body, and has accompanied me throughout my career. (Wheatcroft and Hawatmeh, 2008, 84)*

**PART III**

**Journey to Leadership Success**

## 6 The Ingredients for Successful Leadership

*One cannot teach leadership, only grow potential leaders, and the growth process starts early, in the home in fact, and is a continuing mix of education, experience, mentors and models. (Charles Handy, 2011, xiii)*

*What helped me most is studying and working overseas. Being in a foreign country creates a different type of personality ... it allows you to be independent, and you get exposed to other cultures and social values. (A Palestinian executive, September 29, 2011)*

*During my life I was imprisoned three times for a total of four years. The first time, I was only 15 years old – a child. That experience turned me from a child to a man. (A Palestinian executive, December 11, 2011)*

The journey to leadership success is both arduous and enjoyable: the hard work, the trials and tribulations, the perseverance, and the ups and downs will eventually pay dividends for most individuals. And, as in many things in life, one reaps what one sows. This journey to success is also multifaceted and individualized; hardly any two executives take the same paths on this journey. However, we found that there are some common factors and life experiences that contribute to success. This chapter discusses our approach and presents the research findings.

The 110 Palestinian executives interviewed for this book were asked: ‘What talents, skills, and abilities helped you in achieving success?’ We then asked them how, where and when they developed these talents, skills and abilities. Finally, the executives were asked probing open-ended questions to find out what specific factors, events or people in their life contributed most to their success. Throughout the interviews, we encouraged the interviewees to revisit their childhood and adulthood years in search of people or events that may have affected them.

It is interesting to note that a number of executives stated that these interviews gave them their first ever opportunity to think deeply about their lives and careers. Several mentioned that this was the first time that they had openly discussed their early life, the influence of their parents, or their intimate and private thoughts. It should be mentioned that the average interview lasted one hour and 14 minutes.

We will begin by presenting the most frequently mentioned talents and skills, followed by a list of the factors that influenced success. Next we will

discuss the ingredients for success, including the importance of early life experiences, followed by the impact of the training received. We will end with the role that luck may, or may not, have played during the journey to leadership success.

## **TALENTS, SKILLS AND ABILITIES THAT CONTRIBUTED TO SUCCESS**

Before we present a list of the talents and skills that were mentioned by the 110 Palestinian executives, let us examine the findings of the most famous leadership gurus – mostly American scholars and management thinkers. We can then compare and contrast the two sets of findings.

One of the best summaries of the differences between managers and leaders appeared in a book titled *The Guru Guide* by Boyett and Boyett (1998). Their list is drawn from the works of many leadership scholars. An abbreviated version of the list is shown in [Table 6.1](#). Notice the difference in what the manager emphasizes versus what the leader emphasizes. Additionally, keep in mind that these findings are based on the works of Western ‘gurus’ observing and studying managers and leaders working in Western cultures and contexts.

**Table 6.1 Managers versus leaders**



| <b>Managers</b>                       | <b>Leaders</b>                  |
|---------------------------------------|---------------------------------|
| Do things right                       | Do the right thing              |
| Are interested in efficiency          | Are interested in effectiveness |
| Administer                            | Innovate                        |
| Maintain                              | Develop                         |
| Focus on systems and structure        | Focus on people                 |
| Rely on control                       | Rely on trust                   |
| Organize staff                        | Align people with a direction   |
| Have a short-term view                | Have a long-term view           |
| Ask how and when                      | Ask what and why                |
| Focus on the present                  | Focus on the future             |
| Have their eyes on the bottom line    | Have their eyes on the horizon  |
| Develop detailed steps and timetables | Develop visions and strategies  |
| Seek predictability and order         | Seek change                     |
| Avoid risks                           | Take risks                      |
| Require others to comply              | Inspire others to follow        |
| Are given a position                  | Take initiative to lead         |

*Note:* Adapted sources – writings of Warren Bennis, Burt Nanus, Robert Townsend, John P. Kotter, Mansfred Kets de Vries, Warren Blank, Jan R. Katzenbach and others.

*Source:* Abbreviated version, from Boyett and Boyett, 1998, 16.

Although there is wide agreement among Western scholars that there is a shortage of leaders, there seems to be a consensus that *both* leaders and managers are needed to run successful organizations. Think about the statements shown at the top of [Table 6.1](#): managers do things right, leaders do the right thing. Organizations need both – doing the right thing in a right way. Perhaps the ideal situation would be to have some managers with some leadership skills and also to have some leaders with some managerial skills. It seems that many of the executives we interviewed combine both managerial and leadership skills, as we shall see later.

Turning to Palestinian executives, their responses to the question, ‘what talents, skills and abilities helped you in achieving success in your career so far?’ are shown in [Table 6.2](#) in order of frequency of mention.

By including the word ‘abilities’ in our question, we encouraged Palestinian executives to mention personal abilities and attributes such as passion for work, self-development, learning languages and so on. However, a closer look at both [Tables 6.1](#) and [6.2](#) shows several skills and talents in common, specifically: leading people, developing visions and strategies, taking risks, innovating and taking initiative, and seeking change.

Finally, eight other items were mentioned by 10 percent or less of the Palestinian executives, but are not shown in [Table 6.2](#). These include: helicopter view; perfectionist; developing others; charismatic; compassionate but tough; optimistic; self-motivated; and desire to serve country.

The reader may wonder:

*What lessons can be learned from these specific findings?*

**Table 6.2 Talents, skills and abilities that contributed to success (N = 110)**

|     | <b>Talents, skills and abilities</b>  | <b>Number of mentions</b> |
|-----|---|---------------------------|
| 1.  | Commitment and passion for work (and ability to work under pressure)                                      | 71                        |
| 2.  | Communication skills (listening, and speaking skills)   | 52                        |
| 3.  | Self-development (including learning from others and reading)   | 43                        |
| 4.  | Vision, strategic thinking and long-term planning   | 37                        |
| 5.  | Leadership skills (walk the talk, lead by example and motivating others)                                  | 37                        |
| 6.  | Intelligence (IQ) and emotional intelligence (EI) (including self-confidence, empathy, and social skills) | 36                        |
| 7.  | Innovative, taking initiative, creative and thinking out of the box, agent of change                      | 31                        |
| 8.  | Persuasive and good negotiator  | 30                        |
| 9.  | Determination and persistence   | 29                        |
| 10. | Decision making (and being decisive)  | 29                        |
| 11. | Analytical thinking, logical and rational   | 25                        |
| 12. | Teamwork (team player)  | 22                        |
| 13. | Ambitious (and loves challenges)  | 20                        |
| 14. | Time management   | 19                        |
| 15. | Integrity, honesty and trustworthiness  | 16                        |
| 16. | Taking calculated risks   | 16                        |
| 17. | Problem-solving skills  | 15                        |
| 18. | Languages (including English and Hebrew)  | 13                        |
| 19. | Adaptability and flexibility  | 13                        |
| 20. | Patience, tolerance and being open-minded   | 12                        |

And:

*What are the implications of the findings for the development of current and future managers?*

First, it should be noted that no executive can possibly be strong in all of these talents, skills or abilities – in fact, the executives we interviewed mentioned an average of 5.8 items that contributed to their success. Second, aspiring executives and managers will, we believe, benefit from the two lists shown in [Tables 6.1](#) and [6.2](#) by comparing their own strengths with the strong points of executives and managers who are already in leadership positions. [Chapter 7](#) is devoted to giving specific advice to potential aspiring managers and we shall refer back to this discussion and to these two tables.

## PEOPLE, EVENTS AND OTHER FACTORS THAT INFLUENCED CAREERS

To reiterate, we asked the 110 executives the following open-ended question: ‘What were the factors, people or events that contributed to your success?’ The data show amazing findings, some of which are directly related to the specific harsh conditions in Palestine: for example, 35 percent mentioned a crisis in their life such as the occupation, the *Intifada*, being imprisoned by the Israeli authorities for political reasons or having a father or a husband deported or thrown in jail. [Table 6.3](#) shows the most frequently mentioned factors under the headings of people, events and other factors.

Here are a few quotations (slightly edited or translated from the Arabic) that illustrate some of the most frequently mentioned factors:

*My father is my role model. When we were young, he would put us to work in his manufacturing plant, starting with cleaning the floor, then later learning how to operate machines. He gave us responsibility when we were at a very young age.*

\*\*\*\*\*

*My previous boss (who was my mentor) taught me many good management techniques. Specifically, I remember: (a) not to mix work with personal relations, and (b) to avoid, and stay away from, wastah [using connections].*

\*\*\*\*\*

*The upbringing in Canada: my public school education was phenomenal. School encouraged leadership, reading, public speaking, and they encouraged a specific extracurricular activity with education as a good balance. These experiences were my building blocks.*

\*\*\*\*\*

*Being in an international company [beverages] gives you huge exposure, and you find a lot of knowledge and resources within the company. Company culture breeds within you that ‘each employee is an owner’ and this instills in you leadership.*

\*\*\*\*\*

*I devoted my life to my career; all my effort and hard work went into making my profession and career a success. I am a very hard worker.*

\*\*\*\*\*

*I developed myself. I even learned Hebrew in order to enter the Israeli market. Our ice cream was certified as 'kosher' and we were able to successfully compete in the Israeli market.*

**Table 6.3 Factors influencing careers and success (N = 110)**

| <b>Influencing factor</b>   | <b>Frequency of mention</b> | <b>% of executives</b> |
|---|-----------------------------|------------------------|
| <b>People</b>   |                             |                        |
| Father  | 53                          | 48                     |
| Current or previous managers/mentors  | 49                          | 45                     |
| Mother  | 19                          | 17                     |
| Siblings/relatives/friends/colleagues   | 17                          | 15                     |
| Other role models (notable persons)   | 16                          | 15                     |
| Teacher/professor   | 9                           | 8                      |
| Spouse (husband/wife)   | 8                           | 7                      |
| Grandparent   | 6                           | 5                      |
| <i>Sub-total</i>  | 177                         |                        |
| <b>Events</b>   |                             |                        |
| Education (including extracurricular activities)                                  | 65                          | 59                     |
| Exposure (studying or working overseas, working with multinational organizations) | 57                          | 52                     |
| Early responsibility  | 55                          | 50                     |
| Crisis/crucibles (occupation, Intifada, jail, early death of a parent)            | 39                          | 35                     |
| Training/conferences/exhibitions  | 29                          | 26                     |
| Experience in different jobs or companies   | 14                          | 13                     |
| Learning from mistakes/failure  | 8                           | 7                      |
| <i>Sub-total</i>  | 267                         |                        |
| <b>Other factors</b>  |                             |                        |
| Working hard  | 47                          | 43                     |
| Self-development (on-the-job learning and avid reading)                           | 42                          | 38                     |
| Luck and grabbing opportunities   | 23                          | 21                     |
| <i>Sub-total</i>  | 112                         |                        |
| <b>Total number of factors mentioned</b>  | <b>556</b>                  |                        |

*Note:* Executives mentioned (on average) five factors that contributed to their success. Additionally, many mentioned two or more role models that influenced them; for example, both father and previous manager(s).

There are four interesting factors (shown in [Table 6.3](#)) that are worth highlighting. First, from the 35 percent of the executives who mentioned crises and crucibles that had an impact on their lives and careers, five executives stated that they were jailed by the Israeli authorities. Four others

had either a father or a husband imprisoned or deported. We recall what the leadership guru Warren Bennis wrote about crises and crucibles and how great leaders cope with such ordeals. In an article titled ‘The Crucibles of Authentic Leadership’, Bennis (2004) identified four essential leadership competencies:

*In the model of leadership that grew out of that research, successful individuals all evidenced four essential competencies – adaptive capacity, the ability to engage others through shared meaning, a distinctive voice, and integrity. Often, these abilities were evident to some degree before their ordeals, but they were intensified by the crucible experience. Of all these abilities, the most important was adaptive capacity. All our leaders had an extraordinary gift for coping with whatever life threw at them. (2004, 334, emphasis added)*

Second, it is also interesting that 16 executives mentioned ‘other’ role models whom they may have never met, but were nevertheless inspired by. Among the notable role models were Jack Welch, Steve Jobs, Munib Al-Masri, Talal Abu-Ghazaleh, Peter Drucker, Edward Said, Hillary Clinton and Hanan Ashrawi.

Third, if we add the frequency of mention of the father (48 percent) and mother (17 percent), the combined influence of the parents becomes strikingly clear – a large percentage of the executives we interviewed attributed their success partly to their parental upbringing.

Fourth, when asked if luck played a significant role in their success, 23 executives (21 percent of the total number) answered in the affirmative. However, they quickly qualified their answer by saying that they were ready to grab the opportunity which luck brought them. As one executive remarked:

*It is about being in the right place at the right time and being prepared to take advantage of the situation.*

Another executive said:

*Working in excellent banks such as Citigroup and HSBC was excellent experience and training – I was fortunate to work there; and I was lucky to have bosses in those banks that helped me succeed.*

Luck is a fascinating topic, which we will discuss in a separate section at the end of this chapter.

## INGREDIENTS FOR LEADERSHIP SUCCESS

In 1989, a study by Meirc Training & Consulting discovered ten ingredients for leadership success. Nearly 150 executives were identified by 53 organizations from six countries as notably successful and were interviewed at length and in confidence. Using open-ended questions, they were asked how they became successful and when they learned the competencies that helped them in life and in their careers (Meirc Training & Consulting, 1989). The 1989 research was replicated in 2003 (Muna, 2003) and in 2010 (Muna and Zennie, 2011). The current research on Palestinian executives uses the same methodology, including some of the same open-ended questions used in the earlier studies.

After asking the 110 Palestinian executives to tell us how and when they acquired their skills, talents and abilities, we then asked them to rank in order of importance the same ten ingredients found by the earlier studies (the semi-structured questionnaire appears in [Appendix B](#)). This approach allowed us to check the qualitative data (their answers to the open-ended questions) with the quantitative data (their ranking of the ten ingredients). Not surprisingly, both sets of data confirmed the findings of the earlier studies – namely, that early life experiences had an enormous impact on leadership success. The ten ingredients for leadership success are:

1. Self-development.
2. Early responsibility.
3. Exposure and role models.
4. Quality of education.
5. Ethics and values.
6. Job knowledge and work experience.
7. Encouragement and support from manager(s).
8. Training opportunities.
9. Organizational learning climate/culture.
10. Formal career development programs.

The reader will notice that the first five ingredients are usually acquired well before one starts a career. These five are the result of childhood

upbringing and education. Here is a brief description of the five early ingredients for leadership success:

- *Self-development*: this highly ranked ingredient refers to the burning desire to develop oneself from the cradle to the grave. It is manifested by an insatiable thirst for learning and a passion for continuous self-improvement. It is observed in people who have an active, inquiring mind – the urge to seek out opportunities for learning, the willingness to invest time in reading, listening to others' opinions and the curiosity to discover novel ways of doing business. This ingredient is instilled in people early on in life by parents, teachers, peers and other role models. It is sad to observe some new graduates who feel that they know everything that there is to know once they are awarded their certificates or degrees.
- *Early responsibility*: taking responsibility early in life has been cited by many scholars as a factor that contributed to managerial success. It may start with small tasks that parents give to a child to help build self-confidence or to help make small decisions. However, it also may be the result of hardship and tough circumstances, which forced people to take responsibility early on to help parents, siblings or simply to be self-dependent if the family is unable or unwilling to help. Many of the executives we interviewed started working at a very young age; others put themselves or their younger siblings through university. Early responsibility prepares people for life, and as the Chinese proverb exhorts, it is akin to teaching people how to fish instead of feeding them a fish every day.
- *Exposure and role models*: this ingredient has two elements related to one theme: learning from others. First, a person acquires competencies (knowledge, skills and attitudes) by exposure to other cultures. This is accomplished through travel, interaction with foreigners, studying abroad or working for multinational organizations. Second, a person is deeply influenced by role models – those people who are respected, admired or had a positive impact on one's values and beliefs. Typical examples include parents, relatives, friends, teachers or previous/current bosses/managers. Role models are those whom we aspire to emulate or wish to please. Many leaders were and still are inspired by their role models, long after some of them are gone.

- *Quality of education*: this ingredient does not refer to the ranking or reputation of the school or university attended, nor does it refer to the GPA (Grade Point Average) obtained. Rather, it represents the graduate's ability to use both analytical and creative thinking skills. Moreover, it refers to the acquisition of leadership, social and emotional skills that one learns by engaging in extracurricular activities such as sports, theater and music, involvement in student clubs, university activities, charitable organizations and working while obtaining a degree. Leadership skills – such as teamwork, communication with others, leading others, accountability and self-dependence – are learned in the formative years through interaction with high-calibre teachers and students, and by being active in extracurricular activities. Furthermore, a good education reflects the stretching of the mind and learning how to think, skills that are not acquired through rote learning or the ability to pass examinations.
- *Ethics and values*: this ingredient describes work ethics and values, such as hard work, integrity, honesty, respect for time, determination and perseverance in pursuing and achieving a mission in life. It also reflects a commitment to the quality of work, a belief that quality and excellence matter, and that if a job is worth doing, then it is worth doing well, as mentioned in the *Hadith*:

إن الله يحب إذا عمل أحدكم عملاً أن يتقنه

(translation: 'Allah loves to see one's job done at the level of *itqan* or excellence' or 'Allah loves when you perform a job to execute it with excellence').

These work ethics and values are inculcated early in life by parents, teachers, peers and religion; they cannot be taught when people are in their late twenties or thirties – it might be too late then.

The second five ingredients are acquired after a person starts a career. These five ingredients are important too. They are a consequence of having a supportive manager, as well as working for a company that has a healthy corporate culture. Specifically, a healthy company culture means one where employees are continually trained (on and off the job); a company that has good performance management systems and career development programs; and a 'learning' company that allows its employees to learn from mistakes.



Both qualitative and quantitative analysis indicated that most successful people attribute their success to only three or four out of the ten ingredients for success. In other words, success in business and in life does not require that a person be rated highly on all ingredients. It seems that successful people continue to build on these early foundations throughout life – especially on the early ingredients of self-development, training, exposure and learning from role models and mentors. A suggestion for future research on this topic appears in [Chapter 9](#).

The results of the ranking of the ingredients for success were remarkable and enlightening. First, they reconfirm and lend more credibility to the results of the open-ended questions, which were discussed earlier and were shown in [Table 6.3](#). Self-development and early responsibility were ranked highly in both cases. [Table 6.4](#) shows the rankings for the 110 executives we interviewed. Five of the top six ingredients are acquired during childhood and educational years – well before a person starts a career.

Second, when the Palestinian data are compared to the results of a 2010 study of 310 executives from 12 Middle Eastern countries, one finds remarkable similarities in the rankings of these two groups. [Table 6.5](#) shows the comparison – seven of the ten ingredients had the same rank and almost the same mean ranks. Among the 310 Middle Eastern executives, there were 21 Palestinians who were living and working in GCC countries.

**Table 6.4 Ten ingredients for success (N = 110)**

| <b>Ingredient</b>                       | <b>Ranking</b> | <b>Mean rank</b> |
|---|----------------|------------------|
| Self-development                        | 1              | 3.25             |
| Early responsibility                    | 2              | 4.01             |
| Job knowledge and work experience       | 3              | 4.10             |
| Ethics and values                       | 4              | 4.64             |
| Quality of education                    | 5              | 4.66             |
| Exposure and role models                | 6              | 5.44             |
| Encouragement/support from manager(s)   | 7              | 6.35             |
| Training opportunities                  | 8              | 6.85             |
| Organizational learning climate/culture | 9              | 7.26             |
| Formal career development programs      | 10             | 8.42             |

*Notes:* 1. Mean rank (out of ten): total ranking score divided by total number of respondents; 2. Factor analysis of the ten ingredients showed that there were no specific groups of variables that can explain the variation in the data. There were some large and significant correlations among the top six ingredients; see Table B.9: Correlation matrix, which shows the Pearson correlations and the 1-tailed significance levels for these top six ingredients.

Third, the biggest difference was in the ranking of early responsibility – it was ranked second by the 110 Palestinians and fifth by the 310 Middle Eastern executives. It must be pointed out that many of the Palestinian executives told us that they started working well before the age of ten, mostly doing work in their fathers’ businesses, groceries or factories – one of the executives was ‘selling corn and sweets on the streets’ at the age of seven!

Finally, it is worth repeating that it is unlikely and unnecessary that an aspiring and potential manager would have all five of the early ingredients for success. We believe that a person who has two or three of the early ingredients will be able to compensate by strengthening the other ingredients after he or she starts a career, for instance, working hard to improve the highly ranked job knowledge and work experience, finding a mentor or role model, or taking advantage of the training opportunities offered by the company. Learning is, after all, a lifelong process.

**Table 6.5 Ten ingredients for success: a comparison with Middle Eastern executives**

| Ingredient                                  | Ranking (and mean rank)   |                             |
|---|---------------------------|-----------------------------|
|   | Palestinians<br>(N = 110) | Middle Eastern<br>(N = 310) |
| Self-development                            | 1 (3.3)                   | 1 (3.5)                     |
| Early responsibility                        | 2 (4.0)                   | 5 (5.1)                     |
| Job knowledge and work experience           | 3 (4.1)                   | 3 (4.5)                     |
| Ethics and values                           | 4 (4.6)                   | 2 (4.4)                     |
| Quality of education                        | 5 (4.7)                   | 4 (4.9)                     |
| Exposure and role models                    | 6 (5.4)                   | 6 (5.2)                     |
| Encouragement/support from manager(s)       | 7 (6.4)                   | 7 (6.0)                     |
| Training opportunities                      | 8 (6.9)                   | 8 (6.4)                     |
| Organizational learning climate/<br>culture | 9 (7.3)                   | 9 (6.9)                     |
| Formal career development programs          | 10 (8.4)                  | 10 (8.2)                    |

Note: The 310 Middle Eastern executives included 21 Palestinians who were living and working in GCC countries.

Source: Data for the 310 Middle Eastern executives (Muna and Zennie, 2011).

## LUCK MATTERS, BUT ...

The subject of luck is controversial, but is one we are willing to discuss in this business leadership book. When we asked if luck played a role in their success in business management or in life, Palestinian executives gave us mixed responses. We had the same results when we asked them why some leaders are more successful than others. As we saw earlier (Table 6.3), almost all of those (21 percent) who said that luck plays a part immediately qualified it by saying ‘only if you are prepared to grab the luck and do something with it’. Apparently, the French scientist Louis Pasteur was right when he said: ‘Chance favors the prepared mind’.

Some of the Palestinian executives seemed to agree with Pasteur and with a number of other observers and scholars who researched the link between success and luck. Edward de Bono, the lateral thinking expert, attributed success to four factors, one of which was luck. De Bono (1985) wrote that a person with a positive attitude toward luck:

*is able to carry to success whatever turns up by luck ... this attitude means that you are very ready to spot opportunities, and it also means that you may generate such opportunities deliberately.*

The other three success factors, according to de Bono, are: determination, talent and being in the right places and situations. More recently, Nassim Taleb (2005, 2010) examined the role of luck in life and in particular in financial markets. He wrote:

*As most successes are caused by very few 'windows of opportunities', failing to grab one can be deadly for one's career.*

He also describes 'black swans' – a metaphor for unexpected findings or luck – and he added:

*Black swans, those rare and unexpected deviations, can be good or bad events.*

Perhaps the best explanation of how luck plays a role in success in the business world is presented by Collins and Hansen in their recent book titled *Great by Choice: Uncertainty, Chaos and Luck – Why Some Thrive Despite Them All* (2011a). They devoted an entire chapter (out of seven chapters) to the role of luck in the making of what they called 'great' companies. The title of that chapter is 'Return on Luck'. However, the authors examined 'luck events' – not lucky events – where both good and bad luck took place. They found that luck does not play a significant role in determining success in business; rather, what really matters is how you take advantage of good luck and how prepared you are for bad luck. They wrote:

*The critical question is not whether you'll have luck, but what you do with the luck that you get.*

Great companies had as many good luck events as less successful ones, and they had roughly the same number of bad luck events. It is how these events were handled that differentiated great companies from the others. The lessons for successful and aspiring leaders are clear: be prepared – take full advantage of good luck and minimize the effects of bad luck. In a follow-up article, Collins and Hansen reiterated their recommendation that great leaders recognize luck and seize it, and that leaders grab both good and bad luck events and turn them to their advantage. They concluded the article with these words:

*After finishing our luck analysis for Great by Choice, we realized that getting a high ROL [return on luck] requires a new mental muscle. There are smart decisions and wise decisions. And one form of wisdom is the ability to judge when to let luck disrupt our plans. Not all time in life is equal. The question is, when the unequal moment comes, do we recognize it, or just let it slip? But, just as important, do we have the fanatic, obsessive*

*discipline to keep marching, to push the opportunity to the extreme, to make the most of the chances we're given?*

*Getting a high ROL requires throwing yourself at the luck event with ferocious intensity, disrupting your life and not letting up. Bill Gates didn't just get a lucky break and cash in his chips. He kept pushing, driving, working – and sustained that effort for more than two decades. That's not luck – that's return on luck. (Collins and Hansen, 2011b)*

Some (26 out of 310) Arab executives working in 12 Middle Eastern countries also mentioned luck as one of the factors that influenced their success; however, again, they quickly qualified it with a 'but'. Here are three quotations from those executives who mentioned luck (Muna and Zennie, 2011):

*Luck is available for everyone; but you need to put in the effort and jump high to get the fruits of luck.*

\*\*\*\*

*Being in the Gulf area [GCC countries] during the economic boom, and taking advantage of it. In other words, we were in the right place at the right time.*

\*\*\*\*

*The harder you work, the more opportunities you create, the luckier you become.*

To summarize, luck matters, but being prepared, recognizing luck and grabbing the opportunities that 'luck events' offer are among the qualities of outstanding leaders.

## **TRAINING MATTERS TOO**

It appears that training played a big role in the success of Palestinian executives. In [Chapter 3](#), it was noted that one of the roles mentioned by the executives we interviewed was cultivating HR capital by training, coaching, and mentoring their employees. In [Chapter 5](#), many of the executives saw training as an essential part of improving performance and motivation; they were referring to the 'A' in  $P = AMO$  (Performance = Ability x Motivation x Opportunity). And in this chapter, training was cited by 26 percent of them as a contributor to their own success (see [Table 6.3](#)). Additionally, training was ranked eighth among the ten ingredients for success (see [Table 6.4](#)). Such positive responses reminded us of a wise saying:

*If you think education is expensive, try ignorance.*

This saying is attributed to Derek Bok, President of Harvard University from 1971 to 1991. We believe that training, *if effective*, is an integral part of continuous education.

When asked whether training courses were beneficial, 91 percent of Palestinian executives answered in the affirmative (see [Table 6.6](#)). In fact, 72 percent said that the training courses they attended were ‘very beneficial’. Only nine executives stated that they have never attended training courses. We became very curious, and this is what we found:

- Eight of the nine top executives are successful entrepreneurs. Five of these eight founded their own companies, while three worked from the start in their family-owned companies. The ninth executive has been in his current executive position since 1990.
- Seven of the nine are in manufacturing and trade, the other two in publishing and software.

**Table 6.6 Benefits of attending training events/courses**

|                     | <b>Response</b> | <b>Percentage</b> |
|---------------------|-----------------|-------------------|
| Very beneficial     | 79              | 72                |
| Some benefit        | 21              | 19                |
| Very little benefit | 0               | 0                 |
| No response         | 10              | 9                 |
| Total               | 110             | 100               |

- Only four held university degrees, while five only completed high school.
- Finally, and most interestingly, their average age is 57. Most of them were born in the early 1950s. Seven were born in Palestine and two in the diaspora.

There were three types of training mentioned by the executives. The first type included management and leadership training courses on a wide range of subjects ranging from marketing to strategy to teamwork. The second type covers specialized technical courses such as banking, IT and various manufacturing or scientific techniques. And the third type refers to attending and participating in conferences and trade exhibitions. Furthermore, some of these training events were held in-company while others were open to the public, both inside and outside Palestine.

Below are some sample comments by Palestinian executives on the benefits of the training courses they have attended:

*The courses allowed exposure: meeting with participants from different companies and cultures and learning from their experiences; it also allowed me to encourage others to do business in Palestine.*

\*\*\*\*\*

*I took a one-year course to learn Hebrew at the Hebrew University. I can now negotiate better with Israeli companies and suppliers.*

\*\*\*\*\*

*Professional training is very important after graduation because it shortens the development process and it saves money.*

\*\*\*\*\*

*When the company grows, the technical role of professionals shrinks and their managerial role increases, this makes them in need for short term and tailored courses.*

\*\*\*\*\*

*The greatest benefit of training courses was meeting and networking with people from different industries and countries.*

\*\*\*\*\*

*Exposure in Palestine is limited, so to widen your horizon you need courses that expose you to the best practices, and you need to know the latest updates in your field.*

\*\*\*\*\*

*University education is academic, but training courses are practical and are related to our business. Both education and training are needed.*

## **INVESTING IN EMPLOYEE TRAINING**

We asked the executives we interviewed the following three questions:

1. How much money was spent on employee training at your company last year?
2. Did any of the money come from external funds/donations?
3. What type of training was mostly conducted?

The responses for the first question are shown in [Table 6.7](#). Since the average size of our sample companies was 281 employees, the estimated annual investment on training per employee seems to be low. Using a hypothetical and conservative training budget of \$30,000, the estimated investment in training would be \$107 per employee per year (\$30,000 divided by 281). Even if we use an estimated budget of \$50,000, the average annual investment is still low at \$178 per employee.

Furthermore, there was hardly any external assistance with training costs; 76 percent of the companies received no external help or donations. The remaining 24 percent received some help from organizations such as Paltrade, the Palestine Industrial Union, the Islamic Bank, the Deutsche *Gesellschaft für Internationale Zusammenarbeit* (GIZ: a German government-owned aid agency previously known as GTZ), USAID, DAI (supported by the Palestinian American Chamber of Commerce), the ministry of tourism, UNRWA, civil defence and the Red Crescent. Of the companies that did receive help, 33 percent of them are based in Gaza. Additionally, 87 percent of the companies receiving help were private companies.

**Table 6.7 Investment in training**

| <b>Amount (in US\$)</b>                        | <b>Response (%)</b> |
|--|---------------------|
| Less than 10,000                               | 38                  |
| 11,000–50,000                                  | 38                  |
| 51,000–100,000                                 | 13                  |
| More than 100,000                              | 11                  |
| Total  | 100                 |
| Estimated annual investment per employee \$107 |                     |

Finally, the type of training was of course related to the type of industry, but most companies mentioned both management and technical skills training. The management skills training included a variety of subjects, such as stress management, time management, communication, ethics, languages, customer service, team-building, computer skills, leadership, public relations and strategic planning.

The specialized technical training included the following subjects: accounting, investment, financial analysis, insurance, banking, maintenance, packaging, marketing, customer relationship management (CRM), sales, safety, quality assurance, engineering, catering, food safety,



logistics and security, recycling, environmental awareness, tourism, law, risk management, IT, system applications and software.

We have seen in this chapter that the journey to leadership success is a never-ending one. It starts at birth, followed by the formative early years – formative years that shape and influence the character, motivation and abilities of a person. During those early life experiences, we meet people who leave a strong and lasting impression on us. And as we continue along this lifelong journey, we encounter events that may impact the rest of our life. If a person is well prepared, luck too can play a role. Finally, continuous learning and training could add new skills, update abilities and polish existing talents.

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### **A PERSONAL NOTE FROM GRACE KHOURY**

In common with 48 percent of the Palestinian executives interviewed, one of the major influences on my career was my father – he was a powerful role model in my life.

In 2000, after earning my PhD in England, I flew to the USA to be with my father who had suffered kidney failure and was on dialysis. I remember going straight to the dialysis unit where, for the first time in my life, I saw my father looking weak. Despite the situation, he did not want to show any signs of weakness: he hugged and kissed me, then introduced me to his doctors, nurses and other patients as ‘My daughter, Dr Grace’. I could see that he was very proud that I had received my PhD. I then realized how difficult life had been for my parents bringing up five children, providing all the support we needed and leading us to a successful life. Even during my parent’s toughest days, their children’s success remained their greatest joy.

I remember my father as an excellent listener who loved to sit and pay attention to his children, asking them how they spent their day at school, listening with care to the boring details without showing any boredom. He would help us with homework, provide advice, show us trust and always express encouragement and positive comments. He told us inspirational stories about the success of his older brother, cousins and friends so that we

might be motivated by their success. He was a man with a vision for a better future for his children and he worked hard to realize it.

My paternal grandfather died when my father was seven years old, and the youngest in his family. My father's role model was his mother: the village priest's widow. She used to receive the local residents and help address their conflicts through her deep wisdom. My father, like his mother, was wise, loving, devoted and caring.

My father, Canaan Khoury, was a self-made man. He asked his older brother to change the date of birth on his birth certificate so that he could appear two years older in order to be eligible to work at an earlier age at the Jaffa Post Office. Years later, he worked in the Jordanian military as a telecommunications officer. In the late 1950s, he went to Qatar with no money in his pocket to work at Qatar Petroleum Company. His brother-in-law gave him five Jordanian Dinars to support him while travelling. He kept one *Shelen* (five piasters or five pence) and gave the rest to my mother to take care of the children. He would send most of his earnings to my mother who saved enough of it to buy a small piece of land on which they subsequently built a house. In the early 1960s, my father received a scholarship to study telecommunication engineering in England. At that time, I was born and my mother had to again take care of the children.

My parents were very hard workers. They taught us that nothing in life comes easy and that in order to succeed, we needed to work hard. After returning home from England, my father worked in Jordan. Then he worked for UNRWA in Gaza and had to travel two hours each morning and two hours each evening. He also worked at Qalandia Technical School and later as the principal of Helen Keller's School for the Blind. Finally, he started his own businesses: first a driving school, followed by a travel agency in Ramallah. Both businesses were very successful.

In 1993, he began working on getting a license to establish a new manufacturing business in Palestine for my two brothers who had completed their university education in Boston, married and started working abroad. My father wanted them to return to Palestine and invest their money, experience and education in our homeland. He also wanted them to raise their children close to the family with Palestinian cultural and

traditional values. Although all of us received our education abroad, we returned to Palestine and have successful careers. The family business, which was one of my father's dreams, is now globally recognized.

Every night, and for the past ten years since my father passed away, my siblings and I gather at my mother's home. I love to pass by her home every morning to receive her blessings before going to work. The care, love and attention we received from my parents are unforgettable. They allowed us to become the people we are today, and for that we shall always be grateful. My siblings and I are trying hard to instill in our children the lessons we learned from our parents – that a land well planted will surely produce good fruit.

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## 7 Advice to Potential Executives

*Seek knowledge from the cradle to the grave. Seek knowledge, even as far as China.  
(Hadith)*

*Before you are a leader, success is all about growing yourself. When you become a leader, success is all about growing others. (Jack Welch, 2005, 61)*

*Cultivating leadership should be gradual and natural: If one puts too much fertilizer (say, one kilo) on a small young plant, it could be killed or badly damaged. (A Palestinian executive, December 23, 2011)*

Develop yourself throughout your life!

This is our advice for young aspiring managers; advice that has been articulated by many for millennia. The ancient Chinese and Greeks gave us this advice, as did many others since then. Palestinian executives too repeatedly agreed with the above wisdom when we interviewed them for this book – and they came forward with valuable advice of their own.

The Greek philosopher Socrates said: ‘Employ your time in improving yourself by other men’s writings, so that you shall gain easily what others have labored hard for’. But self-development is not restricted to reading; reading is only the beginning. There is a compelling reason for continuous learning, re-learning and self-development: what we have learned by the age of 21 or so will become obsolete five to ten years later and will have to be updated – by acquiring new knowledge and new skills. In this and the next chapter, we will summarize the most effective developmental activities that young people ought to consider if they wish to succeed in their future business careers.

### **KNOW THYSELF**

If you visit the ancient city of Delphi in Greece, you will be told that these words were inscribed on the Temple of Apollo: know thyself (in Greek: γνῶθι σεαυτόν or *gnōthi seauton*). One interpretation of this maxim is to examine one’s strengths and weaknesses – hopefully in order to do something about them. But let us not restrict ourselves to the wisdom of the ancient Greeks – think about the following words of wisdom, which are part of the Arab Palestinian culture.

## The Holy Quran:

*Verily never will God change the condition of a people until they change it themselves.*  
(13:11)

### In Arabic:

أن الله لا يغير ما بقوم حتى يغيروا ما بأنفسهم

## Caliph Omar Ibn Al-Khattab:

*God bless a person who points out my weaknesses.*

### In Arabic:

رحم الله امرأ أهدى إلي عيوبي

Additionally, think about these words of advice from various parts of the world:

*There is nothing you can do about your early life now, except to understand it. You can, however, do everything about the rest of your life. (Warren Bennis, 1989, 74)*

*Experience is not what happens to a man; it is what a man does with what happens to him. (Aldous Huxley, 1932, 5)*

*In the end, it's not the years in your life that count. It's the life in your years. (Abraham Lincoln)*

*This above all: to thine ownself be true, And it must follow, as the night the day, Thou canst not then be false to any man. (William Shakespeare, Hamlet, Act I, Scene 3)*

*If a man takes no thought about what is distant, he will find sorrow near at hand. (Confucius)*

*I hear and I forget, I see and I remember, I do and I understand. (Confucius)*

*Every morning in Africa, a gazelle wakes up. It knows that it must run faster than the fastest lion or it will be killed.*

*Every morning a lion wakes up. It knows that it must run faster than the slowest gazelle or it will starve to death.*

*It doesn't matter whether you are a lion or a gazelle, or where in the world you work, in the modern business jungle when the sun comes up you'd better be running. (Attributed to an African proverb)*

There are certain truths in each of the above-mentioned words of wisdom that are applicable to today's competitive world of business management. They urge the reader to take time to reflect, to better know his or her strengths and weaknesses, to plan ahead and then act accordingly. This self-awareness is only the beginning, the first step, on the long journey to self-development. To avoid being too philosophical, we sought the advice of the Palestinian executives whom we interviewed for this book.

## **ADVICE FROM SUCCESSFUL EXECUTIVES**

We asked the 110 Palestinian executives: 'What advice would you give younger, aspiring leaders and managers so that they can become more effective or successful?' We received over 20 different pieces of advice; only 17 of them were mentioned by five or more executives and are shown in [Table 7.1](#).

Clearly, the most-mentioned advice is related to developing oneself. It was mentioned by 72 executives (or by 65 percent of the executives we interviewed). However, the executives made a distinction between self-development and learning from others. Self-development (mentioned 39 times) refers to continuous learning throughout life by self-teaching, observing, reflecting on one's life experiences, and reading. Learning from others (mentioned 33 times) includes learning from one's own manager, colleagues, employees, and customers; attending training courses; and/or obtaining a university degree. Considering the importance that Palestinian executives placed on self-development and education for their own success (in [Chapter 6](#)), one can appreciate why self-development was the most frequently mentioned advice.

**Table 7.1 Advice from Palestinian executives**

| Advice   | Frequency of mention |
|--|----------------------|
| Develop yourself   | 72                   |
| (a) Self-development   | 39                   |
| (b) Learn from others  | 33                   |
| Be passionate and dedicated to the job                       | 30                   |
| Develop and build your team                                  | 25                   |
| Work hard  | 23                   |
| Be patient, persevere (it takes time to learn the ropes)     | 21                   |
| Learn to listen well to others                               | 20                   |
| Have clear goals/long-term objectives                        | 19                   |
| Know your job well (utilize technology)                      | 16                   |
| Be honest and have integrity                                 | 14                   |
| Be proactive, innovative, open-minded and grab opportunities | 14                   |
| Be humble  | 13                   |
| Know the industry/market well                                | 12                   |
| Be ambitious   | 11                   |
| Respect time and deadlines                                   | 9                    |
| Learn the helicopter view (seeing the overall picture)       | 6                    |
| Be a role model  | 5                    |

In an earlier study of Middle Eastern business leaders, Muna and Zennie found similar results:

*Our research findings suggested that self-development was a key to leadership success. Self-development ranked the highest of the ten ingredients for success among the 310 people we interviewed. But more significantly, the content analysis of the answers to open-ended questions showed that continuous learning was a significant contributing factor for 24 percent of the leaders we interviewed. Not only did they cite self-development as an important ingredient to their own success, but they also mentioned it as frequently when asked to give advice to younger, future managers. (Muna and Zennie, 2011, 62)*

The late management guru Peter Drucker believed that responsibility for career development has shifted from the company to the individual:

*Companies today aren't managing their employees' careers; knowledge workers must, effectively, be their own chief executive officers. It's up to you to carve out your place, to know when to change course, and to keep yourself engaged and productive during a work life that may span some 50 years. To do things well, you'll need to cultivate a deep understanding of yourself – not only what your strengths and weaknesses are but also how to learn, how you work with others, what your values are, and where you can make the greatest contribution. Because only when you operate from strengths can you achieve true excellence. (Drucker, 1999, 47)*

Some of the words of advice shown in [Table 7.1](#) are worth highlighting: be humble (about your status, knowledge or accomplishments); respect time

and deadlines; and don't use or rely on connections or *wastah*. Hearing these words of advice, we had the feeling that some of the executives we interviewed were passionate about sending a loud message to the younger generation. Some openly complained about the work ethic and motivation of the 'young'. Others blamed the current or past political conditions (the *Intifada* and the occupation, for instance) or the poor quality of education, high unemployment and so on. These Palestinian executives, it seems, were pleading for a change in these three above-mentioned attitudes and behavior. It should also be noted that 30 (or 27 percent) of the Palestinian executives advised the younger generation to 'be passionate and dedicated to the work you do'. And a smaller number (23 of them) advised aspiring managers to simply 'work hard'.

## **WORKING HARD, BUT SMART**

Becoming successful requires hard, but smart, work. We like how the famous inventor Thomas Edison summarized 'hard and smart work' in one paragraph when he said:

*Being busy does not always mean work. The object of all work is production and accomplishments, and to either of these ends there must be foresight, system, planning, intelligence, and honest purpose, as well as perspiration.*

Working hard and smart, we believe, is a combination of planning, endurance, determination, perseverance and always keeping things in perspective. Keeping things in perspective means not losing sight of the big picture; it also means the ability to see the wood for the trees. A major oil company called this mental skill the 'helicopter view' – a skill that this company's top executives possessed and a skill that can be learned at any age. In brief, the helicopter view makes it possible to see the bigger picture without losing sight of the details. In other words, it allows a person to repeatedly zoom in and zoom out at any time when developing strategy, planning, solving problems or facing crises. The helicopter view is a critical managerial competency, which some HR professionals call 'breadth of vision', 'power of anticipation' or 'clarity of purpose'.

The helicopter view can be learned in three steps. First, distance yourself mentally and physically from the present problem or crisis. Look at the overall picture. Remember how a person steps back when viewing a large painting or a large wall map, then proceeds to get closer to see the



details. The process is similar to ‘zooming in’ or ‘zooming out’ when looking through a camera. If you have a problem or a crisis involving a manager or employee, start by first looking at the whole industry and the company: could the cause(s) be found outside the company (government, suppliers or customers)? Or could the cause(s) be in the company’s systems or procedures? Now, zoom in on the individuals involved. The helicopter view prevents people from jumping to a wrong conclusion and making a wrong decision.

The second step is to describe today’s problem or crisis as though you are looking at it five or ten years later. For example, if you are facing a problem in 2012, try to describe it as if you are in the year 2017 or 2022. In ‘strategic thinking’ seminars conducted by one of the authors, we start by asking senior executives to describe what their business or industry might look like five or ten years from now, nudging them to use the helicopter view. In his book *Strategy in Practice*, Tovstiga wrote:

*The strategic thinking approach does not seek to achieve simplification of the firm’s complex competitive context; rather, it seeks to bring structure to the thinking that allows managers not to lose sight of the wood for the trees. Good structured thinking begins with asking the right strategic questions – those that really have potential to make a difference to the firm’s ability to compete in its market. (2010, x)*

Additionally, projecting oneself into the future makes the current problem or crisis seem less significant and more manageable, rather than overwhelming. When describing this second step, Muna wrote:

*Take a moment to reflect upon a serious problem or a crisis you have faced three or five years ago. At that very moment in time you probably thought that the world was collapsing around you. Looking back, how do you remember it today? From a historic perspective, yesterday’s crises are seen as distant memories, and, if a person is lucky and wise, as learning experiences. (2003, 105)*

Third, now that you have looked at the present crisis and how it would look like in the future, you can focus on the overall direction and the next actions. Use the ‘going up’ and ‘going down’ characteristic of the helicopter repeatedly when analyzing the problem in order to keep things in perspective and to stay on the right path. Therefore, the helicopter view should be used at different times during the problem-solving process. The same three steps can and should be used when developing a company’s long-term strategy.

Returning to working hard and smart, it is particularly effective if a person is also proactive, has initiative, grabs responsibility and takes advantage of the opportunities that good luck may bring. A few executives told us that:

*responsibility is grabbed, not given.*

In Arabic:

المسؤولية تؤخذ و لا تعطى

This advice means taking uncontested or unassigned tasks or responsibilities, or volunteering to do small jobs, manage small projects and lead initiatives or campaigns even if they are outside your ‘job description’.

## **FURTHER ADVICE FROM THE AUTHORS**

Looking back at our fieldwork and using a helicopter view, we find that there are three areas of advice worth summarizing here. First, be prepared and be on the lookout for opportunities that luck may bring your way. There is a whole section devoted to the subject of luck in [Chapter 6](#). Keep in mind Pasteur’s words:

*Chance favors the prepared mind.*

Second, no matter what your specialization is, we believe that all managers should become well acquainted with HR management through reading, searching the Internet or attending courses on the subject. In fact, the next chapter contains our recommendations for developing future aspiring managers and leaders. Our advice is to read [Chapter 8](#) carefully and to discuss an individualized career development plan with an HR professional in your company (if available) or alternatively with an outside HR specialist.

Third, find a mentor from within or outside the organization you work for. We acknowledge that finding a mentor is easier said than done – but it is doable. Of course, it requires a willingness to be humble (an admission that one needs help) and a deep desire to learn from others (an admission that one does not know all there is to know). In the business world, there are experienced, mature and wise business managers who are likely to extend

advice to younger aspiring managers. If you are lucky, you may not have to look far – your own manager or CEO may be the right person who is willing to help. Alternatively, in close-knit societies like the West Bank or Gaza, one can actively look for a mentor in nearby places: immediate or extended family, circle of friends, colleagues, university or professional and social clubs. Start by reading some books and articles on mentoring and the role of a mentor, select one carefully and make a concerted effort to make the relationship work well.

It will be appropriate to end here with a few words about mentoring or, more specifically, about the origin of the term ‘mentor’. Homer, of ancient Greece, tells the story of the King of Ithaca who asked his trusted friend Mentor to watch over his son Telemachus while he was fighting in the Trojan War. Mentor, a wise older man, was put in charge of imparting wisdom and sharing knowledge with the young Telemachus who was just entering early adulthood. With the help of the Greek goddess Athene, Mentor became the teacher and father figure for the king’s son (Roberts, 1999).

Nowadays, the term ‘mentor’ is used for a trusted friend, counsellor or teacher and is usually a more experienced person. The mentor gives advice and direction, provides support and encouragement, and acts as a friend and confidant (Clutterbuck and Lane, 2004). The objective of mentoring is to help the protégé (or mentee) improve his or her performance, develop leadership skills, learn new social and interpersonal skills, make a career change or ‘learn the ropes’ in a new career. We end this chapter by providing a few more words of advice:

- Remain focused on the customer – it is the customer who pays the salaries. Being externally focused increases competitive edge.
- Learn what drives the business – these are the critical success factors to keep a close eye on.
- Join cross-functional teams – sharing views with other disciplines widens one’s horizon and gives a holistic view of the business.
- Welcome horizontal career moves – these moves enhance competencies and enrich careers in the long run.
- Hold yourself accountable for your deeds. There should be no need to search for excuses or to blame ‘others’ or ‘circumstances’. Gardner

wrote:

*The concept of accountability is as important as the concept of leadership. (1990, xviii)*

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## **A PERSONAL NOTE FROM FARID MUNA**

A long time ago, a 52-year-old man was taking his youngest son to the airport. As they were bidding each other farewell, the father said:

*Son, I am like a candle that burned throughout the years in order to shed light for you, for your brothers and sisters, and for the whole family. Now that you are off to study in the United States, you must light your own candle, for yourself now and for your own children in the future.*

As the 17-year-old student left his country, his thoughts lingered on his father's words:

*I wonder what my father was mumbling about ... candles and light.*

It didn't take long, however, before the young man started realizing what his father meant on that day in the departure lounge – for, indeed, he was completely on his own upon arrival to the new country, alone for the first time in a strange land. He had to light his own candle in order to survive and as the years went by he became much more aware that the candle he had lit was sturdy, durable and well made. Unknown to him, his father had been helping him construct that candle, patiently and lovingly, directly and indirectly, throughout his childhood and adolescence.

Here is how I, the young man back then, remember my father:

- He was a great coach and mentor.
- He gave my brothers and me early responsibility: working summers and vacations in his housing construction business while we were in high school.
- He provided guidance and advice when we were solving our problems, learning from our mistakes and making tough decisions – in brief, he taught us how to 'fish'.
- He was an excellent role model: a self-made man, a hard worker, a great example of honesty and integrity in his business dealings.
- Finally, he knew how to balance love, discipline and fun.

Slowly but surely, he was helping us construct our own candles.

I made sure to pass my father's wisdom on to our three children, slowly and patiently helping them make their own candles. I pray that they too will pass their grandfather's legacy on to their own children.

Many years later, my wife and I were saying our farewells to our youngest daughter Zeina when she started her freshman year at Georgetown University. When my turn came to wish her luck and bid her farewell, I asked Zeina: 'Do you have a match?' She quickly replied: 'I don't smoke, father!' A few long seconds passed and then she said: 'OK, I'll light my candle'.

Zeina is happily married; she is currently working for a large international company as director of media services.

[A large part of the above was taken from *Seven Metaphors on Management* (Muna, 2003)]

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**PART IV**  
**Final Thoughts**

## 8 Recommendations for Developing Future Leaders

*If you wish to plan for a year, sow seeds, If you wish to plan for ten years, plant trees, If you wish to plan for a lifetime, develop people. (Kuan Chung Tzu, seventh century BC)*

*Give a man a fish, and you feed him for a day;*

*Teach a man to fish, and you feed him for a lifetime. (A Chinese proverb)*

*Outstanding leaders are those who develop a strong team of people around them; this way they can concentrate on their strategic role. (A Palestinian executive, November 30, 2011)*

Fishing requires certain skills and knowledge, but without patience and perseverance, a fisherman would not be competent. What about a bank teller? What if a bank teller is an expert on banking transactions, quick with computers and sharp with numbers, but hates to serve customers? Like the fisherman, skills and knowledge alone are not enough. Patience, perseverance and customer service are attitudes that are required to do a job well. Competency, therefore, is a combination of *knowledge, skills and attitudes*. And that is precisely what organizations need: competent employees and managers.

Before presenting our recommendations for developing future Palestinian leaders, let us ponder a vital question: what is the main *raison d'être* of businesses and companies? Some would say these entities are established to serve their stakeholders: stockholders, customers, employees, society, the community and whatever else is declared in their vision or mission statements. To accomplish these long-term objectives, however, companies must first serve their clients/customers well, deliver additional value and delight customers in order to continue making profits. Some of the profit will then go toward growing the business, paying a decent return to stockholders, developing and rewarding competent employees, innovating, engaging in research and development, enhancing community services and protecting the environment. It is with this in mind that we approach the subject of developing future competent employees – namely, to enable companies to increase or maintain their performance and profitability in order to continue to offer their products and services to their stakeholders and society.

What can Palestinian organizations do to cultivate competence and help future leaders develop themselves? More specifically, what are the most effective systems, processes and methods to train and develop human capital? Who are the parties that have the resources and responsibility to develop future leaders? Referring back to [Chapter 5](#), how can the immediate managers, CEOs and human resource professionals improve people's performance (recall the three legs of the tripod, and that performance is a function of AMO)? We will attempt to answer these questions in this chapter.

## **THE KEY ROLE OF COMPETENCIES**

There are literally thousands of competency systems, approaches and models that have been designed to assist organizations in their HR practices: recruiting, managing performance, training and developing employees, identifying high potential and implementing succession plans. However, we ought to bear in mind that these competency systems are simply good *tools*, which, like any other tools, are effective only if and when used appropriately. Top managers and HR professionals should always remember what Abraham Maslow (1966) once said: 'I suppose it is tempting, if the only tool you have is a hammer, to treat everything as if it were a nail'. In short, a competency system is merely one of the inputs that are considered when making decisions on developing future leaders.

A good way to describe competencies is to use the popular metaphor known as the 'Competency Iceberg'. Only 12 percent of the iceberg is above water; this 'tip of the iceberg' represents knowledge and skills, which are relatively easy to learn. The submerged 88 percent represents motives, personal attitudes and emotional intelligence (EI), which are much harder to influence.

Knowledge (gained through education) and skills (gained through work experience and training) give a person the expertise to do an efficient job. Attitudes, motives and EI determine how a person goes about doing the job in an effective manner. Attitudes and EI shape behavior and how a person handles teamwork, leading others, customer service, initiative, perseverance, self-confidence, empathy, emotional self-awareness and adaptability, to name but a few. In [Chapter 6](#), we discussed the ingredients for success, and when and how people learn these competencies. But which



competencies are most useful? Which are culture-specific? And, other than acquiring certain competencies, what else is required to develop people for leadership positions?

Based on the current and earlier research findings (Meirc Training & Consulting, 1989; Muna, 2003; Muna and Zennie, 2011), we have constructed a new framework (Figure 8.1), which suggests that the ten ingredients for success are linked to competencies and that a large number of these competencies are required for leadership success.

Further, the framework suggests three stages of leadership development. The first stage is the early years, from childhood to a person's early twenties. The second stage begins when a person starts a career and embarks on the journey to success, which requires hard and smart work, getting support from mentors and an insatiable thirst for continuous learning. For successful executives and leaders, the third stage is achieving success through hard work, outstanding work achievements and accomplishments, and eventual promotions, rotational assignments or career moves/changes. Thus:

Ingredients for success → Competencies → Leadership success.

The ten ingredients for success (shown on the left), competencies and the three stages of leadership development (shown on the right) will serve as our guide, or roadmap, as we discuss five key actions required for recruiting, motivating and developing future Palestinian leaders. The five HR tasks covered in this chapter are:

- recruitment;
- performance and reward management;
- identification of potential;
- training and career development; and
- succession planning.



**Figure 8.1 Ingredients, competencies and leadership success**

There are literally thousands of books and articles on each of these subjects; thus, we shall limit our discussions to some basic, but salient, points meant to encourage and accelerate the development of future Palestinian leaders.

## **RECRUITMENT: USING COMPETENCIES AND INGREDIENTS FOR SUCCESS**

When recruiting talent, successful companies do not evaluate candidates only on knowledge and skills; they attempt to discover specific competencies and they also try to assess the candidate's potential for taking additional future responsibilities. However, competencies and potential are very difficult to discover at the recruitment stage – and particularly for people who are starting their career.

Competencies, including EI competencies, are best discovered by observing repeated behavior on the job (think of creativity, clarity of purpose, initiative, teamwork or customer service). Therefore, the problem becomes much more complicated when one tries to identify or assess the potential of new graduates who are just starting their career.

Unless an organization has a fairly sophisticated recruitment system, further complications will arise since competencies are occupation-specific and vary in difficulty and complexity according to the level of the job. Just as each profession or job has its related knowledge and skills, so with attitudinal competencies. For example, safety is an essential competency in dangerous occupations (for example, in the oil and energy industry – but it is not as essential in banking services, it would seem!). Safety in the energy industry is also everybody’s business – from the field operator to the CEO. But most other core competencies vary in complexity with the level of the job. For example, to a CEO, ‘clarity of purpose’ means developing strategic plans and ensuring that there is clarity and integration in the business plans for the whole organization. For a middle manager, on the other hand, ‘clarity of purpose’ may mean identifying departmental goals and targets, setting priorities and monitoring progress.

Therefore, our first recommendation is to use competencies carefully and wisely when recruiting talent. Do not restrict your interviewing efforts to discovering knowledge and skills; allocate enough time during the interview to look for evidence of competencies and potential, including self-motivation – a subject we discussed earlier. Recruiting talented and self-motivated talent is perhaps the most critical part of talent management.

In [Chapter 5](#), we argued that  $P = AMO$  and that 50 percent of motivation is self-motivation, and thus we urge companies to use the early ingredients for success to discover if a candidate is self-motivated, particularly when recruiting young talent – high school and university graduates. This requires further explanation.

Let us take one of the important ingredients: quality of education. Candidates should of course be asked about their GPA (Grade Point Average), but that is definitely not enough. GPA is a reflection of IQ and good studying habits, but it does not reflect social and emotional competencies such as leadership, teamwork, communication skills and so on. These competencies are learned through participation in extracurricular activities such school events, sports, debating clubs, drama and music, charity and part-time work during vacations. Moreover, the GPA alone usually reflects one’s ability to study, memorize books and notes, and pass exams, but not necessarily creative or analytical thinking abilities – or what is called the stretching of the mind. Recruiters should therefore inquire and probe deeply into the extracurricular activities in which the graduate

engaged during his or her high school or university years. Probing will yield much better results if candidates are asked which competencies were learned, and how they were learned, rather than simply listing the number or frequency of extracurricular activities.

Here is an example of another important ingredient for success: self-development. Ask about the candidate's favorite habits and methods of seeking knowledge: which books, magazines, newspapers and journals has he or she read recently? Which Internet sites and TV shows has he or she seen and why were they educational? Did any significant events, crises or people influence the candidate, and what lessons were learned from them? In short, the objective of the interviewer is to reveal if there is a credible history of genuine learning, a passion to learn and an insatiable thirst for continuous learning and self-improvement. Finally, all five ingredients that are usually learned during the early years (stage I in [Figure 8.1](#)) ought to be covered during the recruitment interview – namely, the remaining three ingredients: early responsibility; ethics and values; and exposure and role models. The answers that candidates give should reveal the extent of their self-motivation.

Below are some quotations from the Palestinian executives we interviewed for this book demonstrating how some of the early ingredients for success helped them later in their careers:

*I developed my leadership skills through on-the-job training and attending courses. Also, by working with international companies – all of this gave me exposure to modern management tools.*

\*\*\*\*\*

*I attribute my success in part to my love for reading ... anything I can get my hands on: articles, magazines and books.*

\*\*\*\*\*

*As the oldest boy, I assumed responsibility for the family since I was 13 years old.*

## **PERFORMANCE AND REWARD MANAGEMENT**

Performance management (PM) systems are plentiful; they range from the simple performance appraisal of ticking off traits to using a 360-degree appraisal where an employee receives feedback from subordinates,

colleagues, clients and the immediate manager. One of the problems with PM systems is that they are not easily transferable from one company to another or from one culture to another. More specifically, each organization ought to develop its own PM system that fits its unique circumstances, corporate culture and unique strategy. Another problem with PM systems is that some of them attempt to accomplish too many things at the same time: *evaluate performance, recommend pay increase or bonuses, determine individual training needs and identify high-potential employees*. No wonder that many of these systems fall short on delivering the desired results; it is another example of misusing a hammer that Abraham Maslow warned us about earlier. Yet, organizations must do all four tasks (those shown above in italics) in order to motivate, engage, develop and retain their employees, and thus enhance the organization's profitability and longevity.

In this brief section, we shall discuss performance appraisals which are designed to provide feedback on work performance. Feedback, if done well, motivates employees. We all need feedback; it is the 'breakfast of champions' and athletes, according to Blanchard and Johnson (1982). Can you imagine an Olympics event that does not keep scores? Or an athlete who continues to perform well even if not given any feedback? On the other hand, annual performance reviews can be demotivating to employees if not handled well. First, feedback should be part of a continuous management process (not a one-off, annual excruciating event for both the employee and the manager). If a year-end report is necessary, it *should not be a surprise* to the employee, but a *summary* of the feedback that was provided throughout the year. The same is true for quarterly or semi-annual performance appraisal reports.

Second, feedback should be viewed as part of continuous on-the-job coaching and training – not meting out nonspecific criticism or praise. Long ago, Blanchard and Johnson wrote: 'Try to catch your people doing something right!' (1982, 45). Line managers and HR professionals ought to take note of this advice when managing others or when designing appraisal forms.

Third, performance appraisal systems ought to include active participation by the persons whose performance is being appraised. In an extensive study conducted in Palestine by one of the authors, it was found that lack of participation in setting performance criteria and standards, along with the absence of mutually agreed goals and targets, led to

considerable dissatisfaction and hence lower motivation for both the appraiser and the appraised (Khoury and Analoui, 2004). In addition, the study, which covered five Palestinian universities, showed that external factors such as cultural constraints, the unpredictable political and economic environment, and the lack of financial resources were not taken into consideration when appraising performance, thus making the traditional appraisal systems even more ineffective. The study recommended action to deal with the cultural and financial factors. It also concluded that:

*Formal training seminars should be provided for managers and department heads. These seminars should stress the importance of goal setting, coaching, upward appraisals, interpersonal skills, empowerment, participation, and feedback and recognition of good performance.*

This brings up the popular method known as the 360-degree appraisal. In Arab cultures, and especially in Palestinian culture, it is difficult for an employee to openly and subjectively evaluate his or her immediate manager, even if the employee is told that it will be done in a confidential manner. As we saw, Palestinian companies are rather small (averaging 281 employees); thus, a perceived lack of confidentiality may pose a problem and a fear of reprisals may discourage employees from being open. In addition, deference to authority (power distance) and high respect for the manager do not encourage employees to criticize their boss (or colleagues). An alternative partial solution is to include in the performance appraisal these two questions: 'How frequently does your manager give you feedback on your performance?' and 'How useful was the feedback you have received?' These two questions are sufficient indicators as to whether the manager tries to 'catch employees doing something right' or even 'doing something wrong', and what types of constructive action are taken as a result. Their presence on the appraisal form should also encourage managers to give feedback more often so that they themselves can avoid receiving embarrassing responses.

The 360-degree tool may work best for training and development purposes if it is not linked to pay increases or promotions. Although not a panacea, this approach can also be useful for identifying potential and succession planning purposes.

Our recommendation, therefore, is to design a performance appraisal system keeping the following in mind:

- Use target-based appraisals: targets that are derived from, and are linked closely to, strategic and operational objectives. Use *SMART* targets: Specific, Measurable, Achievable, Realistic and Time-specific. These targets should be mutually agreed before the start of a new year and then used to measure employee performance. Since targets are normally spread over the annual cycle (monthly, quarterly, semi-annually, etc.), they serve as built-in mechanisms leading to several reviews throughout the year. Moreover, agreed targets may be revisited during the year and replaced with newer targets in line with changing business conditions.
- Individual targets (five or more per year) may include, if feasible, one or two team, departmental or organizational targets.
- Overall ratings should be even numbers/categories rather than odd numbers – four rather than the commonly used five, for example:

|      |      |     |           |             |
|------|------|-----|-----------|-------------|
| Fair | Good | ... | Excellent | Outstanding |
| 1    | 2    | ... | 3         | 4           |
| D    | C    | ... | B         | A           |

Why an even number? An even number of ratings ensures that managers do not ‘sit on the fence’; they have to take a clear-cut stand. In this example, a rating of 1 indicates that an employee is doing a fair job but did not accomplish any of the targets. A rating of 2 indicates that an employee is doing a good job and that he or she may have completed some of the targets. A rating of 3 indicates that an employee is doing a very good job and is completing most of his or her targets, and a rating of 4 stands for successful completion of all targets and more. Thus, a line is drawn between 1 and 2 (doing what a person is being paid for) and 3 and 4 (rewarding a person for better than expected efforts – for walking the extra mile).

Clearly, this rating method of performance appraisal should be put in writing and must be discussed at length with employees when they join the organization.

- If feasible, performance appraisal meetings should be held at a separate time from meetings announcing pay raises, bonuses or promotions. Why? Pay raises, bonuses and promotions usually take into account many variables, including, but not restricted to, performance ratings; this practice lessens the chances of potential conflict and confrontation when annual appraisals take place.

## **IDENTIFICATION OF POTENTIAL**

Identifying high-potential employees is not easy, even for companies that have sophisticated HR systems. The greatest problem is to mistake excellent work performance for high potential. High-performance employees (with good appraisal ratings) usually make up the majority in any company. They love their work, they are highly motivated and most of them do not wish or actively seek higher responsibility. They deserve and have earned the right to a lot of care, attention and training. After all, they are the bread and butter of the organization. However, promoting these employees merely because of their high performance and without adequate training and development may result in fulfilling the Peter Principle: 'In a hierarchy every employee tends to rise to his level of incompetence' (Peter and Hull, 1998, 172).

High-potential employees (or high flyers) are both hardworking and talented, and most of them know it. They possess leadership and managerial skills, technical knowledge and the right attitudes required for their current job as well as for more responsible future jobs. They are highly self-motivated, ambitious and have the capability to take on more responsibility. They too deserve a lot of attention, otherwise they may fly away looking for greener pastures. They are fewer in number and are highly sought after by headhunters and other organizations, a problem faced by several companies in Palestine, as we saw earlier.

High-potential employees are also identified by observing their work behavior on a number of competencies, including EI competencies. However, some of the competencies that were identified by Goleman and his co-authors (2002) as mandatory were found to vary in importance from one national culture to another. For example, Boyatzis and Ratti (2009) found that effective Italian executives scored high on oral communication, networking and persuasiveness, and less so on emotional self-control.



Similarly, Muna and Zennie (2011) found that Middle Eastern leaders placed a low ranking on emotional self-control and emotional self-awareness, two of the essential EI competencies according to Goleman et al. It seems that it is acceptable for people in Mediterranean countries and the Middle East to display more emotions at work, and thus place less weight on some of the emotional competencies, than people in Northern Europe or North America do (Caruso, 2008). In short, it is recommended that companies identify and use a set of competencies that fits their specific vision and corporate culture as well as their national culture.

To attract and attempt to retain a large number of high-potential employees may be problematic and expensive. Too many high flyers will result in a high turnover and high frustration levels among the high flyers; too few will reduce management's choice for succession and promotional purposes, and will create the false feeling that they are the 'anointed princes' or 'heirs apparent'. Finally, there is one important observation about evaluating potential: people and circumstances change, so evaluations must be dynamic and continuously reviewed. One must reassess potential annually based on demonstrated behavior on the job. It would be a tragic mistake to *permanently* label a person 'high performer' or as having 'high potential'; that is why some organizations call these assessments 'current estimated potential'.

## **TRAINING AND CAREER DEVELOPMENT**

In [Chapter 6](#), it was reported that 72 percent of the Palestinian executives we spoke with said that the training they received was 'very beneficial'; 19 percent found it 'somewhat beneficial' and none said that it had 'very little benefit'. The purpose of training, we were repeatedly told, was not merely to acquire specific knowledge and skills, but equal benefits were gained through sharing ideas and experiences with others, exposure to different cultures and building networks. A Palestinian executive described this approach as follows:

*Our company sends its executives and managers to one-week training courses outside Palestine (where it costs a minimum of around \$10,000 per person) just so they can gain exposure and learn new things. And when they come back, we see a difference in attitude.*

Training is usually short-term in nature and covers job-specific knowledge and skills, while career development programs are usually long-term

oriented, with objectives designed to prepare high-potential employees (the high flyers) for higher managerial and leadership positions:

*An employee coming into a new company must go through a learning phase ... and this learning phase requires investment. (A Palestinian executive)*

Training and career development are investments that companies make to enhance the competencies of their people. In short, they are investments in human capital, and, as with all other investments, companies expect to realize a return on these investments. Here are some examples indicating that training has resulted in a return on the training investment: changes in behavior on the job, improvement in the quantity and quality of work, increased sales, better customer service, better safety records, improved teamwork, higher productivity, lower waste and new employee suggestions. Furthermore, as we were reminded by some of the Palestinian executives we interviewed, training your employees ‘shows genuine interest’, ‘caring’ and ‘good treatment’ – and this may lead to increased motivation.

To identify individual training needs, the immediate manager and the HR specialist look for gaps in the knowledge and skills of each employee. Most of these gaps are identified through the performance appraisal system. When sending an employee to a training course, seminar or conference, the company must make it very clear that it expects a return on its investment. Therefore, employees should be asked not only to submit reports (the minimum) but also, upon their return, to train others in their section or department – or at least to share the newly-gained knowledge – thus spreading the knowledge they acquired. Another recommendation is to avoid sending employees to training events as a reward, a fringe benefit or for rest and relaxation (humorously referred to as ‘R&R’).

Other training needs are derived from the company or department, such as the need to train employees (or new employees) on new policies and procedures, new equipment, products, software applications or strategic initiatives. The identification of training needs is a relatively uncomplicated process that is learned through practice and/or short courses. Our research findings show that Palestinian executives are well aware of the process and the benefits of training their people (76 percent of the companies paid for the training, with very few receiving subsidies from outside agencies). When designing career development programs, HR specialists use the same approach to look for gaps between the employee’s current competencies

and the competencies needed for the target job. The HR career counsellor will gather the necessary data about the employee from:

- a. the individual himself and his or her file;
- b. the immediate manager;
- c. colleagues; and
- d. others who work closely with the person.

This process becomes similar to the 360-degree feedback, albeit in an informal manner. Of course, career development plans usually include numerous developmental activities. Some of these activities are designed to fill specific gaps in knowledge or skills through short-term training, while others are career-building events – more intense, hands-on and longer in duration. Most career development plans (such as the ones designed by one of the authors) ranged from one year to three years in duration, with frequent reviews carried out after each phase of the plan. Below are 15 developmental activities to consider:

1. Special assignments (benchmarking best practices).
2. Projects (individual/team), such as reviewing work practices, policies and procedures, or departmental forms/reports.
3. Deputizing (in an acting position) during vacations.
4. On-the-job training (OJT) and delegation by the immediate manager.
5. Cross-rotational assignments (job rotation within the same department or with other departments).
6. Secondment (on loan for a year or longer to sister companies, partner companies, other branches, etc.).
7. Coaching by the immediate supervisor or manager.
8. Mentoring by a person other than the immediate manager.
9. Attending and conducting meetings.
10. Attending courses, seminars and conferences.
11. Reading relevant books and journals.
12. Online education, distance learning.
13. Higher education (MBA, professional certificates, etc.).
14. Internet, social media and networking.

15. Visiting other countries, learning a new language, becoming culturally sensitive through travel, watching foreign TV shows, reading foreign books, etc.

## **SUCCESSION PLANNING**

Somewhere in Palestine, an old grocery store owner is thinking: ‘Who will take care of my grocery store if I fall sick or decide to retire?’ Of course, this hypothetical example is not restricted to Palestinian grocery store owners; we believe that most grocers all over the world are thinking of ‘succession planning’. Yet, it is surprising that many large organizations around the world do not use succession plans. Two recent studies showed that global companies fail at designing and using succession planning systems. The first study by Fernandez-Araoz et al. (2011) found that North American, Asia and European companies are not doing a good job at succession planning:

*According to a global study we conducted, only 15 percent of companies in North America and Asia believe that they have enough qualified successors for key positions. The picture is slightly better in Europe, but even so, fewer than 30 percent of European companies feel confident about the quality and amount of talent in their pipeline.*

The second study found that many European companies do not have ‘talent plans’. *People Management* online magazine (September 2011) covered a report entitled ‘Creating People Advantage 2011 – Time to Act: HR Certainties in Uncertain Times’, which was published by the Boston Consulting Group in collaboration with the European Association for People Management:

*Six in ten companies have no ‘systematic or strategic approach’ to recruiting, developing and retaining talent to meet future business needs, found the survey, which questioned more than 2,000 executives across 35 European countries about trends in HR. More importantly, this study discovered that 53 percent of the most successful organizations – measured by revenue and growth over the past three years – had established an integrated talent management strategy. By contrast, only 27 percent of the less successful companies had done so. (People Management, 2011)*

Given that 62 percent of the Palestinian companies covered by the current research are small family-owned businesses, it becomes imperative for the first and second generations to take succession planning seriously. Studies of family-owned businesses from around the world show that succession planning is critical, as reported in a recent *Harvard Business Review* article:

*Some 70% of family-owned businesses fail or are sold before the second generation gets a chance to take over. Just 10% remain active, privately held companies for the third generation to lead. (Stalk and Foley, 2012, 25)*

The article provides sayings from different cultures that describe this phenomenon:

- Brazil: *'Rich father, noble son, poor grandson'.*
- China: *'Wealth never survives three generations'.*
- Mexico: *'Father merchant, son gentleman, grandson beggar'.*
- Italy: *'From the stables to the stars and back to the stables'.*
- USA: *'Shirtsleeves to shirtsleeves in three generations'.* (2012, 26)

A notable exception is the famous Palestinian Zalatimo Sweets Company, which was established in 1860 by Mohammad Zalatimo. The founder opened a small pastry shop in the old city of Jerusalem within the ancient walls. The same pastry shop still exists and it is located near the Church of the Holy Sepulchre, not far from Al-Aqsa Mosque (المسجد الأقصى or *al-Masjid al-Aqsa*). Five generations and 152 years later, Zalatimo Sweets Company operates in four countries outside Palestine (Bahrain, Jordan, Kuwait and Qatar) and sells its products worldwide over the Internet (including its famous *baklava* and *mamul*).

Succession planning is a critical function for both small and large companies. And yet the majority of companies fail to take it seriously. Is it a matter of conflict of interest – an attempt by senior executives to protect their positions, especially the CEO position? Or is it a failure by the board of directors to consider the long-term interests of the company? We believe that it may be a combination of both. Consider the recent experience of two well-known major American companies: Hewlett-Packard (HP) and Procter & Gamble (P&G). HP's board of directors neglected their succession planning responsibility and the company was forced to find four CEOs from outside the company within 12 years. By contrast, the first action taken by P&G's former CEO when he took office was to actively engage his board of directors in the process of finding his own replacement (Lafley, 2011).

Succession planning at P&G is not restricted to the CEO position; the top 500 executives are selected after being identified as those with the

highest potential. The criteria for selection are tough, rigorous and seemingly prohibitive, but apparently the system works for P&G (see boxed text on the next page).

What can much smaller, less financially capable Palestinian companies do about their succession plans? If they have established a good performance management system and a method of identifying high-potential employees, then they are almost there. We recommend that they start with two very simple succession planning tools, with which we are familiar and have used in the past; see [Figures 8.2](#) and [8.3](#). Of course, there are more sophisticated software applications and packages on the market that make succession planning easier to use; HR professionals ought to search the Internet for articles, books and software packages on this subject.

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### **P&G'S CRITERIA FOR SENIOR EXECUTIVES: CHARACTER, VALUES AND INTEGRITY**

- Proven track record: business financial, and organization performance.
- Capability and capacity builder.
- High energy and high endurance.
- Visionary and strategic leader.
- Inspiring, courageous and compassionate.
- Productive relationships with colleagues, partners and other external stakeholders.
- Embraces change. Leads transformational change.
- Calm, cool and resilient in the face of conflict and criticism.
- Institution builder. Prioritizes greater good and longer-term health of the company.

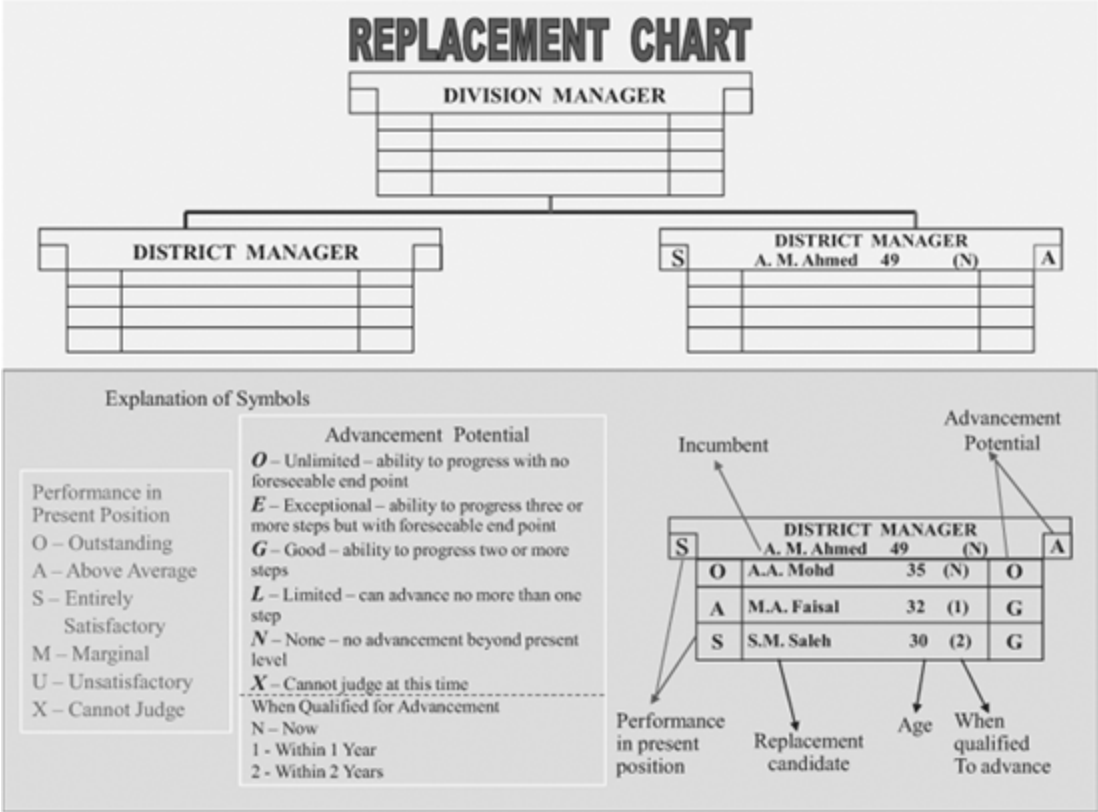
*Source: Lafley, 2011, 72.*

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The replacement chart ([Figure 8.2](#)) shows that there are three potential replacements for the district manager. The first person is 'ready now', the second could be 'ready within one year' and the third 'ready in two years'. It certainly would be worrisome, if not extremely risky, if a company is unable to put forward at least one person as a potential replacement for each

key position. Incidentally, the replacement chart should be treated as ‘strictly confidential’, to be seen only by top management and definitely not by any of the persons shown on the chart as potential replacements.

The succession planning chart (Figure 8.3) lists planned moves in each department for persons in supervisory and managerial posts. Some of these planned moves may be due to pending retirements, successful completions of career programs or rotational assignments.



**Figure 8.2 Replacement chart**

| <b>SUCCESSION PLANNING CHART</b> <i>CONFIDENTIAL</i>                |           |     |                         |                         |                         |  |          |
|---|-----------|-----|-------------------------|-------------------------|-------------------------|--|----------|
| DEPARTMENT: Engineering   |           |     | JOB SUCCESSION CHART    |                         |                         | Date : Jan. 2013   | PAGE : 1 |
| JOB PRESENT INCUMBENT<br>DATE IN JOB<br>EMERGENCY REPLACEMENT       | Job Group | Age | 201_                    | 201_                    | 201_                    | COMMENTS   |          |
|   |           |     | J F M A M J J A S O N D | J F M A M J J A S O N D | J F M A M J J A S O N D |  |          |
| Department Head<br>A. Ahmed<br>Oct. 2001-<br>ER : M. Mahmoud        | 15        | 46  | A. Ahmed                | →                       | S. Salem                | Ahmed to be promoted to Supt. Operations effective 12-1-2011. Required 11-1-2011. Salem requires 4 weeks before taking over. |          |
| Mech. Eng. – Engineer II<br>S. Faisal<br>Nov. 1999<br>ER : ?        | 13        | 58  | S. Faisal               | →                       | J. Khalifa              |  |          |
| Mech. Eng. – Engineer III<br>J. Riyad<br>Sep. 2005<br>ER : ?        | 11        | 37  | J. Riyad                | →                       | ?                       |  |          |
| Mech. Eng. – Engineer III<br>A. Farid<br>Aug. 2010<br>ER : ?        | 10        | 29  | A. Farid                | →                       |                         | Farid ready for promotion mid 2011-  |          |
| Civil Eng. – Engineer II<br>S. Salem<br>Jun. 2002<br>ER : A. A/Aziz | 11        | 39  | S. Salem                | →                       | A. A/Aziz               | S. Salem vacates job end September. A. A/Aziz requires only two weeks handover.  |          |
| Civil Eng. – Engineer III<br>A. A/Aziz<br>Mar. 2010<br>ER : ?       | 10        | 28  | A. A/Aziz               | →                       | ?                       | A. A/Aziz vacates job mid September. No replacement scheduled. New graduate intake?  |          |
| Civil Eng. – Engineer III<br>M. Mohd<br>Jun. 2010<br>ER : A. Hamid  | 10        | 26  | M. Mohd                 | →                       |                         | M. Mohd may resign at short notice.  |          |

Figure 8.3 Succession planning chart

## ROLES OF SENIOR MANAGEMENT, HR AND THE INDIVIDUAL

In Chapter 3, we discussed how senior Palestinian executives perceive their roles while managing their companies and developing their people. Perhaps the most crucial long-term role is the one covered by this chapter – namely, developing people. Put simply, CEOs should not delegate some of the tasks discussed in this chapter to HR specialists or middle managers – at least not for higher-level positions in the organization.

Larry Bossidy, the former Chairman and CEO of AlliedSignal, wrote a short but classic *Harvard Business Review* article titled ‘The Job No CEO Should Delegate’ (Bossidy, 2001). The ‘Job’ Bossidy was referring to was recruiting and developing talent. He wrote:

*I’m convinced that AlliedSignal’s success was due in large part to the amount of time and emotional commitment I devoted to leadership development. (Bossidy, 2001, 46)*



The same sentiment was echoed ten years later by A.G. Lafely, the former CEO of P&G. He and his board of directors began the process of selecting and developing succession candidates as soon as he took office as CEO. Lafley ends his own article with these telling words:

*And no other issue does more to put the greater good and long-term health of the institution ahead of personal or other short-term considerations. (2011, 74)*

Talal Abu-Ghazaleh is one of the most successful Palestinian business leaders in the Arab world. He founded a company that eventually became an institution and whose significant achievements include: several successful firms; founding and supporting a graduate school of business; setting accounting and auditing standards; and publishing dictionaries and books in Arabic on accounting standards, information technology and intellectual property. He also strongly believes in the development of people. He wrote on his personal website:

*Throughout all the years and in everything we do, we have focused most of all on the development of human capacity, beginning with our own professional staff, and leveraging their expertise to enrich the Arab community. We have embraced the concept of the 'knowledge worker' and have sought to empower our people and the Arab world's people to dream, to imagine, and to create. (Abu-Ghazaleh, 2011)*

Of course, not all of the burden of developing people should fall on the shoulders of a CEO or general manager; HR professionals ought to become strategic partners by providing the latest and best practices, and adapting them to the Palestinian business culture and contexts. Other key partners in the process of building effective human capital are immediate managers. These managers are best situated to do the most for their employees – after all, to a great extent they owe their success to their employees. As was aptly expressed by one of the Palestinian executives we interviewed:

*In my opinion, an effective leader is the one who develops himself first, and then develops others to become ready to take his place when he is promoted.*

Another Palestinian executive viewed employee development from a different perspective:

*If a manager is unable to develop his people (for example, by spreading knowledge and instilling work ethics), his people won't respect him and they will not follow him.*

Many of the Palestinian executives we interviewed for this book attributed their success in part to one or more 'role models'. One frequently

mentioned role model was a current or past manager – a person whose influence was greatly appreciated and whose influence was not easily forgotten. As parents, managers and teachers, both authors are fully aware that developing people is a fulfilling experience and richly rewarding for both the giver and receiver.

Finally, at the risk of repeating ourselves, we say to the aspiring individual: learn, learn and learn some more – it is indeed ‘from the cradle to the grave’. Our message has come full circle: development always begins with self-development. Active encouragement and support from top management and HR makes the journey to leadership success much more enjoyable and rewarding.

We end this chapter with a quotation from a Palestinian executive whose words we wholeheartedly endorse:

*The training activities that I undertook over the years convinced me that a person needs continuous learning and development; and that the more one knows, the more he realizes that there is more to learn.*

## 9 Suggestions for Future Research

*This is not the end. It is not even the beginning of the end. But it is, perhaps, the end of the beginning. (Winston S. Churchill, November 10, 1942)*

Even though much research has been conducted on the subject of leadership, we are still at the beginning – especially when it comes to understanding organizational leadership in non-Western cultures. Furthermore, understanding leadership in non-Western countries has suffered from two major drawbacks.

First, many researchers have examined organizational leadership through Western lenses. For instance, the rich and monumental work by Geert Hofstede (1980, 2001) and the equally monumental GLOBE project (House et al., 2004) are good examples of epically-oriented research (both are described in [Appendix A](#)). What is missing and desperately needed are ‘culture from within’ studies or emically-oriented approaches.

Second, most cross-cultural leadership studies have focused on small parts or aspects of the leadership process without looking at culture, macro-level variables and context – it is akin to describing an elephant when observing it while staying very close, within touching distance, and from only one side of the elephant. More holistic approaches, we believe, are required.

In this book, we have endeavored to understand Palestinian executives whilst taking into account both of the above limitations. Yet, this was only the beginning of an exploration. Much more research is required, and we devote this short chapter to offering some specific research suggestions to current and future MBA and PhD students, and academicians in Palestine and elsewhere.

Other than replicating the present research in different organizations, listed below are a number of suggested future research topics, presented under three different categories.

### **STUDIES OF PALESTINIAN BUSINESS LEADERSHIP**

#### **LEADERSHIP STYLES AND PRACTICES IN PALESTINIAN FIRMS**

This suggested indepth research aims for a better and deeper understanding of managerial and interpersonal styles and practices at 10–12 similar and carefully selected Palestinian companies. The research would involve interviews with a representative sample from each company, including: one top-level executive, two middle-level managers, three lower-level supervisors and five line employees. Therefore, this indepth research would require a total of approximately 110 to 130 face-to-face interviews and at least three types of interview questionnaires: one for top management, one for supervisory staff and one for lower-level employees.

#### **LEARNING FROM SUCCESS AND FAILURE: A STUDY OF PALESTINIAN FIRMS**

For this research, select only very few (say, five or six) successful companies and compare their leadership styles and behavior with those in another five or six less successful companies. The criteria for selection would include the companies' performance over a historical period of time and may include measures of profitability, return on equity, market share, growth, etc. The aim is to find whether leadership styles or practices had any significant impact on success or failure.

#### **THE GEOGRAPHY OF LEADERSHIP**

This is a comparative study of Palestinian leaders and executives living and working in three different geographical locations. Here, a researcher would compare the following three groups:

- a. a carefully selected group of successful Palestinian executives and managers in Palestine (N = 50);
- b. Palestinian executives in other Arab countries (N = 50), say, in Jordan, Lebanon, and the GCC countries;
- c. Palestinian executives in Western countries (N = 50), such as in Europe or the USA.

#### **A COMPARATIVE STUDY OF PALESTINIAN MANAGERS**

This is a comparative study of managers in the public and private sectors in two countries, for example, in Jordan and Palestine. This research would compare public servants in the two countries as well as comparing them with managers from the private sector. Thus, three samples would be required:

- a. around 30 high-level managers from the Palestinian government;
- b. around 30 Jordanian managers from the Jordanian government; and
- c. around 60 managers from Palestinian firms (publicly and family-owned firms).

The research findings of this book would eliminate the necessity of interviewing the 60 managers from private and public firms.

#### **A LONGITUDINAL STUDY**

This suggested research is probably the most difficult and the lengthiest. It involves tracking a number of high-potential Palestinian managers over a long period of time. A large number of executives should initially be selected due to the likelihood of attrition. The aim is to track their careers and discover the factors that may or may not have contributed to their success or failure. Because of the repeated interviewing and observation at the individual level over a long period of time, longitudinal studies have more power than cross-sectional studies.

#### **THE ROLE OF CHILD UPBRINGING AND EDUCATION IN MAKING SUCCESSFUL LEADERS**

As we have witnessed throughout this book (and from other international studies), the early ingredients for leadership success were frequently mentioned. Thus, a study focusing on, and testing, those early life experiences would be of great value in understanding leadership success. Additionally, instead of asking executives to rank the ten ingredients of success, a researcher can find ways to measure the strength or intensity of each ingredient on a scale of 10. For example, a hypothetical executive would score of 7.7 out of 10 on self-development, 6.9 out of 10 on early responsibility, 3.5 out of 10 on exposure and role models, etc.

#### **THE ROLE OF WOMEN IN MANAGEMENT**

In [Chapter 3](#), an entire section was devoted to the role of Palestinian women in management; we believe that it would be valuable to undertake further research on this important subject. More specifically, researchers could:

- a. compare leadership styles of male and female Palestinian leaders and managers;
- b. study the role that culture may or may not play in the development of women leaders; or

- c. analyze the consequences of having a larger presence of females in organizations – from front-line employees like bank tellers to senior managerial positions, and to appointments to boards of directors – as was mentioned in [Chapter 3](#).

#### **HR SYSTEMS AND PRACTICES IN PALESTINIAN FIRMS**

The objective of this study would be to find out which HR systems and practices work best for developing leaders and which practices have enabled the HR function to play a strategic role in Palestinian firms. Such successful practices could then be compared to those that are not suitable for Palestinian firms. The study would also give the researcher an opportunity to collect and benchmark the best HR practices with those found in other companies elsewhere in the region.

#### **ARAB STUDIES**

There is a dearth of scholarly work on management in the Arab world, given that it has a population of more than 350 million people. Instead, we find bits and pieces of original work here and there on specialized topics such as HR practices or Arab women in management. We appeal to scholars to fill this glaring gap.

A good start would be to replicate and test our study of Palestinian executives or the research conducted by Muna and Zennie (2011). A researcher can use the same open-ended, semi-structured questionnaire we used – but with a similar sample of Arab executives from one of the neighboring Arab countries. It would also be interesting, for instance, to find out whether Arab executives from countries in the Middle East would be different from executives in Arab countries in North Africa.

#### **CROSS-CULTURAL STUDIES**

It would be worthwhile replicating existing studies of Middle Eastern or Palestinian executives using a similar open-ended, semi-structured questionnaire with business executives from different cultural backgrounds. For instance, researchers could conduct a new study comparing Arab executives with other groups of executives from Southeast Asia, Latin America, North America or Europe. This type of research would be of great value if conducted in collaboration with a multidisciplinary and multicultural team of researchers.

In brief, this type of cross-cultural research is needed to find out whether there are any significant variations across cultures in leadership and interpersonal styles. Further, how much of the variance is explained, or accounted for, by the independent variables within each culture and across cultures?

A final plea to future researchers: we exhort future writers to embark on original research rather than attempting to replicate or test existing Western studies or concepts. We are aware that this will mean harder work and will be more time-consuming, and thus more costly; however, the results will be by far more beneficial and memorable. Let us try to make a difference by contributing our share and by providing a new perspective to the scholarly study of cross-cultural leadership.

## **Appendix A: Cross-Cultural Leadership – A Brief Literature Review**

Thousands of books and articles have been written on the subject of leadership over the past few decades. There are several academic journals devoted to the subject, including *The Leadership Quarterly*, the *Journal of Leadership and Organizational Studies*, and the *Leadership and Organization Development Journal*. Perhaps the most comprehensive and definitive review of leadership literature is found in *The Bass Handbook of Leadership*, a 1,500-page book by Bass (2008). The first edition, published in 1974, did not mention cross-cultural leadership. In both the 1990 third edition and the 2008 fourth edition, there is only one chapter on globalization and leadership in different national cultures. Even Warren Bennis, considered to be the leadership guru in the West, only makes passing reference to cross-cultural leadership in his latest 460-page book *The Essential Bennis* (2009).

The subject of cross-cultural leadership was barely mentioned in books published prior to the early 1980s. Yet, by 2012, it would essentially be impossible to write a single chapter that fully covers the research on cross-cultural leadership. In addition, there are now several academic journals dedicated to the subjects of international management and leadership. The explanation for this amazing phenomenon is described below, distinguishing three developmental stages of literature that describe leadership in different cultures.

### **STAGE 1: UNIVERSALITY**

Until the early 1980s, the prevalent thinking among leadership scholars and practitioners was that management and leadership principles were universal. In effect, this school of thought believed that management (and leadership) theories and practices would eventually converge toward a Western style. In a critical review of this school of thought, Karlene Roberts concluded in 1970 that:

*Organizations are rarely viewed as parts of their environment; yet understanding organizational-environmental interactions seems a major practical reason for engaging in*



*cross-cultural research.*

She went on to recommend that:

*more effort be invested in understanding behavior in a single culture, developing middle-level theories to guide explorations, and seeking the relevant questions to ask across cultures. (Roberts, 1970, 348)*

## **STAGE 2: WESTERN CONCEPTUALIZATION OF CULTURE**

This second stage marked the beginning of the decline in the quest for universal leadership principles that apply across all cultures. It started with the monumental research carried out in 50 countries in the late 1970s by Geert Hofstede (1980, 2001) and later by equally important research in 62 societies conducted by House et al. (2004), which was known as the GLOBE study. Their findings were basically the same: *culture does matter*. Culture has a direct impact on leadership and management styles and practices. Indeed, Hofstede went as far as to say that certain management systems or leadership theories that work well in one culture are unlikely to be effective in other cultures. The ‘software’ and ‘mental programs’, which represent culture, differ from one country to another, Hofstede concluded.

Nevertheless, in these and other cross-cultural research, culture was still a Western conceptualization: that is, the topic of leadership in non-Western cultures was investigated using Western concepts and measures. Non-Western leadership practices were often seen as deficient when compared with Western measures of culture. For example, applying Bass’ full range model of leadership and using the multifactor leadership questionnaire in a study by As-Sadeq and Khoury (2006) on leadership styles in Palestinian large-scale industrial enterprises, transactional leadership style was found to be the most frequently used style. A transactional leadership style in Palestinian organizations resulted in a high degree of dissatisfaction among employees, which in turn could have negative effects on the overall performance of the organizations.

Most cross-cultural leadership research has been predominantly ‘etic’ in approach. Western-based research in this field has limitations in its applicability and relevance to other local and national contexts (Jackson and Parry, 2008; Guthey and Jackson, 2011). Culture is considered one of the most significant contextual influences on leadership. No previous study has tried to explore the dynamic relationship and links between leadership

success and culture and context in Palestine through ‘emically-oriented’ leadership research.

### **STAGE 3: MULTICULTURALISM**

We are currently in the third stage of research into cross-cultural leadership. Current studies endeavor to take culture into account, describing differing leadership styles without assigning a value judgment. Much, if not most, of the cross-cultural leadership research to date has been focused on the issue of equivalence – determining whether aspects of leadership and leadership theory are ‘universal’ or are culturally contingent. Guthey and Jackson have criticized recent cross-cultural leadership research for becoming deterministic – when researchers neglect the fact that culture, context and leadership are interacting with each other in a dynamic manner or when researchers assume that culture alone determines leadership styles and practices:

*It would be foolish to argue that there are no constraints placed on leadership initiatives, prerogatives and behaviors. Culture is certainly one of them. So are laws, regulations, governance structures, social norms, organizational politics and procedures, and the preconceptions others share about what leadership is and how it should function. But in its enthusiasm to measure how cultural factors influence leadership, cross-cultural research has generally neglected to consider how leadership influences these factors right back – i.e. how the dynamics of leadership shape and determine the cultures that supposedly shape and influence leadership. (Guthey and Jackson, 2011, 164)*

Criticism of Hofstede’s and GLOBE’s approaches were voiced by Den Hartog and Dickson (2004), Dickson et al. (2006), Dickson et al. (2009) and Nakata (2009), who have called for a more dynamic, interdisciplinary and contextual approach to the study of cross-cultural leadership. In *Beyond Hofstede*, Nakata urges researchers to start on a new journey using different paradigms:

*While the trend is promising in that researchers are honing in on culture as a way of comprehending global economic and market transformations, it also points to a maturing line of inquiry that would benefit from an expansion of culture paradigms. The near-exclusive adoption of the Hofstedeian view means that business researchers have agreed that it captures as a phenomenon all that culture is. Convergence on a single paradigm should signal arriving at the end of a journey of discovery ... However, because few alternative views have been investigated, the journey has in fact just begun. (Nakata, 2009, 5–6)*

Jackson and Parry (2008) rightly make a solid case for taking into account culture, context and situation when studying leadership. Jackson, a professor of leadership at the University of Auckland Business School, coined the 'Geography of Leadership' concept, an appropriate and highly descriptive name. He and his co-author advocate that:

*The place where and the time in which leadership is created influences how the leaders and followers go about co-producing leadership.*

Jackson and Parry comment on the GLOBE research with these words:

*The GLOBE project represents a bold and ambitious step towards broadening the empirical net of leadership research but its theoretical base is still firmly rooted in American soil. We gain a great deal in methodological rigour but lose something in philosophical acuity. House's intentions are unquestionably honourable when he asserts, 'Hopefully, GLOBE will be able to liberate organizational behaviour from the US hegemony' [2004: xxv]. However, we feel that, somewhat perversely, American supremacy in this field is strengthened by this project not challenged. (Jackson and Parry, 2008, 78)*

Another study of leadership at a cross-country level conducted in Germany and the UK by Jepson (2009):

*supports the arguments for the dynamic nature of different contexts such as national, organizational, hierarchical and departmental, and the importance of this interaction for individual participants' understanding of leadership. Implications are drawn for the development of global managers in light of these new perspectives on the interaction of cultural context and leadership.*

In the Arab world, Muna (1980) suggested in his first book, *The Arab Executive*, that:

*certain managerial styles and skills required in the Arab world may differ from those advocated or practiced in Western cultures ... Indeed some of the Western managerial practices may be harmful if applied without adaptation to Arab environments.*

In another study, the Palestinian context, corporate culture, mentality, code of ethics, values and beliefs seemed to play a major role in how Palestinian managers cope with stress under the harsh conditions of occupation (Khoury and Analoui, 2010).

In their book *Developing Multicultural Leaders*, Muna and Zennie (2011) corroborate the significance of culture and context after conducting field research with 310 Middle Eastern leaders from 12 countries. They found that culture, context and situation have a significant impact on the emotional intelligence (EI) competencies, the EI leadership styles and the

decision-making styles of the Arab leaders they interviewed. An article by Muna (2011) represents an extension of that research; it focuses on one of the 12 nationalities covered by the earlier research and it confirms that leaders born and brought up in the same culture, Lebanon in this instance, do in fact adapt to different cultures and diverse followers.

The current 'culture from within' research (an emically-oriented approach) will examine the influence of culture, context and situation on the leadership and interpersonal styles of Palestinian executives. We not only focus on culture, but we also take into consideration context, including the political, economic and social environments, and how they influence (and are influenced by) Palestinian executives.

## **Appendix B: Research Methodology and Statistical Analysis**

### **METHODOLOGY**

The 110 Palestinian executives interviewed for this book were deliberately selected to meet a number of requirements. First, the executives work and live in the West Bank and Gaza. Second, they work in publicly owned companies whose shares are traded on the Palestine Exchange and in private family-owned companies. Third, from each company, we interviewed the most senior executive (the CEO, General Manager or owner) and we attempted (with some success) to interview at least one more middle-level executive nominated by the company and who is considered successful according to the criteria of success specified in our invitation letter, which appears in [Appendix C](#). Fourth, we excluded government ministries and agencies, as well as NGOs. Finally, we interviewed 19 successful women executives to reflect the overall participation rate of women in the workforce.

The interviews were conducted in confidence by a team of six researchers from Birzeit University assisted and directed by one of the authors. Their names appear in the Acknowledgments section. The face-to-face interviews were digitally recorded, then transcribed on the open-ended questionnaire, which appears in [Appendix C](#). Due to travel restrictions, the interviews with most of the executives from Gaza were conducted by Skype or over the telephone. The average duration of the semi-structured interviews was one hour and 14 minutes, and the longest interview lasted two hours. We estimate that each interview took around four and a half hours if one adds together the time for transportation, waiting time and transcribing the recorded interview into the questionnaire. The executives were given the choice of conducting the interview in either Arabic or English. Around 42 percent chose Arabic, 31 percent chose English, and 27 percent used both languages. Finally, the names of the 63 companies and the 110 executives will remain anonymous, as promised.

### **PERSONAL DATA AT A GLANCE**

**Table B.1 Education by gender**

|        | <b>High school/diploma</b> | <b>Bachelor's</b> | <b>Master's</b> | <b>Total</b> |
|--------|----------------------------|-------------------|-----------------|--------------|
| Male   | 10                         | 41                | 40              | 91           |
| Female | 1                          | 8                 | 10              | 19           |
| Total  | 11                         | 49                | 50              | 110          |

**Table B.2 Country of education (for highest degree obtained)**

| <b>Country</b>  | <b>Number of people</b> |
|---|-------------------------|
| Palestine   | 43                      |
| USA   | 23                      |
| UK  | 17                      |
| Jordan  | 7                       |
| Egypt   | 7                       |
| Lebanon   | 3                       |
| France  | 2                       |
| India   | 2                       |
| Canada  | 1                       |
| Belgium   | 1                       |
| Bulgaria  | 1                       |
| Germany   | 1                       |
| Greece  | 1                       |
| Philippines   | 1                       |
| Total   | 110                     |
| (N = 110; 43 were educated in Palestine and 67 outside Palestine) |                         |

**Table B.3 Average age by gender and level**

|                                    |                 |          |
|------------------------------------|-----------------|----------|
| <b>Gender</b>                      | Male (N = 91)   | 44 years |
|                                    | Female (N = 19) | 39 years |
| <b>Level</b>                       | Top (N = 77)    | 44 years |
|                                    | Middle (N = 33) | 37 years |
| Average age (N = 110) = 44.2 years |                 |          |

**Table B.4 Country of birth and average age**

| <b>Country</b> | <b>Number</b> | <b>Average age</b> |
|----------------|---------------|--------------------|
| Palestine      | 86            | 44                 |
| Jordan         | 7             | 46                 |
| Kuwait         | 6             | 41                 |
| USA            | 3             | 37                 |
| UK             | 2             | 32                 |
| Algeria        | 1             | 43                 |
| Czech Republic | 1             | 39                 |
| Egypt          | 1             | 76                 |
| Saudi Arabia   | 1             | 50                 |
| Sudan          | 1             | 48                 |
| Syria          | 1             | 36                 |
| Total          | 110           | 44                 |

**Table B.5 Exposure to other cultures**

|               |                |
|---------------|----------------|
| Low exposure  | 48 executives  |
| High exposure | 62 executives  |
| Total         | 110 executives |

**Table B.6 Ownership and type of business**

| <b>Ownership</b> | <b>Number</b> | <b>Type</b>        | <b>Number</b> |
|------------------|---------------|--------------------|---------------|
| Public           | 24            | Manufacturing      | 24            |
| Private/family   | 39            | Financial services | 15            |
|                  |               | Trade              | 6             |
|                  |               | ICT                | 4             |
|                  |               | Other services     | 14            |
| Total            | 63            |                    | 63            |

**Table B.7 Company size (number of employees)**

|                     | <b>&lt; 50</b> | <b>51–250</b> | <b>&gt; 251</b> | <b>Total</b> |
|---------------------|----------------|---------------|-----------------|--------------|
| Number of companies | 25             | 21            | 17              | 63           |
| Percentage          | 40             | 33            | 27              | 100          |

**Table B.8 Company size (number of employees) by ownership**

| <b>Ownership</b>     | <b>Average size</b> |
|----------------------|---------------------|
| Publicly owned       | 503                 |
| Private/family-owned | 147                 |

**Table B.9 Company-wide planning and type of ownership**

|                       |               | Ownership      |                      | Total |
|-----------------------|---------------|----------------|----------------------|-------|
|                       |               | Publicly owned | Private/family-owned |       |
| Company-wide planning | Under 1 year  | 1              | 13                   | 14    |
|                       | 1–2 years     | 6              | 9                    | 15    |
|                       | 3–5 years     | 38             | 33                   | 71    |
|                       | 6–10 years    | 0              | 5                    | 5     |
|                       | Over 10 years | 3              | 2                    | 5     |
| Total                 |               | 48             | 62                   | 110   |

Table B.10 Correlation matrix for the top six ingredients for success

|                                 | Self-development | Early responsibility | Practical on-the-job experience | Work ethics and values | Quality of education | Exposure and role models |
|---------------------------------|------------------|----------------------|---------------------------------|------------------------|----------------------|--------------------------|
| Pearson Correlation             |                  |                      |                                 |                        |                      |                          |
| Self-development                | 1                | -.134                | -.064                           | -.143                  | -.170                | -.152                    |
| Early responsibility            | -.134            | 1                    | -.165                           | -.168                  | -.352                | .182                     |
| Practical on-the-job experience | -.064            | -.165                | 1                               | -.119                  | .050                 | -.259                    |
| Work ethics and values          | -.143            | -.168                | -.119                           | 1                      | -.167                | .018                     |
| Quality of education            | -.170            | -.352                | .050                            | -.167                  | 1                    | -.184                    |
| Exposure and role models        | -.152            | .182                 | -.259                           | .018                   | -.184                | 1                        |
| Significance (1- tailed)        |                  |                      |                                 |                        |                      |                          |
| Self-development                |                  | .081                 | .254                            | .068                   | .038                 | .056                     |
| Early responsibility            | .081             |                      | .043                            | .040                   | .000                 | .029                     |
| Practical on-the-job experience | .254             | .043                 |                                 | .107                   | .302                 | .003                     |
| Work ethics and values          | .068             | .040                 | .107                            |                        | .041                 | .424                     |
| Quality of education            | .038             | .000                 | .302                            | .041                   |                      | .027                     |
| Exposure and role models        | .056             | .029                 | .003                            | .424                   | .027                 |                          |

Table B.11 Open-door policy by ownership (N = 110)

| Open-door policy  | Ownership      |                      | Total      |
|---|----------------|----------------------|------------|
|   | Publicly owned | Private/family-owned |            |
| 1. Immediate subordinates only                                      | 2              | 2                    | 4          |
| 2. Any level of the company, provided they go through the hierarchy | 24             | 17                   | 41         |
| 3. Any level of the company, without going through the hierarchy    | 22             | 43                   | 65         |
| Total   | <b>48</b>      | <b>62</b>            | <b>110</b> |
| Chi-square = 6.300, df = 2, p. = .043                               |                |                      |            |



## Appendix C: The Semi-Structured Questionnaire and Invitation Letter to Organizations

**Code:** \_\_\_\_\_, **Interviewer:** \_\_\_\_\_, **Date:** \_\_\_\_\_,  
**Duration:** \_\_\_\_\_

**Name of Company:** \_\_\_\_\_

**Total number of employees:** \_\_\_\_\_

**Ownership:**  Publicly Owned  Private/Family-Owned

**Type:**  Manufacturing  Trade  Banking & Financial Services

Investment  Insurance  ICT

Hotel  Other Services

**Current Position/Title:** \_\_\_\_\_, **Years:** \_\_\_\_\_

**Level:**  Top  Middle

**Other Work Experience (Years and Country):**

\_\_\_\_\_

**Age:** \_\_\_\_\_, **Gender:**  Male  Female

**Place of Birth:**  
\_\_\_\_\_

**Education:**  High School/Diploma  Bachelor's  Master's or Higher

**Field/Major:**  
\_\_\_\_\_

**Place/Country of Education:** \_\_\_\_\_

**Training Courses:** (Subject, Duration, Location)

1. \_\_\_\_\_

2. \_\_\_\_\_

**How did you rate the benefits of this training?:**

Very beneficial  Some benefit  Very little benefit

**Why?** \_\_\_\_\_

### Part I

What talents, skills and abilities helped you in achieving success in your career so far?

How did you develop these talents, skills and abilities?

(Where you born with them? When, how and where did you develop them?)

What were the factors, people or events that contributed to your career?  
(Consider: Education, Training Courses, Role Models, Bosses, Job, Luck and Crises)

The following were found to contribute to the acquisition of superior skills, knowledge and attitudes. Kindly rank them in order of their importance to *your* success in life/management.

Please rank from 1 (most important) to 10 (least important). Please do not skip or repeat any ranking.

## Ranking

- \_\_\_\_\_ A. Training (short courses and on-the-job training)
- \_\_\_\_\_ B. Current or previous manager(s): Their positive support and encouragement
- \_\_\_\_\_ C. Practical on-the-job experience, and technical knowledge
- \_\_\_\_\_ D. Quality of education received (including extracurricular activities)
- \_\_\_\_\_ E. Self-development: a thirst for continuous learning
- \_\_\_\_\_ F. Organizational climate and culture, which encourages learning
- \_\_\_\_\_ G. Early responsibility (at home and work)
- \_\_\_\_\_ H. Exposure and role models:  
learning from persons whom you respect and admire.  
Learning from others through exposure and travel
- \_\_\_\_\_ I. Long-term formal career development programs provided by the company
- \_\_\_\_\_ J. Work ethics and values: hard work, integrity, commitment to work and quality of work

## Part II

1. What are the most *challenging* aspects of doing business in this country (Palestine)? (Examples: cultural/social, political, legal/governmental, technological, competition, etc.)

Can you provide an example of a challenging situation which you managed successfully?

2. In order of importance, what are the greatest *pressures* you feel as a manager/executive (and from whom)?
3. How do *you* see your *roles* both inside and outside your company? What *roles* are you playing as seen by those around you at work?
4. Time Horizons

Please indicate on the scale below which period of time best describes your expectations when undertaking the following:

(a) Company-wide planning:

\_\_\_\_\_

Under 1 year   1–2 years   3–5 years   6–10 years   Over 10 years

Why?

\_\_\_\_\_

(b) Return on capital equipment/investments:

\_\_\_\_\_

Under 1 year   1–2 years   3–5 years   6–10 years   Over 10 years

Why?

\_\_\_\_\_

–

5. What proverb or saying would best represent your views and attitudes towards *time* (in Arabic or English)?

6. What are your preferences concerning your own employees ... Would you prefer them to be:

(a) More *loyal*?

(b) More *efficient* in their work?

Why?

\_\_\_\_\_

7. During the recent past, please think of the employees who have asked and were able to contact you or have a meeting with you. Do they belong to:

\_\_\_\_\_ Any level of the company, without going through the hierarchy?

\_\_\_\_\_ Any level of the company, provided they go through the hierarchy?

\_\_\_\_\_ Immediate subordinates only?

8. Could you please name some of the happenings or events that have a direct effect on your business/work, but over which you have limited control?
9. What are the main problems the company is facing now?
10. What can be done to make things better?

### Part III

1. The effective manager is the one who: (please circle one answer only)
  - I. Usually makes his or her own decisions, but later explains the reasons for making these decisions.
  - II. Usually consults with subordinates before making decisions; their opinion may or may not influence his or her decisions.
  - III. Usually meets with subordinates when there is an important decision to be made. Puts the problem before them and invites discussion. Accepts the majority viewpoint as the decision.
  - IV. Usually asks his or her subordinates to make decisions and holds them fully accountable for the outcome of these decisions.
2. Now, for the above types of managers, please mark the one which you would *prefer* to work under (circle one answer only):  
  
I    II    III    IV
3. And to which one of the four types of managers would you say your own *manager* most closely corresponds? (circle one answer only):  
  
I    II    III    IV

### Final questions:

1. How much money was spent on employee training at your company last year?

<\$10,000

\$11,000 to \$50,000

\$51,000 to \$100,000

More than \$100,000

2. Did any of the money come from external funds/donations? \_\_\_\_\_  
What type of training was mostly conducted?

3. How do you motivate your employees?

4. What advice would you give younger aspiring leaders/managers so that they can become more effective or successful?

5. Why do you think that *some* leaders are more successful than others?

Thank you very much

## استبانة

رقم الاستمارة: \_\_\_\_\_ اسم المقابل: \_\_\_\_\_ التاريخ: \_\_\_\_\_ مدة المقابلة: \_\_\_\_\_  
اسم الشركة: \_\_\_\_\_  
عدد الموظفين الكلي: \_\_\_\_\_

نوع الملكية:  مساهمة عامة  عائلية / خاصة  
طبيعة العمل:  صناعة  تجارة  بنوك وخدمات مالية  
 استثمار  تأمين  اتصالات وتكنولوجيا المعلومات  فندقية  خدمات أخرى

المسمى الوظيفي: \_\_\_\_\_ ، عدد سنوات الخبرة \_\_\_\_\_  
المستوى الإداري:  إدارة عليا  إدارة وسطى  
خبرات العمل الأخرى ( عدد السنوات والبلد ) : \_\_\_\_\_

العمر: \_\_\_\_\_ الجنس:  ذكر  أنثى  
مكان الولادة: \_\_\_\_\_

التحصيل العلمي:  ثانوي / دبلوم  بكالوريوس  ماجستير أو دراسات عليا  
التخصص أو مجال الدراسة: \_\_\_\_\_  
مكان التعليم / البلد: \_\_\_\_\_  
دورات تدريبية: ( الموضوع ، المدة ، البلد-المكان )  
1. \_\_\_\_\_  
2. \_\_\_\_\_

ما مدى الاستفادة من هذا التدريب:  جداً مفيد  نسبياً مفيد  استفادة بسيطة جداً  
لماذا؟.....

### القسم الأول

1. ما هي المواهب، والمهارات، والقدرات التي ساعدتك في تحقيق النجاح المهني لغاية الآن؟

2. كيف قمت بتطوير هذه المواهب، والمهارات والقدرات؟  
هل ولدت معك؟ متى، كيف وأين قمت بتطويرها؟

3. ما هي العوامل، أو الأشخاص الذين تعتبرهم قنوة لك أو الأحداث التي ساهمت في حياتك المهنية؟  
( افحص: التعليم، الدورات التدريبية، وجود قنوة، مدراء سابقين، الوظيفة، الحظ، الأزمات )

العوامل المذكورة أدناه ساهمت في امتلاك مهارات متميزة، معرفة وتصرفات. يرجى ترتيبها وفقا لأهميتها في نجاحك في الإدارة والحياة من (1) الأكثر أهمية إلى (10) الأقل أهمية دون المرور عن أي منها وعدم إعطاء نفس الرقم لأكثر من جملة.

الترتيب

- أ. \_\_\_\_\_ التدريب ( دورات قصيرة أو تدريب أثناء العمل)
- ب. \_\_\_\_\_ المدير الحالي أو المدير السابق: تشجيعهم ودعمهم الإيجابي
- ت. \_\_\_\_\_ الخبرة العملية في الوظيفة والمعرفة في مجال العمل
- ث. \_\_\_\_\_ جودة التحصيل العلمي (بالإضافة للنشاطات اللامنهجية الأخرى)
- ج. \_\_\_\_\_ التطوير الذاتي: رغبة مستمرة في التعليم
- ح. \_\_\_\_\_ ثقافة ومناخ المنظمة وتشجيعها للتعليم
- خ. \_\_\_\_\_ تحمل المسؤولية منذ الصغر ( في البيت و العمل)
- د. \_\_\_\_\_ التأثير بقنوة: التعلم من أشخاص تحترمهم وتقدرهم. التأثير والتعلم من آخرين تعاملت معهم أو من خلال السفر والتنقل
- ذ. \_\_\_\_\_ برامج تطوير مهني رسمية وطويلة الأمد قدمت من خلال الشركة
- ر. \_\_\_\_\_ قيم وأخلاقيات العمل: جهد العمل، النزاهة، الانتماء للعمل، جودة العمل)

#### القسم الثاني

1. ما هي أهم التحديات التي تواجه إدارة الأعمال في فلسطين؟ ( أمثلة: عوامل ثقافية/ اجتماعية، سياسية، قانونية، حكومية، تكنولوجية، منافسة)

هل يمكنك إعطاء مثال حول تحدي معين واجهته واستطعت أن تديره بنجاح؟



2. وفقاً للأهمية، ما هي أكثر الضغوطات التي تواجهك كإداري؟ ومن هي الجهات الضاغطة أو (التي تفرض هذا الضغط)؟

3. كيف ترى أدوارك داخل وخارج الشركة؟

ما هي الأدوار التي تلعبها كما يراها الآخرون من حولك ؟

4. العامل الزمني

أدناه نرجو تحديد الفترة الزمنية الأفضل والمتناسبة مع توقعاتك عند القيام بالأعمال التالية:  
أ. التخطيط الشامل للشركة:

أقل من سنة      2-1 سنة      3-5 سنة      6-10 سنة      أكثر من 10 سنوات  
لماذا؟

ب. العائد على الاستثمار أو رأس المال

أقل من سنة 2-1 سنة 5-3 سنة 6-10 سنة أكثر من 10 سنوات  
لماذا؟

5. ما هو المثل/ التعبير الذي يمثل رأيك وتصرفاتك اتجاه الوقت/ الزمن بالعربية أو الإنجليزية؟

6. هل تفضل أن يكونوا العاملين لديك:

أ. أكثر ولاء

ب. أكثر فاعلية في عملهم

لماذا؟

7. في الماضي القريب، نرجو التفكير في الموظفين اللذين طلبوا أو تمكنوا من الاتصال بك أو مقابلتك، هل كانوا ينتمون:

إلى أي مستوى في الشركة دون الحاجة للرجوع إلى التسلسل الإداري الهرمي

أي مستوى ولكن بعد الرجوع إلى الهرم الإداري

فقط الموظفين التابعين لي مباشرة

8. هل يمكنك ذكر بعض الأحداث التي تؤثر مباشرة على عملك ولديك قدرة محدودة للسيطرة عليها؟

9. ما هي المشاكل الرئيسية التي تواجه الشركة الآن

10. ما يمكن فعله لتحسين الأوضاع؟

### القسم الثالث

1. المدير الفعال هو ( أرجو اختيار إجابة واحدة فقط)

أ. عادة يأخذ قراراته، لكنه يقوم لاحقاً بشرح الأسباب التي أدت إلى أخذ قراراته.

ب. في العادة يتشاور مع المرؤوسين لديه قبل اتخاذ القرار، ومن الممكن أن تؤثر آرائهم على قراراته.

ت. في العادة يلتقي مع المرؤوسين عند القيام بأخذ قرار مهم. يضع المشكلة أمامهم ويدعو إلى النقاش ثم يقوم

بأخذ وجهة نظر الأغلبية كقرار .

ث. في العادة يطلب من المرؤوسين لديه اتخاذ القرار، ويحملهم المسؤولية الكاملة عن نتائج هذه القرارات

2. وفقاً لأنماط المدراء أعلاه، نرجو اختيار النمط الذي تفضله لمديرك ( أرجو اختيار إجابة واحدة فقط)

أ ب ت ت

3. لأي الأنماط الأربعة ينتمي مديرك بالفعل؟ ( أرجو اختيار إجابة واحدة فقط)

أ ب ت ث

الأسئلة النهائية

1. ما هي المبالغ التي صرفت على تدريب الموظفين في الشركة خلال العام الماضي؟

>10,000\$

50,000\$ - 11,000\$

100,000\$ - 51,000\$

أكثر من 100,000\$

2. هل كان جزء منها من طرف خارجي كتبرعات مثلا؟ \_\_\_\_\_ ، ما هي أكثر أنواع التدريب التي تم تنفيذها؟

3. كيف تقوم بتحفيز الموظفين لديك؟

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4. ما هي النصائح التي تقدمها إلى الأجيال الجديدة من المدراء والقياديين ليصبحوا أكثر كفاءة ونجاح؟

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5. لماذا تعتقد أن بعض القادة ناجحين أكثر من غيرهم؟

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شكرا جزيلاً

## INVITATION LETTER

This letter was sent (in English and Arabic) to carefully selected publicly traded and private Palestinian companies, inviting them to nominate two of their most successful executives to participate in the research. We are aware that some of the executives that were nominated could not participate in this study due to problems in logistics, timing or availability.

جامعته بنزسي

BIRZEIT UNIVERSITY

**MBA Program**

**Faculty of Commerce & Economics**

**Subject: Research Study/Book**

**Dear .....**

A new book titled **The Palestinian Executive: Leadership Under Challenging Conditions** will be published in 2012 by Dr Farid Muna and Dr Grace Khoury, who have extensive experience in management research. They plan to hold indepth interviews with over 100 Palestinian executives from various public and private companies and examine their leadership and interpersonal styles, and how they cope with the various contextual and environmental conditions in the West Bank and Gaza. The book will also cover the ingredients for leadership success and will include valuable advice to potential young leaders on their journey to successful leadership.

The authors are sending this letter to carefully selected Palestinian companies inviting them to nominate two of their most successful executives to participate in the study. They are aware that some of the executives/managers who are nominated may not be able to participate in this study due to problems in logistics, timing or availability.

The objective of the research project is to interview a number of successful executives and managers from various industries and sectors in Palestine. These interviews will be conducted face-to-face by our experienced interviewers where each interview will take an hour to be completed. To ensure complete confidentiality and anonymity, there will be no attempt to identify the respondents by name in the published results. Only the researchers will have access to the completed interview questionnaires. Your company has been selected as one of the organizations to be included in the research, and the authors would greatly appreciate **the nomination of two (2) of your successful executives/managers who meet the selection criteria, shown below. It is preferred to nominate one top-level**

**manager/or CEO and another middle-level manager; nomination of your successful female managers is highly encouraged.**

The research project has a number of benefits. To list only a few, it will provide direction and have recommendations for:

- The advancement of knowledge on the crucial topic of leadership.
- Recruitment practices of potential ‘successful’ executives
- The design and implementation of the effective succession planning systems
- Talent management and leadership development of high potentials targeted for promotion and/or transfer.

Your cooperation will be highly appreciated.

Yours sincerely,

Dr Grace Khoury  
Director of MBA Program  
Birzeit University  
Email: gkhoury@birzeit.edu

### **Criteria for self nomination and/or selecting executives for the research**

Please use the following criteria as guidelines for nominating your executives and managers.

1. Is considered an effective leader and a role model for future managers.
2. Has high concern for mentoring or developing younger managers.
3. Has a good reputation and track record (integrity, honesty and hard work) both in the company and the community.

4. Has made significant accomplishments and contributions in the past four years through:

- passion for the job; and/or
- productivity/cost improvements in his or her area of responsibility; and/or
- enhancement of company’s goals, objectives or vision.

Kindly reply with the required information in the table below:

| Name of participating organization: |      |                         |       |                     |
|-------------------------------------|------|-------------------------|-------|---------------------|
|                                     | Name | Position<br>(Job title) | Email | Telephone<br>number |
| 1.                                  |      |                         |       |                     |
| 2.                                  |      |                         |       |                     |

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## Glossary of Non-English Terms

(Arabic terms unless indicated)

|                                |  |
|--------------------------------|--|
| <i>Baklava:</i>                | an Arabic sweet                                    |
| <i>Eid:</i>                    | a religious occasion/festival                      |
| <i>Hadith:</i>                 | what the Prophet Muhammad said, did or approved of |
| <i>Gnothi seauton</i> (Greek): | know thyself                                       |
| <i>Guanxi</i> (Chinese):       | using connections                                  |
| <i>Iie, iiye</i> (Japanese):   | no   |
| <i>Intifada:</i>               | iprising   |
| <i>Intima:</i>                 | sense of belongingness                             |
| <i>Itqan:</i>                  | excellence   |
| <i>Kone</i> (Japanese):        | using connections                                  |
| <i>Majlis:</i>                 | an open-house room for guests                      |
| <i>Mamul:</i>                  | an Arabic sweet                                    |
| <i>Mu'allim:</i>               | teacher (used as 'boss' at work)                   |
| <i>Raison d'être</i> (French): | reason for the existence of something or someone   |
| <i>Shura:</i>                  | consultation (chapter title in the Holy Quran)     |
| <i>Sura:</i>                   | chapter in the Holy Quran                          |
| <i>Wastah:</i>                 | using connections                                  |

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