

# ADVANTAGES AND DISADVANTAGES OF USING FOREIGN MANAGERS IN IRAN OIL INTERNATIONAL PROJECTS

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**Abstract-** *Since several foreign managers' work in Iran Oil international projects, the impact of their participation on performance of execution of projects is going to be investigated in this research. Based on personal discussion with numbers of top managers in Iran Oil industry, they are keen to know the advantages and disadvantages of using foreign managers in Iran international Oil projects. In addition, the productivity of foreign managers in comparison with local managers is of interest. This paper describes the findings of the productivity of foreign and local managers as well as comparison between them. Also the strengths, weaknesses, opportunities, and threats of using foreign managers in Iran Oil international projects are identified.*

*A survey has been conducted in Aryasasol Polymer Company (ASPC), that is located in south of Iran, to collect the data about effectiveness and efficiency of foreign and local managers working in ASPC. To perform the survey, the authors have asked experienced employees, who have worked with both foreign and local managers, to fill out the questionnaires. In addition, the researcher has conducted interviews with highly experienced foreign and local managers to know their opinion about strengths, weaknesses, opportunities, and threats of foreign managers in ASPC. Based on the data analysis, various advantages and disadvantages of foreign managers are found out in this paper. For instance, high experience and expertise, teamwork ability, and time management are identified as advantages while communication problem and culture differences are recognized as disadvantages of foreign managers working in ASPC.*

**Keyword:** Foreign Managers, Aryasasol Polymer Company, Oil international projects, Iran

## 1. INTRODUCTION

International management has become a major challenge for governments and organizations due to increasing international projects in the world [9]. Companies are interested to cooperate in international projects in order to take the advantages of lower cost and improving quality in host countries. Foreign managers must be able to work with local managers and employees to achieve the benefits of global market [4]. It is a key decision for international or multinational companies whether to use foreign or local personnel to manage international projects [15].

According to unofficial information, it is realized that some senior managers in oil industry are concerned about beneficial of using foreign managers in Iran international projects. Also they think that employing foreign managers are costly for local multinational companies without showing any official documents to prove it. Furthermore, there is lack of information about the productivity of foreign managers in comparison with local managers in Iran international Oil projects.

This research has been found out that absence of the information is the main reason that recruiting foreign managers has become controversial. Hence, providing suitable information would be useful for strategic managers of Iran Oil industry to make appropriate decision whether to use foreign managers in future projects.

The main objective of this research is to identify whether using foreign managers in Iran international Oil projects is cost-effective. The sub objectives of this paper are to identify:

- a) Advantages and disadvantages of using foreign managers in Iran Oil projects.
- b) Productivity of local and foreign managers as well as comparison between them.

- c) Whether using foreign managers in Iran Oil projects are cost-effective.

## 2. LITERATURE REVIEW

### 2.1. Global Market Needs

International companies are looking to capture the global markets advantages via taking part in international projects in foreign countries [4]. Nowadays, international organizations require competent managers who can “think globally, but act locally” [16].

### 2.2. Cultural Diversity

The managers in international companies play a key role in the projects to achieve their goals. They should be able to work with host country employees to deliver the projects successfully. Cultural diversity is an obstacle to develop productive interaction between foreign managers and local employees [8]. The cooperative but not competitive goals will facilitate developing a productive relationship and interaction between foreign managers and local employees [4]. Knowing the culture and its effects on conflicts helps to develop a common culture in international projects and to provide a proper view to manage the conflicts [18].

Another research [5] shows that projects productivity will be enhanced if foreign managers could lead local employees successfully. This is achieved via developing an effective relationship between foreign managers and local employees. The results claimed that the effect of foreign managers' leadership is higher than local managers' according to Chinese employees viewpoints.

### 2.3. Cross-Cultural Training

Training of foreign managers will assist them to develop cooperative goals, personal relationship, team building, and cooperation skills with local employees [19]. Cross-cultural training is an appropriate tool, which is required for foreign managers, to develop productive cross-cultural interactions with host country managers and employees [17].

### 2.4. High Expenses vs. High Productivity

A common claim among Chinese managers and employees is about high cost of hiring foreign managers in international projects. one study[3] indicated that the salary of foreign managers is 20 to 50 times more than local Chinese managers in China projects.

In spite of global business belief, the predominant tendency looks to be ethnocentric in international

organizations [13]. The ethnocentric orientation has created many barriers like cultural and environmental nonconformity, high rates of failure, effect on moral and motivation of local employees, and high expenses. Furthermore, international organization has accounted a set of costs including selection, training, and performance costs when they want to decide whether to employ foreign or local manager in their international projects [15].

### 2.5. Short Term Contract

Competent foreign managers from western countries are not willing to make long term contract to work in China and they mostly sign only one or two year's contract. Based on interviews with local employees [1], it has indicated that foreign managers should stay longer time in the projects, since it takes time for them to adapt with different culture and working environment as well as to develop effective relationship with local managers and employees.

### 2.6. Relationship

In several interviews with Finnish project leaders in different teams like Finnish-Chinese, Finnish-European, and Finnish-American groups, most of them indicated only task oriented leadership style. A few of them implied relationship orientation or both task and relationship orientation. Those few managers have realized that close relationship with local employees is essential to overcome on cross-cultural obstacles. It is apparent that both relationship and task orientation are characteristics that international managers should apply as leadership style in leading their projects [12].

### 2.7. Competency

Many international organizations have had difficulty in identifying competent international managers for foreign assignments. Selecting the right candidates is one of critical success factors to deliver projects successfully [10]. The study [7] indicated that an average of 20% to 40% of all American foreign managers were not successful in their assigned projects and went back to their country soon. Almost half of them also had poor performance and low productivity in their assignment. Unsuccessful cross-cultural interactions of those managers were the main factor of their failure [17].

These days, for selecting the right candidates to manage international projects, different skills should be considered such as intuition and creative abilities [11]. According to a survey done in 1993 between 105 European multinational companies, majority of them believe that their managers

need international skills for foreign assignments [2]. the results of Twenty interviews were conducted among UK and Kenya senior managers state that building effective team in international projects require developing trust, communication, and sympathy in leadership [14].

### 2.8. The Gap in the Literature

By reviewing previous researches, it has been found out that the main focus is on interactions between foreign managers and local employees, international managers' competency and selection, cross-cultural leadership and training, and difficulties of using foreign managers in multinational projects. This shows that there is lack of relevant research about advantages and disadvantages of using foreign managers as well as productivity of foreign and local managers in international companies and projects. The main goal of this study is to examine these issues.

### 3. METHODOLOGY

In this research, chosen methodologies for collecting the required information are questionnaire and interview conducted in ASPC as one of the Largest Multinational Petrochemical Companies in Iran , a 50/50 JV (Joint venture) between Iran National Petrochemical Company (NPC) and Sasol Polymer Company (SPC) of South Africa as a selected case in this research.

To compare the productivity of foreign and local managers, some variables have been defined. Productivity means to do the right things in the right way, a combination of effectiveness and efficiency. So In this study, the variables of effectiveness and efficiency based on designed questionnaire are defined as Table 1. 63 questionnaires are distributed between ASPC employees who have worked with both local and foreign managers. 60 out of 63 have been responded and returned. After collecting the data, SPSS software is used to analyze the data.

**Table 1-**Effectiveness and Efficiency of Variables

Effectiveness Variables	Efficiency Variables
Expertise	Time Management
Experience	Responsibility
Culture Differences	Monetary Viewpoints
Language Differences	Direct Presence in Projects
Employees Motivation	Disciplines, Rules and

	Regulations
Quality Improvement	
Timely and Proper Decision	
Employees Participation in Decision Making	
Ethical and Politeness	
Bravery and Risk Tolerant	
Employees Satisfaction	
Consider Employees Training	
Consider Employees Skills	
Transferring Information & Experiences	

Also 16 interviews with foreign and local managers conducted to find out the opportunities, threats, strengths, and weaknesses of foreign managers in Iran Oil Industry. Of these interviewees, 6 were foreign managers and 10 were local managers who have worked in different disciplines in ASPC. Based on collected data from interviews, the strengths, weaknesses, opportunities, and threats of using foreign managers in ASPC are obtained. SWOT analysis is a strategic method performed to evaluate the Strengths, Weaknesses, Opportunities, and Threats of a project, organization, or business. SWOT analysis uses SWOT matrix to evaluate both internal and external factors of organization. It is a main tool to compare the data and to prepare four strategies included SO, WO, ST, and WT for organizations. In this research, all four strategies of using foreign managers in ASPC are developed.

In order to develop SWOT matrix, it is required to create the Internal Factor Evaluation (IFE) Matrix and External Factor Evaluation (EFE) Matrix initially.

#### 3.1. SWOT Analysis Matrix

Based on the data gathered from the interviews with highly experienced local and foreign managers, the advantages (strengths and opportunities) and disadvantages (weaknesses and threats) of foreign managers working in ASPC are identified as shown in Table 2 and 3.

**Table 2 - Advantages of Foreign Managers**

<b>Strengths</b>	<b>Opportunities</b>
- High Experience	- Train Local Employees
- Systematic Thinking	- Transfer New Technology
- High Discipline	- Transfer Experiences
- Consider Rules and Regulation	- Assist Local Managers
- Consider Time Management	- Increase Competition
- High Proficiency	- Improve Local Management System
- High Accountability	- Implement New Management System
- Release Authorities	- Increase Productivity
- Effective Decisions	- Work in Cross-Cultural Environment
- Concentrate on Main Issues	- Learn Different Language
- High Knowledge Management	- Establish Proper Rules and Regulations
- Consider Ethical at Work	
- Teamwork Ability	
- High Productivity	
- Highly Organized	
- Follow Instructions	
- Honesty	
- Frankly Speech	

**Table 3- Disadvantages of Foreign Managers**

<b>Weaknesses</b>	<b>Threats</b>
- Low Flexible	- Increase Local Managers' Weaknesses
- Low Conformity with Local Environment	- Decrease Confidence of Local Managers
- Low Bravery and Risk Tolerant	- Incomplete Projects due to Political Issues
- Culture Differences	- Projects Problem due to Economic Issues
- Language Differences	- Increase Dependency
- Lack of Information about Unusual Risks in host Country	- Ignore Local Potential and Capabilities
- Low Trust to local Employees	- Negative Effect on Local Managers Motivation
- High Monetary Viewpoints	
- Communication Problem	
- Frankly Speech	
- Low Flexibility to Work in Undisciplined Environment	
- Different Mentality	

Identifying advantages and disadvantages are needed to develop SWOT Analysis Matrix. In this research, strengths are defined as advantages of foreign managers while weaknesses are the disadvantages of them. Opportunities are chances to get higher productivity by employing foreign managers that are defined as advantages of them, and Threats are matters related to foreign managers that could cause trouble for Iran Oil Industry and are identified as the disadvantages of them.

In order to develop SWOT matrix, it is required to create the Internal Factor Evaluation (IFE) Matrix and External Factor Evaluation (EFE) Matrix initially. To create IFE matrix, the strengths and weaknesses of foreign managers are used. After categorizing them, weight from 0.00 to 1.00 is assigned to each factor. Zero indicates unimportant and one means very important. The sum of all weights should be equals 1.00.

Then, it is assigned rating from 1 to 4 to each factor according to table 4.

**Table4-** Rating for Factors

Weakness		Strength	
Minor	Major	Minor	Major
1	2	3	4

A weighted score for each factor is calculated by multiplying each factor’s weight by its rating. At last, total weighted score is the sum of the weighted scores of each factor [6]. The weight and rating of factors are identified by discussing with foreign and local managers of ASPC and the total weighted score is calculated as reported in Table 5. If the total weighted score becomes less than 2.5, it shows that the organization has weakness about its internal factors. But if the total weighted score becomes more than 2.5, it illustrates that the company has strengths in its internal factors [6]. According to Table 5, total weighted score in ASPC is 3.04, which could help ASAP to use the strengths of its foreign managers and to improve the weaknesses of them.

**Table 5-** Internal Factor Evaluation Matrix (IFE) – Strengths and Weaknesses

	Strengths	Weight	Rating	Weighted Score
1	High Experience	0.07	4	0.28
2	Systematic Thinking	0.03	3	0.09
3	High Discipline	0.01	3	0.03
4	Consider Rules and Regulation	0.02	3	0.06

5	Consider Time Management	0.04	4	0.16
6	High Proficiency	0.07	4	0.28
7	High Accountability	0.04	4	0.16
8	Release Authorities	0.03	3	0.09
9	Effective Decisions	0.06	4	0.24
10	Concentrate on Main Issues	0.05	3	0.15
11	High Knowledge Management	0.06	4	0.24
12	Consider Ethical at Work	0.03	4	0.12
13	Teamwork Ability	0.04	4	0.16
14	High Productivity	0.05	4	0.2
15	Highly Organized	0.02	3	0.06
16	Follow Instructions	0.02	3	0.06
17	Honesty	0.02	3	0.06
18	Frankly Speech	0.01	3	0.03
	<b>Weaknesses</b>	<b>Weight</b>	<b>Rating</b>	<b>Weighted Score</b>
1	Low Flexible	0.01	1	0.01



2	Low Conformity with Local Environment	0.03	2	0.06
3	Low Bravery and Risk Tolerant	0.04	2	0.08
4	Culture Differences	0.03	2	0.06
5	Language Differences	0.03	1	0.03
6	Lack of Information about Unusual Risks in Local Country	0.02	2	0.04
7	Low Trust to local Employees	0.02	1	0.02
8	High Monetary Viewpoints	0.05	2	0.1
9	Communication Problem	0.04	2	0.08
10	Frankly Speech	0.01	1	0.01
11	Low Ability to Work in Undisciplined Environment	0.02	1	0.02
12	Different Mentality	0.03	2	0.06
Total		1.00		3.04

weights to each factor in EFI is similar to IFE and the sum of all weights should be equals 1.00. Also rating to each factor is from 1 to 4 as; 1= poor response, 2= below average response, 3= above average response, and 4= superior response. Both opportunities and threats receive rating 1 to 4. The weight and rating of factors are designated by interviewees. Weighted score and total weighted score in EFI matrix are calculated like IEF matrix as displayed in Table 6.

If the total weighted becomes close to 1, it illustrates that the organization is not able to use the opportunities or to avoid from the threats factors in its strategies. But if the total weighted score becomes close to 4, it shows that the organization has reacted well about the opportunities and threats in its strategies [6]. The total weighted score of EFI is 3.24 that mean ASPC has utilized the opportunities of its foreign managers in a successful way and has reduced the threats.

**Table 6-** External Factor Evaluation Matrix (EFE)

Opportunities		Weight	Rating	Weighted Score
1	Train Local Employees	0.07	4	0.28
2	Transfer New Technology	0.08	4	0.32
3	Transfer Experiences	0.08	4	0.32
4	Assist Local Managers	0.06	3	0.18
5	Increase Competition	0.06	3	0.18
6	Improve Local Management System	0.05	3	0.15
7	Implement New Management System	0.05	3	0.15
8	Increase Productivity	0.07	4	0.28
9	Work in Cross-Cultural Environment	0.03	2	0.06
10	Learn Different Language	0.03	2	0.06
11	Establish Proper Rules and Regulations	0.04	4	0.16
Threats		Weight	Rating	Weighted Score
1	Increase Local Managers' Weaknesses	0.03	1	0.03

Developing EFE matrix is as same as IFE matrix but the type of factors is opportunities and threats. Assigning

2	Decrease Confidence of Local Managers	0.04	2	0.08
3	Incomplete Projects due to Political Issues	0.06	4	0.24
4	Projects Problem due to Economic Issues	0.07	4	0.28
5	Increase Dependency	0.05	3	0.15
6	Ignore Local Potential and Capabilities	0.06	3	0.18
7	Negative Effect on Local Managers Motivation	0.07	2	0.14
<b>Totals</b>		<b>1.00</b>		<b>3.24</b>

SWOT Analysis Matrix for foreign managers of ASPC is shown in Table 7.

**Table 7-** SWOT Analysis Matrix

	<b>Strength Points (S)</b>	<b>Weaknesses Points (W)</b>
	<ul style="list-style-type: none"> <li>- High Experience and Proficiency</li> <li>- Consider Time Management</li> <li>- High Knowledge Management</li> <li>- High Accountability</li> <li>- Effective Decisions</li> <li>- Teamwork Ability</li> </ul>	<ul style="list-style-type: none"> <li>- Low Conformity with Local Environment</li> <li>- Low Bravery and Risk Tolerant</li> <li>- Culture Differences</li> <li>- Communication Problem</li> <li>- Different Mentality</li> </ul>
<b>Opportunities (O)</b>	<b>SO Strategies</b>	<b>WO Strategies</b>
	<ul style="list-style-type: none"> <li>- To prepare</li> </ul>	<ul style="list-style-type: none"> <li>- To conduct</li> </ul>

<ul style="list-style-type: none"> <li>-Train Local Employees</li> <li>-Transfer New Technology</li> <li>-Transfer Experiences</li> <li>- Assist Local Managers</li> <li>-Increase Competition</li> <li>-Increase Productivity</li> </ul>	<p>comprehensive training</p> <p>program to transfer foreign managers</p> <p>knowledge and experiences to local managers and employees</p> <p>- To make effective teamwork with foreign and local managers to sort company major issues out</p> <p>- To establish proper competition between foreign and local managers to increase company's productivity</p>	<p>training for foreign managers to know more about host country's culture and work environment</p> <p>-To make close relationship between foreign &amp; local managers/ employees to solve communication problem and to facilitate transferring the information</p> <p>- To held periodical meeting with foreign and local managers to exchange information/ experiences</p>
<b>Threats (T)</b>	<b>ST Strategies</b>	<b>WT Strategies</b>
<ul style="list-style-type: none"> <li>- Incomplete Projects due to Political Issues</li> <li>-Projects Problem due to Economic</li> </ul>	<ul style="list-style-type: none"> <li>- To establish special committee with foreign and local managers to make effective decision in</li> </ul>	<ul style="list-style-type: none"> <li>- To establish common goals and objectives with foreign managers and to consider all probable risks</li> </ul>

Issues	critical situation	and
-Increase Dependency	- To enhance confidence level of local managers and employees and to use their capabilities in various disciplines	uncertainties in the projects
-Ignore Local Potential and Capabilities		

**4. DISCUSSION AND VALIDATION**

In this section, the results of SPSS Analysis and SWOT Analysis Matrix are discussed and Student t-test for SPSS validation is applied.

**4.1. SPSS Results**

Productivity (Effectiveness, Efficiency) of foreign and local managers of ASPC are identified based on a questionnaire included 35 different variables (Table 8). Chronbach's alpha is used to measure the reliability of questionnaire and the content validity is applied to measure the validity of it. The required data is collected and analyzed using SPSS software. Consequently, the effectiveness and efficiency of both foreign and local managers are categorized and presented in this paper.

**Table 8** -Variables Defined in SPSS

Variables in Questionnaire	Variables in SPSS
Foreign Managers Expertise	V1
Foreign Managers Experience	V2
Local Managers Expertise	V3
Local Managers Experience	V4
Culture Differences Effect to Foreign Managers Relationship	V5
Language Differences Effect to Foreign Managers Relationship	V6
Consider Employees Motivation by Foreign Managers	V7
Consider Employees Motivation by Local Managers	V8
Foreign Managers Effect on Tasks Quality	V9
Proper and Timely Decision by Foreign Managers	V10
Proper and Timely Decision by Local Managers	V11
Employees Participation in Decision Making by Foreign Managers	V12

Employees Participation in Decision Making by Local Managers	V13
Ethical and Politeness of Foreign Managers	V14
Ethical and Politeness of Local Managers	V15
Bravery and Risk Tolerant of Foreign Managers	V16
Bravery and Risk Tolerant of Local Managers	V17
Consider Employees Satisfaction by Foreign Managers	V18
Consider Employees Satisfaction by Local Managers	V19
Consider Time Management by Foreign Managers	V20
Consider Time Management by Local Managers	V21
Accountability of Foreign Managers	V22
Accountability of Local Managers	V23
Foreign Managers Monetary Viewpoints	V24
Local Managers Monetary Viewpoints	V25
Direct Presence of Foreign Managers in Projects	V26
Direct Presence of Local Managers in Projects	V27
Consider Disciplines, Rules and Regulations at Work by Foreign Managers	V28
Consider Disciplines, Rules and Regulations at Work by Local Managers	V29
Consider Employees Skills by Foreign Managers	V30
Consider Employees Skills by Local Managers	V31
Consider Employees Training by Foreign Managers	V32
Consider Employees Training by Local Managers	V33
Transfer Information and Experiences by Foreign Managers	V34
Transfer Information and Experiences by Local Managers	V35

the answers in SPSS are defined as: Very Low: 1, Low: 3, Medium: 5, High: 7, and Very High: 9. Since most of SPSS calculated numbers are in between the defined numbers, to facilitate results analyzing, the following model are used:

Table 9 shows the score of 35 variables of this research.



**Table 9-** Variables Score

Variables in Questionnaire	Mean	Score (Result)
Foreign Managers Expertise (V1)	6.30	High
Foreign Managers Experience (V2)	6.66	High
Local Managers Expertise (V3)	5.43	Medium
<hr/>		
Very Low	X<2	
Low	2<X<4	
Medium	4<X<6	
High	6<X<8	
Very High	8<X	
<hr/>		
Local Managers Experience (V4)	5.43	Medium
Culture Differences Effect to Foreign Managers Relationship (V5)	6.20	High
Language Differences Effect to Foreign Managers Relationship (V6)	6.63	High
Consider Employees Motivation by Foreign Managers (V7)	6.13	High
Consider Employees Motivation by Local Managers (V8)	5.90	High
Foreign Managers Effect on Tasks Quality (V9)	6.73	High
Proper and Timely Decision by Foreign Managers (V10)	6.40	High
Proper and Timely Decision by Local Managers (V11)	5.36	Medium
Employees Participation in Decision Making by Foreign Managers(V12)	5.93	High
Employees Participation in Decision Making by Local Managers (V13)	4.26	Medium
Ethical and Politeness of Foreign Managers (V14)	6.50	High
Ethical and Politeness of Local Managers (V15)	6.13	High
Bravery and Risk Tolerant of Foreign Managers (V16)	5.34	Medium
Bravery and Risk Tolerant of Local Managers (V17)	6.13	High
Consider Employees Satisfaction by Foreign Managers (V18)	6.33	High
Consider Employees Satisfaction by Local Managers (V19)	5.86	High
Consider Time Management by Foreign Managers (V20)	7.73	High

Consider Time Management by Local Managers (V21)	4.53	Medium
Accountability of Foreign Managers (V22)	7.10	High
Accountability of Local Managers (V23)	5.93	High
Foreign Managers Monetary Viewpoints (V24)	6.26	High
Local Managers Monetary Viewpoints (V25)	6.70	High
Direct Presence of Foreign Managers in Projects (V26)	6.30	High
Direct Presence of Local Managers in Projects (V27)	5.86	High
Consider Disciplines, Rules and Regulations at Work by Foreign Managers (V28)	7.80	High
Consider Disciplines, Rules and Regulations at Work by Local Managers (V29)	5.40	Medium
Consider Employees Skills by Foreign Managers (V30)	7.43	High
Consider Employees Skills by Local Managers (V31)	6.06	High
Consider Employees Training by Foreign Managers (V32)	7.13	High
Consider Employees Training by Local Managers (V33)	4.50	Medium
Transfer Information and Experiences by Foreign Managers (V34)	6.36	High
Transfer Information and Experiences by Local Managers (V35)	3.83	Low

The results of effectiveness and efficiency of foreign and local managers are reported in Tables 10 and 11.

**Table 10-** Effectiveness and Efficiency of Foreign Managers

Effectiveness Variables	Score	Efficiency Variables	Score
Expertise	High	Time Management	High
Experience	High	Responsibility	High
Culture Differences Effect	High	Monetary Viewpoints	High
Language Differences Effect	High	Direct Presence in Projects	High
Employees Motivation	High	Disciplines, Rules and Regulations	High

Quality Improvement	High		
Timely and Proper Decision	High		
Employees Participation in Decision Making	High		
Ethical and Politeness	High		
Bravery and Risk Tolerant	Medium		
Employees Satisfaction	High		
Consider Employees Training	High		
Consider Employees Skills	High		
Transferring Information and Experiences	High		

Consider Employees Training	Medium		
Consider Employees Skills	High		
Transferring Information and Experiences	Low		

Table 11 reports the effectiveness and efficiency of local managers working in ASPC. It shows that some of effectiveness variables such as employees' motivation, bravery and risk tolerant are acquired high score, some others like expertise, experience, and timely and proper decision making are obtained medium score, and transferring information and experiences is obtained low score. Efficiency variables of local managers are also obtained high and medium scores. For instance, time management has medium score while responsibility has high score. It is also considerable that both foreign and local managers have obtained high score in monetary viewpoints factor.

Table 10 shows the effectiveness and efficiency of foreign managers working in ASPC. It indicates that most of effectiveness variables of foreign managers such as expertise, experience, and employees' motivation are obtained high score but the bravery and risk tolerant variable is acquired medium score. However, cultural and language differences effect have obtained high scores, which are considered as negative points for foreign managers. In addition, all efficiency variables of foreign managers such as time management and responsibility have gotten high score.

**Table 11-** Effectiveness and Efficiency of Local Managers

Effectiveness Variables	Score	Efficiency Variables	Score
Expertise	Medium	Time Management	Medium
Experience	Medium	Responsibility	High
Employees Motivation	High	Monetary Viewpoints	High
Timely and Proper Decision	Medium	Direct Presence in Projects	High
Employees Participation in Decision Making	Medium	Disciplines, Rules and Regulations	Medium
Ethical and Politeness	High		
Bravery and Risk Tolerant	High		
Employees Satisfaction	High		

#### 4.2. SWOT Matrix Results

SWOT Analysis Matrix helps senior managers of the companies to get a better understanding of the strategic choices that they face. To start developing SWOT Analysis Matrix, the factors with higher weighted score of the opportunities, threats, strengths, and weaknesses are selected from Tables 7 and 8. The opportunities and threats with strengths and weaknesses are matched. This helps to identify Strengths and Opportunities (SO), Strengths and Threats (ST), Weaknesses and Opportunities (WO), and Weaknesses and Threats (WT) strategies of employing foreign managers in ASPC as reported in Table 7. SO indicates how to use strengths to take advantage of opportunities, ST implies how to take advantage of strengths to escape from actual and potential threats, WO refers how to use opportunities to overcome the weaknesses, and WT signifies how to minimize weaknesses and keep away from threats. Preparing required training program for local managers and employees, building effective team with foreign and local managers, and making appropriate competition between foreign and local managers are suggested for SO strategies development in ASPC. Building special committee with local and foreign managers and increasing trust to local managers are recommended to develop ST strategies for ASPC.. Conducting required training for foreign managers about different issues of Iran, making close relationship between local and foreign managers, and regular meetings with foreign managers are suggested as WO strategies for ASPC. Founding common goals and objectives with foreign managers and considering all probable risks and

uncertainties in the projects are proposed as ASPC WT strategies.

### 4.3. Student's T-Test

In this study, the obtained results are quantitative and therefore the Student's t-test is a proper method to use here. The formula of Student's t-test with considering 95% level of confidence is as:

$$t = \frac{\bar{x} - \mu_0}{\frac{s}{\sqrt{n}}}$$

Where t is Student's t-test,  $\bar{X}$  is the mean of each variable,  $\mu_0$  is Standard mean that is considered 5 in this study, s is the sample standard deviation of each variable, and n is the sample size that is 60 in this research. SPSS software is used in this research to assess Student's t-test. Table 12 displays the Student's t-test calculated by SPSS for this study. The important item to be considered in Table 12 is the level of significant (Sig) that is calculated by subtracting the level of confidence from one. Since the level of confidence is considered 0.95% in this research, therefore Sig should not exceed 0.05. Table 12 displays that all Sig tabulated values in this research is less than 0.05 and thus the confident level of the results is acceptable. For instance, as per Table 12 the biggest Sig is 0.039, so the minimum confident level of Variables is 0.961%, which belongs to V29 in this research. In addition, Sig in most of Variables is 0.00 that indicates the confidence level of those Variables is 100%. Consequently, the Student's t-test shows that the results of this research are applicable in ASPC and other international companies in Iran Oil Industry as well.

**Table 12-** Student's t-test (One Sample Test)

	Test Value=5					
	t	df	Sig.(2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
V1	7.63	59	0.00	1.3	0.95	1.64
V2	10.05	59	0.00	1.66	1.33	1.99
V3	2.86	59	0.00	0.43	0.13	0.73
V4	2.42	59	0.01	0.43	0.07	0.79
V5	4.75	59	0.11	1.2	0.69	1.7
V6	7.59	59	0.00	1.63	1.2	2.06
V7	4.12	59	0.00	1.13	0.58	1.68
V8	4.98	59	0.00	0.9	0.53	1.26
V9	9.27	59	0.00	1.73	1.35	2.1
V10	7.08	59	0.00	1.4	1	1.79

V11	2.38	59	0.00	0.36	0.05	0.67
V12	3.96	59	0.02	0.93	0.46	1.4
V13	-2.53	59	0.00	-0.73	-1.31	-0.15
V14	6.78	59	0.01	1.5	1.05	1.94
V15	6.77	59	0.00	1.13	0.79	1.46
V16	2.18	59	0.00	0.4	0.03	0.76
V17	5.04	59	0.03	1.13	0.68	1.58
V18	6.67	59	0.00	1.33	0.93	1.73
V19	4.04	59	0.00	0.86	0.43	1.29
V20	19.21	59	0.00	2.73	2.44	3.01
V21	-2.35	59	0.00	-0.46	-0.86	-0.07
V22	12.05	59	0.02	2.1	1.75	2.44
V23	4.99	59	0.00	0.93	0.55	1.3
V24	4.86	59	0.00	1.26	0.74	1.78
V25	8.03	59	0.00	1.7	1.27	2.12
V26	5.28	59	0.00	1.3	0.8	1.79
V27	4.5	59	0.00	0.86	0.48	1.25
V28	16.86	59	0.00	2.8	2.46	3.13
V29	2.11	59	0.03	0.4	0.02	0.77
V30	14.72	59	0.00	2.43	2.1	2.76
V31	5.36	59	0.00	1.06	0.66	1.46
V32	8.65	59	0.00	2.13	1.64	2.62
V33	-2.12	59	0.03	-0.5	-0.97	-0.02
V34	5.58	59	0.00	1.36	0.87	1.85
V35	-4.69	59	0.00	-1.16	-1.66	-0.66

### 5. CONCLUSION

The productivity of foreign and local managers of ASPC has been identified and compared in this research. The results show that foreign managers have obtained high score in most of productivity (effectiveness and efficiency) factors such as expertise; experience, time management, and responsibility while in bravery and risk tolerant have acquired medium score. However, the culture and language differences are considered as negative points for foreign managers. In contrast, local managers have acquired high, medium, and low scores in the productivity factors. For instance, they have obtained high score in bravery, risk tolerant, and responsibility, medium score in time management and timely decisions, and low score in transferring information and experiences. In addition, the strengths, weaknesses, opportunities, and threats of foreign managers working in ASPC have been studied in this paper. SWOT Analysis Matrix has been developed and the Strengths and Opportunities (SO), Strengths and Threats (ST), Weaknesses and Opportunities (WO), and Weaknesses and Threats (WT) strategies have been identified and presented. Identifying advantages and disadvantages of foreign managers would be helpful for

senior managers of international or multinational companies in Iran Oil Industry to develop appropriate strategic plan in order to utilize the strengths and opportunities, to improve the weaknesses, and to reduce the threats of foreign managers working in their organization.

## 6. RECOMMENDATIONS FOR FUTURE WORKS

Based on SWOT Analysis Matrix shown in Table 7, the authors has given some recommendations regarding SO, WO, ST, and WT strategies that are applicable for ASPC and other companies in Iran Oil Industry, which use foreign managers in their organization and projects. The strategies provide the instructions that how to use strengths to take advantage of opportunities, how to take advantage of strengths to escape from actual and potential threats, how to use opportunities to overcome the weaknesses, and how to minimize weaknesses and escape from threats. The recommendations are listed as following:

- ✓ To conduct practical training program through special support from foreign managers to enhance the proficiency and skills of local managers and employees.
- ✓ To develop QCC (Quality Control Circles) team comprised of foreign and local managers for resolving major issues of organization.
- ✓ To build proper competition between foreign and local managers for increasing the company or project's productivity via allocating bonus or other motivation tools to higher productive team.
- ✓ To conduct appropriate instructing for foreign managers to know more about the culture, work environment, and other important issues related to Iran.
- ✓ To make close relationship with foreign managers to facilitate transferring the information.
- ✓ To held periodical meeting with foreign managers for exchanging information and experiences.
- ✓ To found special Committee composed of foreign and local managers to be prepared for making effective decisions in critical situations.
- ✓ To enhance confidence level of local managers by using their capabilities in various disciplines particularly in critical circumstances.
- ✓ To build common goals and objectives with foreign managers and to consider all expected risks and uncertainties in the projects.

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