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HRM practices in Egypt: the influence of national context?

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Abstract   In this paper we present the findings of a study which collected data on a range of HRM practices normally used in 58 Egyptian organizations operating in Egypt. The range of practices is concerned with job descriptions, recruitment and selection, training and development, compensation, performance appraisal and employment security. We examine and discuss these practices in the Egyptian context. The dimensions of the Egyptian environment which we examine include: the socio-cultural context, Islam, the vocational education and training system and elements of the economic and legal environment. The practices and approaches being used by the sample organizations appear to be the product of both culture bound and culture free influences. The main contributions of the study are that it provides much needed information on the HRM practices and approaches being adopted by Egyptian-owned organizations in the early part of the 21st century and provides support for the influence of national context on the HRM practices pursued by indigenous organizations.

Keywords   Egypt; HRM practices; Islam; institutional context; culture.

Introduction: HRM practices and national context

Against a background of the increasing internationalization of business, globalization of markets and cross-national activity by multinational organizations there has been an increasing interest in whether, how and why HRM policies and practices vary between countries. Rosenzweig and Nohria (1994) suggested that HRM was the area of management most likely to be subject to national differences. Much of this interest has focused on aspects of national contexts in order to understand and explain the particular HRM policies and practices used, the implication being that HRM practices within any particular country are both historically and socially embedded, that they are context specific and that change is likely to be slow.

In this paper we identify a range of HRM practices and approaches normally used by a sample of Egyptian-owned organizations operating in Egypt. These practices are examined in the Egyptian context with a view to ascertaining whether the practices being used are reflective of and consistent with that context. The range of HRM practices is concerned with job descriptions, recruitment and selection, training and development, compensation, performance appraisal and employment security.

In order to explain national systems of HRM, researchers have tended to focus upon national institutional and cultural environments. There is also a debate about whether it is

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cultural or institutional factors, or both, that have the greatest influence on national HRM systems (Sparrow *et al.*, 2004; Quintanilla and Ferner, 2003).

Institutionalists (e.g. Hall and Soskice, 2001; Whitley, 1999; Lane, 1995) argue that national factors such as economics, governance, financial and legal systems and trade unions, which together form the national business system, are the source of the main differences in HRM between nations.

Others have emphasized the influence of national culture, a concept which encompasses norms, values and their implications for beliefs, expectations, orientations and behaviour and which affect HRM practices. Laurent (1986) suggested that HRM approaches in any particular country can be seen as cultural artefacts reflecting the basic assumptions and values of the national culture in which organizations are embedded and many studies have sought to use this variable as the major explanatory variable (see, for example, Hofstede, 1993; Huang, 2000).

Budhwar and Sparrow (2002) assert that the last two decades of the 20th century witnessed the emergence of a stream of research showing the influence of national culture on HRM policies and practices. Bjorkman (2004) also refers to studies that have been designed to scrutinize the influence of national culture upon HRM practices and points out that the cultural dimensions of Hofstede (1980) have been used to hypothesize how HRM practices may vary across national borders.

In seeking to establish the influence of cultural variables on a range of HRM policies and practices in Taiwan, Sparrow and Wu (1998) concluded that the vast majority of HRM policies and practices were culture linked. However, they also concluded that there was a range of Taiwanese HRM policies and practices that was culture free and which may be explained by the national business system or best practice convergence thesis. This thesis suggests that, under the pressures of globalization, societies are moving closer to each other in the way that things are done and that this includes HRM.

Budhwar (2000), summarizing the above discussion, asserts that HRM practice is context specific and that national HRM practice is determined by both culture free and culture bound factors. The HRM practices normally used by employing organizations in a particular country are therefore likely to be influenced by both culture and institutional arrangements. However, as Budhwar and Sparrow (2002) point out, it is difficult to deconstruct the various cultural and institutional influences upon managerial behaviour. Tayeb (1988) suggests that while the influence of national culture on work-related attitudes and organizations are considerable, there are limits to a total focus on culture and those multivariate causative models were necessary.

In the following section we examine the national context of Egypt focusing upon elements of both the cultural and institutional environment. In particular, we examine elements of the economic and legal context, the vocational education and training system, the socio-cultural context and the influence of Islam, the dominant religion. We also identify some recent and relevant developments in the Egyptian context.

Egyptian context

Economic and legal context

In a regional context, Egypt is especially important as it is the largest single market in the region and has a rapidly growing population, 54 million in 1991–2 to 69 million in 2003–4 (Ministry of Foreign Trade, 2005). Governments have been successful in pursuing policies leading to both financial and political stability. The economy has

been transformed, the share of the private sector in GDP has grown from 61 per cent in the early 1990s to 72 per cent in 2003–4 and real GDP per capita grew by approximately 30 per cent over the same period (Ministry of Foreign Trade, 2005). Governments have encouraged inward FDI by creating a liberal market economy and by providing liberal investment regulations and incentives for companies to invest in Egypt. Nevertheless, in the early years of the 21st century approximately one-third of the workforce is employed in agriculture.

An ILO survey in Egypt (Evans-Klock and Lim, 1998) identified human resource development as a critical factor in determining the ability of Egyptian firms to effectively confront external competition and to make best use of new technologies. At the time of the survey, firms facing import and export competition were experiencing difficulties in recruiting qualified personnel but nevertheless expressed a preference for recruiting already skilled workers rather than train their own.

A report by the European Training Foundation (2001) identified a number of problem areas in this regard such as unemployment due to the impact of privatization, a shortage of the necessary skills in the context of new technologies and the skill requirements of incoming investors, the need to compete internationally and weaknesses in the vocational education and training (VET) system. Government was seeking to emphasize active labour market policies to address the issues of unemployment and skill shortages and improvements to the VET system were central to this policy. Among the improvements to the VET system that were identified as being necessary were: to make the system more demand driven so that there was a better fit with changing employment needs, to enhance the involvement of the private sector and to improve the status and recognition of VET qualifications.

The Egyptian labour market is regulated by the new unified Labour Law No.12 from 2003. This regulates the content of employment contracts which must include details concerning the job description and the contract period, and imposes restrictions upon probationary periods, which must not exceed three months, and fixed term contracts. There are also restrictions upon the dismissal of employees: an employee may not be dismissed until the matter is brought before a committee with judicial powers at the Ministry of Manpower and Migration. Where employees are wrongfully dismissed the award to the employee is likely to be at least two months' pay per year of service. There are also regulations concerning minimum annual percentage increments in pay and compulsory profit sharing.

Socio-cultural context

Parnell and Hatem (1999) point out that the Egyptian culture is a blend of Arab and Middle Eastern influences and suggest that the influence of Islam may be significant in explaining dominant values and attitudes, behavioural expectations and behaviour. There has been relatively little research examining cultures' impacts upon management practices in Middle Eastern countries (see Parnell and Hatem, 1999) and upon work-related values in Arab countries (Yousef, 2001).

In his research, Hofstede (1980) did not specifically examine work-related values in Egypt; however, he does present findings relating to Arab societies in general. Hofstede (1980) classified Arab speaking countries as demonstrating high power distance, moderately strong uncertainty avoidance, low individualism and moderate masculinity.

These work-related values have implications for appropriate organizational forms and HRM practices. The appropriate organizational form is likely to be hierarchical and controlled, reporting relationships should be clear and tasks should be clearly

defined. HRM policies and practices should have a relationship and team focus. Employment is best viewed as long term and reward management should ideally be based on longevity and seniority, and, if performance related, this should be group or relationship based. It would be consistent with this profile for organizations to emphasize the internal labour market when recruiting and when they need to acquire new skills.

This profile of the socio-cultural environment is consistent with that identified by Kanungo and Jaeger (1990) as being an important characteristic of developing countries. They identify a further characteristic of developing countries which concerns beliefs about human potential and suggest that human capabilities in such countries are viewed as being relatively fixed and limited and, in consequence, career planning and progression with supportive training within organizations tends to be extremely limited.

Support for the appropriateness of Hofstede's (1980) findings and their implications are provided by some scholars. For example, Nydell (1996) refers to respect for seniority in Arab countries and in Egypt, and Parnell and Hatem (1999) note that employees often tended to agree with their supervisors and that seeking subordinate participation is regarded as weak management. Parnell and Hatem (1999) also confirm the importance of relationships over the task and the importance of loyalty to the group. They also highlight that friendship is the cornerstone of the Egyptian culture, which has an important impact upon selection and promotion practices, with nepotism being common in many organizations. Nydell (1996) also described people in Arab countries preferring to work in the same business doing the same jobs over time, a possible reflection of the desire to avoid uncertainty. Al-Faleh (1987) identified common characteristics of Arab managers which are consistent with the interpretation of Hofstede's findings. However, in discussing the Egyptian approach to management, Hickson and Pugh (1995) argued that job responsibilities are less precisely defined than in organizations in the more clearly structured Western societies, and this implicit discretion facilitates the exercise of authority in a personal manner. This lack of precision might be argued to be consistent with the high power distance and with low individualism since employees are likely to do what they are told, partly out of respect for authority and also given their loyalty to the organization.

Religion

While other religions are present in Egypt, Islam is the dominant religion and a number of authors have referred to and examined the impact of Islam on management practices (see, for example, Hickson and Pugh, 1995; Ali, 1996; Parnell and Hatem, 1999; Yousef, 2001). Islam is a comprehensive religion covering social, political and military precepts as well as the piety of the soul and the moral aspects of individual behaviour. Hickson and Pugh (1995) refer to it as providing an ethical framework for business and administration. There are reasons therefore to assume that this religion will affect both the work-related values and expectations of employees as well as the behaviour and approach of management.

The Islamic work ethic (IWE) emphasizes and encourages hard work, which is perceived as a virtue through which sins can be resolved, a source of financial independence and a means of achieving personal growth, self-fulfilment, self-respect and satisfaction (see Yousef, 2001). Life without work has no meaning and engagement in economic activity is perceived as an obligation. The IWE also stresses honesty and justice, an equitable and fair distribution of wealth in society, and it encourages the acquisition of skills and technology. The Qur'an is against laziness and counsels against

begging and living off the labour of others. The IWE also emphasizes co-operation in work and consultation, the latter being seen as a way of overcoming obstacles or avoiding mistakes. Social relations at work are also encouraged: it is important to have good relationships at work with both equals and superiors partly for the satisfaction this brings of itself and partly because links inside and outside work can be vital to survival and success. Yousef (2001) also suggests that those who support the IWE are more committed to their organizations and more satisfied with their jobs.

Another characteristic of Islam is an assumption that the future is best left to Allah, what Hickson and Pugh (1995) refer to as a latent fatalism, a feeling that as long as you live by the religious rules all will be well. Kanungo and Jaeger (1990) also suggest that people in developing countries have a strong sense of fatalism.

The Islamic work ethic stresses values and behaviour that are generally consistent with and complement Hofstede's (1980) findings. These include the emphasis upon the importance of relationships and co-operation which are consistent with low individualism. The emphasis upon hard work and keeping busy, living by the rules, along with consultation as a means of avoiding mistakes, might all be indicative of the desire to avoid uncertainty.

However, the stress upon work as a source of personal growth and achievement might be perceived as indicative of individualism and a masculine orientation rather than the low individualism and moderate masculinity associated with Arab countries. Kanungo and Jaeger (1990) have suggested the criteria of success and achievement in developing countries tend to be different from those in developed countries. In developing countries, religious beliefs and moralism, rather than entrepreneurship or material prosperity, tend to play a much greater role as criteria of success and achievement. Therefore, the emphasis which the IWE places upon work as a source of personal growth, self-fulfilment and self-respect should perhaps be viewed in this different achievement context.

Egyptian organizations, managers and employees have been exposed to more international influences in recent years and it may be that these have impacted upon the dominant work-related values as well as the HR practices of Egyptian firms. The success achieved in attracting inward FDI has had consequences for the management of human resources and the behaviour of people in the workplace. Parnell and Hatem (1999) argued that Egypt had changed in recent years with the enhanced exposure of Egyptian people to the values and beliefs held by inward investors and indeed to the management approach and practices of inwardly investing corporations. Improving and measuring the organizations' effectiveness has become a major concern for many Egyptian organizations as they seek to increase productivity, reduce costs and to compete globally.

Nydell (1996) has asserted that Arab countries have been subjected to various pressures from the outside world, which have affected the way people behave in their workplace, and in particular identified the influence of the effects of Western technologies and approaches to work, which, she argued, necessitated the adoption of Western values and social practices. Atiyyah (1993) has also pointed out that more and more Arab managers had been to the West to be educated and to attend management conferences and training programmes aimed at enabling them to apply Western management methods and techniques in their companies.

One of the implications of the work of Kanungo and Jaeger (1990) is that as countries develop economically their socio-cultural profile may become more individualist and possibly more masculine. Rahmati (2000) has argued that work-related values such as those associated with Hofstede's (1980) dimensions of individualism or masculinity might have changed since the 1970s. El-Kot and Leat (2002) undertook a preliminary study of work-related values of middle managers working in a range of companies and

their results indicate tentative support for higher scores on both the individualism and masculinity dimensions and a relatively lower, although still high, score on the power distance dimension as compared to Hofstede's original findings.

Culture, institutional arrangements and HRM practices

As mentioned above, in this study we focus upon a range of HRM practices susceptible to the influence of culture and institutional arrangements. The HRM practices examined can be grouped into six categories: job descriptions, recruitment and selection, training and development, compensation, employment security and performance appraisal. These are the basic practices and known to cover the core functions of HRM.

As noted earlier, there has been considerable interest recently in the influences of national culture on national HRM practices. Scholars, such as Hofstede (1980), Trompenaars (1993) and Jackson (2002), have all contributed insights to our understanding of the relevance of particular value and belief sets to the appropriateness and acceptability of particular HRM practices in a given national context.

Hofstede's dimensions of culture may have implications for whether there will be an emphasis upon long-term job security, stable career paths, explicit or implicit job descriptions, whether compensation should be determined and influenced by individual performance or linked to seniority and also whether appraisal is best linked to performance or to behaviours and relationships. There are also implications for whether people regard themselves primarily as a member of a group and whether group training initiatives might be more appropriate than those emphasizing individual development. In addition there are implications for whether recruitment and selection should emphasize internal or external sources.

Jackson (2002) suggests that management perceptions of the value of people, whether primarily instrumental or humanist have implications for a range of HRM practices including whether there is likely to be a focus upon the task and results or upon people and their development. There also are implications for job descriptions and for approaches for determining compensation.

Trompenaars' (1993) research suggests that whether cultures are universalist or particularist influences whether the focus is likely to be on relationships or the rules and detailed contracts and whether in the area of compensation the focus is likely to be on standardized systems or individual rewards. His work also points out the significance of status and how it is afforded and in particular whether it is based on individual achievements or on factors such as age and seniority. Again, there are implications regarding which practices are used to determine reward, the stability of career paths and the longevity and security of employment.

Research aims

This study investigates the HRM practices of Egyptian organizations by means of a questionnaire survey. The respondents were asked to highlight the type of practice usually followed by their organizations (see Appendix 1 for details). The aims of this study were to address the following questions:

- Which HRM practices and approaches are normally used by Egyptian-owned organizations regarding job descriptions, recruitment and selection, training and development, compensation, performance appraisal and employment security?
- Can these practices and approaches be explained by reference to the Egyptian national context?

- Is there support for both culture free and culture bound influences upon these practices and approaches?

Methods

Sample and procedures

The organizations taking part in the study were chosen on the basis of being known to the researchers and being willing to take part and we acknowledge therefore that as a convenience sample the results are not generalizable (see Table 1 for sample characteristics). It is very difficult to collect data in Egypt and other forms of sampling would be unlikely to produce responses. Hence, access to data collection was achieved by help of personal contacts. A questionnaire was used as a data collection method and it was distributed in April 2004 to human resource managers and/or human resource specialists working in the human resources department of the organizations concerned. The questionnaires were collected within one month of being distributed to the respondents at their workplace. The questionnaires were distributed to 150 organizations; however, only 58 usable questionnaires were returned, a response rate of 39 per cent. The sample therefore comprised 58 Egyptian-owned organizations ($N = 58$).

Measures

We used the same instrument as Huang (2000) which focuses on relatively basic HRM functions, job descriptions, recruitment and selection, training and development, compensation structures and decisions, and performance appraisal. These are HRM functions that Budhwar and Sparrow (2002) identify as having similar meanings across cultures and which we have reason to believe are likely to be susceptible to institutional and cultural influences. Respondents were asked to read the scale and express their opinions on a continuum (1–5) by checking the rating scale indicating the type of practice usually followed by their organization. The instrument comprises 11 items: item 1 measures the explicitness (1) or implicitness (5) of job descriptions; item 2 measures recruitment from external (1) or internal (5) sources; item 3 measures selection in term of whether skills (1) or organizational culture (5) are given emphasis; items 4 and 5 measure training and development; item 4 measures whether job-specific (1) or general (5) training is emphasized, item 5 whether an individual (1) or group (5) focus is taken to training; item 6 is concerned with the acquisition of needed skills and whether the emphasis is upon buying them in (1) or 'making' (5) them within; item 7 measures career paths and whether they are designed to favour functional specialization (1) or total experience (5); items 8 and 9 measure compensation decisions: 8 concerns the wage

Table 1 *Sample characteristics*

Category	Frequency	Per cent
Type of organizations		
Manufacturing	35	60.3
Service	23	39.7
Size of organizations		
Small (employees under 500)	29	50.0
Medium (employees 500–1,000)	11	19.0
Large (employees over 1,000)	18	31.0

structure and whether it is based upon job evaluation (1) or skills based (5), 9 is concerned with pay increases and whether these are based on performance (1) or seniority (5); item 10 measures whether low (1) or high (5) employment security is offered; and item 11 measures assessment criteria used in performance appraisal and whether the focus is upon outcomes (1) or behaviour/process (5).

HRM in Egypt – empirical evidence

Descriptive statistics (mean and standard deviations) were calculated for each of the practices (see Table 2). This study is of an exploratory nature and the researchers were not seeking to establish causal relationships between contextual variables and HRM practices. They were seeking evidence of practices normally used and whether these reflect and appear to be consistent with the socio-cultural and institutional environment. The measures of central tendency and range of average variation which offer a general picture of the practices being used were considered sufficient for the purposes of the study (see Sekaran, 2003).

The results from the survey indicate support among the sample for explicit job descriptions (M = 2.74). This is consistent with the desire to avoid uncertainty and ambiguity indicated by Hofstede's (1980) results for uncertainty avoidance in Arab countries and with the Labour Law which specifies that the contract of employment should specify details of the job description. Our findings provide less support for Hickson and Pugh (1995), who asserted that job responsibilities are less precisely defined in Arab countries compared with more structured Western societies arguing that this enables the exercise of discretion by management in a personal manner.

The survey results regarding recruitment and selection practices indicate a marginal preference for filling vacancies from within (M = 3.05) and that job skills are more important in selection decisions than fit with organizational culture (M = 2.55). A preference for using the internal labour market when it is necessary to fill vacancies is consistent with both the cultural profile identified by Hofstede (1980) and the influence of Islam. The low individualism, strong desire to avoid uncertainty, and emphasis which the IWE places upon good relationships and friendship might all lead one to predict that organizations would seek to fill vacancies from within.

However, the precedence given to job skills over fit with organizational culture in employee selection is less consistent with the cultural profile and influence of Islam. Given the importance of relationships over the task and friendship, the moderately strong

Table 2 *The means and standard deviations for the HRM practices (N = 58)*

HRM practices in Egyptian organizations	M(N = 58)	SD
1 Job description	2.74	1.38
2 Filling of job vacancies	3.05	1.16
3 Selection criterion	2.55	1.07
4 Training content	2.32	1.08
5 Training and development focus	3.39	1.26
6 Acquisition of needed skills and talents	3.24	1.09
7 Career path	2.72	1.33
8 Wage structure decisions	2.77	1.17
9 Criterion of pay increase	2.17	1.17
10 Employment security	3.91	1.35
11 Criterion of performance appraisal	2.58	0.99

desire to avoid ambiguity and uncertainty and the legislative constraints upon the use of atypical contracts and dismissals, we would expect fit with organizational culture to be an important criterion for making selection decisions. This apparent inconsistency may be explained by labour market conditions. The European Training Foundation (2001) reported that there were weaknesses in the VET system and that there was a shortage of labour skilled in the new occupations and technologies and the ILO (Evans-Klock and Lim, 1998) identified an employer preference for recruiting needed skills from outside rather than developing them within.

With regard to training and development the survey results indicate preferences for training to be job specific (M = 2.32), the focus of training to be on the group rather than upon the individual (M = 3.39), the internal development of needed skills rather than buying them in from outside (M = 3.24) and specialized career paths (M = 2.72).

Put together with the results regarding recruitment and selection, it seems that employers prefer to develop needed skills within rather than buy them in from outside; however, when recruiting, skills are more important than fit with organizational culture. These employers also exhibit a preference for developing skills within which are at odds with the results obtained by the ILO in 1998 (Evans-Klock and Lim, 1998). Current labour market conditions and the legal constraints upon dismissal may partially explain this apparent inconsistency.

Kanungo and Jaeger (1990) asserted that one of the characteristic beliefs in developing countries is that human capabilities are relatively fixed and limited and in consequence career planning and progression with supportive training within organizations tends to be extremely limited. However, where new skills are needed and there are shortages in the external labour market and where human resource development is a priority (Evans-Klock and Lim, 1998), employers have little option but to try and develop skills within. In this context, allied to a belief that human capabilities are relatively fixed, the focus upon job-specific training and specialized career paths demonstrated by these employers is explicable. The influence of Islam suggests that employees are likely to be receptive to the acquisition of new skills even though this may appear to be at odds with the strong desire to avoid uncertainty and ambiguity. The low individualism of Arab countries would support a team rather than an individual focus to any training and development that is undertaken.

Our results indicate that wage structures tend to be based on job evaluation rather than skills based (M = 2.77) and pay increases are related to performance rather than seniority (M = 2.17). The cultural profile of the low individualism, strong desire to avoid uncertainty, moderate masculinity and strong power distance implies that appropriate compensation systems should be standardized, emphasize hierarchy and seniority, group rather than individual behaviour and the importance of relationships rather than performance. The influence of Islam is generally supportive of this in that while hard work is perceived to be a source of financial independence this is accompanied by a strong ethical and moral stance and a belief in an equitable distribution of wealth in society. Moralism rather than materialism is likely to be the basis for measuring individual achievement (Kanungo and Jaeger, 1990).

Evidence shows that the cultural profile of Egypt has changed since the original work of Hofstede (1980) as suggested by Rahmati (2000); El-Kot and Leat (2002) in the direction of greater masculinity and individualism suggests that it might be appropriate for materialism and individual reward to play a stronger role in reward management. The influence of Western management practices and recent exhortations for Egyptian organizations to pay much more attention to improving productivity and increasing

efficiency in order to be competitive (Parnell and Hatem, 1999; Nydell, 1996) may also explain the preference for payment systems in which the measurement and reward of performance plays a greater role.

On the subject of employment security, the survey results indicate that Egyptian organizations offer high employment security (M = 3.91). This is consistent with both the cultural profile and the legal context which point to a concern with employment stability and security.

Finally, the survey results indicate a preference for outcomes rather than process or behaviour as the criteria of performance appraisal (M = 2.58). Awareness of the socio-cultural context would encourage the conclusion that performance appraisal was an inappropriate activity in Egyptian organizations, even from a developmental perspective, unless it was group based and concerned with behaviours and relationships rather than task outcomes. However, we have noted that Egyptian organizations have been exposed to Western influences and management practices, exhorted to improve efficiency and productivity, and in this context it is understandable that employers are practising outcome-based appraisal.

Conclusions

The results of this survey have identified a range of HRM practices and approaches normally used in Egyptian organizations. Most of these are consistent with the socio-cultural context as identified by Hofstede (1980) for Arab countries and Kanungo and Jaeger (1990) for developing countries like Egypt and in this sense may be identified as culture bound. However, there can be other HRM practices which are not and might therefore be seen as being culture free. The emphasis upon job skills rather than organizational culture in selection, the preference for developing needed skills within the organization, the use of performance as the basis for pay increases and the use of outcome criteria in performance appraisal seem to be more adequately explained by the labour market, legal and economic context. The influence of Western management practices and the need to be competitive internationally may well also have been influential in encouraging the adoption of practices not consistent with the traditions of the socio-cultural context. There is also evidence that work-related values are changing as time elapses since the original work by Hofstede (1980) and as the economy is being liberalized and opened to foreign investors.

While these practices can be seen to reflect and be explained by the Egyptian context the findings lend support to the assertion that there is a mix of institutional and cultural contextual influences upon national patterns of HRM practices and approaches (Budhwar, 2000; Budhwar and Sparrow, 2002; Tayeb, 1988; Huang, 2000; Sparrow and Wu, 1998) and that it is difficult to deconstruct the various cultural and institutional influences (Budhwar and Sparrow, 2002).

Limitations and further research

There are a number of limitations of this research. The sample size is small, hence, one should be cautious in generalizing from the results. Despite the difficulties concerning data collection there is scope to engage a much larger sample of firms to research on HRM practices and approaches in Egypt. The range of HRM practices included in the instrument was not exhaustive and there is scope for further research incorporating these and other practices. Perhaps most notable by omission from this research are practices related to the conduct of employee relations, employee participation and managerial

styles. Also, instruments developed by adopting from research of other scholars should be used in order to conduct a more comprehensive analysis.

In discussing the socio-cultural context of Egypt we relied upon the findings of Hofstede (1980) as the only substantial and reliable source. We refer in the literature review to few more recent and partial studies of work-related values in Egypt, which indicate that changes may have occurred over the years and as there has been greater exposure to Western and other foreign influences. The apparent inconsistencies of some of the practices identified with the socio-cultural context may be explained by changes that have occurred over the past two decades or so. Hence, there is a need for more recent and substantial investigations of work-related values.

In this study we have examined only the HRM practices in Egyptian-owned organizations. There is scope for further research enabling an appropriate and controlled comparison of the HRM practices of Egyptian- and foreign-owned firms. This would have particular significance in the context of uncertainties concerning the influence of inward investing multinationals and the significance of home versus host country influences upon HRM practices. Further, research in this area should be conducted with larger samples, a wider range of practices and specific country of origin groups and with appropriate controls for size and sector.

Appendix 1 Questions used in the study

1   How explicitly are job descriptions defined?
2   Are job vacancies filled mostly from internal or external sources?
3   Which criterion receives greater emphasis in employee selection?
4   Which aspects of training are emphasized?
5   To what extent are training and development initiatives individually focused or team/group oriented?
6   How are needed talents or skills obtained?
7   To what extent are career paths designed to favour functional specialization?
8   By what method is the wage structure decided?
9   What do pay increases mostly depend on?
10   What degree of employment security is offered to employees?
11   What assessment criterion is used in the performance appraisal system?

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