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The challenge of multicultural management in global projects

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Abstract

Reasons for the particular uncertainty of global projects are the foreign environment and people from diverse cultures with different ways of thinking and working procedures. Handling these differences presents a big challenge for any project manager. During implementation they mainly focus on the professional, regulatory and (infra-) structural framework and don't pay enough attention to the hidden stumbling blocks, namely the management of different people and cultures. Useful researches such as Hofstede's cultural dimensions and the GLOBE leadership study give a good overview of the cultural differences at the workplace. The focus in this paper is on the personal use of cultural knowledge with the main topic: „Effective application of cultural knowledge increases personal productivity“. Success begins in the mind. The core of cultural management in business is to adopt an attitude that is conducive to the personal preparation for the challenge of managing cultural diversity. A survey of differences in country-specific work methods helps to find the appropriate tools to deal with members of different cultures in one project. Three nations, China (Asia), Germany (Europe) and USA (North America) were selected and compared as examples in regard to common work rhythm, discipline and mentality. The results and analysis will help project managers to discover the potential of transnational projects and to improve their individual leadership coordination and management skills in a multicultural project environment.

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1. Challenges in managing global projects

Global project management has an extended scope with different challenges than national projects (Li, 2009, Hoffmann, Schoper & Fitsimons, 2004). The insecurity in the global field with its cross-cultural conditions is caused mainly by the foreign environment (Dülfer, 2011) and the people including team members and stakeholders from diverse cultures with different ways of thinking and working procedures. Global projects tend to be carried out rather fast and therefore project managers have only a very short timeframe to create a proper set up.

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Experiences from past projects cannot simply be transferred to a new project. It is just impossible to predict where the next project will take place and which partners will be involved. Each project is different and comes along with varying conditions. Global project management is a highly dynamic domain. Handling all the differences and coping with the on-going instability presents a big challenge for any project manager.

It's the project manager's responsibility to eliminate obstacles and to execute the project plan successfully within a limited timeframe. Due to the strong pressure and the fast moving environment project managers are used to working very efficiently. They are trained to set up a project plan and to adjust its structure to the local legal conditions as best as possible.

During the implementation period they mainly focus on the professional, regulatory and (infra)structural framework. On the other hand they don't pay enough attention to the hidden stumbling blocks, namely the management of different people and cultures (Dülfer, 2011, Balzer & Wilhelms, 2005).

Reasons for this type of negligence are problems such as measuring the different influencing factors and the lack of evaluation criteria as well as scientific methods. Cultural ignorance together with the idea of handling personal conflicts frighten most people away especially since this topic is not part of any subject during the studies. Not even academies treat it with the attention it deserves. Furthermore although cultural awareness is increasingly promoted there is still a lack of implementation in the industrial practice. The research of empirical practice of culture in business is ongoing (Wagner, 2014). It's no wonder that project managers focus their attention only on what they know and the subjects they studied.

Such negligence has of course an adverse impact on the project success. What happens during a project without intercultural management? Denial or negligence of existing problems will not solve any disagreement between foreign partners. Conflict-laden issues that are swept under the carpet lay the foundation for later problems. The resulting uncertainty nobody deals with becomes a risk factor, which might be difficult to handle at a later date.

Quite often one might have only a vague sensation or suspicion that certain events could be due to personal and cultural mismanagement. Some out of many indications that something goes wrong could be, that the project manager is not informed in time about important issues, on-site happenings or delays. Discussions and negotiations might get caught up in vicious circles or nobody feels responsible for anything. All these factors will of course have an impact on project quality and the result.

No one is really familiar with situations different from those in the homeland. Global business means therefore more challenges and obstacles for project managers as well as for the entire team. However it is dangerous to ignore risky situations because sooner or later they tend to catch up with us. Experienced managers know that cultural misunderstandings can be avoided in advance if one is alert and pays attention. Cultural differences in business dealings can be bridged if the appropriate tools are applied (Ranf, 2010). Intercultural skills are by all means learnable.

Cross cultural researches such as Hofstede's cultural dimensions and the GLOBE leadership study give a general overview of the cultural differences at the workplace and form the base for personal management in global business. This paper explains the advantages of cultural knowledge for project managers. It introduces comprehensible methods and tools that help managers to deal with cultural and personal risks during the project implementation. You will find an answer to the following questions:

- How can one master the challenges of global projects effectively?
- Which are the areas project managers should pay close attention to?

2. The Concept of Multicultural Management in Global Projects

The concept of "Harmony in Global Project Management" (Huang & Chung, 2014) presented at the IPMA Experts Seminar 2014 claims to take three influencing factors equally into consideration: "industry", "people" and "culture". The concept assumes that in global project management a harmonious cooperation with a simultaneous integration of different professional, intellectual and cultural factors is definitely possible. Cultural management has to be included in the toolbox of global project management. The advantage will not only be a better stakeholder-resource management, but also a well-functioning communication. Cultural management furthermore facilitates the

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