

## Chapter 69

# Cultural Effects on Trust Building in International Projects' Stakeholders

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### ABSTRACT

*The increasing global nature of projects has highlighted the importance of multiculturalism and the new challenges it brings to project execution. The rationale of this study is to look at how culture affects on trust building process in international projects and its stakeholders. This research employs intensive literature review to develop a model of cultural similarities and dissimilarities for trust building in international projects stakeholders. Culture is a significant factor in building trust among global projects stakeholders for the reason that trust is vital for developing a well-functioning long term business relationship. The study highlighted that cultural differences among project teams can cause conflict, misunderstanding and poor project performance. However, this study is currently explanatory study because no empirical evidence is provided. Future empirical research should investigate various scenarios, types of projects, cultures and countries. Cultural issues are pretty sensitive that have immediate association with trust building process among international projects stakeholders. Petite methodical research has been done on the cultural effects for trust building in international project context. In meticulous, the query of how culture effects trust building efforts in project stakeholders remains unrequited. This study aims to generate interest in the research community for undertaking a detailed and comprehensive research on this topic. It also aims to serve as a foundation for future studies.*

### INTRODUCTION

The increasing global nature of projects has highlighted the importance of multiculturalism and the new challenges it brings to project execution. Projects are very diverse, and include entertainment, election campaigns, juries, and construction, paramedics, where a team of experts are assembled to carry out a task, and then disbands once the task is accomplished (Meyerson *et al.*, 1996). Projects are defined as

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temporary coalitions of actors that are assembled by a project manager, via a web of social contacts, ties and actors from previous projects (Grabher, 2001; 2002; Ekinsmyth, 2002). All projects share common characteristics: they are goal-oriented, time-limited and contain unique or non-repetitive elements (Engwall, 1998).

Researchers show great interest in trust, a form of social relations and processes that facilitates the coordination of exchanges (Li et al., 2006). Trust is critical to the success of global business teams in that it encourages cooperation and minimizes unproductive conflict. Without mutual trust, however, team members may shy away from revealing their true beliefs; or if they do express their viewpoints, they may not be "heard." In one way or another, the absence of trust is likely to turn a team's diversity into a liability rather than an asset. Since, multicultural project teams have become more common in recent years, and contemporary international management literature has identified that the management of multicultural teams is an important aspect of human resource management (Ochieng and Price, 2009).

Trust has emerged as a central theme in international strategy research (Zaheer and Zaheer, 2006). Trust is viewed as an etic (culture-general or universal) or as an emic (culture-specific) concept in a cross-border situation (Triandis, 1994; Earley and Mosakowski, 1996), the intersection of different levels or meanings of trust has implications for research into, and the practice of, international collaborations. Even when one approaches trust from the more common etic view, that is, that the concept means the same thing and is measurable the same way across cultures, differences in the levels of trust across societies, as has been found in several studies (Fukuyama, 1995; Yamagishi et al., 1998; Dyer and Chu, 2003).

Developing and maintain trust between cultures is a formidable challenge. People from different cultures often bring to relationship building efforts 'alien' values and beliefs, 'peculiar' behaviors and even incompatible assumptions, which can prevent successful interactions and fruitful collaborations (Arino et al, 2001; Branzei et al, 2007; Farris et al, 1973). It is little wonder that cross cultural interactions often involves misunderstandings, embarrassment, feelings of low self-efficacy, even psychological distress (Molinsky, 2007). DeBruine (2002) has shown in an experiment, people trust people who look like them more than those who do not. Similar countries trust each other more and, thus, can transfer technology faster and more effectively (Spolaore and Wacziarg, 2009).

Various trust models have been proposed to illuminate how trust is build (i.e. McAllister, 1995; Rousseau et al., 1998). Despite these efforts, little systematic research has been done on the cultural effects for trust building in international project context. In particular, the question of how culture effects trust building efforts in project stakeholders remains unanswered. This study attempts to answer the same.

## **LITERATURE REVIEW**

### **Trust**

Trust has been conceptualized as a belief or confidence in another's reliability, integrity, credibility, honesty, truthful benevolence (Doney & Cannon, 1997; Ganesan, 1994; Geyskens, Steenkamp, Scheer, & Kumar, 1996; Kumar, Scheer, & Steenkamp, 1995; Morgan & Hunt, 1994), faith that another will meet obligations (Gundlach & Murphy, 1993) and the expectation that another will act in accordance with an individual's beliefs (Sirdeshmukh, Singh, & Sabol, 2002). Essentially, trust is confidence in another's goodwill and integrity as well as the belief in another's ability and credibility, and is associated with such qualities as being honest, faithful and truthful. Drawing on these established notions, we

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