Implications of Cultural Differences in International Projects

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ABSTRACT

This research sets out to identify cultural factors that may need to be addressed in order to increase the chances of international IT project success. The management of projects across national boundaries and cultures is becoming an increasingly important topic as organizations throughout the world expand their globalization efforts. Using a case study example of a failed IT project conducted in Taiwan by an Australian project team, the issue of how national cultural differences contributed to this failure is used as the foundation for identifying how cultural differences might affect other international IT projects. Feedback from local students in a United Arab Emirates national university MIS project management course is analyzed and interpreted in an attempt to identify what cultural differences are likely to affect the management of projects in the Middle East region in particular and across national boundaries generally.

Keywords: Communication, Culture, International Projects, Middle East, Project Management, United Arab Emirates (UAE)

INTRODUCTION

Many projects require managers to work in a multicultural environment often without awareness of the impact of cultural factors on the outcome of the project. In an era of globalization, there is a need to understand how national culture influences work on multi-national projects, (Müller, Spang, & Ozcan, 2009). This paper uses a novel approach to better understand Middle East culture and discusses how culture might affect IT project success in the region.

In 2003 an information systems teaching case study based on an international project was published, providing compelling evidence of the types of project management (PM) incompetency that, from the literature, contributes to the high failure rate in IT projects, (Jewels, 2003). The case was used in an MIS undergraduate degree at a national university within the United Arab Emirates (UAE). The case study implicitly addresses many cultural factors that ultimately contributed to the project's eventual failure. Two distinct cultures were intertwined: the project was executed in the city of Taoyuan (Republic of China) with Taiwanese end users, but managed and run by its Australian designers.

The project aimed to deliver a fully automatic robotic high rise storage facility on behalf of a large beverage manufacturer client (SCT). Although it promised to be a world leader in automatic stock retrieval systems (ASRS) the project ultimately failed to meet the expectations of the client in terms of speed, accuracy or reliability and was eventually replaced with a different system.

The first author of this paper had been a practicing international project manager for more than two decades, and although he was aware of such cultural differences, was never able to clearly identify precisely how these obvious cultural differences might affect project success. This research was an opportunity to investigate a general phenomenon that many international project managers are believed to be inherently aware of but are similarly confused as to the ramifications.

The use of international IS/IT case studies of this type continues to be a highly valued resource by faculty and students alike, (Jewels & Albon, 2009), yet without an appreciation of how various scenarios can be adapted to fit other environments or cultures, the value of any case study may be limited. In retrospect, cultural differences between the Chinese clients and the Australian project team members clearly contributed towards many of the problems evidenced, although at the time the Australian project team members were essentially unaware of the ramifications of these differences. Though the DB case study is still primarily used to discuss the basic types of PM incompetency's outlined by PMI, (2008) it is, in the UAE teaching context also used to highlight the impact of cultural differences between the bi-national project team-members. These cultural differences are then used as a foundation for further identification of cultural issues within the student's own local environment. It is argued that for the identification of cultural issues such as this, it is equally as appropriate to use local individuals that may have had little project management experience as it is to use individuals experienced in project management though

with little understanding of local cultural issues. Most project management research to date has developed extended theories and concepts that de-contextualize projects from their cultural and institutional surroundings, (Ainamo, Artto, Levitt, Orr, Scott, & Tainio, 2010). The present research has set out to identify specific local cultural issues that may ultimately affect project management success.

The pedagogical approach used in this teaching context is problem based learning (PBL) which encourages and supports students to find answers and applications of the theories and concepts from their own environment with their own background cultural knowledge. Thus, using local students understanding of their own environments it provides an opportunity to examine whether cultural issues identified in the DB case study may also be relevant in their own situations. It additionally provides an opportunity for local students to identify other cultural issues which may be specific to their own environment. Identification of cultural factors could affect how international projects are managed in various regions. As Ainamo et al., (2010, p349) point out, an awareness by both project management practitioners and researchers of cultural and institutional ingredients and consequences, will improve our understanding of how these ingredients and consequences link to instrumentality. Our findings are expected to help fill a void in the academic literature relating to the effects of culture in projects. In a practical sense it is hoped that the findings will assist international project managers to better understand the impact of cultural differences in general and more specifically the impact of regional cultural factors.

LITERATURE REVIEW

Although the management literature has been paying increasing attention to issues relating to culture for some time it is only in the last few years that the project management literature has started to address these issues, (Bredillet, Yatim,

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