

Globalization and Cross-Cultural Issues in Project Management

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Abstract

With hot topics like globalization and cross-cultural opportunities in the Asia Pacific rim, one might think it would be easy to research the implications of cross cultural issues. Rather, what the writer found was a significant discussion all around the periphery but little in-depth analysis. Discussion prevailed on the socio-economic and technological ramifications. Others resources focused on the language issues but little work was intuitively available on the subtleties of cross cultural issues one may encounter.

Based on experience working in the Asia Pacific rim for two years as a PMO Manager, and training PM's in many European countries, I decided that understanding international socio-cultural issues encountered in business is essentially at the heart of the issues companies will encounter in globalizing operations. Therefore, the writer will approach the cross-cultural issues from a personalized understanding based on his many months of first hand mistakes in understanding cultural issues encountered in Asia Pacific. I will base my observations of cross-cultural issues on my experiences in working most closely with individuals from China, Hong Kong, Malaysia, Taiwan, Singapore, Japan, and India. Naturally there are more countries in the Pacific Rim but these mentioned provided the most opportunity for interaction.

I want to also acknowledge the contributions of my wife, Helena Shiu Leung Chow Ballow, whom I initially met in Asia. Her wisdom, coaching, and meaningful insights on the many differences between Western and Eastern business and cultural practices were, and remain till this day, illuminating, helpful and daunting.

Introduction

Clearly we all understand to some degree the impact of cultural issues in communications. If nothing else, we have encountered situations where language was the barrier. But language may be the smallest of the issues when dealing with other cultures. Even when we pull out our Translation Guides or employ translators we may get pass some of the language difficulties. But from the writer's experience, language is the least of the issues. Ingrained and systemic patterns of cultural behaviours can be so subtle as to completely deny meaningful communications.

I found a really good example of just how easily cultural variances can cause communications problems. In this case the issues was "psychological filtering" of appearance or gesture. I would think is would also be easy for the reader to extrapolate this example into some experiences that may have encountered even in the West. Timofeev (2002), in an article in National Concepts and Globalization, provided the following example:

"The idea or rather the hypothesis that underlies this paper was stimulated by a trivial chat with a friend of mine. Being a linguist by trade, Russian by origin and living in Finland, she is well aware of cross-cultural discrepancies and provided me with a curious example. It was a TV commercial of an international brand of Persil washing powder. Two young ladies were shown sitting in a crowded place, some restaurant or a café. One of the ladies notices quite a peculiar manner her friend has chosen to wear her wristwatch. It was placed above the cuff of her blouse. It turned out in a second that the only reason for placing her watch there was to cover some stain that regular detergents failed to deal with. "Oh dear, you should use Persil instead!"

So everything was straight and simple. But before that, when the attentive and thoughtful lady was describing her version of her friend's peculiar manner of wearing her watch in Finnish (and I guess that the German, French and English versions were quite similar to that in Finnish), she said: "You are such a busy person. You have to wear your watch so that it can always be seen." While in Russian the same lady made quite a different guess: "Your watch must be terribly expensive since you wear it so that everyone can notice it." ...The Russian version, when translated into English, seems to be full of irony; it describes the lady's manner as showing off. It would definitely undermine the main purpose of the ad, which was to provide a friend and those watching the commercial with thoughtful advice about using detergents. (p. 1)"

To understand the issues we must start with a framework definition of culture. There are just too many definitions of culture, and even speaking the same language, we might get off tract pretty quickly. So, the writer did some research and decided on the following foundational definition of culture upon which to proceed. This is summarized by Kim (1999):

"As the author himself confesses that there are 160 different definitions of the term 'culture' and picks up the definition of scholar Clyde Kluckhohn. According to him, "Culture consists of patterned ways of thinking, feeling and reacting, acquired and transmitted by symbols, constituting the distinctive achievement of human groups, including their embodiment in artifacts; the essential core of culture consists of traditional (i.e. historically derived and selected) ideas and attached values."

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Another scholar, Triandis, presents a psychological perspective to the description. "Culture is a subjective perception of the human - made part of the environment. And this includes the categorization of social stimuli, associations, beliefs, attitudes, roles, and values individuals share." Culture thus is a melting pot consisting of many things gathered over a period of time in which religion and language play a great role. (p.228)"

Now, with a definition of culture in hand, and a real life example to back up the idea, we will look at some relatively common cultural issues that impact communication, and thus, also have implications for Western corporations working in the Asia Pacific Rim.

Cross-Cultural Issues and Implications

I will present the materials in a table format such that it may be easier to digest. A simple summary provided by Bhagat et al (2002 provides a good stepping-stone for analysis of the cross-cultural issues:

Cross-border transfer of organizational knowledge is most effective in terms of both velocity and viscosity when the type of knowledge (i.e., human, social, or structured) being transferred is simple, explicit, and independent and when such transfers involve similar cultural contexts. In contrast, transfer is least effective when the type of knowledge being transferred is complex, tacit, and systemic and involves dissimilar cultural contexts. (p. 204)

Table 1: Cross-cultural Implications – Asian (China, Hong Kong, Malaysia, Taiwan, Singapore, Japan) and the West

Cross-culture Dimension	Implications		
	Asian Perspective	American Perspective	Implications
Language	Not that complicated to the Asian. Foreigners should have more respect and learn the language.	English is the international business language so everyone should use it.	It is generally good practice to "localize" materials when feasible. Local words and expressions sometime just do not properly translate for English and may actually be offensive.
Individualism vs. Collectivism	Strong Collectivism - The Asians depend more on groups or institutions to determine what they should do and emphasize loyalty to the group. They are more likely to cooperate with others to avoid risks and reduce responsibilities. Their value systems appreciate duty to the group and harmony among its members while pursuing personal goals is viewed rather negatively in Asia.	Strong Individualism - They rely on their own view to determine what they should do. They tend to work alone and are reluctant to cooperate because their individualism and masculine culture view cooperation in general as a sign of weakness and place a high value on independence and control.	A focus on team activities and collaboration vs. individual competitive activities is preferred.
Cooperation	The Asian person does not consider contracts as seriously as the Americans. They think there will always be changes and the contracts can be reasonably modified according to changes. Instead, they tend to pay more attention to relationships than contracts.	Americans place greater importance on contractual safeguards than the Asian. They believe that contracts can ensure that their partners' tendencies to focus on individual goals and aspirations do not interfere with their own individual goals and aspirations.	Nothing is cast in stone for the Asians. Authority is seldom, if ever, challenged. But when encouraged and trust is gained by the instructor, students will interact better, and challenge each other in a negotiative manner as not to create a "save face" problem. This takes much longer that you will ever plan – so take time to let the process work itself through. Asian employees seldom have the chance to really participate in the decision-making process. So activities requiring decisions may well take longer.

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Cross-culture Dimension	Implications		
	Asian Perspective	American Perspective	Implications
Uncertainty Avoidance	Risk-avoiding - Asians have higher values for uncertainty avoidance than USA, which shows that Asians are relatively risk-avoiding	Risk-taking - Americans are relatively risk-taking. USA has a short-term orientation while Asians have a long-term orientation	The tendency is to research, research, and research until there is more certainty on an issue or assignment. Again this takes more time than ever planned. No one wants to get the other team member down so certainty is best to "save face" within the collective.
Masculinity/Femininity	Medium Femininity – To deal with a difficult or controversial request, indirect forms of influence are preferred by Asian managers to avoid losing face and damaging relationships.	Medium Masculinity – Western partners may get totally confused by the roundabout way the Asians use to solve seemingly simple problems. The different ways that Chinese and American managers resolve conflicts seem to find support from Weaver's finding that feminine societies prefer to resolve conflict through negotiation and compromise (Weaver, 2000).	As noted in the other categories above, while team activities are critical to success of a course, the time allotted for all activities must be given a high priority.
Conflict Resolution	Personal relationships are emphasized. They will try to use indirect ways to avoid direct and open conflict. When they face conflict, they prefer to use authority to suppress it, or settle things in private. They prefer to resolve conflict through negotiation and compromise. (Weaver, 2000).	American managers are used to confronting problems directly and bringing things out in the open. To resolve differences, American managers will prefer to use tactics that involve directly confronting others with rational arguments, factual evidence, and suggested solutions (Ting-Toomey, 1985).	Western business people will realize that while they "have the authority" to manage conflict it is not a license to kill. Extreme caution and skill is required to bring a group through conflict without causing save face issues. Time, time, time.
Work Group Characteristics	Asians are relational-oriented countries in which people place great importance on personal relationship. Living in a collectivism society, the Asians view people differently as "in-group" and "out-group". They have much higher confidence in "in-group" members than "out-group" members. But the passing of time, and the development of relationship, the out-group members may turn into in-group members	American managers may encourage their group members to learn from each other, to focus on task rather than on social and interpersonal relations, and to build the confidence required for superior performance (Sosik and Jung, 2002). They place a much higher importance on the task or business deal and hope to focus very quickly on specific business matters. They are achievement oriented, that is "work first". They don't think establishing personal relationship is necessarily involved in the work.	Once teams are formed, changing members will create problems for the new member. Avoid this whenever possible.
Motivation Systems	Collectivistic cultures emphasize cooperation, interdependence, and group goals, and thus prefer plans that support group harmony (Aguinis, 2002). Most Asians believe that the sense of belonging to the group and devotion to the group are important. They hold the view that one's success is mainly based on group work, so one cannot claim the reward just for oneself. In that case, the equality principle is reflected in the motivation system.	In American value systems, great emphasis is placed on individual achievement, and they are expected to achieve success only by their individual efforts. They value competition, achievement and personal goals, and therefore, desire to have plans that recognize individual contributions.	Motivate and encourage individuals one-on-one. Motivate and encourage all groups publicly unless the news is bad.

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Because most of the areas discussed in Table 1 also apply to Indian culture, we will only look at a few areas that are subtle variances in implications. This time I will ask the reader to think about the implications based on a review of Table 1. Let's see if you have started to figure it out.

Table 2: Cross-cultural Implications – India and the West

Western	Non-Western
1. Christianity concerned with absolute moral values, differences between good and evil, and redemption of the soul.	1. Non-Western religions focus on virtue. Buddhism and Confucianism providing an ethical code of behavior.
2. Society is built on legalistic contractual relationships.	2. Society is built on direct personal relationships.
3. Individualistic orientation.	3. Group orientation. Clan, Caste, Tribe.
4. Behavior controlled by rules, punishments and rewards	4. Behavior controlled by group adaptation. Departures from the group norm are accompanied by feelings of shame.
5. Attribution groups are important (family, class, occupation).	5. Frame groups are important (village, neighborhood, company, region, and nation).
6. Weak hierarchical structure	6. Strong hierarchical structure.
7. Important values are freedom and personal conscience.	7. Important values are security and obedience.
8. Need for self-assertion	8. Need for coordination
Western	Non-Western
9. Contractual relationships based on rights and duties	9. Personal relationship based on mutual obligations and mutual dependence.

Source: http://www.geocities.com/krisnossamone/west_versus_india.htm

Summary

I can relate to you from personal experience that the content in these tables, and the preceding “watch” example, are but a few of the real cross-cultural issues one will encounter. In implementing project management around the world, I encountered topic-critical words that could absolutely not be translated in some languages. On some occasions, I encountered individuals who had little tolerance for Western ideas. For example, in presenting certain PM concepts in China about Change Management I discovered they were considered impolite and inappropriate. Why? After the contract is awarded is when the two parties actually sit down and really come to agreement on what will be delivered. The original SOW can only be considered a general reference point and asking for additional funding for changes is just not generally accepted business conduct. You can see that in some areas we absolutely thousands of miles apart in many ways.

More than finding great new insights about cross-cultural issues, I find it more about personal reflection on how I could have done things better. Hind site is always viewed from a 20/20 perspective. Much of what I have learned about cross-cultural issues was trial and error, and error, and error. The writer hopes that sharing some of my experiences will help you avoid some of the same problems and make you more sensitive to the inherent cultural issues you will encounter.

Resources

If any reader would like to pursue a more detailed understanding, may I suggest the following resources?

- Fred Schneider, *Getting Along with the Chinese for Fun and Profit* (Regal Printing, Hong Kong, 2000).
- Yuan Wang et al, *An Insider's Guide to Business Culture in China*, Butterworth-Heinemann Asia, 1998.
- Jiang Wei, *China Business Strategies*, Asiapac Books Pte. Ltd., 1995.
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