International Projects Management, Framework for controlling Conflict and Cultural Diversity in Developing Countries

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Abstract
In today's globalized environment, international construction project management is an important trend. During recent years a lot of construction companies in developing countries have been faced with project management challenges. The conflicts and issues concerning cultural differences and diversity of the workforce have been increasing in multinational projects. Hence, the project managers have to be aware about the culture (s) of any country that they are operating in, for the planning and projects progress. In addition, research findings around international project management show cultural awareness is very important before starting any international project. The key cultural factors that influence international project management may be summarized to include organization level differences such as owners, consultants, contractors, subcontractors and government agencies, and workforce level diversity and organizational differentiation. This paper concentrates on the cultural diversity impact on international project management in developing countries. It considers some effective cultural features such as religion, composition and power of the workforce. In the twenty first century, the big challenge in developing countries construction projects management is to acknowledge and understand the differences amongst the workforces, customers and also competitors. To achieve benefits in international projects, it requires reducing negative cultural impressions. International project managers have to manage and support multiplicity initiatives towards successful project implementation which includes management commitment, in order to create a more flexible working environment and to ensure effective communication between the project management team and workforce, and other important stakeholders, by eliminating conflicts, possibly caused by a lack of appreciation and understanding of cultural diversity.

Keywords: cultural diversity, conflict, developing countries, management commitment, proportionate communication.

1. Introduction

Over the past decades, many of the international construction plants accomplishing their activities in developing countries have been facing a lot of conflicts in managing their problems. The purpose of this paper is to investigate important critical cultural factors on project management and to debate some effective perspectives of management in order to control the conflict in the construction projects. In

international projects, prosperity of project is strongly related to communication between multicultural stakeholders. Generally, international projects are invested by multicultural organizations with national cultural differences. The construction industry has been heralded as a key industry in achieving and supporting national economic success worldwide especially in developing countries. Construction projects in developing countries commonly accept a worldwide strategy. Each country has industry-wide approaches.

Ordinarily, 'developing country' is an expression for countries with low level of contentment (Sullivan and Sheffrin, 2003). Based on statistical classification of World Economic Outlook report on April 2010, countries were evaluated according to the international monetary funds. Some countries like Malaysia, Iran, Iraq, Kenya, Indonesia and so on perch in this group.

There are many difficulties in communications between different countries cultures. Some behaviors may be approved in one culture whereas they may be seen as offensive in other countries. Achieving information about communicative manners should ease to decrease these conflicts (Tran and Skitmore, 2002). In international projects, multinational businesses are ending up commonplace due to globalization (Bahadury *et al*., 2000). This would seem to demand investigating competitive preferences and basic cultural challenges before starting projects. Through the global environments, people work in other countries with variegated cultural origins such as language, religion, rules, standards, lifestyle and so forth (Zakaria, 2000; Seymen, 2006).

There are many differences between developed and developing countries in size, government strategies and also resources. In spite of these potential areas of conflict, developing countries have the appearance of common issues such as lack of up-to-date technology, the presence of many unskilled and untrained human resources and also shortage of financial resources.

Kwak (2002) elaborated some critical factors which are important in international projects. These factors include political and legal aspects, technical plans, cultural perspectives, economical and environmental background, social and managerial aspects. According to researches conducted by Cheung *et al*. (2000), Chua *et al*. (2003), Long *et al*. (2004), Wong et al. (2010) and Giang and Pheng (2011), during last years, developing countries construction industry have faced some serious difficulties such as industry's infrastructure problems, flow of incorrect information, high frequent changes in instruction planning and countries' internal shortcomings.

Culture and controlling cultural diversity have been revealed to be a basic factor in international projects management. Inability to effectively supervise these conflicts leads to a decrease in overall project performance. This study intends to propose the link between project objectives, supervising conflict related to cultural differences and critical success factors in order to achieve benefits.

2. Key concepts review

This part, demonstrates the key concepts of cultural diversity and its related issues. It is a review of other researches about international projects in the construction industry.

2.1 Culture and cultural diversity

Culture includes knowledge, beliefs and religion, rituals, interests, rules, ethics and some routine customs that are shared among members of society. During international projects, communication plays a key role and directly relates on culture. The cultural diversity and management of conflict in developing countries are two important factors in order to progress in international projects. There is no doubt that cultural differences create conflict. After the industrial revolution, work environment have been evidenced many

people have moved from their countries to another lands for working in bigger economic societies. Hence, for successful multicultural management, recognizing the conflict sources is vital criteria.

The concept of business culture has been employed since 1980's (Pheng and Yuquan, 2000). Culture is unique way of some people that constitute their method for living (Pheng and Leong, 2000). Another definition about culture was presented by Low and Alfelor (2000). They remarked which culture embraces some features such as geographical characteristics, historical phenomena, language, political and economical situation and religion.

Diversity is an important tendency that is affecting the people during the 21st century (Lavaty and Kleiner, 2001). In fact, diversity creates barriers and obstacles in the management international projects and it impacts on the cross cultural communications. Cultural diversity is a factor such that many researchers like Reich (1991), Johnsson (1994), MacDuffie (1995), Adler (1997), Seymen (2006) and Ochieng and Price (2010) considered it.

Since last decades, international construction projects management have increased and this expansion in global environment goes to diversity and its related problems (Ochieng and Price, 2010). Any project manager, who desires to conduct an international project successfully, should be capable of knowing about different aspects of host country's culture (Shuying, 2009). Therefore, international projects managers must possess different abilities to recognize employee's skills, technical leadership, customers' relationship and their satisfaction factors and conflict management as a result of culture diversity.

2.2 Management of conflict

The 21st century has faced developing countries with significant challenges; one of these challenges is conflict from cultural diversity. Conflict is an inevitable issue in advanced organizational systems that spring to various forms. Likewise, conflict is not always negative parameter; rather amount moderate conflict can increase the performance efficiency. The important issue in this context is the way facing with conflict and managing that. For controlling extra pressures due to conflicts during international projects, project managers should be familiar with technical and managerial skills in the addressee countries.

Human resource management is a critical factor in international projects (Ochieng and Price, 2010). Successful project management usually includes different variables such as human, budget and technical factors. Some of these factors involve project mission, project schedule, client consultation, technical tasks, client acceptance, monitoring and feedback, communication, trouble shooting, training and management support (Belout, 1998).

Conflict in construction projects is common because there is not international law to solve this problem (Xinhua, 2010). Some attributes to be must considered in international projects include effective communication skills, effective leadership skills, interpersonal skills, adaptability and flexibility and functional strengths. Without attention to these criteria, project management in international projects can be discouraged by cultural diversity and conflicts that cause waste of money and time. Table 1 shows some factors that create conflict in multicultural projects. Researchers focused on the unique features of every culture that impact on the relationship and communication. For example, religion in Islamic countries can make conflict. Table 1 is summery of some researchers that investigated in cultural diversity and conflict area.

Managers in the international projects environment should be more conscious of the challenges and their conflicts due to different cultures. During this partnership growing, project leaders encounter with various competencies towards success. Executing projects in disparate countries specially developing countries,

with their unique situation enhance the complexity and create some barriers. In this paper, a framework is proposed for controlling these snags.

Table 1. Critical factors in cultural diversity

Factor	Strodbeck and kluckhon, 1961	Harris and Moran, 1991	Galagan, 1991	Dessler,1998	Bahadury, et. Al, 2000	Deresky, 2000	Daft, 2003	Randeree and Faramawy, 2011
Race	..	..	√	√	√	..	√	..
Geographic origin	..	..	√	√	√	..	..	√
Ethnicity	..	..	√	√	√	..	√	..
Gender	..	..	√	√	√	..	√	√
Age	..	..	√	√	√	..	..	√
Functional background	√	√	√	√	√	..	√	√
Language	√	..	√	√	√	√	..	..
Lifestyle	√	√	√	√	√	..	√	√
Beliefs	..	..	√	√	√	..	..	..
Economy	√	√	√	√	√	√	..	..
Religion	√	√	..	..	..	√	..	√
Legal factors	..	..	..	..	..	√	..	√
Political factors	√	√	..	..	..	√	..	√
kinship	..	√	..	..	..	..	..	..

2.3 Critical Success Factors in International Projects

Kwak (2002) remarked the impact of some factors such as political, legal, cultural, technical, managerial, economical, environmental, social and physical factors on the foreign investment conflict, dissatisfaction of stakeholders and project failure. In brief, success is appraised only when the factors are suitably specified. Project managers are obligated to consider the factors like; time, cost, quality and compliance customer satisfaction (Diallo and Thuillier, 2005). On the basis of noticed study by Giang and Pheng (2011), labours, assets and communication are important factors in construction industry in developing countries.

Hence, the national projects managers and coordinators, national and international supervisors, project team and their knowledge and experiences, contractors and subcontractors and consultants play key role in projects successful progress.

3. Cultural diversity towards conceptual framework

Some dependent and independent variables play a key role in project progress. In this study, a conceptual framework is presented to control and monitor the relationship between cultural diversity and conflicts on one side, and critical success factors of project management on the other side.

The outline of the framework is shown in Figure 1. Three parameters are most important in settling the success of international projects. These factors are including creation of suitable projects, selecting the correct partnering and preparing effective project management. This framework can solve the problems emerging from multicultural teams. It focuses on key risk areas and critical success factors and practical factors in order to restrain conflicts.
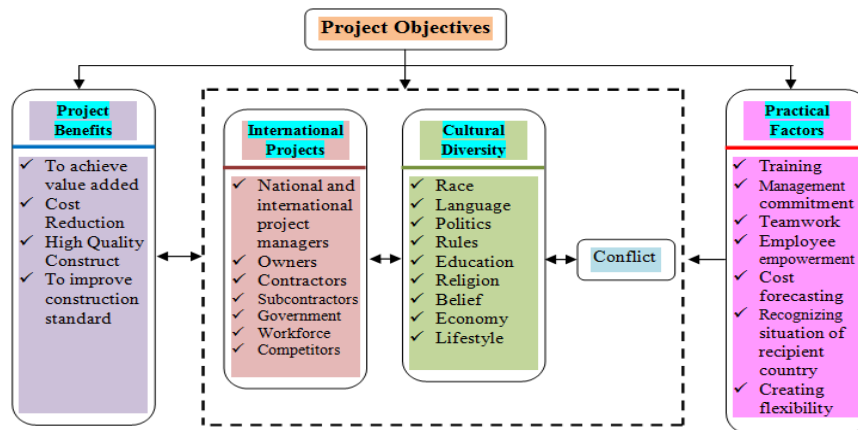

Figure1. Conceptual Framework to Control Cultural Diversity

In the long-term, the construction industry in developing countries has logistic regression with cultural aspects. Because developing countries employ other people from other countries due to their project progress and overlapping their deficiencies. This conceptual framework attempts to establish a logical relationship between owners of projects and other intermediate parts like project managers, consultants, contractors, subcontractors and employees.

The important factor in international projects is recognition of conflict and in eliminating this. According to the literature and other researchers findings' (Li *et al*., 2005), this framework suggests some key practical parameters towards supervising conflict which generates by cultural difference. The major factors include training, management commitment and support, teamwork approach, employee empowerment and creating flexibility in work environment and project planning.

Based on the review of other researches (Table 1), we introduce this conceptual model with important indexes. This framework may form the skeleton of a practical strategy for later research on international construction projects. Training, management commitment, teamwork, employee empowerment, cost forecasting, recognizing situation of host country and creating flexibility in good manner determine as practical factor to control conflict cause of cultural diversity in international projects.

4. Conclusion

This paper has given some reasons that project managers should consider the unhelpful behaviors to mitigate conflict. Training employees and ensuring project leader support would seem to be two vital keys in order to adapt cultural diversity and flexibility. It is clear that cultural diversity impacts on project managers' decision in order to manage conflicts in international projects. Developing countries cannot evade global competition. Amongst different industries, the construction industry in developing countries contests with developed countries so that obtaining opportunities to optimize and maximize the projects outcome.

The proposed framework represents that conflict management is not easy rather that is supported by the indicators such as personal, organizational, environmental, political, legal and economical conditions. This study and proposed framework is the way and structure towards future research around this important area. The construction industry brings a lot of advantages in developing countries like Malaysia. These benefits include greater value, reduce capital cost, improves design, improve the quality of new construction and improve the standard of existing constructions.

This study has investigated the effect of multicultural communication and cultural diversity on international projects management. It is clear that focusing on training and education of employee and project managers is the realistic and practical path to decrease developing countries deficiencies. The proposed conceptual framework suggests the international communication influences on project management procedures in ambiguous methods that need the implementation of suitable approaches and functions to impact the routine communications for achieving effective and efficient results. As debated in this paper, there is insufficient knowledge about construction industry in developing countries and for recognizing the gap and solving that requires further research in order to organize long-term policy for successful international project management.

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