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Global Issues in Project Management

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Global Issues in Project Management

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Abstract

As a result of globalization, overproduction, short life cycle of products, competition and uncertain domestic markets, businesses are extending their operations in international scale (Santoso & Loosemore, 2013; Grisham, 2011)

Projects are implemented with the goal to introduce changes and to deliver unique products based on customer requirements, (Grisham, 2011; Kerzner, 2009), however as a result of free movement and shared market (like European Union), innovations on technology (e-business, teleworking), outsourcing and new product development, projects are implemented within international scale and people and materials for international projects are now sourced globally (Grisham, 2011).

Furthermore, project managers are dealing with remote and virtual projects teams (Grisham, 2011) that are assembled from individuals that are representing different nation, religion, race and culture (Barczak, McDonough, & Athan, 2006).

In addition, project management is developed by western countries and un intentionally, western culture is imposed in to project management standards (Wang & Liu, 2007). Project management standards like, Project Management Professional (PMP), PRINCE2, (Projects In Controlled Environments), ITIL (Information Technology Infrastructure Library), and APM (Association for Project Management) are western project management approaches and they requires use of project management technology but also project management values and beliefs, that are representing western values and beliefs.

Keywords: Project Management, PMI, ITIL, PMBOOK

Implementing PM in Multi-Cultural Settings

Project management as business discipline is formalized by Project Management Institute (PMI) in USA, and PMI had published Project Management Body of Knowledge (PMBOK) as standard for project management. In addition, Office of Government Commerce, UK, (OGC) has published Projects In Controlled Environment (PRINCE2) standard, while the Association of Project Managers (APM) has published APM Bodies of Knowledge as its standard for practice. (Grisham, 2011; Kerzner, 2009). Since 1969 project management standards were developed by western countries, and according to Wang & Liu (2007) “the western project management approach is basically different from the traditional vertical management method” (p. 61).

Organizations are employing wide range of people that have skills according to their job descriptions and they had attended schools with same syllabuses, and they had taught same subjects. Furthermore, most of them may already possess managerial soft skills like: communication skills, interpersonal skills, self-management skills and have understanding of motivational theories like motivation theories like Maslow Hierarchy of Needs and Herzberg Motivation-Hygiene Theory, and as a result of high professionalism, project managers may have difficulty to manage professional project staff.

In addition to this identified obstacle, project staff members are coming from different regions, cultures, beliefs, values and expectations. International project management have unique challenges and Barczak, McDonough, & Athan, (2006) had identified four challenges that are occurring within international project management, Different native languages, different cultural backgrounds, Living and working in multiple countries and Members from different companies.

Another researcher, Ika, (2012) had identified four International Development Project Management Traps and they are: The One-Size-Fits-All Trap, The Accountability-for-Results Trap, The Lack-of-Project-Management Capacity Trap and The Cultural Trap.

Furthermore Grisham, (2011) states that “International projects differ from domestic projects by their complexity of culture, politics, law, local practice, language, time zones, holidays, processes, resources, and more” (p. 2).

Implementation of project management in multicultural environment, is associated with unique challenges and traps that are related to cultural and legal differences. In addition, project manager should be aware of possible international and cultural barrier that will occur during project life time within multi-cultural settings.

International and cultural barriers

Companies that are implementing projects (international and domestic projects) are implementing internationally recognized standards for project management like PMP, PRINCE2, and APM (Grisham, 2011; Kerzner, 2009).

During project lifetime, project managers are facing with certain challenges like: geographic distances, different time zones, specific regulations or laws, and intercultural teams (Bohm, 2013; Grisham, 2011; Kerzner, 2009). However, regarding intercultural project teams, existing international standards (PMP, PRINCE2) are leaving this at project manager autonomy and expertise.

According to Shenhar & Dvir (2007) “project management is problem-driven discipline and it often deals with important questions and improvements in society, economy and business” (p. 96). In addition, when implementing international projects that are developed in foreign countries, project manager is considered expatriate. In this case project could suffer from cultural differences that are reflecting from project staff members and from project manager as well.

Furthermore, project manager should manage himself and according to Santoso and Loosemore, (2013) project manager that manages overseas project should have following skills “cross-cultural relationship skills; personal traits such as integrity, curiosity, maturity; cognitive orientations such as flexibility, agility, results focused; global business expertise and outlook; global organizing expertise and networking skills; and visioning and entrepreneurial skills” (p. 1099).

Project manager should be able to manage human resources during the project life time and it is duty of project manager to build team and to create environment where project team members are identifying themselves with the project and they should have common values. Furthermore, Belassi, Kondra, and Tukul, (2007) states that “shared values help individuals rationalize the irrational or deal with uncertainty” (p. 13)

Language

Lack of communication is among identified reasons for project failure (Grisham, 2011; Kerzner, 2009) and project management standards like PRINCE2, PMP and ITIL suggests that every project team member should understand project goals and product description. Regarding this issue Khang and Moe, (2008) states that “motivation factors recognized in literature include clear understanding of the project goals, objectives and mission” (p. 74)

However, when dealing with international projects, different languages may be used for informal communication between project team members and project suppliers. Furthermore, official language for project documents can be imposed by company that implements project, however when dealing with local government and local or international suppliers, during the translation communication and transfer of information can be omitted. For this purpose project management bodies of knowledge has implemented terms like customer, supplier, project board, project charter, business case and according to Kioppenborg and Opfer, (2002) “standardization of processes and tools, as well as standardization of terminology, are expected to contribute to project management success” (p. 13).

Infrastructure

Among factors that may impact result of the project is physical environment where project is implemented project environment (PMI, 2010; OGC, 2005) and according to Landoni & Corti (2011) “project environments in developing countries are often difficult due to poor infrastructure and a lack of resources, which add to the complexity of these projects” (p.45) and according to Grisham (2011) “globalization is increasing global connectivity, integration, and interdependence in the economic, social, technological, cultural, political, and ecological spheres: (p. 18). In addition, when dealing with international projects, different legal laws must be followed, depending in which countries project products are produced.

State control

Ferrell and Fraedrich, (2002) describe ethical responsibilities for business as “behaviors or activities that are expected by society, but are not codified in law” (p. 6).

While conducting projects in international scale, project managers will face with corruption (Berman, 2015; Grisham, 2011), however in some countries, some gifts may be considered as part of local culture and (Grisham, 2011) is naming this as ‘baksis’, however for other culture this may be considered corruption or in a third country it is considered tax deduction. In cases when project manager will face those challenges, project manager should be aware of cultural differences. According to Bhattacharya and Scheraga, (2015) “Culture is described as the shared cognitive values and attitudes of a particular group of people, usually from similar social and ethnical backgrounds” (p.52).

However project manager should behave according to code of conduct of project manager (PMI has developed code of conduct for project management), according to rules and regulations of organization and according to the legal law.

Conclusion

As a result of emigration and migration and outsourcing, term 'domestic project' can be challenged since within same office staff that represents different nation, belief, race and culture. In addition, also products nowadays are produced for international market, and product managers are customizing products in order to match consumers' needs and project managers should customize and adopt their management style in order to match cultural differences of project staff members. However, this managerial adjustment should be made while keeping focus on project goals and on customer expectations.

Project management standards are imposing western culture, and during implementation of international projects, western culture may interfere with local culture and as a result project will be jeopardized. Furthermore, literature review is not recommending how to reshape project management practices to fit the 'nonwestern culture'

Project managers that are managing international projects, should stimulate entrepreneurial orientation and entrepreneurial orientation should be directed into becoming learning organization, risk taking and in shared vision (Karyotakis and Moustakis, 2016)

Project managers should consider also challenge of different currencies that may be used for the same project when project is conducted in different states. Furthermore project managers should be aware that globalization is not working well for poor, since companies provide equitable, not equal, reimbursement (Grisham, 2011) for their staff that is located in different states or regions.

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