

CROSS-CULTURAL COLLABORATION IN ARABIC CONSTRUCTION PROJECTS

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Abstract

Within cultures, values play an important role in the way people behave in daily life. Values also play an important role in organizational behaviour. In cross-cultural settings, differences in values can be a serious issue in management, turnover, organizational commitment and conflicts. Differences in negotiation and communication styles can cause serious problems and have a significant impact on whether a multinational company, merger or joint venture succeeds across cultures. If cultural differences are mismanaged, the consequences are potentially disastrous and previously effective managers and organizations can become ineffective and frustrated with overseas and multinational ventures. On the other hand, the successful management of cultural differences can create a competitive advantage, innovative business practices and organizational learning. This study distinguishes four themes within cultural manifestations: time orientation, concepts of negotiations, hierarchies and protocols, and conflict approaches. Literature survey, case studies and interviews in Egypt are the methods used to collect data for this qualitative research.

It is expected that cross-cultural collaborations will have an effect on projects in numerous positive ways. As people from various countries and various cultures cooperate, more diverse points of view are brought up for discussion in the project. They cause more effectual and creative solutions. This became apparent from the cases and interviews studied. However, the benefits are not necessarily generated automatically. They must be managed. As Arabic engineers shape time synchronically generally doing numerous activities simultaneously, Dutch engineers shape time sequentially. Dutch engineers also base their approach on facts and logic, while Arab engineers are more likely to use an appeal on emotion. Arabic hierarchies within organizations are to be considered as family-type organizations, while Dutch organizations base their hierarchies on rational and legal authority.

The complexity for this type of organization is likely to come from the cultural diversity. Hence the question, to what extent could cultural diversity be managed in cross-cultural collaborations in Arabic construction projects in order to avoid conflicts, claims, and delays? This question is answered by designing 'a four perspective definition of culture' matrix. This matrix is applied during several case studies in Egypt.

Keywords: construction, cross-cultural, collaboration, project management, Arabic, Dutch

INTRODUCTION

Cross-cultural collaboration is a fact for a lot of projects, including construction projects. This kind of collaboration calls for additional skills for the project participant, particularly the construction/project manager. The complexity for this type of organization is likely to come from the cultural diversity.

The last decades state the fact that the UAE has the largest construction industry. This also brings the fact that it is a very fragmented industry. Besides the UAE the Egyptian construction sector has been a major contribution to Egyptian economy with an annually growth of 22 percent.¹ The trend to globalization brings positive incentives in to local businesses. To keep up with the competition, businesses develop themselves in an innovative manner, and cooperate strategically with multinationals to gain knowledge and develop their own technology.

The construction industry in the United Arab Emirates is considered the biggest on its own standing industry. Thereby it is also extraordinarily complicated and the largest fragmented industry since it includes multidisciplinary participants. Due to its diverse and complex nature, claims seem to obstruct the completion of construction thereby causing delays in realizing projects (Faridi, A. and El-Sayegh, S., 2006)

Construction claims are by numerous project participants seen as the most disruptive and unpleasant events of a project (Ho SP, Liu LY., 2004). In UAE, construction claims, are immediate outcomes of the enduring enlargement of the construction industry in that country (Zaneldin, 2006). In general, claims are common in construction projects and can happen as a result of several reasons that can contribute to delaying a project and/or increasing its costs. Finishing a project on schedule is a difficult task to accomplish in the uncertain, complex, multiparty, and dynamic environment of construction projects.

Culture

Culture is one of the most discussed definitions. There is no clear overruling definition of culture. Although the meaning of culture is almost understood by every person, formulating a define synonym is still a frontline of discussion for scientist. Exploring the different definitions of culture a summary could be made by bringing two of the clearest definitions together. These two combine the scattered attempts by a lot of researchers and gives an overall overview.

According to the scholars of the National Center for Cultural Competence of Georgetown University, culture means:²

“An integrated pattern of human behaviour that includes thoughts, communications, languages, practices, beliefs, values, customs, courtesies, rituals, manners of interacting and roles, relationships and expected behaviours of a racial, ethnic, religious or social group; and the ability to transmit the above to succeeding generations.”

And according to scholars of the National Conference of State Legislatures the definition of culture is:³

¹ <http://www.nationsencyclopedia.com>, (01-02-2008)

² <http://www.georgetown.edu> 04-2008

³ <http://www.diversityrx.org> 03-2008

“A specific set of social, educational, religious and professional behaviours, practices and values that individuals learn and adhere to while participating in or out of groups they usually interact with.”

While these are general meanings and definition of cultures, an attempt has been made to implement these different values in dimensions. These dimension would give an understanding by how culture influence the working values of employees, managers, leaders or other participants of organization existing in a specific country.

Difficulties and influences in cross-cultural collaboration

While there are useful deliberations to be made in choosing to use linear or nonlinear methods, the problem exists of being presented in international context, disregarding the weight of cultural diversity upon their relevance. A clear case for cultural sensitivity in methodological design and real danger lays in simply transferring research methods from one country to another (Loosemore, 1999). A successful international construction management organization needs to be based on a considerate and culturally sensitive approach to methodological design.

For instance, Arab individuals are submissive towards decisions. Decision-making is extremely centralized in Arabic organizations. Communicating with Arabs must be done with the consideration of hierarchical status and titles. Arabic communities have great respect for authority, status, and hierarchies. International manager should be aware of this underlying. Despite respecting power and hierarchy, agility and lack of formality in business relations exists very much. These hierarchical protocols have a high potential in slowing down the decision-making process. For European individuals following hierarchical protocols and ladders, creates a lot of frustrations (Loosemore, M. & Al Muslmani, A.H., 1999).

Also time is an aspect. Loosmoore and Al Muslimni demonstrate how mind-sets towards time are ethnically dissimilar, categorizing western societies as monochromic and Arabic societies as polychromic. Lack of formality and flexibility in business relations promotes a very controlled, time-structured loom to life. In polychromic societies it is ordinary for business matters to be delayed in order to create or reiterate good personal relations. Additionally, straightforwardness and alacrity in the pursuit of arguable issues is seen as thoughtless and offensive which must be circumvented when possible. They have observed the disturbances, which can appear between individuals of monochromic and polychromic cultures. It especially happens in discussions and situations under pressure.

Negotiation

Basic Concept of Negotiation refers to the perception of each counterpart in the negotiating process. Two opposite dimensions are projected, with the course of negotiators bringing the negotiating process on an integrative or a distributive manner. The supposition explaining distributive negotiation strategies is that a counterpart excels on the disbursement of the other. The other way around, the belief explaining integrative negotiation strategies is that both counterparts lay distinctive values on the matters of negotiations with the thought that each counterpart can get valuable bargains by giving a way less significant issues to acquire more important issues. Integrative negotiation implies mutual collaboration to enlarge each other's benefits (Metcalf *et al.*2007).

Distributive

The counterpart's objective is to ascertain domination in the negotiation. Negotiators obtain tough approaches, in quest of own aim or objective to increase the profit. Negotiators presume their own objective as a friction with the counterparts' objectives. Resulting in demonstrating negotiators' great self-concern and insignificance for others. The objective is to cause the counterpart to change stance and perception. This is accomplished by using guarantees or intimidations or contradictive by staying gracious and unbiased (Metcalf *et al.* 2007). Their ambitions can be lofty and firm, which makes them resilient of creating compromises. Instead of using their stance to the utmost level, negotiators can endlessly adjust their tactics build on the counterparts' handlings.

Integrative

Integrative negotiators obtain a concessive method, concentrating on trading information aiming on recognizing the essentials for both sides and to create outcomes, which do well to for all counterparts. Negotiators embrace integrative attitudes to comprehend the essentials and significance of all counterparts. The aim is to make the most of the various objectives to create helpful concessions. (Metcalf *et al.* 2007). During the process of swapping intelligence, each counterpart act on the point of view of the other counterpart followed by adopting original position. They accomplish compromises by use of inventive problem-solving methods in order to create results, which increase the extent of the incentive accessible to all.

Managerial effectiveness in construction

It is generally accepted that the effectiveness of construction managers is success factors of construction projects. A number of aspects were mentioned (Enshassi A. & Burgess R., 1991) where managerial effectiveness should include: team building, goal emphasis and help with work. Management has direct and indirect influences on the extent of productivity. First of all, a direct influence which can be used by planning and controlling construction activities. Followed by an indirect influence that can be attained by excellent coherent relations amongst managers and their employees, which can enhance impulse labour services. Enshassi and Burgess revealed the necessary for justified handlings, with consistent delays of projects, usually lines up with the ineffectiveness of managers on construction projects. Some researchers imply that cultural diversity of project organizations in the Middle East has a substantial influence on managers' effectiveness. In addition, managers' understandings of cultural diversity should be consequent in process management (Enshassi A. & Burgess R., 1991).

For the purpose of this research, the effectiveness of construction managers can be defined as follows: effectiveness of managers is their complete involvement with the reached level of productivity in construction projects.

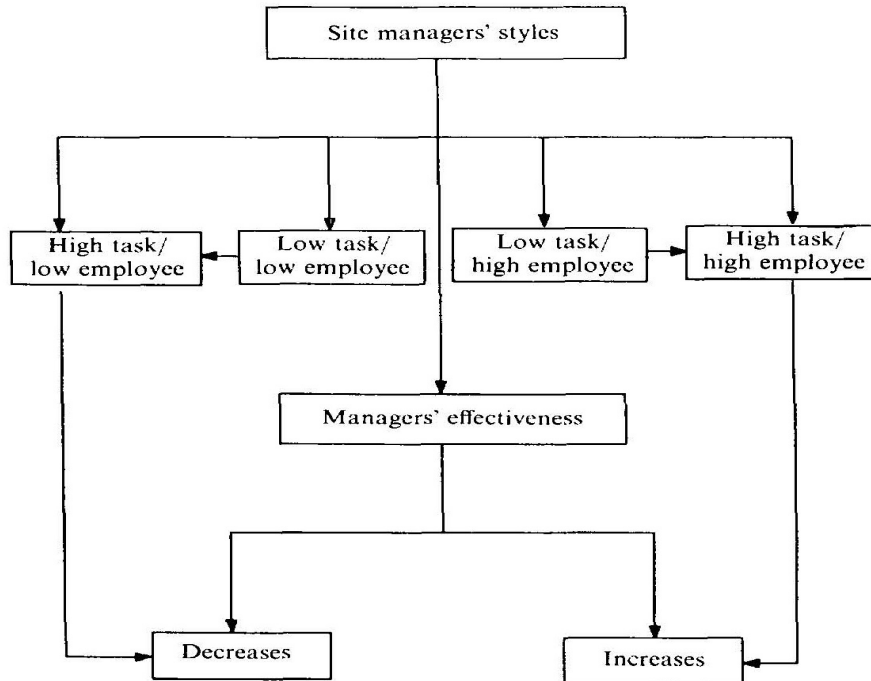


Figure 1: The relationship between managers' styles and their effectiveness

Effects of Culture on Decision-making

Dealing with a cross-cultural group is an incredibly sensitive issue due to its diversity of cultural, education, technology, and politics. These dissimilarities construct a working situation, which needs managers who can alter their fashions and deal with unforeseen problems.

Determination and reaction could be the central basics of decision-making occurrences, which engage the processes of thoughts and responding to the outside world incentives. Culture edifies fondness and appears in how individuals act, believe, and judge. Nonetheless, to handle cultures and actors' diversities successfully, it is crucial to get hold of cultural proficiency that is a perception, which assists surmount the ordinary obstacles forced by the overt elements cultures to understand its principal fundamental postulations (Oliveira, 2007). When cultural proficiency is well read, it is likely to patch up the actors' latent cultural divergences. Still, to comprehend others culture and foresee its actions, it is essential to recognize its deeper matters since they signify the dimensions of cultures and distinguish from other cultures.

Thus, decision-making processes have a strong cultural element that can induce the decision approach, mind-set, and perception of decision makers. Nevertheless, it is vital that the description of standards, morals, and ethics can clinch with the cultural diversity's outlook of every actor caught up in the process of making decisions (Enshassi A. and Burgess R., 1991). So, decision-making process should contain a well-understood model for evaluating ethical problems founded on the actors' cultural orientations. A successful decision maker must identify and comprehend cultural dissimilarities within an organization, contestants or external associates.

Style of Construction Management in the Arab Region

Islamic religion and the integrated role of family influence life society and interpersonal relationships. Arab managers often concentrate on seniority and family ties, instead of academic qualifications or merit (Abdul-Khalik, 1998). In addition to that, a lot of managers

often concern about conducting social relationships in an organization, instead of the achievements of their tasks. The staff spends a great deal of their working time meeting guests (Ali A. 1996)

Enshassi A. and Burgess R. (1991) have evaluated the effectiveness of Arab managers by implementing a hi-hi paradigm (figure 1). A high-high leader is one who combines both high employee and high task orientation. According to them there would be a positive association between leaders who are high in both employee and task orientation and subordinates' satisfaction and performance.

It is generally accepted that the effectiveness of construction managers is a vital component in the success of construction projects. Management has a direct and indirect impact on the level of productivity. Direct by planning and controlling construction activities and indirect by achieving good interrelationship between managers, participants, and subordinates that raises motivation of work forces.

Cross-Cultural Management in Construction Industry

The call to acknowledge and handle different cultures is a critical factor in this age of internationalization. Cross-cultural management calls for the organization and direction of a variety of cultures (Pheng, L. S., & Leong, C. H. 2000). The participation of repeatedly considerable organizations in construction overseas is defined as 'international construction'.

Therefore, to thrive in the global competition, construction corporations have to manage accurately and competently with the involved cultural diversity. Global construction is not a completely new concept. It has its origins in the several military settings and public works projects undertaken by colonial governments even before the 20th century cultures (Pheng, L. S., & Leong, C. H. 2000). It is mostly true through the two world wars when infrastructural projects were initiated agencies of expatriate engineers, or by engineers who acted as consultants to oversee the works of local labour.

The businesses, initiated by the British Colonial Office in Asia and Africa, are decent historical illustrations of outer-boarder construction works carried out. Post World War 2, international construction activities pursued the similar outline perceived between the two world wars.

So the grow of demanding skilled designer and constructors arose. The span for internationalized construction in third world countries increased significantly followed by the appearances of international financial institution. Several contractors got involved with projects financed by these institutions cultures (Pheng, L. S., & Leong, C. H. 2000).

The petroleum boom in the Arab region in the seventies as well shows in international construction activities a patent development. Evidentially by the latter today's' construction companies seek overseas opportunities of conducting projects. As a result, they gradually have to deal with different cultures and people. Project managers working in such circumstances ought to develop proficiencies to interrelate with people influenced by different cultural precedence cultures (Pheng, L. S., & Leong, C. H. 2000).

Attributes, which are vital for project managers in these competitive projects, are:

- Effective communication skills;
- Effective leadership skills;
- Good interpersonal skills;
- Adaptability and flexibility;
- Functional/technical strengths

Lacking these attributes, project managers on abroad projects can be deterred by cultural conflicts that can cause to preventable losses and costs. However, even as effective cross-cultural management can enhance participation on projects abroad, it does not stand alone on playing a substantial aspect that creates the success of partnering. Several aspects evenly are important can add in the require intensity for construction services in hosting countries (Georgy M., Ibrahim M., and Abdel Gawad M., 2008). As an example, the supply of capital, or national and international economic trends, activities of competitors, materials and labour, organizational culture, or laws and regulations.

Methodology

Unfortunately, cultural studies often define culture one way and elaborate the concept in another. This incites the theoretical and empirical confusion that characterizes this domain of research. Usually, a cultural study describes a manifestation in context, giving interpretations of its meaning in that context. Because any given manifestation can be viewed and interpreted in a variety of ways, by different cultural members and by different researchers.

Four types of cultural manifestation

In this case manifestations are taken out of their cultural context because manifestations are usually studied to interpret them. However, some examples of interpretations are needed; four types of cultural manifestation will be described. Namely;

1. Time orientation (Sequential and instrumental use⁴)
2. Concept of Negotiation (Disruptive and Integrative⁵)
3. Hierarchies and Protocols (Strict and Clear⁶)
4. Conflict Approach (Formality and Consensus⁷)

From literature study of the subjects above a perception could be made, by saying that these four manifestations differ a lot between cultures. Not only do they just differ, but also it is evident that frustration and sometimes difficulties emerge by these differences and lack of understanding of the different manifestation. The definition of culture is often decoupled from how it is elaborated. In order to limit the different interpretations of culture, it is necessary to ignore some of the definitions that are not needed to understand culture in a project organization.

When time orientation and conflict approach are combined and concepts of negotiation and protocols are combined, then so on the pieces of cultural puzzles can be put together in the context of construction management. Now an exploration can be made in how interpretations

⁴ Derived from the dimension of Time (Trompenaars 1997)

⁵ Based on the definitions of Metcalf L., Bird A., Peterson M., Shankarmahesh M., and Lituchy T.(2007)

⁶ Derived from the dimension of Power Distance (Hofstede 2005) and Universalism vs Particularism (Trompenaars, 1997);

⁷ Derived from the dimension Uncertainty Avoidance (Hofstede) and Specific vs Diffuse (Trompenaars, 1997)

of these cultural manifestations relate to each other by summarizing the results of a cultural study (the pieces of a cultural puzzle) in one or more dimension.

The way to collect data and to evaluate these cultural manifestations is described as follows:

Descriptive analysis of each case

1. Temporary participation on projects in Egypt
2. Theme observation into the values of the four types
3. Triangulation of information
4. Validating by evaluation of observation with previous studies and literature

Data collection techniques

1. Formal interviews with Dutch and Egyptian engineers
2. Meeting attendance separately and between Dutch and Egyptian engineers
3. Daily presence among the project team
4. Informal discussions (lunch and pauses)

The interviews, mostly informal, were conducted in English, Dutch, and Arabic, each language compatible for the interviewee. Since the variety of languages, the reluctance of recording, moment calling improvisation of questioning, and sporadic discussions, regularly existed, transcriptions were not feasible and implausibly relevant for this explorative research. The people who are interviewed are Egyptian, Dutch, and British engineers assigned on previous and current Arabic construction projects.

Conclusions

Time orientation

Concerning the first perspective time orientation the following conclusion is made:

Arabic engineers are poly-chronic. They are responsive, informal and flexible in resolving problems and planning projects. Arabic Engineers shape time synchronically generally doing numerous things at a time. The planning schedule is just a tool to work with as an idea on how the duration should look like for Arabic engineer.

Dutch Engineers shape time sequentially. They strongly have a preference for planning and maintain to plans once they are made. Time commitment is taken gravely. To stay on schedule is a must in order to guarantee the achievement of a deadline.

Concept of negotiation

Concerning the second perspective concept of negotiation the following conclusion can be drawn:

Arab engineers are more likely to use an appeal on emotion as their persuasion tactic, to use subjective feelings to argue against arguments, and to use concessions frequently as a bargaining tactic.

Dutch engineers, base their stance on facts and logic in their attempts to argue and oppose counterparts' arguments, and assemble small concessions prior engagement in order to develop a relationship with the other side in the negotiation.

Hierarchies & protocols

Concerning the third perspective hierarchies & protocols the following conclusion is made:

In the Arabic hierarchy there is a strong sense of traditional authority present. Managers operate in very hierarchical organizations that have centralized decision-making, have strong leadership, and are considered family-type organizations.

Rational-legal authority is the natural method of managing and constructing a hierarchy in Dutch organizations. Dutch managers rely more on rational arguments to lead, than relying on authority in the hierarchical structure.

Conflict approach

Concerning the fourth perspective conflict approach the following conclusion can be drawn: Arab engineers may hesitate to openly communicate and exchange information if they believe that the other person holds dissimilar views to them. They also prefer avoiding conflict by compromising.

The basic assumption made by Dutch engineers is that conflict should be completely solved. Western approach towards conflict and conflict resolution is provocative.

Recommendations

Examining these cultural themes in the light of key aspects of construction project management work reveals the potential implications of culturally based differences between Arab and Dutch project managers' conceptions of their work.

The recommendations are presented for engineers and project managers working overseas. The essence is based on the context of Arabic construction projects. Consequently, the recommendations address mostly the most common problems in that area using derived managerial tools applied in Western construction projects.

For instance on time orientations; planning decisions with a timetable is an imperative aspect for the decision-making process. Therefore, schedules including decision-making milestones are highly recommended.

On negotiation the following recommendation might be applicable; the project manager should stress that clear documentation of the scope of the project is crucial. Putting pressure on the counterparts or participant to do so has to be done with a quite rational, and most importantly charismatic persuasive manner. Putting pressure could be interpreted as offending.

On behave of hierarchies the following recommendations for instance could be made. A clear line between favouring (derived for the so called *wasta*) and recommendation must be made. Assigning has to be done using profiles. Introducing this demand has to be done with rational and charismatic manners, in order to avoid interpretations of personal refusals of favours.

Concerning conflict approach the following should be considered. Closely working with officials, involving and including institutions and municipal early prevents avoidable delays on projects. Giving them a sense of liability eases the collaboration, and may eventually evolve in fewer involvements by the officials.

Discussion

The above present some managerial recommendation describing what to do if a manger sees potential delays or uncertainties about the project management due to the different cultural sceneries. It clearly shows that, with the consideration of the cultural values, some core managerial decision or intervention can be made. As a hired expat, engineer or project manager from another country, it implies that the hosting company or organization is in need of specialties which are not at hand in their own country.

Thus, one, working overseas, should not hesitate to exploit the professional or managerial tools derived from his specialties, or pushing through his methods in order to successfully accomplish the projects' scope.

Nevertheless, particular attention needs to be paid to the fact that while people may say the same thing and use the same words to describe something, their conceptualization of an idea and how they transfer it into action may be quite different. Today's managers are living in a rapidly changing environment, and as companies expand across national borders, these managers will need to think globally in order to be successful. There will clearly be some convergence in the ways that organizations conduct business, but it also seems that a country's societal and cultural values will continue to play an important role, so managers need to act in line with local cultural needs and expectations. In other words, they need to think globally professional but act locally.

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