

**Determining more successful candidates for Far-East projects: Case study of South Korea and China**

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**Abstract**

As the business world is increasingly becoming global in scope, more and more firms are entering international project environments. When a western company is providing goods or services to an eastern company, its managers would soon observe different management styles and motivations from their counterparts. While most western management elements coexist in the East, some elements are practiced with different values and motivations. Are there more critical management elements in the East? Are there more successful western managerial styles in the East? Based on management and project management theories, we first model what makes up the international project management. Based on interviews with executives who have worked on various large scale supplier contracts in the East, we argue why certain personal and managerial styles are valued differently using national culture theories. The result suggests that uncertainty avoidance, power distance and long-term orientation dimensions of culture have larger influences towards the Far East project management. More interestingly, soft management elements seem to matter more than hard elements in this unique project environment.

**Objective:** To study whether national culture affects international project management.

**Keywords:** International project management, Far East, national culture.

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## 1. Introduction

Often in the business world, people move forward in title and responsibility by recreating their past successes. At the executive level, for instance, we often see a senior person brought in from another company; sometimes for the intent of adding fresh perspectives, but often because they had demonstrated success in their last position and the new company needs a success story for themselves. However, these individuals do not always duplicate their successes. To the extent the companies are similar, this may succeed. Nevertheless it is often the case that this simplistic approach of 'doing it again the way it worked in the past' does not always succeed. Coming from a manufacturing company to a service company, or going from a consumer product to a specialized product, should be indicators that a fresh look is needed. Just like taking the same methods from a product company to a service company can be problematic, moving into an international business arrangement with set-in-stone domestic business ideas can be an established path to failure.

International business approaches focus on adapting to two primary differences in the relationship: customs and motivations. While the significance of national boundary is progressively becoming less meaningful as "globalization" continues to increase, every country has its own customs and motivations which may explain why business is conducted in certain ways (Hofstede, 2001). For instance, simple things such as offering and receiving a business card with two hands are respected in the Far East. The challenge of an international project manager is not only to install the right tools for the management of time, cost, and performance, but also to overcome the new business environment. It is easy to think that people in business everywhere want to get the best product at the lowest price. But at the individual level, where business really takes place, it is often the case that other issues dominate. With so many large scale international projects taking places at the Far East, especially with numerous western companies in subcontracting positions, we raise the following questions:

- What management elements make up the international project management?
- Which management elements are valued and practiced differently in the Far East?
- Can national culture elements explain why certain management elements are valued and practiced differently?
- Which management elements are more important for the Far East project management?

Following this introduction, section 2 presents our international project management model development based on management theories and project management theories. Section 3 presents the background information on national culture dimensions and measures. Section 4 describes the methodology used to collect the data. Section 5 provides some insights on what really matters in the Far East project environment based on interview findings. Quotations from western executives with Far East experience are provided and national culture elements are used to explain the findings. Section 6 concludes this study with suggestions on what management elements should be considered more carefully while considering candidates for the Far East projects.

## 2. What does it take to be a great international project manager?

### 2.1 First, it has to be a great manager.

To begin, a great manager is a planner. Managers plan to choose the proper goals for their employees and allocate the right resources so that the goals can be achieved (Carroll & Gillen, 1987; Jones & George, 2003; Mintzberg, 1975). As a planner, a manager plays several roles, namely interpersonal, informational, and decisional. Decisional roles indicate that managers are responsible for allocating scarce resources. The resources need to go where they are best used. Good allocation of resources requires good decisions. Hence, a great manager is a good planner who understands the goals and how to achieve them through good allocation of resources.

Then, a great manager is a leader. While the interpersonal roles indicate that a manager serves as a leader, figurehead, and liaison, the leadership role dominates the other two. As Mintzberg (1975, p. 55) puts it, "the influence of the manager is most clearly seen in the leadership role." A

manager's main function is to set up goals and empower employees so as to realize the organizational goals. A manager is also in charge of recruiting and making sure the newcomers will fit into the organization. A great manager thinks in the sense of the organizational direction and hence serves as a leader.

Also, a great manager is customer focused. The decisional roles of a manager indicate that it needs to examine its external environment and make good decisions. In its entrepreneurial role, a manager finds out what customers need so as to come out with ways to satisfy their needs. As a disturbance handler, a manager responds to customers with speed and vigilance. The difference among managers serving in these roles lies in whether a manager is proactive or reactive. A great manager focuses on customer needs while being proactive, and acting before problems arise.

Furthermore, a great manager understands his/her subordinates. According to Buckingham (2005), to achieve greatness, a manager first needs to understand the uniqueness of each employee. Managers spend time learning about each employee's strengths and weaknesses. While a manager is often limited in observing the real hardships and virtues during work, a great manager extends effort to understand employees by "watching their reactions to events, listening, and taking mental notes about what each individual is drawn to and what each person struggles with. There is no substitute for this kind of observation (p. 74)."

A great manager also understands different employees have different ways of performing. Some are analyzers who can never have enough information for full and comprehensive examinations of situations. Others are doers who undergo trial and errors to learn what will work. Doers perform and learn at the same time while analyzers learn and then perform (Buckingham, 2005). To analyzers, great managers will give more time and information before the required tasks are performed. To doers, great managers will present what the desired outcomes are and will let them proceed at their own pace; telling them what to do, but not how to do it (Clemons & Santamaria, 2002).

Furthermore, a great manager is a motivator. After identifying an employee's strength, great managers figure out what can turn the employee on for better performance. While, often times, money does not serve as well as recognition, great managers find out how their employees want to be recognized and what they want to be recognized for. That is, they should be rewarded in the way that they want to be valued for.

Last, but not least, a great manager is a good information processor. Mintzberg (1975) underscored managers' informational roles. He argued that great managers were capable of processing information effectively. A great manager can gather information, analyze, distribute, and communicate the interpretation to both insiders and outsiders. Whether as a monitor, as a disseminator or as a spokesperson, a manager has greater access to information. How to deal with this information is an important function that a manager performs. Goshling and Mintzberg (2003) found that an analytical mind was needed for managers who wanted to be successful. A great manager understands how to process information.

Hence, a great manager plans well, focuses on customers, has people management skills, is a great leader, and knows how to use the right information and do relevant analysis (Flynn et al., 1994).

## **2.2 Second, it has to be a great project manager.**

As project managers, great managers perform two functions that benefit two groups of stakeholders. "He is the man in between management and technologist" (Gaddis, 1959). They supervise a group of professionals, oftentimes engineers. Working with this group requires project managers to understand the jargons and technicalities of the project. Hence, project managers should have the technical background to supervise well and make the appropriate decisions concerning all technical issues. The two functions of project managers indicate that they have to balance flexibility and firmness, creativities and routines, action and thinking, planning and acting, selling and managing (Tatikonda & Rosenthal, 2000; Belout & Gauvreau, 2004; Zammuto & O'Connor, 1992). However, that

is not enough. Project managers need to be also knowledgeable in the area of “budgets, time schedules, and corporate policies” (Gaddis, 1959, p. 94; Meredith & Mantel, 2003).

In summary, a great project manager is a technologist with management skills who works well with people. Hence, in addition to being a great manager, a great project manager is capable of performing ‘process’ management. Often times, this is the differentiating factor that separates a project manager from other managers. Based on management theories and project management theories, we conclude that great project managers perform four functions, namely, leadership, people management, strategy and planning, and information and analysis (Prajogo & Sohal, 2004).

### **2.3 Third, it has to be a great international manager**

In addition to being a great project manager, great international project managers understand the cultural context that they work in (Khanna et al., 2005). According to Bartlett and Ghosal (2000), international managers tend to be great because they are sensors, builders and contributors.

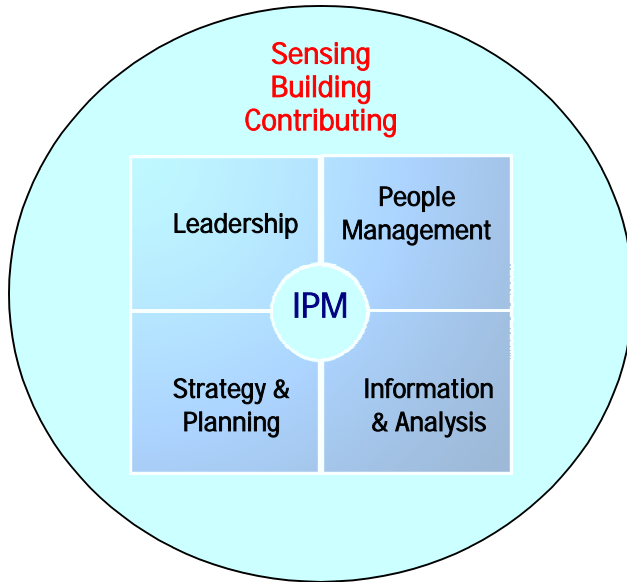
As sensors, international managers are responsible for “gathering and sifting information, interpreting the implications, and predicting a range of feasible outcomes” (Bartlett & Ghosal, 2000, p. 105). Working in another country requires managers to know the needs of local customers and understand local external environment, which includes their competitors and government policies. Because they serve as bridges between the two cultures, effective global managers are good at information processing coming from the local environment (Mintzberg, 1975).

As builders, international managers establish the local network and infrastructure, building human resource and other capabilities. The global managers lead “identifying, developing, and leveraging such national resources and capabilities” (Bartlett & Ghosal, 2000, p. 106) so as to compete in the local market more effectively. They know how to identify and use the best talents in order to provide sustainable advantages for the whole corporation. In other words, great international project managers excel in people management skills in international setting.

Modern world wide organizations have changed dramatically in recent years. In the past, subsidiaries in emerging nations played the role of strategy implementer. They passively carried out strategies designed, formulated and enforced by headquarter. Nowadays, effective local managers play vital roles in all key areas of global operation. They decide when, how, and whether they should initiate, formulate strategies that correspond to the local environment instead of waiting for headquarters to decide everything. They contribute in designing and implementing strategies. In other words, they are the main contributors to strategy and leadership.

### **2.4 What defines a great international project manager?**

In summary, international project managers have to be dancers on the world stage while performing their duties. They serve three roles, as sensors, builders and contributors (Bartlett & Ghosal, 2000). They perform four main duties, leadership, people management, strategy and planning, and information and analysis (e.g., Goshling & Mintzberg, 2003; Gaddis, 1959). They make sense of their local environment and customers through careful information processing and analysis. They build networks with local communities so as to lead better. They build human resources and manage their human capitals to implement strategies. They contribute to outstanding performance through decision making, planning, and strategy development. Figure 1 depicts our understanding of a successful international project manager.



**Figure 1.** Roles and functions of a great international project manager.

### 3. National culture

Can national culture explain why businesses are conducted in unique ways at different nations? Credit has to be extended to Hofstede (1993) who has pioneered and advanced national culture studies. While criticisms such as “national culture measures change over the time” and “existing dimensions are inadequate to define a nation” exist, his work is one of the most widely cited studies in the field of general management.

Hofstede (2001) defined national culture as the “collective programming” of the mind that gives distinction among nations. His research leads to the support of the assumption that most people from a particular country or culture share certain cultural characteristics (Hofstede, 2001). For example, Japanese tend to be more group-oriented than are Australians. Based on his study of more than 110,000 employees of IBM throughout the world in 66 countries, Hofstede (2001) defined national culture as consisting of five dimensions which are power distance, uncertainty avoidance, individualism/collectivism, masculinity/femininity, and long/short term orientation.

The first dimension of national culture is power distance. Power distance between a boss and a subordinate in a hierarchy is defined as “the difference between the extent to which a boss can determine the behavior of a subordinate and the extent to which a subordinate can determine the behavior of a boss” (Hofstede, 2001, p. 83). Power distance indicates the need for dependence versus independence in society. People in low power distance countries exhibit the mentality according to which, all people should be independent. In other words, an individual in such a country subscribes to the understanding that ‘both subordinates and superiors are people like me, and all people should have equal rights’ (Hofstede, 2001). As an example, Malaysia is very high in power distance, while Austria is very low.

The second dimension of national culture is uncertainty avoidance. Human beings live in the present, but have to anticipate future. When anticipating the future, uncertainty exists. People in different nations behave differently when faced with uncertainty. The ways of coping with uncertainty result from cultural heritages of societies (Hofstede, 2001). The collective behavior of one nation may seem to be incomprehensible to members of other nations. People in low uncertainty avoidance societies tend to exhibit behaviors such as, tolerance for ambiguity in structure, and tolerance of deviant persons and ideas. Innovations are valued and encouraged, and less degree of formalization and standardization exist in such countries (Hofstede, 2001). In this dimension, Greece is the highest, while Singapore is at the extreme opposite end.

The third dimension of national culture is individualism versus collectivism. It describes the relationship between individuals and the collectivity in a given nation. "Individualism stands for a society in which the ties between individuals are loose. Everyone is expected to look after him or herself and his or her immediate family only" (Hofstede, 2001, p.225). People in a country high in individualism exhibit such characteristics as, self-started activities and emphasis on initiatives. For example, the U.S. tops in this dimension while Guatemala is at the opposite end.

The fourth dimension of national culture is femininity versus masculinity, which describes the difference in the duality of sexes. The accepted differences in biological features imply differences in behaviors, such as emotional and social roles of genders (Hofstede, 2001). Masculinity refers to the behavior that encourages assertiveness and decisiveness. The most masculine country is Japan and the most feminine is Sweden.

The fifth dimension of national culture is long versus short term orientation. Long versus short term orientation defines a country's respect for tradition, and its tendency to committing to long term goals. For example, a long term orientation country rewards hard work over long term goals, while a short term orientation one rewards quick changes. Values associated with long term orientation are thrift and perseverance while those associated with short term orientation are respect for tradition, fulfilling social obligations, and protecting one's 'face'. In long term orientation, Hong Kong ranks very high, and West Africa ranks rather low. A summarized explanation of Hofstede's national culture dimensions is tabulated in Table 1.

**Table 1.** Hofstede's cultural dimensions and their implications

Power Distance	Degree to which people are separated by power. In a culture with high power distance, people are more tolerant to unequal power, but they seek more guidance and supervision.
Uncertainty Avoidance	Degree to which people seek orderliness, consistency and structure. In a culture with high uncertainty avoidance, people are less willing to take risk and do not readily accept change.
Collectivism	Degree to which people take pride and feel loyalty towards a social group such as family, employer, and organization. In a high collectivistic culture, people are more integrated into groups with better cooperation.
Masculinity	Degree to which people differentiate the role of male and female. In a high masculine culture, more assertiveness and decisiveness prevail.
Long-term Orientation	Degree to which people embrace planning and investing for the future. In a culture with high long-term orientation, traditions are valued and developing new business can be more difficult.

Table 2 depicts the national culture dimension measures of five countries where South Korea and China are compared to three western countries that have larger presences in the Far East.

**Table 2.** Cultural dimension measures by Hofstede: <http://www.geert-hofstede.com/>

	Power Distance	Uncertainty Avoidance	Collectivism	Masculinity	Long-term Orientation
S. Korea	High	High	High	Medium	High
China	High	Medium	High	Medium	High
U.S.	Low	Low	Low	High	Low
France	High	High	Low	Medium	Low
Germany	Low	Medium	Low	High	Medium

As a sensor, builder, and contributor, a great international project manager conducts multiple activities in a foreign environment. To shine, his/her behavior should be aligned with the local communities, and the project manager should understand the local national culture (Hofstede, 2001).

Table 2 indicates striking similarities among two far eastern countries of China and South Korea. Striking differences are observed between U.S. and these two far eastern countries. Previous

research about globalization tends to ignore the cultural context (Khanna et al., 2005). The decision making process by managers regarding various aspects of operations management varies from culture to culture (Pagell et al., 2005). Different cultures evaluate a firm's performance differently; a western firm might be more interested in generating a higher profit in a shorter period of time, while an eastern firm might be more concerned with increasing market share over a longer time period (Franke et al., 1991). More recently, the GLOBE project study exploited and validated a modified version of the culture construct using nine dimensions (Javidan et al., 2006). In their study, Javidan et al. pointed out how managers from different cultures exhibited different business behaviors and approached the project with different management styles. Strategies used in the U.S. may be directly applied to countries such as Germany, but not to countries such as China because "institutional voids" exist in emerging markets (Bartlett & Ghoshal, 2000). Following the same rationale, we argue that a star project manager shining in the U.S. may not repeat its success in the Far East because of possible cultural differences.

## **4. Methodology**

### **4.1 The interviewees**

Ten executives from five Fortune 500 U.S. companies were interviewed. All interviewees were acquainted with one of the authors while the author was working for a power plant systems and a consumer electronics company. Social desirability tends to be a concern for social science researchers because when a self-report survey is conducted, the subjects tend to behave in a way that is socially acceptable and desirable. Because we asked our interviewees to describe what they observed while they were handling those projects, our method of conducting the study has the advantages of showing the true relationship (Eisenhardt, 1990; Fisher, 1993). All interviewees had more than five years of experience working with South Korean and/or Chinese companies as subcontractors. Their assignments represented the industry sectors of engineering consulting, power plant system, aerospace, consumer electronics, and household appliances. Typical contract scope included system design, component design, equipment supply and technology transfer. Contract amount ranged approximately between \$50M and \$350M, while three executives managed more than one contract at a time as projects overlapped. Seven executives were stationed at their offshore branch offices with expatriate packages for the durations ranging from two to nine years. During their assignments, their business titles were such as country manager, program manager, project manager and technical advisor.

### **4.2 Interview process**

Based on our model of international project management elements depicted in Figure 1, semi-structured interviews were conducted. All interviews were conducted by telephone calls and emails. Initial phone calls were made to explain the background and purpose of this study. Emails followed with questionnaire which explained the four international project management elements of leadership, people management, strategy & planning, and information & analysis. For each element, interviewees were asked to describe the issues they considered more challenging and significant during their assignments. Follow up phone calls and emails took place to clarify any ambiguity.

## **5. Results**

### **5.1 Leadership related issues**

Leadership, which is considered the most influential management element, affects other management elements (Deming, 1986; Juran, 1989; Anderson et al., 1995). Hall and Andriani (2003) emphasized how improvement can be facilitated once a consensus regarding risk and vulnerability is reached at the top management level. In international project environments, where decisions and actions take place away from the main resource pool, establishment of strong and effective leadership is even more critical. You are the 'middle man.' Whether you are coordinating between customers and home office, functional departments and project office, or suppliers and purchasers, the job only becomes more difficult in international settings. The typical project manager's balancing act between

schedule, budget and performance is amplified by additional factors, including time zone, language barrier and different mindset.

One project manager said, "I was really surprised to see how formal the business meetings were. Seating arrangements, meeting procedures, dress code, and meal arrangements were much more structured. I can almost guess where my seat is if I know the contract structure." He adds, "Some of our technical consultants had more than 25 years of field experience. Yet, my counterpart couldn't award the proper pay grade level due to these consultants lacking a college degree. For the U.S. utility customers, we had no problem in getting the highest grade level. A business degree was not good enough either, it had to be an engineering degree."

The high power distance measures for both China and South Korea can explain the formal business structure settings such as seating arrangement and business attires. Because they can better tolerate inequality, power stemming from statutory status (e.g., age, title, education level, etc.) is better tolerated and regarded as more significant. At the same time, due to high power distance, hierarchical contract structure is interpreted more seriously where the contractor-subcontractor relationship carries much more significance. With high uncertainty avoidance, taking risk is not well tolerated. This may explain why contract interpretations are so strictly followed and strongly negotiated if they involve any risk. In order to overcome this, one has to be flexible and know how to "give and take." High uncertainty avoidance can also explain why business is run in an orderly fashion. In order to minimize the uncertainty, strict rules and regulations are implemented and followed.

Compared with the U.S., both China and South Korea are relatively low in masculinity, behavior that includes assertiveness and decisiveness. Consequently, a manager who is assertive and decisive, or who has the daring to lead, tends to be respected. A former VP and program manager of U.S. engineering company with several major power plant system projects in Asia states: "In Korean business society, some unique personal characteristics stand out. Age, gender, education level, or even what university you went to matter a lot more. Placing a cosmetics sales-rep is one thing, but management people in technology sectors (like automotive, electronics, chemical, and energy, just to name a few) are dominated by male counterparts. They meet on a regular basis, and share information and build teamwork-ship." A former program manager states, "I think the most successful manager would be someone who may be viewed as a maverick in the normal US Corporate culture. It has to be someone comfortable with acting independently in ambiguous situations. Many times there will not be opportunity to check with the home office for direction before taking action, so independent thinking is necessary. Such behaviors in the US would put someone at odds with the corporate types who always want to be consulted before any action is taken."

In summary, great Far East project managers can work independently and know how to "give and take" by being flexible. When the time calls, they are assertive and decisive and know how to be daring.

## **5.2 People management related issues**

The people that a manager deals with can be classified into two categories-employees and customers. Empowering and involving subordinates is important. As employee involvement and empowerment are increased, organizational goals can be better disseminated and followed. Employee empowerment through increased access to information and resources so that employees can make timely and more responsive decisions to customers can have a positive impact towards customer relations (Ahire et al., 1996). Paper and Rodger (1996) contended that empowerment may be more difficult within larger organizations with highly bureaucratic management structures. However, many firms engaged heavily in international projects at the Far East are large and bureaucratic. Customer Relationship Management, especially when dealing with foreign customers, can require a different and demanding effort. When dealing with foreign customers, one must be mindful of their different strategic and operational objectives.

One former expatriate executive from a retail household products company stated: "Balancing control (being an autocrat) and flexibility (being a facilitator) is a complex issue. Towards the early phase of the program, I needed to be an autocrat as many things were unknown and un-established,

and people actually preferred to be directed." The high uncertainty avoidance and power distance dimensions of culture in both China and South Korea call for guidance and rules for employees. Employees, especially those working for a foreign company (where more uncertainties exist compared to domestic company), are especially tuned to following instead of leading because leading involves making critical decisions and hence is related to taking risks and dealing with uncertainties. Employees tend to look up to the manager for directions and guidelines which are often reflected in company rules. One needs to focus on employees, that is, to understand the uniqueness of each employee and each employee's strengths and weaknesses (Buckingham, 2005). Hence, a project manager is expected to lead, direct, and sometimes, even dictate when needed.

A former expatriate in China states: "I found that personal relationships between individuals were far more important than they are in the U.S. The closeness of interaction on a personal basis that one sees in the Chinese coworkers is far greater than that seen between U.S. coworkers. This is also true of the expectations for the U.S. manager coming in and dealing with the Asian managers. There are some clear cultural differences in acceptable personal behavior. A western manager must be strong enough to avoid feeling he must indulge those differences in order to maintain personal relationships. He must establish the 'lines in the sand' early on to have them recognized and respected by his counterpart. It is the integrity with which he maintains these lines that will allow maintenance of respect."

Both China and South Korea being high in collectivism, people seek to 'group'. According to Hofstede (2006), "Loyalty in a collectivist culture is paramount, and over-rides most other societal rules and regulations. The society fosters strong relationships where everyone takes responsibility for fellow members of their group." Hence, for a U.S. star project manager to continue to shine in the two countries, he/she should possess people skills, such as building relationships and adapting to new norms. That is, the great project manager needs to be a builder in an international setting. Through informal interactions with local communities, and the employees, the manager can find the right talents, build human resources needed to successfully create and sustain competitive advantages.

Both countries are also highly long-term oriented. People, both employees and customers in China and South Korea, are concerned with building long-term relationships, which often requires persistent interactions. Sometimes, the separation of public and private lives is blurred for the sake of long term relationship. A former country manager in consumer products recalls: "At one point, we were debating the role of our branch office whether the main function was to take care of our customers. It's common that as a sub-contractor, one is expected to host business meeting meals, but the 'public relation' boundary can stretch pretty far there. 'Courtesy payment' for funerals and weddings, paying for media advertisement, hosting conference arrangements are some examples of budget line items that appear at the local branch office."

A budget line item of 'courtesy payments' may appear to be an extreme practice, but it is the way business is done in these countries. The practice builds long-term relationships, and bonds people, both employees and customers, to the company. A former project manager comments: "There was an article written by a Korean engineer in his company monthly magazine. He described Koreans as sentimentalist and moody, and having 'gi-boon' (translates to sentiment). If they like you, they will do everything for you, if they do not like you, you will have a tough time doing your job."

In summary, great Far East project managers successfully balance control and flexibility. They establish personal relationships with employees and local markets. They foster strong relationships with people and serve the role of coach and mentor.

### **5.3 Strategy and planning related issues**

"Think globally and act locally," a slogan used by a giant multinational European engineering firm reveals the important strategic element of radical decentralization with empowerment at the local level, and yet retaining the appropriate centralized control. Moreover, in an international project, culturally induced differences in corporate behavior are encountered. Understanding such differences in corporate behavior in dealing with other international

companies has to be a part of strategic planning in order to effectively manage international projects. Particularly, when activities are taking place in the early planning stage, one must be mindful of their different strategic and operational motivations.

High uncertainty avoidance in both countries explains the importance of project schedule. Once finalized, a schedule has to be met and a major slippage would cost someone's job in the Far East. High uncertainty avoidance cultures tend to reduce avoidance. One way to do that is to plan. Employees in both countries expect to plan ahead and use the plan as yardstick to measure if the schedule has been followed. A former project manager in China comments: "Schedule is of an almost overriding importance. Asians will take whatever actions are required to meet schedules, and are constantly looking for methods of improving it. In entering into a project, and accepting the stated schedule, U.S. management must realize this, and accept that they will be expected to do whatever is necessary to meet the agreed upon schedule and whatever is reasonable to improve on it."

With high long-term orientation measures, the concept of time horizon can be quite different. Countries with long term orientation value persistence in achieving goals. Understanding the nature of the goal is important. For international projects, strategic planning can mean localization. A former country manager in Korea described his experience of 'localization strategy': "Often, key local employees are hired from the customer organizations. In the long run, all expatriates would be replaced with local employees. A lot of responsibility would be transferred to the local office and ultimately the branch office will be a 'stand alone' business unit. The localization process took much longer than what we anticipated."

In summary, great Far East project managers work well in an environment where taking risk is not tolerated. Their strategy and approaches are logical and minimize risk. They are patient and know how to overcome obstacles with time.

#### **5.4 Information and analysis related issues**

Effective communication is vital for successful projects in a multi-national setting (Egginton, 1996). Enhancements such as process standardization can be critical in international project management. Making enhancement is enabled when proper information is fed back so that corrective actions can take place. Dissemination of customer-related information throughout the firm enables effective customer relationship management. Cullen and Wilson (1990) argue the presence of many layers in an organization limits the flow of information.

Both China and South Korea are high in uncertainty avoidance. People in such countries prefer less ambiguity in structure and more formalization (Hofstede, 2001). To reduce uncertainty, they tend to seek complete information before they take actions. They also tend to employ complex analysis when processing the information. Hence those who hold crucial information hence have power and tend to be respected by the people. As a contributor, the manager needs to serve as a bridge between headquarters and local offices. Information needs to be communicated back to headquarters for better strategy formulation, and strategies need to be clearly disseminated to local offices.

A former country manager in South Korea recalls: "There was a huge communication gap between expatriate managers and local managers at the branch office. It felt like there was another company within the company: one managed by the expatriate president and another managed by the local staffs. There was a lot of information that only the local folks shared. Unless, specifically asked, this kind of information was not communicated."

A former technical advisor at a job site in South Korea stated: "Because of the time and distance differences, transferring information and analysis from the job site in Asia to the offices in the U.S. requires special attention. That is, the accuracy and completeness of the information transmitted must be higher than between similar sites in the U.S. The delays in turn around of response incurred by incomplete or erroneous information are much higher in the international situation than they would be in a local setting. There is limited opportunity to directly interface with staff at the home office to

correct errors in a timely manner. This makes the ability to clearly, accurately and completely capture and transmit a situation a significantly more important skill for an overseas manager than for his local counterpart.”

In summary, great Far East project managers are capable of obtaining valuable information and know how to process it.

### 5.5 What cultural elements affect the international project management?

The comments provided by the interviewees are categorized into five national culture elements making it possible to identify the more influential ones. The result suggested that national culture elements significantly affect the international project management elements of our model as depicted in Table 3.

**Table 3.** Management elements affected by cultural elements at the Far East

	Power Distance	Uncertainty Avoidance	Collectivism	Masculinity	Long-term Orientation
Leadership	X	X		X	
People management	X	X	X		X
Strategy & Planning		X			X
Information & Analysis		X			

Out of the national culture construct, uncertainty avoidance seemed to be the most influential element affecting all management elements. Power distance and long-term orientation elements followed in the list, while collectivism and masculinity had the least influence. Out of the management construct, soft management elements (leadership and people management) were affected more, while hard elements (strategy & planning and information & analysis) were affected less (Rahman & Bullock, 2005).

### 6. So who is the best western candidate for Far East?

When candidate western managers are being evaluated to work with Far East companies, their talents and characteristics need to be measured against the global context required. International project management adds another dimension of ‘culture’ to existing project management dimensions of time, cost and performance. This additional dimension challenges the existing norms of western management standard. Especially, when a western manager is being placed as a subcontractor, this cultural dimension poses a major challenge.

A consistent pattern was found in our interview results. Our results suggested that soft management elements are affected more by national culture in Far East projects. Typical leadership and people management activities of leading, motivating, rewarding, controlling, monitoring and communicating only become more difficult due to the cultural barrier. Hard management elements or ‘process management’ were affected less by national culture. One can always hire great talents in other countries, especially in the Far East. For example, China produces about 600,000 engineers a year while the U.S. adds only 70,000 new engineers.

Our interviewees pointed out leadership and people management roles were more critical when placing a manager in China and South Korea. In other words, more important management elements sought from western managers are people management skills rather than process management skills. Instead of being a strategy implementer, they contribute in strategy initiation and formulation (Bartlett & Ghosal, 2000). Installing an automated software system for process management can be difficult, but what is even more difficult is how to lead and motivate your people in order to have them participate in the system.

However, the culture difference is not only about additional burden and conflict. Because of this culture difference, a manager who is rated as “mediocre” by western standards can be

reclassified as a "super star" by eastern standards. Some mediocre westerners may find their management styles and characteristics just "click" in the East.

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