The Impact of Pakistani and Chinese Cultural Differences on Project Success in Chinese Project Oriented Companies

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Abstract
Project Managers have multidimensional responsibilities that ominously have impact of the success of the Project. In this study, has been conducted to judge the impact of Cultural differences on the Project success especially in Pakistani and Chinese contexts through mediating role of Managerial actions. The data were collected from 103 respondents, who are employees of 04 Multinational Telecom Vendors/operators. This study provides a new though to researchers to further explore the impact of Pakistani and Chinese Cultural differences on Project Success.

Keywords: Project success; Pakistan-China cultural differences

Introduction
The Culture can be described as the Collective Programming of mind of larger group of individuals and in this article we will imperially explore the Impact of Chinese and Pakistani Cultural Diversity on project success through Managerial Actions. As the Cultures have significant impacts on the projects [1]. Hence, the creative organizational culture has a creative role in the organization [2]. As, here the Chinese and Pakistani Cultural Diversity is being studied because of China’s increasing business in Pakistan and highly context and rich Chinese Cultural values [3]. The Chinese Companies like Huawei and ZTE etc. are paying special attention towards HR practices while operating in South Asian countries [4]. At one side, the China has a highly context culture which needs to be deeply comprehended while, Pakistan can be termed as a highly collectivist Society [5], therefore, exhaustive study and understanding of Chinese culture is required to interact with Chinese professionals [6]. Another apposite element for such studies in that mostly cultural studies conducted in US etc. Sometimes show different results in Chinese Context and on the other side, the Researches in Chinese context have a special significance as side, the Researches in Chinese context have a special significance as sometimes show different results in Chinese Context and on the other side, the Researches in Chinese context have a special significance as their studies are commonly not applicable globally [7].

The professional engaged in deployment of Sino-Pak Project Organizations need to deeply understand this diversity. They can better manage the teams by keenly observing the cultural differences and enhance their learning from the social environment [8]. If the Managers are well aware of the Cultural matters and ensure the effective communication with teams, they will be able to manage the teams in most effective manner and the positive results will be obtained through efficiently integrated teams and this behavioral control will result in good governance [9-11]. Furthermore, the teams harmony and joint positive working improves the overall learning [12], the positive contributions from each team member will contribute to minimize the communication gap and this partnership will ensure the positive results [13,14]. Views et al. [15] advocate that some cultural ethics have positive impact on knowledge sharing among members of diverse teams and being an Islamic Country, the majority of staff serving in organizations are Muslim, so their Islamic Work Ethics will also play the moderating role to improve the performance [16]. The China has potential to globally take over the American economy in next few years and in Pakistan also numerous mega projects will be implemented in coming future by China.

Since 1951, China has always been the most trustable and supportive friend of Pakistan and this Sino-Pak Friendship has been passed through numerous difficult and tough times. The development in defense sector, advancement in technological grounds, building of infrastructure, Progression in Telecom Sector and many other economic developments were only possible with the social, economic and financial assistance of the People’s Republic of China. In recent past, numerous mega projects have been successfully implemented by Chinese Companies in Pakistan, which were the result of mutual team work and understanding. Recently, during the meeting of the heads of both states, many contracts on mega-projects were signed especially for power generation, including 660 MW Muzaffargarh coal-fired Power project, 660 MW Sahiwal coal-fired Power Project, Hydro Power Project at Suki-Kinari, 330 MW Thar coal-fired Plant, 99 MW UEP Power Project and 900 MW Quad-e-Azam Solar Power Projects.

Significantly, Pakistan-China have recently agreed for implementation of the CPEC (China-Pakistan Economic Corridor) Projects, which can be termed as the regional economic integration beyond the geographical route; it represents the domestic institutional arrangements and macro-economic coordination between Pakistan and China. The CPEC will be a network of 3,000 KM Roads, Railways and Pipelines for Transportation of Oil and Gas from Gawadar to Kashgar City, Northwestern China.

By implementation of above-mentioned Mega Projects, we may expect that many China based organization/companies will be extensively operating in Pakistan and it will be quite suitable to study the success factors and managerial actions in Pakistani-Chinese Cultural Context. The “Guan Xi” (Relationship building and mutual understanding) concept of Chinese culture also supports to understand each other to perform the better output by minimizing the conflicts and maximizing the stakeholder’s satisfaction.

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Literature Review

Diversity

The today’s organizations are accepting and adopting the diversity in the workplace as essential business tools. This is because businesses are gradually beginning to recognize that their potential to achieve better results is increased when people from diverse backgrounds and perspectives are included at different levels of the organization, including in the decision-making process [17].

Project success

It seems not feasible to define the typical project success factors but it’s the matter of what dimensions represent the project success but generally it can be communication, coordination, stakeholders, objectives, cost, budget, final product, acceptance, environment and risks etc. [18] and some other factors may also be included to represent the project success like Timely completion, PM’s competencies and focus, strategic benefits and Top management’s commitment etc. [19].

Diversity and managerial actions

Although each culture has its specific values, norms and patterns but some basic values are generally taken as common benchmarks that people believe to be valuable and important, i.e., Physical and mental health, subjective well-being, longevity and preservation of the natural environment. Although no culture be said to be a perfect one but cultures that obey and respect for these values can be said to be successful. When People from various cultures interact each other or enter into some activity where they have to work together, then they also have some common goals and objectives. Employees approach towards work are affected by their cultural values and even some Religious ethics also have significant impact on some peoples work attitudes these Values and norms have significant impacts on attitudes of people [20-22]. Like Some cultural norms promote to learning and adopting diversity, some culture believe in harmony and faithfulness among the people and such practice develop the trust among teams and it creates overall better working environment and overall harmony within the organization results in better employee commitment towards objectives achievement [17,23,24].

Although there has been done a lot of work about managing and understanding the diversified team but still there is a lot to be done to understand social economic and cultural matters. Still there is a challenge between environment and business [25], Christina et al. indicated that as diversified teams have variety of characteristics in many projects and Diversity can also have its impacts even at Senior Management Level [26,27]. Therefore Managing diversified teams requires managers to be extra ordinarily capable of understanding cultures as diversity is relatively a complicated factor [28].

Hypothesis-1

H1: Cultural Diversity have impact on the managerial actions.

Managerial actions contribute to project performance/success

Understanding of culture is mandatory success factor for better communication and management [29]. Cultural awareness supports employees to better adjust in diversified teams and also managers who have good knowledge of cultures can better contribute to project success [30]. Managers understanding of cultures are also sometimes related with objective [31]. By understanding the cultural values and through conduction of cross-cultural interaction and understanding activities, Managers can improve the team member’s affiliation to their organization by a various interactive action [32]. Such understanding of other cultures can create a Favorable job environment which may have positive impact on employee’s satisfaction [33]. In the same way, if the HR practices are also aligned to understand diversity than such better HR practices can help to better utilize the diversified teams [34]. As in each organization Employees have much expectations to their leaders and effectiveness of their Leadership has impact even on innovations, so it will be a good opportunity for local employees to learn from expats. Furthermore, as managerial action are reflected in HR practices also than employees behaviors will be improved towards duties, Project Management performance effects the Success [35-38]. Managerial actions and traits have significant impact on project success [39].

Hypothesis-2

H2: Managers have to understand diversity for better managing the teams.

Culturally diversified teams enhance the chances of learning and project success

Some people like new experiments and innovations [40] and even Expatriates servings in MNCs are eager to learn other culture’s etc. [41], even Learning in project-based organizations may affect many outcomes [42]. In view of above, the Cultural trainings will definitely have some impact on employee’s self-efficiency towards assigned tasks [43] and it’s also understood that Diversity managed in better way improves performance [44]. As the Manager’s motives can affect the employees and managers direct relations and may also affect performance, so if the managers succeed to create the harmony amongst teams they can get better results and if there is no harmony among teams, it may result in lower business, hence harmony among teams is necessary for better outcomes [45,46].

Clear and well-coordinated processes have favorable impacts and virtuous HR Practices lead to better performance but also it related to managerial actions, so the managers need to be careful about understanding different team’s members and their caring attitude will be positively perceived by team members [47-49]. Its prerequisite for Managers to minimize the conflicts among teams and build their mutual trust and this trust can also be associated with better team’s establishment and working in such teams can results in mutual understanding and learning [50,51].

Hypothesis-3

H3: Pakistani and Chinese diversified teams have positive impact for learning and Project success.

Cultural diversity contributes to success through managerial actions

Multinational Companies operating in various countries try to adopt the local ways and respect for norms and values to better adjust therein [52] and in the same manner the Chinese Project based companies in Pakistan give much weightage to cultural values [53]. Chinese believe that Lack of synchronization may result in low efficiency and vice versa [54] and diversity can be taught and learnt at any level of employees [55] and Teams members diversity can moderate the performance [56], therefore, mostly Chinese adopt the “GuanXi” (relationship building) approach to have informal relations with the team members and project stakeholders [57]. The “GuanXi” approach is a belief that Better relationing can be an additive to success and even
in China, some Chinese traditions are now also being converted from only ethical practices to professional and business actions/practices and they also have started Transformation of the traditional HR systems and approaches to modern ones [58-60].

Hypothesis 4

H4: Pak-China Cultural diversity positively impacts on Projects success through better and enhanced Managerial actions.

Methodology

Instrument

This study was conducted by using a Questionnaire adopted from an Article by Kuen et al. [61], and MBA Thesis of Bovana [62]. The Questionnaire had 36 Items with Lickert’s scale, 8 Items to measure the Diversity, 17 for Managerial Actions and 11 for Project Success. The data were collected in November-December 2016 on Cross Sectional basis. Some respondents were also sent Questionnaire through e-mails but the response rate was extra-ordinarily low. The Questionnaire was also submitted to some Chinese officers of various ranks and the response was taken by mutual discussion with them.

Population and sample

This study was conducted primarily within the Chinese Project based organizations operating in Pakistan and initially the selected population consisted of four mega Telecom Operators/Vendors. Due to limitation of Time period, convenience sampling method was adopted.

The data were collected from 260 Pakistani and Chinese Telecom Professionals serving in 04 Telecom Companies, with a response rate of 40 percent. Out of 04 organizations, 02 are China based Multi-National Telecom Vendors, 01 China Based Multi-national Telecom Operator and 01 is the organization, which has awarded their contracts to Chinese Companies for execution. 75% respondents are Managers or above level officers, 77% Males and 33% Females, more than 98% respondents are graduates or above, 85% Pakistani and 15% Chinese Nationals. 55% of respondent’s age is between 26 to 40 Years, 22% from 40 to 50 years and 2% Above 50 years. Regarding the professional experience of respondents, 11% have professional experience of less than 3 years, 18% have 4–5 Years’ experience, 42% have 6–10 Years and 29% have experience of more than 10 years.

Results

Means, Standard Deviations and Correlations among the variables are shown in the Table 1 while the Table 2 represents the regression Analysis to analyze the effect of Pak-China Cultural Diversity of Project Success through Managerial Actions. Baron & Kenny’s Method was used to test the Step–Wise Mediation Analysis. Path ‘A’ and Path ‘B’ show the significance but the test on Path ‘C’ (IV to DV) shows no significance, hence the mediation cannot be tested (Tables 1 and 2).

Results indicate that Cultural Diversity has significant impact on managerial actions and managers have to adopt such actions which may cater the diversity issues and even mold the diversity into positive and productive approaches which supports our Hypothesis-I. This also supports the findings of past studies which confirm the impact of cultural diversity on Manager’s actions and ways of managing the things [28].

It was also found that when there are diversified teams than Mangers have to understand them better to manage them better. Simply, clearly understanding of a matter may result in better handling and solution of...
the issue. Hence, the results also support Hypothesis-II that Managers have to understand diversity to better manage their team’s and it may result in better project outcomes [39].

Table 2 indicate that Pakistani and Chinese Cultural Diversity has no significant impact on Project success and hence the Hypothesis-III and IV and Rejected. For such results, the managers and senior level officers from sample population were contacted to discuss the reason and they have suggested that it might be due to a variety of factors i.e., Highly Complexity of Chinese Culture, Highly Collectivistic Pakistani Cultural Traits, Pakistani People’s perception about Chinese products and about the Chinese Companies, The Low-Cost strategy of Chinese Organizations, Inadequate Salaries and fringe Benefits in comparison to other Multi-national Companies, the overall popularity and image of our political leaders and governments impact on businesses, people’s variety of expectations and conceptions about China-Pak Economic Corridor Projects, Media’s role in creating the image of up-coming mega projects and our political & industry leaders statements about near future’s mega projects.

Discussion

The outcomes of this study have some management repercussions, the Cultural Diversity and its impacts on Managerial actions cannot be divorced because Managers have to be vigilant about the diversity and the matters related to diversity. Managers need to mold the diversity features into productive practices to create harmony and cooperation amongst their team. This study hereby confirms the positive impact of diversity amongst the team members which results in mutual harmony and learnings and confirms the studies by Tachia [24].

This study indorses that Managers may understand the diversity to better manage their teams and be aware of their employee’s behaviors etc. The better understanding of employees can result in their better management and performance [33]. Furthermore, manager’s performance collectively impacts the project success so the organizations have started spending huge amounts in training and development of their staff to overcome the cultural diversity and teams management issues.

Regarding the least impact of Pakistani and Chinese Cultural Diversity on the Project Success, we discussed the results with few senior Management Level officers and Mangers and tried to sort out the factors which can support this concept. The feedback from concerned managers and officers was interesting because they have indicated numerous factors which have resulted in a specific Mind-set of our people and may be these are the reasons behind the low or less impact of diversity on project success. In Pakistan, majority of people have a concept of Chinese Low-cost strategy throughout in their companies’ operations and the same is adopted for their HR policies, employees when not paid adequately, do not sometimes do not even care whether they are serving with Pakistani or Chinese Bosses. Even, our media has also created a strange impression of upcoming mega projects especially they are trying to create a sort of controversy about CPEC so this cultural diversity may have unclear impacts of the projects.

Limitations

Population and sampling

Due to limitation of time, only few Chinese Project based organizations were selected for collecting data about this study. At present, numerous Chinese companies are operating in Pakistan and the results could be more accurate and comprehensive, if the larger population was targeted. The date were collected from only 103 respondents which may not be true representative of thousands of officers and managers serving in such project based organizations, so in future if such study is conducted, the sample size would be larger.

Limitation of time and lack of funds for study resulted in convenience sampling and it is recommended that future studies would be conducted with some more reliable and authentic sampling method.

Data collection

Cross sectional data were collected as the total time period available was around two months for Questionnaire finalization, Testing and Data collection. Hence, the results can be more appropriate if date is collected on time lapse basis.

Research model

The simple research model with only one IV and one mediator was studied, it is suggested that in future the researchers may study more variables and factor effecting project success.

Conclusion

As China has the potential to dominate the global economies in coming few years and even in Pakistan the Pakistani and Chinese collaborations for mega projects implementation has an historic track record. For upcoming Energy and infrastructure gigantic projects, understanding the cultural differences and traits of diversified work force is mandatory for Managers and an emerging challenge for the organizations. Although, this study has not proved or could not collect significant evidences of Pak-China Cultural difference massive impact on the project success but its suggested that there is so much yet to be explored due to high complexity of Pakistani and Chinese Culture, their rich values and traditions, the popular hospitality of Pakistanis and slow and steady invasion of Chinese in the Global economies.

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