Organizational Culture and Project Management in India and Russia in the Context of Binational Projects

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Abstract – Multicultural project teams are characterized by higher innovation, creativity and the ability to generate new knowledge, but more difficult to manage. Binational projects, which involve the efforts of team members from two equally represented cultures, are especially complex. Using data from GLOBE study and the data on 175 projects in Russia and 200 projects in India, the author discovers that organizational cultures and national project management systems in two countries are significantly different. Based on the findings, the author suggests tools for analysis of binational projects and measures applicable for Indian-Russian and similar projects to increase effectiveness of project teams.

Keywords – project management, organizational culture, cultural diversity

1. Introduction

Due to the advances in communication technologies and increased globalization, multinational projects have become ubiquitous.

DOI: 10.18421/TEM92-23

<https://doi.org/10.18421/TEM92-23>

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Received: 01 April 2020.

Revised: 22 April 2020.

Accepted: 04 May 2020.

Published: 27 May 2020.

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Extent research has been conducted on cross-cultural issues in multinational projects [1], though the results are far from being unambiguous. There is significant evidence that cultural diversity brings about more creativity, better problem solving capacity, richer information exchange, and higher quality of decisions [2], but also leads to process losses due to more conflicts, increased miscommunications, and limited social integration [3]. Contradictory results have led some researchers to look for mediating or contextual factors influencing possible advantages or challenges of managing multinational project teams [4]. Among these factors, Gibson and Vermeulen [5] pointed to the subgroup composition of project teams. Cross-cultural dynamic in a team consisting of two equally represented national subgroups will be different from the dynamic in a team consisting of many national cultures represented by one or two people. Taras and Rowney [6] identified several typical team compositions and noted that binational teams are characterized as the most problematic. Though some authors paid attention to this type of project teams [7], binational teams are scarcely investigated, despite the fact that binational projects are by no means a rare practice in modern project management. These configurations can be often found in the projects and programs of cross-border cooperation and binational industrial partnerships. Hence, the deepening of the research on the particularities of binational teams has not only theoretical but also practical value.

The article presented, compares the two national cultures and systems of project management, Russian and Indian, and elaborate tools for comparative analysis of different project management cultures. Nowadays Russia and India actively develop cooperation in the military-industrial, energy, IT and educational areas, which is reflected in the implementation of a large number of joint projects. These projects often imply the necessity to combine

the efforts of two equivalently collaborating groups of representatives of quite different national cultures and to build and operate the integrated project management system. Considering the problematic nature of binational projects [8], management of projects implying collaboration between Russians and Indians should be based on the answers to the following questions: 1) how great is the distance between the two national cultures; 2) how different are the project management systems of the two countries; 3) what can managers do in order to overcome potential problems following from the differences between cultures and project management systems. Based on the answers to the questions above, the author elaborates recommendations potentially applicable for all binational projects.

In the first section, the author conducts a theoretical study of the interplay between national cultures and project management systems. In the second part, the methodology of the study is explained. The third section presents the results of the study and the fourth is devoted to discussion based on the research findings.

2. National Culture and Project Management System

The first definition of culture was suggested by the British anthropologist Tylor in 1871. He understood culture as a 'complex whole which includes knowledge, belief, arts, morals, law, custom, and any other capabilities and habits acquired by man as a member of society' [9]. Since then, understanding of culture went through the long way of proliferation of meanings, concepts and definitions, along with the process of specification and decomposition into various types, forms and sorts of culture. However, despite the endless nature of the world of culture, the definition proposed by Tylor describes the phenomenon of culture satisfactorily well.

The concept of organizational culture appeared in the 1930s in the famous Hawthorne experiments documented by Mayo [10]. Till the late 1970s, organizational culture was not a major issue and appeared rather sporadically in the cultural studies and organizational studies. But as the global competition started to grow, many researchers began to investigate the cultural differences in organization and analyse them as the potential sources of effectiveness and strategic advantages. Nowadays, organizational culture is unanimously understood as a very valuable corporate asset and as a powerful tool of management. There is a consensus that an organizational culture inherits the basic characteristics of a national culture [11]. This notion is embodied in the model of Hofstede [12] who

proposed 5-dimensional framework for assessing and comparing organizational cultures in different countries. Due to the ability to analyse cultures quantitatively, Hofstede's model became especially popular and formed the basis for GLOBE framework which included 9 dimensions of organizational culture (power distance, uncertainty avoidance, humane orientation, collectivism I and II, assertiveness, gender egalitarianism, future orientation, performance orientation) [15].

Project management organizational culture can be understood as the culture of project management profession or project management team, or corporate culture for project management. The definition of project management culture can be produced by the transition of Tylor's definition to the project management domain: 'Taken in its cultural context, project management is a complex whole that includes knowledge, beliefs, skills, attitudes, and other capabilities and habits acquired by people who are members of some project society' [13]. Amy and Pulatov [14] proved that the national cultures have a notable impact on the features of the project management systems in different countries. National culture has an impact on the culture of project management and the latter in its turn significantly influences the systems of project management.

3. Research Methodology

To compare the organizational cultures of India and Russia, the author used the data collected in the GLOBE project in 2004 [15]. The GLOBE project data is an aggregation of the numerous surveys from different countries regarding their assessments of 9 culturally significant practices and 9 cultural values. Thus, for each country, including India and Russia, there are 18 different estimates, which can be compared to understand the similarity of the organizational cultures of two (or maybe more) different countries. Cultural similarity between countries was calculated using clustering algorithm.

To compare project management systems typical for Russia and India, the author used the framework of the project management planning quality (PMPQ) established by Zwikael and Globerson [16]. The data on 175 projects in Russia and on 200 projects in India, collected from the survey, were analyzed with the help of conventional statistical tools. Each of the 33 elements of the project management system was compared using the average value and t-test.

Similarity of national cultures and project management systems were compared. On the basis of the comparison, theoretical and practical implications were elaborated.

4. Research Findings

The GLOBE framework consists of nine cultural dimensions each of which is measured in two ways – in terms of societal practices (as respondents see their cultures are in reality, ‘as is’) and in terms of societal values (as respondents think their societies ‘should be’). Hence, there are 18 measures that were assessed by almost 18 000 managers from 62 countries to define organizational cultures in their countries. The respondents assessed each item on a 7-point Likert scale. After that their responses were aggregated and for each measure of organizational culture in every country, average values were calculated.

To evaluate the cultural similarity between Russia and India, the author used cultural clustering approach proposed in [17]. The author took the values of 18 indicators of organizational cultures for all 62 countries participating in the 2004 study, and conducted cluster analysis using MiniTab software. The results of the analysis are shown in Figure 1.

Figure 1. Results of cluster analysis of indicators of Russian and Indian cultures

From the dendrogram above it is clear that cultural distance between Russia and India is quite high. This distance is higher than the distance between Russia and South Korea, Russia and Poland, Russia and Argentina, as well as India and Malaysia, India and Egypt, India and Japan. The index of similarity between Russian and Indian national cultures is 25,25. It can be expected that their project management systems would be different as well.

The PMPQ model developed by Zwikaël and Globerson [16] consists of 16 items related to the project planning processes and of 17 items concerning organizational support for project management processes. Each of 33 items was evaluated by the participants of the survey on 5-point Likert scale. The survey was conducted in 2018. 174 project managers from Russia and 204 project managers from India participated in the survey.

Taking into account that for each item of the PMPQ model there are big sets of data, Student's t-test can be used to understand how significant the

differences are between the compared items of the model.

Table 1. shows that the average grades of maturity of project management processes in India are substantially higher than in Russia. The difference of the scores in majority project management processes in India and in Russia is statistically significant. Four evident exceptions are Schedule Development, Project Plan Development, Activity Duration Estimating, and Procurement Planning. But if we disregard these differences as statistically insignificant, the whole picture stays the same – project management system in India is characterized by the higher level of maturity.

Table 1. PMPQ averages for Russia and India

Process	Russia	India	T-test
P Plan	3,84	3,87	0,73*
Scope Plan	4,00	4,25	0,00
Scope Definition	2,78	4,18	0,00
Activity Definition	3,80	4,08	0,00
Activity Sequencing	2,69	4,17	0,00
Activity Duration Estimate	3,64	3,72	0,39*
Schedule Development	3,87	3,72	0,09*
Resource Plan	3,68	4,11	0,00
Cost Estimate	3,58	3,79	0,03
Cost Budget	3,05	4,25	0,00
Quality Plan	3,57	4,33	0,00
Organizational Plan	3,45	4,08	0,00
Staff Acquisition	3,49	4,07	0,00
Communications Plan	2,65	3,96	0,00
Risk Management Plan	2,57	3,89	0,00
Procurement Plan	3,65	3,71	0,61*
P-Based Organization	2,97	4,11	0,00
PM Procedures	2,67	4,02	0,00
PMr Assignment	3,77	4,35	0,00
Refreshing P Procedures	2,17	4,03	0,00
Early involvement of PMr	2,85	4,01	0,00
Communication PM and Organization	3,16	3,95	0,00
P Success Measurement	2,72	3,84	0,00
P Org. Structure	2,87	4,13	0,00
Inter-Departmental P Planning Groups	2,93	4,00	0,00
Organizational P Resource Plan	3,19	4,22	0,00
Organizational P Risk Management	2,52	4,24	0,00
Organizational P Quality Management	3,13	4,23	0,00
PM Training Programs	2,23	3,62	0,00
P Office Involvement	2,36	3,66	0,00
Standard PM Software	2,96	3,67	0,00
Organizational P Data Warehouse	3,20	3,39	0,09*
New P Tools and Techniques	2,03	4,02	0,00

* - differences between averages are not statistically significant

PM – project management

PMr – project manager

P – project

5. Research Findings

The results of the present study show that the organizational cultures in India and Russia differ significantly. The level of similarity calculated through clustering algorithm is 25,25. The project management systems in two countries are different as well. In terms of PMPQ model, India has higher scores than Russia on 28 processes from a total of 33 and these differences are significant. This can be interpreted such as that the Indian system of project management is more mature than the Russian.

Based on the results of the research, it can be expected that without additional measures, Indo-Russian projects will have systemic problems in managing project teams, because cultures and project management systems in these two countries are significantly different. The findings allow formulating the recommendations for Indo-Russian projects:

- Considering the fact that the differences between the organizational cultures of the two countries are significant, it seems advisable to conduct training on intercultural communications including learning the cultures of the two countries before the projects begin or at the very beginning of the project;
- As the project management system in Russia has a lower maturity, we recommend for specialists from Russia to undergo additional training and project management training before the start of the project;
- It can also be recommended before the start of joint projects for the Russian party to assess the maturity of their project management systems and implement a number of activities to increase the maturity of processes and project management systems with the help of OPM3 (Organizational Project Management Maturity Model);
- In addition, it seems reasonable to adapt the Russian methodology to the methodology of the Indian party during the integration of the project management processes, after the study of the methodologies of both countries.

Based on the findings of this study, it is also possible to formulate a set of recommendations for all binational projects:

- Prior to the initiation of binational projects, it is recommended to conduct an analysis of the

national organizational cultures' similarity. For an assessment of the general cultural similarity, it is suggested to carry out the cluster analysis based on the most recent data from the GLOBE study. In addition to the overall assessment, it is necessary to compare all elements of the GLOBE framework and in case of significant differences between cultures, it is recommended to conduct additional trainings on intercultural communication, with particular attention to those cultural concepts for which the greatest discrepancies were found;

- It is also recommended to conduct a comparative analysis of project management systems using the PMPQ model and Student's t-test. To make sure that the results of the analysis are well-grounded, it is necessary to interview at least 20 people from each country and conduct a statistical analysis of the data obtained. If significant differences are found, additional trainings are recommended, as well as the development and implementation of activities aiming to analyze and to integrate the project management systems of both parties, and if necessary, to improve maturity of some project management processes.

6. Conclusion

In this paper, the problems and issues of the management of binational projects have been discussed. In particular, the author was interested in the problems of the management of Indo-Russian projects. The study found that the organizational cultures in Russia and India have significant differences. Differences in cultures correspond to differences in project management systems, which in the two countries are statistically significant. The maturity of project management system in India is higher than in Russia. Based on the results, recommendations were formulated for both Indo-Russian projects and other binational projects. These recommendations include a preliminary analysis of the similarities and dissimilarities of organizational cultures and project management systems, trainings on intercultural communication and additional activities for integration of processes and project management systems.

Future research may include such directions as the definition of typical characteristics of project management systems for each cluster of cultures, the analysis of potential correlation between the metrics of culture and the characteristics of project management systems, the identification of the most characteristic problem areas in project management systems between different cultures. It is also an interesting proposition to form a global database on

project management systems in different countries based on PMPQ model and to analyze these data to identify differences in management systems in different countries through cluster analysis and determining the degree of similarity between different national project management systems.

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