

# A Study on the Impact of Cultural Dimensions towards the Cultural Competency of Transnational Project Environment in the Maldives

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## ABSTRACT

The Maldives is a country highly dependent on international clients towards development of the nation, through major infrastructural and institutional projects. Majority of the projects handled in the Maldives are international donor-funded projects or international projects by private organisations.

This research focuses on the cross-cultural impact on the transnational projects established in the Maldives, in regards to Hofstede's Cultural Dimension Theory. This research studies the opinions and insight of experts such as shareholders and project managers, on the cross-cultural impact using qualitative data. It becomes evident that these projects are competent towards the transnational project environment. However, it is also established that there are dimensions of culture that projects must utilize to improve the project environment.

A total of four major themes and fifteen sub themes were discovered in this study. It can be determined that the overall project environment has a very positive contribution towards the cultural competencies. The project culture of Maldives encourages long term orientation, High Uncertainty Avoidance as well as Collectivism. On the other hand, Maldives require cultural balance towards low power distribution, influence of politics and gender role distribution in the project environment.

## Keywords

Hofstede's Cultural Dimensions, Cultural Competencies, Project Management, Transnational Project Environment.

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## Introduction

Cultural context can be measured from the knowledge of the people to language, customs and beliefs of the society. A complex society can be best understood with the help of identifying the national culture [5]. Project Management Institute (2013) [24], states that the Code of Ethics of the Project Management Institute is based on the diverse backgrounds and cultures the clients come from. Hence the acceptance of this code and ethical consideration in regards to the culture is essential in the management of projects.

The Republic of Maldives is an archipelago nation situated in the Indian Ocean which is considered as one of the smallest and most low-lying countries [28]. Maldives exists with a fragile environment and an economy due to its geography, resources and capability. Due to this, most of the developments achieved by Maldives are through international benefactors. In reference to Asian Development Bank (2019) [3], projects were established in developing the Maldives higher education system. Moreover, World Bank has established over 35 projects in the Maldives contributing to central government development. [28].

When involving external organizations in a project, the organisations should consider the influence of culture, style, as well as structure of the organisation [24]. One of the ways to examine the cultural diversity and complexity is through the Hofstede's Cultural Dimensions Theory. Analysing this dimensions will enhance the knowledge factors of the culture and show the researcher, the suitable actions to be taken to enhance cultural diversity.

Project Management: Problem in the Maldives

Ozguler (2016) [22]; Kivrak, et al. (2009) [15], suggests that

project success factors cannot be limited to just time, cost, quality and scope. A project should consider other criterion of success including customer satisfaction, benefits of the project, cultural competence of the project team. Success factor can also change for each project depending on the objectives and area of issue of the project as well as the existing project management processes of the organisations. In addition, Lent (2015) [16], states that 85 percent of the reason for projects to fail is due to the human factor of the project.

Projects in Maldives have been cancelled mid-way and many conflicts have occurred due to cultural differences whereby the locals riot against the culture and religious insecurities. In reference to Vishan (2013) [27], Maldives lack of support and adaptability from the policymakers. This has led the country towards great uncertainty as well as lack of long-term benefits. This has caused many projects and development actions infeasible in the country.

Furthermore, Maldives has a Company culture where they practice less team work and leadership initiatives [19]. Maldives requires a learning and development culture whereby individuals are allowed to take decisions and take risks at a certain level. The employees require self-learning and innovative measures in their working environment to improve their potentiality and develop their personal career which will in the end bring development to the organisation. Thus, it is very important to adapt to a multicultural environment for projects that require a close interaction and support from foreign organisations for the success of the projects. Therefore, this research assists in identifying the impact of cultural dimensions of the project environment of Maldives

## Research objectives

This study has proved two main research objectives. They are:

-To understand the scope of cultural dimension that affects cultural competency in the transnational project environment

-To evaluate the views of Stakeholders regarding the impact of cultural dimensions on the cultural competency of project environment

Hofstede's Cultural Dimensions and Project Management

Many organizations running transnational projects face the risks of cultural differences. In accordance to Hofstede (2011) [13], a dimension of a culture can only be measured by a comparison to other cultures. The relations of these dimensions towards the basic cultural issues can vary according to the country and its influence towards modernisation and changes.

The main cross-cultural differences faced by a project are due to the political state, financial stability, economic position as well as the social situation of the nation [23]. Moreover, many projects that take place, quite often do not have the luxury to choose between preferred country of choice for a project [21].

Hence the best way to manage the project is to analyse the country's cultural dimensions and understand the competency of its culture to manage within these cultural boundaries for a greater chance of success in delivery of the projects.

Likewise, in a global project, the main cultural issues occur due to the external environment including the stakeholders coming from various cultures [14]. Moreover, international projects teams are heterogeneous in culture which is recognised as a reason for unsuccessful projects [6], [14], [17].

Hofstede's four dimensional theory was a breakthrough for the cross-cultural research in the 90's. Erdener (2013) [7], mentions that over 1000 citations have appeared with this context as a research area in the management, political science, communication, cross-cultural, psychological and organizational fields of research.

### Power Distance

Having a strong power distance can be beneficial for some project environments as it limits decision making process to managerial executives and experts [1]. However, when working in a transnational project, it is very important to consider the culture of the different societies, most of which are democratic, when it comes to power distribution.

### Individualism versus Collectivism

The project environment can be affected by both the factors as different countries may follow different cultural characteristics. Individualism can be beneficial for a project when considering the self-confidence and independent nature of the employees. However, a project environment should also consider the recognition of authority and value for other's opinion [13], [18].

### Masculinity versus Femininity

According to Erdener (2013) [7], many cultures have changed the values of women in a work place due to influence of education and professionalism in women. Moreover, a study by the United Nations Development Programme - UNDP Maldives (2011) [26], showed that women had lower proportion of hierarchy in the Maldives whereby most of the decision making bodies are run by men, indicating an evident inequality in gender roles and women's empowerment in the Maldives.

### Long Term Versus Short Term Orientation

Long-term orientation encourages perseverance, persistence, thrift, savings, adapting to change in circumstances and focusing on the future rewards [13]. While, cultures with short-term attribute focus on national pride, respect for the traditions, preservation of their image and accomplishing social requirements.

These characteristics of long term orientation are mostly seen in Asian cultures in the project environment [21], [2]. Countries like China, Hong Kong, Taiwan, Japan and South Korea preferred long term strategies, and little value on short term milestones and goals in project lifecycle. Surprisingly, western countries were on the low margin of the index [2], [10].

### Uncertainty Avoidance

Uncertainty avoidance measures the tolerance of a culture towards the unknown [13]. It is not exactly risk avoidance, rather indicates how the society would deal with uncertainties and whether they prefer to take risks or not. Hence it testifies whether the society is comfortable to handle unstructured or unplanned circumstances.

In a project lifecycle, having a high- uncertainty avoidance will show behaviours of imposing law and control [11]. Whereas, value is mostly placed on older wisdom, rather than taking a risk towards younger and inexperienced individuals. However, projects that encourage low-uncertainty avoidance in project culture, ensure creativity and inventiveness in the performance and achievement of the project [30].

## Research Framework

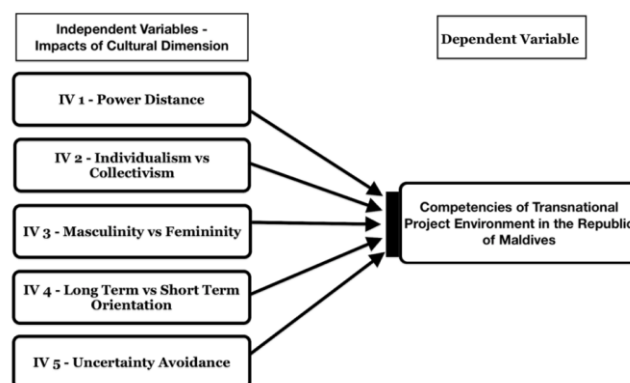


Figure 1: Research Framework

## Research Methodology

This research aimed in understanding the perspective of stakeholders involved in the project environment. This research was conducted in the Maldives, within greater Male' area as most of the major projects is located in this area. Qualitative data was collected through interview session. The interview was set with 10 semi-structured questions, fit for 20 to 30 minutes. The first section of this interview guide highlights the interviewee's profile, while second section highlights cultural dimension and its relevance to transnational project environment. Lastly the third section highlights an overall view of the stakeholders. The participants for this interview were purposefully selected in regards to the knowledge, designation and the relevance to transnational project environment. With the help of eight respondents from major donor funded projects, this research was conducted to fulfill the objectives. These projects were from five government-owned corporations and one non-governmental organisation. Finally, the data was analysed using a thematic approach following the six phase approach introduced by Braun & Clarke (2006) [4].

## Analysis of Results

The data was analysed for each question separately and codes were drawn for each question, in regards to the response of eight participants. A summary was drawn for each question to further analyse the data and reevaluate the data. This data was then reviewed and final themes were defined along with sub themes for the survey. The codes discovered were divided into four main segments that were Cultural Dimensions, Differences and Issues, Overall Understanding of the Respondents and Introduction and Field Information. These segments guided in discovering the themes under each section.

## Findings and Discussion

The findings of this study are related to the literature review discovered and discussed in an analytical manner. The themes discovered are also connected to the objectives of the research to fulfill the aim of the study.

**Objective One: To understand the scope of cultural dimension that affects cultural competency in the transnational project environment**

### Power Distance

The survey discovered that a hierarchy exists among the superiors, and there is a difference in power along the superior hierarchy which cause power struggle among the employees. Inequality of power arises when it comes to decision making, especially due to the vertical hierarchy of the government, which effects the international project management. Furthermore, international consultants/clients have high power over the governance of the projects and that influences the project as well as organizational culture. *"Having a strong power distance can be beneficial for some project environments. In the sense that, decision making will be confirmed through managerial executives alone and*

*expert judgement"* [29]. Although, having a decentralised government can result in having a higher power distance among the project, stakeholders and the government control. This way, the project manager will have an equal balance of control over the stakeholders involved.

### Individualism versus Collectivism

Individualism is required when there is a need for Individual Expertise and when it is challenging to conduct group work due to reasons like geographical distance, and issues of transportation. Project environment can benefit from creative ideas generated in groups and efficiently implemented into the project. Hence, this survey falls more towards collectivistic behaviour in the project environment of Maldives. Furthermore, trusting each other is important in a group, whereby a collective effort and input from all members are given equally in the working culture. Literature review states that a collective project team culture would be loyal to each other. This means opinions from each other are respected and used in the project lifecycle.

### Masculinity versus Femininity

Only in recent years, women have been able to stay at managerial positions. And before this, all men were at the managerial boards. The government being the largest employer of Maldives, has an inequality of gender roles whereby employing 62 percent of men and 38 percent of women [26].

However, in the year 2016, Gender Equality Law Act Number 18/2016 was introduced on the 23<sup>rd</sup> of August [9]. Until August 2016, gender discriminations were not taken into consideration. It is observed that gender discrimination has been reversing whereby there are women at managerial positions of project in the recent year.

### Long Term Versus Short Term Orientation

Project managers are willing to accept changes in between the project lifecycle if it benefits the project objectives and guarantees sustainability of the project. Especially when the criterion and information changes in the middle of the project and the international donors/clients ask to change the objective or the final result of the project.

Moreover, a strategic action plan can assist a long term planning processes of the project. This would demonstration a realistic direction towards the future of the project. A long term oriented project lifecycle would adapt to changes in different circumstances while time is not a factor in question. Time is not a factor as long as the objective of the project is achieved and the final result achieves the expectations of the project. Over all, it can be concluded that the International Project Culture in the Maldives is very supportive towards long term orientation and sustainability of the project lifecycle.

### Uncertainty Avoidance

Sometimes high level of uncertainty can cause project failure. This can be a great loss to the government, project manager and the stakeholders of the project. However,

international project environment focuses towards risk mitigation strategies and risk transfers which reduces the level of risk and uncertainty in the project lifecycle. "To be successful, an organization should be committed to address risk management proactively and consistently throughout the project. A conscious choice should be made at all levels of the organization to actively identify and pursue effective risk management during the life of the project [24].

**Objective Two: To evaluate the views of Stakeholders in regard to the impact of cultural dimensions on the project environment in the Maldives.**

The projects in the Maldives focus on gaining expertise, best practices and being competent with the cultures of the international clients. It is understood that the relationship between organizational culture and stakeholder cultures play a major role in the success or failure of the project). This survey has emphasized that the cultural interactions between international projects have brought human development and human technical capacity in the project environment of the nation.

The literature review emphasizes that a multicultural team encouraged in the international projects build knowledge which brings the project forward towards success. Whereas, individualistic cultures of each team member creates the need for individual decision making as well as independence and self-actualization of the team members creating internal development among individuals.

Therefore, one of the major impact of cultural competency can be gained by working closely with stakeholders. The literature also mentions that dealing with projects with external entities can help in gaining a competent culture in the project environment of the nation. Maldivians are known to respect and behave when dealing with colleagues and clients. This can express that Maldivians have a greater chance of learning from the clients and cooperating with international standards and cultures in the project environment.

In controversy, it can be argued that the political situation in Maldives is very competitive. In fact, the literature has found that the biggest challenge found in the project environment of Maldives is maintenance of the bilateral relationships of the nation. The political situation in Maldives is very unhealthy leading towards political disagreements and cultural disputes due to the political disputes among the nations. And this has led in many international projects to discontinue, losing finance and future development projects of the nation. This has been agreed by the respondents as the political affairs in Maldives has been given priority in the near years instead of the project development and success it could bring to the nation. Moreover, this survey confirms the dependency Maldives has on the international clients as Maldives lack of resources and knowledge of project environment unless gained from international clients. Most of the Large enterprises are owned by well-known foreign companies which shows the dependency on international clients. Hence this has caused disputes of ineffective judgment and dependency towards a certain international client or nation, causing influence of culture towards the project environment in the nation. It is agreed that reducing the level of dependency on international donors can reduce the level of bilateral disputes and improve the project environment of the nation.

Furthermore, it was discovered that dealing with international donors increase the time schedule of the project as it is time consuming to deal with international clients and to finalize the project plans and execute the project. While communication becomes an issue as well when it comes to language, geography and other similar barriers that are faced by the international project environment of Maldives.

Therefore, it can be concluded that transnational project environment plays a major role in the development of the nation as a whole in the Maldives. Although, there are few disadvantages due to the international project environment and the cultural dependency that comes along with the competencies. It can be said the political issues and disagreements are agreed by both the literature and respondents as one of the biggest challenges faced in the project environment in the Maldives. Therefore, it can be considered that the power distribution and the level of power struggle still exists in the project environment of the nation.

## Conclusion

Maldives has its vulnerability and physical constraints that has led to a difficult path in development of the nation. Due to these associated difficulties, Maldives has severely depended on foreign aids for development project concerning both bilateral and multilateral partners. These aids provided by the international organisations had secured the resource gap and limitation scattered all around the country. Since then, Maldives still depends on international projects to develop the nation's infrastructure and institutional growth.

The results validate the magnitude of dependency and reliance on the international donors and clients to implement development projects in the Maldives. Hence it is important for a country with such high dependency on international projects to understand the cultures and its competency towards the project environment, to accommodate the project personnel involved in the projects. Hence to do so, Maldives should first understand the impact of major dimensions of the culture has over the competency on the project environment.

Therefore, it is determined that the project culture of Maldives encourages long term orientation, High Uncertainty Avoidance as well as Collectivism. While the negative aspects discovered from the data analysis were mostly due to low power distribution and influence of politics in the project environment as well as the gender role distribution whereby there is an imbalance in the gender roles of project environment.

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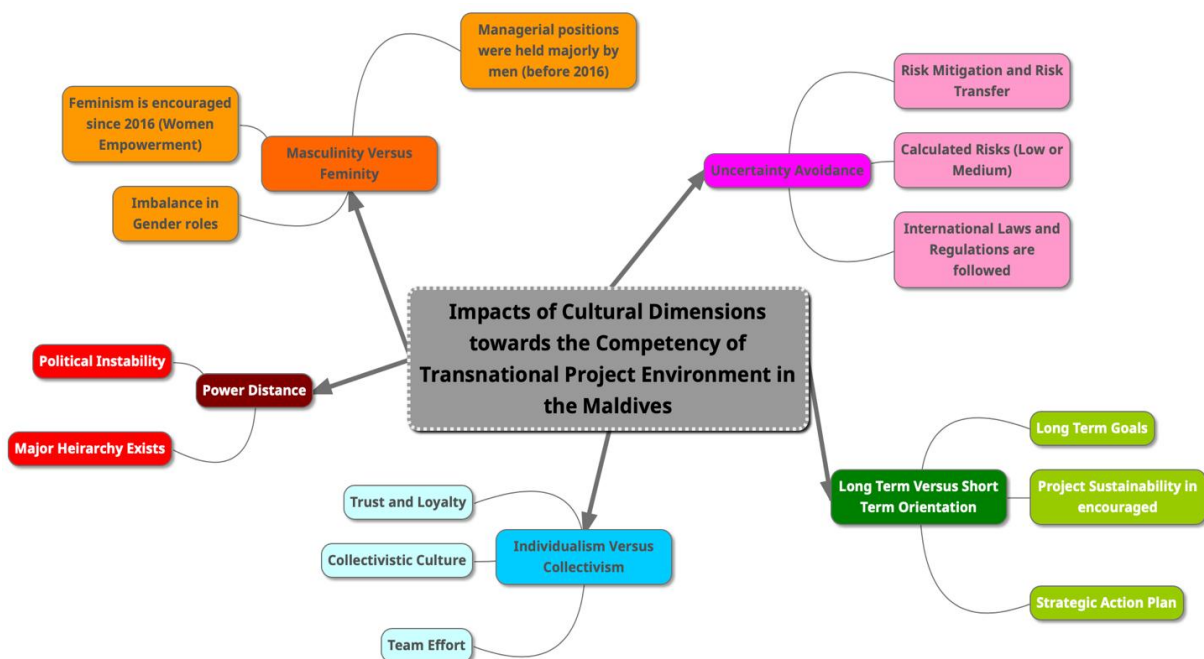
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## Appendices

### 1. Respondent's Details

Respondents	R1	R2	R3	R4	R5	R6	R7	R8
<b>Organisation</b>	Ministry of Higher Education	Ministry of Fisheries Marine Resources and Agriculture	National Disaster Management Authority	National Disaster Management Authority	Maldives Red Crescent	Maldives Airport Corporation Limited	Maldives Monetary Authority	Maldives Monetary Authority
<b>Designation</b>	Project Coordinator	Project Coordinator	Project Officer	Project Coordinator	Project Coordinator	Project Manager (PMI Certified)	Governor of MMA and Project Director	Project Coordinator
<b>Project Description / International Donor</b>	World Bank	UNDP (United Nations Development Programme) GEF (Global Environment Facility) World Bank	UN(United Nations) ADBC (Asian Development Bank Corporation) ADRC (Asian Disaster Reduction Centre)	UN(United Nations) ADBC (Asian Development Bank Corporation) ADRC (Asian Disaster Reduction Centre)	UNDP (United Nations Development Programme) Red Cross / Red Crescent Other NGOs	Infrastructure Development Projects	World Bank Public Finance Management	World Bank ADBC (Asian Development Bank Corporation) International Monetary Fund International Finance Corporation
<b>Gender</b>	Female	Female	Female	Female	Female	Male	Male	Female
<b>Date of Interview</b>	30 <sup>th</sup> October 2019	4 <sup>th</sup> November 2019	5 <sup>th</sup> November 2019	5 <sup>th</sup> November 2019	5 <sup>th</sup> November 2019	8 <sup>th</sup> November 2019	10 <sup>th</sup> November 2019	11 <sup>th</sup> November 2019

### 2. Thematic Analysis



### 3. Data Coding

