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Increase the projects' success rate through developing multi-cultural project management process

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Abstract

The phenomenon of globalization has increased rapidly. The world has become like a village and many cultures have been mixed. As a result, everything in the world, including the organizations, has been affected by globalization and globalization's mixing of cultures. In order to take advantages of globalization and multiculturalism and survive in the global and competitive environment, the organizations should set the right organizational strategy and objectives and achieve them through portfolio management and project management. The portfolio management is defined as "the coordinated management of one or more portfolios to achieve organizational strategy and objectives" (The Standard for Portfolio Management, 2013, p.5). And the project management is defined as" the application of knowledge, skills, tools, and techniques to project activities to meet the project requirements" (The Standard for Portfolio Management,2013, p.11). This paper focus only project management process and explains how to develop multi-cultural project management process and increase the projects' success rate through following this process. Development of multi-cultural project management process consists of seven steps: Assess the multi-cultural competence level of the organization; assess the multi-cultural competence level of the project managers; design an organizational cultural map; assess the existing project management process; create an improvement plan; develop multi-cultural project management process; follow the multi-cultural project management process.

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1. Introduction

In the last few decades, globalization has formed everything in the world. It has economic, social, political and cultural impacts. Khalid and Gaston characterized globalization as "by the growth in foreign direct investment as well as the political and social linkages that accompany growing economic integration. Outwardly, the driving forces seem to be decline in administrative barriers to trade, sharp falls in the costs of transportation and communication, fragmentation of production processes and the development in information and communication technology" (Gaston& Khalid, 2010, p.3). Another author Parker defined four main characteristics of globalization: growing worldwide interconnections; rapid and discontinuous change; growing numbers and diversity of participant; greater managerial complexity (Parker, 2005, p.6).

In order to take advantages of globalization, expand market share for existing products and services, develop new markets for new products and services, reduce costs and increase profits through cost cutting, the organizations should adapt themselves to the new world through developing new and effective organizational strategy and objectives. According to the Guide to the Project Management Body of Knowledge (PMBOK), "effective organizational strategy provides defined directions for development and growth, in addition to performance metrics for success. In order to bridge the gap between organizational strategy and successful business value realization, the use of portfolio, program, and project management techniques is essential. Portfolio management aligns components (projects, programs, or operations) to the organizational strategy…" (PMBOK, 2013, p.16). In addition, it is stated "Within programs and portfolios, projects are a means of achieving organizational strategy and objectives." (PMBOK, 2013, p.16). As outlined in the previous statements, the organizations use portfolio management and project management as tools to achieve organizational strategy and objectives through selecting the right projects at the right time and delivering the projects on time, within budget and meeting customer expectations.

The aim of this paper is to explain the development of multi-cultural project management process and increase the projects' success rate. The paper will start by definition of fundamental concepts of multi-cultural project management process in order to develop a common understanding. The purpose behind developing a common understanding is to ensure that the readers understand the main topic, and numerous details related to the main topic. What is a project? What is project management? What is project management process? What is a team? What is a project team? What does multi-cultural mean? What is multi-cultural project? What is multi-cultural project management process? Afterwards, the paper will discuss the project success rate and factors affected them. What is the project success? What are the factors that are greatly affected the projects' success rate? Lastly, the author will suggest a new way for developing multi-cultural project management process based on PMBOK, published by Project Management Institute (PMI) in order to increase the projects' success rate.

2. Background

Before addressing the factors that impact the success rate of projects in the organizations, the fundamental concepts have to be clarified. The fundamental concepts are: a project, project management, project management process, a team, a project team, multi-cultural, a multi-cultural project, multi-cultural project management process.

The first concept is a project. The PMBOK defines a project as "a temporary endeavor undertaken to create a unique product, service, or result." (PMBOK, 2013, p.553).

The next concept is project management. As stated in the abstract section, project management is "the application of knowledge, skills, tools, and techniques to project activities to meet the project requirements." (PMBOK, 2013, p.554). In Knutzon and Bitz's view, project management is "a set of principles, methods, tools, and techniques for the effective management of objective- oriented work in the context of a specific and unique organizational environment." (Knutson & Bitz, 1999, p.2). Kerzner emphasized project management as "the art of creating the illusion that any outcome is the result of a series of predetermined, deliberate acts when in fact it was dumb luck." (Kernzer, 1984, p.192). Havranek has expanded the definition of Kerzner. He defined project management as "project management is the art and science of planning, organizing, integrating, directing, and controlling all committed resources – throughout the life of a project – to achieve the predetermined objectives of scope, quality, time, cost, and customer satisfaction." (Havranek, 1998, p.61). After coming to know the statements, the author defines project management as "an art which combines knowledge, skills, tools, techniques, principles, methods and techniques in order to create a unique product, service, or result."

The project management process is the third concept. According to the PMBOK, project management process is defined as "ensuring the effective flow of the project throughout its life cycle" (PMBOK, 2013, p.47). In the PMBOK, five project management process groups, ten knowledge areas and 47 logical project management process are identified. The project management process groups are Initiating, Planning, Executing, Monitoring and Controlling, and Closing. The knowledge areas are Project Integration Management, Project Scope Management, Project Time Management, Project Cost Management, Project Quality Management, Project Risk Management, Project Communications Management, Project Human Resource Management, Project Procurement Management, and Project Stakeholder Management.

The next concept is a team. Hegar defined a team as "a group of individuals responsible for the accomplishment of the team's goals." (Hegar, 2011, p.153). Another definition of a team, stated in the book "The Team Handbook: How to Use Teams to Improve Quality", is "a group of pooling their skills, talents, and knowledge." (Scholtes, 1988, p.2-7). Bailey and Cohen defined the five characteristics of a team as following: a collection of individuals who are interdependent in their tasks; share responsibilities for outcomes; see themselves and are seen by others as an intercat social entity; embedded in one or more larger social systems; manage relationships across organizational boundaries (Bailey & Cohen, 1997, p.241). There are several types of a team. Some of them are: a project team, a virtual project team, a multi-cultural project team. A project team consists of a project manager and a group of individuals who act together in performing the work of the projects to achieve its objectives (PMBOK, 2003, p.35).

The fifth concept is multi-cultural. Multi-cultural is defined in the American Heritage dictionary of the English language (2014) as following: of related to, or including several cultures; of or relating to a social or educational theory that encourages interest in many cultures within a society rather thank in only a mainstream culture. Murphy and Dillon said that the term multi-cultural is used by many professional in order to describe the increasing diversity of the United States population in terms of race and ethnicity (Murphy & Dillon, 2010, p.30). Halverson and Timrizi emphasized that "multicultural and multinational teams have become an important strategic and structural element of an organizational work in our globalized world today" (Halverson & Tirmizi, 2008, vii).

The next concept is a multi-cultural project. Marchewka defined the characteristics of a multi-cultural project as "multicultural projects can be international projects or domestic projects whereby an organization is attempting to diversify its workforce" (Marchewka, 2014, p.274). Bennett stated that "at the heart of the multicultural project, however defined, is an assumption of a pluralistic world in which many peoples can live together in harmony if we but learn to respect, and learn about, one another" (Bennett, 2013).

The last concept is the multi-cultural project management process. The author expands the definition of the project management process and adapts it as following: the multi-cultural management process is an art which combines project management knowledge, skills, tools, techniques, principles, methods, techniques and multicultural ability in order to create a unique product, service, or result and meet the project requirements. Ford said that "one cannot become multicultural and transfer multicultural ability from one situation to another." (Ford, 2014, p.37). Based on the statement of Ford, the author says that the existing project management process could not be multi-cultural without consideration multi-cultural principles. On the other hand, the multi-cultural ability could not be transferred from one project to another without following the multi-cultural project management process.

After learning the fundamental concepts associated with the topic, the project success and factors affecting the success rate of projects should be identified.

3. The Project Success

The project success is identified as "completing the project within the constraints of scope, time, cost, quality, resources, and risk as approved between project management and senior management" (PMBOK, 2013, p.35) and the project manager is responsible of successful project completion. The factors affecting the success rate of projects are as following: Project management, business alignment, knowing the decision maker and fluencer, human resource planning, teamwork, teambuilding, stakeholder management, communications, having necessary interpersonal skills.

The first factor affecting the project success is project management. The project success rate is increased significantly through applying knowledge, skills, tools, and techniques to project activities. The second factor is business alignment. If a project is aligned with the organizational strategy, the success rate of projects will be improved steadily. The third factor is that a project manager has an obligation to know the decision makers or

influencer. The next factor is human resource planning. According to the PMBOK, "human resource planning is used to determine and identify human resources with the necessary skills required from project success." (PMBOK, 2013, p.259). The roles and responsibilities, reporting relationship, and staffing management should be clearly described in the human resource management plan. Other factors affecting the project success are teamwork and teambuilding. The project manager should build an effective and productive project team. The teamwork could be cultivated by choosing the right persons to be team members, bringing people together, forming the project team, creating trust between teammates, establishing clear ground rules and responsibilities, facilitating open communication, supporting team all the times and rewarding people for overall project. The other factor is stakeholder management. The project manager should identify the stakeholders early in the project, analyze their levels of interest, their individual expectation, determine type of stakeholders (key stakeholders), their importance and influence, manage stakeholder engagement and ensure that stakeholders clearly understand the project goals, objectives, benefits and risks. Communications is another factor. Communications should be planned and managed carefully throughout the entire project lifecycle from project initiation to project closing. Having necessary interpersonal skills such as negotiation, cultural awareness, coaching are the last factors affecting the success of projects.

The author has developed a summarized table that lists the factors affecting project success. These factors should be considered during development of multi-cultural project management process. Considering the factors helps to increase the projects' success rate, so the organizations achieve their organizational strategy and objectives and survive in the global world. The table 1 shows the factors affecting project success.

Table 1. Factors Affecting Project Success

Project Management	Teamwork	Having Necessary Interpersonal Skills
Business Alignment	Teambuilding	Human Resource Planning
Knowing the Decision Makers& Fluencer	Stakeholder Management	Communications

4. Develop Multi-Cultural Project Management Process

Most of organizations have started to build a multi-cultural organizational culture in order to survive in the competitive economy and be a player in the global market. Fine defined a multi-cultural organizational culture as "one in which all employees feel free to be themselves. That freedom is grounded in a fundamental respect for all people. Having employees participate in training to increase their interpersonal sensitivity and multicultural literacy is important in creating respect for all people." (Fine, 1995, p.167) and expanded his thought "to create multi-cultural organizational culture if people in the organization always focus on valuing behavioral similarities rather than differences." (Fine, 1995, p.183). He ended his statement as "a truly multicultural organization must value, respect, and recognize all employees, regardless of race, gender, class, ethnicity, age, sexual preference, physical ability, or religion." (Fine, 1995, p.2).

However, building a multi-cultural project management process is hard, the organizations try to develop multi-cultural project management process and enhance the success rate of projects, which is an essential element for achieving the organizational objectives and strategy. In this section, the author will explain the development way of multi-cultural project management process, which consists of seven steps. The steps are:

- Assess the multi-cultural competence level of the organization;
- Assess the multi-cultural competence level of the project managers;
- Design an organizational cultural map;
- Assess the existing project management process;
- Create an improvement plan;
- Develop a multi-cultural project management process;
- Follow the multi-cultural project management process.

4.1. Assess the Multi-Cultural Competence Level of the Organization

Before starting development of multi-cultural project management process, the multi-cultural competence level of the organization should be assessed by experts, because lack of multi-cultural awareness affects everything in the organization including projects' success rate. The PMBOK supports this idea as stating that "an organization's culture, style, and structure influence how its projects are performed." and the statement continues that "cultures and styles are group phenomena known as cultural norms, which develop over time" (PMBOK, 2013, p.20). After assessment and evaluation of the multi-cultural competence level, the experts report the existing multi-cultural competence level. Depending on the report, the organization should build an organizational multicultural competence or improve the existing multi-cultural competence.

4.2. Assess the Multi-Cultural Competence Level of the Project Managers

Although having multi-cultural competence is important for every organization, it is also important to employ multi-cultural competence project managers. The PMBOK states that "culture becomes a critical factor in defining project success, and multi-cultural competence becomes critical for the project manager." (PMBOK, 2013, 21). To be multi-cultural is a must-have interpersonal skill for every project manager in the global business environment.

Firstly, the project manager should know the types of cultures, their advantages and challenges. Antropologist Edward Twitchell Hall defines two types of cultures: High-context culture and low context culture. It is stated "in high- context cultures, most of the meaning exchanged during an encounter is often not communicated through worlds." One reason that meanings frequently do not have to be stated verbally in high context cultures is because there is normally a strong level of similitude among the people" and "low-context cultures typically have considerable population diversity and tend to compartmentalize interpersonal contacts (Samovar & Porter & McDaniel & Roy, 2012, p.201, p.202). The characteristics of high-context cultures are relationship oriented, team achieving, non-verbal over verbal, more implicit, oral and informal. The characteristics of low-context cultures are direct, task oriented, individual, verbal over non-verbal, more explicit, written, formal.

Secondly, the project manager should put the time and effort into getting to know the project team and the cultural background of the project team members. Then, the project manager should promote respect for the cultural diversity in the project. In order to achieve this, the project manager could use the communications management plan, a part of the project management plan, as a tool for effective and efficiently communication between stakeholders. Effective communication is defined as "the information is provided in the right format, at the right time, to the right audience, and with the right impact" (PMBOK, 2013, p.290). During development of a communications management plan, the project manager should be considered the differences in the culture, time zones, local conditions, and languages. Another important point is that the project manager should consider the multi-cultural principles to create dynamic, cohesive, and collaborative team culture. A checklist could be used to evaluate the multi-cultural competence of a project manager. The table 2 shows the multi-cultural competence checklist.

Table 2. Multi-Cultural Competence Checklist

Does the project manager understand the cultural differences?
Does the project manager capitalize on cultural differences?
Does the project manager create an environment of mutual trust?
Does the project manager create an environment of a win-win atmosphere?
Does the project manager develop a good communication plan?
Does the project manager aware that culture impacts the speed of working, the decision-making process?

4.3. Design an Organizational Cultural Map

The organization should design an organizational cultural map. The map should include:

- The geographical locations of employers, shareholders, stakeholders, and project team members;
- The types of cultures which exist in the organization and in the projects;
- The list of the regulations, policies, methods, and procedures, specific to the existing organizational cultures;
- The list of the values, norms, systems, symbols, language, assumptions, beliefs, and habits, specific to the existing organizational cultures.

Through the map, the project manager understands the organizational culture in which they work and manage the projects efficiently. The organizational culture is named as enterprise environmental factor according to the PMBOK.

4.4. Assess the Existing Project Management Process & Create a Project Management Process Improvement Plan

After assessing the multi-cultural competence level of the organization and the project managers and designing the organizational cultural map, the existing project management project should be evaluated as considering the organizational cultural map. Then, a project management process improvement plan should be created based on considering the multi-cultural principles and factors affecting project success. According to the PMBOK, the process improvement plan is a part of project management plan and is defined as "a subsidiary or component of the project management plan. The process improvement plan details the steps for analyzing project management and product development process to identify activities that enhance their values." (PMBOK, 2013, p.241). The following areas are considered: Process boundaries, process configuration, process metrics, targets for improved performance.

4.5. Develop a Multi-Cultural Project Management Process

Now, it is time to develop the multi-cultural project management process. Before developing the multi-cultural project management process, the author should clarify some points. The PMBOK defines 47 logical processes, grouped into ten areas of knowledge and five process groups. The process groups are Initiating, Planning, Executing, Monitoring and Controlling, and Closing. The knowledge areas are Project Integration Management, Project Scope Management, Project Time Management, Project Cost Management, Project Quality Management, Project Human Resource Management, Project Communications Management, Project Risk Management, Project Procurement Management and Project Stakeholder Management. The organization's culture, defined as enterprise environmental factors in PMBOK, is inputs to 27 project management processes and outputs to two project management processes. The organization's culture is inputs to the following knowledge areas and project management processes.

- **Project Integration Management:** Develop Project Charter, Develop Project Management Plan, Direct and Manage Project Work, Monitor and Control Project Work, Perform Integrated Change Control
- **Project Scope Management:** Plan Scope Management, Create WBS
- **Project Time Management:** Plan Schedule Management, Define Activities, Sequence Activities, Estimate Activity Resources, Estimate Activity Duration, Develop Schedule
- **Project Cost Management:** Plan Cost Management, Estimate Costs
- **Project Quality Management:** Plan Quality Management
- **Plan Human Resource Management:** Plan HR Management, Acquire Project Team
- **Project Communications Management:** Plan Communications Management, Manage Communications
- **Plan Risk Management:** Plan Risk Management, Identify Risks, Perform Qualitative Risk Analysis, Perform Quantitative Risk Analysis
- **Plan Procurement Management:** Plan Procurement Management
- **Project Stakeholder Management:** Identify Stakeholders, Plan Stakeholder Management.

And it is outputs to the following knowledge area and project management processes:

- **Plan Human Resource Management:** Develop Project Team, Manage Project Team

The organization could develop a multi-cultural project management process based on focusing these knowledge areas and project management processes. The project management process improvement plan, produced in the 4.4 step, serves as a guide for developing the multi-cultural project management process. And the multi-cultural principles should be considered during development of a multi-cultural project management process. Murphy and Dillon defined the principles of the multi-cultural guidelines as following: to be aware of ethnic, gender, and cultural heritage; to acquire knowledge about the cultures and customs of the clients; to use self awareness and knowledge to devise flexible strategies for intervention that are effective and congruent with the clients' value (Murphy & Dillon, 2010, p.40).

4.6. Follow the Multi-Cultural Project Management Process

The last step is to follow the multi-cultural project management process. As everyone knows, project management is the primary factor increasing the projects' success rate. Following a multi-cultural project management process based on PMBOK will increase the success rate of projects'.

5. Conclusions

The new world structure has obligated the organizations to move them toward the achievement of its vision, mission, organizational strategy and objectives, and being a global player. The multi-cultural project management process is a tool used in order to realize that. In this paper, the author has suggested a new way, consisted of seven steps, for developing multi-cultural project management process and increasing the projects' success rate through following it.

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