

# THE IMPORTANCE OF CULTURAL DIFFERENCES TO BRITISH CONSTRUCTION PROFESSIONALS WORKING INTERNATIONALLY

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Research in the field of construction management is increasingly focusing on the issue of culture and, in particular, cultural differences, as a feature of the environment within which construction activity takes place. Indeed, the unique nature of construction means that, the cultural dimension is, arguably, more important for this industry than any other. Culture pervades every aspect of the procurement and production process and is new and different for each project.

Previous research has investigated organisational, professional and industrial cultures but, with the increasingly global nature of the industry, the added dimension of national culture is taking on an ever greater importance. The few studies investigating the effects of culture in relation to construction managers would indicate that culture has an important effect on their ability to successfully manage in an international and multi-cultural working environment and that they respond poorly to the cultural differences they encounter.

A survey, collecting numerical and textual data, was carried out among British construction professionals currently working internationally. Surprisingly, the findings would appear to refute this assertion. The sample showed a keen awareness of cultural differences and considered their ability to deal with these as more important than other job related characteristics.

Keywords: Construction professionals; cultural differences; international construction management.

## INTRODUCTION

British construction professionals are increasingly having to do business with people of different nationalities. As a consequence of this, they often find themselves managing the construction process with people who have cultures unfamiliar to them. Thus, what is a complex business environment in any case is made even more complex with the addition of different cultures.

This is true not only for professionals working outside the UK, who would expect to have to deal with the different cultures they encounter when dealing with people of different nationalities. Increasingly, it is also true for construction professionals working in the domestic industry. Many clients investing in Britain are international. Strategic decisions, such as construction work, will be made by their senior management who are often foreign. Furthermore, a number of British construction companies are now owned by non-British holding groups – primarily European. Even if construction staff do not come into direct contact with their non-British colleagues, the strategy and policy of the organisation will be substantially determined by those colleagues and this will have an impact on the British staff.

For British construction professionals working outside the UK, the impact of cultural differences is even more pronounced. Previous research outlines the extent to which cultural differences in an international construction environment can impact on the performance of construction organisations and the staff who represent them (Hall and Jaggar 1997a, 1997b).

## **THEORY**

Gleuck and Jauch (1984) note that the international business environment differs from the domestic business environment in a number of important respects: firstly, it is more competitive; secondly, it is more heterogeneous; and thirdly, it is more complex due to the differing societies, cultures, educational practices, economic and political systems and business ideologies. Thus, although culture is not the only part of the international business environment it is, nevertheless, a key aspect of the difference between a domestic business environment and an international one that makes the latter more complex and difficult.

In terms of the international construction environment, procedures and systems differ enormously throughout the World. Hall and Jaggar (1997c) note how aspects as diverse as professional standards and construction codes, codes of conduct and ethical standards, design approaches and staff management can all differ.

## **CULTURE AND CULTURAL DIFFERENCES**

Overlaying and pervading this complicated plethora of different systems, procedures and arrangements in the international construction environment, is the added complexity of the different cultures that construction professionals will encounter (Baden-Powell 1993).

The nature of culture and cultural differences has received extensive treatment from anthropologists over many decades. In particular, Kroeber and Kluckhohn (1963) reviewed more than a hundred definitions. The concept of 'culture' is so complicated that it defies a single, straightforward definition (Jenks 1995). The result is that the best we can do is say what *we* mean by culture and allow this to inform further comment. Hofstede (1984) provides us with a simple but clear understanding of culture as;

*the collective programming of the mind that distinguishes the members of one human group from another... Culture, in this sense, includes systems of values; and values are among the building blocks of culture.*  
(Hofstede 1984: 21)

For the purposes of this paper, we are concerned with a particular aspect of culture. It is that cultures are essentially stable and that members of a cultural group exhibit constant 'orientations' towards the world and humankind. Different groups exhibit different orientations and can be compared on this basis (Kluckhohn and Strodtbeck 1961).

## **THE IMPLICATIONS FOR THE MANAGER IN THE INTERNATIONAL CONSTRUCTION INDUSTRY**

Trompenaars (1993) notes that management approaches are not universal. Cultural differences alter peoples perceptions of what is meant by management. Examples he cites include: management-by-objectives, just-in-time and total-quality-management.

Consequently, while these management techniques have been found to be effective solutions to problems in North America and other Anglo-Saxon societies, they are less appropriate in societies that are culturally different and, as that difference increases, so the management solutions become progressively less appropriate.

All these techniques and many others are applied in modern construction practice in the UK. Inappropriate use of, for example, complex procurement procedures and contractual arrangements may result in problems. Local staff and colleagues may find the procedures incomprehensible or pointless. From their cultural paradigm, they would be right. Similarly, British construction terminology and language may result in miscommunication when unthinkingly used in an international environment. Thus, theoretically, managers in construction should take account of the cultural differences they encounter and the cultural distance of the environment in which they are operating if they are to be successful.

There is evidence that cultural differences do indeed impact the way construction professionals operate in a multi-cultural environment. Enshassi and Burgess (1991) undertook a survey of construction managers working in the Middle East. Although not all the sample were British, they found that when the respondents were managing a multi-cultural workforce, their effectiveness decreased. These findings, in turn, supported those of Rabbat and Harris (1982) which referred to the effects of cultural factors on the performance of managers who worked in international firms in the Middle East.

In another study (Rowlinson et al 1993) it was found that cultural characteristics greatly influence the preferred leadership style which make Chinese leaders more relationship-orientated than their Western counterparts and more concerned with maintaining good personal relationships in a harmonious working atmosphere. By way of explanation they made particular reference to the Confucian doctrine and the characteristic of collectivism, both key dimensions arising from Hofstede's work (Hofstede and Bond 1988).

The purpose of this paper is to establish the extent to which British construction professionals working internationally, acknowledge the effect of cultural differences on the way they work. Experience from other industries shows that ignoring cultural differences will have a significant impact on an international manager's performance (Deresky 1994). There is no reason to believe this is any different for the construction industry and the research discussed above would appear to confirm this view. Further, it would suggest the hypothesis that British construction professionals working overseas are task orientated and show little sensitivity to the different cultures they encounter.

## **METHODOLOGY**

The purpose of the research is to investigate how important cultural differences are to British construction professionals working outside the UK. In order to do this, it was decided to collect primary data from British construction professionals currently working internationally. The complex nature of the topic meant that an ideal research instrument would be qualitative in nature. However, resource limitations precluded many qualitative data gathering techniques which are characteristically time-consuming and personal in nature (e.g. interviews).

A more feasible alternative would be to make use of a more quantitative instrument such as a questionnaire. However, the structured nature typical of questionnaires

presents difficulties in interpreting responses based on statements relating to a concept as complicated 'culture'. A way of overcoming this problem, however, would be to provide the respondents with an opportunity to explain what they mean by their responses in their own words, by way of open questions. A qualitative element such as this would serve to improve both internal validity and reliability of the research instrument. It would mean that we could check that the cultural factors in question were interpreted both as we intended and in a similar way across the sample, and that future research could be more clearly defined based on the way our questions were interpreted..

A further advantage of combining a qualitative methodology with a quantitative methodology is that, in this case, the qualitative element would inform the quantitative element. Thus, not only would we see how important cultural factors are to British construction professionals working internationally, we would also have an explanation as to why they said what they did.

This approach to combining qualitative and quantitative methodologies has been gaining in recognition within the field of construction management research. For example, Root et al (1997) specifically discuss the applicability of deductive and inductive paradigms within the field of culture in construction management research and that not only is this approach appropriate but essential if we are to both understand the data we receive and generalise to the greater population.

## **THE SURVEY**

### **The population of British construction professionals based overseas**

As with most survey populations, it is difficult to establish the precise number of British construction professionals currently working internationally. However, an estimate was made, using the following method.

It was decided to state the potential population as being the combined total of the overseas membership of the four main British construction professional organisations. These are the Royal Institution of Chartered Surveyors (RICS), the Royal Institute of British Architects (RIBA), the Institution of Civil Engineers (ICE) and the Chartered Institute of Building (CIOB). Between them, these organisations represent the vast majority of chartered construction professionals. We were able to estimate the overall population of British construction professionals potentially based overseas as being approximately 30,000.

### **The questionnaire**

The questions referred to in this paper were part of a more substantial questionnaire, covering additional areas. Reflecting the methodology, the questionnaire comprised a quantitative, numerical scale, complemented by qualitative responses, where the respondent was given the opportunity to comment on their numerical responses. Assuming the respondent correctly completed the questionnaire, their comments would inform the numerical data by both confirming their interpretation of the items in the scale and by elaborating on their lived experience.

After some basic classification questions, the respondents were asked whether they thought working internationally was more or less problematic than working in the UK. They were then given the opportunity to state their reasons for their answer.

They were then asked to rank a list of 12 managerial factors. These factors are based on a list of items considered vital to the success of internationally based managers in a model developed by Ronen (1989). This model is, in turn, based on three previous studies together with additional research (reported in Dowling and Schuler 1990). The factors included technical aspects, relational aspects and motivational aspects. All the factors are important to overseas managers but the sample were asked to indicate which were the most important to them by ranking the factors from 1 to 12 (1 being most important and 12 being least important). They were then asked to list any additional factors they thought were important. The respondents were asked to give their reasons for their top four selections. It was decided, as a result of the pilot survey, that requests for comments beyond the top four items would result in a substantially reduced response rate.

The twelve items they were asked to rank could be divided into four groups. These are job related factors, cultural empathy and relationship factors, motivational factors and language. Table 1 shows the items and the category to which they belong. According to the hypothesis, the cultural empathy and relationship characteristics would not be considered to be as important as the other factors, by the sample.

**Table 1:** Management characteristics to be ranked by respondents

Ref	Characteristic	Grouping
A	Technical ability	Job related
B	Good language skills	Language
C	Flexibility of management style	Cultural empathy and relationship
D	Knowledge of company systems and organisation	Job related
E	Tolerance of ambiguity	Cultural empathy and relationship
F	Treating people in a non-judgemental way	Cultural empathy and relationship
G	Ability to relate to different cultures	Cultural empathy and relationship
H	Interest in specific host country	Motivational factor
I	Willingness to learn from others	Motivational factor
J	Administrative competence	Job related
K	Interest in overseas experience	Motivational factor
L	Ability to communicate intuitively	Language

### The sample approached and response received

In order to maximise the responses it was decided to address each questionnaire to a named individual. Two sources were used to build a database of names. Firstly, reference was made to yearbooks published by the various institutions and names selected randomly. As information was less easily available from the CIOB, it was decided to limit this procedure to the other three professions. This was supplemented by directly contacting contractors and consultancies known to have an international presence. It was hoped that this would allow the inclusion of some builders and some not included in the yearbooks. Due, in part, to resource limitations, it was decided to limit the initial sample to about 1.5% of the overall population (450).

In the event, 478 questionnaires were sent to construction professionals around the world. The distribution and returns are shown in Table 2.

**Table 2:** Distribution of questionnaires

	Distributed	Returned
Architects	68 (14%)	13 (10%)
Engineers	136 (28%)	48 (38%)
Surveyors	212 (44%)	51 (40%)
Unknown	62 (13%)	14 (11%)
Total	478 (100%)	126 (100%)

143 responses were received, representing a response rate of just under 30%. Of these, 122 (85%) were correctly completed. A further 15 (10%) of the respondents completed the qualitative sections only and a further 4 (3%) completed only the quantitative sections. 2 respondents failed to satisfactorily complete either the qualitative or quantitative aspects of the questionnaire.

The respondents represented all sectors of the construction industry. The majority were involved in consultancy of one form or another (67%). However, a substantial minority were involved in contracting (25%) while a smaller proportion (8%) worked in other areas of construction management, mainly for client bodies.

The general level of education of the respondents was good. 66% had either a degree or an equivalent professional qualification (i.e. ARICS, MCIOB, etc.). 29% of the respondents possessed a postgraduate degree while only 5% did not have either a degree or an equivalent professional qualification. The respondents also had a great deal of experience of the construction industry. The majority of the respondents (70) had worked overseas for 13 years or more. A further 28 respondents had worked internationally for less than 6 years while the remainder (28) had worked internationally in the construction industry for between 7 and 12 years. The respondents were based in regions throughout the world, as shown in Table 3. Finally, all but one of the respondents was male.

**Table 3:** Distribution of respondents by region

Region	Number	%
Europe	20	16
Former Soviet Republic	2	2
Asia Pacific	34	27
Asia (Elsewhere)	4	3
Middle East	29	23
Africa	19	15
North America	3	2
Central/South America	3	2
Australasia	12	10
Total	126	100

## RESULTS

Of the sample, 76 (60%) said that they found working internationally more problematic than working in the UK. They cited a number of reasons, with nearly all remarking on the effect of cultural differences. Additionally, they found differences related to culture to be problematic, including what they perceived to be poor time keeping, corruption and bribery, and misunderstandings in communicating with their foreign colleagues. A further 43 (34%) said that the difficulty of working overseas was about the same as working in the UK. Interestingly, however, nearly all of them explained this answer by saying it was neither more problematic or less problematic; just very, very different. Again, cultural factors received much attention in their explanations for this. They cited factors such as ethical differences, differences in levels of 'professionalism' and the need to give personal relationships more attention, as being different. Only 7 (5%) of the sample said that working overseas was easier than working in the UK. Their reasons included the fact that they had spent so long working internationally (in some cases more than 20 years) and the greater freedom they experienced and fewer regulations they encountered.

Other factors that were mentioned in response to this question included physical issues such as poor infrastructure and communications, different legal and contractual systems and family pressures. However, these were mentioned far less than we had expected.

Our original intention was to weight the responses to the subsequent question based on the results to this question. However, we found such a high degree of consensus among the respondents that we dispensed with this option.

**Table 4:** Mean rankings of management characteristics (entire sample)

Ref	Characteristic	Mean Score	Ranking
C	Flexibility of management style	4.03	1
G	Ability to relate to different cultures	4.11	2
A	Technical ability	4.34	3
L	Ability to communicate intuitively	4.57	4
J	Administrative competence	6.36	5
F	Treating people in a non-judgemental way	6.41	6
I	Willingness to learn from others	6.67	7
E	Tolerance of ambiguity	7.20	8
H	Interest in specific host country	8.32	9
D	Knowledge of company systems and organisation	8.49	10
B	Good language skills	8.68	11
K	Interest in overseas experience	8.80	12

The results for the ranking question indicate that, for British construction managers working internationally, the most important management characteristics to them in their job were having a flexible management style (C), their ability to relate to different cultures (G), their technical ability (A) and their ability to communicate intuitively (L). The mean values for these items are quite clearly lower than the other items (the lower the mean value, the more important the item), all of which have a mean of more than 6.

We then decided to see if this varied depending on the region in which the respondents worked. We compared Europe, Asia Pacific, the Middle East and Australia/North America. We found that, although there were slight variations between the regions, the same four factors remained by far the most important. The only major difference between these regions was the importance of language skills (B) in Europe. As expected, this was more important than elsewhere but was still eclipsed in importance by the four factors mentioned previously.

We then broke down the sample based firstly on profession and secondly on amount of experience of working overseas. We noted similar, slight variations between the groupings but the same four factors remained the most important, their mean values falling between the range of 3.5 and 4.5. The other factors consistently exceeded a mean value of 6.

## DISCUSSION

### Results

The results are surprising as, apart from the importance of technical ability (A), they appear to refute the hypothesis. The sample seemed well aware of the importance of cultural differences to their ability to manage. Their explanation for the importance of technical ability was twofold. Firstly, and most importantly, they felt that their technical ability justified their being in a foreign country in the first instance.

However, a large minority felt that they needed to be able to demonstrate a high technical ability in order to win respect from their subordinates and colleagues.

With regard to communication, many respondents felt that good language skills were not particularly important, even in Europe. However, there was a general complaint of misunderstandings with their hosts and they believed that an ability to communicate intuitively (L) was essential to determine what people with different culture *really* meant. It seemed to be the case that while English is indeed the business language and is widely spoken (even in Europe), other messages related to cultural differences took on far greater importance when English was not the first language of the people they were dealing with.

Surprisingly, this was also the case in Australia and North America (which are culturally far closer than other countries in the sample). Again, it seemed that interpreting what was said within the cultural context was important even here.

The other two factors (C – flexibility and G – cultures) were both very clearly related to the fact that the respondents were dealing with people of a different culture and, in some cases, a wide variety of cultures.

It would seem, then, that far from being culturally insensitive, British construction professionals are only too well aware of the impact of cultural differences on their ability to work internationally and they seem to make allowances for culture in the way they conduct themselves.

Finally, based on the written responses, the biggest problem they encountered was related to ethical differences: specifically people's acceptance and, even, support, of corruption and bribery.

### **Research limitations**

The main limitation of these findings is that the data were not subjected to statistical analysis. Therefore, we are unable to say, with certainty, whether either the findings represent the views of the entire population of British construction professionals working internationally, or whether the management characteristics said to be most important are, indeed, statistically important. However, the difference in the mean results is clear and, linked as they are with the comments made in the supporting open questions, provide the findings with rigour.

The intention in further analysis of the questionnaire is to use the mean scores for the various factors as an indication of tendency. The questionnaire will then be subjected to analysis using replication logic and pattern matching found in the case study technique (Yin 1994).

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