Chapter IV

Managing Distributed Projects Across Cultures

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ABSTRACT
A model of cross-cultural distributed project management is proposed. The model is based on recent theoretical developments regarding trust and team processes and suggests that trust relates to cultural differences between distributed members. Trust affects project performance in two key ways: through the traditional view of main effects on performance, and via moderating effects on other determinants of performance in distributed projects. We also use a task characteristics categorization, together with several mini-case studies, to create a set of guidelines for best practices for management of cross-cultural distributed projects.

INTRODUCTION
Virtual organizations are increasingly becoming the focus of attention in different literatures. In particular, much research has been carried out in the area of virtual teams and how groupware is able to support such teams. An essential component of the rise of the use of virtual teams is the geographical distribution afforded by the globalization of businesses as well as the availability of inexpensive, advanced information and communication technologies (ACT).

This geographical distribution increases the chance that members of such teams originate from different cultures. Differences in expectations and value-laden behaviors resulting from culture clash create performance and personal relationship issues.
Although some of these problems are addressed in the literature, one large frontier remains unexplored: the management of cross-cultural differences and their consequences that are inherent in distributed projects.

Project management knowledge and application has been devoted for a long time to single-site, single projects (Turner, 1993, 1995). Recently, several authors have started to discuss different issues occurring either when projects are composed of many sub-projects — also called programs (Graham, 2000) — or are spread across different locations, in a “virtual” or “distributed” project. The latter situation creates several logistical and management problems that are exacerbated by cultural differences.

This manuscript discusses issues associated with managing distributed projects across different cultures. It is mostly conceptual, but it also includes descriptions taken from mini case studies conducted by the author in Japan (Evaristo & Scudder, 2000), USA (Suleiman, Evaristo, & Kelly, 2000), Germany (Evaristo, 2001), and Norway.

We will discuss in more detail what a distributed project is, its differences from a traditional project, and the resulting need for a customized way to manage it. We then present a proposed model to manage distributed projects, emphasizing the direct and moderating role of trust in the performance of cross-cultural distributed projects under cultural differences. Finally, based on the model, we offer recommendations on how to best manage distributed, cross-cultural projects.

**DISTRIBUTED PROJECTS**

The overwhelming number of projects described in the research-oriented literature as well as most of the practical and theoretical developments in this area is focused on single, stand-alone projects. This is also true for practitioner-oriented books on how to perform project management (Lock, 1996). A few exceptions describe multiple-site instead of single-site projects; for instance, sets of smaller projects that, although performed independently, need to be managed concurrently by the same management team. These sets are defined in the literature as “programs” (Van Der Merwe, 1997).

In fact, a careful analysis of other examples in the literature suggests that there are more types of projects than the single site type, as the multiple site dichotomy described above seems to suggest. For instance, Kumar (1996) describes a software development project where most of the developers were in India and the client was in the U.S. In this case, they were separated by thousands of miles, by 12 time zones, and by cultural and religious differences, but were still working on the same project, characterizing a single project involving multiple non-collocated sites. This type of project differs from the previous two examples because now the non-collocated stakeholders are working on the same project, and we will define it here as “distributed projects.”

The fundamental differences in coordination and resource needs across sites in programs (little), or across sites on a single but distributed project, led Evaristo and Fenema (1999) to two conclusions: (1) qualitatively different management approaches would be critical for successful completion of such projects; and (2) before attempting to address such differences, it would make sense to inquire whether these three types of projects were, indeed, a complete set of project types. The resulting work developed a complete typology of projects that included exploration of alternatives (e.g., multiple distributed projects with shared locations). The crucial differences among them relate to