Effect of Cultural Diversity in Communication on Project Success Within Multinational Construction Companies in the United Arab Emirates

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ABSTRACT

All industries rely on communication and its effectiveness to run a system of subcontracting. There are many subcontractors in the construction industry that are involved in processes, such as design, plumbing, electrical, and project management. Communication facilitates cooperation, but when it is ineffective, then it leads to poor performance. The situation is even more critical in a culturally diverse environment, such as the UAE construction industry. This study sought to investigate the risks that ineffective communication can have on a construction industry by using the UAE as a case study. The researcher collected secondary data by conducting an in-depth analysis of past studies. Also, the qualitative analysis of the information led to the realization that communication failure could cause sub-contractor failure, scope changes, design changes, ineffective knowledge transfer, poor stakeholder engagement, time differences, and geographical distance.

KEYWORDS

Communication, Culture, Project, Project Management, Risk

1. INTRODUCTION

Effective communication with people of different cultures can be challenging because of each culture molds individuals differently. Peoples’ ways of thinking, hearing, seeing, and interpreting the world around them is all shaped by culture. Thus, words could be interpreted differently to persons of different cultures, even though they may speak the “same” language (Norris, 2009, p. 2). In such cases where languages are different, translation eases the process of communication. However, this can be made ineffective by cultural differences, which could lead to misinformation and misunderstanding. People of different cultures will vary in their views of the means and forms of communication in various contexts and situations.

Culture is a prominent aspect in all of these cases, and it can be interpreted in two ways. One way is that culture was borrowed from Western languages. In this way, culture aims to make people civilized and to enhance their minds with art, literature, and education. This varies within different cultures, as in the European culture, Shakespeare is considered an icon. However, Voltaire Sartre is an icon and representation of French culture. In a broader sense, culture’s meaning refers to activities that refine the mind and define the ordinary aspects of life: greetings, choosing to exhibit emotion, physical distance from others, and eating/drinking habits. The definition of culture is further simplified by Khan (2014), who defines culture as a collective mentality within a group of people that

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differentiates them from others. Baumüller (2007) offers a broader definition by stating that culture is the pattern of skills, knowledge, behavior, and beliefs that society creates and imparts onto future generations. A way to unite such differences in culture is through cultural pluralism (Muszynska, 2015; Baumüller, 2007, p. 3). Pluralism works best in The United States of America, as the country features many diverse people, but there is one cohesive American culture within it, as well. America has achieved what every multinational country aspires to do, which is to sort out cultural differences for employees and stakeholders.

Communication and culture are two distinct concepts, but they have a direct relationship. Communication can be defined as basic human contact or the sharing of thoughts and feelings with another individual. Communication becomes a key tool for learning, teaching, transmitting, representing, and preserving culture (Deresky & Christopher, 2011, p. 10). Communication is the avenue through which cultural characteristics are constructed and shared. In essence, culture is the outcome of social communication. Also, the reverse is true, in that communication practices go a long way towards constructing, shaping, preserving, and transmitting culture (Deresky & Christopher, 2011). In a construction project, communication is essential because a project unites a team of experts. For one to do his part, another has to have started or completed his. This level of coordination requires proper communication, and if cultural differences affect communication, then the project performance is also affected.

As a result of globalization, today’s workforce has a diverse population of employees, clients, suppliers, and other external stakeholders who are drawn from different parts of the world (Deresky & Christopher, 2011, p. 14). This has created a dynamic multicultural and multiracial environment that brings with it differences in abilities, skills, and experiences. Embracing this diversity has proved to be a critical first step for businesses that want to be more competitive on the international front. Organizations, such as airlines, accounting firms, and food outlets, are all embracing the benefits of having a culturally diverse workforce (Wen-Cheng, Chien-Hung & Ying-Chien, 2011, p.4). Multinational construction companies have been the recipients of this diversity, as they branch out across borders and continents. Being in an industry that requires constant communication means that these companies have experienced the good and the bad of cultural diversity, as seen in the performance of their projects (Kurylo, 2012, p.11). While diverse culture brings different skills to construction projects, it also brings differences in thinking. In the way of doing things, these differences must be ironed out before any work can be completed.

The importance of proper communication in a diverse environment is brought by the need for high-level coordination in the construction industry. This differs from production activities in a factory, as most of the design and production work is completed in one location. Also, machines guarantee success, and a construction company carries out its activities in stages in on different locations, and with different people. Project success is not guaranteed, as there must be dedication to achieve the goals and different disciplines to construct projects (Deresky & Christopher, 2011). For example, a construction project will at least need an architect, a structural engineer, and a contractor. Also, the project must be carried out according to the customer’s specifications, as coordination between these parties requires proper communication that may sometimes prove difficult with cultural differences. (Wen-Cheng, Chien-Hung, & Ying-Chien, 2011, p. 3). For example, a customer may communicate his request to the architect, but the architect must understand the customer’s needs. In turn, the architect must communicate them to the consultant engineers who must interpret these changes into the design. Then, the consultant engineers must communicate this information to the contractor, as the contractor communicates the changes to the sub-contractor. Overall, this chain requires proper communication and understanding, which has become a challenge with the advent of globalization (Shachaf, 2008, p. 133). However, globalization also brings the chance for companies to grow.

Globalization provides access to new projects, cheap labor, company growth, enhanced experience and knowledge for employees, the opportunity to travel and to interact with people from around the world, as well as more irresistible benefits (Shachaf, 2008, p. 133). To reap in these benefits,
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