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Cultural Comparison of the United States and China from the Project Manager's Perspective

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Abstract

Knowledge of cultural impacts helps project managers understanding of cultural perspectives of all stakeholders. Since cultural differences can become organizational performance barriers, it is important to consider how cultural dimensions can affect decision making. This paper uses the model developed by Professor Geert Hofstede to make a cultural comparison of the major cultural dimensions that influence how work can be planned and executed in China, as compared to the U.S. Several Chinese cultural norms and value systems are found to be relevant and must be considered when planning project tasks to be performed by Chinese team members. The Chinese Doctrine of Mean (DoM) emphasizes that harmony is “most precious” in relationships and encourages contending parties to compromise.

Recent U.S. management practices tend to advocate the use of horizontal organizational structures to facilitate project communications, in contrast to the strong superior-subordinate relationships emphasized by Chinese vertical management structures. Complexity in U.S. projects is handled by forming cross-function integrated product teams (IPTs) so subject matter experts in different disciplines can collaborate. The Chinese culture, in contrast, stresses family and kinship relationships when conducting business. Group members are linked by close personal relationships to work with Chinese organizations. Also, the evaluation of people based on their standing in the family, as opposed to how well they perform, is not consistent with U.S. project management practices. Finally, in the U.S. project managers tend to be task-oriented, rather than boss-oriented. To the Chinese, the most important criterion for evaluating and respecting other people is the person’s hierarchical position. Thus, an obligation to a project manager to complete a task would be a subsidiary consideration.

This paper concludes that cultural training may be required to get Chinese team members to overcome these institutional norms and fully participate in project strategy sessions, as well as for task execution. U.S. team members similarly need cultural training to understand the significance of the cultural differences so they can adapt their communication approaches accordingly. By defining the industry standard for conducting project management activities, the Project Management Institute (PMI) is facilitating international adoption of a set of consistent project management methodologies. This makes other countries, such as China, aware of acceptable practices, and even helps them to overcome cultural barriers that interfere with effectively implementing the adopted management processes.

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1. Cultural Comparison of the U.S. and China

Hofstede's Cultural Dimensions

Professor Geert Hofstede conducted a comprehensive study of how values in the workplace are influenced by culture. By aggregating his findings over a number of efforts, Hofstede developed a model that identified five “dimensions” to assist managers in differentiating cultures. The dimensions include:

1. Power Distance – PDI
2. Individualism – IDV
3. Masculinity – MAS
4. Uncertainty Avoidance – UAI
5. Long-Term Orientation - LTO (itim, 2009).

The five Hofstede dimensions can be used to correlate the cultural and religious paradigms between countries (Shi and Wang, 2010). The scores of each dimension for each country are backed up by survey data from 46 countries and regions. Hofstede's work was updated and expanded in 1991, 2001, and 2005, and continues to be widely cited and used by management scholars and practitioners (Shi and Wang, 2010). Today, scores are listed for 74 countries and regions, partly based on replications and extensions of Hofstede's study on different international populations.

Hofstede's Cultural Dimensions model was used to compare the cultures of the United States and the country of China. Results of the comparison are indicated in Figure 1 below. Hofstede's scale systematically categorizes and summarizes major cultural dimensions that influence particular regions of the world (itim, 2009). As indicated in the graph, there were significant differences between the scores in four of the five categories, indicating some very

different cultural characteristics exist between the two countries. Each significantly different dimension is investigated below.

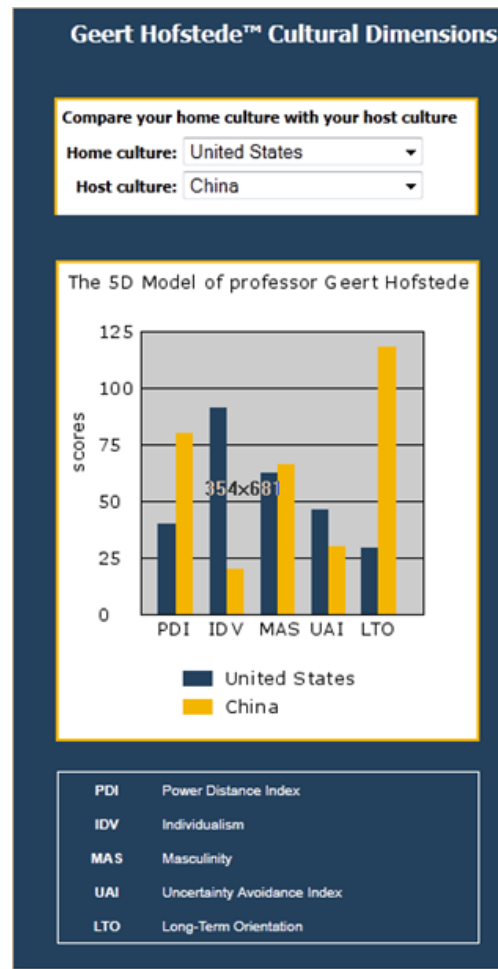


Figure 1. Cultural Comparison of the United States and China. This figure compares Hofstede's cultural dimension values for the United States to those of China to identify cultural differences between the two countries.

Power Distance Relationships

The power distance index (PDI) measures the extent that less powerful members of a team accept and expect that power is distributed unequally. The PDI suggests that a society's level of power inequality is endorsed by followers as well as leaders. Figure 1 indicates there is a large disparity between the U.S. and Chinese cultures. China's PDI score (78) is much higher than the U.S.'s score (40) indicating the Chinese more readily accept inequalities (itim, 2009).

Individualistic versus Collectivist Characteristic

The Individualism (IDV) dimension represents the degree to which individuals are integrated into groups. The high scores (92) of IDV for the U.S. in Figure 1 indicates high levels of individualism where ties between individuals are loose, and everyone is expected to look after themselves. China's low score (21) indicates more of a collectivist characteristics indicating they are readily integrated into strong, cohesive groups with loyalty to other group members (itim, 2009).

Uncertainty Avoidance versus Acceptance

The Uncertainty Avoidance Index (UAI) addresses the team's tolerance for uncertainty and indicates the extent a culture programs its members to feel uncomfortable in unstructured situations. The higher U.S. score (45) of UAI, compared to China's score (30), indicates the U.S. is slightly less tolerant of opinions different from what they are used to, and try to minimize uncertainty by implementing strict laws and rules (itim, 2009).

Long-term versus Short-Term Oriented Societies

The Long-Term Orientation (LTO) dimension measures the extent a culture participates in long term relationships. China's LTO score (120) almost maxed out the scale compared to the meager U.S. score (30), which indicates the Chinese values include thrift and perseverance much more than the U.S.

2. Knowledge of Cultural Dimensions can Help Project Managers

Knowledge of cultural dimensions helps project managers understand the cultural perspectives of all stakeholders. Since cultural differences can become organizational performance barriers, it is important to consider how cultural dimensions can affect decision making. Wang and Liu (2007) conducted research that identified some of the values and beliefs of traditional Chinese culture that need to be reshaped to fit the project management approach

advocated in the Project Management Body of Knowledge (PMBOK) Guide. Their research assessed where conflicts exist with Chinese culture that could potentially become a cultural barrier to implementing the proscribed PMBOK project management processes. The fact that the authors had the insight to do this, by itself, is a positive indication that the problem can be managed. They concluded the Chinese traditional values and beliefs of strong hierarchy, family consciousness, and boss orientation constitute, empirically, major cultural barriers, while the Doctrine of Mean (DOM) does not. They also found that project management training is very important to overcoming these cultural barriers. Today's project managers have to establish cross functional teams and communicate to people of different cultural backgrounds, so it is important to assess the impact cultural barriers have on these tasks.

Doctrine of Mean (DOM)

Effective integration is an important project management function. Integration necessarily requires that "different opinions be surfaced for discussion and recognizes that meaningful conflict can push project teams to pursue more in-depth, insightful analysis of project situations" (Wang and Liu, 2007, p. 62). Conflict on projects is inevitable, and actually encouraged to ensure design solutions mature based on healthy debate for all team members, but how you deal with the conflict is the important concern. In the Chinese culture, Confucian's DOM emphasizes that harmony is "most precious" in relationships "among people and between people and their environment" (Chan, 1963). DOM stresses to avoid conflict among people "by pushing their different opinions below the surface, and requires people to be less confrontational and direct in handling disagreement so as to save their own and others faces (Wang and Liu, 2007). DOM encourages people to use compromising and smoothing strategies in dealing with conflict (Chen and Tjosvold, 2002; Kirkbride and Tang, 1992). Disagreements among Chinese people are, therefore, typically buried and project managers should consider cultural training to

get Chinese team members to fully participate in strategy sessions where their input is desired and, as a natural occurrence, some disagreement is to be expected.

Horizontal Management versus Strong Hierarchical Structures

Project management, as espoused by the Project Management Institute (PMI) in the PMBOK Guide (PMI, 2008), advocates horizontal management that is different from the vertical management emphasizing a strong superior-subordinate relationship (Kerzner, 2009). A person's status comes from what they do rather than whom they are (Firth and Krut, 1991). Since many of the team members are typically borrowed from functional departments, the project manager has to coordinate their efforts without direct authority to manage them (Wang and Liu, 2007). Without the specific authority consistent for the level of responsibility, the only way a project manager can get the job done is through influence. The Chinese culture, in contrast, emphasizes the respect for authority. In traditional Chinese organizations, a junior manager owes a senior manager respect and obedience, and the senior manager owes the junior manager protection and consideration (Jenner, et. al., 1998). The fact that Chinese culture favors organizational hierarchy and centralized decision-making creates problems for the cross-functional, horizontal collaboration and participative management required by today's project management practices (Hong and Engestrom, 2004).

Integrated Teams versus Family Consciousness

According to Kliem, Ludin, & Robertson (1997), a project team is an integrated and multifunctional entity to deliver the specified project product. In an integrated team, each discipline has a significant role in contributing to the successful completion of the project (Wang and Liu, 2007). The Chinese culture, on the other hand, stresses family and kinship relationships in doing business (Li et al., 2000). The majority of relationship types are perceived by Chinese as ones among family members. Members of a family are linked by various kinds of personal

relationships that “operate in concentric circles, with close family members at the core and with distant relatives, friends, and acquaintances arranged on the periphery according to the distance of the relationship and the degree of trust” (Park and Luo, 2001). Because of this, capable professionals can find it hard to work in a traditional Chinese firm if they do not have any family or kinship relationship with the owner of the firm (Li, et al., 2000). The long-term orientation of Chinese relationships does not support the temporary nature of integrated project teams. Also, the evaluation of people based on ones standing in the family, as opposed to by how well they perform, is not in congruence with project management practices (Wang and Lui, 2007).

Task Orientation versus Boss Orientation

Project managers tend to be task oriented, not boss or person oriented. They focus on getting the job done (Andersen, 2003). The Chinese culture has the traditional values and benefits of strong hierarchy. Chinese are likely to focus on keeping the boss happy, instead of completing the task (Wang and Liu, 2007). The Chinese use a person’s hierarchical position as the most important criterion for evaluating and respecting them (R. Wang, 2002). Thus, the obligation to the project manager to complete the task is a subsidiary consideration. Interestingly enough, the results of a research survey conducted by Wang and Liu (2007) indicated the Chinese boss orientation did not qualify as a cultural barrier, probably since in many circumstances getting the job done and keeping the boss happy are one in the same.

3. Lessons Learned Regarding the Culture Barriers

The Chinese DOM was found to be consistent with project management integration activities and can support the use of project management practices in Chinese enterprises (Wang and Lui, 2007). Two confirmed cultural barriers are Chinese family consciousness and strong organizational hierarchies (Wang and Lui, 2007). Chinese family consciousness was found to be a major cultural barrier to the development of the integrated project team (Wang and Lui, 2007).

It stresses establishing and maintaining permanent relationships in contrast to integrated project teams which are temporary in nature. Family consciousness requires a clear boundary of the family and people should clearly identify who is a member of the family and who is not (Wang and Lui, 2007). In contrast, a project team includes all key stakeholders and has undefined boundaries. The conclusion drawn by Wang and Lui (2007) is “the Chinese family consciousness is too narrow and needs to be expanded so that Chinese enterprises can use the Western form of the project team more effectively” (p. 66). The strong hierarchy culture can cause significant difficulties in cross-functional communication and cooperation. Wang and Lui (2007) therefore concluded the “Chinese strong hierarchy is a major cultural barrier for Chinese enterprises to use the matrix organizational form” (p. 66). Wang and Lui (2007) concluded that training is effective at limiting cultural boundaries. Their research showed that the more staff that was trained in project management practices, the more supportive its culture is of the management approach. Project management training can reshape organizational cultures toward the prescribed project management practices and beliefs. The purpose of professional project management training, therefore, is to not only transmit “a body of expert knowledge and skills, but also the associated professional values, beliefs and attitudes” (Wang, 2001).

In summary, Wang and Lui (2007) have demonstrated the real value of formalizing the project management processes contained in the PMBOK Guide into a profession. By defining the industry standard for conducting project management activities, the PMI is facilitating international adoption of a set of consistent project management methodologies. This makes other countries, such as China, aware of acceptable practices, and even helps them to overcome cultural barriers that interfere with effectively implementing the adopted processes. This is truly a worthwhile gain enjoyed merely by establishing project management as a profession.

4. Issues PMs should be Cognizant of Going Forward

Processes delineated in the PMBOK Guide are considered international best practices and are being adopted by countries throughout the world. They should be used to establish a common baseline of understanding when multi-cultural teams from different countries are collaborating. Project Management Professional (PMP) certificate training on the project management practices advocated by PMI can help overcome cultural barriers. In addition, globalization of marketplaces requires project managers to communicate with cross-cultural teams and use communication practices that address potential cultural barriers.

Professional Training can Overcome Cultural Barriers

Due to cultural barriers, it is more difficult for Chinese enterprises to adopt cross-functional and horizontal management techniques (Hong and Engestrom, 2004; Tsui, 2001), which are inherent in the PMI project management approach. Professional training, in the form of PMP certification training, can play a key role in reshaping work related values and benefits into what the profession requires (Wang, 2001). Chinese PMP credential holders certified by the PMI “acknowledge the change of their way of thinking and behavior after obtaining the certificate” (Wang, 2006). The concepts and terminology found in the PMBOK Guide has the important effect of reshaping the Chinese PMP holders’ work-related values and beliefs when they adopt the standard project management processes espoused by PMI (Wang and Liu, 2007).

Role of Communication when Participating in or Leading Multicultural Teams

Intercultural communications, which is the “process of sending and receiving messages between people whose cultural backgrounds lead them to interpret verbal and nonverbal signs differently” (Thrill and Bovee, 2005, p. 68), is becoming increasingly more important due to the trend towards market globalization, and the trend towards a multicultural workforce. When a person writes or speaks to someone from another culture, they encode their message using the

assumptions of their own culture. Members of the audience, in contrast, decode the message according to the assumptions of their culture, so the meaning of the message can easily be misunderstood when communicated across cultures. The greater the difference between the cultures, then the greater the likelihood the message will be misinterpreted. Ethnocentrism is said to be a major reason messages across cultures are easily misunderstood (Thrill and Bovee, 2005). Taking ethnocentrism, which is defined as the tendency to judge people according to one's own cultural standards, into account, serves to track each ethnicity's unique cultural identity and adapt messages to them accordingly. A project manager can increase their intercultural sensitivity by recognizing and accommodating four main types of cultural differences: contextual, ethical, social and nonverbal (Thrill and Bovee, 2005).

Considering the Context of Cross-Cultural Messages

The pattern of physical cues, environmental stimuli, and implicit understandings that help people within a culture understand each other is referred to as "cultural context." In high context cultures, for example, the nonverbal context transmitted through the speaker's gestures, facial expressions, and tone of voice provide cues that guide the receiver to the underlying meaning of the message. In low context cultures verbal communication takes precedence. Project managers should ensure that their messages can be understood by team members of different cultures.

Considering How Decisions are Made on Cross-Cultural Teams

Decision making is affected by cultural differences as well. In low-context cultures, such as the U.S. and Germany, people try to make decisions more quickly and efficiently. In high-context cultures, such as Greece, extensive focusing on the details is taken to be a sign of honesty and openness. Ignoring the details is considered being evasive (Thrill and Bovee, 2005). Thus, the speed at which decisions are made, as well as the level of detail needed varies

substantially across cultures. Project managers should understand this and consider how people of other cultures prefer to participate in the decision making process.

Tracking the Cultural Characteristics of Problem Solving

In low-context cultures business is usually transacted through competition and confrontation. In contrast, high-context cultures like China regard open conflict as bad form (Thrill and Bovee, 2005). The project manager therefore must keep track of the cultural characteristics of each team member when conducting problem solving.

Being Sensitive to Cultures when Negotiating

With respect to negotiating practices, low-context cultures like Germany and Canada consider business negotiations impersonal. High-context cultures like Japan, on the other hand, prefer to establish social relationships first that will result in long-term ties (Thrill and Bovee, 2005). The project manager, therefore, has to adjust their negotiating strategies to the cultural characteristics of the organization they are negotiating with. It is no longer enough to treat people the way you would expect to be treated, now because of cultural diversity you have to treat people the way they would expect to be treated.

Avoiding Ethical Conflicts

The best way to avoid ethical conflicts in intercultural relationships is to:

- Seek mutual ground by being flexible and willing to compromise.
- Refrain from being judgmental and recognize and accept cultural differences.
- Be honest, see things as they are, and accept the differences between cultures.
- Respect cultural differences by acknowledging the other person's needs and preserve his or her dignity (Thrill and Bovee, 2005).

Avoid Unconstructive Stereotyping

Communicating across cultures involves overcoming the natural human tendency to regard one's own culture as superior. At the same time, it is sometimes necessary to use

constructive stereotyping and estimate how different cultures will react to various messages and situations. It is important, however, to avoid unconstructive stereotyping when trying to assess different cultures. Stereotyping, which is the tendency to predict other people's behavior or characteristics on the basis of their cultural identification, can lead to poor decisions based on faulty information. The Japanese, for example, often stereotype Americans as aggressive, direct, self indulgent, and extravagant. Stereotyping can be useful initially, but you must move beyond it to get to know personal qualities of the individuals you deal with, and stereotyping gets in the way of this.

Overcoming Cultural Communication Barriers

Cultural barriers can result from the choice of words used in a message due to the fact that words can be interpreted in more than one way. Statistics show that 18 percent of the U.S. population now primarily speaks a language other than English at home (Thrill and Bovee, 2005). In California, the number is 40 percent. In addition, only 32 percent of Internet users read English. When managing inter-cultural teams, project managers should not assume the other person understands everything that is said, but rather, should make sure the message is not mangled by slang or differing communication styles.

Good Listening Skills can Enhance Cross-Cultural Communications

Good listening skills can help overcome cultural language barriers. By listening carefully, expecting to understand the message, creating a relaxed atmosphere, listening to the entire message, and inviting the speaker to write the message, if necessary, will ensure messages are interpreted correctly across cultures (Thrill and Bovee, 2005). Project managers should avoid over announcing, and not blame persons from other cultures for not understanding a message, and take responsibility for ensuring the communication is understood to improve the

communication, as well as intercultural relationships. The key for the project manager is to match the communication style with the needs and cultural expectations of the audience.

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