

Summary Tijhuis and Fellows

Book: Culture in international construction

Chapters: 1,2 and 3

1. Introduction

In the construction industry the trend is an increase of the complexity, so it is inevitable to separate the specialisations. This lead to more productivity when it is managed well. For this modern way of constructing, more coordination and integration is necessary. The role of the main contractor is shifted to coordination.

Glocalization = a globalizing organization and overall identity but tailoring itself to the requirements of each locality in which it operates.

Social capital is the sum of the resources, actual or virtual, that accrue to an individual or group by virtue of possessing a durable network of more or less institutionalized relationships of mutual acquaintance and recognition. Social capital may be analysed by three dimensions: Structural (= the positions of the actors in the structure), relational (=features of the relationship, like trust) and cognitive (= norms of common understanding and behaviour, very related to culture).

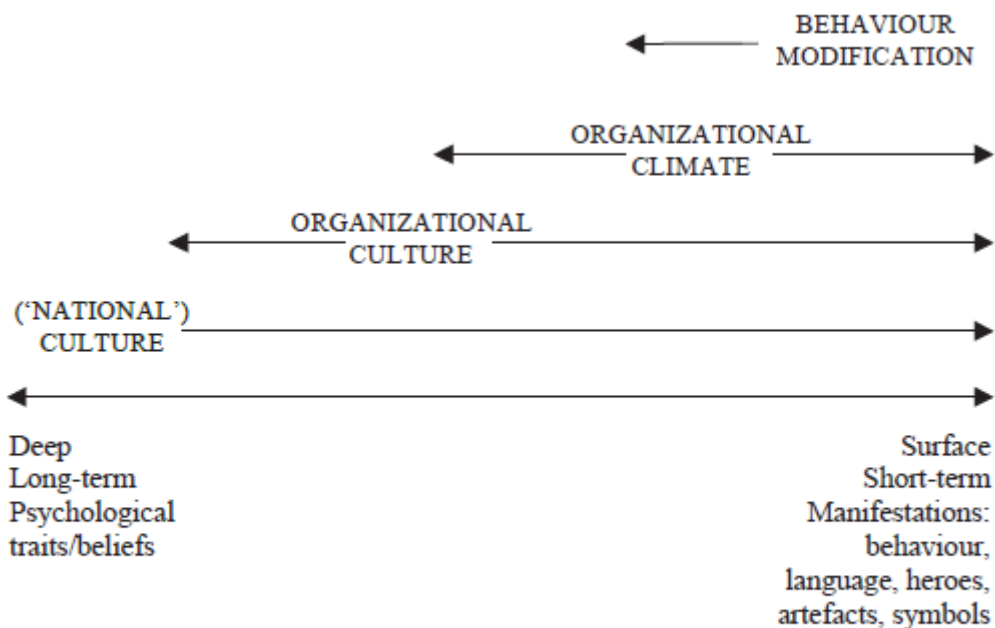


Figure 1.1 Culture spectrum (Fellows, 2006a). Note: boundaries between cultures, climates and behavioural modifications are fuzzy.

Cultural difference are mostly more complex than expected. Culture is not only how things are done, but also why, when, what, by whom etc. Culture is important for the expectations which performance is judged. Thus an application of glocalization is essential for success. A difficulty with culture is determining the boundaries, determine of the four attributes of the boundary is critical:

1. Location (where the boundary is)
2. Permeability (how easy it is to move across the boundary)
3. Flexibility (how easy it is to change the location of the boundary)
4. Effect (consequences when boundary is crossed)

Trust has various typologies, like dispositional (= regarded as inherent in an actor and therefore governs the behaviour in a new encounter with an unknown person until now) and experiential (= based on previous encounters and/or reputation).

2. Construction: A globalizing business

Globalization is the indicator for a good, service or organization across many countries in the world. It is associated with the removal of barriers to movements between nations. There are three categories vital for globalization: energy, transport and information. For development, the presence of these categories are undeniable. In history the three categories that are essential for development were real infrastructure (transport, utilities and premises), but today is different because of IT and media.

There are three factors emerge as primary influences on economic growth: investment rates, macro-economic management (low inflation and high savings rates) and outward orientation. For organisation the following stages have to be taken to become global;

1. Have an extensive and secure base in the home market
2. Localization of sales and marketing leading to the adaptation of outputs, via marginal changes to suit the particulars of local demand
3. Establishing a business unit in the main overseas location(s), but with the main decisions and control remaining in the home country head office
4. Greater commitment overseas, by granting much autonomy to the overseas branches and encouraging the employment of local personnel in management and operative roles
5. Retrench common activities back to the head office to benefit from efficiency and effectiveness.

In the early stages of globalization, where risks have a bigger potential impact, it is common to gain an alliance. Further, the world's mega projects are too large and risky for one party, thus alliances are usual.

Transparency is becoming increasingly important all over the world. Transparency will raise issues of accountability, trust and avoidance of corruption. Transparency concern developing a system in which actions are fair and reasonable from the perspective of all stakeholders. Issues of definition of perspectives on ethics have led to four paradigms;

1. Deontology (relating to duty or moral obligation) holds that a universal moral code applies
2. Scepticism (relativism) ethical rules are arbitrary and relative to culture and to time
3. Teleology (the branch of philosophy relating to 'ends' or final causes) constitutes a utilitarian approach in which ethics are dependent upon the anticipated consequences. This leads to a cost-benefit perspective, the judgemental criterium of the greatest good for the greatest number
4. Objectivism asserts that there are definitions of right and wrong which are accepted generally

The aim and objectives of an organization are often published as a vision or mission, but these are generic and vague. The strategy development process should translate the vision or mission into statements of objectives. This can be used as basis for internal management. The construction

industry is significantly changed in structure and processes, mainly because of the realisation of a greater diversity of stakeholders.

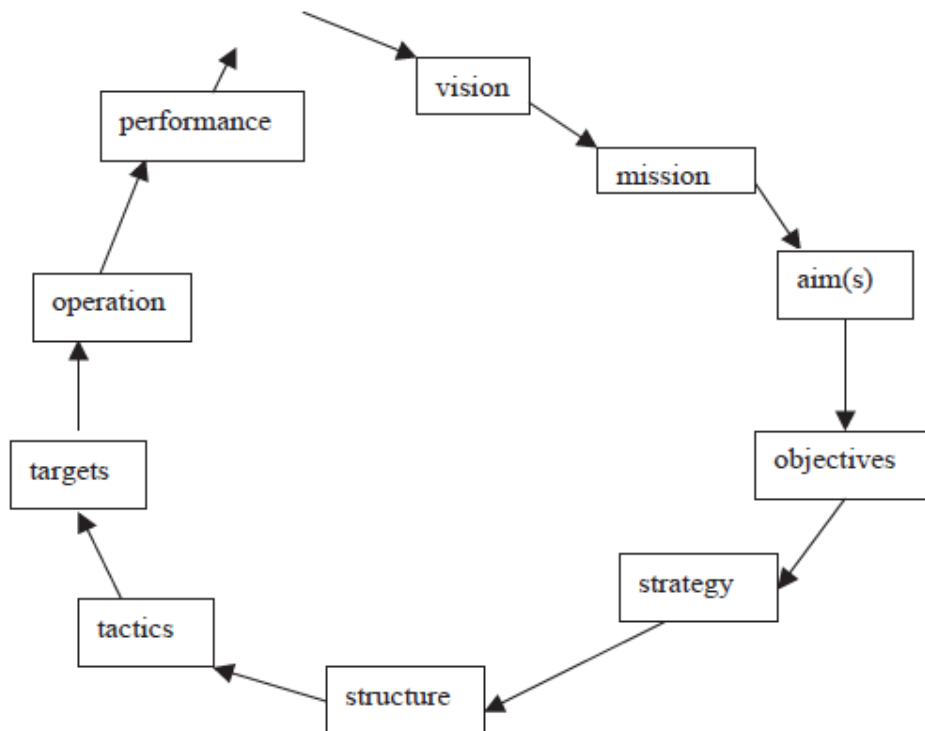


Figure 2.2 The project realization process (developed from Fellows, 2009). Notes: (1) Performance leads to assessment of success and thence to satisfaction of participants and, hence, (perspectives of) overall project success. (2) Performance–satisfaction–success also produces feedforward in the ‘cycling’ of project data and information to aid realizations of future projects through participants’ perception–memory–recall filtering (‘experiences’). (3) A similar model applies to projects in use (beneficial occupation) but with ‘facilities management’ and ‘maintenance and adaptation’ replacing ‘design’ and ‘construction’ as major functionary groups.

The construction sector is a turbulent sector. The more turbulence, the more risk and uncertainty, and so the more flexible the strategy and structure required for survival and success. That indicates that the boundary must be highly permeable to facilitate environmental scanning and rapid, appropriate response to the changes predicted. Construction firms must be structured and operate as open systems, with permeable boundaries and flexible internal mechanisms, to survive. Construction stakeholders mainly include main contractors, subcontractors, and suppliers of materials and components; this group is likely to include many diverse firms on any single project.

In analysing the requirements and desires of stakeholders, it is helpful to adopt a four-step approach:

1. **Identification:** comprises two stages to determine who the stakeholders are and what are their criteria (positive and negative) pertaining to the project
2. **Quantification:** the importance of every stakeholder (which is difficult because of equity)
3. **Allocation:** concerns deciding which participant(s) in the project is most suitable to deal with the criteria
4. **Response:** involves addressing each criterion, often iteratively, to secure an outcome which is appropriate to the criterion and compatible with the other aspects of the total project

3. Culture's influences in construction

National culture

Three dimensions of Hall and Hall along cultures may be analysed:

First dimension	High context/low context	High context is non-verbal and low context is especially verbal
Second dimension	Monochronic/polychronic	Monochronic is focussing on tasks. Polychronic is doing multiple things and focussing on relationships.
Third dimension	High territorial/low territorial	Highly territorial means clear boundaries with high needs to protect them. Highly territorial is often related to low context. Low territoriality means less important boundaries, thus easier to move.

Hofstede describes four dimensions:

Power distance	The extent to which the less powerful members expect and accept that power is distributed unequally.
Individualism/collectivism	Individualism is everybody has to take care of himself. Collectivism is looking after each other in groups.
Masculinity/femininity	Masculinity is about the 'traditional' division of tasks per gender. Femininity is in which social gender roles overlap.
Uncertainty avoidance	The extent to which the members of a culture feel threatened by uncertain or unknown situations.

A fifth dimension is added; the fostering of virtues orientated towards future rewards (**long termism**) and the fostering of virtues related to the past and present, in particular respect for tradition (**short-termism**).

Trompenaars and Hampden-Turner advance five dimensions for national culture, but are more relevant for organizational analyses:

1. Universalism–particularism (rules–relationships)
2. Collectivism–individualism (group–individual)
3. Neutral–emotional (feelings expressed)
4. Diffuse–specific (degree of involvement)
5. Achievement–ascription (method of giving status)

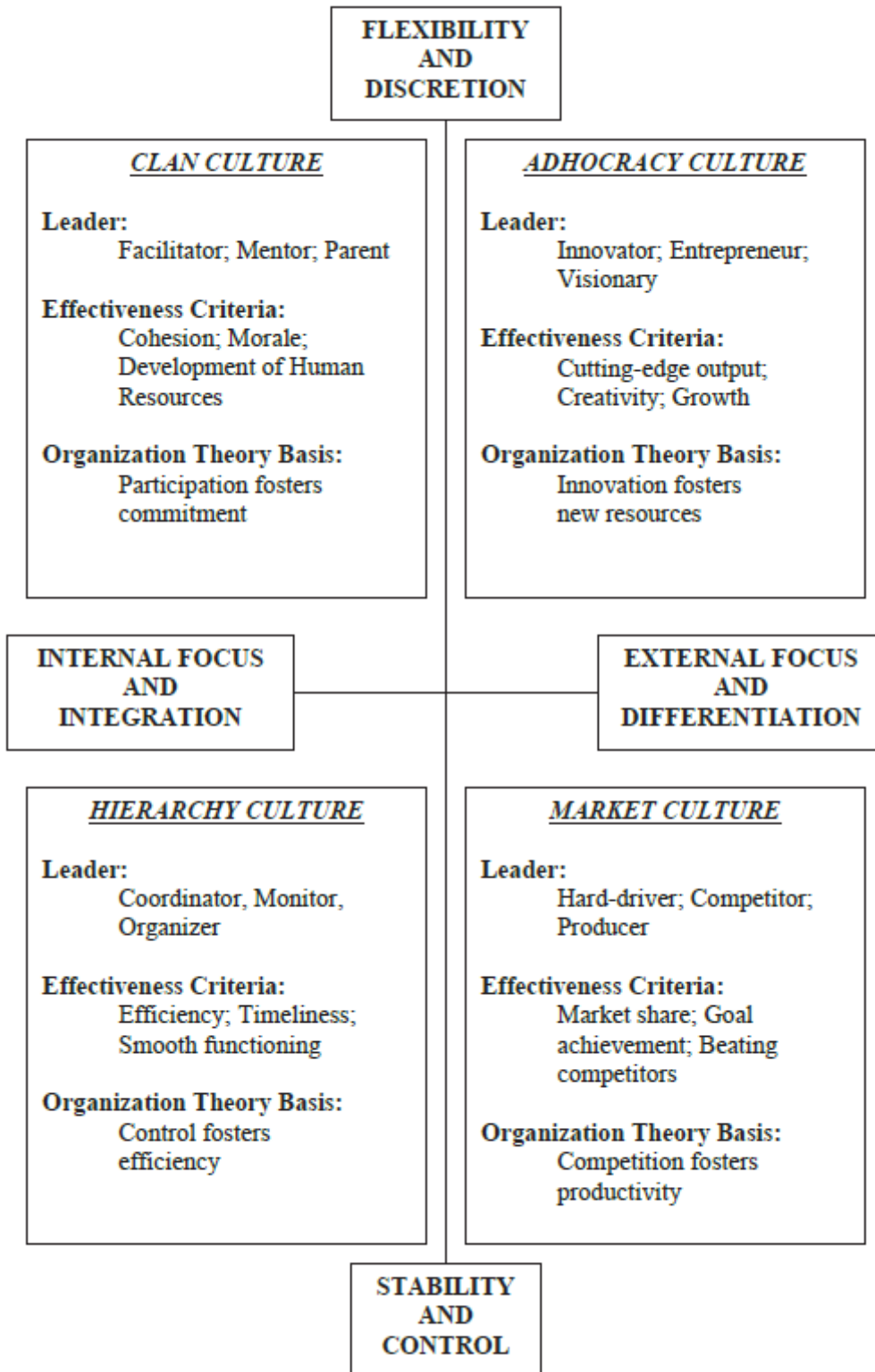
Organizational culture

Hofstede defines organizational culture as 'the collective programming of the mind which distinguishes the members of one organization from another'. He also proposes six dimensions for analysis of organizational cultures:

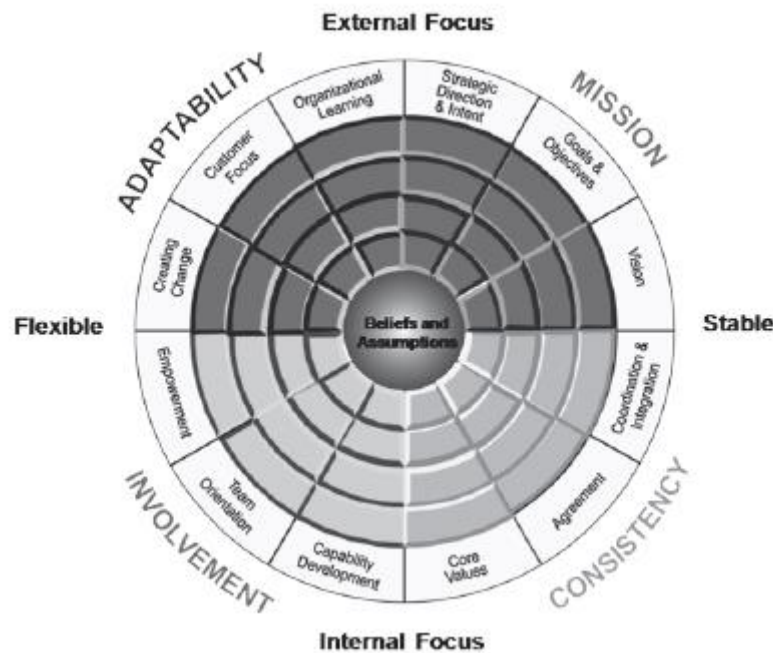
1. Process–results orientation (technical and bureaucratic routines versus outcomes)
2. Job–employee orientation (derives from societal culture as well as influences of founders and managers)
3. Professional–parochial (educated personnel identify with their profession versus people identify with their employing organization);
4. Open–closed system (ease of admitting new people and of innovating styles of internal and external communications)

5. Tight–loose control (degrees of formality, punctuality, etc versus may depend on technology and rate of change)
6. Pragmatic–normative (how to relate to the environment, notably customers; pragmatism encourages flexibility)

The model of Camron and Quinn is describing four different organizational cultures:



The Dension's model is as follows:



Handy suggests four types of organizational culture:

1. Power culture (Focus on controlling)
2. Role culture (Focus is on rules, hierarchy and status through legality, legitimacy and responsibility)
3. Task culture (Jobs and projects are the main focus, it is about the contribution of the members to achievements)
4. Person culture (people interact and cluster quite freely, focus on meeting the needs of members through consensus)

Cultural changes

Perspectives on changes in culture fall into two extreme categories; Functionalists (believe that organizational culture is a construct which can be subjected to direct control by management). The other perspective is to regard culture as a context within which action must be taken so that actions are compatible with the cultural environment. A third category is an amalgam. Means that the culture may be flexible.

Construction culture

Construction sector has an image of low technique, macho and a lot of failures. Given the extent of the divisor aspects of fragmentation coupled with the transient involvement of many parties to construction projects and the turbulence of the operating environment, many activities do not progress as planned. A notable consequential feature of the industry is that there are always many others available to blame for faults and room for manoeuvre is extensive. Thus, claims are widespread and frequently constitute a significant profit-earning opportunity in competitive pricing, disputes are common, overt innovation is low, and performance suffers.

Alliances

The structure of the industry in many countries has changed significantly as 'main contractors' have ceased to execute construction operations themselves but, instead, become managers of subcontractors and suppliers.

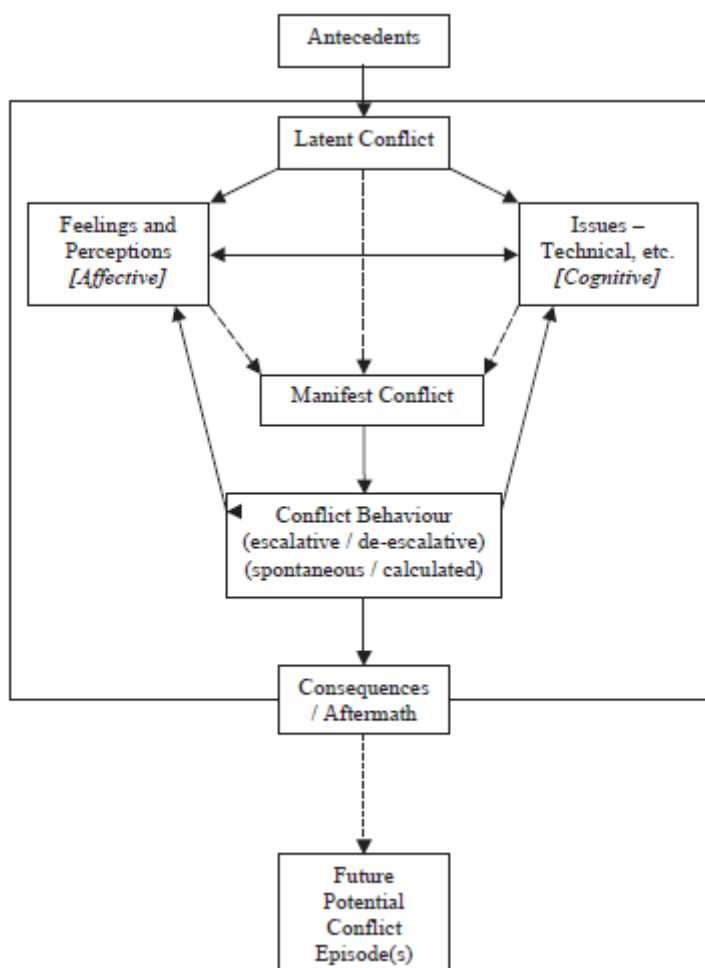
Uncertainty and trust are the two primary constructs which affect relationships. Risk, the opposite of trust, can be defined as relational and performance risk. Relational risk included lack of commitment and other behaviour. Performance risks are all other risks.

Behaviour

Human behaviour is driven by two types of force: innate drivers for survival and cognitive forces. A particular problem for sustainability is the fact that it involves costs, but it is unknown what the benefits are. Thus the primary aspects (a prospective benefit) do not apply.

Conflict and disputes

A conflict can be classified as cognitive (technical issues) or affective (emotional). A conflict can also be classified, based on the effect of the conflict; functional/constructive (aligned with competition and to stimulate ideas) or dysfunctional/destructive (detrimental to relationships, negative consequences). There are also three primary perspectives on the conflict: Traditional (negative as an interruption), behavioural (neutral, because it is inevitable) and interactionists (positive, to ensure the social dynamism and to enhance decisions) perspective.



Conflict resolution

