

The Significance of Cultural Risks for Western Consultants Executing Gulf Cooperation Council Megaprojects

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Abstract : Differences in commercial, professional and personal cultural traditions between western consultants and project sponsors in the Gulf Cooperation Council (GCC) region are potentially significant in the workplace, and this can impact on project outcomes. These cultural differences can, for example, result in conflict amongst senior managers, which can negatively impact the megaproject. New entrants to the GCC often experience 'culture shock' as they attempt to integrate into their unfamiliar environments. Megaprojects are unique ventures with individual project characteristics, which need to be considered when managing their associated risks. Megaproject research to date has mostly ignored the significance of the absence of cultural congruence in the GCC, which is surprising considering that there are large volumes of megaprojects in various stages of construction in the GCC. An initial step to dealing with cultural issues is to acknowledge culture as a significant risk factor (SRF). This paper seeks to understand the criticality for western consultants to address these risks. It considers the cultural barriers that exist between GCC sponsors and western consultants and examines the cultural distance between the key actors. Initial findings suggest the presence to a certain extent of ethnocentricity. Other cultural clashes arise out of a lack of appreciation of the customs, practices and traditions of 'the Other', such as the need for avoiding public humiliation and the hierarchical significance rankings. The concept and significance of cultural shock as part of the integration process for new arrivals are considered. Culture shock describes the state of anxiety and frustration resulting from the immersion in a culture distinctly different from one's own. There are potentially substantial project risks associated with underestimating the process of cultural integration. This paper examines two distinct but intertwined issues: the societal and professional culture differences associated with expatriate assignments. A case study examines the cultural congruences between GCC sponsors and American, British and German consultants, over a ten-year cycle. This provides indicators as to which nationalities encountered the most profound cultural issues and the nature of these. GCC megaprojects are typically intensive fast track demanding ventures, where consultant turnover is high. The study finds that building trust-filled relationships is key to successful project team integration and therefore, to successful megaproject execution. Findings indicate that both professional and social inclusion processes have steep learning curves. Traditional risk management practice is to approach any uncertainty in a structured way to mitigate the potential impact on project outcomes. This research highlights cultural risk as a significant factor in the management of GCC megaprojects. These risks arising from high staff turnover typically include loss of project knowledge, delays to the project, cost and disruption in replacing staff. This paper calls for cultural risk to be recognised as an SRF, as the first step to developing risk management strategies, and to reduce staff turnover for western consultants in GCC megaprojects.

Keywords : western consultants in megaprojects, national culture impacts on GCC megaprojects, significant risk factors in megaprojects, professional culture in megaprojects

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