

The Underestimation of Cultural Risk in the Execution of Megaprojects

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Abstract : There is a real danger that both practitioners and researchers considering risks associated with megaprojects ignore or underestimate the impacts of cultural risk. The paper investigates the potential impacts of a failure to achieve cultural unity between the principal actors executing a megaproject. The principle relationships include the relationships between the principle Contractors and the project stakeholders or the project stakeholders and their principle advisors, Western Consultants. This study confirms that cultural dissonance between these parties can delay or disrupt the megaproject execution and examines why cultural issues should be prioritized as a significant risk factor in megaproject delivery. This paper addresses the practical impacts and potential mitigation measures, which may reduce cultural dissonance for a megaproject's delivery. This information is retrieved from on-going case studies in live infrastructure megaprojects in Europe and the Middle East's GCC states, from Western Consultants' perspective. The collaborating researchers each have at least 30 years of construction experience and are engaged in architecture, project management and contracts management, dealing with megaprojects in Europe or the GCC. After examining the cultural interfaces they have observed during the execution of megaprojects, they conclude that globally, culture significantly influences their efficient delivery. The study finds that cultural risk is ever-present, where different nationalities co-manage megaprojects and that cultural conflict poses a real threat to the timely delivery of megaprojects. The study indicates that the higher the cultural distance between the principal actors, the more pronounced the risk, with the risk of cultural dissonance more prominent in GCC megaprojects. The findings support a more culturally aware and cohesive team approach and recommend cross-cultural training to mitigate the effects of cultural disparity.

Keywords : cultural risk underestimation, cultural distance, megaproject characteristics, megaproject execution

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