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THE IMPACT OF NATIONALITY ON THE PERCEPTION OF PROJECT MANAGEMENT AND ITS SUCCESS AMONG CONSTRUCTION PROJECT MANAGERS IN SAUDI ARABIA

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Abstract

Cultural differences in project teams within the construction industry are a recognized phenomenon in the Kingdom of Saudi Arabia (KSA). This study investigates the crucial role culture plays and how cultural differences among project managers influence their perceptions of two key aspects: project management practices and project success in the context of the Saudi construction industry. A custom questionnaire was used to gather the perceptions of 150 Saudi and non-Saudi project managers from Riyadh city. The statistical tests applied include frequencies, percentages, descriptive statistics, independent t-tests, and univariate analysis of variance (ANOVA). The findings reveal that the nationality of the managers significantly impacts their perceptions of cultural differences, which in turn influences the two aforementioned aspects.

Keywords: Saudi Arabia, culture perception, construction, project management practices, project success

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INTRODUCTION

The Kingdom of Saudi Arabia (KSA) is undergoing significant transformations in its construction sector, influenced by efforts to diversify its economy away from oil dependency. This transition involves a substantial influx of foreign labor, which introduces a diverse cultural landscape within the workplace. Despite the apparent similarities in Arab culture from an external viewpoint, the internal dynamics are complex and often challenging to navigate, particularly for foreign workers. Foreign laborers in KSA frequently face difficulties in adapting to local cultural norms and expectations, primarily due to insufficient training provided by both international and local construction organizations. This lack of cultural acclimatization leads to feelings of alienation among foreign workers, negatively impacting their performance and overall contribution to project success. The existing cultural barriers contribute to a disconnection between diverse teams, ultimately hindering operational efficiency in construction project management.

The research investigates the intricate cultural dynamics influencing construction project management in KSA, emphasizing the challenges foreign workers encounter in acclimating to the local environment. While Arab culture may appear homogenous externally, it encompasses complex variations that complicate integration for non-Saudi laborers. The lack of investment in cultural training by organizations further exacerbates the challenges faced by these workers, fostering a sense of isolation that undermines their contributions. Numerous studies indicate that cultural barriers significantly impact project outcomes and worker satisfaction, with nationality playing a critical role (Müller & Jugdev, 2012). As KSA seeks to diversify its economy, the private sector's ability to recruit and retain skilled labour is increasingly crucial. The study advocates for a proactive approach to address cultural differences, highlighting the need for a contextual understanding of KSA's unique cultural landscape. By improving cultural inclusivity and fostering synergy within the construction sector, organizations can enhance project management practices and optimize outcomes.

Project Management Practices

In Saudi Arabia, Project Management Practices (PMp) are not fully embraced unless required by clients (Alotaibi, 2019). There is a clear connection between project management and culture, with cultural differences posing challenges in aligning business objectives and ensuring tolerance among project stakeholders. The six key dimensions of PMp include human resource management, quality management, knowledge management, communication management, negotiation, and safety management (HRSD, 2020 and Eröcal, 2016).

Human Resources

Cultural factors and employee capability are the main challenges in Human Resource Management (HRM) Abdullah & Qudah (2019), Al-Emad & Rahman (2017), Alghadeer (2012) and Alotaibi (2019), Trust between project managers and workers is a critical issue, often influenced by the nationality of workers. Poor working conditions and wage issues are significant barriers to efficiency and project success. Cultural misunderstandings between managers and workers further complicate HRM in Saudi construction projects.

Quality Management

Cultural differences affect the ability to identify customer needs, disrupt unity between leaders and employees, and hinder project planning and execution. These issues also result in delays in data analysis and project delivery. Building strong workplace relationships is essential for overcoming these challenges in quality management.

Knowledge Management

Knowledge sharing and learning are key aspects affected by cultural differences. Training programs are needed to address the knowledge gaps and promote effective knowledge transfer within the Saudi construction industry. The lack of awareness of knowledge management benefits is a critical issue, leading to inefficiencies in project execution. (Alhajri & Alshibani (2018), Alosaimi (2019), Alsaudi, Kaka, & Carter (2016). Alosaimi, Renukappa & Surech (2018) identify a lack of awareness regarding knowledge management benefits and the presence of cultural barriers in the KSA construction industry

Communication Management

Communication issues, such as language barriers and differing cultural values, are common in Saudi construction projects. These barriers affect decision-making, problem-solving, and motivation among workers. Effective communication is necessary to foster teamwork and prevent project delays. Moonesar & Thibaud (2018) suggest an equal mix distribution of workers in project teams for effective communication. Cultural differences significantly impact communication, PMp, and project success, influencing language, interpersonal relationships, regional arguments, problem-solving speed, and employee motivation. Franklin (2009) notes the learnability of interaction skills, and Fisher, Ury & Patton (1991) stress the importance of negotiation when seeking agreements amid differing perceptions.

Negotiation

Cultural differences significantly influence negotiation practices in Saudi Arabia. Saudis prefer group negotiations to minimize risks, and prolonged negotiations can delay projects. Lack of planning and material delivery conflicts, often rooted in cultural disparities, can lead to project failures. Alotaibi (2019) highlights the common practice of continuous negotiation with suppliers or subcontractors in the KSA construction sector.

Safety Management

Cultural differences impact the implementation of safety policies, communication of safety measures, and the performance of qualified safety personnel. Safety management practices are essential for ensuring project success, and cultural understanding is vital for effective safety compliance and execution. Table 1 provides a summary of the construct Project Management Practices' identified dimensions and items, to maintain a clear picture throughout the discussion.

Table 1: 1st Construct: Project Management Practices' identified dimensions & items

Dimension	Item	References
1) Human Resource Management	1) Capability of employees	of Abdullah & Qudah (2019); Abuhantash (2018); Al-Emad & Rahman (2017); Alghadeer (2012); Almahmoud, Doloji & Panuwatwanich (2012); Alotaibi (2019); Alsanoozy, Spichkova & Harland (2018); Eröcal (2016); HRSD (2020); Kumar (2016); Rahman & Al-Emad (2018)
	2) Worker's trust	
	3) Efficiency of staff	
	4) The requirement of staff	
	5) Understanding the culture of staff	
2) Quality Management	1) Identifying costumers needs	Abazid, TRNC, & Gökçekuş, (2019); Alhajri & Alshibani (2018); Alsanosy, Spichkova, & Harland (2018); Alsaudi, Kaka, & Carter (2016); Antoniadou & Gruner-Buckley (2019); Baumann (2013); Sarhan et al (2017)
	2) Leaders uniting employees	
	3) Planning & executing projects	
	4) Efficient data gathering and analysis	
	5) Timely delivery of the project	
3) Knowledge Management	1) Learning	Alosaimi (2019); Alosaimi, Renukappa & Surech (2018); Alotaibi (2019); Renukappa, Suresh, & Alosimi (2019); Shuaib (2016).
	2) Knowledge transfer	
	3) New business methods	
	4) Training	
	5) Project data bank	

Dimension	Item	References
4) Communication Management	1) Communication language	Aldhobaib (2017); Alhwairini & Foley (2012); Gadelrab et al; (2018); Mahamid (2017); Moonesar & Thibaud (2018); Shuaib (2016).
	2) Interpersonal relationships	
	3) Regional differences arguments	
	4) The speed of problem-solving tasks	
	5) Motivation of employees	
5) Negotiation	First contact with customers Communication with customers Delays in projects Profit of organization Future projects	Alhajri & Alshibani (2018); Alhrabi & Alsoliman (2019); Alkharmany (2017); Alomari (2006); Alotaibi (2019); Mohamid (2017); Moonesar & Thibaud (2018).
	1) Implementation of safety policies & procedures	Azmat & Saad (2018); Moosa (2018); Sanni-Anibire et al (2018)
2) Safety communication		
3) Performance of qualified safety employees		
4) Employees involvement		

Project Success

Moonesar & Thibaud (2018) suggest that success in KSA involves adapting to cultural differences and developing patience. Adaptation, starting at early stages and customized for local markets, is crucial for success (Moonesar & Thibaud, 2018; Chan, 2001). Success is debatable, with time, cost, and quality traditionally considered basic criteria (Chan, 2001). However, the last decade has seen emerging ideas about success. KSA faces challenges in the quality of construction practices (Alshihre & Chinyio, 2016). Cultural challenges unique to KSA hinder the proper management of quality (Al-Hazim & Alkhateeb, 2020; Jin, Almousa & Kim, 2018). Therefore, quality is identified as the first dimension of project success.

Quality

Quality management in construction projects involves preparatory work before project commencement, a crucial aspect often overlooked by some Saudi project managers (Al-Sedairy, 1985). The successful delivery of a project in line with

client needs is essential for success, indicating the impact of cultural differences on quality deliverance (Al-Sedairy, 1985). Antoniadou & Gruner-Buckley (2019) note that while many organizations have plans for quality, few have formal implementations. Alotaibi, Yusoff, & Islam (2013) found a strong connection between quality conditions and project outcomes in KSA, with certain organizations taking precautions against bankruptcy risks due to the lack of official regulations (Alghamdi, 2016). Thus, cultural differences can influence quality and significantly impact project success. Key dimensions influenced by cultural differences include: (1) Quality deliverance aligned with customer needs; (2) Quality assurance in project planning and execution; and (3) Quality assurance with reasonable cost, emphasizing the importance of timely project delivery.

Time Delivery

The success of construction projects in Saudi Arabia is significantly influenced by the way project teams conduct and perform tasks, with a focus on the construction phase, which is highly impacted and prone to time delays (Alhajri & Alshibani, 2018; Almahmoud, Doloi & Panuwatwanich, 2012; Alotaibi, Sutrisan, & Chong, 2016; Raslan & Kapogiannis, 2018).

Table 2: 2nd Construct: Project Success’s identified dimensions & items

Dimension	Item	Reference
1) Quality	1) Quality deliverance with reference to the customers’ needs helps to achieve success	Al-Hazim & Alkhateeb (2020); Alghamdi (2016); Alotaibi, Yusoff, & Islam (2013); Al-Sedairy (1985);
	2) Quality guarantee in the planning and execution of the project helps to achieve success	Alshihre & Chinyio (2006); Antoniadou & Gruner-Buckley (2019);
	3) Quality assurance with reasonable cost helps to achieve success	Jin, Almousa & Kim (2018)
2) Timely Delivery	1) Timely delivery helps to achieve project success	Alhajri & Alshibani (2018); Almahmoud, Doloi & Panuwatwanich (2012);
	2) Timely service response helps to achieve project success	Alotaibi, Sutrisan, & Chong (2016); Raslan & Kapogiannis (2018)

Cultural differences contribute to scepticism about foreign organizations' ability to coordinate effectively and meet deadlines in Saudi Arabia's construction sector, particularly for small organizations. Delays have been a persistent issue since the 1980s, causing disputes and challenging collaboration. The lack of a common vision and high uncertainty in project delivery highlight the negative impact of cultural differences on project success.

Key aspects affected by these differences include timely project delivery and responsive service, both of which are crucial for achieving project success in KSA.

Research Method

The study's sample was drawn from the Saudi Agency of Contractors Classification database, with participants required to be registered construction organizations under the Saudi Contractors Authority. Project managers from various nationalities were selected based on their official registration and valid MOMRA licenses. A total of 150 project managers participated, exploring the impact of cultural differences on project management practices and organizational strategies in Saudi Arabia.

Data was collected via a custom questionnaire divided into four sections: demographics, cultural differences' influence on project management practices, effects on organizational strategies, and views on project success (quality and timely delivery). Responses were measured using a 5-point Likert scale, and reliability was confirmed using Cronbach's alpha, with all sub-scales exceeding 0.7, indicating high internal consistency (Ritchie et al., 2013).

Data Analysis

The data obtained from the questionnaire were analyzed statistically using the SPSS (Statistical Package for the Social Sciences) statistic tool. Tests utilized were frequencies and percentages, descriptive statistics, independent t-test, and univariate analysis of variance.

RESULT AND DISCUSSION

Demographic Profile of the Project Managers

The study's participants consisted of project managers from various nationalities, levels of experience, and types of organizations. According to Table 5, 62.7% of the project managers were non-Saudi, while 37.3% were Saudi. Among the non-Saudi managers, 40.7% were from other Asian countries, 10.7% from Africa, 6.7% from Europe, and 4.7% from America. This reflects the common practice in the Middle East of recruiting and managing construction projects with foreign labor (Dulaimi & Hariz, 2011). The significant presence of Saudi managers suggests that participants came from both public and private firms, as public firms tend to have more Saudi nationals in higher management roles. Additionally, 70.7% of the managers had over five years of experience, and 84.7% were from regional or national firms, most of which were owned by the Saudi government or Saudi nationals.

Perceptions Regarding the Influence of Cultural Differences on Project Management Practices

The independent t-test was conducted to assess the significance of differences in perceptions between Saudi and non-Saudi project managers regarding the impact of cultural differences on project management practices, as outlined in Table 6. Nationality served as the grouping variable, creating two distinct groups. The results of the t-test indicated statistically significant differences ($p < .01$) in the perceptions of project managers concerning human resources management, knowledge management, safety management, negotiation, and quality management practices. Surprisingly, there was no significant difference in perceptions related to Communication Management ($p = .57$), contrary to expectations. This suggests that project managers perceived cultural differences in their teams to influence project management practices.

Table 4: Comparison of perceptions of influence of culture differences on practices of project management between Saudi and non-Saudi project managers

PMp	Nationality	N	Mean	SD	t	Sig. (2-tailed)
Human Resource Management	<i>Saudi</i>	56	2.8750	0.8908	-10.388	0.000
	<i>non-Saudi</i>	94	4.089	0.5421		
Knowledge Management	<i>Saudi</i>	56	2.1857	0.6148	-22.154	0.000
	<i>non-Saudi</i>	94	4.2404	0.5068		
Communication Management	<i>Saudi</i>	56	2.4357	0.4960	-0.573	0.567
	<i>non-Saudi</i>	94	2.4894	0.5863		
Safety Management	<i>Saudi</i>	56	3.3080	0.6431	-7.722	0.000
	<i>non-Saudi</i>	94	3.9734	0.4123		
Negotiation	<i>Saudi</i>	56	3.7536	0.8312	5.989	0.000
	<i>non-Saudi</i>	94	3.1255	0.4534		
Quality Management	<i>Saudi</i>	56	2.8821	0.8310	-5.221	0.000
	<i>non-Saudi</i>	94	3.4239	0.4393		

The mean values for Saudi project managers ranged from 2.1857 (± 0.6148) to 3.7536 (± 0.8312), while non-Saudi managers' means ranged from 2.4894 (± 0.5863) to 4.2404 (± 0.5068). Generally, non-Saudi project managers tended to lean towards "agree" and "strongly agree" options for various statements on project management practices. In contrast, Saudi project managers' perceptions tended towards a "neutral" opinion or an "agree" option. The most substantial difference between the groups was observed in knowledge management (2.0547), followed by human resources management (1.2144), safety management (0.6654), quality management (0.5418), communication management (0.0536), and negotiation (-0.6280). This indicates that non-Saudi project managers expressed a stronger agreement than Saudi project managers on

the influence of cultural differences on all explored project management practices, except for negotiation.

Perceptions regarding the Influence of Cultural Differences on Project Management practices and Project Success

Univariate analysis of variance was employed to examine project managers' perceptions regarding the influence of project management practices on project success. This statistical test, chosen for its ability to analyze the distribution of a single variable in a single sample aimed to understand the impact of cultural differences on project management practices and, consequently, project success. Table 6 displays descriptive statistics for the impact of project management practices on project success, with nationality considered as a controlling factor. The mean values for both Saudi and non-Saudi project managers were very close, indicating strong agreement that cultural differences influence project management and, by extension, project success.

Table 5: Descriptive statistics for impact of project management practices on project success controlled by nationality

Nationality	Mean	SD
Saudi	4.0607	0.52904
Non-Saudi	4.0266	0.53565

In Table 5, the univariate analysis of variance revealed a significant outcome when considering nationality as a controlling factor for two project management practices: human resources management and negotiation. This suggests that project managers' perceptions of the influence of cultural differences on project success differed for human resources management and negotiation. However, statistical significance was not observed for other project management practices. This lack of significance may be attributed to both Saudi and non-Saudi project managers aligning and strongly agreeing that cultural differences impact project management practices and, consequently, project success. Furthermore, Table 6 reveals that the univariate analysis of variance demonstrated a statistically significant difference in project managers' perceptions regarding the influence of cultural differences on organizational strategy and, therefore, project success when nationality is considered as the control variable ($F(1,3) = 8.690, p = .004, R^2 = .063$).

Table 6: Tests of Between-Subjects Effects for the impact of organization strategy on project success controlled by nationality

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	2.646a	3	0.882	3.262	0.023
Intercept	98.300	1	98.300	363.595	0.000
Nationality * Strategy	2.349	1	2.349	8.690	0.004
Nationality	2.338	1	2.338	8.648	0.004
Strategy	0.713	1	0.713	2.637	0.107

Note. a. R Squared = .063 (Adjusted R Squared = .044)

CONCLUSION

The study explored how cultural differences impact project management practices and success from the perspectives of Saudi and non-Saudi project managers in Saudi Arabia (KSA). It found significant differences in perceptions, especially regarding human resources management and negotiation practices. The research highlights the complexity of Arab culture and its connection to business practices in KSA. It emphasizes the need for construction organizations to proactively address these cultural differences by aligning human resource development with organizational needs. Future research could focus on the challenges Saudi organizations face when international firms enter the KSA market.

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