

## Global Project Management Challenges

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### ABSTRACT

The project methodology as a body of knowledge is formulated on the basis of the assumption that projects are executed in situations where the project teams are co-located. Although the existing literature indicates having conducted extensive study into the distributed teams, communication, and coordination, it is evident that there has been exploration and analysis on the various elements of distributed projects. The study is a single case study research that investigated project execution in a global setting. The findings propose that the traditional project implementation is not an excellent fit for global projects. The participants of the project are people who hail from different backgrounds, varied work cultures, and bespoke project execution processes. The findings suggest that a global project with two distinct execution processes diverts the teams' energy toward the implementation rather than the project goals and the business defined outcome.

### INTRODUCTION

Globalization is understood as the advancement of the human requirement to interconnect on a global basis. In the past, people have interacted over long distances, mostly through analogue ways. As a process, globalization simultaneously affects as well as being influenced by some factors, business and work milieu, economic, social, and political resources being among them. It involves the coordination of the global projects in an interconnected manner.

The development of transportation and communication networks across the globe has rapidly intensified globalization. However, access to new markets, knowledge, and expertise has been the primary catalyst of global business. There have been various motives behind the recourse to global services, such as cost efficiency, the availability of a qualified skill set beyond the confined location of a firm, and the need to shift focus to core competencies. There is an increase in the driving factor towards global services.

Binder (2009) defines a global project as an undertaking by an enterprise that is structured with concrete and involving manifold teams or distinct enterprises unveiling a wide geographic dispersion. Global projects include sophisticated implementation where the relationship of involved parties is multifaceted. Moreover, every party privy to the project has an absolute role as well as the position of the hierarchy influence.

According to Binder (2009), many companies rush to establish global teams without full comprehension of the consequences of transferring work to different nations and cultures. Workers in diverse cultures and time zones will tend to experience communication and language barriers at the workplace. Moreover, the location of various global teams will have a profound impact on the execution of the project.

The research undertaking delves into Global Project Management in real-life situations. The variables under study are situational and thus suitable as case studies for the research. People's beliefs and knowledge are also a basis for drawing conclusions. The literature has extensively studied the challenges of distributed projects. However, there has been inadequate consideration of the project execution process utilized in globally distributed projects.

Global Project Management is either executed with a consolidated process or fragmented processes. Consolidated process refers to one process employed by all distributed teams with a standard project plan, structure, synchronized activities, and shared deliverables. Fragmented execution is where each party participating in the project runs its execution process in isolation of the other parties. Dependencies across the teams' deliverables are known and managed, and updates are shared amongst the teams.

This research focuses on the study of a fragmented project execution method of a global project. The aim is to identify the challenges of this project execution style and the critical parameters that influence the execution process.

## **RESEARCH BACKGROUND**

The literature defines multiple types of projects: the "traditional projects" that are characterized by co-located team members; the distributed projects, where team members are located in various geographic locations; and the "virtual project" that is distributed geographically and involves multiple organizations.

### **WHY GLOBAL PROJECTS?**

Lanubile et al. (2003) explains that the motives behind the increase of Global Software Development (GSD) are access to specialized labour, cost reduction, and global presence.

Global projects provide fundamental benefits for those persons who undertake and choose to invest in it. Essentially, the global aspect provides a wide range of markets and exposure to unexplored markets. It involves exploring the world beyond a given organizational culture. The customs, beliefs, and traditions of various nations and regions of the world bring diversity to the work environment, facilitating an improvement in collective thinking and reducing the group thinking. The cross-cultural environments brought about by global projects increases motivation and rich information exchange.

Global projects facilitate the unification of highly specialized team members dealing with the same project without necessitating relocating the teams to other countries. It also eliminates the need to delocalize some project work packages or tasks in order to minimize the projects costs.

### **GLOBAL PROJECT COMPLEXITY AND CHALLENGES**

The complexity of global projects does not go unnoticed. It is challenging to operate and coordinate projects in diverse countries of the world due to different time zones, different languages, countries' cultures, distributed teams, and distant locations. For instance, if project teams are located in different geographical locations, additional features and communication

devices are essential to facilitate effective communication. Such essential devices include video conferencing and phones as opposed to face-to-face communication.

Lanubile et al. (2003) state that various factors add complexity to global projects, such as locations over various time zones, communication, coordination, cultural issues and control. Cultural understanding is considered to be a critical factor for building and maintaining trust (Alami et al., 2008)

Literature that looked at the global aspect of Information Technology focused on Global Software Development (GSD) and little attention was given to Information Technology (IT) distributed globally for the purpose of implementing a commercial agreement. In addition, the literature had a narrow approach to a distributed IT project. It focused on issues and challenges irrespective of the project execution methodology approach by these distributed IT relationships. This research will examine a fragmented project execution process of global projects.

## **RESEARCH METHODOLOGY**

The research investigates global project management with two main players: client and service provider. The study also aims to draw conclusions from the knowledge and beliefs of both member teams. Collection of data was through semi-structured interviews with project members and documents examination; that is, meetings minutes and project progress tracking reports. Semi-structured interviews provided in-depth information about the attainment of global management project. The information obtained from both semi-structured interviews with project members and documents examination is highly qualitative in nature. Hence, a “deductive” approach to analyzing the data was employed to identify patterns in the collected data and to draw conclusions.

## **CASE STUDY**

This research is an in-depth analysis of a case study comprising a global project. It is an exploratory study of a project executed globally, across three countries: Australia, the United States of America (USA), and India. The three countries had multiple and distributed teams, as shown in the table below. The two participating organizations are offshoring two functions, namely enterprise testing and software development. The offshored functions are core activities in the project that are subject to this study.

<b>Countries</b>	<b>Organizations</b>	<b>Role</b>	<b>Teams</b>	<b>Offshored Functions</b>
Australia	Australian Bank	Client	Three Distinct Teams	Software Testing
USA	American Payments Solutions Provider	Service Provider	One Team	Software Development
India	Indian Software Development Vendor	Service Provider	One Team	
	Indian IT Provider	Service Provider	One Team	

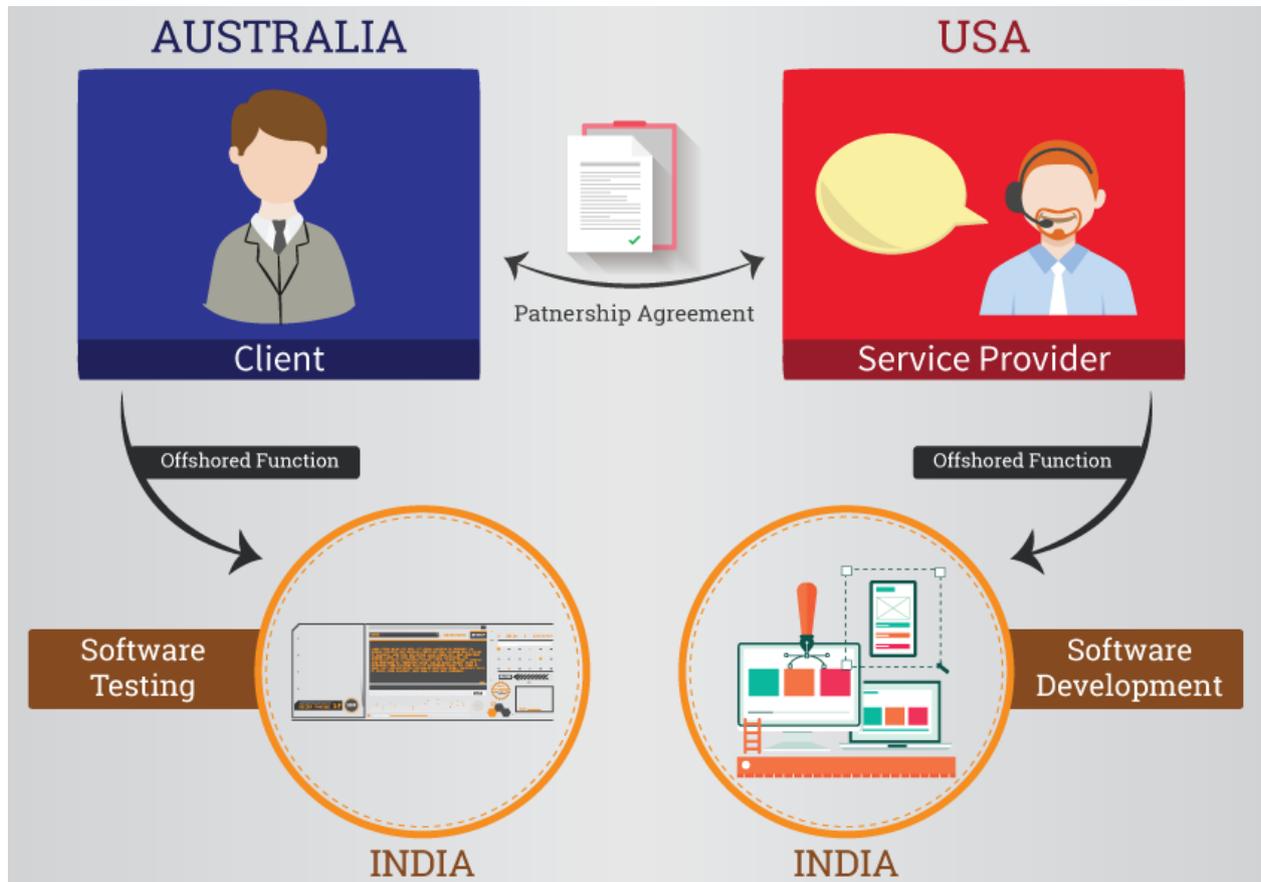
***Table 1: Case study participants’ countries, group, social cultures, and outsourced functions***

## **PARTICIPANTS OVERVIEW**

	<b>Australian Bank</b>	<b>American Service Provider</b>
<b>Company Overview</b>	<p>An Australian bank. It is ranked in the top 5 listed companies by market capitalization on the Australian Securities Exchange Limited (ASX). Started trading in early nineteenth century. The bank is servicing around twelve million customers and employing approximately 36,000 people and had global assets of AUS\$675 billion.</p>	<p>An American vendor that provides end-to-end payment solutions. The vendor provides the infrastructure and core expertise for electronic payment solutions. The company is a technological venture with a vision to offer “innovative” global payment solutions.</p>
<b>History</b>	<p>Australia’s first and oldest bank was established in the early nineteenth century. The bank’s major expansion began in response to the gold fever in 1851 in Australia, when it saw an opportunity to set up gold-buying agents in response to the needs of miners and merchants. It had grown from a single office in Sydney to a network of 37 branches by 1861. Currently, the bank has over 600 branches. The bank survived the 1929 financial crisis and the financial crisis of 2007–2008. Recently, the bank has done major mergers and acquisitions, resulting in a much larger multi-brand Group.</p>	<p>Founded in 2008. A project manager describes it as “a high-growth start-up company.” “Our business doubled from last year and seems like it will do so again,” a project manager stated.</p>
<b>Organizational Culture</b>	<p>The bank has robust policies and structures in place. Risks are heightened and conscientiously manage. A participant states, “The bank regards managing risks that affect its business as a fundamental activity, as they influence its performance, reputation and future success.”</p> <p>A project manager describes the bank culture as “sycophant”. The bank is a hierarchical organizational culture. It values standardization, control, and defined structures for authority and decision making. This culture drives a personal behaviour of obedience.</p>	<p>Very little bureaucracy with a casual attitude. Freedom is encouraged, and talent are recognized and rewarded. A participant states, “You are recognized without having to be a brownnoser.” The management style is extemporaneous; self-management is encouraged. A participant states, “This is a work environment that is not systematic.”</p>

<b>Project Management Process</b>	<p>The bank follows a disciplined project execution and governance framework. Projects have to comply with a pre-defined execution path and set of deliverables. Each deliverable and phase of the project is subjected to rigorous process of review and approvals.</p>	<p>Lightweight project management approach. Absence of a structured process to execute project. A participant notes, “In many projects, the team members are expected to do the analysis, planning and research. They are discouraged from simply taking orders from their manager.”</p>
<b>Outsourcing Arrangements</b>	<p>The bank adopts a strategy of domestic and offshore outsourcing. Enterprise testing is located in India, and call centres services are located domestically.</p>	<p>The company is outsourcing software developing functions to India.</p>

## PROJECT



### *The Case Study Global Project Set Up*

The project was to implement a commercial arrangement. The client entered a partnership with a service provider where the service provider was to supply the technology for a payment platform for the bank's mobile payment products.

The project mission was to:

- i. Develop and customize the Bank's systems' functions to support the new product.
- ii. Integrate the bank's systems with the service provider payment platform.

Both the bank and the service provider had set up a project team to execute the project. It was not a combined team under one structure but a distributed team where each team had its own structure and hierarchy. Furthermore, both parties were privy to a standard project plan. The mode of communication was via phone conferences, video conferences, and emails.

## DATA COLLECTION

Data was gathered using multiple instruments:

- i) Semi-structured interviews with project members
- ii) Document examination (for example, meeting minutes, project progress tracking reports, among others)

Semi-structured Interviews provide in-depth information about a particular research issue or question (Harrell and Bradley, 2009). Interviews are considered to be qualitative methods of research since the information lacks empirical content. Conversely, there are quantitative methods of research, such as experiments. The latter will gather narrow information from various subjects, while the former collects a broad range of information from limited subjects. Hermeneutic Approach and pattern-matching have been adopted as the data analysis in this research. Hermeneutics is primarily concerned with the meaning of a text or text-analogue.

Interpretation in the context of hermeneutics is an attempt to clarify an object of study. The object of study must be a text or a text-analogue that is seemingly confused. Consequently, the interpretation aims at shedding light on an underlying relationship (Myers, 1997).

## **FINDINGS**

Binder (2010) argues that companies are in a hurry to rush with the idea of organizing global teams with little consideration of the consequences that result from the transfer of tasks across multiple cultures. Organizations should be cognizant of the cultural implication of coordinating skilled workers from different cultures as emphasized by Binder (2010) in the global project management theory. Moreover, the tactical steps that are required to ensure the realization of global projects are significant.

Fragmented execution aliginates the teams and deepens the divisions and the geographic isolations. The choice of running a global project with two distinct execution processes diverted the teams' energy toward the implementation rather than the project goals and the business defined outcome. Despite the project being judged as auspicious by business stakeholders, the execution process was prohibitive. Team members at the end of the project were frustrated with the experience and counter criticism.

## **PROJECT EXECUTION**

The framework adopted for the project execution failed to consider the global aspect of the project and the incompatibility of each party execution method. Binder (2010) argues that organizational beliefs must be aligned prior to the commencement of the project.

The bank has the preference of a structured process and a rigorous governance framework. The bank's project process and governance structure is an instantiated version of the "waterfall" methodology. A set of intensive reviews and approvals are in place to scrutinize each phase of the project output.

In contrast, the service provider uses a lightweight project management approach. There was the absence of a formal process to execute the project. The organization prefers to do projects based on collaboration, agility, and less governance. A project manager claimed that this encouraged creativity in the execution of the project and accomplishment of results.

Philip et al. (2009) explains that a lack of standard processes in managing global projects demonstrates the lack of global projects' execution maturity. The two project management approaches were fundamentally different. The procedures were overlooked as both parties assumed that each party had its deliverables and the dependencies are understood; hence, the process of getting to the deliverables was given less attention.

However, the divergence in project execution negatively impacted the progress of the project. It also caused conflicts and breakdowns in communication. A detailed assessment of the issues raised using the SDLC (Software Development Life Cycle) stages of project execution are highlighted below:

- **Requirements:**

Business requirements were elicited and documented by the client, validated and approved by stakeholders, and shipped to the service provider. The service provider did not participate in the requirements elicitation process. Both parties believed that there was a mutual understanding at the end of the requirements phase. The lack of requirements documentation and formal approvals from relevant stakeholders may lead to project delays and confusions (Philip et al., 2009).

The bank believes that the service provider should be omitted in the formulation of requirements. A stakeholder explained that the bank had exclusive rights to the project. The service provider should not be required until the requirements are approved. Conversely, the service provider preferred a collaborative approach, equal engagement, and participation by every party. The impact of the divergence cascaded to the next phase of the process.

At this early phase of the task, the bank has practiced its power position and decisiveness in the relationship. The bank has taken an advanced position in the relationship. Alami et al. (2008) clarify that to forestall reliance and increase control in the relationship, the power holder takes an advanced position in the relationship. In gatherings and correspondence, the bank was directing and emphatic, while the supplier team and the offshoring teams were dutiful.

- **Design:**

The design phase started with meetings aimed at clarifying the business requirements. The bank considers this activity as the opportunity for the service provider to understand and socialize the requirements. However, at this stage, the differences in the approaches surfaced. The service provider assumed that the documented requirements were a beginning stage for collaborative communication of the requirements.

The bank sorted out “requirements clarification” where gatherings and the cooperation were formal. The service provider team makes inquiries to condense the prerequisites. The bank team communicated their disappointment; a team member expressed that they were making inquiries with the answers already in archive and that it was thus an exercise in futility.

The parties appear to have lost mutual trust. Kern and Willcocks (2002) states that trust could be measured by whether shared objectives and goals have been set up. The bank group included a “risk” into their “Project Risk Register”, where undertaking risks are recorded and checked. The risk identifies with the service provider being a “risky partner”. Kern and Willcocks (2002, p. 332) characterize trust as a state that includes positive assumptions about another’s thought processes in circumstances inferring danger. At this phase of the undertaking, trust has turned into an issue that adds strain to the relationship.

Philip et al. (2009) explains that when a formal project process is not documented and agreed upon, the wrong interpretations may occur during the course of the project. The bank procedure directs that each stage must be evaluated and sanctioned before moving to the following stage. The bank requested that the service provider give the configuration documentation for review and endorsement. The service provider does not archive but rather inclines towards less documentation. In a meeting, the bank requested a “Design Document” for auditing and approval. The service provider scrutinized the requirement for such a deliverable. The bank advocated that as indicated by their procedures, all frameworks plans must obey the bank “Design Principles”. The service provider opposed reporting the outline and communicated their certainty to move to the following stage with a group joint effort approach. The bank did not change its position, and the service provider was obliged to avail “design documents”.

- **Development:**

In this phase, a third party materialized. The service providers offshore the software development activity to another software development vendor in India. The presence of a third party added another layer of complexity. The client team in Australia lacked a direct relationship with the software developers based in India. There was difficulty in the clarification and communication of requirements. Developers lacked access to the bank’s resources for knowledge transfer and collaboration to understand the needs. A product engineer expressed that they struggled to comprehend the requirements. They had to go through multiple layers of correspondence to get their questions answered.

- **Testing:**

In this phase of the project, a fourth party surfaced. The bank testing service provider was located in India, which further strained the relationship. The project lacked a process to manage and coordinate defects resolution across the distributed team. This delayed defects resolution and added strain to the already fatigued teams.

## **DISCUSSION**

The client and the service provider had different project execution approaches. This case study revealed some challenges that negatively impacted the execution of the global project. Organization culture, communication, coordination, and power had direct consequences on execution of the project.

## **1. Organization culture**

According to Hofstede (1991), culture is an arrangement of propensities, principles, and desires from the conduct of others. He explains that culture shapes the way individuals think, their inspirations, and their choice. Any of these may have a vital impact on a globally distributed team's relationship.

Social conflicts are evident in this worldwide global model. These conflicts appear to strain the relationship between the conveyed groups and add to the weakening of correspondence procedure.

Participants from the service provider side of the model have articulated cultural clashes by discussing that the bank is "rigid" and "inflexible". However, participants from the bank described their counterparts as "disorganized" and "chaotic".

The bank is a risk diverse organization that is erudite in managing risks. The service provider culture is characterized by the lightweight and entrepreneurial organization with very little or no documentation due to the capacity for allowing more flexibility. This misalliance was not acknowledged or managed. It has added strain to the relationship and the desynchronized project execution process.

## **2. Communication and Coordination**

The global distribution of software development is increasing its complexity (Wiredu, 2006). Coordination becomes much more difficult as the project size and complexity increase.

Effective communication is a critical aspect in globally distributed projects (Korkala and Abrahamsson, 2007). Face-to-face communication and physical meetings cultivate trust and shared understandings. Virtual team communication does not enable face-to-face communication but facilitates communication through the use of electronic means such as video conferencing and phones.

The bank and service provider were obliged to communicate electronically due to their widespread geographic dispersion. However, at the onset of the project, team members failed to have a physical meeting, which is critical for establishing rapport. Consequently, the trust and shared understandings were lacking, which delayed implementation of the project. Moreover, the team members are located in different time zones, which hinders communication. The gap is an inconvenience outside of normal business working hours. There is asynchronous communication with the virtual team being forced to rely on email and voicemail. The reliance on email and voicemail has a profound impact on the precision and bulk of information shared that further strains implementation of the project. The communication is also subject to misinterpretation since team members have different native languages. The distortion may lead to deferment in the communication of project status and duplication of work among team members.

### **3. Power and relationships**

Trust is critical to outsourcing relationships' success (Alami et al., 2008). Babar et al. (2007) suggest that when trust is established, communication, performance, deliverables, and greater satisfaction in the decision-making process occur. Competing interests and unseen agendas tend to arise among team members of varying organizations. Authority in this relationship was the result of dependency in the relationships. The American service provider was dependent on the Australian Bank in the commercial transaction. The power was unbalanced; the bank was dominant in the relationship, which is a reflection of their risk divert. Being in control is a method of managing a risk. This has impacted the project execution as other parties have no say on improving the process.

The hierarchical nature of the relationships has impacted communication and coordination. Parties in the lower echelon of the hierarchy were constrained by having to use the hierarchy to communicate. This was aggravated by their position on the power scale as they have minimum power on the structure.

It is a safe conclusion that rigidity is a handicap to global projects whether the execution process is fragmented or consolidated. Flexibility, acknowledgments of the constraints, and upfront negotiation of misalignments and differences are fundamental in fragmented and consolidated project execution.

Fragmented project execution in a global setting has its challenges:

1. The fragmented style:

- a. Each fragment of the execution (each party execution process) must be synchronized. The distributed team members must be agile and capable of operating and working at the same rate. It means that a well-coordinated segment of activities is essential for the success and effective implementation of the global projects. Even though each party execution process can be fundamentally different, if negotiated, there is room to synchronize.
- b. Dependencies need to be identified and managed. The interdependence and connection among the parties involved in the execution of the separate fragments of the project must be identified and managed. The identification and management of each party to the execution process is complex and demanding.
- c. There is a need for an ongoing monitoring of the synchronization process and dependencies. The monitoring is necessitated by the need to identify challenges at an early phase and apply corrective measures. The need for an ongoing monitoring of the synchronization and dependencies widens the complexities involved in the execution of a fragmented project.

2. Other non-project execution influents:
  - a. Organization culture. Global projects include a number of different and varied organizational cultures. The organizational cultures vary substantially from one organization to another, and hence there is need for project managers to adapt their teams and leadership skills to multiple policies, procedures, and organizational cultures. The complexity of executing the project increases due to diversity in organizational culture. Also, conflicts and misunderstandings may arise as a result of cross-cultural communication.
  - b. Communication and Coordination. Fragmented project execution requires advanced communication devices since face-to-face communication is not possible. The cross-cultural communication is significant to ensure a smooth flow of activities among the distributed teams. The execution process is hampered where the communication among the teams is not effectively managed. Although innovations have been brought forward, there are a large number of interdependencies and a large magnitude of uncertainty that cannot be resolved by complex contract language.

This research demonstrates the need for upfront planning, negotiations, and ongoing monitoring of the issues during the project execution.

1. Planning - Upfront planning is an essential element before beginning the process of executing the project. The planning process must entail the following:
  - a. Acknowledge the different fragments of project execution
  - b. Demonstrate the need for each party to socialize its project execution process
  - c. Identify the dependency and how to manage the dependencies
  - d. Negotiation and compromise required on the terms of the execution process
2. Ongoing monitoring - A continuous monitoring of the entire project execution process is crucial in ensuring that the project is properly executed to meet its intended purpose. It involves a continuous assessment and entails the following:
  - a. Putting a radar in place to scan possible problems that may surface
  - b. Timely issue of action. In case of any anomaly, ongoing monitoring easily identifies the problem and enables rapid response and application of corrective action.

## **CONCLUSION**

From the research, it is observable that the Australian Bank was influenced by certain factors in arriving at the decision for global supplier. Such factors include:

- Inaccessibility to a local technology supplier. The banks could not locate a local technology supplier that could meet the bank's technological needs.
- There was a lack of in-house mobile payments technology and expertise within the country.
- The Australian bank was also under pressure to release a mobile payment product fast to catch up with its competitors.
- The global supplier facilitated accessibility to an already developed payment platform. A minimum development was required since the payment offered all functionalities necessary for the bank to release its mobile payment product.

The research, however, suffers from a few shortcomings that are identifiable as research limitations:

- The research utilized a single case study method that is not very conclusive in itself. Therefore, further research is required for corroboration purposes.
- The study is exploratory in nature. Therefore, the resulting findings cannot be generalized. It invites further research to ascertain these research findings.

The focus of the future research should look at how global projects can be managed as well as how to overcome the issues identified in this research.

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