

PROJECT MANAGEMENT EAST AND WEST

Findings and reflections

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Project Management East and West: Findings and Reflections

By Svein Arne Jessen

SUMMARY

Although the project approach seems to have successfully reached every corner of the world with its goal-directed, result-oriented ambition, its influence varies. In some cultures, this approach fits extremely well in the sense that its combined effort to fulfil business desires and master limits to given resources meshes well with fast-tracking, result-focused thinking. In other cultures, different project values may be equally important such as building knowledge, achieving personal ambitions and supporting effective team processes.

This article explores some of these differences through an explorative study of how the project approach is received and used in a typical Western culture such as Norway and a typical Eastern culture such as China.

The study took place in the period from 2008-2010, with the database used consisting of Chinese and Norwegian MBAs. The data gathering was done through a questionnaire built on the European Quality Award Model.

The main conclusion reached is that the project approach has a clear and positive impact in almost all areas studied, regardless of culture. In some areas, however, opinions differed, thus allowing room for thought on how to better utilize the project concept. In particular, there were differences in the two cultures' respective views on how projects influenced public enterprises compared to private businesses, and how the impact differed when the focus was on "upstream-", "downstream-" and "results-oriented" issues.

Key words: project influence, cultural differences, public and private companies, upstream factors, downstream factors, project results

THEORETICAL BACKGROUND AND RESEARCH QUESTION

There seems to be a common understanding that the project approach has had a recognizable impact on how individuals, businesses and organizations think and behave, and how societal undertakings are executed as a result of project work. Among these observations are that project work suits and affects both modern knowledge society and the highly qualified worker (Salancik & Pfeffer, 1978); that projects enhance organizational control (Morgan, 1989); that projects sharpen competitiveness (Pucik, Tichy, & Barnett, 1993); that projects engineer change in a more effective and successful manner than traditional business ways (Birchall & Lyons, 1995); that projects enable superior financial management of limited resources (Bøhren & Gjørnum, 1998) and that the theory of a “society of projects” is not a picture of recent society, but rather a reconstruction of the structures of society that are real today (Fogh Jensen, 2009), arguing that a society of projects is the dominant way of organizing people in a more frequent and rational manner.

Other authors have concluded that projects substitute adhocracy for bureaucracy (Cleland & King, 1983), and that the crucial difference between project work and traditional line work lies in the higher technical, economic and social efficiency standards required today, in combination with innovation and a personal commitment within defined limits (Lundin & Söderlund, 1995; Blomberg, 2003). While a functional line in companies tends to operate on the basis of a long-term more sustainable platform, a project aims at delivering an end product before “self-destructing” itself as an organization (Andersen, 2005). As a result, a predictable methodology gives way to looser networks and dissolvable teams and operations under continual reconfiguration which are constantly initiated and terminated in response to the challenges occurring at any one given time (Røvik, 2006).

These are some of the reasons why most projects in the past were external to the organization, while the growth in the use of projects today has primarily been in the area of projects which are internally undertaken within organizations. According to Meredith and Mantel (2010), successfully executing internal projects is even more satisfying in that the organization has substantially improved its ability to execute more efficiently, effectively and quickly, thereby resulting in an agency or business that can contribute even more to society while simultaneously enhancing its own competitive strength. In fact, project management has emerged because the characteristics of our contemporary society demand the development of such new management methods. The evolution of globally competitive markets for the

production and consumption of goods and services mandates the use of effective team work, which is typical of solving problems through projects.

As contended by Kwak and Aanbari (2008), project management is greatly affected by allied disciplines, which in turn influence them. Hence, innovative theories, trends and challenges discovered through investigating allied disciplines affected by the project approach have important implications for the future of project management.

The incentive for comparing China and Norway in this respect comes from two studies. The first was conducted by Andersen, Xiao Dyrhaug and Jessen in 2002 (Andersen et al., 2002) and suggested that, as a working form, projects were not as mature in China as in most “developed” countries. The result of the study was surprising from the viewpoint of Chinese projects scoring higher on nearly all factors investigated. The conclusion at that time was that there were either differences in perception regarding the questions posed or differences in the “power distance” between employees and leaders, i.e. the extent to which subordinates are “honest” in describing their relationship with their leaders. The second reason comes from the fact that the world is becoming “increasingly complex and interconnected” (World Economic Forum, Davos, 2011), experiencing an “erosion of common values and principles in business and human development”, which certainly affects the way that leaders, the workforce and organizations think and behave.

For these reasons, experiencing the rapid growth of China and the extensive use of projects as a problem solving form in both cultures, another question was raised: Are Chinese projects actually run better than those in a typical Western society such as Norway, and if so, why?

Thus, the main research question for this article became: *To what extent has the project approach influenced organizations, businesses, individuals and society as a whole differently in a typical Eastern culture such as China and a typical Western culture such as Norway, and if so, is the project approach regarded and used today in the same way within the two cultures?*

THE METHOD USED FOR THIS STUDY

The backdrop for the original study was a grant from the Norwegian Centre for Project Management (NSP) that had been given in order to determine whether parts of the Norwegian

economy and society had been particularly affected by the use of projects, and whether attitudes towards this method of working had changed as well. Based on the findings, a new grant was given by the NSP to study cultural differences between East and West. The model used for this new study was the EQA model shown below in Figure 1.1:

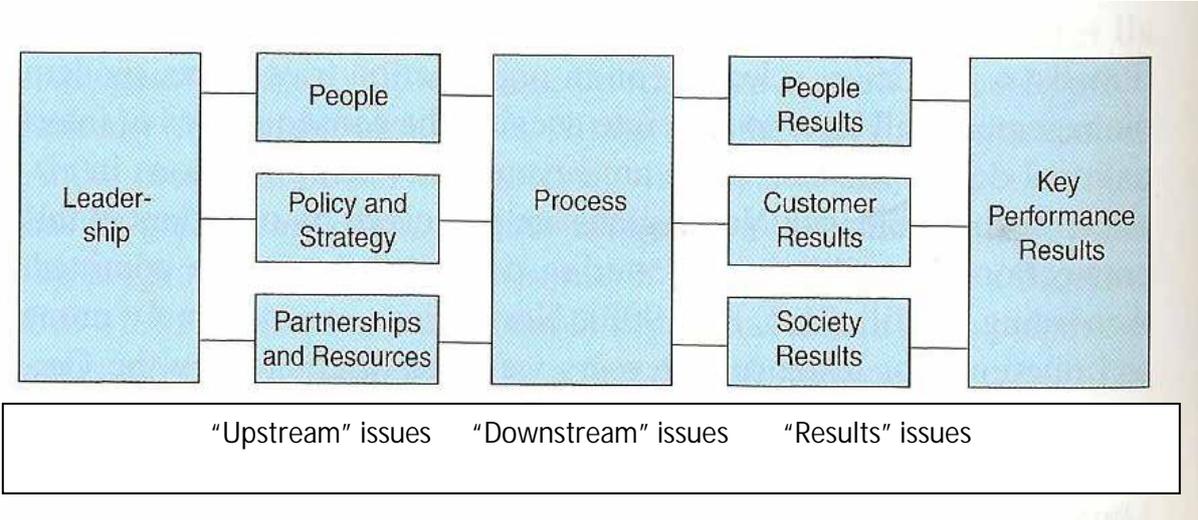


Fig 1.1 - The EAQ Model with suggested sub-areas potentially influenced by the project approach

The model is based on the TQM principles of organizational management, which are centred on quality, based on the participation of all its members and aimed at long-term success through customer satisfaction that benefits all members of the organization and society (ISO, 1994).

Expanding on this, the EQA model creates links between key operative areas in a logical pattern within a normal organization. If the operative elements and relationships between each of the areas are logically aligned and satisfactory, they should directly and indirectly impact an organization’s strategy, employees, customers and society as a whole, and ultimately the organization’s economic performance as well. The model utilizes possible connections between management’s strategic decisions; how these decisions are made; how resources are managed and allocated; how individual members of the organization are treated; how the manufacturing process proceeds; how satisfied or content the organization’s members are; how satisfied the customers are and how society as a whole reacts to the organization’s actions to ensure overall profitability. In addition, the model has been tried and tested with satisfactory analytical results (Zain, 1998). Since the model also contains all operative areas considered to be of significance in today’s contemporary project management, it was deemed

to be appropriate as a means of evaluating the impact of project work on public and private enterprise.

The model has nine basic operating areas divided into three groups of operative elements. Four of these indicators are allocated to the preparation phase and five to the execution and results phase. The division into phases and indicators is consistent with the way projects are conducted, and focus on a project’s “upstream”, “downstream” and “result generation” activities.

Even if the model has its weaknesses in terms of putting up questions with measurable answers since one has to ask about opinions, the findings should be interesting enough to merit reflections concerning differences in thinking and practice in the two cultures studied.

THE DATABASE AND THE FACTORS INVESTIGATED

The data on which this study is based were provided by classes of MBA students in China and Norway in the period from 2008-2010. A questionnaire posed 32 questions directly designed after the European Quality Award Model (EQA). The questions were designed to detect attitudes about the differences between private and public sector organizations. The response scale extended from 1=extremely negative influence to 7=extremely positive. A score of approximately 4.0 suggested no perceived or hardly any impact. In total, 246 Norwegian and 282 Chinese MBAs returned the form. The main categories from the database are:

	Population	Average age	% Male	% Public	% Small companies	% Managers	% Engineers
Chinese MBAs	282	32	57	27	26	90	44
Norwegian MBAs	246	35	52	20	30	63	13

Fig 1 The Databases

As can be seen, there are many similarities between the two populations. The most striking differences were that 90% of the Chinese MBAs reported having high two senior managerial positions, while only 63% of the Norwegian MBAs reported the same. Another difference was that almost half the Chinese MBAs had an engineering background, while among the

Norwegians this number was only 13%. Also noticeable was that the majority of the respondents worked in private firms and that the majority worked for larger companies, i.e. firms with a payroll of more than 50 employees. More than half the Chinese MBAs also worked for international companies, but there were all reasons to assume they reflected Chinese culture. Despite these biases and differences, the database was found to meet the criteria for statistical analyses due to its volume and composition.

The first main conclusion from the data was that the average score of influence in both cultures was >5, 5.18 for China and 5.09 for Norway, respectively. The difference between the scores gave reasons for the possibility that the two populations were not statistically comparable, and this difference had to be corrected for. However, a t-test did not yield a significant difference ($t=0.31$), and since both databases focused on persons in the 30-40 year age group in executive management positions with presumably wide-ranging decision-making powers, as well as a good deal of both direct and indirect knowledge about project work as a function of their job, the database was approved as an adequate setting for the study.

Because the first part of the main research question was *answered positively*, the concept became that projects affect both public and private organizations in the two cultures in a positive and beneficial way. The next research questions after this were:

Q1: Does the opinion among Chinese and Norwegian MBAs differ as to which “upstream” business factors are most influenced by today’s project approach?

Q2: Does the opinion among Chinese and Norwegian MBAs differ as to which “downstream” business factors are most influenced by today’s project approach?

Q3: Does the opinion among Chinese and Norwegian MBAs differ as to which business “result” factors are most influenced by today’s project approach?

Based on the EQA model, the following factors were selected for answering these questions in more detail:

“Upstream” factors are defined here as factors that affect the preparation and planning of issues later to be executed.

- 1.1 The opinion about the influence that projects have on *Strategic Leadership*, expounded on here as *planning and organizing for a common purpose (“a business idea”) in the long term using the project approach*.
- 1.2 The opinion about the influence that projects have on *Internal Strategic Processes*, expounded on here as *involving the organization’s members in efforts to coordinate the internal projects with a business strategy*.
- 1.3 The opinion about the influence that projects have on *Facilitating Scarce Resources*, expounded on here as *facilitating appropriate management tools to use in projects so that limited resources can be better managed during a project’s execution*.
- 1.4 The opinion about the influence that projects have on the planning and distribution of *Roles and Responsibilities*, expounded on here as *the distribution of internal responsibility and authority in the company so that each employee understands and accepts both his, her and others’ responsibilities in working with projects*.
- 1.5 The opinion about the influence that projects have on planning for *Interpersonal Activity and Development*, expounded on here as *facilitating and strengthening each employee’s personal, individual development through relevant projects and tasks*.

“Downstream” factors are defined here as issues of concern when executing business and organizational operations.

- 2.1 The opinion about the influence that projects have on executive *Management in General*, expounded on here as *the degree to which projects help the management of a business or organization achieve its desired goals through the integration of people, knowledge, technology and the environment in daily project work*.
- 2.2 The opinion about the influence that projects have on the *Handling of Scarce Resources*, expounded on here as *thinking and being successful in coping with limited resources through active project work to the benefit of the organization*.
- 2.3 The opinion about the influence that projects have on *Internal Social Processes*, expounded on here as *an internal collaboration between company members in such a way that they strengthen, support and develop each other*.
- 2.4 The opinion about the influence that projects have on *Job Satisfaction or Employee Satisfaction*, expounded on here as *the degree to which the individual employee feels stimulated and appreciated through project processes*.

2.5 The opinion about the influence that projects have on a *Leader's Way of Treating People*, expounded on here as *the way management treats employees so they receive the opportunity to realize their potential through relevant projects for the benefit of the company's overall development.*

“Result” factors are defined here as factors that measure business and organizational success.

3.1. The opinion about the influence that projects have on *Economic Development in Society*, expounded on here as *the degree to which project results strengthen the economic development of the country at large.*

3.2. The opinion about the influence that projects have on *Economic Results for Customers*, or more precisely the *Economic Rate of Return*, expounded on here as *the degree to which project results are believed to contribute to an improved efficiency and economy for one's company's customers and clients.*

3.3 The opinion about the influence that projects have on *Customer Satisfaction*, expounded on here as *the degree to which customers or clients are satisfied with the project results in relation to their needs and desires.*

3.4 The opinion about the influence that projects have on *Customer Involvement or Business Collaboration*, expounded on here as *the degree to which a project's results contribute to a better (economic) cooperation between customers, clients and the project's base organization.*

3.5 The opinion about the influence that projects have on *Financial Rewards or Internal Reward Systems*, expounded on here as the degree to which *individual employees feel the (economic) compensation for their efforts in the project complies with the inserted demand.*

3.6 The opinion about the influence that projects have on *Social Development in Society*, expounded on here as the degree to which *a project's results strengthen social relationships in society at large.*

The scores were interpreted in the following way:

Less than 4.00	=	A generally negative influence
A score of 4.00-4.25	=	Insignificant to no influence
A score of 4.25-4.50	=	Limited positive influence
A score of 4.50-4.75	=	Some positive influence
A score of 4.75-5.00	=	Medium positive influence
A score of 5.00-5.25	=	Relatively large positive influence
A score of 5.25-5.50	=	Major positive influence
A score of 5.50-5.75	=	Very large positive influence
A score of 5.75-6.00	=	Extensive positive influence
A score of 6.00 and higher	=	Exceptionally high positive influence

FINDINGS AND REFLECTIONS

In the diagrams that follow in Figures 1 to 6, the absolute value for each factor investigated is given together with the differences between the two cultures, and illustrated with bars along the statistical level of the t-test factor of the differences. Two stars indicate a highly significant difference, $p < 0.05$, while one star indicates a significant difference, $p < 0.10$.

1. *Comparing opinions in the two cultures on the influence of the project approach on upstream issues.*

Fig 1 and 2 in here

The first thing that strikes one's eye is the difference in opinion on how projects influence businesses' *upstream* factors. Chinese MBAs find that projects have a large to a major positive influence on upstream activities such as *strategy*, *strategic planning*, *resource planning* and the *distribution of roles and responsibilities*, especially within *private* companies, with scores between 5.24 and 5.34. Norwegian MBAs see such an influence as being lower, particularly in the *public sector*. However, Norwegian MBAs find the project approach to have a very large positive influence on *interpersonal development* within the *private* sector, at 5.60. This is significantly higher than the Chinese MBAs, whose impact was deemed quite moderate.

The reason for including *strategy* and *strategy processes* as “upstream” issues is that the dynamics of strategy and performance rely on the initiatives, choices, policies and decisions adopted in order to improve performance, in addition to the results that arise from these managerial behaviours. Strategic leadership is thus assumed to be dynamic in the sense that it involves both actions and reactions, with its purpose to provide vision and direction for the growth and success of the organization. Preparing minds on a large scale is thought to be essential for companies in setting their strategic direction and transforming the organization in a preferable manner. Getting employees pointed in the right direction improves their ability to learn and adapt concurrently, thereby ensuring that the strategy will deliver what the leaders are looking for (Stumpf & Muller, 1991). Managing change and ambiguity are supposed to be elements that require strategic leaders who not only provide a sense of direction, but who also build ownership and alignment to implement the necessary changes. To achieve strategic success should therefore be about how to best marshal the resources of an organization to formulate and execute strategy. According to Muller and Stumpf (1992), this way of thinking would balance a focused analytical perspective with the human dimension of strategy making. Coupled with a commitment of management's time to engage the entire business in a strategy dialogue, these practices would then lay the foundation for building winning organizations that can quickly define, commit, adjust and adapt to strategies.

J. Moncrieff (1999) says that the reason why employees should be part of the *strategy process* is the distinction between a planned and “unplanned” strategy. The unplanned element comes from two sources: “emergent strategies”, which result from the emergence of opportunities and threats within a given business environment and “strategies in action”, which are ad hoc actions taken by many people from various parts of an organization. According to Moncrieff

(op. cit.), a multitude of small actions are not intentional or formal, and are often not even recognized as being strategic. They emerge from within an organization in much the same way that “emergent strategies” come from the aforementioned business environment. Mintzberg (1987) made a distinction between deliberate strategy and emergent strategy. Emergent strategy originates not in the mind of the strategist, but from the interaction of the organization with both its environment and its people. Emergent strategies tend to exhibit a type of convergence in which ideas and actions from multiple sources integrate themselves into a pattern. This is a form of organizational learning that in the long run is supposed to make organizational learning one of the core functions of any business enterprise (Peter Senge, 1990).

Here, it must be taken into account that the existing literature suggests that Western culture encourages the generation of novel ideas more than its Asian counterpart (Mok & Morris, 2010), although later studies have concluded that this could be a misconception. Additionally, Asian cultures are very innovative, but while the social norms in the West encourage *novelty*, those in the East prioritize *usefulness* (Phan et al., 2010). An overall business strategy starts with creativity and informs project planning, which in turn is supposed to ensure that a project’s success impacts an enterprise’s success. The strategic alignment of a project takes into account innovation, strategic focus, operational efficiency and team leadership. The extent to which a project is focused on each dimension seems to determine the level of “strategic maturity” for a given project (Andersen & Jessen, 2003). Other research has also demonstrated that higher levels of strategic maturity are associated with higher levels of project success (Morris & Jamieson, 2004).

In the concluding chapter, the theoretical backdrops from the general upstream observations above will be analysed more closely with respect to the differences and similarities between the two cultures observed.

Looking at the next upstream factor in more detail, it is quite interesting that while both Chinese and Norwegian MBAs believe that the project approach supports better planning for the use of *scarce resources* in the *private sector* (5.37 and 5.17, respectively), both are of the opinion that the project approach has *less influence* on good resource planning in the *public sector* (5.00 and 4.64, respectively).

Handling scarce resources is a long and well-known organizational problem (Imbert, 1959; Turban, 2008). According to theorists, the best attitude is to think of “*business transformation*” as a key initiative in order to align an organization’s people, processes and technology more closely with its business strategy and vision (Hanna, 2010) so as to best utilize its resources to benefit both an outcome-based end state, such as increased revenue, and improved customer satisfaction. According to Henderson and Larco (2000), organizations can achieve such a lean business transformation through new technology, new business models and new management practices (Henderson & Larco, 2000). The end result will be a better grip on its own resources, with a better effectiveness and productivity in both the short and long term. The result from the data analysed here will be dealt with in the concluding chapter.

Of special upstream concern is the opinion about a project’s influence on the planned distribution of *roles and responsibility* within a company. As can be seen, projects are assumed to have a quite positive impact on this factor in both Norway and China, although there is a paradox in the significantly lower score in the *public* sector in Norway at 4.80 in comparison to China’s 5.11, with the difference being statistically significant, $p < 0.05$.

In fact, this complex mix of responsibility and authority is essential according to Scheider and Brent (2004) for understanding how to facilitate better team work, organizational citizenship, work motivation and job satisfaction for subordinates. By definition, a *role* is a descriptor of an associated set of tasks which may be performed by many people or by one person performing many roles (Kotler, 1992; Schein, 2005). When this score is low, it is an indication that the distribution of authority and responsibility is unclear, and perhaps even frustrating. In a recent commentary in the Norwegian daily business newspaper Dagens Næringsliv, the president of the Norwegian School of Management wrote: “Collaborating with staff and union representatives is all well and good, but it can never replace the leadership role necessary to have the authority to cut through and decide” (Colbørnsen, 2010). Similarly, any organization can have many people who can perform the role of *project manager*, although the current rule is that each project only has one project manager at any given time. That person must have the authority to decide, more or less as a result of opinions and information from people under his or her command, though the final decision must be the responsibility of the project manager or leader. Hence, the person who is able to perform the role of *project manager* should also be able to perform the role of *business analyst*.

Unfortunately, the extent to which this role distribution is clarified in Norwegian *public* projects seems to be in question, a score of 4.8, an observation which is further reflected on in the concluding chapter.

The factor of *interpersonal development* is generally seen as being dependent on how well teams work, whereas there also seems to be common agreement about the challenge of creating effective project teams based on individuals in every organization (Lewin, 1958; Reason & Bradbury, 2007; Pine, 2008). As suggested by Fogh Jensen (2009, op. cit.), much of today's social integration is organized as "personal projects" within the framework of newer types of contracts, in which the employee commits him/herself to a personal project of integration, development and learning. It is less a question of a right and duty, and more a question of motivation, will and performance. In project development, a team may embark on a process of self-assessment to gauge its effectiveness and improve its performance. To assess itself, feedback from other team members is also important in order to find one's current strengths and weaknesses. Consequently, project development can be the greater term containing assessment and improvement actions, as well as being a positive component of organizational development. For this reason, it is a positive that Norwegian MBAs give such a high score for the influence that working in projects has on personal development. The real question is why Chinese MBAs score so moderately on this factor, bearing in mind the importance of personal development for each individual and for the organization at large, an observation further reflected on in more detail in the concluding chapter.

2. *Comparing the opinions in the two cultures of the influence of the project approach on downstream issues.*

As for upstream issues, the differences in opinion among Chinese and Norwegian MBAs on how projects influence public/private organizations and businesses on downstream issues are quite striking. Chinese MBAs find that projects *enhance downstream factors in the public sector* such as *general management, the attitude and handling of scarce resources, the internal social processes and the way people are treated*, significantly higher than for Norwegian MBAs. But when it comes to the *private sector*, Norwegian MBAs find that the project approach has a significantly higher influence on *internal social processes and job satisfaction* than Chinese MBAs.

Fig 3 and 4 in here

Going more in-depth, it is interesting that both Chinese and Norwegian MBAs find the factor of *general management* so positively influenced by the project approach in the *private sector*, with scores of 5.57 and 5.53, respectively. At the same time, it is also remarkable that the opinion among Chinese MBAs about the influence in the *public sector* is the same as that of Norwegian MBAs about the influence in *private business* at 5.33, which can be judged as a “major positive influence”. Here, the score for Norwegian *public* organizations is only a “medium positive influence” at approximately 5.0. The scores are interesting, since good *general management* skills are often said to be the ability to harness the energy and capabilities of a team in such a way that the performance of the team is greater than the sum of its parts; often referred to as the human side of project management or “people skills”. As contended by Amason et al. (2007), “management” and “leadership” are closely connected, and are widely accepted as the crucial factor in determining the ultimate success or failure of a business.

According to Schein (2004), the act of getting people together to accomplish desired goals and objectives more efficiently and effectively is the main purpose of a manager. In his view, this creates *corporate culture*, which is composed of artefacts, espoused values and assumptions, increases the success rate of an organization. *Artefacts* are any tangible or verbally identifiable elements in an organization such as architecture, furniture, dress code and office jokes. *Values* are the organization’s stated or desired cultural elements, which can be a written or stated tone that management hopes to exude throughout the office environment. Some examples of this would be employee professionalism or a “family first” mantra. *Assumptions* are the actual values that a culture represents, and are often so well integrated into the office dynamic that they are hard to recognize from within.

As a basic function of general management, *motivation* is of special concern in this respect. Without motivation, employees will have difficulties in working effectively (Jessen, 1990). If motivation does not take place within an organization, employees may not contribute to other functions. Motivational management will be seen here as the application of knowledge, skills, tools, techniques and systems to define, visualize, measure, control, report and improve processes, with the goal of meeting one's staff and customer requirements in a profitable and desirable way. Motivation is therefore important for both single project management and programme management, i.e. managing a group of interdependent projects. In this management process, it is the use of relevant motivational artefacts and actions that counts in helping to improve the outcome of a project. To which extent general management is motivationally influenced by the project approach in the two cultures is further discussed in the concluding chapter.

The factor of *the handling of scarce resources* is of special interest. The reason for including scarce resources as both a "downstream" and an "upstream" issue is that the project concept is built on the idea that resources are limited, meaning that they have to be both planned and executed well. Perhaps surprising is that scores are medium in both cultures, and alarmingly low when looking at *public* Norwegian entities at 4.59, which indicate a low influence. Today, both academic and policy interests have moved beyond the optimal commercial exploitation of the traditional concern about the only valuable resources being natural resources, such as fisheries, forests and minerals, to encompass the management of other objectives (Brigham & Johnson, 1980) that should also contribute to overall social welfare levels (Dasgupta & Serageldin, 2000). Because of this, planning well for their later utilization during the execution of a project must be seen as a very important matter for everyone involved in modern project work. This issue is therefore further reflected on in the concluding chapter.

Perhaps the entire picture can be better understood when we look at the significant differences between the two cultures in relation to the factor of *internal social processes*. While the Norwegian MBAs scored significantly lower for the *public* sector than the Chinese MBAs at 4.61 to 4.97, respectively, the figures are completely opposite for the *private* sector at 4.81 compared to 5.07. Although the scores are not that positive, there seems to be a belief in the *private* sector that Norwegian companies' projects encourage a reasonably good social communication, while in China this factor is only felt to have a lower influence.

The theoretical backdrop for bringing in this factor comes mostly from the so-called “modernization theory” (Gavrov, 2004), in which one attempts to identify the social variables that contribute to social progress and seeks to explain the process of social evolution. Modernization theory not only stresses the process of change, but also the responses to that change. It looks at both internal and external dynamics, while referring to social and cultural structures and the adaptation of new technologies.

In many ways, this is the essence of the “locus of control theory” in social psychology (Rotter, 1975), which refers to the extent to which individuals believe they can control events that affect them. Individuals with a high internal locus of control believe that events result primarily from their own behaviour and actions, while those with a low internal locus of control believe that powerful others, fate or chance are the primary determinant of events. Those with a high internal locus of control thus have better control of their behaviour, tend to exhibit more political behaviour and are more likely to attempt to influence other people than those with a high external or low internal locus of control, respectively. Those with a high internal locus of control are more likely to assume that their efforts will be successful, and are more active in seeking information and knowledge concerning their situation.

Rotter (op.cit) cautioned that internality and externality represent two ends of a continuum. For example, college students with a strong *internal* locus of control may believe that their grades were achieved through their own abilities and efforts, while those with a strong *external* locus of control may believe that their grades are the result of good or bad luck, or to a professor who designs bad tests or grades capriciously; hence, they are less likely to expect that their own efforts will result in success, and are less likely to work hard for high grades. This has obvious implications for the differences between internals and externals in terms of their achievement motivation. Due to their locating control outside themselves, externals tend to feel they have less control over their fate (Benassi, Sweeney, & Dufour, 1988; cited in Maltby, Day, & Macaskill, 2007).

Looking at the scores given for this factor a careful distinction should perhaps be made between the locus of control and *attribution style*, which is a concept linked with explanations for past outcomes, or between the locus of control and concepts such as *self-efficacy*, all of which are important for the way people handle scarce resources using the project approach for this purpose.

These are issues that will be discussed further in the concluding chapter.

The next important factor to notice among the downstream factors is *job satisfaction*. According to Rode (2004), the way that a subordinate positively or negatively perceives a supervisor's behaviour will influence job satisfaction. It is therefore of interest to note that while the influence of the project approach received a high positive score of 5.33 for *private companies* in Norway compared to *public enterprises* at 4.92, there was almost no difference in this factor among Chinese MBAs at 4.97 and 4.98, respectively. How satisfied people are with their current job or work situation in *private companies* in Norway is perhaps a surprise when compared with the medium score for the next factor, how people are treated. As a result, job satisfaction and the way leaders treat people may not be as closely related as many Western studies have said (Kuvås, 2002).

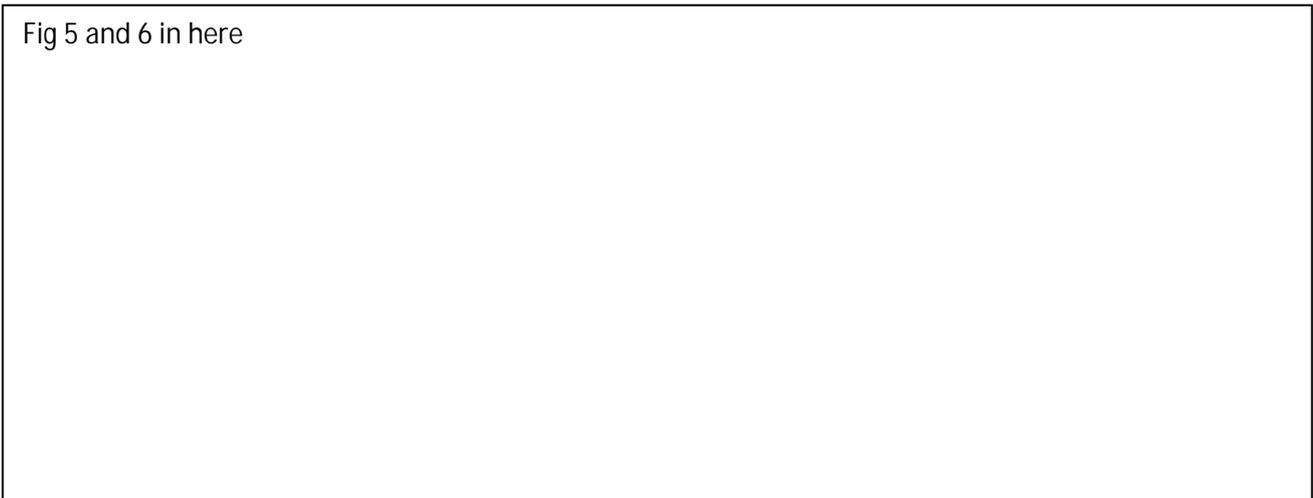
The primary premise of job satisfaction theories is that satisfaction is determined by a discrepancy between what one wants in a job and what one has in a job. When a person values a particular facet of a job, his or her satisfaction is more greatly impacted both positively (when expectations are met) and negatively (when expectations are not met), as compared to one who does not value that facet. In Norway, the normal view is that the individual in the workplace should be seen as the most important resource for success. A score of less than 5 for this factor in the *public sector* in Norway points to the possibility that the public sector is less clever in taking care of the real potential of their workers and using the project approach to enhance job satisfaction. A general score of less than 5 for China in this respect may indicate more problems being individually recognized in that specific business culture. Since job satisfaction has been defined as a pleasurable emotional state resulting from the appraisal of one's job (Locke, 1976), Weiss (2002) has argued that job satisfaction is an attitude, but points out that one should distinguish the objects of cognitive evaluation which are affect (emotion), beliefs and behaviours. One of the biggest preludes to the study of job satisfaction was the Hawthorne studies. These studies ultimately revealed that novel changes in work conditions temporarily increase productivity. It was later found that this increase did not result from the new conditions, but from the knowledge of being observed or *recognized*. These issues are further discussed in the concluding chapter, particularly with respect to the differences in the two cultures.

This leads directly to the last downstream factor, which is *treating people*. It is often the superior-subordinate *communication* that exerts the most influence on how managers treat people in the workplace. This factor only received a medium score of approximately 5.0 in both cultures, though in public projects in Norway the statistical score was significantly lower, at 4.75. Since the Western view is that individuals who dislike and think negatively about their supervisor are less willing to communicate or be motivated to work, whereas individuals who like and think positively of their supervisor are more likely to communicate and be satisfied with their job and work environment, the relationship between a subordinate and his/her supervisor should be a very important aspect of the Western workplace. Edwin A. Locke (2009) found that the suppression of unpleasant emotions decreases job satisfaction, while the amplification of pleasant emotions increases job satisfaction. Again, one may question whether this has the same impact in China which received a very high score for the “result generation” factors later discussed, despite only receiving a medium score for people treatment. These are issues discussed more in-depth in the concluding chapter.

3. *Comparing the opinions in the two cultures on the influence of the project approach on business results.*

A first glance tells about a remarkable and significant difference between the opinion of Chinese and Norwegian MBAs. On five out of six factors investigated, the Chinese score significantly higher, particularly for the *public sector*.

Fig 5 and 6 in here



For the first result factor there is a striking difference between Chinese and Norwegian MBAs’ opinions on how projects in *public enterprises* are *influencing economic development*

in society at large at 5.38 (“Major positive influence”) and 4.76 (“Some to mediocre positive influence”), respectively.

The origin of the idea that single operations can affect society at large comes from so-called Development Economics (Bell, 1987), which is concerned with economic aspects of the development process in low-income countries. Its focus is not only on methods of promoting economic growth and structural change, but also on improving the potential for much of the population, e.g. through health, education and workplace conditions, whether through public or private channels. This involves a restructuring of market incentives and using methods such as inter-temporal optimization for project analysis. Unlike many other fields of economics, approaches in development economics may incorporate social and political factors to devise specific plans. Different approaches may consider the factors that contribute to economic convergence or non-convergence across households and regions.

An early aspect of development economics is “structural-change theory” (Chenery, 1960), which deals with policies focused on changing the economic structure of a country into a more modern, more urbanized and more industrially diverse manufacturing and service economy. An empirical analysis of this framework studies the “sequential process through which the economic, industrial and institutional structure of an economy is transformed over time to permit new industries to replace traditional agriculture as the engine of economic growth” (Chenery, op. cit.). Even if structural-change approaches to development economics have faced criticism for their emphasis on urban development at the expense of rural development, actual empirical studies have documented that agrarian labour surpluses are only seasonal and drawing such labour to urban areas can result in a collapse of the agricultural sector.

It must be mentioned here that so-called neoclassical theories argue that governments should not intervene in the economy; in other words, these theories claim that an unobstructed free market is the best means of inducing rapid and successful development. Competitive free markets unrestrained by excessive government regulation are seen in these theories as being able to naturally ensure that the allocation of resources occurs with the greatest efficiency possible and that economic growth is raised and stabilized. There are several different approaches within the realm of neoclassical theory, each with subtle yet important differences in their views regarding the extent to which the market should be left unregulated. Different

aspects of neoclassical theory are the *free market approach*, *public choice theory* and the *market-friendly approach*. Of the three, both the free market approach and public choice theory contend that the market should be totally free, meaning that any intervention by the government is necessarily bad. Public choice theory is the more radical of the two with its view which is closely associated with libertarianism, and that governments themselves are rarely good and should therefore be as minimal as possible.

Hence, the predominantly high scores given by the Chinese MBAs on this factor, 5.21 and 5.38, is interesting, though at the same time it may demonstrate one of the reasons why the Chinese economy is growing so rapidly today, with the mantra being “communism with a market approach”. More reflections on this are given in the concluding chapter.

The highest absolute score, however, for all the result factors investigated was *customer satisfaction* in China at 5.71, which can be judged as being close to an “extensively high, positive influence”. Although the Norwegian score is also high at 5.35, which shows a “major positive influence”, the Chinese score is significantly higher.

The common view is that satisfying customers is more or less a prerequisite for business success. For this reason, properly designed service systems must employ both technology and organizational networks that allow often relatively inexperienced clients and customers to understand quite sophisticated tasks, vaulting them over normal learning curve delays. Ideally, the empowerment of both service provider employees and customers (often via self-service) results from well-designed service systems. One must therefore assume that special training in this respect is a positive incentive. To what extent this influence is different between the two cultures is further explored in the concluding chapter.

The factor of *economic results for customers* is closely connected to customer satisfaction. This factor can be interpreted as *profit*, with the same picture revealed as for customer satisfaction. For the *private* sector, China and Norway gave high scores on project influence at 5.54 and 5.44, respectively, and from a statistical standpoint the Chinese impact score was even significantly higher. For the *public* sector Chinese MBAs scored also significantly higher than their Norwegian counterparts, at 5.27 to 4.82 respectively.

In economics, the term “profit” has two related meanings, and both are of interest for this research. *Normal profit* represents the total opportunity costs (both explicit and implicit) of a

venture to an entrepreneur or investor, while *economic profit* is the difference between a firm's total revenue and total costs, including normal profit. Other types of profit can also be referenced, including "*social profit*", related to externalities. The latter is equal to revenue minus only explicit costs, or *super profit*, which is a concept from Marxian economic theory. The dominant definition of the term today, and the one used in this article, is differentiated from that of the previously dominant school of classical economics, which defines profit as the return to the employer of capital stock (such as machinery and factories) in any productive pursuit involving labour. Nonetheless, the definitions of neo- and classical theory are equivalent if one considers that profits are returned to those who invested (financial) capital. Due to the importance of this factor and the differences observed they are further reflected on in the concluding chapter.

The only factor that did not differ significantly between the two cultures was *customer involvement*. Although the scores were considerably higher for the *private* sector in both cultures, the impact is nevertheless seen as quite high.

The theory of benefits from customer involvement comes from Richard Normann (2002), who introduced the notion of *value-creating systems*. In such systems, the customer is at least as important as the producer. Since the term "service" is often defined as value coproduction, a service system that supports the customers might well be identified as a value coproduction system. In his view, the unbundling and rebundling of value-creating systems is one of the main trends of our time.

What we know is that marketing, operations and even global environment considerations have significant implications for the design of such a service system, with the important elements being customer contact, capital intensity and the level of customer involvement. A business collaboration between producers and customers is normally seen as an organized set of objects that process inputs into outputs to achieve an organizational purpose and meet the need of customers through the use of human, physical and informatics enablers in a sociological and physical environment (Checkland, 1981). As a result, the importance of customer involvement must be seen as extremely important and well taken care of in both cultures.

The opinion on how projects influence *financial reward systems* is another interesting result factor. While Chinese MBAs are reasonably satisfied with the rewards projects create in the *public* sector with a score of 5.03, Norwegian MBAs are obviously quite unhappy at 4.33. Even though the figures are more balanced for the *private* sector, it is obvious that rewards in China are more explicitly positive felt than in Norway.

Reward systems are based on the assumptions of attracting, retaining and motivating people. According to current theories (Kaufmann et al., 2004), employees are motivated by both intrinsic and extrinsic rewards. To be effective, a reward system must recognize both sources of motivation, and financial rewards are an important component of this system. Emphasis on quality improvement teams (Imai, 1986) and commitment building programmes is creating a renaissance for the financial incentive of pay-for-performance plans (Henricks, 2008).

Even so, rewards do not necessarily imply direct financial compensation such as salaries and costly gifts. Other rewards are praise and *recognition* from supervisors, which are as earlier pointed to consistently found to be among the most important motivators. Employees want to be recognized and feel that their contributions are noticed and valued (Minchington, 2006). To which degree this is included in the way respondents have given their scores is not clear, but assuming Chinese salaries are not overwhelmingly high, the relatively large, positive influence of the project approach in China on “reward systems” could point to such a reason. These issues are further discussed in the concluding chapter.

A final important observation is the difference in opinion on the extent to which the project approach influences *social development in society at large*. Among Chinese MBAs in particular, there is a strong belief that projects within the *public* sector contribute considerably at 5.33. For this factor, Norwegian MBAs have a much more modest positive score of 4.63. The figures are more balanced for the *private* sector, yet Chinese MBAs still find their contribution higher than the Norwegians.

The backdrop for including this factor as a result issue mainly comes from the Corporate Social Responsibility (CSR) proposition, the intent being to embrace responsibility for the company’s actions through positive activities on its environment, employees, communities, stakeholders and other members of the public sphere. The purpose is long-term sustainable company development. The theory further assumes that community development or

community commitment empowers individuals and groups of people by providing these groups with the skills they need to affect change in their own communities. Community developers must understand both how to work with individuals and how to affect communities' positions within the context of larger social institutions (Briggs de Souza et al., 1997). In this context, the term *sustainable development* (SD) is a pattern of resource use that aims to meet human needs while preserving the environment so that these needs can be met not only in the present, but for generations to come as well. The term was used by the Brundtland Commission (1987), which coined what has become the most quoted definition of sustainable development as a development that “meets the needs of the present without compromising the ability of future generations to meet their own needs”.

Similar to the eco-efficiency concept, the agreed upon criterion today is for *corporate sustainability*. The term “socio-efficiency” is often used and describes the relationship between a firm's added value and its social impact (Meadows et al., 2005). While it can be assumed that most corporate impacts on the environment are negative, this is not true for social impacts. These can, however, be either positive (e.g. corporate giving, creation of employment) or negative (e.g. work accidents, bullying of employees, human rights abuses). Depending on the type of impact, socio-efficiency either tries to minimize negative social impacts or maximize positive social impacts in relation to the value added, an issue further discussed in the concluding chapter.

CONCLUSIONS AND RECOMMENDATIONS

As contended in the theoretical part of this article, it would be interesting to reflect on the degree to which all the factors here studied could mean for a better use of the project concept in order to enhance cross-cultural learning and development.

The first interesting factor is the *strategic processes*. For projects, the alignment of action with strategic intent is regarded here as the blending of strategic intent, emergent strategies and strategies in action in order to produce strategic outcomes. The monitoring of these strategic outcomes produces strategic learning that must be assumed to support project work. This learning should comprise feedback into internal processes, the environment and strategic intentions.

The fact that Chinese MBAs score significantly higher on both strategic leadership and how projects influence internal strategic processes within the *public* sector compared to Norwegian MBAs at around 5.2 compared to around 4.8, respectively, must perhaps be judged in light of how Chinese society is organized. In theory, a communist regime relies on long-term strategic planning. That the project approach is seen as a positive vehicle for such development points to a belief in the effectiveness of the project approach as a long-term business facilitator in China. As the involvement in these processes is felt to be better among Chinese managers, this could be regarded as surprising, bearing in mind the Norwegian belief that beneficial democracy exists on all Norwegian organizational levels. According to Chenhar, Dvir and Thamain (2004), how successful Western organizations are in mastering mission statements and five-year plans to create the necessary processes to carry out time-oriented goals and projects is questionable and most probably not the right way to go. It is possible that Chinese business has mastered this issue better than one has previously understood, in light of years of successful business development in China. The significantly lower score on this factor among Norwegian MBAs in the public sector is a paradox, knowing how many large oil, gas and infrastructure projects in the NOK billions range are planned and run by publicly owned enterprises and organizations in order to support long term, strategic development. Some relief is the better score on the strategy given for the *private* sector in Norway. Though China and Norway are two very different cultures, with quite different historic business background, it would in any case be interesting to look at the difference in scores with a high degree of sobriety since there may well be some potential benefit in studying more closely how successful, high-level strategic decisions and performance are actually achieved in China compared to Norway.

The involvement of many staff levels in strategy formulation could well be regarded as an internal process that is of vital importance for a better organized performance with respect to how projects are developed. Supporting this view also comes from Johnson, Scholes and Whittington (2008) who suggest that there are five general processes that should interact: strategic intention, the organization's response to emergent environmental issues, the dynamics of the actions of individuals within the organization, the alignment of action with strategic intent and strategic learning.

That is why it is quite surprising that for *private business*, Chinese MBAs are of the opinion that the project approach highly contributes to such internal strategy processes with a score of

5.24. As already contended in the theoretical chapter of this paper and suggested by Levinson (1984), building prepared minds on a large scale begins with a focus on working the middle ground between analytical and human dimensions, while not giving up on the clarity that comes from analytical rigor or the broad-based commitment and organizational agility that comes from addressing the human dimension.

So when the project approach is judged to influence internal strategy processes so highly in Chinese enterprises, especially the *public* ones, one can draw an immediate conclusion that Norwegian *public* organizations must change their attitude on how effective strategic processes should be performed in public Norwegian organizations! To look to China is perhaps an interesting first step.

In contrast, the higher score for *interpersonal development* during *upstream* activities among Norwegian MBAs should possibly encourage Chinese projects to plan for more interpersonal development through more of a focus on individuals and personal goals from the very beginning of a given project.

Team building is here an interesting aspect. The idea of team building is to bring out the best of people by ensuring self-development, positive communication, leadership skills and the ability to work closely together with other individuals to solve problems. Team building should therefore be pursued via a variety of practices that range from simple bonding exercises to complex simulations and multi-day retreats designed to build and develop a team (Turner et al., 2007). On the other hand, other observations have pointed to the fact that team building must not be so dominant that one forgets that each employee is very much an individual, with individual needs and potentials. To which degree this is also reflected in the Chinese score on this issue is not revealed. Team behaviour is anyway, not so easy to interpret and other studies (Turner et al, op.cit) have revealed that when team members are asked what is most important for team success, they point to *internal* issues such as cooperation and the capability to solve problems. When managers are asked the same question, they bring forth result generation and successful *external* communication and do not really care if this is performed by teams or individuals.

The *learning effect* of such processes is anyway an important element. In a society of projects, the idea of education is not so much about teaching people to stop doing what they want or

feel like, but to facilitate the auto-evolvement of the competencies that lie within everyone (Fogh Jensen, 2009). To manage this, companies should perhaps encourage coach-like development both for teams and individuals in which both leaders and employees help as consultants.

Altogether, interpersonal development is probably a crucial process for improving individual performance and effectiveness during all stages of project preparation, execution and result generation, and a closer look at the Norwegian way of using projects for this purpose could be an interesting reflection for the Chinese business culture.

That the *planning of scarce resources* in the *public sector* scores so low among Norwegian MBAs at 4.64 is another paradox. Perhaps Norway's vast wealth as a nation makes tight resource planning less interesting. The sources of Norway's wealth per capita are many: sensible geopolitics, natural resources, well-functioning institutions, a balance between welfare and capitalism and pure luck - Norway struck oil! (Witoszek, 2011). But the fact that there is also a rather relaxed attitude to public resource planning among Chinese MBAs at 5.00 should be regarded as slightly surprising. The differences in scores in the two cultures must anyway be seen as quite interesting, since the project concept was initiated in Western culture and built on the idea of reaching highly ambitious goals within the limited resources of time, money and people.

The conclusion must be that taking care of limited resources should be a major task from the early phases of operational planning if later resource management shall be optimal, and that the project approach must be tuned in to support such development in both cultures.

When it comes to clarifying *roles and responsibilities* in *upstream* activities, it seems commonly understood that authority and responsibility must be closely connected in order to make appropriate decisions, particularly for smaller entities such as projects. Hence, the role of the individual should be well planned from the start of a project endeavour so that during the project's execution teams can for instance individually recommend, be consulted and inform, while improvements and the authorization to approve must be a planned leadership role. The good thing is that the project influence is thought of as highly positive on this matter in the *private* sector, both in Norway and China.

But it seems clear in the current research that the mediocre influence projects have on role distribution in Norwegian companies in the *public* sector, with a score of 4.80, is cause for a slight amount of worry. It might be natural here to reflect on the concepts of *transactional leadership* and *transformational leadership* (Bass & Avolio, 1994). Previously, Norwegian culture saw transaction management as the recommended management style, in which the leader sets goals, delegates, gives advice and praise. The manager's task was to help others in achieving goals, subject to the goals given by the leader. But since this was eventually seen as manipulation, the leadership role was transformed into a newer model, in which the leader should be a role model to inspire, stimulate, be the coach and not exercise positional power, but rather personal power. The main message was that this creates value, longevity and ethics produced by the staff themselves.

Despite the recognition that Norway seems to have internationally as a successful nation in economic and social terms, one should perhaps begin to reflect on the Norwegian business culture being too "transformational", too relaxed, too individualistic, too informal and too "headstrong" to cooperate and accept a clear distribution of responsibility and authority. Perhaps a clearer role distribution should be seen as a major component in successful *public* project execution, especially when projects move into difficulties, which is far more common than continuous success. As with many of the other factors studied here, this part of the Norwegian "role model" should perhaps be studied more critically.

In terms of *general management*, *human action* is seen today as a prerequisite for facilitating the production of useful outcomes from the project's operation. This opens up the possibility of many ways to carry out successful management, particularly the opportunity to "manage oneself", which is a prerequisite for managing others. At the same time, more and more processes simultaneously involve several categories, which is typical for project management. In this context, project management operates through a multitude of functions, including planning, organizing, staffing, leading, directing, controlling and monitoring. The good news is that this factor received a high score in both China and Norway, with the exception though of a more medium score for Norwegian *public* organizations of 4.98.

The immediate reflection from the higher score in China compared to Norway at 5.53 and 5.37, respectively, could be that Chinese MBAs find management in China much better at creating a successful *corporate culture*. The Chinese way of making and using networks

among people, known as *guanxi*, is highly rated, particularly in *private* business. That Chinese MBAs seem to look at the project approach as a means for enhancing development is important for understanding why project success rates, as earlier studies have suggested (Andersen, Xiao Dyrhaug, & Jessen, 2002), are judged to be higher in China than Norway

A further reflection on this issue is that as a winter sports nation, there is an ongoing and interesting debate in Norway about what are the best aspects of “curling management” and “condom” leadership. Curling management is characterized by managers help sweeping the ice of dust and dirt so that the curling stone hits the goal in an overall effort in which everybody participates. Condom management is when managers “pull” their own ideas over their employees’ heads, killing everything in the organization that has to do with creativity. Which style is best is an open question that depends on both the type and size of the organization, though perhaps more on culture. Proponents of curling management argue that it yields better results, referring to Norwegian studies in which corporate profits are positively linked to a cooperative leadership style (NHH Bulletin, 2010), but whether this type of leadership is correct in cultures that are different from Norway is perhaps not obvious. There is probably a need for more research in Norway about the benefits and drawbacks of “curling” management, especially in *public* Norwegian organizations.

A fairly recent meta-analysis (Judge et al., 2001) found that the relationship between *job satisfaction* and performance can be moderated by job complexity, such that the correlation between satisfaction and performance is higher for high-complexity jobs ($\rho=.52$) than for jobs of a low to moderate complexity ($\rho=.29$). Since MBA students in both China and Norway must be regarded as highly skilled people, one must assume that they relate positively to job complexity. And since work productivity is quite high in China despite low scores on job satisfaction, scores <5 , one should therefore question whether Western job satisfaction theories fit Chinese business society. This could well be something to reflect on for all Western teachers who come to China to teach the “correct way” to improve work productivity. Particularly relevant could this be for projects in that building a project-level competence is closely associated with the project team’s ability to respond to complexity (Søderlund, Vaagaasar, & Andersen, 2008). To help improve the quantity and quality of the output from projects in China, and especially public projects in Norway, one should pay attention to how to increase job satisfaction in the workplace by using the project approach to solve even more complex problems. Therefore, more focus should probably be placed on how the project

approach can be used in order to balance work complexity and people competence even better in the workplace in the two cultures.

As revealed in Figure 5, the relatively large positive influence that projects have in private business with scores of 5.14 and 5.21, respectively, on *economic development in society at large* exhibits no significant difference between Norway and China, even though China has a high agricultural sector, whereas that sector is almost non-existent in Norway today. This is due to either the special level of education that MBA students have in both Norway and China or to the fact that China no longer regards itself as a “developing country”, but instead as a reasonably industrialized country solidly based in the service industry in its current stage of development.

More problematic is the significant difference between China and Norway on the influence within the public sector, where the Norwegian score is as low as 4.76, only “some positive influence”. Even though projects are meant for economically beneficial investments, it seems only China has understood this for public projects.

Still, this could possibly be put into question for China, where a free market economy is not fully operational, though China has an annual growth in GNP of 8-10% per year. The market-friendly approach is a more recent development often associated with the World Bank. This approach advocates free markets, but also recognizes that there are many imperfections in the markets of many developing nations, hence arguing that some government intervention is an effective means of fixing such imperfections. How much intervention remains an open question. These are thoughts which are concurrent among both Chinese and Norwegian MBAs, and one of the possible reasons that both economies have a sound, positive development, at least for the time being.

Concerning *economic results for customers*, it is an economic assumption that all other things being equal, customers will attempt to maximize their profits. Given that profit is defined as the difference in total revenue and total costs, customers will achieve maximum profit by operating at the point where the difference between the two is greatest. The fact that this factor is given a significantly higher score in China than Norway for public entities gives an important message to Norwegian *public* projects. Forgetting that business depends on a

positive benefit-cost outcome should imply the need for a much stronger focus on the profit portion of Norwegian projects.

In a competitive marketplace in which businesses compete for customers, *customer satisfaction* is a key differentiator and an increasingly key element of today's business strategy. The important parameter is the gap between the customer's expectation of performance and their perceived experience of performance. Thus, it is interesting to note that this factor received very high scores in private business, particularly in China. For public enterprises scores were not that impressive.

A typical result-oriented operation that enhances customer satisfaction is the development of the telephone in China. China started its mobile telecommunication business as late as 1987, and the mobile network now covers all large- and medium-sized cities. In essence, the Chinese science and technology structure has been developed extremely quickly to help meet the needs of its socialist market economy. One reason often cited for this is that science has moved out of public institutions into *private* enterprises. Government research institutes have entered into cooperative ventures with both Chinese and foreign companies, deciding for themselves what direction their research should take and becoming responsible for whatever profits or losses they incur. The flow of personnel, information and capital has become faster and smoother, and companies (as well as government research institutes and universities that have created their own high-tech companies) can orient their research programmes according to market needs and subsequently to what the market is willing to fund. However, it is important to consider that customer satisfaction may be an abstract concept and the actual manifestation of the state of satisfaction will probably vary from person to person and product/service to product/service. But anyway, Western public enterprises, and Norwegian companies in particular, should perhaps rethink the way they treat their customers.

The idea that the customer must be actively *involved* as the initiator and receiver of the service, goals, input, output, process, etc., as well as the agent setting constraints or standards for acceptable service levels, has been proven to be of vital importance in modern business. This involvement is a good fit for the modern project approach, and the degree to which all these steps or stages are taken care of tells how well this factor is working. The relatively high score in both cultural camps shows that this is understood, although perhaps the score should have been higher than just a relatively positive influence, 5.06, within the *public* sector.

Using *financial rewards* for employee recognition is a tool that reinforces and rewards the most important outcomes that people create for their own business. As has already been contended, when one recognizes people effectively, one reinforces the actions and behaviour that one most wants to see people do. If the MBA's view is based on an effective employee recognition system that is simple, immediate and powerfully reinforcing, there is an interesting reading to be taken from Figures 5 and 6. Chinese managers find the financial rewards slightly but consistently higher than Norwegian managers; in fact for the latter, many had a score significantly less than 5.0, which is quite low. One reason could be the relative value of the reward, while another that Chinese managers are so unused to rewards that they see the opportunity to work with projects as a reward in itself.

The bad thing of course is that Norwegian MBAs find positive financial reward systems almost non-existent in Norwegian enterprises, regardless of whether they are private or public. One reason for this could be the Norwegian belief that there are other factors that motivate employees more and influence their level of performance. But to guarantee that the reward system is effective and motivates the desired behaviour, it is essential to carefully consider the rewards and strategies utilized to ensure that the rewards are linked to or based on performance. To be effective, any performance measurement system should preferably be tied to compensation or some sort of reward. Without a doubt, professional growth and development opportunities are important sources of reward. Supervisors who provide employees with opportunities by encouraging them to participate in development programmes or other activities will help to expand their skills and knowledge. Employees benefit by developing new skills, and the organization benefits from the additional expertise that individuals bring to their job.

Nonetheless, it seems important that employees receive some form of financial compensation to recognize the attainment/enhancement of new or existing skills or for assuming increased responsibilities, which often takes place in projects. A merit increase policy should therefore allow supervisors to give employees some type of increase to recognize consistently meritorious performance or the successful completion of a project that had a significant impact on the organization, particularly in the *public* sector in Norway. Without this, there is a fear that good project managers will refuse to take on new projects when there is no significant reward for hard work and move on to other, more rewarding opportunities.

The last factor, which is sustainable development in *society at large*, expressed here as both individual responsibility and corporate responsibility (CSR), brings together a concern for the carrying capacity of all systems around us with the social challenges facing humanity. In the context of this research, the interesting part is the extent to which projects have contributed to sociopolitical sustainability. Consequently, societal development must be understood not simply in terms of economic growth, but also as a means of achieving a more satisfactory intellectual, emotional, moral and spiritual existence.

In the long run, one must assume that socio-efficiency is concerned with increasing economic sustainability. In this process, both natural and social capital must be instrumentalized, aiming to benefit from win-win situations. As Dyllick and Hockerts (2002) point out, business alone will not be sufficient to realize sustainable development. Other economists have also focused on viewing the economy and surrounding environment as an interlinked system with a unified valuation methodology (Hamilton, 1999; Dasgupta, 2007). This message seems to have been embraced by the Chinese *public* authorities, not at least in Shanghai where the MBA programme at Fudan University was used for some of the data collection in this study. Shanghai is the capital of the Chinese growth-at-all-costs model (TIME Magazine, February 14, 2011), and has embraced sustainability as the core of its next stage of development. The project concept seems to have played a central role in this development, but the extent to which this takes place in Chinese and Norwegian *private* companies is a question that needs to be revisited.

SUMMARY AND RECOMMENDATIONS

The conclusion on the research questions posed in this article is that *the first major question* and *all of the three following propositions have been positively confirmed*:

1. *The opinion among Chinese and Norwegian MBAs differs considerably on which “upstream” business factors are influenced by the project approach of today.*
2. *The opinion among Chinese and Norwegian MBAs differs considerably on which “downstream” business factors are influenced by the project approach of today.*

3. *The opinion among Chinese and Norwegian MBAs differs considerably on which business “result” factors are influenced by the project approach of today.*

The recommendations following these statements are that Western culture should look to the East for using the project approach as a vehicle for *better strategic leadership* and *better strategic planning*. Their presumably better grip on using the project approach for *handling scarce resources* is also something that needs to be adopted. But perhaps what is most prominent is their ability to better create *high level results* for customers, companies and society at large through use of the project approach.

What Eastern culture should perhaps be cleverer at is using the project approach for better *interpersonal development* and better *internal processes*. The latter is because research has proven that any company will benefit in the long run from highly motivated people who are willing to perform unsolicited even “better than expected” in creating good results both financially and socially. Yet, this is not an easy, general operation since the trend in the two cultures studied reveals rather different preferences and beliefs about what is most worthwhile. Reflecting on what this means for MBA training program, one should take notice of the fact that the academic trend in the West is that high-level *business schools* are to be staffed by people with high *academic intelligence*, but who are not necessarily so brilliant in making *wise decisions*. In China, a more balanced view seems more important, in that professors and teachers at business schools should be clever at understanding how to make good decisions and produce good practical results, and not necessarily all of them being super professionals academicians.

The final conclusion must be that both preferences are naturally important, but instead of trying to find a common recommendation on how to use the project approach, a better idea would be to grasp the best from both cultures and implement those elements that promote each individual culture best.

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APPENDICES

1. Table 1: Upstream Differences

	Strategic leadership	Internal strategic processes	Facilitating scarce resources	Roles and responsibilities	Interpersonal development
Upstream public					
Chinese MBAs opinions	5,26	5,19	5,00	5,11	4,95
Norwegian MBAs opinions	4,82	4,81	4,64	4,80	5,02
Differences	0,44	0,38	0,36	0,31	-0,07
T-test factor	0,001	0,015	0,006	0,044	0,451
Upstream private					
Chinese MBAs opinions	5,34	5,24	5,37	5,27	5,03
Norwegian MBAs opinions	5,26	5,19	5,17	5,31	5,60
Differences	0,08	0,05	0,20	-0,04	-0,57
T-test factor	0,093	0,197	0,029	0,393	0,000

Table 2:

Downstream differences

	General management	Attitude to scarce resources	Internal social processes	Job satisfaction	Treating people
Downstream public					
Chinese MBAs opinions	5,33	4,86	4,97	4,98	4,94
Norwegian MBAs opinions	4,98	4,59	4,61	4,92	4,75
Differences	0,35	0,27	0,36	0,06	0,19
T-test factor	0,002	0,022	0,014	0,463	0,105
Downstream private					
Chinese MBAs opinions	5,57	5,08	4,81	4,97	5,04
Norwegian MBAs opinions	5,53	5,08	5,07	5,33	5,00
Differences	0,04	0,00	-0,26	-0,36	0,04
T-test factor	0,313	0,457	0,015	0,006	0,278

Table 3 Results

	Economic development in society	Economic results for customers	Customer satisfaction	Customer involvement	Financial rewards	Social development in society
Results public						
Chinese MBAs opinions	5,38	5,27	5,17	5,14	5,03	5,33
Norwegian MBAs opinions	4,76	4,82	4,93	5,06	4,33	4,63
Differences	0,62	0,45	0,24	0,08	0,70	0,70
T-test factor	0,000	0,000	0,032	0,174	0,000	0,000
Results private						
Chinese MBAs opinions	5,21	5,54	5,71	5,40	5,09	4,85
Norwegian MBAs opinions	5,14	5,44	5,35	5,42	4,99	4,65
Differences	0,07	0,10	0,36	-0,02	0,10	0,20
T-test factor	0,134	0,050	0,000	0,452	0,036	0,025

FIGURES

Fig 1. Comparing Chinese and Norwegian MBAs opinions on the influence of the project approach to problem solving ("upstream issues") in public enterprises

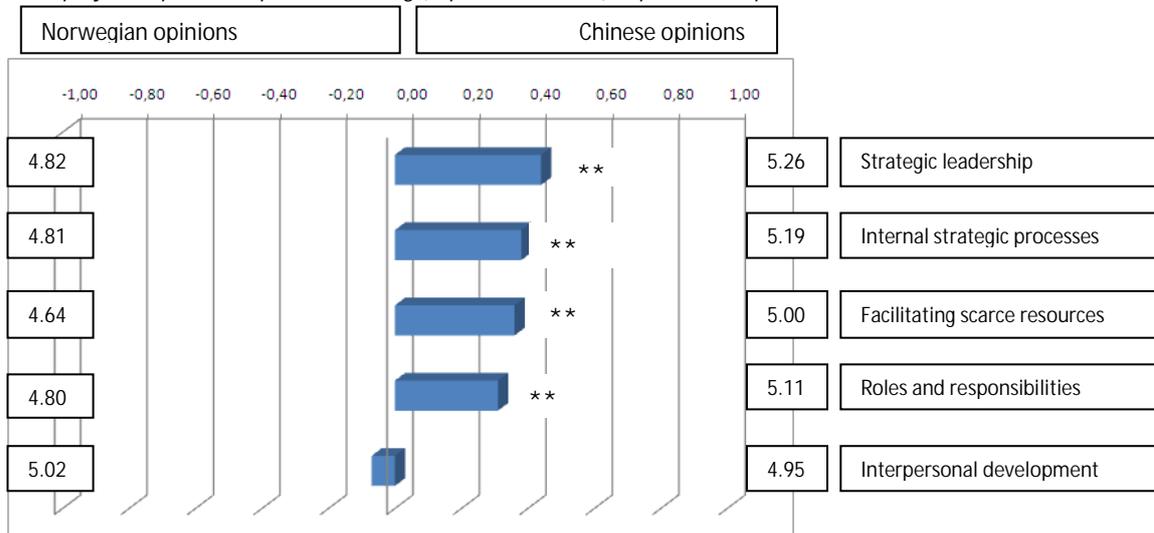


Fig.2. Comparing Chinese and Norwegian opinions on the influence of the project approach to problem solving ("upstream issues") in private business

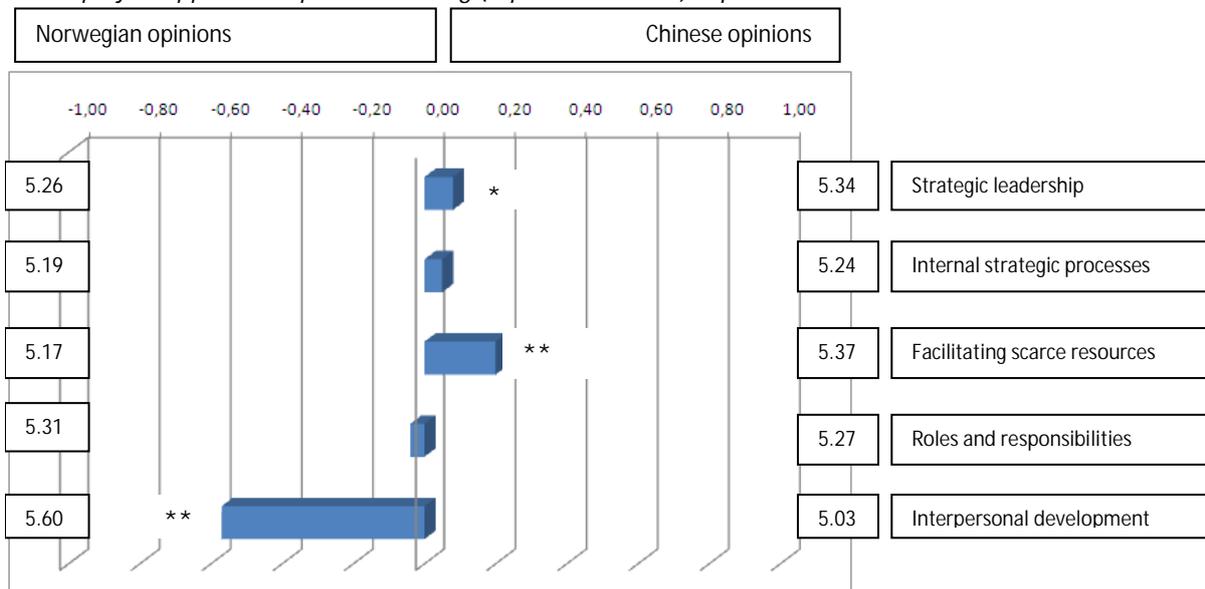


Fig.3. Comparing Chinese and Norwegian opinions on the influence of the project approach to work execution ("downstream issues") in public enterprises

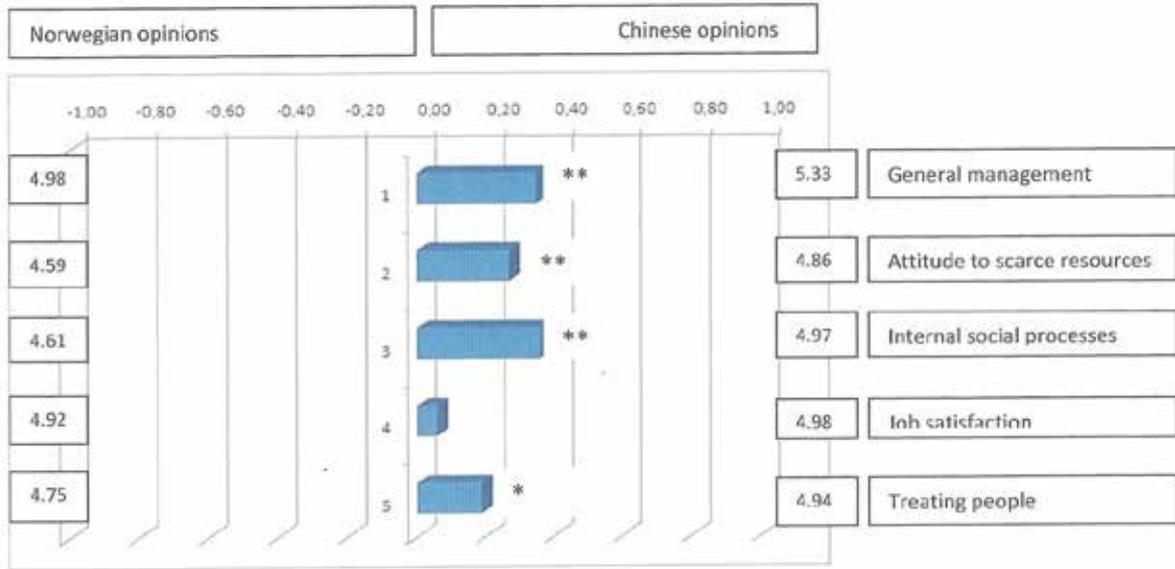


Fig.4. Comparing Chinese and Norwegian opinions on the influence of the project approach to work execution ("downstream issues") in private business

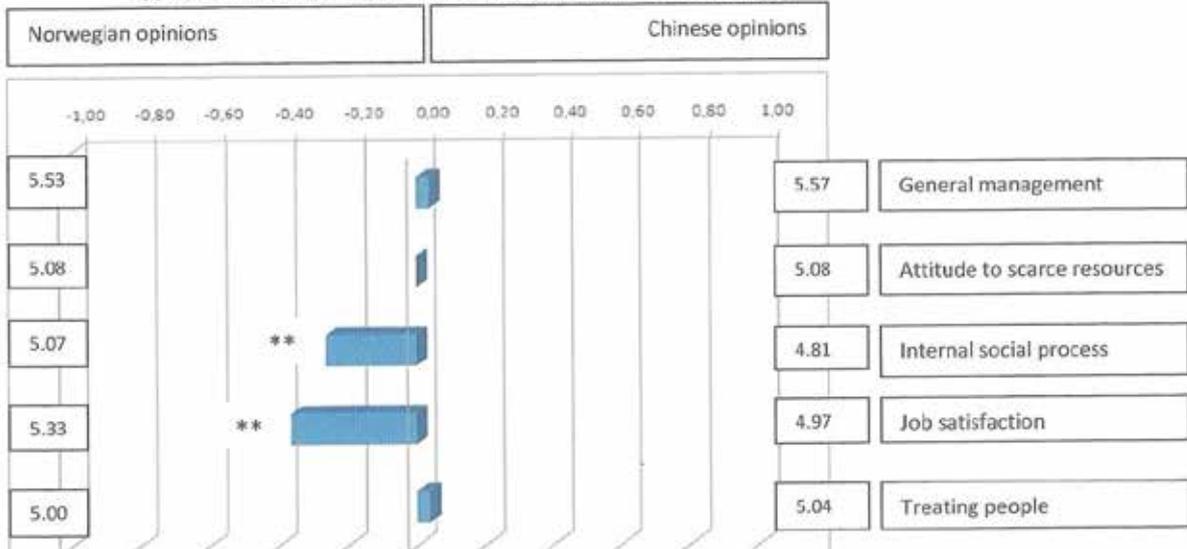


Fig 5. Comparing Chinese and Norwegian MBAs opinions on the influence of the project approach to result creation in public enterprises

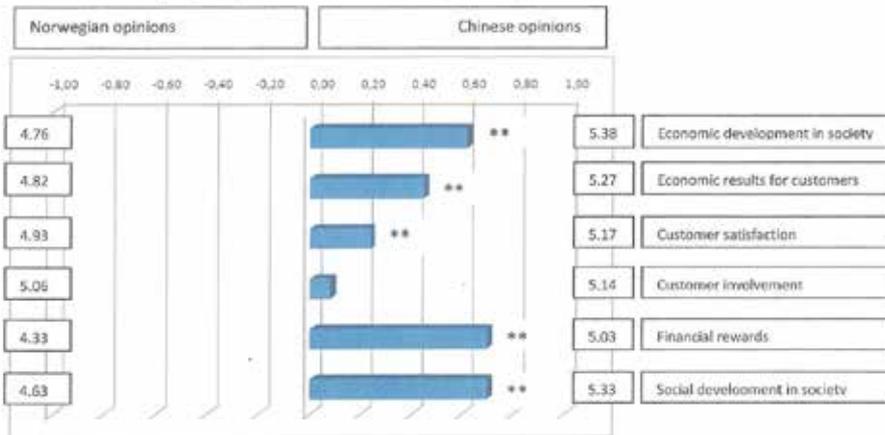


Fig 6. Comparing Chinese and Norwegian MBAs opinions on the influence of the project approach to result creation in private business

