Abstract of the Master Thesis

Master's Degree
International Project Management
(International Infrastructure Technology & Management)

Understanding culture as a competitive advantage in bidding for project management services

Application on the Gulf Cooperation Council Countries Market

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Abstract

The impact of culture on project management has been thoroughly studied by scholars along the different phases of the project life cycle. However, scarce literature discussed the cultural impact on how project management consultancies (PMCs) acquire new projects in the construction industry, this phase preceding the project award. Project management consultancies in construction are procured, typically, through a tendering process directly managed by the client, in a principal-agency relationship (Client is being the principal or the owner who hires the PMC as an agent to provide project management services).

This research, therefore, explores how can certain cultural factors affect the tendering process of PMCs and how can understanding these factors result in a competitive advantage for PMCs?

The selection of the GCC region for applying this research was based on its attractive market that is still developing in terms of construction and infrastructure projects, and thus, still thrives for international project management expertise.

Through literature the national cultural identity of the GCC region was explored in three areas: organizational behaviour, time and communication. The typical tendering process for project management services was as well identified to include three main phases: independent of any project phase, pre-tender phase and tendering phase.

With qualitative research, interviews were undertaken with an aim to provide a diversified sample including different professions, diversified experience along the GCC countries, different hierarchical positions and diverse firms' nationalities, moreover, experience in project management and in the GCC region were among the essential criteria of selection.

The aim was to investigate, in a preliminary fashion how can sensitivity to the culture in the GCC facilitate the process of acquiring new contracts for international project management consultancy firms in the GCC region; 40% of interviews were held in the state of Qatar face to face with the interviewees.

Outcomes included: spotting the differences in understanding of the PMC role between clients and PMCs; the mechanism of approaching new clients and the generation of leads for new projects in the GCC; criteria of the bid/no bid decision that are specific to the GCC market; the selection criteria of partnerships and alliances in the GCC; client’s preferences and requirements in the project team set up; actual tender evaluation criteria; major challenges and pitfalls international PMCs face in the GCC region; common means of communication in the GCC; and the common contract negotiation practice in the GCC.

Interview findings were then linked with the cultural factors derived from literature, and finally, a list of practical recommendations is concluded for international project management consultancies tendering for PM services in the GCC, based on an understanding of the culture to provide a competitive advantage in the tendering process.