

**UNIVERSITY OF VAASA**  
**FACULTY OF BUSINESS STUDIES**  
**DEPARTMENT OF MANAGEMENT**

Jenny Vainio

Anna Viertiö

**LEADERSHIP CHALLENGES IN MULTICULTURAL PROJECT GROUPS**

Experiences of Finnish Project Managers

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**UNIVERSITY OF VAASA**


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**Faculty of Business Studies**

**Author:** Jenny Vainio, Anna Viertiö  
**Topic of the Thesis:** Leadership Challenges in Multicultural Project Groups - Experiences of Finnish Project Leaders  
**Name of the Supervisor:** Henrik Gahmberg  
**Degree:** Master of Science in Economics and Business Administration  
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**ABSTRACT**

This thesis studies the effects and challenges of multiculturalism in a project group. The objective is to name additional barriers for group work caused by multicultural project group. In addition, the aim is to find effective models for project managers to control and utilize multiculturalism and what kind of qualities and skills might be useful to the manager to possess through the experiences of Finnish project managers.

The theoretical part of this study examines theory and previous research on the main subjects. The concepts of projects and culture are introduced and the barriers for project work rising from cultural diversity and solutions for reducing them through managerial models are discussed as is the role and requirements of the project leader. In the end, these are merged into a framework. The methodology of this study is qualitative and it was conducted with semi-structured interviews. The respondents had previous experience on leading multicultural projects. The attempt was not to direct the answers to certain outcomes but to see if the interviewees would bring forward similar subjects that were found in the theory. After this the interviews were carefully analyzed to form the results. Emphasis was given to the first-hand experiences shared in the interviews since they provided the most valuable information on the subject.

The study provides useful information on managing of multicultural project groups. With the help of the results it is easier to predict the challenges regarding international project work and create a project structure that can help reducing the barriers confronted. The empirical findings support previous literature which shows that this thesis confirms previous studies.

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**KEYWORDS:** project, culture, multiculturalism, project management

## 1. INTRODUCTION

Rapidly changing business environment has enforced organizations to seek alternative ways to maintain competitiveness in comparison to competitors and to confront customer's needs. This change is due to growing international trade where organizations have more worldwide interactions and connections forcing them to adjust to culturally diverse business actions. Geographic boundaries have become less important and organizations limits have started to fade because of this globalization of markets and business world. Organizations have sought to respond to the growing needs of the markets by setting up international projects which multicultural know-how is the key to answer to these needs. (see e.g. Adler 1997: ; Earley & Gibson 2002; Moore 2005: 21 – 23; Shapiro 2005; Thomas 2008)

There is a need to understand how national culture influences work on multinational projects since it is common for products to be designed, manufactured and sold in different cultures. Using multicultural project teams broadens the market area because of the enhanced knowledge base on cultural customs and needs (Müller, Spang and Ozcan 2009). With the globalization of the workplace, understanding how the team dynamics operate during interactions with members from diverse backgrounds has become increasingly important (Earley & Gardner 2005: 4). Constantly changing environment makes project work more challenging. Diversity when managed properly can enhance organizational flexibility and in that way help coping with fluctuating nature of project work.

It seems that the emphasis on studying projects has usually been more on the technical know-how rather than on people. This is because the research has concentrated more on finding successful means for executing projects and less on the human resource functions or the effects of culture. It is harder to measure the influence and contribution of the human side of the project since defining the results of their actions is problematic to specify. The multicultural environment and cultural diversity increase complexity to human resource management and complicates the managerial actions of the project manager. People are hired to the project based on their expertise despite of their origin therefore the professional skills and know-how is often guaranteed. However

the leader has to create leadership and operations models in order to create cohesion and functionality as well as utilize multiculturalism. This study concerns the human side of the project management and explores what possibilities culturally diverse work teams have.

According to Shapiro (2005) research on leadership in multinational teams is fairly limited. Number of research has focused on leadership in multinational settings; however these are rarely backed by empirical data. Focus has primarily been on the effects of cultural composition on the functioning of the multinational teams. Other research with a similar subject to this study is e.g. multicultural project leadership studies by Mäkilouko (2001, 2004) that presented leadership styles and strategies based on the leaders cultural knowledge and understanding. Another research is Ochieng and Price's (2009) whose findings show that it is possible to get culturally diverse project teams to work together effectively and the main task for project leaders is to understand cultural issues and the secret of success and form a strategy based on this knowledge.

Answers on how to manage multicultural projects are sought through studying the experiences of Finnish project managers who have experience on international projects and what they see is important in order for the group to work successfully. Gathering first-hand knowledge of the complications emerged in multicultural groups and what kind of solutions the interviewees have found provides valuable aid on understanding the subjects of this study.

### 1.1. Definition of the research problem and aims of the study

The aim of the study is to map the challenges that the project leader faces when working in multicultural project environment and how to respond to them to get the most out of the project group. Managing project teams differs greatly from basic human resource management since the qualities of a project bring numerous dissimilar aspects to the task. A manager has to consider not only the ways to achieve projects goals in the given limitations of time and resources but also the needs, values and behavioral differences of a diverse project team. The research also pursues to find out, if there are particular characteristics or

models of behavior by which a project manager can contribute to enhance the performance of a multicultural team. To summarize these aspects the defined research question of this study is:

*What additional challenges does multiculturalism brings to project leadership and what kind of means and competencies exist to respond to them?*

To facilitate the attempt to answer the main question three sub-questions are also formed. These aims to deepen the analysis of the data collected and form a background on which the answering of the main research question can be based on. The sub-questions are as followed:

- *What kind of additional barriers can multiculturalism bring to project work?*
- *Do previous models on how to effectively lead multicultural project groups exist?*
- *What kind of skills and qualities are valuable for the project manager?*

Finding answers to these three sub-questions provides a strong frame to understand what waits for the manager when signing up to lead a multicultural project group. This study will present the common barriers of multicultural project work in order to avoid these pitfalls and conflicts. The theory will also search for the existing strategies and possible best practices to find out how the leadership should be done and what is proven to be helpful in managing a culturally diverse group. Providing this information helps to analyze and highlight the importance of assignments ahead. Finally the study gathers the knowledge available of what it requires to success in leading multicultural projects and if there exist skills or characteristics needed in order to provide good leadership in multicultural environment. These sub-questions provide a strong base for this study to concentrate on finding out the additional challenges that multiculturalism brings for project leadership.

To be able to answer the research question as well as the sub-questions the previous theory and research are examined thoroughly. After this the highlights of the theory are transformed to interview questions whose responds are the material base for empirical findings of this study. Most valuable and

relevant information is searched and further processed by analyzing these responds from multicultural project leaders, who were interviewed for this study. Together the theory and empirical findings are providing the answer to these questions above. The results and main findings are presented in the last chapter.

## 1.2. The structure of the study

The first chapter introduces the topic and area of the study and presents the background information on which the study is based on. The research problem and the sub-questions are defined and the main terminology opened up to give an insightful presentation to the subject. Lastly, the limitations set for the research are discussed.

The second chapter concentrates on introducing the theoretical background to the subject as the main elements of the study are defined. First, an in depth analysis is given on the definition of the concept of a project, the life cycle of a project is presented and the differences of project management as opposed to general management tasks considered. After this the concept of an international project is presented and how it differs from single-nationality projects. In the second part the second element of multicultural project management is introduced. This includes briefly discussing diversity and culture as elements effecting on personal behavior in general and in a group and presenting two major studies on national cultures to give perspective to the motives of culturally diverse work. After these, diversity management as means of managing a diverse workforce and multicultural groups is presented.

In the third chapter the concept of managing multicultural project groups is presented based on literature, research and articles produced on the subject. The chapter starts with introducing project management and describing the additional burden that cultural diversity brings. The possible advantages and opportunities that multicultural work group may create are discussed. Common barriers and conflicts that arise from cultural differences are presented. Next the modes to diminish and prevent culture related problems

are covered and through these the potential means for problem solving are discussed in order to provide means for successful management of a multicultural project group. The characteristics of a project leader are discussed in order to form an extensive analysis on effective management of multicultural groups. In the end, the theoretical framework of the study is summarized and the means through which the findings from the interviews will be conducted are discussed.

The fourth chapter describes the methodology of the study. It will give insight to the data collection methods and interview tactics used. It introduces the background of the interviewed managers and data analysis to show how the information from the interviews were merged and rearranged to form the findings from the responds. The validity and reliability of the study is also discussed in this chapter.

The chapter five forms the empirical findings of this study. The main findings from the interviews are presented and discussed. The information assembled is divided to four main themes that are based on the theory and interview questions. In the themes the most adequate quotes given by the interviewees are presented and these opinions and statements of the interviewees are further analyzed and commented on.

In the sixth chapter the final conclusions and main findings of the study are presented and the given data compared to the findings of previous study on the subject. The conclusions are made considering the limitations of the study for which some of the findings cannot be considered prevailing. To conclude, indications to further research are made.

### 1.3. Terminology

In this study, *a group* or *a team* refers to two or more people who are connected with each other business-wise i.e. they have a task to perform and are aware of and in interaction with one another and realize that their choices and behaviors have effect on the other members of a work group. People are to some degree in dynamic interrelation with one another and they relate and adopt norms and

values of the group. To put it simply, a group or a team interacts directly or indirectly to accomplish a common goal. (Earley & Gibson 2002: 2-3; Thomas 2008: 170) Further in the study the terms “group” and “team” are used as synonyms.

A *multicultural group* includes members from two or more different national or cultural backgrounds. The group may work in one location or span national borders (Earley & Gibson 2002: 7). In this study multicultural refers specifically to the culture as the effects of nationality have been left outside from examination. To describe a work group which consists of persons from different nationalities and cultures, the terms multicultural and *culturally diverse* are used interchangeably.

In this study, *culture*, refers to the values, norms and behavioral customs that are learned through the nations or other areas predominant models and shape the attitudes and fundamental beliefs. An individual is born to a certain culture and learns its models which direct their behavior through life. Culture is learned through family, school, groups and social community. The cultural background reflects furthermore to work behavior when an individual acts by the learned models even if s/he does not realize it (Hofstede 2005; Thomas 2008; 27).

Further in this study the terms *project manager* and *project leader* are used as synonyms. Project manager is a person who is responsible for achieving the project goals within the given resources e.g. time and cost limitations. The manager coordinates and manages the activities or the group and sees that the project members are motivated and committed to the project (Lagerström 2001: 158; Ng & Walker 2008).

## 2. THEORETICAL BACKGROUND

This chapter focuses on opening up the theoretical background behind multicultural work and project work. It presents the construct of a project as well as an international project and the concepts of diversity, culture and diversity management. The chapter is aimed to set a basis on which the concept of managing international project teams is formed. Factors presented in this chapter are seen important to introduce to give the sufficient information on why project management and especially managing multicultural projects is a challenging and fluctuating task for managers.

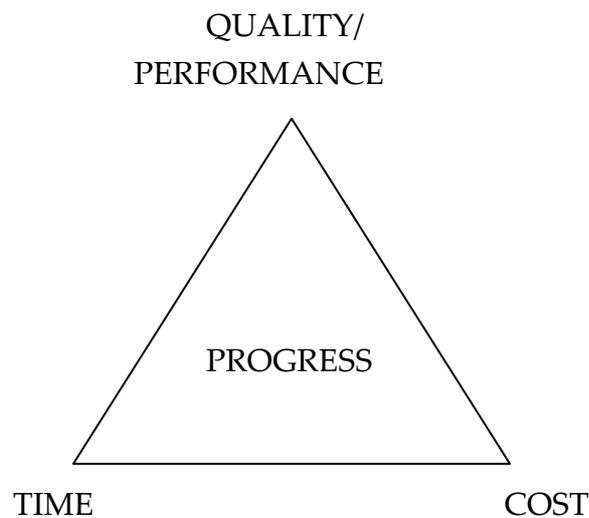
First the constructs of a project and an international project are described to form to form a comprehensive idea of project work. The concepts of diversity, culture and values are introduced in brief to help understanding the motives behind varying behavior of culturally diverse people. Two major studies on national cultures are presented to give perspective to the subject and the basis on which the concepts and results of this study are reflected, although not founded on.

### 2.1. Project: a definition

Although this study concentrates on the soft skills i.e. human side of project management it is however important to know the concept of a project in its entity. The project is represented in this stage of the study to create understanding of what is the environment the group is functioning in. We wanted to describe the additional challenges that the volatile nature of a project brings to the subject of the study.

Turner (1999: 3) defines a project to be “an endeavor in which human, material, and financial resources are organized in a novel way, to undertake a unique scope of work of given specification, within constrains of cost and time, so as to achieve beneficial change defined by quantitative and qualitative objectives.”

The definition above is quite precise however it describes well all the features of a project. In the project management literature, there exist multiple definitions for a project, although almost all of them consist of two basic items: reaching the project goals and the unique nature of a project. The goals are generally defined as such; costs as in meeting the budget, time as in finishing on schedule and performance which is also referred to as quality. The project success is measured by the degree these three goals are achieved. (Mantel et al 2001: 5-6; Turner 1999: 7-10)



**Figure 1.** The project functions / goals. (adapted from Turner 1999)

Performance, which includes project specifications and client satisfaction, is typically the most important of the goals. Every project is said to be unique and novel because the one of a kind goal and the non-repetitive nature of the project. The uniqueness makes it harder to achieve the constraints of time, cost and performance. This is because there exist less former experience on which to base the plans on since each project holds varying contents, members and goals, hence the greater risk of failure. (Sizemore House 1988: 10; Turner 1999: 4; Mantel et al 2001; Pelin 2004: 37)

Table 1 presents the differences between projects and operations which show the complexity and need for designing each project as separated from the others.

**Table 1.** Projects vs Operations (Turner 1993: 6)

Projects	Operations
Unique	Repetitive
Finite	Eternal
Revolutionary change	Evolutionary change
Disequilibrium	Equilibrium
Unbalanced objectives	balanced objectives
Transient resources	Stable resources
Flexibility	Stability
Effectiveness	Efficiency
Goals	Roles
Risk and uncertainty	Experience

To see the broader perspective, it needs to be realized that projects are not isolated from other activities of the company but on the other hand, they are not part of the normal operations either. A project is usually a part of a larger entity in the company's strategy and is seen as a subdivision to the company's overall program. Programs are usually divided to projects, projects to tasks and tasks further to subtasks. Projects vary extensively in size and type thus choosing the right projects are essential in order to achieve the organization's strategic goals. (Miller et al 2000; Mantel et al: 2001; Pelin 2004: 37)

Each project has a beginning, middle and an end. Projects come to existence when a customer or the organization identifies a need. Implicating new technology, starting product development and changes in the environment may create the need for new innovations. The project group is gathered to complete its task for the length of time required and members are selected based on their task-related knowledge, skills and competences. How effectively the group uses its resources to accomplish its tasks depends on the groups effectiveness and the management style of the projects leader. (Thomas 2008: 170, 189.)

Projects need people with different kinds of expertise and knowledge, and this gives them a complex nature. Multidisciplinary project teams with a complex nature usually means that conflicts occur more often and decisions have to be made on prioritizing the importance of conflicts. The case may be that everything included in the project conflicts with the other, e.g. the timetable of a project, budget and specifications conflict with each other as can the needs and wishes of the stakeholders in the project. (Mantel et al 2001: 2; Pelin 2004: 53-54)

### 2.1.1. Project life-cycle

Each project has a life-cycle, which measures project completion as a function of either the given limitations of time or resources. In every stage of the project individuals, organizations and resources play the key roles. The life-cycle presented in figure 2 is an adaptation of the visions of several researchers absorbed into a simple figure. The cycle consists of four phases; initiation, planning, implementation and termination. (Turner 1999: 262; Mantel et al 2001: 6-7; Clements & Gido 2006: 7-8.) The project life-cycle is introduced here briefly because the project manager needs to understand it as an entity and as well as the different stages as the managerial approach changes during different phases of the cycle.



**Figure 2.** The project life-cycle

The first stage of the project, initiation, is typically slow as it includes a lot of discussion and planning since there exist numerous important issues that need to be made clear to assure common means and goals. It is essential from the start to make the project team understand the task they are facing by creating a shared vision for the project and identifying its context, purpose and objectives. The team needs to realize how to approach the task by understanding the plan for execution and the limitations of resources. To achieve the given results the group needs to work effectively as a single unit by agreeing the modes of operation and channels of communication. (Turner 1999: 263-270; Mantel et al 2001: 7)

The planning phase, i.e. formalization of concrete plans, proceeds to a more in-depth design and appraisal of the project and its implementation so that the emphasis is on the more precise development of the project plan. The potential risks are analyzed by using adequate risk reduction measures in order to avoid setbacks and delays during the project. At this phase financial resources and the cost of the project are determined. (Turner 1999: 276-283; Byosiere & Luethge 2007)

Final stages of the cycle are implementation and termination. The implementation phase is about conducting the work required to transform plans into results. While the project proceeds control, follow-up and reporting need to be ensured in order to assure the tasks are completed within the given resources and limitations. In the final stage, termination, the project reaches its end and the team must ensure all work is completed successfully. After the termination of the project the project outcomes can be measured through the project objectives. The evaluation of the project includes a review of the successes and failures of the project that serves as useful feedback concerning future projects. (Jessen 1992: 75-79; Turner 1999: 328-329; Byosiere & Luethge 2007)

### 2.1.2. International projects

This study concentrates on international or as they are referred here, multicultural projects. They fulfill the same expectations and requirements as the project model presented earlier in this chapter however the existence of multiple cultures brings additional challenges to the project. The challenges relating to project management are discussed more in depth in chapter three. An assumption why international projects are needed today more and more in organizations as well as the definition for an international project is provided next.

Canney Davison wrote in 1994: *"The number of international teams is growing rapidly as companies reorganize to compete in the global marketplace."* The need for international teams in organizations is not a new phenomenon, as is not globalization either. Moore (2005) suggests that most of the writers defining the

phenomena of globalization mention the rise of four key elements: advances in electronic communication and transportation, the freeing of capital, the rise of flexible workforce and the positive valuation of capitalism. These have enabled for example the “compression” of time and space, creating 24-hour global markets.

With globalization and the changes it has brought to business and markets, it is natural that the amount of international operations, such as projects, has risen in organizations. A project is seen as international when it includes two or more nationalities among stakeholders. International projects may be conducted in the home country, host country or as multinational joint venture (Turner 1999). When an international project is conducted in home country, the organization sets up a project group which operates in its home country but the group includes members from different nationalities. International project taking place in host country means that the organization either sends its own employees in the projects location or hires some (or all) of the staff from the host country. In multinational joint venture projects the participative companies conduct a joint project over borders. As this reveals, an international project is not defined as a certain type of project work but it includes numerous different forms of projects. (Turner 1999; Mäkilouko 2004)

International teams are typically working on a complex task that will have an impact in more than one country. These teams are usually expected to perform well and gain impressive results, as they are expensive to set up and maintain (Canney Davison & Ward 1999: 12). Still it should be kept in mind that international teams share the same basic tasks as single-nationality teams for which e.g. the project life-cycle is still the same on both situations.

In this study the focus is on the project group, which becomes multicultural when more than one nationality is represented in the group and therefore the expressions multicultural and international projects have the same basic meaning. The chapter 2.1 introduced the concepts of a project and an international project to show their particularity compared to general operations in organizations. Before going deeper into project management the second feature of the research, culture, is presented to form a general view on multicultural projects.

## 2.2. Diversity, culture and managing diversity

This chapter will further open up the multicultural side of the study and introduce the concepts of diversity and culture. These terms are essential to define for further discussing the functions and management of a multicultural project group. The main features of diversity and culture in general are introduced to form the basis on which the multicultural dimension of the study is based on and after this diversity management is defined briefly to show how multiculturalism can be noticed in organizations. Two significant studies regarding national cultures were chosen to this study to give baseline on what kind of models are used when comparing national cultures. When a multicultural group is gathered it is essential to understand the differing needs, methods and traditions of its individuals.

Varied cultural backgrounds of team members can lead to various misunderstanding considering communication, stereotyping, working styles and other prejudicial factors. Although diversity, culture and diversity management are important agents when managing multicultural groups only their main points will be introduced as is also the models from previous research since the object of the study is on multicultural project management.

### 2.2.1. Diversity

*“Every person carries within him- or herself patterns of thinking, feeling and potential acting that were learned throughout their lifetime”*

– Geert Hofstede 2005

The demographic area combined with the social and cultural environment where people grow up defines individuals’ racial and ethnical background and effects on the traditions and modes of behavior later in their lives. Differences in these fundamental matters generate the wide variety of personal appearances, ideology and behavior, which again create the extensive quantity of diversity. The broad definition of diversity extends beyond traditional view of focusing only on gender and race but reflects the wide perspective of workplace diversity. (see e.g. Jamieson & O’Mara 1991: 21-23; Earley & Gibson 2002; Hofstede 2005: 3; Bassett-Jones 2005; Thomas 2008: 41)

Loden & Rosener (1991) defined diversity as divided into primary and secondary dimensions in terms of alternation. A common way to define diversity is by the demographic factors, or primary dimensions, which consist of race and ethnicity, gender, age, physical abilities and sexual orientation. These qualities effect on person's identity and are mostly unchangeable, excluding the alterations over time in particularly age and physical abilities. The secondary dimension are more pliable and will doubtless change over time. These include personal characteristics such as family status, education, religious and political beliefs, work and military experience and other factors which interface with people's lifestyles. Secondary dimensions are less visible to others and have a greater affect on personal identity than primary dimensions. (See also Rijamampiana & Carmichael 2005; Sippola & Smale 2007; Bassett-Jones 2005) With these there have been many suggestions to interpolate dimensions with factors such as historical moments experienced (Rijamampianina & Carmichael 2005). As can be seen, diversity consists of numerous personal qualities and characteristics formed under the influence of the culture of a person's place of origin.

Considering diversity to be the core element when discussing about personal differences it is comprehensible to understand that with each person comes a unique kind of mixture of values, ethics, personal characteristics and appearances. Many of the components of diversity are the result of the culture in which a person is brought up. Cultural diversity is said to be a way to categorize oneself and others, by the mix of visible and non-visible characteristics of cultural identities. (see e.g. Schwartz 1999; Moore 2005; Hofstede 2005; Rijamampianina & Carmichael 2005; Yang Yang 2005)

Although diversity as a concept includes demographic and social differences it will be discussed in this research only as a matter of cultural diversity. The idea is to study what kind of impacts specifically cultural diversity has when it occurs in working groups and because of this the concept of culture is given bigger emphasis as the other aspects of diversity. The next chapter will further introduce what is meant with culture in this study.

### 2.2.2. Culture

People are born into a national culture which shape their values, attitudes and fundamental beliefs which direct their behavior and the ways of acting in certain situations. A person's culture is defined first of all by ones family, followed by school, groups and the living community as well as workplace. This chapter opens up what is meant by culture in a national context, where it comes from and how it can affect on personal behavior.

Culture can be defined by the means of anthropology as well as by the means of business which refers to organizational culture inside an organization. From the anthropological view the word "culture" in Western languages has meanings such as "civilization" and "refinement of the mind" referring to education, art and literature. Furthermore, research suggests that there can be found as many as 160 definitions to the term culture (Turner 2003: 136; Hofstede 2005; Thomas 2008: 27). It can be seen as a common repertoire of ideas which is shaped in ways that are systematic but not predictable and as a subject to continuous negotiations as dissimilar groups overlap, come together and move apart. It is claimed that culture shapes human behavior in a similar and predictable way and creates patterns of thinking, feeling and reacting. The anthropological view's key aspect lies in the assumption that culture is a shared, dynamic and negotiable quality which changes constantly altering in response to inside and outside pressures. This view however does not consider the applications for business. (Mäkilouko 2001; Moore 2005; Thomas 2008: 27)

Persons having the same cultural background, share common meaning and beliefs and are more likely to evaluate and interpret situational events in a similar way than the members of different cultural backgrounds. Because of this, the meanings of cultural concepts might not be apparent to outsiders of a certain cultural group (Miller et al. 2000; Earley & Gibson 2002: 6; Thomas 2008: 32). It is however possible to learn the cultural patterns of another society through learning since the values of a culture are present in persons everyday exposure to customs, laws, norms and organizational practices that are shaped by and express the prevailing cultural values. (Schwartz 1999; Hofstede 2005: 10; Thomas 2008: 29-32)

Organizations are seen as social systems, which are formed of groups of people with different backgrounds. Members of an organization adapt to its culture through selection and socialization, whereas they are born to national culture. Persons arrive to work organizations after they have already properly formed the values, attitudes and fundamental beliefs of their national culture after which they start to adapt the organizational customs through socialization at the work place. Therefore the learned standards tell people how to behave and act in certain situation as culture acts as the framework, through which the situations' meaning is understood (Thomas 2008: 41). These standards are generally referred as values, bases for norms telling people how to behave appropriately in various situations. The way organizations and other societal institutions function, as well as their goals and modes of operations, express cultural value priorities. (Schwartz 1999)

As was presented above, culture, in this study meaning national cultural values, norms and behavioral models, effects on individuals' behavior even though s/he might not be aware of the influence. This is an important view for this study since the orientation is on finding how individuals from different cultures behave in a culturally heterogeneous project group. Now that the concepts of diversity and culture are presented the next paragraph will briefly introduce how this diversity could be managed.

### 2.2.3. Diversity Management

Diversity Management (DM) should be used when the workforce is diversified on cultural and ethnic background, age, gender, physical abilities or other personal characteristics, described in chapter 2.2.1. For this, managing diversity does not only mean managing employees from different cultures or nationalities but at the same time understanding the needs of each individual that in some way differs from each other. This creates challenges to the organizations when forming human resource strategies since they not only have to consider basic functions but also the special needs of a varied employee base. In this study DM is examined only on cultural level to stay on the original subject.

When a company expands abroad, has branch offices in multiple countries or recruits foreigners to host country offices, it has to adjust its human resource management strategies to meet the needs of a more diversified workforce. In the first two cases, the original human resource strategies as well as management can be modified to correspond to the requirements of a multinational area of business. To put it simply, company transforms its HRM to International Human Resource Management, IHRM, in an attempt to create convergent management means across its branches. Especially in the latter case though, the company has to take into account its multinational workforce in its home country. In this case there is usually lesser need for IHRM but for the development of Diversity Management. The aim is to create a workplace that offers equal working conditions and takes into account the needs of different persons varying needs based on ones cultural and social background. (Bassett-Jones 2005; Dreachslin 2007)

Chapter 2.2 examined the definitions of diversity as means to distinguish individuals and culture as a motive behind individual behavior as well as showed how culture is formed. The definition of diversity management was presented to show how multiculturalism and diversifying needs deriving from it could be managed. These help to understand the problems of a multicultural project group which are discussed later in the study. The next chapter introduces earlier studies on national culture effecting individual behavior.

### 2.3. Comparing national cultures

*"All animals are equal but some are more equal than others."*

From *Animal Farm* by George Orwell

National culture has a great impact on multicultural project management. It is one of the main reasons for conflicts to occur when working with various cultures. As indicated in the quote, people tend to see themselves better than others although they appear democratic, favoring persons with a similar background to theirs. This can originate from the national culture one is grown in which leads the way a person acts. How do national cultures differ from each other then? This chapter introduces two major studies in which national cultural differences are compared.

For this study the national culture models of Hofstede and Schwartz are introduced to help understand the motives behind the behavior of individuals from different nationalities. Hofstede's model is one of the most used portrayals of cultural differences as opposed to Schwartz's model, which has been left on lesser attention in management literature because of its psychological scientific nature. (Gouveia & Ros 2000; Mäkilouko 2004; Thomas 2008) We found it important to introduce these studies in order to show how the culture and values of the environment where an individual has been raised shape the way they behave in different situations. Of course individuals differ and not all of the results of these studies can be generalized to concern every member of a nationality but to give guiding what could be expected.

### 2.3.1. Hofstede's dimensions of national cultures

Covering 74 countries and regions by the year 2005, Geert Hofstede has developed one of the most used portrayals of national cultural differences. He compared the employees' answers to value surveys in a large multinational company and discovered that in the answers national differences clearly stood out. By using a statistical analysis of the country averages of the answers Hofstede created four cultural dimensions which he later expanded with a fifth dimension. Although the questions concerned work environment they reflected the values and behavior of different nationalities also on institutional level. Although Hofstede's study has received criticism on the ways it was conducted, the dimensions have been validated in later work. (Hofstede 2005; Thomas 2008: 55) The five dimensions are as follows:

*Power distance index* (PDI) describes the dependence relationships in a nation. The index shows how power is regarded and it was created through studying manager – employee relationships and the unequal distribution of power in institutions (society) and organizations (work). At society's level, a high score in large power distance includes respecting instructors or leader figures as in at work level subordinates see their superiors as the unquestionable leader and inequality between levels is high. Vice versa, persons from nationalities with low PDI score treat each other more equally and organizations tend to have flat hierarchical pyramids. (Hofstede 2005: 39-72)

*The individualism index (IDV)* refers to the power of the group versus the interest of the individual, thinking in the terms of “we” vs. “I”. Nationalities scoring low on IDV are therefore collectivistic societies in which people are merged into strong, cohesive in-groups both in institutions and work making loyalty, interdependence and harmony the social ideals. On the contrary, high IDV scoring nationalities embrace personal independence in society and work where ties between individuals are loose and personal opinions are valued and encouraged. The scores tend to follow countries level of wealth dividing poorer countries as collectivistic and wealthier as individualistic. (Hofstede 2005: 73-114)

*The masculinity index (MAS)* emphasizes the importance of the differences between hard and soft values which are paralleled to masculine and feminine characteristics and can be seen well in e.g. equality issues. Feminine nationalities emphasize values such as modesty, caring for others and quality of life as opposed to masculine nationalities which stress the importance of status, are more materialistic and competitive environment exists in school and work. It is worth noticing that MAS scores are not correlated with national wealth making it more an issue of cultural than societal ideals, as is the case with the IDV. (Hofstede 2005: 115-162)

*Uncertainty avoidance index (UAI)* refers to the need for written and unwritten rules among a culture; it is the extent of feeling threatened by ambiguous or unknown situations. Cultures with high UAI look for structure in institutions and organizations that make events predictable and interpretable. On the contrary in low UAI cultures people are more comfortable with unfamiliar risks and see uncertainty as a normal feature of life. These traits reflect to e.g. the degree of nationalism in a society and valuing invention and change in work. (Hofstede 2005: 116-205)

*Long-term orientation index (LTO)* measures the fostering of virtues related either to the future or the past and present, choosing the orientation to be either towards perseverance and thrift or to respect of tradition and fulfillment of social obligations. In countries scoring low on LTO the phase is quicker, results are expected fast and traditions are respected whereas in high LTO countries the predominant circumstances are respected and results are expected on long-

term focus. The differences between low and high scoring countries are related to the search for virtue, a teaching adapted from Confucian dynamism, for which most of the Asian countries score high on the LTO. (Hofstede 2005: 206-238)

As can be seen from the descriptions of the dimension above, the countries scores do not seem to follow a consistency based on e.g. national wealth which could be adapted to every dimension. This means that a single country can have a highly varying combination of scores compared to another country. The scores tend to suggest however similarities between the scores of countries which are located in a geographical area, such as Scandinavia, or between countries with similar cultural history, such as Asian countries. This signifies that when a project group is consisted from members from different countries their behavior can vary dramatically based on national culture and its norms. By understanding these dimensions it can be easier to understand individuals' behavior in different situations.

### 2.3.2. Schwartz's theory of cultural values

Another study with more recent data that was collected between 1988 and 1992 is Schwartz's cultural values framework. Schwartz's model on national cultures develops an alternative theory of the structure of cultural values based on Hofstede's model on cultural dimensions (Schwartz 1999; Gouveia & Ros 2000; Ng, Lee & Soutar 2007). Schwartz investigated, through series of studies, the content and structure of 56 human values. Respondents from 67 countries were asked to scale the importance of each value as a guiding principle in their lives. The criteria people used to evaluate events and select courses of action were the content of values. The values were then clustered into ten individual level groups called value types, which showed that the structure of values were similar across cultures on individual level. Schwartz also presented a first instrument (Schwartz Value Survey) to measure these values which he validated cross-culturally. The study brings out value dimensions that are important in all cultures and claims that their meanings are consistent across cultures but it does not state which ones are most important in each culture. (Schwartz 1999; Davidov, Schmidt & Schwartz 2008; Thomas 2008: 55-56)

Schwartz recognized ten motivationally distinct basic values on *individual level* from three universal requirements of the human condition. The first issue refers to the nature of the relation between the individual and the group. The second issue concerns the preservation of the society itself. The final issue is the relation of humankind to the natural and social world. Through comparing the value estimations with the responses from each country, seven *national value orientations* were discovered. These are represented as bipolar dimensions i.e. opposites to one another. One of the pairs is actually formed of three orientations since intellectual autonomy and affective autonomy are represented as an ensemble. (Schwartz 1999; Davidov et al. 2008; Thomas 2008: 55)

The national value orientations pairs are as follows (adapted from Schwartz 1999):

*Intellectual autonomy* is independent pursuit of own intellectual directions, curiosity, creativity and ideas as for *Affective autonomy* is pursuit of positive experiences such as pleasure, exciting and varied life.

*Conservatism* is the depth of collectiveness of people through social relationships, identifying with the group and participation.

*Egalitarianism* is the amount of recognition of people as moral equals

*Hierarchy* is the legitimacy of unequal distribution of power, roles and resources

*Harmony* is fitting into the environment and means the unity with nature, protecting the environment and the world of beauty.

*Mastery* is the exploitation of the natural or social environment in order to further personal or group interests.

Some of Schwartz's dimensions have been found to correlate with the dimensions created by Hofstede, e.g. Hofstede's power distance was found to be positively correlated Schwartz's conservatism as was individualism with affective and intellectual autonomy and egalitarianism. Researchers have even suggested that his study may be more appropriate in some contexts. For example the egalitarian dimension could provide a better explanation for ethical attributions in countries that are classified as individualistic on

Hofstede's dimensions (Gouveia & Ros 2000, Ng et al. 2007 and Shearman 2008).

Other noteworthy models examining national cultures impact are for example the widely recognized GLOBE-study that defined seven dimensions of culture by Hampden-Turner and Trompenaars and the "Wheel of Culture" consisting of nine core cultural dimensions and total of 18 continuas by Kets de Vries. Both of the studies provide similar kind of cultural dimensions as Hofstede and Schwartz but with slight alteration deriving from altering sources and the preferences of the researchers. (Hamden-Turner & Trompenaars 2000; Burchell & Gilden 2008)

The studies by Hofstede and Schwartz are presented in order to provide examples on cultural differences. Both of the researchers are highly known and respected for their works that have increased the understanding of knowledge on cultural behavior. In this study these models are shortly introduced to help understand more of cultural differences and their effects on individual behavior. No deeper analyze is provided in order to concentrate on the main subject of the study. The two studies will be kept in mind when analyzing results but the results will not be based on these studies per se.

The meaning of chapter two was to provide the reader with the relevant concepts needed to understand the managing of multicultural project teams and the challenges of it. Given definitions should provide the reader with adequate background information to better realize the context of this study. Both, the project and the existence of multiple cultures in a work group, add challenges to leadership. Projects because their environment is challenging to work in and study due to their unique and changing nature. There exist a considerable number of researches on the subject though the one of a kind nature causes that they are hard to apply in practice. As represented in chapter 2, cultures may vary greatly and therefore combining different cultures in order to find a shared way of working together and to overcome these cultural clashes might be quite the challenge. Now that the two main concepts of the study are discussed, we can turn to the issue on how to combine these two in order to provide successful project work with multicultural groups.

### 3. MANAGING MULTICULTURAL PROJECT GROUPS

*“Project management is about managing people to deliver results, not managing work.”*

-Turner 1999

The additional challenge for international projects is multiculturalism, which forms a heterogeneous working environment with various work related differences. As opposed to culturally homogenous project teams that are formed of individuals sharing the same nationality, multicultural groups are heterogeneous where the group's members possess different national or cultural backgrounds (Miller et al 2000; Yang 2005). The research of multicultural projects has mainly concentrated on the problems that the cultural differences bring to project work. However research suggests that heterogeneous project teams may perform better to homogeneous groups if properly managed (Miller et al 2000). This chapter aims to clarify and explain this argument by studying the characteristics of project management, explain the barriers caused by culturally diverse project groups and discuss potential solutions to solving them.

The chapter starts with introducing briefly what project management is in general and after discusses the additional burden that cultural diversity brings to the project leader. Before talking about the cultural issues more in depth the possible positive outcomes based on the literature and previous researches are presented. After this the problems arising from the culturally diverse work groups are introduced and how these cultural dilemmas may affect the effectiveness of the group, cause delays and lead to negative outcomes. The problems are divided into three groups, or “barriers” as they are called here, that each represent a larger group of issues that cultural differences have an effect on. In the last part the conflicts emerging from these barriers are discussed.

After discussing the problems related to multicultural project groups we introduce solutions and helping tools for the leaders found in the literature and previous research. We provide findings on multicultural project leadership strategies that help to build shared ways for working together and provide

potential solutions to solve problems, reduce risks and overcome other possible barriers for work.

In the last part we ponder on what sort of qualities and characteristics should a successful project leader have in order to better cope with a diverse project group. Managing a group with culturally diverse members sets also demands on the leaders' personality since it brings a great deal more issues to comprehend and different individuals to understand.

### 3.1. Project management

Project Management Institute's definition for project management is as follows: *"Project management is the application of knowledge, skills, tools and techniques to a broad range of activities in order to meet the requirements of a particular project "*

To introduce project management and the complexity of it, it needs to be made clear what the basic functions of managing a project are. According to Turner (1999) there exist five project management functions; managing scope, managing project organization, managing quality, managing cost and managing time. Managing scope means that the right amount of work is undertaken to deliver the project objectives. The meaning of managing project organization is to assemble the right amount of human, material and financial resources to enable successful delivering of project objectives. At the same time, projects are constantly competing for the resources with the line organization. The last three management functions quality, cost and time are as well used to measure the project success. All these five functions require the project management to try to predict the future events which does not always go right as there is the risk to make wrong choices. Furthermore, all of the functions contain risk and so risk management could be added to the list of main functions.

Project management differs from organizational management in numerous ways. Project management is a horizontal management style in which the manager does not have the same strong superior-subordinate relationship; instead responsibility and influence are more equally distributed. Because of this lack of authority the most sufficient way to get things done is through

influence, negotiation and persuasion to guide group members to act in ways that will benefit the project. These concepts are used because the project manager typically does not have the authority that is present in organizational management. The field of functions and responsibilities will only enlarge when the project becomes international. The existence of multiple cultures requires that the manager needs to know and understand these cultures and the differences between them. This is necessary in order to know how to influence, negotiate and persuade individuals coming from these cultures since the motives and motivators vary between individuals. (Hofstede 2005; Wang & Liu 2007)

### 3.1.1. International project management's cultural burden

Cultural diversity creates multiple challenges to project management and it is utterly important to find ways to manage them. Furthermore, the means for communication and relationships between individuals are more complicated than within a single-nationality group. Thomas (2008) states that there is no universal prescription or strategy that could be applied to every multicultural work group. Multicultural work groups often take longer to reach their potential and optimum performance than do homogeneous groups. They are more expensive to execute and thus creates more pressure to succeed. (Canney Davison 1994; Davison & Ward 1999: 30)

Multicultural project manager should be able to perform the managerial functions discussed in the previous paragraph and in addition to this, understand and comprehend the conflicts and barriers that managing multicultural project group brings. The leader needs understanding of the cultural differences in action and to have sensitive group management skills. Diversity can enhance team performance however if left unmanaged it can interfere with team functioning. Multiculturalism when effectively managed can be a source of competitive advantage for the group or the organization. It is up to the management to decide whether they want diversity to be an asset or a liability. (Canney Davison 1994; Rijamampianina & Carmichael 2005; Dreachslin 2007)

### 3.1.2. Possible advantages of culturally diverse work group

If the project leader finds a way to conduct a well functioning leadership formula it mostly results in a well working and effective project group. As the chapter above suggests, a lot needs to be done in order to achieve this though it can mean greater outcomes for the project. The advantages are presented here to recognize the possible positive outcomes that might be achieved through effective cultural leadership. According to research, diversity in project groups can enhance innovativeness and creativity because of the availability of a variety of knowledge, skills and perspectives. Homogeneous groups tend to have similar world view which results from similar cultural background. Multicultural groups have greater potential to form alternative solutions to problem solving and social integration because of the broader experience. When properly managed, this cultural diversity can improve group performance. (Miller et al. 2000; Grassmann 2001; Yang 2005; Dreachslin 2007)

Innovation processes are more often implemented by having transnational projects and teams located around the world. This way the company is able to take more advantage of existing know-how. Intensive job rotation, meaning transferring employees from location to location, is the most effective way to transfer hidden, or so-called tacit knowledge. This provides the best tools to build up a common knowledge base for everyone involved in the project. Tacit knowledge is hidden deep in inside people so sharing unnecessary information may provide a way to succeed in transferring this knowledge. It is because team members begin to understand the means and thoughts of each other and that way sense what others are saying. Understanding each other makes the information flow more fluent. (Grassmann 2001)

In the highly competitive market there exist many organizations that believe they can increase their flexibility and responsiveness by using efficient multicultural work groups. Diverse work groups may furthermore offer the organization to respond more effectively to their widely diverse markets and thereby gain a competitive edge. The ability to learn from international project teams can be seen as one important developer of more international outlook. The project group may help the organization share knowledge, information and resources as well as provide examples of best practices. (Iles & Hayers 1997)

Culture may not only cause conflicts but also open up opportunities. Culturally diverse group is not enough to create these opportunities so culturally sensitive management is also required. It is the approach towards cultural diversity and recognizing it that determines the actual positive and negative outcomes. With right cultural leadership the group can stimulate innovation and creativeness (Grassmann 2001). As groups age, members find ways of dealing with the problems of intercultural interaction, thus increasing the possibility that given an appropriate task, they will demonstrate superior performance (Thomas 2008: 180).

As is discussed above, multiculturalism can bring more opportunities for success as well as advantages, compared to a single-nationality, to a project group. Although it takes a lot of processing and work to reach these opportunities because of the additional challenges that multiculturalism ties to the project. The only way to be able to exploit the opportunities is first to overcome the barriers that cultural diversity brings to project work. This can be achieved by building a functioning structure for working together and with the right kind of leadership. In the next paragraph the problems for project management rising from culture are introduced.

### 3.2. Barriers and conflicts in multicultural project leadership

The most common barriers caused by multiculturalism in a project are presented in this paragraph. After going through a great amount of literature and previous research these are the problems that seem to be of greatest importance and have the biggest effect on group work. These barriers are the underlying factors that create conflicts, misunderstandings and problems within the group. However with the right kind of leadership they can be understood and properly managed.

Cultural diversity in a project group can cause many problematic situations in group work, here referred as barriers. Barriers are obstacles that complicate and delay a multicultural group's ability to cooperate and at the same time hinder group cohesion, effectiveness and slows down the work process. The most significant multicultural related barriers are cultural differences, complications

in communication and individual level motives, further discussed below. These barriers are the underlying factors that create conflicts though they can be predicted, understood and managed. Barriers and conflicts are inevitable in the project work but it is how you deal with it that counts. Acknowledging these culture related barriers improve and facilitate group performance. Conflicts can produce new ideas and solutions when the source of the conflict and its causes are identified and anticipated. (Appelbaum et al. 1998; Wong 2007: 191)

For example Canney Davison (1999) presents eight factors that create conditions for performance in multicultural management. Maintaining this performance, considerable differences need to be managed. These include the degree of difference or similarity that exists between the cultural values and the degree to which people might manifest their cultural values. The level of fluency in the common language, culturally different leadership styles and the different expectations of what constitutes effective work behavior within a team and different communication styles need to be managed. The importance of status in different cultures and status ranking in the team as well as the similarity of professional identity between the team members should be resolved. Also the geographical distance between the team members has to be acknowledged (Mäkilouko 2001; 78-79).

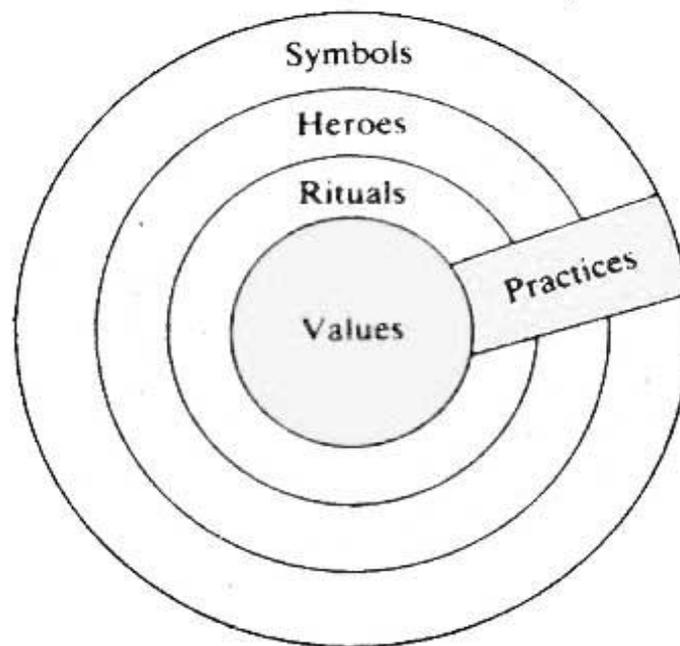
Based on these factors we divided this paragraph in to three main barriers which are illustrated below. All of the barriers derive from people's origin that effects on their actions; first one from the national culture (level) differences, second one from the dissimilar ways of communication and the third one from the individual level behavior. These barriers aim to understanding what kind of problems the project leaders are facing when working with multicultural project groups.

### 3.2.1. Cultural differences

The first barrier consists of differences related to culture in general. Group members have divergent worldviews as well as ways to deal with other people and situations which are formed from the patterns of national culture. National culture shapes group members' values and attitudes that again direct their behavior and the ways of acting in certain situations as explained above in

chapter 2. Also the studies of national cultures were presented in order to describe how much the members can differ from each other inside a work group. Acknowledging these differences and the scope of them is necessary in order to be able to understand the challenge they provide for project leadership.

Values are in the deepest level of cultural behavior and they are in the core of culture (figure 3). Values are identified as the deepest manifestations of culture which guide person to prefer particular situations and behavior over others. They are often represented in the morals, laws, customs and practices of a society and define what is seen right and what wrong. (Hofstede 2005: 6-8; Kirkman & Shapiro 2005: 35) Values are also defined as conceptions of the desirable that guide persons in selecting actions, evaluating people and events and explain their actions as well as evaluations. This view sees values as guiding principles in life that represent the implicitly or explicitly shared abstract ideas on cultural implications based on the cultural framework we grew up in. (Schwartz 1999; Earley & Gibson 2002: 7)



**Figure 3.** The cultural onion. (adapted from Hofstede 2005)

Cultural norms represented in the work group are one important influence on group effectiveness since different cultures orientations toward what is appropriate in terms of group's function, process and structure vary. Individuals from different cultures may have different ideas on how people in the work group should behave and interact with each other. Studies suggest that individuals carry mental representations through which they interpret events, behaviors, expectations and other group members. (Thomas 2008: 178-179)

When working with an international team the members can represent a great variety of nationalities and cultures that can be relatively distant from each other. Relative cultural distance is the extent to which individuals differ culturally from the other group members. When culturally different individuals are aware of this factor it causes them to compare themselves to the other members, evaluate the appropriateness of their behavior and status in the team. Research has found that this distance affect on individuals evaluation of the level of conflict in the group and willingness to express ideas. Cultural distance may also lead to individuals seeking company from others culturally nearer to their own background which may lead to grouping. (Thomas 2008: 180-181)

Another cultural issue that tells individuals with varying backgrounds apart is their orientation towards time. The importance of time and how people are attached to it vary along the cultures and is seen as one significant difference between cultures. This came up earlier as long-term orientation index (LTO) in chapter 2.3.1, when Hofstede's (2005) cultural dimensions were introduced. All cultures have their own conceptions of time and they organize themselves around it. In a project group different rhythm of cultures gives working together an additional challenge. This might complicate teamwork before they acknowledge and understand the rhythms. Some cultures regard time as rigid and exact and others as flexible and "soft". The conception of time may reveal specific information about cultures. In many cultures time is a valuable and a scarce resource. (Hampden-Turner & Trompenaars 2000: 295, 311-316; Kaplan 1996: 40-44) Culture may attach relative importance to past, present and future and therefore have an effect on how individuals and organizations see and experience time (Berger 1996: 40-44).

Another way of dealing with time and its meanings for individuals according to anthropologist Edward T. Hall is to see them as polychronic and monochronic time perceptions. Hall argued that individuals differ in their cognitive styles related to time as in the way they emphasize either sticking to tasks and schedules as opposed to approving several things happening at once. (Earley & Gibson 68-69; Kaplan 1996: 40-44)

All in all, cultural differences provide multiple possibilities where the members of a project group can have problems adjusting to the other members' behavior and working styles. When people are raised in a certain culture they are guided to behave in given ways, which can vary greatly between cultures. Of course it has to be kept in mind that people are individuals who can effect on their own behavior that will be further discussed in chapter 3.2.3. By understanding the cultural differences inside a project group the leader has far more potential to satisfy the needs of the projects members and succeed in achieving the given goals. Next we will discuss the importance of language and communication in a multicultural project group, which are important in creating understanding between the members and also help understanding cultural differences.

### 3.2.2. Language and communication

*"If English was good enough for Jesus Christ, it is good enough for me."*

- A farmer from Kansas, US (Hofstede 2005)

The difficulties in communication and language are the most remarkable barrier for team performance. Language and socio-cultural differences contribute to cultural misperceptions and misunderstandings in multicultural project environments. Differences in languages cause communication blocks and further, members of a group may not necessarily be aware of their existence (Berger 1996: 6). Members of the group may also form sub-groups based on native language, i.e. when individuals seek support from others with same language, even when the group has agreed to use a common language (Gibson & Ross Grubb 2005: 72-73). Problems occur in everyday work processes disturbing important knowledge flows. To express oneself in another language means learning to adopt someone else's reference frame. The question is: "Is it even possible to be truly culturally aware without being bilingual?" because

without knowing the language one will miss a lot of the subtleties of a culture and be forced to remain a relative outsider (Grassmann 2001; Hofstede 2005: 328).

New relationships as the ones formed when a project is started tend to begin with shorter and less informative discussions that do not reveal much of the parties involved. When the parties interact more often it is more likely that their communication evolves to the next level. Repetition in interactions is essential for parties to share mental models. Furthermore, Rijamampianina & Carmichael (2005) state that having shared mental models within a diverse group would not mean that the group has become homogeneous, rather suggest that an increase in synergy within the group would become more likely. In the long run interaction and improved connections give rise to shared norms, trust and reciprocity and this in turn fosters cooperation to achieve common ends (Tansley & Newell 2006). Improved relationships enhance the sharing of tacit knowledge that is buried deeper and considered to be more valuable form of knowledge. Tacit knowledge, when made explicit, can lead to greater gains in productivity and knowledge (Thomas 2008: 189).

All of this emphasizes how important it is to be able to understand others and be understood by others. This paragraph introduces the main difficulties in communication i.e. verbal communication, non-verbal communication, high- and low context cultures and how cultural values and cognitive styles affect on intercultural differences in communication. Last but not least we discuss how to enhance communication and search the ways to understand each other better.

Good communication style is important since many multicultural teams are composed of members whose first language is not that of the dominant groups. The main language used in projects is commonly English and though most of the people working in the projects have good language skills, the ability to use and understand it as well as the willingness to communicate differs remarkably. This may in some cases lead to excluding people. Naturally, individuals have different levels of understanding and expressing oral and written language if it is not their mother tongue. Sources for these difficulties can be found in pronunciation, vocabulary, broader and different meanings of words and phrases as well as accents. The process of understanding and communicating takes longer for non-native speaker and furthermore, cultures

also have differences in what is understood by some universal terms and idioms e.g. reaching “the ideal solution”. (Canney Davison 1994; Berger 1996: 6-7; Campbell 1998: 33; Miller et al 2000)

In addition to using language, when people interact, they consciously or unconsciously communicate both verbally and/or non-verbally, e.g. through body language. Communicating verbally takes place through using words while non-verbal communication is defined as communicating without words (Tuleja 2005: 31). Non-verbal communications convey important messages and are produced more automatically than words. It includes body movements and gestures, touching, facial expressions and gazing, tone of voice and eye contact. Between people in the same language group research suggest that as much as 70% of communication is non-verbal and furthermore, in multicultural situations it is possible that people rely even more on the non-verbal component. (Thomas 2008: 130-137)

When discussing verbal and non-verbal communication cultures have been defined in to high and low context cultures depending on the favoring of explicit or implicit communication. This bipolar typology of communication styles was created by Edward T. Hall in 1976. According to Hall, people from low context cultures use a more explicit style i.e. tend to state their message by using spoken words that express clearly what they want to communicate. Vice versa, people from high context cultures use a more implicit style i.e. the message is more hidden and visual, vocal and contextual cues have bigger emphasis than spoken words expecting the receiver to fill in the gaps. The leader needs to understand each team members’ communication style in order to interact effectively and ensure the information flow. Understanding high and low contexts helps to avoid complications such as misinterpretation, vagueness, ways of giving criticism and dealing with conflicts. (see e.g. Niemeier et al 1998: 33; Earley & Gibson 2002: 104-106; Tuleja 2005: 41-44; Thomas 2008: 122-123)

According to Earley & Gibson (2002), previous research suggests that intercultural differences in communication occur due to differences in cultural values and cognitive styles, which reflect methods of information processing. An understanding of the differences in worldview between groups is essential to promoting understanding between team members. The same event can be

interpreted differently by each person depending on their origin and what they have been conditioned to believe (Miller et al 2000).

Keeping the previous in mind, when people communicate they convey messages through their mental models that are shaped by their cultures, educational backgrounds and other dimensions along which diversity can be viewed. The sender delivers the message through one's personal mental models; similarly the receiver receives and interprets the message through personal mental models continuing the cycle of interpretation when again answering the message and so forth. When the communicating parties are from different cultures, the opportunity for misunderstanding, miscommunication, misinterpretation and conflict increase highly. (Earley & Gibson 2002; 40-43; Rijamampianina & Carmichael 2005; Tuleja 2005; 25)

Communication and language forms a great barrier for culturally diverse group work as was presented in this paragraph. It was stated that communications is concerning far more wide-ranging issues than just language. This is challenging for the group leader since balancing between different languages and communications styles can easily lead to a disaster when the members of the group cannot understand each other and the information flow is slowed down or blocked completely. Overcoming this barrier helps the whole group to create mutual understanding and trust when each member can be sure that they have the same information as any other in the group. To understand individuals' different communication styles helps with the third barrier as well. The next barrier will discuss the problems concerning individual behavior.

### 3.2.3. Individual behavior

The existing barriers in the individual level are perceived on the individual level though they are usually triggered by the national culture. There exists numerous ways that individual behavior can effect on a project groups work. It can be a question of a person's understanding of other cultures, prejudices towards new and unknown or favoring of the similar kind that one is. Next some of the individual barriers are introduced to form a picture what the behavior of the members of a project group, including the leader, may bring to the group. In addition, some of the barriers introduced concern the leaders'

actions towards group members, which also derives from individual behavior, in this case the leaders prejudice and favoritism.

First, it is worth mentioning that how a person reacts and relates to other cultures in a project group can vary greatly. According to Earley & Gardner (2005) *cultural intelligence* (CQ) is referred in short as a person's ability to adapt to new cultural contexts. Gaining high CQ requires flexibility since new situations need constant reshaping and adaptation of self-concept in order to understand a new cultural setting. Understanding new cultures can mean that person needs to abandon existing assumptions of why and how people function as they do. High CQ also consists of motivation, as in a person's trust in her/himself that s/he is capable of understanding persons from different cultures and ready to work to make intercultural encounters successful. CQ's third part is a person's capability to acquire or adapt behaviors that are appropriate for a new culture. These can be e.g. language skills or deep-set models that are hard to overcome in new situations. All in all it comes down to the ability to adapt one's own behavior to any given cultural concept. (Earley & Gardner 2005: 13 – 17; Ng & Earley 2006) This introduced what it means when a person has a high CQ but needless to say, the level of CQ varies between persons and a project group can have members with a CQ anywhere between low – high creating conflicts to cooperation.

It is suggested that individuals tend to emphasize within-group similarities and distinguish themselves from other groups to which they do not belong (Yang Yang 2005). Developing mental categories that help to understand unfamiliar behavior and align it with own frame of reference is known as stereotyping. They are results of social categorization and are based on simplifications of the information provided by environment (Thomas 2008: 78). *Stereotyping* occurs when prototypic characteristics are attached to a general population of a certain group (Earley & Gibson 2002: 3). Although the term stereotype raises negative images because of its link to prejudice they need not to be negative by definition. Regardless of the fact that they include feelings about cultural groups and expected behavior generalizations need to be avoided and kept in mind that what applies to one does not apply to all (Tuleja 2005: 12,142).

In a multicultural work group members form first impressions through stereotyping to help them understand individuals from a specific culture. First

one determines the group to which they think the other person belongs to through categorization i.e. with abstracted prototypes and characteristics. After this categorization one projects the images to a particular group's stereotype and conceptualizes the individual in question through this stereotype. (Miller et al. 2000; Earley & Gibson 2002: 3) According to Gibson & Ross Grubb (2005: 83) these stereotypes are only broken down when the projects members have more interaction and it creates pressure for convergence much more than in groups with less divergence. Next examples of the project leaders' possible behavior are briefly introduced to show how not only the members' individual behavior effect group work but also the ways the leader perceive cultures in the group.

*Culturally blind* leaders assume that people are basically the same regardless of culture and they do not understand how much culture can affect on people's behavior. Culturally blind project leaders are aware of the existence of cultural differences though according to their beliefs the best way to act and function is the way they are used to in their own country and not pay much attention to cultural dissimilarities in the group. The cultural differences are seen on the custom level, not reaching deeper than that to the values and norms. (Mäkilouko 2001; 117-118)

*Ethnocentrism* as leadership behavior means that the leader sees the team members sharing the same nationality with her/him better and more suitable to work in the project than others. This can lead to favoritism e.g. giving some members higher positions in the team based on their origin. Ethnocentric leaders tend to see the world only from their perspective and lack to pay attention to cultural differences. Sometimes the time limitations force the project to be started immediately and no time is left to develop synergy within the group. In these cases ethnocentrism can surface more easily. (Mäkilouko 2003: 99-101, 118-119)

*Cross-nationally inclusive* behavior occurs when the leader involves the members of the group in interactions they may not be conscious of, take them in to the team action more generally or include them in social networks that could otherwise be inaccessible to them. The members meant in this case are usually the ones from different nationality than the majority of the group and because of this can be left as an outsider. Cross-national inclusive behavior can increase

cohesion and commitment inside the project group. (Gibson & Ross Grubb 2005: 75-76)

This paragraph showed how individual behavior can upset group work when the group consists of persons with different cultural and national background. Conflicts may occur when a person is not familiar with these new cultures and is not sure how to act with them. Since a group consist of individuals it is impossible to predict how each individual will behave despite their culture or nationality. Next the conflicts that emerge from the cultural barriers introduced above – cultural differences, language and communication, and individual behavior – are discussed.

#### 3.2.4. Conflicts that emerge from cultural barriers

The barriers presented above are the sources for cultural conflicts in a project group to derive from. Conflicts are unresolved disagreements between the members of the work group and it is seen as psychological state, which takes individuals outside the normal behavioral norms. Conflicts can be harmful if not handled correctly and these disagreements can produce negative behavior and permanently weaken the relationship among the group members. Conflicts may be seen as personal threats and individuals might take challenges personally and get defensive (Wong 2007: 191-194). Managing a project is almost by definition managing conflict. Conflicts on projects arise from differences in the cultures of project members, project goals, the utilization of resources on project teams or are a result of departmental differences. This chapter focuses only on the conflicts that arise from cultural issues since the aim is to examine the cultural effects on work group behavior.

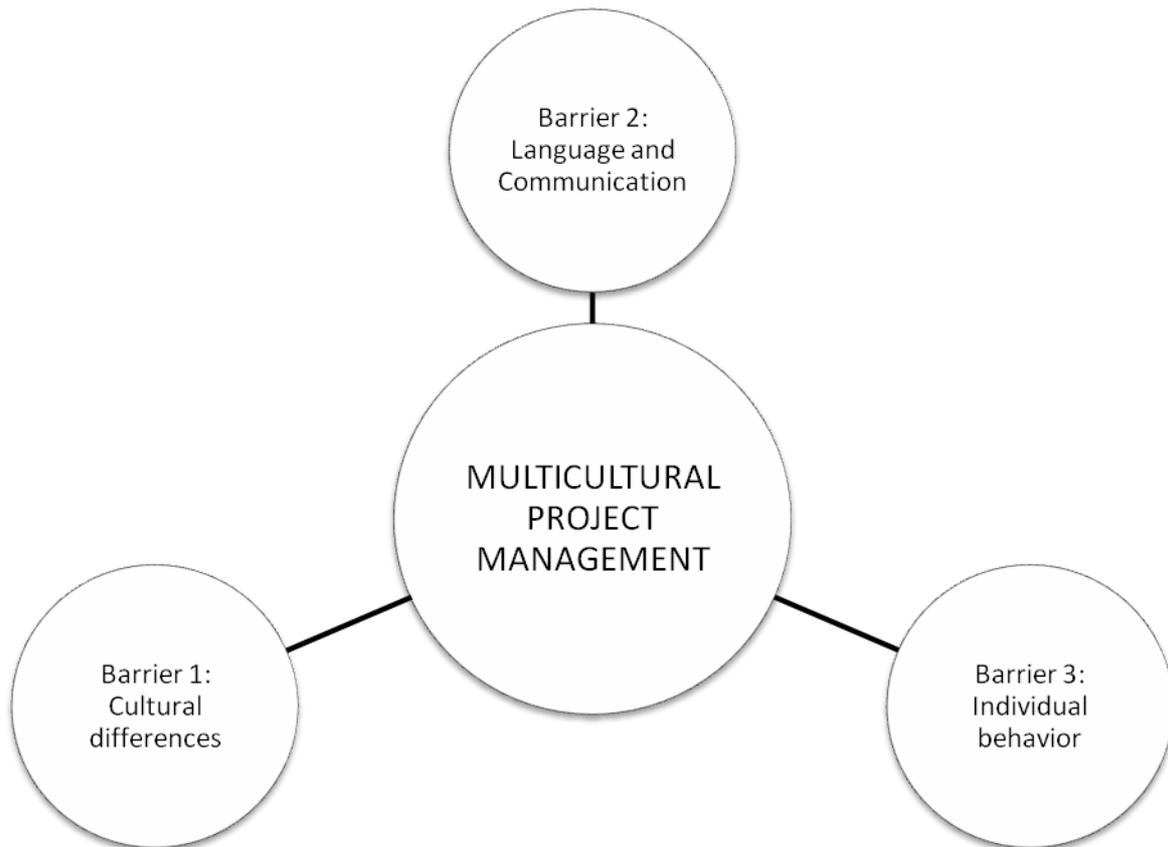
There might be an advantage hidden in the conflicting behavior i.e. it is claimed that conflicts may increase innovativeness and create broader perspectives to different project processes. This is done by producing and creating more in-depth analysis of project dilemmas and questioning and challenging other team members (Wang & Liu 2007). However the leader needs to remember that generally people do not like conflicts and prefer not to face them at all. Although meaningful conflict can push project team pursue more in-depth, insightful analysis of project situations. It is suggested that a team that avoids

conflict will unlikely reach a high performance level. Questioning and challenging other team members may produce broader ideas creativeness and more versatile decisions, and conflicts can also bring innovativeness to problem solving. (Canney Davison 1994; Wang&Liu 2007; Wong 2007: 192-195)

Other issues that may cause conflicts for group work are e.g. geographical dispersion and different time zones. Geographical dispersion simply means that the project group is widely spread which creates problems for information flow, sticking to schedules and goals as well as for commitment. The geographical dispersion also leads to having multiple time-zones in which the project group is working. This means that when one part of the group is awake and working, the other part may have night-time. Of course this can be seen also as an advantage since it enables working around the clock Working with a widely spread project group requires constant information flows to retain commitment and motivation. Communication technology may enable the active communication although to be able to maintain trust regular face-to-face encounters are necessary. (Iles & Hayers 1997)

Open communication and common values can reduce conflicts caused by classical line organization overran by project's organizational structure. Creating a common goal for the project helps the team members understand the entity of the project and it can prevent the problems arising from conflicts (Iles & Hayers 1997; Wong 2007: 194-195). Based on these findings from the theory, in the next subchapter the study gathers the possible solutions that may contribute to the solving of conflicts and reduce the barriers confronted.

The purpose of the chapter 3.2 has been to gather together problems i.e. barriers that culturally diverse project group is most likely to encounter. Projects are challenging entities and culture related issues bring additional challenge to leadership. The most common barriers are derived from cultural differences, communication difficulties and some of them are due to individual behavior. The conflicts and project related problems can be managed and prevented with right kind of leadership and the next chapter concentrates on providing possible means to do that. To win these cultural related barriers certain knowledge and leadership behavior are needed and these are introduced below.



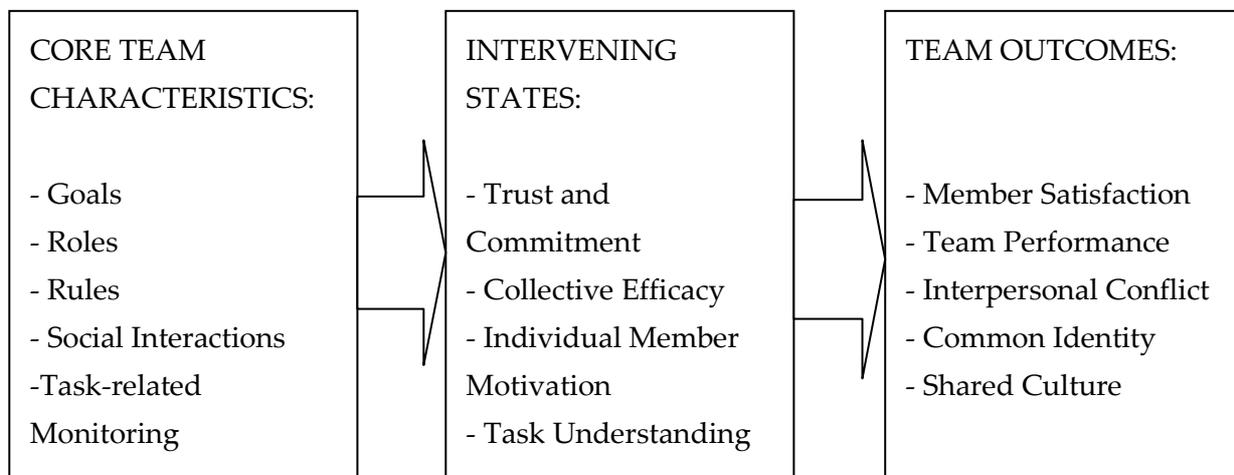
**Figure 4.** Obstacles effecting group work.

### 3.3. Leadership- and functional models to enhance group performance

Now after the barriers and conflicts are presented and discussed this chapter aims to recognize the means to overcome them and turn the cultural diversity in the group to productive cooperation. Multicultural leadership researches have proposed different kinds of personality types and leadership models that suggest methods for leading national and multinational groups. The chapter below presents adequate leadership models and discusses the leadership functions needed to form a guideline for managers on how to manage a multicultural project group effectively and successfully.

Managing people is a significant challenge itself and the barriers and conflicts arising from cultures cannot be ignored in order to find a way to effectively manage a culturally diverse project group. Project manager needs to consider multiple tasks in the multicultural environment to make the group work

effectively together. There is a greater chance for project to succeed if the group shares certain principles i.e. success criteria on how to work together. These characteristics for team functioning are shaped based on the previous research and literature. First the figure x. presents a model by Earley and Gardner (2005) showing the key multicultural team characteristics and related outcomes. This is one way of presenting the demands and is used here to give a clear example of the management actions needed. The points provided in the figure are then further analyzed and after more theory and literature is added.



**Figure 5.** Internal functioning and key MNT characteristics and related outcomes (adapted from Earley & Gardner 2005).

Congruent with the previous is Canney Davisons (1994) explication on what kind of functions are needed to enhance group work in international groups stating that the group needs e.g. common working method and performance goals. Furthermore, she states that the need for group basics such as common goals and an interdependent task are the same as in any national group but applying the basics before starting the tasks is far more important in international groups. She concludes that: *“As in any team, the task, the method chosen to complete the task, the personalities, the leadership role and style, the team roles, behavior, emotional links and the timing will all have an impact on the effectiveness of the team.”*

The outcome of the group is not the same as the sum of the individual member’s input because groups form their own social systems and that way

can create synergy when the work exceeds the individual effort (Thomas 2008). For the project to operate well it is important to clearly state the project goals to the group and form a structural frame for project work. By establishing a well functioning structure, culture related problems can be reduced and it will promote an effective work environment where the cultural differences are acknowledged (Miller et al 2000). Functions that may help to achieve this structure are presented next.

### 3.3.1. Project vision

*"The most significant success factor for project teams is that they have a shared and common idea on what difference they are trying to make"* - Christensson & Walker (2004)

Project vision is a valuable tool in providing meaning to/for? the task and to assure meeting the project goals. Project members' agenda and passion often clashes with the ones of project objectives and forming a vision that reflects the values and cultures concerned will provide more meaning to the work. Vision provides a link between unspoken assumptions and the means to act. Excellent communication skills and understanding of organizational culture and individual behavior (comprising the project team) are needed in process to create the vision. According to Christenson & Walker (2004) it is important that the project vision is motivational, understood, credible and challenging and demanding. It also needs to be such that everyone can relate to in order to achieve strategic goals with.

A shared vision and common purpose can be even more important for a culturally diverse group to create. An effective way for a leader to gather cultures together is by understanding the values, attitudes and beliefs of members with various cultural backgrounds and focus on commonalities while allowing individuals to maintain their cultural distinctiveness. (Thomas 2008: 189)

Shared vision enables the project group to advantage from cultural diversity. Vallaster's (2001) research revealed that establishing a common vision enhances the functioning of culturally diverse project group through shared

understanding. In the case study announcing clear strategic changes and goals, and new roles and responsibilities led to the formation of shared vision that increased satisfaction and commitment of the project members. Vallaster (2001) claims creating a shared vision to be essential in multicultural environment and this makes the developing of effective decision-making approaches possible. The study defined that problems and conflicts arising from cultural differences seemed to vanish to the background once shared vision was developed.

### 3.3.2. Common goals

*“Shared goals are a central feature of cooperation.”* (Earley & Gibson 2002: 113)

Many researchers of multicultural projects (listed below) are pointing out how essential forming common goals are. When all the group members participate in the goal setting and through this share a strong vision and common goal, the commitment level to the project is likely to be higher. Project leader should direct team members to set aside their own objectives to those of the team and by establishing the direction and goals together may crucially help motivate the members to do so. A clear and motivational goal is easier to accept when members have participated in the process as opposed to when the goal is dictated and made by others (Davison & Ward 1999: 18; Earley & Gibson 2002: 113; Ng & Walker 2008). Furthermore, Earley & Gardner (2005) presents that it has been demonstrated that participating in the goal-setting process leads to higher cognitive understanding of task and work requirements by the participants.

According to Thomas (2008: 189) establishing the common goals can also facilitate and enhance the work group identity to be positive and create synergy, which above all are important for the functioning of the group. To perform effectively the project manager has to align these goals and the resultant commitment to them so that they make sense and everyone in the project can understand them. (Christenson & Walker 2004)

Once formed these goals and the overall project plan need to be constantly revised to the changing circumstances of the process. Since the project and its objectives are constantly developing and changes may occur, the leader needs

to keep members informed of any changes (Briner, Hastings & Geddes 1996: 128-133). It is not enough to found common goals, they need constant revising and upgrading in order to maintain their efficacy.

### 3.3.3. Ground rules

Another important function in creating the structure is forming mutual ground rules for the project group. The manager needs to ensure that the team works productively when the members are both together and apart. This can be established by setting ground rules i.e. basic codes of conducts and procedures. Shared ways of working together and setting standards for effective interaction affirm teamwork when together. By setting realistic targets the leader can assure that the team moves forward. When the team is apart leader must ensure that each member of the group is kept informed and updated of the processes in order to keep the members committed to the project. (Briner et al 1996: Canney-Davison & Ward 1999: 18; Turner 1999)

When the projects consist of multiple cultures the meaning of creating these ground rules of functioning can be seen even more relevant and important because of the cultures' varying ways of performing and acting. Rules guide the mutual interaction and their existence helps to know what to expect of the other group members (Vallaster 2001). Differences in behavior and working between cultures may have significant implication for project success. For example multicultural team members have different levels of knowledge sharing behavior that is due to the national cultures that influence members' tendencies to engage knowledge sharing (Wei et al 2008). However, if the rules are vague or inconsistently applied it can lead to mistrust between the members and reduced effectiveness (Earley & Gardner 2005: 9). By setting these ground rules the knowledge sharing differences could be resolved.

### 3.3.4. Shared ways of communication

The group needs to agree on basic preferences of communication and stick to them otherwise the differences may lead to unintentional conflicts and further impede the group functioning. This means deciding common ways the

communication is performed inside the project group. If the communication manners are not agreed on, members may use separate communication routes or channels and the information can be disturbed or it can get lost on the way (Mäkilouko 2001: 93). This might harm the information flow severely and cause unwanted consequences as explained more thorough in the previous barriers chapter (3.2). Open dialogue, good interpersonal communication and relationships promote the development of well functioning interaction inside the team and help to reduce communication problems (Davison 1999: 18; Ng & Walker 2008).

Multicultural projects are more challenging environments when it comes to communication so the communication strategy needs to be strict and clear (Christenson & Walker 2004). The leader should realize and make team members understand that nationalities have varying worldviews and the underlying assumptions on how things work (Davison & Ward 1999: 19). For example decision-making norms and how they vary between cultures make it essential for the project manager to establish a common language to ensure every members understanding. This defines the concept for non-native speakers and reduces the loss of efficiency and misunderstandings (Ochieng & Price 2009). Mäkilouko (2003) addresses the same issue and according to him multicultural leaders often presume that the all the team members know the decision-making details. Therefore they don't take the time to explain how things are done and they make self-evident assumptions based on the leader's culture. Clear communication strategy helps to avoid that and indicates the wanted frame and direction for communication inside the project group.

### 3.3.5. Individual motivators

All the functions mentioned above in this paragraph help to build a structure that combines the ways of different people to work in order to form a collective infrastructure. Now when the means are introduced these two highly important qualities for members to possess, trust and motivation, may follow. These qualities can be seen as motivators for both group leader and members as they improve individuals' aspiration to work better and enhance group work.

Trust between team members improves sharing of ideas and resources inside the team. People are more willing to share important and valuable information when knowing that no one will misuse the shared knowledge in their own advantage. Better trust encourages group members to share knowledge and expertise and is the base of forming social capital. This social capital is essential for project success since functional social networks help creating synergy in teamwork. (Tansley & Newell 2006)

The importance of relationships and creating trust is a common character in effective multicultural teams and tend to improve communication and form a path for cultural learning. Open discussion and time spent with the group enhances mutual trust and relationships. (Mäkilouko 2003: 127-128)

Motivation in general can be seen as an asset that enhances an individual's and group's work. It is an essential necessity to effectiveness in the individual as well as in the team level. Creating motivation within the team can be a challenge for the leader because of the different individual motivators that can vary extensively in terms of what are the expected profits from the project (Kharbanda & Stallworthy 1990: 113-114; Davison & Ward 1999: 18). The leader needs to understand the individual motivators in order to know how to motivate and commit the members of the project group. Project Management Institute's *A Guide to the Project Management Body of Knowledge* state that project manager's most important asset is to possess interpersonal skills to motivate members of the project team (Schmid & Adams 2008).

Appropriately rewarded contributions will enhance team members' commitment and motivation. This is why the manager should develop a motivating reward system based on both milestones and overall goals of the project. Continued commitment can be enhanced and even ensured by valuing individual contributions and appreciation can be demonstrated with these reward systems. Also delegating responsibility and leadership roles where possible may lead to stronger commitment and establishing a feeling of being needed and important. (Davison 1999:18; Ng & Walker 2008)

As the previous sections show, great amounts of time need to be spent to establish and develop a common working culture within the group. The shared culture requires regular feedback as well as attention and discussions about

what is seen important and acceptable for the individual, and also the group. To make this happen it needs active listening, integrating contributions and giving attention to trust issues, disclosures, language and sharing. (Iles & Hayers 1997)

This is in line with Gibson and Zellmer (1997) who suggest that in order to work together efficiently, members of heterogeneous groups first need to share their perceptions, definitions, and frames of reference so that they can later predict how, and explain why, other members react. Therefore, regardless of whether a vision is shared or dictated, one parameter remains: efficient strategic decision-making occurs only when everybody understands the guiding principles for their actions and supports the process (Vallaster 2001). When the project group understands that they are working towards a mutual goal with common interests they will likely succeed better. At the same time this requires attention from the company and the project leader in order to find functional ways of working and ways of motivating the group's members. The chapter 3.3 showed examples on what has been suggested in the literature in order to succeed in pursuing harmonious ways of working. The next chapter focuses on the part of the project leaders and what is expected from them.

#### 3.4. The Multicultural Project Leader

*"Leadership enables the effective functioning of multicultural project groups"* –Shapiro (2005)

This paragraph gathers together demands for the leader and goes through the skills and qualities that can help in order to efficiently manage multicultural project group and achieve the advantages cultural diversity can offer. Project leadership is full of challenges in the national level and it gets more demanding and challenging when functioning on the international level (Davison & Ward 1999: 19). The multicultural context increases the challenges related to project leader's role and these culturally diverse issues add a great amount of complexity to the leadership (Burchell & Gildea 2008). This chapter attempts to provide a closer review in what skills and qualities are considered to be helpful in multicultural management.

### 3.4.1. Cultural understanding

Understanding other cultures is vital to be able to know and understand the complexity of cultures and how it effects to members way to act and work. The chapter (3.2) gave a frame on how big the differences may be between the cultures. To truly succeed in managing a culturally diverse group, trying to understand the other cultures in the group is not enough, and the project manager needs to direct the attention to identifying the differences between one's culture and the other cultures within the group (Burchell &Gilden 2008). The base for the task is that the leader should understand the social, economic and ethical framework within which others work in business and encouraging them to understand the same factors in relation to one self. Once this foundation has been established, the group can focus on specific operational or strategic issues (Kingston 1996: 69; Davison & Ward 1999: 19). Realizing the differences and above all understanding them is what gives project manager the means to lead the group effectively (Burchell &Gilden 2008).

For example Mäkilouko (2003) presented that managers who know the cultures present in the team have been found more effective than others. The leader can learn and study cultures and by doing so the cultural intelligence grows. To be able to internalize this information the manager needs to possess cultural empathy and sufficient language skills. Culture related problems met on the way are seen as a part of the learning process and when manager's awareness and experience on cultural matters increases, the problems usually reduce. In one of the leadership styles Mäkilouko highlights the understanding of other cultures in order to know what the diverse team members expect of both leadership and working together. With help of cultural knowledge the leader knows better how to address these expectations in a way that the team can be designed to avoid most of the cultural misunderstandings and conflicts beforehand.

### 3.4.2. Skills and qualities

There is no absolute truth in trying to form an ideal multicultural leader however next some findings from the theory and previous research are presented starting with highlighting the importance of combining the right measures in different situations.

Balancing the competing demands of management actions is complicated. To be able to understand the project and the project's goals and demands is crucial for the project manager. Being an integrator is one important function for the project leader to help successfully manage the project group. The concept includes connecting different management processes, functional disciplines and organizational units in a way to successfully form a well functioning way of working for the specific group. (Wang & Liu 2007)

Wong (2007) approaches multicultural leadership in a similar way as the main point is the ability to change and adapt to new and different situations with the right leadership tactic. Wong presents four personality types for team leaders characterized by unique set of leadership skills; the Rational, the Idealist, the Guardian and the Artisan. Each of these consists of temperament types describing the leader's way of working; such as being independent, caring, purposeful or charismatic. He states that good leadership style does not define what makes a good team leader, but how well the leader blends the used style to fit the needs of the team, project and organization.

Müller et al (2009) presents findings of a research that indicates the same importance of how leadership behavior needs to be flexible. According to the article leader has to change and alter this behavior to suit different circumstances. It emphasizes that successful project managers seem to use varying and flexible styles in approaching different issues in the project.

In his research, Mantel (2001) emphasized that project manager needs to have skills in many different areas. Project manager's performance is measured by the degree project goals are achieved and the goals may and often change on the way, which gives additional requirements and challenges for the leader. Even the expectations of the project's outcome may change and project leader

has to be able to make all the required changes. To be able to perform well, problem-solving skills are seen essential due to the conflicting and unique nature of a project. Creativeness and flexibility can also help the process to be able to adapt to these occurring changes. Important in winning the group's trust and belief to the changing situations it is essential to be a skilled negotiator and know how to persuade people.

According to Srica (2008) leader needs to be aware what is going on with the project at all times and adjust to the changes. S/he also needs to make the project group understand and realize the existing situation. The leaders are the visionaries of the project and it is their responsibility to have the plan and know where to go next. The manager should be a long-range planner and also a tactician (Miller et al 2000). Srica also highlights the meaning of problem-solving skills and that they are needed on the way. To avoid internal struggle and to orient members to wanted direction and goals, the importance of being able to stimulate others, provide them with inspiration and motivate them to work better is emphasized.

Wills and Barham (1994) have found three characteristics that are common for multinational managers. The first one is cognitive complexity, which means the ability to relate, learn and understand other cultures. The second characteristic is emotional energy that consists of self-awareness, persistency and risk acceptance. The third characteristic common for a multinational manager is psychological maturity. This comprises of curiosity to learn, time orientation and personal morals. (Mäkilouko 2003: 83)

This paragraph concludes what came up in the theory of multicultural leadership skills and characteristics. Cultural knowledge was highlighted the most and the importance of understanding cultures appears to be crucial for culturally diverse project leader. In addition to cultural affects some researches underlined the ability to integrate different leadership styles and knowledge on what is needed and when. Skills mentioned to be important were problem-solving skills and stimulating skills. The list of characteristics mentioned includes creativeness, flexibility, ability to learn and understand other cultures, self-awareness, persistency, risk acceptance and psychological maturity. The list continues and differs according to whose opinion is being considered, regardless the list appears to be demanding and so is the performance needed.

It seems that there is no universal agreement what the core competencies for multicultural group leader are. Similarities do exist, however they are overlapping and crisscross. (Joshi and Latsarova 2004; Mäkilouko 2004)

### 3.5. Summary and discussions on the theory

This paragraph gathers the valuable information and knowledge from the theory presented in the subchapters of chapter 3. First the study goes through the theory to internalize knowledge base needed and in the end every subchapter is introduced once again to clarify and highlight the essential information. The meaning of this is to form and build a functional frame for the empirical part of the study. Next the highlights of the chapter three are pulled together.

National and international teams share the same tasks and responsibilities for the leader: the goal is to reach the optimum outcome and project objectives by effective leadership. The difference derives from the additional challenges due to the multicultural nature of the project. In other words international team needs to possess the same information and know-how as a national team and furthermore, master the complexities rising from culturally diverse group. (Davison & Ward 1999: 19)

The challenges of multiculturalism in project team are mainly caused by different languages, communication styles and by how people use and share information. The leader should realize and make team members understand that nationalities have varying worldviews and the underlying assumptions on how things work. The expectations about other team members' behavioral norms, decision-making, status within the company and conflict resolution styles differ between the teams members. Also stereotyping can create challenges and lead to misunderstandings within the group. (Iles & Hayers 1997; Davison & Ward 1999: 19)

The theory gathered presents what are the matters we considered being most important and relevant knowledge concerning the subject of the study. The chapters are formed, divided and they introduce the main in the way we saw best. A lot of research and literature was examined to form this and below the

main points are presented to give a clear picture of the main findings from the theory and also form guideline for the empirical research mentioned before. Below every sub-chapter's main idea and points are presented:

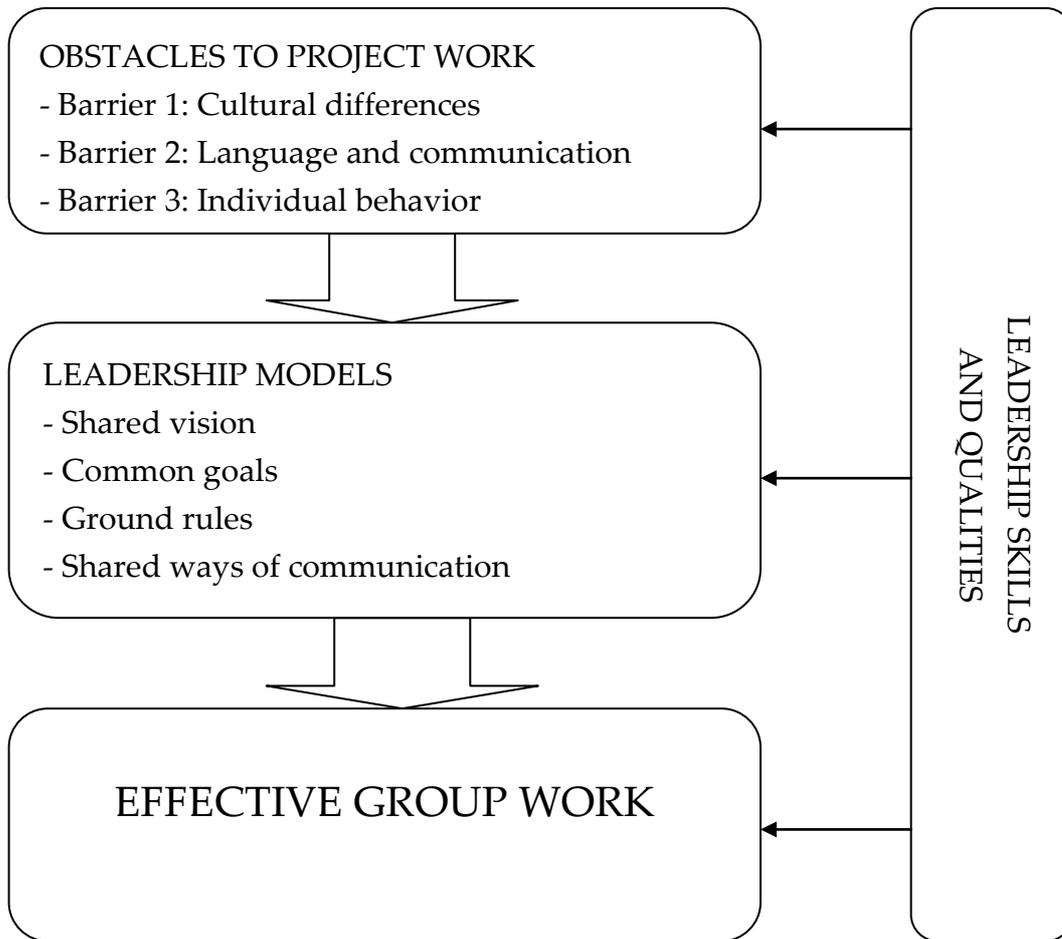
3.1 The project management in general is attested on how the multiculturalism brings additional challenges and how it effects the functioning of the project group. It also puts together the possible advantages that cultural diversity may bring through right kind of leadership

3.2 The barriers of culturally diverse workforce are then named and the main interest here is if the project experts interviewed will come up with the same problems and barriers and this is further enlightened with multiple examples.

3.3 Sub-chapter provides important knowledge on how the leadership should be done and what kind of strategies the managers may use to ensure the effective group work and shared goals and direction wanted.

3.4 Is aiming to take a closer look on what is the leader made of and the important and relevant skills and possible characteristics are discussed.

All of the sub-chapters are presented in order to build up a frame that will work as the foundation for the qualitative research attested after the methodology. Figure 6 presents a process model for multicultural project management that combines the findings from the literature. It suggests how the different elements included in multicultural project management relate to each other. The obstacles listed in the first box can be overcome with the models presented in the second box. When the obstacles are solved and efficient models implemented, effective group work can be achieved. The leader and her/his skills and qualities affect the whole process at all stages and still when the desired group work has been reached the leader needs ensure its sustainability.



**Figure 6.** The multicultural project management process model

## 4. METHODOLOGY

This chapter describes the methodology used to collect and analyze data in the research. First the research methods are described to present the general theoretical background for the research approaches used. After this the techniques that were used in the interviews as well as the interviewees are introduced in order to form an image on what kind of expertise they have on the subject. Next we will open up the means used to collect and analyze the data gathered from the interviews. In the last part of the chapter the study's reliability and validity are evaluated.

The idea of the research was to understand a project leader's side of the story when s/he had a culturally diversified group to manage. This required studying literature of the previous theories, research and observations on the subject. Data for the empirical analysis was collected by interviewing project managers who have experience on working with multicultural project groups.

According to Cassel & Symon (1994: 4) qualitative research is "less driven by very specific hypotheses and categorical frameworks and more concerned with emergent themes and idiographic descriptions". Interviewing is a common method to gather information in qualitative research. In the qualitative research interviews the aim is to collect descriptions of the interviewees' life-world with respect to the interpretation of the meaning of the described phenomena (King 1994: 14). Because of the requirements stated as well as the descriptions above we chose to use a qualitative research method.

Although this method doesn't provide as much data as a quantitative analysis, the quality of the data from in-person interviews is deeper and more insightful which suits better with the need of understanding the interviewed leaders' viewpoints. The basis of qualitative research is in describing the subject as thoroughly as possible and it is practical when studying life and behavior. A qualitative research is likely to convey in depth, diversity and complexity. Broadly said, the aim is more to find or reveal facts than to strengthen already existing statements. Why the qualitative method suites better for this research is also because that the data collected is richer than in a quantitative analysis since

the non-structured, open—ended question interviews enables the researcher to gather more in-depth data than structured interviews or questionnaire forms. (Hirsjärvi et al. 2002: 124; Seale et al. 2004: 1-11; Hirsjärvi et al. 2007: 157)

#### 4.1. Interview techniques and the interviewees

Our aim with the interviews was to gather information about Finnish project managers' own experiences with culturally diverse groups and get deeper knowledge on how they see the multicultural project groups. For this we designed a set of questions that aimed both to cover the previous theory on multicultural group management and to find out what kind of positive and/or negative experiences the interviewees had previously had on managing these kinds of groups. This gave us the opportunity to see if there exist similarities between the theories presented in the literature and the practices used by Finnish project managers.

When interviewing respondents about their previous experiences by asking them to express their opinion on the matter at hand we chose it was best to use face-to-face interviews. In this kind of qualitative research the goal is to understand how and why the interviewee comes to have a particular perspective on the subject. In other words: to see the topic from the interviewee's perspective (King 1994: 14). Since this study aimed to gather information about project managers own experiences with culturally diverse groups, it was seen best to arrange questions in a way which left room for natural responses and discussion. Most of the questions were left open on purpose by using question styles as: "in your opinion.." and "based on your experience..".

The advantages of this kind of semi-structured or theme interview with open-ended questions that is carried through in a face-to-face situation are considerable when collecting data based on personal experiences. Open questions let the respondents express themselves through their own words without giving suggestions or leading them to certain pattern of answers i.e. encourages to more self-generated answers. Furthermore, open questions influence answers the least since they let the responders choose which way they

want to lead their answers and let them speak more in the way of common conversation, with more naturalness. It can be said that the interviewee is also a participant in the research and rather than passively responding to the questions, is actually shaping the course of the interview. (King 1994: 15; Holstein & Gubrium 2003: 179-180; Hirsjärvi et al. 2007: 196)

When the interviewees were given the opportunity to tell about their experiences in their own words we found that the discussion was easier and more open. Many times the interviewees returned to a story they remembered concerning a previously discussed question which gave more profound information about their experiences. Of course this led to answering many questions at the same time when the respondents started to tell about their experiences and opinions. Because of this some answers repeated the same information but also gave more data and examples.

In qualitative research the target group is selected expediently and not by using a random sample group (Hirsjärvi et al 2002: 155). The interviewed persons for this research were selected based on their experience so that the answers would be reliable and support one another. Each one needed to have experience on managerial positions in project work and also some of that had to be done in an international environment, so that the multicultural aspect could be properly managed. Another criterion was that they all had to be Finnish since the aim of the study was to find out how specifically Finnish project leaders manage with multicultural project groups. Based on these requirements it was clear that all the interviewees would have the proper knowledge and experience of the subject and their answers would give us valuable and reliable information and bring us closer to solving the research questions.

The interviewees didn't want their names to be published, which is understandable due to company policies and the delicate information shared about their earlier projects and the companies they had worked in. However the profiles of the interviewees are given next (see table 2) for to be able to form some kind of conception about the field they are/were working in and to describe the size of the businesses and projects. The interviewees had many years of experience on working with national and multinational project groups. Also, they all have experience on managing in a project which included members from at least two different cultural backgrounds. The interviewees

work at the moment or have previously worked in large Finnish companies which have operations overseas. All the information on the interviewees is presented as they stated them in the interviews and we considered them to be reliable information.

**Table 2.** The interviewees' profiles

Gender	Status at the moment	Project Management experience	Experience in yrs*	Areas where worked
Male	Professor of Technology in an University	Supervisor of PM's, Trainer of PM's	> 15	Global
Male	Vice President	Project management and development	~20	Asia, Europe, the U.S.
Male	Project Leader	Project Leader	> 5	Global
Female	Project Director	Project Director	< 5	Baltic countries, Scandinavia
Female	Project Manager	Project Manager in global projects	~10	Global
Male	Retired	Project Director in building projects	> 25	Africa, Europe, Middle-East, Southeast-Asia
Male	Retired	Manager of International implementation and sales projects	> 25	Asia, Eastern-Europe, Russia

\* The approximate time in years that the person has experience on working in projects.

#### 4.2. Data collection

The data collection chapter describes how the interviews were executed and the detailed information about the interviews is displayed.

The first and the biggest challenge was to source the people we could do the interviews with, in this case "the people" meaning multicultural project leaders that have spare time to use to be interviewed to our study. We tried to scout "our type" of interviewees with the help of the Internet and used our connections to gather the managers that were able and willing to say yes to our

interview. At first they seemed to be hidden but after some time and improved search methods everything worked out well. The requirements were quite strict and we only accepted project leaders that had done international project work and worked with many cultures and that way had the experience and edge to give valuable material to us. It was not the easiest task to set appointments with multicultural project leaders with their busy schedules. Finally we did find the group of interviewees who appeared to be experienced enough and could give their unique contribution to the study.

All the interviews were made in-person except for one of them, which was of necessity done via e-mail with the question sheet sent to the interviewee. It was highly important to make the interviews personal because the material wanted is far more reachable in face-to-face situations. The interviews were done around southern Finland; in Tampere, Hämeenlinna and Helsinki. These interviews took place in the respondents' office or home, or in a public place. Most of the interviews were done with one researcher interviewing but one of them also with both researchers present. This enabled that both researchers heard first-hand information from the interviewees and through this could both separately form conclusions on the subject and later merge them during the data analysis.

The interview consists of ten main questions. The questions were formed in order to bring out the project leaders' own experience and what is truly seen important by the managers themselves. This is also why the questions were left open so the respondents could answer through their views and create conversation on the subjects at hand. With the questions we wanted the managers to reflect their own experiences and opinions without guiding them too harshly as discussed above.

Establishing the questions was not easy as we wanted the interviews to provide as much valuable data as possible. Some of the questions were formed based on the highlights of the theory of the study, for example when the project leaders were asked about the challenges of multicultural work and the leader characteristics. However the idea behind some of the questions was to bring out more of the personal experience and receive examples of real life e.g. multicultural clashes and achievements.

### 4.3. Data analysis

The duration of the interviews varied between 40 minutes and one hour and 15 minutes. Each interviewee was presented with the same questions although some additional individual questions were made to clarify meanings and examples. The order of the questions were let change on purpose which helped to maintain natural conversation and helped to keep the atmosphere relaxed for the respondents. The interviewees had a personal style on answering; some spoke more well-defined when some had more “stories” to tell. Variations in types of speech mainly caused the differences in the duration of the interviews e.g. the one describing things with examples took more time than the fact based one.

The material of the study was formed by way of the interviews. Each interview provided a lot of information and we needed to find proper means to interpret the contents of the interviews. The data was divided into themes to improve the clarity of the study and to facilitate the analyzing process. It was also done to control the information chaos and in order to not to lose any valuable data in the process.

The interviews were recorded and some of the keynotes were committed to paper. After interviewing, the lettering of the data elicited was done so that the material would be easy to process and use. Lettering the material was a time-consuming process; all the answers were written down word-for-word and most of the time the tape recorder wasn't on our side when storing the answers. After dictation, the material from the interviews was cross-checked to make sure everything was done correctly i.e. if there was missing pieces or unsure sentences the tape was checked again to be able to correct these gaps.

The empirical findings of this study are divided to three main themes that are formed based on the material received from the interviews. The themes also needed to suit the structure of the theory and this way make the comparison of the interview results and theory more fluent. Next the process of formulating these themes is explained.

The following phase was to find similarities between the questions and divide the material into themes based on them. The idea was to find themes that

connect with each other rather than seeking separate answers to the questions. Segmentation of the data enables a well-defined course for the material and makes sure that the ideas and text in general is not overlapping. However, this was found to be almost impossible when the respondents would tell about similar happenings in different questions. Because of this similarities can be found in different themes. Each theme consists of answers given to some of the main questions. These parallel questions that formed the themes were decided before any material was directed under them. Theory also had a significant role in dividing these themes and they are formed in a way that adapts to the theory.

After deciding which data fell into to which theme the material gathered from the answers was added where it belonged. It took time to separate the answers and process the knowledge received, and finally a clear structure that would hold up the analysis was formed. Congruent views were put together, analyzed and compared with each other and also with the theory of the study. The opinions and views of the project managers interviewed are presented in the text with word-for-word quotations.

#### 4.4. Validity and Reliability of the study

The reliability and validity fluctuate in researches in despite of aspire to avoid mistakes. Because of this the research should be conducted in matters that provide information which is both reliable and valid. This means that the research should be possible to repeat as well as show that the methods used measure specifically the target researched. In qualitative research the descriptions of persons, places and events are essential to help to verify the researches reliability and validity. (Hirsjärvi et al. 2002: 213-214)

A research is considered to be reliable when the results are the same regardless of who conducts the research. This means that *the reliability* is defined as the repeatability of a research which again refers to its possibility to give non-random results. The results should not change neither in the case where two or more researcher follow through the same study, nor in the case where the same subject is studied on different occasions. This should provide same values

provided that the subject measured itself has not changed in the meantime. (King 1994: 30; Hirsjärvi et al. 2002: 213)

*The validity* or evaluability of a research is generally said to be verified when the instruments used measure exactly what is meant to be measured. Furthermore, in qualitative research if the study truly examines the subject which it claims to have examined, the study is valid (King 1994: 31; Hirsjärvi et al. 2002: 214). However, these do not always equate reality, e.g. when the respondents of a target group understand the questions differently than the researcher has meant. According to Hirsjärvi et al. (2002: 214) there exists also discussion that the concept of validity is incoherent as is in the case where the researcher in a case study assumes that all descriptions relating to people and culture are unique. In this case the traditional evaluations of validity and reliability do not apply.

The validity of this research was ensured first of all by choosing the interviewed individuals based on their expertise in the field of international project management. One of the criteria of choosing the interviewees was that they had experience on specifically project groups that included members from at least two other nationalities in addition to Finnish members. If the projects took place in Finland or abroad was not seen to effect on validity since the aim was to research project leaders' experiences that have had multiple nationalities representatives in their project groups, not if the location had an effect to the projects. Another thing that was seen to enhance the validity of the research was that all of the interviewees voluntarily agreed to interview when the researcher contacted them. Because of this it can be assumed that the responses were honest and coincided with the interviewees' actual experiences.

What was kept in mind when analyzing the interviews were the background variables affecting the respondents answers. Since the persons were talking about their own experiences, it can be argued that there could have been motives for which they might have given a certain type of answers, e.g. to appear superior. Other variables that could have influenced the interview situation are for example the mood of the respondent and the interview situation or surroundings. When answering to questions based on experiences and memories, the respondent can remember details and happenings dissimilar than actuality. Because of this the results are based on how the respondent

remembered and comprehended the issue in question, and because of that the answers are not accurate to describe the matters as facts. Each person will have their own interpretation of the question which changes the outcomes of the responds in the interviews.

## 5. FINDINGS FROM THE INTERVIEWS

In this chapter we present the results from the interviews and the most adequate quotes given by the interviewees as well as analyze these opinions and statements. Because the idea behind this study is to shed light on the experiences of Finnish project leaders we found it important to bring out their opinions. Because of this we chose to present quite many quotes from the interviews to show exactly how the interviewees had experienced working in multicultural projects.

The findings from the interviews are divided into three themes and the structure adapts to the one of the theory. The first theme introduces the culture-induced barriers and what the interviewees saw to be the cause for the problems as well as the influence of these barriers on multicultural project environment. The second theme presents the project managers' views on how to understand cultures involved and how to take them into account as well as models on how to create a common foundation in order to make the cooperation effective. Theme number three discusses the role of the project manager and how the managers interviewed saw it.

Before getting started with the themes the possible advantages of the culturally diverse groups are presented. These are not included in the themes since the subject is more about the challenges of multicultural project manager. However, this is an important part of the study since in order to make an effort one wants to know what there is to gain. The advantages can function as future scenarios on what can be achieved through successful multicultural project leadership. The managers were inquired about the opportunities among the questions and the results are presented next.

*"I'd say there is more and more advantage in multiculturalism than just doing these things in a small group of our own with only certain nationality."*

The project leaders were asked if they can name any advantages or possibilities that come with cultural diversity in project work in two separate questions. In the other questions they were asked to give examples on where a multicultural project group has because of the diversity in the group (a) achieved something

and (b) incurred a problem situation. After this the respondent answered to a question on the opportunities that cultural diversity brings to the group.

What was very interesting and worth noting was that these questions got probably the shortest answers in each of the interviews. It seems that although the leaders had multiple and versatile examples on the problems and difficulties of multicultural work, for some reason the positive sides failed to come forward in the interviews. If this was because of the focus of the interviews were usually more on the negative sides that caused this or a case of the respondents' memories being mostly negative is very hard to say. In spite of this, the respondents found also positive sides to multicultural project work and in the end had extremely good things to say about it.

*"I can say that I'm totally against that [multiculturalism] wouldn't broaden the minds of project group and that it's only more challenging. There are many positive sides in it and I see multiculturalism bringing more positive than negative aspects."*

Many respondents highlighted the matter that cultural diversity in the group was seen to enhance productivity. A reason for this was first of all that the more diversity in the group, the more ideas and perspectives comes up in the projects. This was seen very helpful to get outside of the thinking models of ones own culture. The respondents thought that a diversified group has more knowledge on international aspects and can use especially the knowledge of their own countries to help executing projects in environments familiar to them.

*"Yes, I would see that [a multicultural project group] brings more perspective to it. A German thinks differently than a Spanish but there can be found various aspects that support the whole functioning of the group."*

*"Thinking about being successful, many times when [people are] from different cultures things are seen in different perspectives. When making a decision and doing certain things and trying to get something finished if you think only with Finnish brains or German brains it can get a little narrow-sighted. When there are persons from more cultures, everyone brings forward their perspectives and the scope widens and the matter [at hand] can be done better. It's a positive side that manifests."*

Besides bringing greater scope to the project, the respondents gave specific examples on where they have actually seen the benefits of having diversity in the project. One advantage that came forward was better understanding the projects problems. It also connects with what was said above i.e. that having persons with knowledge of different cultures brings understanding of matters and helps to find solutions to difficult situations.

*“Cultural diversity in the group in its best enables to better understand problems - which will surely occur in every project - beforehand.”*

On top of that the understanding of project risks was emphasized. This was seen helpful in order to understand the markets in which the projects are operated. Knowing how to work at business markets of different cultures helps to get deals done that could be lost when not knowing the working culture and styles. These issues come up in the next two quotes;

*“[Multicultural environment] teaches a lot personally to everyone in the team. Working there gives you a possibility to experience how differently things are experienced and how they are done. This way one can meet to the demand of the market. It is essential that you this way can avoid risks.”*

*“At least that you can achieve trade and an accomplishment is that it goes well. If you can work a deal between two cultures it is a big thing itself. And most of the time it's because the cultures co-operate. It can be a magnificent thing in a multicultural project group.”*

Another approach on the positive effects of culturally diverse group was the competition between the cultures in the group. Diverse cultures were being beneficial when competing with each other and in this way profitable for the project. The advantage was formed when members in different countries working in the same project started forming rivalry that made them perform better. In some cases this can be because of certain nations having a background with competing with each other or just because of the want to perform better than others. This same point was presented in the theory. Here is how it came out in one of the interviews:

*“In a way there became a competition with Finland so that the persons who learned and started to use [the system] in China, they were faster. They were faster to learn so there became a kind of a competition that we Finns will show them. So that was a really good thing where I’ve noticed that it was really a benefit that we had a multinational [group].”*

Of course we have to keep in mind that most of the project leaders interviewed were working or have worked in large Finnish companies and they had led projects which had members located globally. But having global projects brought also surprising advantages, as one of the interviewees told;

*“We can execute projects all year-round.”*

This shows that besides the advantages that come with the diversified members of the group also having members in different locations can help to execute the project more efficiently. The quote refers to national holidays e.g. that when in one place there are summer holidays and business is quieter, the project can be carried on in its other locations where the summer holidays are held at different time. The interviewee in question gave example of how the holidays are held in different months in Europe.

As was discussed earlier, having multiple views on a subject was seen to help stepping outside one’s own cultural models to see that there can be better and more efficient ways to conduct projects. The adoption of best practices from other cultures and implementing to own models was highlighted in few interviews. The respondents talked about how copying well-working models can enhance performance. As in other cases, the respondents usually took Finland as an example of somewhat narrow-minded thinking;

*“[...] we Finns often think that our specific way of working is the right way. In a [multicultural] environment one needs to examine in what ways the others are doing and take the best parts to yourself. We do things well here in Finland but basically there can be found things that we can improve and use the things we have noticed from other cultures.”*

But when asked about the positive sides of multicultural project groups, not all the managers were convinced that cultures bring opportunities to the group;

*“Gathering competencies is the first thing to do when starting [multicultural] project and they are acquired where possible. It can reach the same [level] as a homogenous group if the barriers and challenges that multiculturalism brings are overcome, get the patterns working.”*

This approach states that if managed properly a multinational project group might reach the level of national one. In another words the best a multicultural group can do is work as well as a culturally homogeneous one. The assumption made here is that the multicultural environment is more complicated and harder to manage. One of the interviewees even found it hard to find anything positive in multicultural groups. The opinion was more that it does not matter of whom the group is formed of. This response was supplemented with more skepticism but at the same time it is worth noticing that the respondent was talking about economical and leadership profit, not about the advantages to the group itself;

*“I can’t really say if we have gained any economical or leadership profit because the project group has been culturally diverse so I can’t say if there is something achieved or not with multiculturalism because in any case the projects need to be terminated.”*

This last example proves how difficult it is to demonstrate that cultural diversity of a project group is the reason for success achieved or for opportunities to rise. There might not exist yet means to prove and certify the advantage of having multiple cultures in a project group. Answers to these two questions were the shortest as was mentioned earlier and also interviewees needed more time to come up with answers. Maybe it is easier to point out the disadvantages and difficulties derived from multiculturalism than prove the advantages.

However according to the interviews, project managers do emphasize project consisting of multiple cultures and most project managers did see the positive sides of it. The examples gathered in the chapter highlighted the possible advantages and opportunities of multiculturalism.

The positive effects of cultural diversity mentioned were that it gives a productive base for ideas, creativity and more perspective to the group. It was

also highlighted how that kind of working environment can be good in adopting best practices of cultures. All in all, the multicultural project group was without exception seen as challenging however it should be kept in mind that the positive effects were highly emphasized.

In order to achieve a project environment where the advantages can be properly utilized a lot of work needs to be done to make the group work together effectively. These experiences from the field, from the interviewed project managers, provide useful information and knowledge on the challenges faced inside the project group and guides to better realize the multicultural project environment. The structure is quite similar with the chapters in the theory since it makes the text easier to follow. First the barriers for group work are introduced with comments and real-life experiences. The second theme discusses multiculturalism and what it requires to first of all understand diversity and second to form a ground for group work where everyone involved in a project knows what is it that they are there to achieve and the means to implement these actions. The third theme concentrates on the managerial demands and the project managers provide answers on what makes a good leader.

### 5.1. THEME 1: Barriers in a multicultural project group

The theoretical assumption is that multiculturalism in a project group causes many challenges and problematic situations to group work. These barriers, which are more closely introduced in the theory, are seen as obstacles to project work. They complicate and delay the project group's ability to cooperate, the effectiveness of the group and also slow down the work process. These barriers are many times the main reasons for conflicts inside the project group between the groups' leader and member as well as between the group members.

According to the theory, the most significant barriers deriving from multiculturalism are cultural differences, problems and misunderstandings caused by communication difficulties and individual level motives. Although these barriers are the underlying factors that create conflicts they can be

predicted, understood and managed when the leader has the sufficient information and skills to prepare for difficulties.

It was interesting to see if the managers interviewed would agree with the barriers found in the theory. The questions were formed in a way that avoided asking about the barriers per se since we wanted to avoid leading the interviewees. The theme was approached with three questions in which the positive and negative sides of multinational project group were emphasized. In addition to these we found that some of the interviewees also talked about barriers when asked about how leading a multicultural group differs from leading a single-nationality group.

We would like to point out that the nationalities referred to and examples of behavior by individuals of a specific nationality mentioned in the quotes used are all presentations on how the interviewed project leaders responded to the questions. The purpose is not to give a bad picture of any nationality in any ways but to accurately observe the experiences of persons who have worked with representatives from many different nationalities and cultural backgrounds.

#### 5.1.1. Barrier 1: Cultural differences

*“People tend to assume that everyone functions the same way in similar situations, make same conclusions and highlight similar things. However this is not how it is and people have different assumptions on how these things work.”*

As comes clear in the quote from an interviewee, many times people do not realize the amount of divergence culture brings to individual's behavior models and how easy it is to leave them unnoticed. The first barrier consists of differences related to culture in general. Group members that come from varying national and cultural backgrounds have differing worldviews as well as ways to deal with other people and situations. These behavioral models are formed from the patterns of their national culture and can create problems when the leader does not recognize the divergence and fails to take them into account.

This barrier got a lot of confirmation in the interviews. According to most answers, the different ways of action in cultures form one of the biggest problems in a culturally diverse project group. The interviewees had many examples to give about this barrier which further strengthened the assumption of national cultures over all influence on group work.

*A negative side is that different cultures have different working methods. The employees from one culture are sometimes hard to understand why the other does things differently because some think that things should be done in a certain way.*

Some of the interviewees gave specific examples on different nationalities work behavior which they recalled from working with them. These shows the fact that people from different cultural backgrounds have also dissimilar work culture which the Finnish project leaders do notice in project groups. Sometimes this can mean simply if the leader can trust what the group members say. Mostly the answers regarded habits as in keeping your word, doing what you are told and finishing tasks on time. In most extreme cases the country's culture in general, including politics, stood in the way of any kind of cooperation. This means that not only does the culture come through its carriers but also effects the cooperation as a whole between countries.

*"It just doesn't work. It's the cultural differences again; we have realized that we can't do anything in there. Russia is Russia and we don't have what it takes in there. [...] It comes from the surroundings. And the Russians are quite difficult to do business with or when you go there from Finnish culture the difference is rather large."*

In cultures there are a lot of things that are of great meaning and leader needs to make oneself familiar with the cultures common beliefs and customs and know what is seen wrong and what is considered to be right. One can make radical mistakes without that knowledge. The knowledge required to understand a culture begins with something small for example how to dress up to the meetings and to pick up the right gifts to give in Asian cultures. The next quote shows that dealing with other cultures requires understanding of the others beliefs:

*"One really clear example to different ways of doing things in cultures is in Indian work culture, where all the important deals and signing of significant agreements and*

*papers is done according to astrology i.e. it needs to be made sure that it is astrologically right date to make any business deals. E.g. we needed to resign the deal because it was signed on a wrong day."*

As mentioned earlier in the theory some cultures have stronger cultural behavioral models than others which are also more important to maintain. Especially these are troubling to the project leaders since if one does not understand the behavior of a person from different culture it can lead to disgracing and cause shame in the person in question.

This came up especially when the interviewees talked about their experiences in Asia where losing one's face is an issue of great importance. Because of this some employees hesitate to show their insecurity or disagreement and prefer to follow the leaders' actions. Of course sometimes it can be the result of the lack of common language or due to poor language skills but also a matter of staying polite in a difficult situation.

*"In Asia, people never give you a negative answer when asked about the projects progress, even though they haven't done anything or understood what had been talked about. Further, even when they have problems, they smile."*

In these kinds of cultures the project leader must understand the consequences of his/her actions. The interviewees talked about these situations as being very delicate and emphasized the importance of knowing what you are doing. In worst cases failing in these situations can lead to severe misunderstandings and harming future cooperation. As losing face, the issues of religion and politics were mentioned several times in the interviews to be delicate as can be seen in these answers;

*"For example in Asia the fear of losing one's face is very strong/people are so scared of the loss of face that if a manager criticizes an employee in front of others, even when it is justified, the employee will lose his face making later cooperation impossible."*

*"One important thing when dealing with cultures is to be really careful when talking about religion, politics and similar subjects."*

The examples above reflect also a cultures history. What was interesting was that one of the interviewees referred to similar kind of historical background in the nationalities economy to be a reason for similar behavior at work. This could be a suggestion that similar history could effect on persons behavior in the same way in different countries. The project leader interviewed stated on commitment to company;

*"[...] a certain kind of mentality and commitment in a way. I think that the Finnish and the German employee who had history in paper industry were more committed to the company than the Italian whose economy the paper industry hasn't influenced so much."*

This quote associates also with time-orientation, which was introduced earlier in the theory. In this case the past had an effect on the employees work behavior. Time-orientation effects also on the present working habits as in the conception of time. This was a thing that came up in many interviews, mostly as cases where some employees failed to deliver demanded tasks in time delaying the whole project and causing extra work for the leaders. The same project leader who talked about the historical similarities went on saying;

*"The Germans and the Finnish had a really precise way of working that [the work] had to be done like following a code and finish at a certain time. Whereas this Italian guy was more flexible and had a little more laid back style."*

Interestingly, it did come up in the interviews that some respondents believed that there exist more conflicts between certain cultures, which may be caused by e.g. politics or a common history:

*"There are more conflicts between certain cultures than others, if members are from cultures A & B, the amount of conflicts is much bigger than if they were from cultures C & D. I think also chemistry between people has an effect, not only cultures and behavioral models."*

Two female project leaders also reported the issues of women's role in different cultures. The interviewees mentioned especially Russia, Brazil, China and the Middle East to have these issues. They came forward as the lack of respect towards women colleagues as well as in the objection to take orders from

women even when the project leaders in question were the superiors. This can lead to severe problems in a group if some members refuse to work with women. Unfortunately, the role of women still seems to be an issue in some countries, as can be seen in the answers the women project leaders gave in the interviews.

*“I didn’t have any role in there; he wouldn’t report anything to me.”*

*“For example ten years ago when I was working, as a woman, in Russia, we had a Russian man as CEO and we didn’t quite hit it off. He didn’t approve me or that I tried to tell him to do something. It was a dead end. [...] and when there were difficult financial issues he said that he would not discuss them with me.*

*“I went to Brazil in 2002 to tell to Brazilian men how to do specific things and they would almost throw us out! There were two of us, women of the same age, coming there to tell them what to do and they’re opinion was ‘go to hell’. But when he realized and got the trust that we knew about the matter, after few weeks he said ‘please come back or I’m screwed’.”*

In the end, the example from Brazil is also an example how cultural barriers can be eventually put aside after the different sides have gotten familiar with the new situation. After this the groups’ cooperation improves and the group starts to work more as an entity. As all the quotes from the interviews show there are numerous things where cultural background effects on people’s behavior inside and outside of workplace, even in situations where it is not obvious. This may come as a surprise for a project leader if not properly prepared.

Barrier 1 demonstrated the conflicts and problematic situations caused by cultural differences in general e.g. customs, behavior and working models. Besides these there exists the problem of getting your message through to persons from other cultures. The issues discussed in this barrier have to be kept in mind when it comes to communicating over cultures since knowing how to behave and how others behave help understanding the communicational difficulties as well.

### 5.1.2. Barrier 2: Language and communication

*“Of course misunderstandings emerge when you don’t have a common language. That some issue is tossed around a long time because none of us really understands or then someone is trying to figure out what the thing really is about.”*

Every interviewed project leader, except one, mentioned communication to be a challenge in multicultural project groups. According to the interviews the language problems were very common and seen as risky since they can cause a lot of trouble and misunderstandings. In multicultural projects the leader should remember that in many cases most of the people involved are non-native speakers of the language used in project, most commonly English. Language skills should be highly valued and also kept in mind that language is only one part of communication; also gestures, non-verbal communication and so called global language came up in the interviews.

According to the interviews communication forms a barrier most commonly because in the multicultural projects the members do not have a common native language. The interviewees described the problems to cause delays, misunderstandings and even a total standstill in the project since some of the members were uncertain of what they are supposed to do. Sometimes the problem was caused of the native speakers of the common language who failed to understand that just because they can speak the language it does not mean that everyone else can. These come forward very clearly in the two quotations from the interviews below:

*“I think that one thing is the huge amount of lingual misunderstandings. If everyone talks language that is strange to them these clearly occur.”*

*“..[the Americans] don’t always remember that other peoples native language is not English.”*

Most of the interviewees told that English was the official working language in the companies they worked in. Few exceptions occurred, e.g. when working in Germany the official language was German. This creates problems when everyone involved in the project is expected to have sufficient English skills. The interviewees mentioned countries like India, China, Latin countries and the

Middle East to be problematic since although the participants had knowledge of English, their skills were not so high.

*“Of course if we have had some presentation materials we have tried to think clear understandable ways to say things. [...] in international groups you don’t have a choice and have to manage with English and go through it more slowly.”*

Another thing that came up was that since English was the company’s official language, the project leaders were forced to speak English. Many of them replied that even though it would have been easier to use another language they still used English, as one interviewee explains:

*“The official language [in our company] is English. So if there are Finnish speaking and let’s say French speaking persons in the group the leader should not in any circumstances talk about stuff in Finnish to the Finns. It has to be said in English.”*

As is the case in the quotation above, it is very easy to start talking in your own native language when there are others of the same language. Many leaders replied that this caused minor conflicts when the participants started discussing together with their own language. Not only does this cause delays and sub grouping in the project group but also alienate participants from each other. This is not only an issue of language but also because of persons from same nationality tend to communicate more with each other.

*“There can also form language cliques inside a group, e.g. the French liked to be together, same with the Italians and the Spanish. The Indians were totally in their own group so this did exist.”*

Besides that language cliques leads to sub-grouping, another thing that was seen as a problem was that the project leaders did not always know what was said in another language. This again calls the need for sufficient language skills of the working language. Because of this it is essential to create an atmosphere where everyone feels comfortable enough to speak English or any other language the work is done in to avoid blocking information sharing. Some interviewees reported feelings of left outside of the group, insecurity and also being unsuccessful as leader when they felt like they did not know what was

going on since the other participants were talking in a language not familiar to them.

Many of the interviewees talked about not understanding correctly or translating words and especially idioms wrong. The same was mentioned about communication style regarding to which the interviewees reported differing ways of talking. This leads to misunderstandings when the listener is not familiar with different nationalities style of speaking as in the using or emphasizing of certain words or the intonations in sentences. Sometimes it was a matter of sounding rude;

*“One can say things in English in many ways and some things that a Finn translates to English may sound a bit rude to a native English speaker but then again when they get acquainted with Finns they understand why the Finns speak like that. That it comes from our own language that for example we don’t use the word please/thanks as much as they do in English language.”*

This quote brings forward the meaning of knowing what kind of conversation is normal in a culture. Talking about the same thing, the next quote is an even better example on how speaking styles can cause problematic and furthermore, awkward situations. If the opponent does not know why the other is staying quiet too often or speaking too much it can lead to drawing conclusions, usually incorrect ones.

*“When the Finns don’t mind if there are pauses in speech and we’re quiet, this is not acceptable in the U.S and England. This is one of the things you should just know beforehand that in some countries a certain conversation culture prevails.”*

Other interviewee stated similarly when talking about the level of language skills and pronunciation. The subject was on how Finnish people have to learn English and how it is taught in other countries as well but the level of language skills is still weak. There also come up communication problems due to pronunciation as a whole. In this specific case the language the interviewee was referring to was English;

*“There comes all of these language barriers such like for example the Indians speech is rather different from that in Europe.”*

As discussed in the theory, the meaning of building relationships with co-workers is important for the communication to evolve as well as building trust in the group. This can be reached through discussions and generally just communicating more with the others. As came up in the interviews, the project leaders had felt that especially after meeting personally the other participants the communication became more efficient. As one interviewee states:

*“I always sent e-mails to [a Chinese contact] that could you do this and this for me, but nothing ever happened. After we first met face-to-face he started to always say ‘ok X (name changed), I will take care of it’. There became this trust. Like now after seeing few other guys the communication with them over phone and e-mail has been a lot easier.”*

The meaning of non-verbal communication also came up in the interviews. The respondents talked about the lost meanings in e-mails and video negotiations where one cannot or it is harder to see the others facial expressions and gestures. Without seeing these a part of the message can get lost when the receiver cannot pick up e.g. emotions and moods which come through by non-verbal actions. This is linked with Edward T. Halls (1976) theory of high- and low-context cultures since the project manager is not able to see and recognize the others implicit hidden messages and conceptual cues. According to Hall low context cultures use a more explicit style and people tend to state their message by using spoken words to express what they want to communicate, whereas members of high context culture use more implicit style where the message is more hidden and visual and vocal cues have bigger emphasis than spoken words. An interviewee told when talking about video conferences and how it is harder to pick up what the other side is really thinking when there is no face-to-face contact:

*“You can trace small signals from the face. You really have to think if anyone understands what I’m saying, if they agree or disagree. It gets a lot harder. When we are all at the same table it works a lot better. It is the non-verbal communication.”*

Relating to this is so-called “world language” that came up in the interviews. As mentioned about the high- and low-context cultures, the expressions are a huge part of communications and they are highly recognizable through the

world. As the following quote shows, there is not always a need to understand the language to know what a person is meaning.

*“One time we had this new guy who after a rough night came to a meeting quite tired and told me [this] in Finnish and disparaged the guys from the opposite side. I told him right away that they can all understand what you’re saying even though you’re speaking Finnish. He really thought that even they don’t understand Finnish they wouldn’t understand what was going on.*”

As seen in the interviewees’ quotations above, communication and especially language is seen as one the biggest barriers to group work in multicultural projects. It seems that with language there are endless ways for things to go wrong simply because all the participants do not share a common language, some of these caused by as simple as misunderstanding a few words. What is interesting to see is that only a few of the interviewees talked about other communication problems than the issue of language. Other things that were mentioned were the lack of face-to-face communications, the correct way to write e-mails and the troubles with communicating over time zones. Still most of the respondents emphasized language the most and gave examples concerning especially language.

The responds in Barrier 2 show that from all of the barriers introduced in the theory, communication is seen as the most common one to disturb effective group work. All in all, according to the interviews, the communication barrier leads to numerous problematic situations when working in an environment where some, or even all, of the participants do not share a common language. However, people are individuals and where some have excellent language skills, the others can have superior expertise in their field of work. This leads to the subject of individual behavior and how having a group of individuals create conflicts in project work despite of where they come from.

### 5.1.3. Barrier 3: Individual behavior

*“There are a lot of people who are used to living somewhere and eating certain type of food and if this is changed even a little it’s bad.”*

The theoretical part introduces the most common individual barriers to be ethnocentrism, cultural blindness, the significance of status, stereotypes and prejudices. The individual behavior is usually triggered by the national culture since a person will very likely act as is common in his/her culture. What was interesting in the interviews was that the project leaders interviewed did not mention individual behavior to be a significant problem. One reason for this could be that it was not specifically asked about in the interviews as was not the other barriers either. This could mean that the project leaders noticed the cultural differences in general as well as the communication problems more easily than the problems with individuals. However individual behavior was not ignored;

*“Of course there are those who create challenges but I don’t think that any culture per se has stopped anything.”*

*“[...] the chemistry between people has an effect, not only cultures and the ways of acting.”*

Related to this, another interviewee was talking about multicultural project work and in this case about how individuals that are used to working in international environment are easier to work with and the cultures effects do not surface so much. This is in congruence with the presumption that an individual with more international experience becomes more liberal towards other cultures and his own cultures effect on behavior reduces as was introduced earlier in the theory.

*“It probably effects quite much [in the project at the moment] that these people are used to work with persons from different nationalities so that the worst of the nationalities don’t come up.”*

In contrary to the presupposition that more experience in international work leads to being more open to other cultures is ethnocentrism. As was described in the theory, some individuals find it hard to work – or get along at all – with persons from other cultures. This came up in the interviews in various forms but they all had the same idea behind them - that some persons refuse to see that something different can be a positive thing. The next quotes reflect this well;

*"Some of the people can be referred to as 'homebirds' and these people think that everything they have and they are used to is good and everything that is different from that is somehow bad."*

Another interviewee's comment states the same thing:

*"Many make the mistake and think that the way we have always done things is the right one and it needs to be adaptable to everywhere and to all the cultures, that's wrong and it does not work like that"*

When the interviewees talked about problematic situations in project groups the mentions about individual behavior in most cases was about working habits. Some of them told that even though employees were from different cultures, it was the individuals' manners that had the influence on work, not the culture. Again, this did not come up in many interviews but still we found it to be an important matter and one that maybe needs more attention from the project leaders. One interviewee gave the following example on individual work behavior in which can be seen the realization that after all every person, despite their cultural background, is an individual;

*"[...] when thinking about a tester who is German or Finnish or from somewhere else there can be a difference in how intensively he does [the job] and if he does still a bit more than asked in the papers. [...] I can't say which culture is like that because there are different kinds of individuals in every culture."*

Another thing about individuals that came up was the generalizations made about some cultures. The following quotation is another example on how individual behavior can surface in project groups. The interviewee in question talked about how work behavior can be seen inside the group and cause

difficulties but also generalized it to relate to the Americans. This is one way that stereotypes emerge in multicultural working environment, when people get confirmation to their prejudices. Of course it is impossible to know if the interviewee in question had this particular prejudice about the Americans before having them in project groups. Because of this, the following quote is not presented as an example of stereotyping.

*“One risk is that there is always one person who takes the role of a leader inside the group which can be very disastrous if this person is authoritarian or dominant and still lacks the competencies. And it is a huge risk, for example the Americans often take the role that they know everything but their competencies aren't necessarily enough.”*

Prejudices and stereotypes did come forward in the interviews; most commonly they were related to working habits e.g. that the German are hardworking and sticks to schedules. However, not very many of the interviewed did mention them. Other typical prejudices that came up were language skills and pronunciation which were assumed to be bad for example among the Indians and in the Asian countries. But what was interesting was that some of the interviewees did also say that in their opinion stereotyping is disappearing. Especially the organizations culture being more of an impact to working behavior than national culture was seen to be one of the reasons. As one project leader said when talking about that stereotypes were disappearing;

*“Yes. If you think that companies are global, there are a lot of similar ways to do things.”*

The same project leader stated when talking about the Chinese and the stereotypes that are used to connect with their working habits;

*“I don't think it's so accurate anymore.”*

One interesting thing that came up in the interviews but was not mentioned in the theory was how people have varied ways to see and evaluate themselves in different cultures. This reflects both individual behavior and cultures influence on its members. Even though the culture guides individuals to act in particular manners it is still up to the individual how one presents oneself to others. The next quotes refer to national culture being the influence behind individuals'

behavior but these matters in question are also the kind one can change to better reflect their personality.

*“The Finns are self-critical and they can estimate their abilities and what they are able to do and what not quite correctly. It is easy to notice when reading CV’s of people from different cultures that people do often write how they can do everything and that they are some kind of super human beings in everything they start according to the CV, like the Americans.”*

*“I might be subjective when praising the Finnish way of doing things too much but I think the Finnish mentality is quite good. And the biggest difficulty can be that we are too open and we trust too much because this is what we are used to in our culture. Maybe we should have more surveillance and control sometimes and often others may expect more of that.”*

Of course in all cases the individual behavior is predicated to every individual’s personal values. As came up in the interviews, not everyone is like every other from the same nationality or cultural background. But what matters for this study is that the project leaders understand that even though a person comes from a culture the leader thinks s/he knows this particular individual can be something totally different.

After going through the barriers for multicultural project group work the next chapter discusses the project managers’ views on how to understand the cultures and what are the methods or models to make the cooperation work as fluently as possible. The theme sheds light on where the necessary information on cultural issues before starting a multicultural project can be found and provides subjective suggestions on how to reduce the cultural barriers.

## 5.2. THEME 2: Multiculturalism and common foundation for group work

According to the theory, multiculturalism is an additional challenge for leaders in international projects. As national teams and international teams both share the same tasks and responsibilities for the leader, the actual difference derives from the additional challenges for leadership due to the multicultural nature of

the project. Diverse cultures form a heterogeneous working environment with various work related differences for the leader to deal with. This theme offers examples from the interviewed project managers on how they see and experience the cultural diversity in the group and how the multiculturalism is regarded. The quotes provide multiple examples on how an international group differs from a national one and adds challenges to management. The theme covers as well the subject of how to look at cultural diversity in a project group and how to make this liaison work.

The first part of this theme creates a frame for the manager of how to acknowledge cultures and learn more about them which is done by analyzing the experiences of the interviewed project managers. The latter part of the theme consists of suggesting how to build a common ground for cooperation in project groups despite the cultures influence. It suggests that understanding and seeing “the bigger picture” of the project in question ensure better results.

#### 5.2.1. Understanding multiculturalism

*“Countries and people from different nationalities are very different so one really can't say that an international group is ever similar.”*

The quotes presented in this chapter reflect the attitudes towards acknowledging cultural habits and behavior in the project group by the interviewees. The main issues highlighted in the interviews are discussed below. We start with these words from one interview since they describe and sum up quite well the idea behind this study:

*“These cultural issues are hard and they are a great, great challenge. It is difficult to even estimate how much knowledge, power and effectiveness we are losing by not knowing and understanding the culture!”*

The quote above states the problem of knowing how much of valuable assets can be lost without understanding the values, norms and behavioral models of cultures. It is hard to point out what could have been established if the culture would have been understood better. The next quote continues on understanding cultures:

*“The project leader aims to consider and respect different cultures in the project group as well as s/he can because that is what is of great importance when working in different countries and cultures. The project can get into trouble if the demands of the cultures are ignored. In order to be honest I need to tell that these intentions do not always go well and they might fail but one should always pursue to take cultures into consideration.”*

The project managers agreed on the effects of cultures in the project group and they need to understand them in order to get the most of the culturally diverse group. It also points out how the project group can hit an obstacle by not knowing the cultural background and limitations. The size and content of these multicultural project groups varies greatly and sometimes with largely spread projects it can be hard to try to pursuit cultural understanding and respect. Regardless that is what the leader should always aim for.

Most of the interviewed project managers, when asked about the additional part to leadership mentioned the different conducts and procedures of working in different cultures. This is understandable since cultural differences seem to be the biggest motive influencing employees' behavior as was discussed in the theory. Even neighboring countries have dissimilar habits and customs and the challenge is in recognizing them.

*“Based on my experience there is a great difference in leading a multicultural project compared to a national one. The practices learned in Finland and what people are used to don't apply in a multicultural project group. We had this one project in Kuwait in the start of the 21st century where there were four Finnish project leaders; supervisors from Sudan, Tunis, India and Iraq plus the project had Chinese, Indian, Bangladeshi, Palestinian and Egyptian employees. The customer's supervising company also consisted of many nationalities. In a project like this the customs and practices of different cultures and nationalities need to be appreciated and honored.”*

To shed some light on the everyday project environment and how cultural issues are confronted and handled, the project leaders were asked about the cultural and religious issues in everyday project life, for example national legislation and holidays. When talking about religion some project leaders instinctively added politics to the same category. According to the interviews,

together they seemed to form a group of subjects that should not be spoken about with unfamiliar people. This is because politics and religion were seen as very sensitive subjects to some people and diverging opinions can easily cause disagreements. Raising these issues in a conversation was considered not to be appropriate. To avoid any arguments these matters should not be discussed before there is a trust formed in the relationship and people know each other better. Here are a couple examples of how this came up in the interviews:

*“Astrology has a huge meaning in Indian culture and business and people base a lot on their beliefs [...] The religion has a great meaning and old values are also highly appreciated.”*

*“Religion and politics are subjects that were not discussed in a group that I was leading [...] They are matters that no one wants or dares to put on the table. These things do differ because when it's only Western countries involved people can safely talk about things like these whereas in some cultures this subject may cause conflicts.”*

This particular manager agreed on how important it is to take cultures into consideration; however at the same time emphasized the importance of not going too far in cultural related issues:

*Representatives of different culture see you as a foreigner with a different religion so there is no point in trying to adapt their culture too heavily [...] Also to think about this matter backwards, one shouldn't go too far in cultural issues because that can also be seen as bad. For example in the guides directed to people doing business in China I'd say 90% of what is said there is gratuitous. I'd say it is more important to act normally and politely as in most Finnish people do already. Important is to be genuinely interested on things and that takes you far.”*

It is hard to know where to draw the line in what is seen suitable and what is not. In this case the question was how much cultural knowledge the leader should possess beforehand. Cultural manners and behavior can also be taken too far by someone trying to adapt to a culture too strongly and that way the line can be crossed. The interviewed manager was talking more about the evident and behavioral issues; however when it comes to understanding the culture one cannot learn too much. Furthermore, we encountered objection to

the assumption that a leader needs to know everything about every culture, shown in this quote:

*“There is going to be ‘a resistance movement’ to the recent trend of knowing everything culture-wise. Meaning that the globalization is making people to realize and approve that no one can know everything. We are over the phase when people needed to know everything about cultures in question and moving towards more approving way. The small mistakes in cultural things are more easily forgiven and one can prevent the possibility of insulting anyone by not going in too deep the other culture.”*

As mentioned in the quote above people may sometimes have quite high expectations of other members' knowledge on their culture. When international cooperation was not so common it was seen very important to know the partners culture inside out and that way show respect. Of course it is important today as well but what the project leader in question presumably meant was that nowadays there are so many nationalities and cultures involved that people have started to realize that one cannot know everything. One respondent even went so far as saying that the organizational cultures are taking over national cultures.

*“I think that the multiculturalism or from what culture you're coming from doesn't affect so much as the organizations culture. I have noticed this change to be really big during the last six years. [...] the organizational culture has effected on it so that now it's completely possible to say 'hey, I feel like you didn't understand [anything I said]'.”*

According to this example some organizations have such a strong organization culture that can in some cases overrule the regional cultures. This requires a large organization with strong roots to be possible. However due to the global markets, forming this overriding organizational culture could be seen as an effective solution to handle cultural diversity. This would also make the leaders' work easier when the pressure to satisfy every member's cultural needs lessens.

One area of this theme was how the leaders collect the cultural related data and knowledge. The main interest was in how it happens in the companies when launching a new culturally diverse project or the project leaders starts a new

project in an unfamiliar location. The question for the project leaders was how s/he gathers the cultural information and knowledge included in a particular project and what is the role of the company in providing training or guidance on cultural issues. The question was formed to shed more light to project leaders' views and experiences on the matter.

*"Everything is based on your own learning ability and experience. The organizations are using cultural learning way too little and there should definitely be more of that."*

The theory and practice often differ. This is why we wanted to know how people leading multicultural groups in large Finnish companies received and collected the information about the cultures involved in the project group and how great importance was given to this learning. Below some of the responses concerning the collecting of information and the importance of it are presented.

*"A long time ago I went to one of these internationality trainings [...] The training was indeed a good thing and we went through all kinds of cultural things and typical features and we were also advised e.g. 'don't do these things'. Basically we were told what to take into account."*

Most of the managers gave great emphasis on cultural trainings as they were seen very useful especially when dealing with the cultures more distant to their own. Knowing the basic differences can help a lot in forming relationships and make the spirit stronger between the group members as the next quote demonstrates.

*"This kind of cultural knowledge can be small things e.g. that in Asia one can't sit in a way that others can see the sole of your foot and these kinds of gestures. These things seem so small but they have a great meaning for the people from that culture."*

Other ways that came up in the interviews on how to get the culture specific knowledge needed was using the help of local peoples' knowledge. One respondent told how they had a local person at the project location helping them to familiarize with local customs. This was seen very helpful since the knowledge came from a person who truly knows the culture in contrary to trying to learn the same things from books.

*“In India we had this local guru who was teaching us Indian culture, customs, behavior and understanding of all that. And this way it is easy when one can ask stupid questions about what to do and what not to and this local person tells you the answers. This would be a great way to avoid many negative things inside the group. The organizations should use this way of learning a lot more. This way the people working with different cultures would know the customs and important things of other cultures.”*

Based on the answers managers had not had so much training on cultures and most of the learning was on their own responsibility. However there were a couple of exceptions to that as some organizations had arranged cultural training beforehand that proved to be very helpful. Based on this information companies should provide managers the necessary information and training however the managers own willingness and eagerness to learn is the most valuable way of learning about cultures and differences between them.

The challenges cultural diversity brings to the project are remarkable. Every project suffers of difficulties but the additional challenges of multicultural groups are seen to complicate leadership. Different cultures are working and thinking in their own way and the challenge is that these ways should be combined. The cultures do and will continue to get mixed in the projects since assembling the group is more based on talent and abilities than one’s cultural background. None of the project groups are similar to each other, which make them unique environments to work in. However the responds of the interviews revealed that almost every project leader highlighted the importance of acknowledging the everyday differences between culturally diverse people working in the project. It is important to bring out the interviewees’ experience and know-how on the matter. These answers gave examples how things are done in diverging surroundings in different projects and how much time and scope should be provided to acknowledging cultures. Experienced project leaders provided some valuable data and shared knowledge and experiences on how cultural issues can be confronted in the project environment.

Next the foundation for group work in a multicultural project environment is created since the theory highlighted the importance of a shared starting point where everyone knows the vision of the project and the importance of common

rules to instruct the work in the group. The chapter provides the managers' point of views on importance of efficient cooperation.

### 5.2.2 Creating a common foundation for project work

The examples above indicated the importance of understanding each other and diverging working methods in the group across cultures. By creating shared models and ways of conduct will help to form a common base for effective functioning of the project group. The theory presented leadership and functional models to help establish shared ways of working in a multicultural group. This sub-chapter introduces the responses of the interviewed managers and if they saw the need for these models to exist, without asking about them directly. The idea was to find out the managers' solutions for leading multicultural groups without directing and steering them too much towards the models found. Surprisingly almost every interviewee pointed out at least few of the main points presented in the theory and these are discussed more in depth. The quotes below show the need for these models to exist:

*“The cultural diversity has caused countless different problems in many different projects since there doesn't exist a project leadership model that can exclude all of them. Often these conflicts are caused by racism, which is sad but very common all around the world.”*

*“A culturally diverse project will encounter prejudices inside the project group and these constantly cause different kinds of conflicts and problematic situations. We tried to highlight the fact that everyone in the project would understand that they were working specifically for the company and this way represented the organization rather than one's own nationality and group.”*

Establishing a well functioning structure could help reduce culture related problems despite the origin and encourage sharing and receiving of cultural knowledge, as was the case in the quotes above. In the theory we discussed functions that could help in creating an open and culturally aware environment. As it turned out, the interviewees agreed with these functions as they came up in the answers even though we did not ask precisely about them.

*“The main feature between the international project group members is ignorance and then they won’t reckon with culture related issues. When talking about project work, most of the group members are experts who do not necessarily have any knowledge on cultural issues. It is their first international project and they don’t possess any kind of cultural knowledge. Lack of this knowledge may cause serious harm e.g. people get offended and it makes the co-operation and teamwork harder. It is very challenging to cope with and solve these kinds of situations when they appear.”*

Being experts of the same field doesn’t mean that the people in the group are necessarily alike. They might be similar in some sense and share some interests but without knowing the cultural values and behavior something essential might be lost or go wrong. It is not necessarily the lack of interest that causes the cultural ignorance. The reason can often be that the people are not used to working with members from other cultures or don’t understand the possibility that culture can cause such an influence and difference. This situation can be improved by creating a vision for the project and it needs to be something the members can relate to and everyone to be willing to pursue. Understanding and sharing the project vision and goals can diminish the problem of varying views since at least everyone is aiming for the same objects. The next quote highlights sharing of the same goals to be the answer to overcome the cultural challenge:

*“The biggest challenge in multicultural project leadership is to get the group work together in harmonious way and share the same goals. This can also be seen as one of the pitfalls.”*

The next opinion from an interviewed project manager discusses the same matter as well:

*“A challenge is that when there is multiculturalism, everyone has their own modes of working. And of course there are the group’s internal relationships; even though you as a manager can make it work there might be conflicts still inside the group, especially in more multicultural groups.”*

Since the group consists of individuals it is a challenge for the leader to create an atmosphere where all the members feel like they are a part of the project group and share a common goal to pursue. Conflicts between the group

members can be harmful for the proceeding of the project however they can be reduced with providing members the knowledge of where the project is heading. Forming a homogeneous structure to carry out tasks and duties inside the project group could diminish these difficulties and help reaching common goals. The interviewees emphasized the need for ground rules that could eliminate the problems of feeling inequality in the group.

*“What I think is very important and have noticed is that when managing an international team, there cannot exist any kind of inequality but it has to be the same rules to everyone unquestionably.”*

Ground rules for the group provide clarity on how work is done and help individuals realize their role in the project. For some cultures the instructions need to be clearer than for others:

*“I have noticed that there are certain cultures where it really comes up that you have to give precise instructions. If you give precise instructions everything works like a charm. If you give too much opportunity to use one’s own brains on how to solve a matter, then we are in trouble.”*

The example below highlights how everyone needs to share the same principles to work and importance of common rules.

*“In the projects I’ve been in our work is based on the local legislation and customs [...] Of course some cultural, though mainly religious issues occur and that is totally ok. These are important to people and if there is something they need to do or go then of course, but mainly talking of working life everyone should have the same regulations and a kind of common understanding how everything is done regardless the culture they represent.”*

As was stated in the theory, the leader needs to understand team members’ peculiar cultural behavior and communication styles to get the interaction flow and guarantee fluent understanding. The importance of communication came up earlier in chapter 5.1.2. as the communication barrier was discussed. Relevant and important information or know-how of a person might be lost if not fully understanding the cultural biases confronted. Here is one example typical for some cultures:

*“People often have difficulties in bringing out this kind of negative feelings and things. If one is faced with problems or difficulties, I think they keep them hidden and don’t talk about them and all this effects the way the work is done.”*

Understanding the mental models behind the actions help, however one solution for enhancing cooperation is creating trust and this way convince members to share their thoughts and ideas. Well functioning project environment can provide trust and that makes the information flow more fluent.

*“Part of managing international projects should be one-on-one conversations with the team members. This helps finding out at the early stage how everything is really going. When there is a big group of people around the table people seldom start criticizing and commenting others, the work or the project itself in front of everybody. So these private conversations may reveal a lot and help to concentrate on the right matters. A great challenge for the one who is responsible of everything is to be able to see the development of the functions and fully see the existing conflicts. So talking to group members in private will enhance this and the sooner the mistake or problem is noticed the easier it is to repair.”*

Some issues may be hard to discuss during the meetings. There might be something going really wrong and it depends on the individual and their culture if s/he will come forward and raise the issue particularly in front of the others. A lot has to do with the project environment if it is open and explicit for opinions and discussion or not. Regardless the problem is seems easier for project workers to talk about problems and conflicts in private. These one-on-one conversations mentioned in the quote can be an instrument for trust creating between the manager and employee and will probably prove themselves valuable.

Another issue that came up in the interviews was in-groups. The issue slightly differs from the ones discussed above but it is important for the leader to see and control. When working with multiple nationalities the members may trust more and seek support on the ones that are from their country or otherwise culturally close. This is a challenge for the leader since this grouping can lead to e.g. competing in the group or leaving some members as outsiders.

*“Too often Finns seek company of other Finns when abroad because the other Finns form a safe and comfort circle and at the same time they isolate the effect of a different culture. In consequence the learning diminishes and may totally be hindered.”*

Another leader gave a good example how always the ones that were felt most close to your own background was the ones taken into the in-group. The quote shows certain suspicion towards the ones more distant which again makes the ones felt most familiar suddenly seem more appealing.

*“People feel affinity with the ones in their own in-group which is very common in international surroundings. When the Finns meet Swedish the Finns are friends. When the Finns and Swedes meet Americans the Swedes are friends. Again when the Finns, Swedes and Americans meet Asians also the Americans are friends. The in-group expands depending on the situation. There is always an in-group to which you belong and it leaves the normal ways of acting. This is wrong and destructive in international activities and should be gotten rid of.”*

Establishing common vision and goals helps to dismantle the in-groups when members understand that they are working towards shared targets. Furthermore, creating trust inside the group helps the group members to be more open towards each other ensuring unrestricted information flow.

One relevant issue that came out in the interviews relating to the striving for knowing everything culture-wise was the importance of local experts. Some of the project managers interviewed highlighted the importance of local help when doing projects in a country strange to them. The host country locals know the local customs, legislation and culture and that for are of great help. This helps the leader since s/he is not required to know everything but can rely on the knowledge of local experts. Here are few examples on how the interviewees see the matter:

*“Sometimes in international projects when they are executed somewhere else than in your home country, the best way to manage is by choosing local managers in the host country who are trustworthy and one can cooperate with the local leaders and make it work that way. One needs to find the connection with the host country leaders and that*

*way make the international leadership work. It is pointless to try to do everything yourself."*

*"When talking about a bit more 'different' cultures, we try to include locals because it's the locals that bring the local knowledge. Usually we take in people from local cultures and with this we can also get the local staff to commit to the change we have brought there. It is easier for them to accept a new thing when there are specific local people supporting the new idea.[...] it is our way to get things to move on when talking about multicultural environment."*

The quotes show that using local help can facilitate the manager's work as well as create trust among the local staff. Cooperation with the local leaders enhances knowledge on cultural customs and behavior and can improve the local staff's commitment to the project.

Theme 2 examined how the interviewed project managers see that cultural issues are considered in projects and where they have found information on cultures beforehand. The respondents' views of managerial actions on how to reduce negative cultural influences were considered as well. The next theme will concentrate on the part of the project leader and what is expected from her/him. TÄÄ ON IHAN RIITTÄVÄ, EI OO MUISSAKAAN PITENPIÄ

### 5.3. THEME 3: The role of the multicultural project leader

The theme number three discusses the role of the project manager and how the managers interviewed saw it. The theme is divided into two sub-themes. The first sub-theme discusses the qualities important for a multicultural project manager and what kind of issues they need to consider when working in multicultural environment. The second sub-themes information is gathered from the answers from the last question in the interviews which was a bit softer and quite personal for the interviewees. It was about managers own thinking models and values and how they have changed during the international career.

### 5.3.1. Qualities and skills

*“Multicultural project leader needs to be broadminded, accommodating and have a good perceptual ability. They have to possess the knowledge about the cultures. The most important thing for a leader is to know how to handle and take care of different situations in different cultures. The leader can’t be familiar with all the cultures, so the ability to quickly adapt to different cultures is also highly important.”*

This chapter discusses the qualities skills a multicultural project leader needs to perform well and make the most of it. It also shows examples what the interviewees thought to be good to know when working in multicultural environment. The quote above discloses the multitude and variety of talents needed for the job according to one of the respondents.

As was discussed in the theory, the existing theory of managerial skills needed is formed based on logics, personality psychology and guesses so there does not exist reliable data on what these skills are. Although it is hard to form and verify a list on how to lead a culturally diverse project group effectively, it didn’t seem to be hard for the interviewees. It was interesting to follow how the interviewees used their own experience of leading these types of groups for which the material received is interesting, logical and valuable. They summed up what has been useful and what not by reflecting their personal observations and knowledge. Some outlooks are introduced below starting with the importance of interest in other cultures:

*“Positive attitude towards cultures, without it the leader cannot be successful.”*

Positive interest and attitude towards other cultures seems to be a highly valued asset and it was mentioned in most of the interviews. Showing interest in other cultures was seen highly important and also most of the time it can be seen as the expected behavior i.e. manager is expected to know the basics of the cultures and surroundings they are working with. Here is another comment to support this:

*“A multicultural project leader needs certain kind of openness and s/he has to be genuinely interested in other cultures. People can quite easily see if the interest is real or not.”*

This genuine interest may also help to form permanent relationship between the leader and the members of the project group. This leader quality was highlighted in these responses:

*“Large amount of leadership is basically human relations. It’s important how you get along with people and communicate with them. These are the most relevant qualities in the leader candidates when they are evaluated.”*

*“Ability to form relationships is highly important because one can only learn other cultures through relationships.”*

According to the respondents in question, forming relationships is an important ability to possess for a project leader. The first quote condenses the importance of understanding human relations as a whole and shows that the leader should be social and understand the value of connecting with people. The second quote makes sense since one can learn cultural information from books but forming relationships with a person from another culture makes the learning much more in-depth. When interacting with one another both parties learn from other’s culture by listening, observing and doing work together and this way the learning is deeper and more profound.

A factor that came forward in all of the interviews was language and communication skills. According to the interviews excellent language skills are not enough, since communication skills are needed as well in order to really understand the messages from others as well as to express one clearly. Lack of these skills may lead to misunderstandings and conflicts and prevent the group from performing their work effectively. A couple of examples on what was respondent in the interviews are presented below.

*“Excellent language and communication skills are essential. The manager needs to be able to put across the messages in a way that everyone understands and s/he needs also to realize and comprehend the subtle communication hidden. Therefore average language skills are not enough”*

*“Today everyone has good language skills but I argue that some of the conflicts and misunderstandings are there because of the lack of language skills and communication.”*

It seems obvious according to the interviews and also theory that the leader needs excellent language and communication skills to be able to perform and lead the group successfully. According to the theory of the study, language and communication seems to be the problem and cause for most of the conflicts and barriers in the project environment and these interviews are highly supporting that. Language skills are essential in international project work and lack of them in any sides may cause severe misunderstandings as was discussed more thoroughly earlier in Theme 1.

Here are some interesting and valuable opinions that were also given to describe a talented multicultural project leader.

*“In my opinion and based on my experience, project leaders possessing a calm and tranquil temper are more likely to succeed in a multicultural environment than the ones with flamboyant personality. Finns are quite often like that and impartiality is usually one of Finnish characters. The manager can get far with impartial and unwavering rightness but one cannot be lulled into think that all the parties function this way and with same principles.”*

*“What is really important for a project leader in a multicultural environment is flexibility. There are so many people from so many cultures and everyone has their own way of working.”*

The working habits differ a lot between cultures and also between individuals. Flexibility is a good skill to possess however the same project manager brought out something even more sustainable and valuable:

*“Another important quality for a leader is perseverance. The biggest problems in managing these culturally diverse groups occurred when people weren’t treated in the same way. When all the members are treated in a similar way and with same respect, it makes people feel equal.”*

One of the interviewed project experts has done a great amount of research on multicultural leadership and the quote below is based on his research on multicultural project leaders which he gave to us in the interview. The interviewee in question has been studying cultures and their effects on project work for years as well as taught future project leaders.

*“According to previous research there is no reliable information of which personality characters help or enhance the success in a multicultural environment. Personal psychology names few features such as openness to new experiences, readiness to conciliate, neutral attitudes, low neuroticism and being an extrovert. These features most likely reduce the negative interpretation when dealing with divergence and they enhance the willingness to learn about and understand other cultures... These features might help one to be a good multicultural leader.”*

Although there is a lack of reliable study of personality characters one can use logics on what might be helpful for the task. The interviewee in question did however add that the subject needs further research. He continues with what is needed from the leader:

*“Managers need psychological maturity and it means the leader should not be defensive or avoid discomfort when something new comes up but rather take it as a learning opportunity. It is better to try to find ways to compromise and by this way find solutions and answer.”*

Managing projects will not be easy and it takes a lot of courage to challenge oneself in these kinds of situations that are new to the manager and treat them as a learning ability as the interviewee advices. It might be awkward and unpleasant but it has to be done in order to show good example and lead the project group towards successful results.

Another side of the question about what makes a good multicultural project leader was how much emphasis should be given to experience. The point of views differed on how the interviewed project managers saw the importance of previous experience. Most of the interviewees seemed to think that previous experience would help a person to function in the managerial role. All in all, previous experience was seen very helpful, both in project work and in cultural

issues. In the next quote good leadership is defined as a combination of three knowledge types and that one needs all of them to successfully lead the group:

*“There is three kind of knowledge that one needs in a project: the technical knowledge of the project in question, knowledge of cultural behavior and issues and the third important one is all-round education, which also assists functioning towards wanted outcomes.”*

Another respondent highlighted also the importance of age in addition to previous experience and emphasized that in some cultures they are respected qualities. As can be seen in the quote below, this was not seen to be the case in Europe where young, talented leaders are respected.

*“Age and the experience that follows with it often have a very positive effect to the success of a project especially in Asia and Africa, it is not that important for Europeans.”*

Cultures value different things when it comes to defining a good leader. Based on the previous theory and examples it seems that for some cultures e.g. Asian, the age and previous experience are highly important whereas they are not seen that important in some other cultures. All cultures have their own measures for a potential and capable leader. Below a good example how the demands and what is required can differ compared to the previous one, as one of the interviewees sees it:

*“Previous international experience is not compulsory. Actually kindergarten teachers and class teachers are found to be most suitable for multicultural project work. In one project manager group that I was training all of the trainees were young females with teaching background with no previous experience.”*

According to the interviewee the research shows that these teachers already hold skills and know-how needed to lead a multicultural project group due to their training. The above states that experience is a valued asset for multicultural project leaders. But what makes the difference is what kind of experience they have. Few of the respondents emphasized that having expertise in one's own field does not necessarily mean that they will be good leaders. These came up in somewhat negative tone as can be seen in the next quote:

*"Never hire an expert to be a leader of a project. Hire someone who knows how to run projects and can lead people. This is usually not a suitable job for an expert because it damages him and because that's not what they are meant to do. Let the experts be the expert and get someone else to lead the group"*

This opinion was supported by another manager who stated almost the exact same thing, only not so harshly:

*"I've noticed that just because an individual is good at their specialized job it doesn't necessarily mean they are or will be good leaders. Generally it's not the best option to pick someone inside the team to manage the team because there is a difference in being a perfect team member and be able to manage the leader role and what it includes. Superb professional skills of the field don't make one a good team leader."*

For an expert to put her/his energy to leading the group might be a wrong decision as stated above. Experts may have no idea on how to manage a project group but instead have great knowledge and know-how on the subject of the project. Project needs both experts and leaders so it is more than fair to let both do what they do best and not even try to combine these two tasks. It is not that relevant for a project manager to know everything about the field in question. Project leaders are more like the glue between people and cultures and they are the ones to know how to proceed and what the next step will be in the project.

All the interviewees had their own opinions and viewpoints on what makes a good leader and what are the qualities that are beyond others. Most emphasis was given to language and communication skills and to be genuinely interested in people and their culture.

### 5.3.2. Changes in the interviewees' opinions and values

Last one of the overall questions is covered in this paragraph. We wanted to end the interviews with a softer question, which also shares information about how the leaders have experienced the international project career. The question was about how working in international and multicultural environment has changed the interviewees' values, worldview and thinking in general.

Obviously working in a multicultural environment has some kind of effect on an individual however with this question we wanted to deeper explore the amount and scale of it. The project leaders generally appreciated the experience and according to them it has made a great difference in how to value things.

The interviewee in question in the next quote saw the international experience as a mean of putting things and issues into proportion. It had also changed his values and given a new perspective on how to look at things. As can be seen in the quote, the interviewee gives great value to international experience.

*“Working in projects for 27 years has really opened my eyes and changed my way of thinking. Especially in relation to things and all the trouble happening in the world my worldview is way different of what is used to be. When watching the pace of living in the middle part cities and villages in Nigeria and working with these people, one notices quite quickly that the problems and troubles happening in Finland are usually exaggerated and out of compared to what they are going through there in Nigeria... I’ve learned to appreciate the Finnish tranquil way of life although the common opinion seems to be that there exist great difficulties in our society. Working abroad has been a great asset to me.”*

Another project leader was basically stating the same thing i.e. the distance makes you appreciate and value things differently. Both of these respondents had been involved in projects in developing countries which may have had a bigger influence to their worldview. They both also mention seeing Finland, their home country, in different light after exploring different cultures. This was a quite common theme in the answers, that when abroad you start to realize the positive and negative sides of your home country. Not all of the leaders spoke about it directly but it came up between the lines when they talked about seeing other cultures.

*“I’d say it’s really healthy for everyone to be involved in a multicultural environment. It gives you an opportunity to view Finland from afar. Also it’s great to realize that every country has its own good things and philosophy behind the culture.”*

What was interesting to see from the responds was that the project leaders had noticed the change within themselves. This came up in all of the answers as every respondent admitted that working with culturally diverse groups has

had an influence on them. When answering this question, most of the interviewees' mood changed obviously as they opened up how they truly felt about their unique experiences. One of them spoke about this change:

*"Working in an international environment has had an effect on me. [...] Because of it I'm able to reflect my cultural background to others and this way the behavioral models are easier to recognize. [...] Cultures have also made me tolerant and more understanding person and nowadays I realize that there other ways [for doing things]."*

The multicultural environment provides ways in understanding cultures better. To be able to understand what is peculiar to your own culture makes realizing other cultural models easier. This ability to analyze cultural behavior and where it's coming from gives one a major advantage in multicultural project work however, as one of the interviewees stated, there is a lot to learn:

*"I've always thought that human life is too short for a truly excellent international leader to exist because there are so many different cultures and things to learn that there is not enough time to anyone to learn it all."*

Every interviewee answered that working in multicultural projects in international surroundings has affected them as persons as well as leaders. As the Theme 3 discussed, the leader of a multicultural project group needs a great amount of different kinds of skills and qualities in order to succeed. Qualities that come with personality such as openness and flexibility help the leader to adjust to multicultural surroundings. However these are also skills and qualities that the leader can learn and enhance with experience. What this theme brought up in the end is that even though a leader may have the needed professional skills and experience it does not mean that s/he makes a good multicultural leader if the interest and openness towards culture and divergence is missing.

## 6. CONCLUSIONS AND DISCUSSION

Chapters 2 and 3 presented the theory found from literature on project work, culture and project management. The theory is gathered in order to show all the different functions that are needed in order to succeed in project management in multicultural surroundings. In order to understand multicultural project management it is necessary to understand the concept of a project, the basis of culture and its effect on behavior and finally, the functions of project management and the role of the leader in it. This chapter presents the conclusions of the research made based on the literature and findings as well as discusses the relation between the previous theory and what was found in the empirical research. A part of the study was to map the experiences of Finnish project leaders that have been working with multicultural project groups and how they see the additional cultural challenges in their work. Because of this a lot of emphasis is given to the opinions and experiences of the interviewed leaders since they provide first-hand information on the subject.

The main research question of this study was: *"What additional challenges multiculturalism brings to project leadership and what kind of means and competencies exist to respond to them"*. In addition, three sub-questions were formed in order to help finding the answer to the main question. The theoretical part introduced the two basic characters behind multicultural projects, the concepts of a project and culture, and considered multicultural project management in the light of previous research as well as discussed what kind of skills the multicultural leader needs. With the findings from the literature and interviews the sub-questions were able to be answered.

*What kind of additional barriers can multiculturalism bring to project work?* The question was formed to explain what type of cultural related barriers can occur to disturb the cohesion and synergy of a multicultural work group. The main barriers formed based on literature were cultural differences, language and communication and individual behavior. Cultural diversity creates conflicts when the group members have varying cultural bound values and attitudes that again direct their behavior and ways of acting in different situations. This shapes individual's modes of working and acting in the group that can vary greatly between cultures. The findings from the interviews showed similarity to

the theory as the respondents had plenty of examples of situations where cultural differences have caused glitches. They could identify problematic issues and argue that they were caused by the diversity very easily. It may be that it is easier to turn a blind eye to functional and managerial issues and blame cultural differences for problems in the group. The second barrier, language and communication, seem to form the biggest barrier to group work when the members do not share a common language. The lack of mutual language leads to misunderstandings and misinterpretations and slows down information flow. It is clear that if the group members do not understand each other and find shared ways of communication the cooperation will suffer greatly. Furthermore, the empirical findings backed this up for the communication issues came up the most in the interviews. Problems were seen to be caused by the lack of sufficient language skills, a mutual language and difficulties with sharing information. Individual behavior creates the third barrier. Cultures form the foundation for behavior but it is the individual who chooses how to apply it and shape their own behavior. Again, the barrier was confirmed in the empirical study which showed that the problems caused by individual behavior were easily recognized. The interviewees emphasized to see project group members as individuals and pursue to treat them as equals. These three barriers complicate and delay cooperation and hinder group cohesion effectiveness and the work process itself. Recognizing, acknowledging and overcoming them improve group performance. All three barriers were strongly supported in the findings of the interviews. The respondents correlated with the findings from the literature which shows that cultural diversity has a great influence on behavioral models that again reflect on work behavior.

*Do previous models on how to effectively lead multicultural project groups exist?* The meaning was to find if there were strategies or best-practices how to manage and lead multicultural project groups. It was found that there are several actions that the manager can implement to help reaching the project goals and gain trust and sense of solidarity within the group. First of all, mutual and shared vision helps cooperation and to reach the common goals since a well-formed project vision provides direction and understanding of mutual objectives. Ground rules are formed to prevent inequality and reduce varying ways of working and cultural related behavior. Predetermined ways of communication define the composition for non-native speakers and reduce the loss of efficiency and misunderstandings. Motivating and gaining trust among

the group members enhances group performance and helps to build mutual goals and creates team spirit. Cultural related problems in the project group, such as prejudices, communication difficulties and grouping, can be diminished with these models when properly utilized. Some of the functional and leadership models were clearly supported in the empirical findings as the interviewees mentioned them in their responds. The lack for a model that would reduce the culture related problems and challenges came up in several interviews, however the content of it was not so clear. Creating rules and common goals was given as a solution to prevent culture-induced conflicts and misconceptions from happening. The models that were not specifically mentioned came forward through the experiences.

*What kind of skills and qualities are valuable for the project manager?* The question aimed to find out if a project leader should possess specific qualities and characteristics in order to understand and appreciate a culturally diverse work group. The most common answer that came up in the literature was cultural understanding, which is needed to be able to work with and manage culturally diverse groups. Cultural intelligence along with openness and knowledge on various cultures enables the manager to prevent cultural related barriers. Multiple suggestions exist on what competencies manager needs to possess in order to successfully lead a multicultural group however there doesn't exist any specific combination that is proven to enhance leadership. It seems that openness to diversity is the key for learning and understanding cultures according to both, the literature and the empirical research of this study. The responds from the interviews emphasized having interest towards cultures in general and willingness to learn and adapt as well as flexibility. Furthermore, excellent language skills were underlined since the interviewed managers saw communication to be one of the biggest problems.

Table 3 presents some of the earlier researches considering this study's subjects. The researches have been picked as examples of each area. Different subjects are separated to groups with an empty row. The first group presents research on culture's influence on behavior that effect on e.g. group work and individual behavior. Research outcomes show that culture contributes to divergent behavior between different nationalities which again reflects to behavior at work place and attitudes toward others effecting on group work. The second group presents examples of research on leadership in group work and projects.

Researches applied in this study included e.g. project management, leading groups and teams as well as leading multicultural projects. The outcomes suggest that with the right leadership strategies and models multiculturalism can be an asset in project groups. The third group presents research on the leader of multicultural workforce. Research on the subject seemed to be limited and hard to find. However, the research found suggested that it is difficult, if not impossible, to specify a combination of characteristics which lead to being a good leader. The outcomes of research found for this study gave proposals on what qualities and characteristics can be useful for the leader and what kind of leader models are found. In conclusion, the table 3 shows only a small part of the research used in this study but give a conception of the content of earlier studies. For limited space, Project Manager is shortened to PM in the table.

**Table 3.** Earlier research on the study's subjects.

Author(s), year*	Methodology	Context	Outcomes
Müller, Spang, & Ozcan (2008)	Empirical, interviews & survey	Research on cultural differences in decision-making styles in multinational project teams.	Values system learned through national culture molds personality that is not overwritten by foreign values when working aboard.
Ng & Earley (2006)	Theoretical	Literature findings of research on culture and intelligence and their linkage.	Heuristic multilevel model of cultural intelligence on individual level, impacts on multicultural work.
Gahmberg & Routamaa (1999)	Qualitative	The impact of national cultures on cross-cultural teamwork, a study between three nationalities.	Four main subjects that national cultures influence: experiencing uncertainty, communication, power, and relationships.
Barinaga (2007)	Empirical	Observing an international group for 17 months to study national culture and cultural diversity as	Culture constitutes a discursive resource for group members to lean on; excuse confusion, positioning the self,

		discursive resources.	justifying decisions, giving purpose for the group.
Schmid & Adams (2008)	Empirical, qualitative & quantitative	Exploring team manager's perspective on team motivation.	Team motivation can be highly influenced by PM especially in early stages of the project. Communication, clear scope requirements and including enhances motivation.
Tansley & Newell (2006)	Empirical, case study	How project leadership knowledge and behavior influence trust and social capital development.	Need to apply knowledge in 3 areas for trust to develop; external, internal and hybrid leadership. Pre-condition for the development and exploitation of social capital.
Vallaster (2001)	Empirical, interviews & observation	Strategy making by multicultural groups; does it work if leadership is effective.	When shared vision is developed, frictions due to cultural diversity fade. Successful cooperation possible through open exchange of knowledge and commitment.
Ochieng & Price (2009)	Qualitative, interviews	How a PM can effectively work and influence a multicultural project team, at the same time being attentive to diversity.	Framework for managing multicultural teams to improve team performance and productivity. Identifies 8 key cross-cultural dimensions.
Brain & Lewis (2004)	Empirical, case study	Studying leadership preferences in multicultural workgroups.	Mix of transactional and transformational leadership behaviors, rather than either one or the other, is required when working with

			multicultural workforce.
Mäkilouko (2004)	Qualitative, interviews	Study on the leadership styles of Finnish PM's in multicultural project teams.	Identified three leadership styles; ethnocentric (dominated in results), synergistic and polycentric.
Wong (2007)	Theoretical	Team leaders' ability to change and adapt to new and different situations with the right leadership tactic.	4 personality types characterized by unique set of leadership skills; the Rational, the Idealist, the Guardian and the Artisan.

### 6.1. Unexpected findings

The empirical part of the study was conducted through interviewing Finnish project leaders who have worked with multicultural project groups consisting of members from at least two other nationalities besides Finnish. The findings from the empirical part of the study followed surprisingly accurately the structure of the theory as was shown in the answers for the three sub-questions. The interviewees seemed to strengthen the main suggestions made based on the literature. However, *unexpected matters* through interviewees' personal experiences surfaced that were not mentioned in the theoretical part or were not expected to be found. Some of them were culture related or reflected differences in individual behavior as the others concerned project management and the leader.

*First case* was that the interviewed female project managers revealed inequality of women's role in certain cultures that derives from the cultural history and the traditional valuation between men and women. The interviewees reported especially the lack of authority towards female leaders and the need to prove ones talent before gaining the respect of male co-workers. Without the respect leading projects was seen very hard and frustrating. *Second case* relating to culture was how people see and value themselves in different cultures. The interviewees had noticed this when the persons told about e.g. their

competencies and work experience in recruiting process and when founding a new project group. The self-evaluation varied between cultures and showed as variations between self-deprecation and praising oneself. This may reflect to group work and cause problems to management when a person underestimates or thinks too highly of oneself. Furthermore it can lead to difficulties if the roles in the team are unequal and individuals try to take the role of the leader ignoring other expertise. *Third case* that came up was the surprising disappearance of stereotypes, if the interviewees even mentioned noticing them. This could mean that the increasing cultural intelligence, knowledge of other cultures, is superseding the traditional or even outdated stereotypes. Few interviewees saw that it could be since now and in the future the organizational culture shapes behavior more than national. However, it did come forward that the interviewees seemed to have more of generalizations based on experiences of different nationalities and how they typically behave than stereotypes or prejudices. It is hard to predict if this could mean the vanishing of prejudices but if it does, it could mean much effortless cooperation in multicultural work.

On the project management side, the *fourth case* that was unexpected was that when the literature have negatively labeled widely spread projects as more complicated, time-consuming and expensive, the responds showed that they have positive features as well. Advantages mentioned were the maximal utilization of time when projects can be executed 24/7 all year-round without the disturbance of holidays and vacation seasons. Having projects members in different locations helped to execute the project more efficiently when there was always someone at the needed location. In relation with this, the *fifth case* was that using local people to teach about the locations culture was seen effective and as a good way to gain understanding of the culture, customs and behavior. At the same time using locals help with management at the location was seen helpful in order to connect with the local workers and commit them to the project goals.

The empirical findings brought up other noteworthy matters besides the unexpected cases as well. One of these was the brief answers we got when asking about the *positive sides and opportunities* that multiculturalism brings to a project group. This was even though the positive influences were asked directly in two separate questions. The other question asked about what advantages and opportunities cultural diversity brings to the group and the other asked for an

example where the group has accomplished something because of the cultural diversity. Although the respondents did share experiences on how multicultural groups have positive sides the answers were generally shorter than to other questions. This may be because it can be difficult to point out and give credit for the positive outcomes caused by multiculturalism. In contrast, pointing out negative outcomes is much more effortless since usually it is easy to see that e.g. conflicts between members from different cultures have aggravated group work. However the respondents did share positive sides as well when they talked about other subjects, which further suggest the difficulty of measuring the positive effects of multiculturalism.

Another noteworthy matter was how the interviewed project managers all agreed on noticing *changes in their own values and attitudes* through internalization. This was asked in a separate question to gain knowledge on the softer effects of multicultural project management. The respondents shared feelings of becoming more open to new cultures and viewpoints as well as seeing things in new perspectives. All of the respondents felt that working in international environment has been a great asset and a valuable experience. Furthermore, the ability to see that things can be done in different ways than used to was seen as great advantage. This suggests that the leaders who work in multicultural environment start to merge together the new things they learn from other cultures and through this become more understanding and flexible not only as individual but as leaders too. Being able to relate to new situations and behavior in unfamiliar cultures is advantageous for the leader in order to create efficient working methods. In total, the experiences from international work were seen highly valuable.

The examples and experiences the interviewed managers shared first-hand information on multicultural project management and were illustrative and provided a lot of personal perspective on the leadership challenge of culturally diverse project groups. The culture specific stories and examples were interesting and these real-life experiences can be the key in learning to apply to the challenges and preparing for international processes. Through the subjective experiences of Finnish project managers the entity of multicultural project management is more reachable.

## 6.2. Managerial implications

It seems that multiculturalism adds challenges to project work and for the leadership it means that the manager needs to be prepared for these in advance. Barriers derived from the cultural differences, communication, language and individual behavior probably occur in every project team despite of different volume and scope. These cultural diversity-related obstacles and challenges are possible to prevent and reduce at least to some extent for what this study provided a suggestive managerial model. It starts with acknowledging and understanding the differences between cultures that are provided in the chapter 3.2. Furthermore, sub-chapters 2.2 and 2.3 help the reader to comprehend the entity of cultural effects. The theory, supported with the empirical findings, suggests that the main obstacles presented can be overcome by certain functional and leadership models that most of all aim to clarify the goal and meaning of the project, and provide clear methods and roles for working.

The models are presented in chapter 3.3 consisting of a shared vision, common goals and ground rules with working communication channels and individually valued motivators. Establishing and defining a clear and understandable model for cooperation is highly important for the manager to create and maintain. A vision, when understood and valued by the members together, with common goals provide clarity to the project structure and a shared understanding where the project is heading to and what it is meant to achieve. Differing ways of cultures and individuals to work and see things may cause multiple misunderstandings and conflicts hence with the help of a shared project vision and common goals these can be effectively reduced. It is important for the manager to succeed not only in forming but constantly updating them as well. Setting ground rules helps to create a common ground and is crucial for the manager because the working conducts and procedures differ highly between cultures and these rules will form a mutual way to work.

According to this study the problems related to communication and language are the most remarkable ones and can be seen as the greatest barrier in multicultural project groups. This is why providing a clear way to communicate is of the uttermost concern and requires a lot from the manager to establish. Communication needs to be fluent and suitable channels are required to ensure information and knowledge transfers. The team needs a communication system

that will reach everyone in the project and language skills are only the basis to form this. Relying to the findings in this study we suggest that the manager builds functional communication systems that includes all of the members as well as perceives each members language skills and abilities. Understanding that not everyone has the same level of language and vocabulary skills is essential when creating and passing information in the group.

The study also emphasizes the role of the project manager which is discussed in chapter 3.4. The changing and turbulent nature of the project and the multiple cultures requires a lot from the manager. It seems that certain characters and helpful skills exist, e.g. strong language skills and flexibility/adaptability however the most important asset for the multicultural leader seems to be the honest interest and openness towards cultures and the members of them. This is how the manager can learn the most and exploit the possibilities of diverse work force. The manager needs to see both the difficulties and potential of the cultural diversity. Because of this we suggest that when starting a project in new unfamiliar cultures the manager should find information on the cultures at issue beforehand and prepare to be open-minded, flexible and democratic towards unfamiliar customs and behavior. Even though excellent language skills are emphasized, knowing the local language is not a necessity especially in Asia. More important is to have a conception of the involved cultures before creating management strategies for the project.

With the help of this study the manager can comprehend the challenges ahead, possible means to solve these complications and the potential hidden behind these so called barriers.

### 6.3. Limitations of the study

This was a qualitative study on multicultural project management which considered the difficulties rising from multiculturalism, what means the manager can use to bridge them and what kind of qualities are beneficial for the manager to have in order to succeed in multicultural environment. For keeping the study in its original subject, it had several limitations.

The study sample places limitations on the findings. The project managers chosen to the interviews were all Finnish for the interest was to study the experiences of specifically Finnish project managers. Because of this the study limits to the views and opinions of exclusively Finnish project managers which may be biased for their own cultural upbringing. The execution of the empirical researches part sets limits to the results since each of the project managers was interviewed once and the responds rely on the experiences they remembered at the time of the interview. Because of this it is hard to say if the answer would change if asked again at a different time. It would be interesting to see if asking the same questions from the same respondents on another day would produce different examples or were the experiences and examples given the most strongly associated to the question and repeated on another time. Furthermore since only seven interviews were conducted the findings derive from a fairly limited knowledge base. Because of this the results are theoretical generalizations without statistical support. However, the responds were curiously similar between the interviewees. Even though not word-for-word but still the responds reflected similar experiences and opinions. It would be attractive to see if a larger pool of respondents would produce similar answers.

The projects mentioned in the interviews were not executed explicitly in Finland. If we would have limited the location of the projects the results could have been too abridged and narrow. However, this could have again produced more precise information. Furthermore, the study focused on multicultural project groups which members represent at least two different nationalities in addition to Finnish members. The raising the minimum number of nationalities could have lead to more variation in the findings but in this case it did not have effect on the outcome since all of the interviewed leaders had worked with project groups with more than the requisite three nationalities.

The concept of a project was kept as general as possible since the managers interviewed were not chosen on the grounds of the employer companies' industry or the projects nature on which they had worked. Even though most of the projects discussed on in the interviews were engineering related, also other types emerged for which it was preferable to the subject to utilize the general concept of a project. This sets limitations to the findings since they are not restricted to any particular expertise or industry in the projects keeping the

findings very general. By concentrating on a specific subject on the projects, e.g. engineering projects, the results could have been more precise and applicable.

#### 6.4. Indications for future research

This study has presented the findings on how to lead a multicultural project group. The obstacles for culturally diverse group were presented to show what can be expected when a project group includes members from different nationalities and through them from diverging cultural backgrounds. It was an interesting topic to research since culture plays a significant role in directing individuals' behavior. However the research dealt culture on a very general basis and thus produced general findings as well. This too concerns the part of the multicultural project management on which the concept of the project and project management were dealt on general level. Furthermore the research produced information resting on exclusively Finnish project managers' experiences. In conclusion it can be said that this research produced highly general findings on multiculturalism and managing it in project groups which with future research could be further specified and directed to serve the demands of different business operations and fields.

This study reckoned with multiculturalism on general level suggesting that behavior is learnt through culture. The findings are not divided by using the nationalities found in the interview responds but reflect culture in general. This leads to generalizations that may not be implicated universally. By concentrating on the problems with specific nationalities or cultural areas the findings would be more applicable. For this we suggest further research of managing projects in chosen areas or locations in order to produce more in-depth knowledge on cultural behavior that would be easier to use in practice. Furthermore, concentrating on a specific area of expertise could have the same effect, as was already discussed in the limitations for the study. Concentrating on one form of project work, e.g. HR-project group or virtual project groups would further enhance the findings to contribute on a more explicit area.

Since the empirical research of this study was fairly limited due to the number of the interviews, the findings cannot be generalized to reflect the phenomena

of multicultural project management. In addition, since all of the interviewed managers were Finnish it is difficult to say how the results would change if the managers represented some other country. These two facts show the need for more extensive research in order to produce more nationally applicable knowledge. This could be done by e.g. conducting more interview and adding quantitative measures, such as questionnaires. Including respondents from other countries than Finland would promote the international contribution and provide comparable information.

The subject of managing multicultural project groups provides plenty of subjects for research. Although most of the results could be confirmed with the previous literature there remain viewpoints and models that need more research. One of these is the characteristics and skills of the project manager and if it is possible to specify what kind of a personality s/he should be. The subject of multiculturalism on groups is important as the business world continues to merge and the free transfer of work force is enabled and for this the effects of multiculturalism should be examined.

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