CHALMERS

Leading international project teams

Master of Science Thesis in the Master's Programmes International Project Management and Project Management

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ABSTRACT

AIM –The aim of this master's thesis is to explore factors influencing multi-cultural team work in order to increase project managers' and project members' awareness of the resources as well as the barriers of managing and communicating in multi-cultural environments.

METHOD – The research design was a qualitative study performed at a multinational organization. Twelve semi-structured interviews were performed with respondents from Europe. During the interviews open-ended questions were asked.

FINDINGS – To successfully manage and communicate in multi-cultural teams three factors proved to be successful for the interviewed project managers: cultural awareness, team creation and communication. Both project managers and project members have to be culturally sensitive when working in multi-cultural environments. In order to create a successful multi-cultural team, the project managers need to communicate clear directives to team members and establish personal relationships and trust within the team during the duration of the project, not only in the initiation phase. The communication should be simple and unambiguous to avoid misunderstanding and misinterpretations.

CONCLUSIONS - This study provides insight into how project managers may manage multi-cultural teams more successfully and avoid cultural clashes that often occur in a multi-cultural team.

Key Words project management, multi-cultural teams, communication, cultural awareness.

Contents

Preface

I would like to thank Christine Räisänen, my supervisor from Chalmers University of Technology, who has given me her full support and guidance throughout this master's project. I would also like to thank Jan Hjelm, my supervisor from the company, who have been invaluable for arranging contacts within the company. Finally I would like to thank all the respondents; without you this project could not have been done.

Gothenburg, July 2012

Ketan Luhar

1   Introduction

With an increasingly global marketplace, organizations are becoming more established internationally with more cross-border activities. It has become a major issue to get multi-cultural project teams to work together effectively due to lack of team integration and cultural differences (Ochieng and Price, 2009). The definition of cultural difference by Ocheing and Price (2009) is that there are different expectations about the purpose of the team and its methods of operation, concerning areas such as structure of tasks, decision making, team building and conflict management. If the cultural differences are not managed properly it can lead to divergent work practices, which can result in the project goal not being fulfilled. Cultural differences can also cause minor tensions among team members in their daily routines (Trompeenars and Hamden-Turner, 1997; Chevrier, 2003).

Even though multi-cultural teams face many challenges due to cultural diversity, several studies have shown that if these are managed properly positive effects of multi-cultural teams may supersede negative effects much due to the diversity (Ochieng and Price, 2009). The strengths of using multi-cultural teams are that it may enhance creativity, adaptability and productivity of team members (Maznevski *et al.,* 2010).

 Increasing internationalization of organizations and workforce diversity demands cultural sensitivity and particular communicative competencies of project leaders and lower-level managers. According to Alon & Higgings (2005) poor cultural awareness can lead to stereotyping, unnecessary conflicts, delays and leadership failure. Kippenberger (2000) suggested that it is one thing to acknowledge cultural differences in a project team, another to know how to manage them effectively. The result of cultural differences is that the project performance can be affected if the project managers do not adapt their leadership to certain complex situations. Several researchers have shown that project leadership is identified as a critical success factor for achieving project goals on time, to cost and to quality. However, there are few examples in the literature of multi-cultural project management in practice in a Swedish context.

This master project has been carried out at a multinational organization in the energy sector and owned by the Swedish Government. There are approximately 38000

employees in the organization located in several parts of Europe such as Denmark, Sweden, Germany, the Netherlands, Belgium, France, Finland, Poland and the United Kingdom. The head office is located in Sweden. The organisation is one of Europe's largest supplier of electricity and heat. It operates in all parts of the value chain: generation, distributions and sales. The main projects are within wind power, hydro power, nuclear power, coal power, biomass and natural gas. Table 2.1 shows which countries these projects are located in. Typical project size can be in a range from €1 million - €3 billion, depending on if it is a power plant project or a sub project within larger a project.

Wind Power	Hydro Power	Nuclear Power	Coal Power	Natural Gas	Biomass
Sweden, Denmark Germany Poland Netherlands Belgium UK	Sweden Germany Netherlands Finland	Sweden Germany	Germany Denmark Poland Netherlands	Germany Poland Netherlands	Germany Netherlands

Table 2.1 the locations of the case organization's projects.

2010 the company went through a large reorganization concerning how projects were should be run. Earlier, the projects were managed by and involved only people from the country it was located in. The different offices in Europe did not have that much collaboration with each other. The reason for the reorganization was to increase the collaboration with the different functions of the organization. Which also lead to that company could make cost saving for instance instead of having a number different it-system in each country the organization could have one general instead. The organization also implemented a common project management model just to standardize the way of conducting projects. When the cooperation increased with each country and the projects started to involve more people from different cultures and countries. The project teams faced more challenges since the team members had different ways of working such as conduction meeting, taking decisions and communicating.

1.1 Aim

The aim of this master's project is to explore factors influencing multi-cultural team work such as project leadership, team development, communication and building relationships in order to increase project managers' and project members' awareness of the resources as well as the barriers of managing and communicating in multi-cultural environments.

1.2 Research Questions

In order to fulfill the aim, the following research questions are answered:

- How may a multi-cultural project look like in a Swedish company?

- What are the resources versus the barriers of such multi-cultural projects?

- What are the biggest challenges for project managers when managing cultural diversity in projects?

- What competencies do project managers perceive they need to facilitate collaboration across cultural boundaries?

1.3 Outline of the report

The first part of the report describes the theory that supports this study. The theory is built on a literature study concerning areas such as resources and barriers of multi-cultural teams, multi-cultural leadership, team development, communication, building relationship and trust, and managing conflicts.

Chapter 3 describes the method used, how I conducted the research and why certain approaches were adopted. Data were collected through a qualitative approach with semi- structured interviews with open-ended questions.

Chapter 4 presents the findings from the interviews. In chapter 5 the findings are discussed. In chapter 6 some conclusions and recommendations for the case organization are provided. Finally some suggestions of directions for further studies are presented.

2 Theoretical frame of reference

2.1 Cultural Iceberg

Chevrier (2003) described culture in a business environment as people who are embedded in a given context and share the same worldviews such as ways of cooperating, managing conflicts, accepting authority or simply how they communicate.

According to Peterson (2004) one way to describe a culture is to use the iceberg metaphor, consisting of two parts: the "tip of the iceberg" or "above the waterline", and the "bottom of the iceberg" or "under the waterline". Peterson (2004) thought that people first become aware of the "tip of the iceberg" when they encounter a new culture, but after working with team members from other cultures they get more understanding and insight into the "bottom of the iceberg". The tip of the iceberg of a culture is what can be noticed with the five senses (Peterson, 2004). It can be what type of language is spoken, the level of emotional display, the use of gestures and eye contact. It is how people from a certain culture behave and general information about the culture, which can be seen in figure 2.1.1. The bottom of the iceberg, which is under the waterline and cannot be noticed with a person's five senses, are opinions, attitudes, philosophies, values and convictions that people from the same culture share.
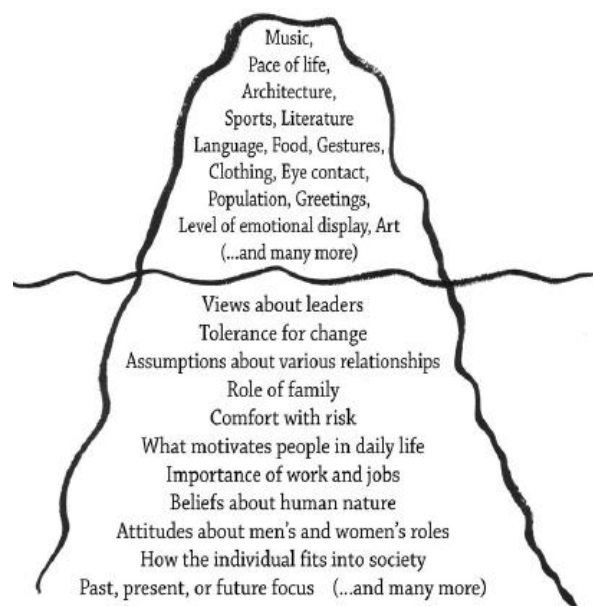

Figure 2.1.1, Cultural Iceberg. Source: Peterson, B.(2004) *Cultural Intelligence – A guide to working with people from other cultures*. Maine: Intercultural Press

Peterson (2004) argued that when one encounters a new culture for the first time only the tip of the iceberg is seen but it is extremely important to understand the bottom of the iceberg since approximately 80% of the iceberg is under the waterline. There are two main reasons why the bottom of the iceberg is so important: firstly it helps to understand the underlying causes why people behave as they do. When the underlying causes are know it is more likely to anticipate how team members from certain cultures might act in a number of situations. If a team member has such an understanding, the level of cooperation will increase between people from other cultures. The second reason is that the more understanding there is about the bottom of the iceberg of a culture, the easier it will be to understand how cultures may differ from each other. So instead of trying to remember information that concerns the top of the iceberg, Peterson (2004, p.22) identified the most useful layer of the bottom of the iceberg as being cultural values, and defined them as: *"... principles or qualities that a group of people will tend to see as good or right or worthwhile"*. As mentioned earlier, by creating a better understanding of the different cultural values might help to understand why people from certain cultures behave as they do in certain situations.

2.2 Creating and managing multi-cultural teams

2.2.1 Resources and barriers of multi-cultural teams

Maznevski *et al.* (2010) defined a multi-cultural team as a group of people from different cultures joined together in organization and working towards the same goal. Butler and Zander (2010) stated that firms operating internationally find multi-cultural teams beneficial to use because they can operate as a normal team but when their operations are in a multi-cultural setting. The team can adapt more easily to new surrounding because of the level of flexibility they have developed by being more cultural sensitive. The team members are more aware of each other's cultural differences and know how to manage them.

Before a multi-cultural team can start to collaborate successfully they need to overcome several challenges that are caused by their cultural differences. Some cultural differences can be located below the level of consciousness relating this to the cultural iceberg it is the bottom of the iceberg and therefore might not always be recognized. Culture is a strong source of categorization and stereotyping therefore the effects of cultural diversity can be stronger than other sources of diversity challenges in teams such as age, gender or function (Maznevski *et al.*, 2010). Ochieng and Price

(2009a) reported that there is high probability for misunderstandings and misinterpretations in a multi-cultural team. Gupta (2008) stated that efficient communication is one of the major challenges in multi-cultural teams and one of the root causes of this challenge is that team members have different communication styles. Some tend to communicate more formally and other more informally. Since English is the most frequently used language in organizations one communication challenge could be the different accents of English that the team members possess (Gupta, 2008). Another communication issue can be people's level of proficiency in English, which can limit them from expressing themselves freely (Alon and Higgings, 2005). According to Auyoka and Härtel (2006), multi-cultural teams compared to monocultural teams experience lower cohesion and social integration, which result in communication difficulties.

Ochieng and Price (2009b) reported another challenge in a multi-cultural team, coping with conflicts that are a result of cultural differences. This can cause poor performance from team members in a project. It is reported that multi-cultural teams suffer from higher levels of emotional conflict than in groups of people of the same culture because team members in a multi-cultural team are more likely to disagree with those who have different beliefs than themselves (Ayoko and Härtel, 2006). Ainamo *et al.* (2010) also stated that a project team consisting of different cultures can create tensions in the team because of different worldviews and perspectives. The challenges described here occur in co-located multi-cultural teams, but if team members are geographically dispersed, Ochieng and Price (2009b) found that losing possibilities of face-to-face communication such as eye contact and body language made it more difficult to build trust and confidence in multi-cultural teams. Another challenge when team members are dispersed is that it is more difficult to create interpersonal bonds among team members and between project manager and the team. This can mean that the difficulties of managing team members at a distance increases (Ochieng and Price 2009b).

There are several resources of multi-cultural teams. According to Yang *et al.* (2011), international teams are more likely to achieve project success if the project team experience high levels of team collaboration. Maznevski *et al.* (2010) presented several positive outcomes in multi-cultural teams due to their diversity such as increased creativity, adaptability and productivity. The reason for these strengths can

be explained by the difference in team members' experiences, mental models, modes of perception, information process and approaches to solving problems. From all of these differences in team members positive synergies arise which enables these positive outcomes. Maznevski *et al.* (2010) showed that working in multi-cultural environments fulfils team members' need of variety in the work place, and working internationally may improve the development of skills and knowledge since they get to share and receive ideas with colleagues from different backgrounds. Both Butler and Zander (2010) and Maznevski (2010) argued that a task conflict in a multi-cultural team is beneficial because so many different perspectives are included and the diversity brings unique knowledge and skills to the table. For example a multi-cultural team can continue to challenge ideas throughout the project because of the different perspectives and may provide input much longer than a mono-cultural team would. By continuously challenging ideas tendency towards groupthink may be reduced (Maznevski *et al.*, 2010).

2.2.2 Multi-cultural leadership

Müller and Turner (2005) point out that leadership and their competence are seldom identified as critical success factors of projects. Project leadership is more than just ensuring that the team members are performing what is required. It is also about to motivate the team to perform at their best by building their confidence and trust. This kind of project leadership is vital for a project manager to develop in order to successfully manage multi-cultural teams (Ochieng and Price, 2009a). Caligiuri (2006) defined global leaders as people in organizations who are working with an international scope and have to manage through complex changes and often in ambiguous international environments. A required skill of an international manager is to recognize the cultural complexity in projects e.g. different values, concepts and assumptions that differ among the cultures. Ignoring cultural complexity in projects will reduce a project leader's ability to manage multi-cultural teams (Ochieng and Price, 2009). According to Ochieng and Price (2009a), many project managers in multi-cultural organizations make the general mistake of neglecting the importance of cultural differences when team members come from different divisions of the same organization, which can jeopardise the project objectives. Caliguiri (2006) stated that project leaders need to be trained to become more cross cultural; they need to be more aware of the cultural differences and how to avoid pitfalls that might arise in a multi-

cultural team. The training can consist of both theory about cross-cultural management and real life situations, which can be e.g. work rotation in the organization. From this training they will improve and develop to manage cultural diversity more efficiently in multi-cultural project teams.

Mäkilouko (2004) argued that a project manager needs to be able to relate and understand people from different cultures and therefore needs to be more focused on building a relationship with them than concentrating only on the tasks that have to be performed. Mäkilouko (2004) found that some project managers were culturally blind and concentrated their leadership mainly on the task, which resulted in team disintegration of multi-cultural teams. Therefore solely a task-oriented leadership was not appropriate in multi-cultural projects and project managers should adapt their leadership styles to being more people and relationship focused, which was also reported to be more successful when managing a multi-cultural team. Ochieng and Price (2009b) stated that being familiar with cultural issues that might arise during a project helps the project manager to improve the efficiency of the project teams and to avoid cultural clashes that could arise. Gupta (2008) stated that as a leader of project teams that consist of diverse culture, the project leader must create awareness about themselves and of how they are perceived by others. They need to identify what their value systems are, what their communication style looks like and then compare it with the team members. This is also supported by House and Javidan (2001) who showed that a project manager needs to have the ability to be open to other ideas and perspectives.

House and Javidan (2001) stated that it is vital that a project manager in an international environment clearly communicates team goals, roles and norms to the members of a multi-cultural team. Den Hartog *et al*. (1999) reported that effective team leadership needs to be focused on teambuilding, communicating and coordinating. In multi-cultural projects Müller and Turner (2010) found that desirable project leader competencies were motivation and managing resources, and strategic perspective were harmful to project success. By motivation it is meant that the project manager should be able to motivate team members to achieve the goals. The meaning of managing resources is that the project manager organized and co-ordinates the resources efficiently and effectively. An explanation of why strategic thinking was

seen as a negative competence of project managers was that it should instead be executed by the project sponsor.

2.2.3   Team development

Ochieng and Price (2009a) emphasize the importance of teambuilding activities, especially in the beginning of a project. It gives the project members the chance to 'start right' and increases the likelihood of creating a successful multi-cultural team. A teambuilding activity can be by having workshops with the team so that they are able to get an understanding of how to work with each other and create awareness about the team members. Gupta (2008) also discusses 'The Right Start' with multi-cultural teams, about having a kick off meeting that gives the team members an opportunity to start smoothly. The main purpose of these meetings is to provide an opportunity to discuss about what will make the project successful. Having a start-up meeting puts "a face and a name" on each team member and can make a big difference on how members understand and appreciate each other as colleagues.

In order to create a good team it is important to understand the stages which the team will and needs to go through, where the team will face challenges, tackle problems, find solutions and deliver results. Such a team development model is presented by Bonebright (2010). It consists of 5 team development stages: Forming, Norming, Storming, Performing and Adjourning (Bonebright, 2010; Hughes *et al*., 2009). This can be seen in figure 2.2.1

Figure 2.2.1, Team development stages. Source: Bonebright, A.D. (2010) '40 years of storming: a historical review of Tuckman's model of small group development'. *Human Resource Development International* **13(1), pp. 111-120**

Forming is the first stage, where the team gets orientated towards the task and starts to agree what problems they have to tackle and what the goals of the task are (Bonebright, 2010). In this stage the team members start to exchange some general information about themselves with the rest of the team in order to establish relationships with each other and with the project leader (Hughes *et al.*, 2009).

Bonebright (2010) presented this stage as where the team members test the boundaries for interpersonal and task behaviour.

The *Storming* phase is where team members differences can be noticed: the differences can be how the task is perceived and how it should be solved. The team members open up and start to challenge and question the ideas and perspectives of the other members in the team (Bonebright, 2010). Hughes *et al.* (2009) stated that this can be a source of relationship conflicts because of the individual perceptions of issues relating to task and whether these are challenged by others, which can cause interpersonal issues.

In the third stage, *Norming,* the teams have established certain norms and the role of each team member is clear. The team has developed cohesiveness through close relationships and starts to work together more efficiently according to what they have agreed to be acceptable (Bonebright, 2010). Hughes *et al.* (2009) argued that a leader should focus on group maintenance behaviour such as motivation and delegation during this stage.

The *Performing* stage is where the team functions effectively and focuses its performance on achieving the goals (Hughes *et al.*, 2009). Bonebright (2010) stated that during this stage the roles of the team members are more flexible. They will adapt their roles if necessary in order to enhance task performance.

The fifth and final stage is *Adjourning*. This is when the goals of the task are achieved and the project is closed and the team finally breaks up (Bonebright, 2010).

Mäkilouko (2004) stressed the importance of building personal relationships among the team members in a multi-cultural project since the benefits of personal relationships are that it enhances communication and reduces conflicts in multi-cultural teams. Maznevski *et al.*(2010) stated that team members start be more aware of the deeper levels of a culture and the diversity when they are working in multi-cultural teams by interacting more with peers and listening more carefully, which forms interpersonal bonds. These interpersonal bonds create more understanding, which can enable communication to be more efficient instead of being a barrier, but also build trust among team members. According to Ochieng and Price (2009b) when the creation and development of trust is established, it will allow team members to be more open and honest with each other. For project leaders the establishment of trust is

beneficial because the cultural complexity is reduced and it simplifies the creation of a successful multi-cultural team. Ochieng and Price (2009a) showed that cross-cultural trust depends on interpersonal skills and shared respect among the project team. To achieve cross-cultural trust it is suggested to have team building activities with all the team members during the project lifetime especially in the beginning.

2.2.4 Communication

Ochieng and Price (2009b, p.455) view communication: "… as professional practice where suitable tools and regulations can be applied in order to improve the utility of data communicated and it is a social process of interaction between individuals". House and Javidan (2001) stated that effective communication requires the ability to listen and frame a message so that the receiver understands the whole message without any misunderstandings. Ochieng and Price (2009b) agree that effective communication is not about having a frequent exchange of information between team members. Rather it is to ensure that the recipient clearly understands the message. Having solutions or processes that are clearly integrated in the team contributes to better understanding. Effective communication helps to manage expectations, misconceptions and misgivings, which can easily occur in a multi-cultural team. Gupta (2008) reported that it is important that everybody in the team 'speaks' the same language without slang or idioms. Another strategy presented by Ochieng and Price (2009a) is to standardize a common language to minimize misunderstanding and misinterpretations.

Grisham (2006) stated that efficient communication in multi-cultural teams needs to have effective listening, which is also a valuable skill for a leader. Leaders need to integrate this in a multi-cultural team, which will then contribute to effective communication among team members. Cross cultural communication represents four key factors which are: the establishment of the clear project goals, team effectiveness, implementation of trust and the encouragement and respect amongst team members. The project manager should have the ability to communicate and establish the project goals, clear roles of responsibility and norms in a multi-cultural project team (Ochieng and Price, 2009a; House and Javidan, 2001). If the communication between the project leader and project team is consistent and the team is aware of this, it will help to manage expectation and minimize misconceptions and misgivings (Ochieng and Price, 2009b).

It is important at the end of the project to gather the team and evaluate the project process and communicate the lessons learnt from this project, ensuring to give feedback to each other so that the lesson learnt can be taken into coming projects. One of the most important tools of managing a project is feedback because it helps people in the project to understand issues and problem (Ochieng and Price, 2009b)

Liang *et al.* (2011) showed that a multi-cultural team suffers from two types of conflicts: task conflicts and relationship conflicts. As mentioned earlier task conflicts are beneficial and relationship conflicts are detrimental, therefore it is important to a project manager to be prepared to control relationship-based conflicts. Ayoko and Härtel (2006) mention that leaders of multi-cultural teams need to posses the attitude and skills that can assist them to identify and minimize destructive conflicts and to foster constructive conflicts. A cross cultural leader can recognize this dynamics in team members and take the time to coach team members to resolve such issues and make sure that conflicts are resolved (Gupta, 2008). According to Ochieng and Price (2009b) the most important thing in a conflict is to understand the origin of and figure out why it happened. When solving a conflict it is important to inform the involved parties why a certain solution had been chosen to resolve the conflict. To communicate the project objectives can also assist the resolution of the conflict.

3 Method

This chapter describes the method used in the study and why certain approaches were adopted. The data was gathered through interviews with respondents that had experience of multi-cultural project management. Totally 12 interviews were made. Each interview was conducted individually with each respondent and was done in the organization's offices in Amsterdam, Berlin and Stockholm. The questions that were asked during the interviews were designed to get a better understanding what the respondents found to be successful when managing cultural diversity in multi-cultural project teams.

3.1 A Qualitative study with a interpretive approach

The research method chosen in this study has been a qualitative research design based on an inductive approach described by Creswell (2003). The logic of the inductive approach is that the researcher begins to gather detailed information from respondents, and this information is later developed into patterns or themes which are then compared with existing literature. Accordingly to Dawson (2007) qualitative studies attempt to get an in-depth opinion from the respondent about their experience and knowledge in a particular area. The aim of the research is to build patterns or themes by exploring the respondents' knowledge and experience.

Creswell (2003) stated that qualitative research is an "interpretative" research process where the researcher makes a personal assessment of the data and then builds themes containing information that the research is trying to capture.

3.1.1 Interviewee selection

According to Remenyi *et al.* (1998) sampling in a study needs to be well considered by the researcher because this is where evidence from respondents will be collected and generate either good or poor findings. In this study the researcher used judgement sampling, which is described by Remenyi *et al.* (1998). The same technique is described by Bryman (2008) and is called purposive sampling. This sampling technique follows the principle that the researcher does not choose respondents for the study on a random basis but the researcher chooses the respondents with a purpose. The basis is that the respondents are representives of the practices of a particular area and that the respondents are relevant to the research questions that are being examined (Bryman, 2008; Remenyi *et al.*, 1998).

In this study it was critical to choose respondents who had experience of managing multi-cultural projects and who had experience of how cultural complexity could affect a project team. It was also critical to find respondents that could identify leadership competencies, factors that would facilitate cross-cultural collaboration and be useful when managing a multi-cultural project. The respondents were chosen on the basis of their project management experience and their history of managing international projects over a number of years. The 12 respondents in the study were all working for the same organisation but for different departments in various offices in Germany, the Netherlands, and Sweden. The type of projects that they were managing was IT, Benchmarking, Integration, Sales, Development, Finance, Human Resource and Governance project and were in the size range of €10 million to €3 billion. Typical nationalities of project members were mainly from European countries such as Denmark. England, Finland, Germany, Poland and the Netherlands but in one project people from Japan were involved. Table 3.1.1 shows what kinds of projects each respondent was managing or was involved in and what types of nationalities that were involved.

Respondent	Types of multi-cultural projects managed or involved in	Nationalities involved
A	IT	England, Finland, Germany, Poland, Netherlands, Sweden
B	IT	Germany, Netherlands, Sweden
C	Benchmarking	Denmark, Finland, Germany, Netherlands, Sweden
D	Integration, Sales	Germany, Netherlands, Sweden
E	Development	Germany, Netherlands, Sweden
F	Governance	Germany, Netherlands, Sweden
G	Finance	England, Germany, Netherlands, Sweden
H	Human Resources	Germany, Netherlands, Sweden
I	Development	Germany, Netherlands, Japan
J	Finance	Germany, Netherlands, Sweden
K	IT	Germany, Netherlands, Sweden
L	IT	Finland, Germany, Netherlands, Poland Sweden,

Table 3.1.1, Description of the respondents.

3.1.2   Semi structured interview with open-ended questions

According to Bryman (2008) one of the main research procedures of collecting data is to conduct interviews. The aim of the interviews was to examine what the respondent found to be successful when managing cultural diversity in project teams. Several interviews were conducted in order to generate nuanced findings. Kvale (1997) described the semi-structured interview to comprise a list of themes and each theme has a set of relevant questions regarding that particular theme. According to Bryman (2008) the list of themes and questions is often called interview guide, which gives the interview a structure. According to Kvale (1997) there is still a high level of flexibility in semi-structured interviews because it is possible to ask the interview questions in different orders than the interview guide says. The order of interview questions asked is dependent of the respondent answers. During the interviews the interview guide was not strictly followed in order to have a more open and free conversation and in some few cases not all the questions were applicable. The interview guide can be seen in appendix A1

To receive nuanced answers about a respondent's experience, Kvale (1997) highlights that it is important to build up an atmosphere where the respondent feels comfortable to share his/her experiences, opinions or knowledge. After the respondent had accepted to be a part of the study I visited them at their office to perform the interview. Before each interview I told the respondent the purpose of my master's project and how they could contribute to my study. During the interviews I showed respect by actively listening, and asked questions if there was anything that was not understood. The interviews were done face-to-face with each respondent separately. All interviews lasted for about an hour and were recorded. Both the respondent and I signed a consent form.

In the beginning of each interview I gathered general information about the respondent where they described their position and what their role is in the organization, what their nationality is, what kind of education or background they have, how many years they have worked for the company and how long their project management experience is. Bryman (2008) calls this a 'face sheet' and this information is useful when contextualizing the answers from a respondent. The respondents came from Germany, Netherland, Serbia, Spain, Sweden and their education background was in engineering or finance. Their positions in the

organization were Project Sponsor, Project Manager, Team Leader or Management Consultant. They have worked in the organization between 1,5 - 30 years and their project management experience was between 2 – 24 years, see table 3.1.2.

Respondent	Education background	Nationality	Type of position	Years in the organization	Project management experience
A	-*	Swedish	Project Sponsor	30	20
B	Engineering	Swedish	Project Manager	3,5	24
C	Engineering	Swedish	Management Consultant	13	6
D	Engineering	German	Project Sponsor	12	24
E	Engineering	Serbian	Team Leader	1,5	2
F	Engineering	German	Team Leader	7	10
G	Finance	Swedish	Project Sponsor	15,5	-*
H	Finance	Swedish	Project Sponsor	9	-*
I	Engineering	Spanish	Team Leader	2	2
J	Finance	Dutch	Project Sponsor	18	5
K	Engineering	Dutch	Project Sponsor	10	5
L	Engineering	Swedish	Project Sponsor	1,5	-*

Table 3.1.2, Description of respondents, *Data was not collected.

During the interviews I asked open-ended questions to the respondents which according to Creswell (2003) is how respondents can easily elaborate their answers without being constrained by the researcher. Bryman (2008) states that it is important for a researcher to not ask leading questions during an interview. Kvale (1997) suggests that the researcher can follow up the respondent's answer by asking probe questions to elicit more information. According to Creswell (2003) there are two types of probes used in qualitative studies, which are clarifying and elaborating and both of these were used in the interviews.

3.2   Transcription

According to Kvale (1997) transcribing interviews is not only about converting audio to text but it is also an interpretative process for the researcher. The process of converting audio to text creates more understanding of the data when analyzing it. Each interview was transcribed and it was taken into account how the respondent answered during the actual interview. I also made notes during the interviews which I thought would help to analyze the respondent answers.

3.3   Analysing and Verifying

According to Kvale (1997), after the interviews have been transcribed, the data need to go through a "cleaning process" where the researcher should eliminate waste material such as deviations and repetitions by the interviewee but also eliminate material which the researcher does not consider to be essential to the study. According to Remenyi *et al.* (1998) it is important for the researcher to always have the research questions in mind when analyzing the data. I tried to put aside the knowledge from previous studies and from the other literature which were used in the theoretical framework to let the evidence from the coding process build themes and categories from the bottom up, as Remenyi *et al.* (1998) described it and not try to fit the pieces to results from previous theories.

When I analysing the data I used the notes that I had made during the interviews to get a better understanding of the respondents' answers. Two methods were used to analyze the interviews, which are described by Kvale (1997) as Sentence concentration and Sentence categorization, where the sentences from the interviews are formulated to codes and then are categorized into different themes. I both re-listened to the recorded interview and read the transcribed text and started to assign sections of text with codes that I interpreted as appropriate. After performing this throughout, I ended up with 40-50 codes then I started to categorize similar codes ending up with 6 or 7 major themes.

 According to Kvale (1997, p.207) and Remenyi *et al.* (1998, p.188) the researcher has to consider two topics: Generalisability and Reliability in order to verify the findings from the interviewing process and transcription. These topics are further discussed below.

3.3.1 Generalisability

Accordingly to Remenyi *et al.* (1998, p.116) the definition of generalisability is how well the findings derived from the data are applicable in other situations and to other people. This is also described by Kvale (1997), who explained that the aim of generalization is to confirm what is happening and then maximize the conformity between the particular research settings to the general population, thus creating expectations of what will happen in a similar scene or with similar people.

It is difficult to say if the findings from this study are applicable in other organizations since all of the interviews were conducted in the same organization and there were relatively few interviews, but the researcher believes that findings may be indicative for the organization in question. All the employees share the same organization culture, working in the same type of industry and are working towards the same goal as the entire organization does. I think that the findings from this study can give insights to other organizations and people by identifying some critical factors that were elicited from this study.

3.3.2 Reliability

According to Remenyi *et al.* (1998) the concern with reliability is the level of how replicable the study is, if other researchers would conduct the same procedures as the initial researcher they would reach the same findings. Bryman (2008) argues that replication of a study is very rare, but the idea behind it is that the researcher should not make the findings appropriate to support any previous theory. Kvale (1997, p.213) stated that the researcher's reliability also needs to be considered because if the researcher is not familiar with interviewing techniques he/she might unintentionally affect the answers of the respondent by asking leading questions. I think that it would be difficult to replicate my study since it is qualitative and based on a small number of people from the same organization and their experiences.

To avoid a too subjective view when analyzing the transcripts, as mentioned earlier, I tried to put aside what was known from the literature and build my own codes and themes. During the interviews I tried to follow up with questions if I wanted more details about a particular answer. Kvale (1997, p.150) pointed out the importance of the having the right equipment when recording which helps the researcher to avoid making mistakes when transcribing the interviews. So before each interview I tested the recorder to ensure that what was being said could be clearly heard.

3.4 **Ethics**

To ensure that the ethical considerations were dealt with correctly in this master's project, since the information was collected through interviews and documents from the case organisation, I established a Code of Ethics:

- To treat respondents in the study with respect and honesty.
- Provide details such as information about the researcher, the purpose with the study, the respondents role in the study.
- The respondents would be anonymous in the report by not using names and addresses in the report.
- The data from the respondents would be treated with confidentiality by not disclosing information to a third party.
- To inform the respondents of the progress of the study and provide them with a copy of the report if wanted.
- To comply with the Data Protection Act 1988

4   Findings

This chapter presents the findings of the study, based on the interviews with the 12 respondents. The findings are presented in three different areas: *Cultural Awareness*, *Team creation*, *Communication*.

4.1   Cultural awareness

There were several types of challenges reported by the respondents of multi-cultural teams. One of these challenges that every respondent faced in some way in a multi-cultural teams was that team members had different worldviews and saw things from different perspectives because of their cultural background and their previous way of working. One of the interviewee concluded that:

> *"One of the major challenges that you face in multi-cultural teams is that the team members have different worldviews".*

By worldview the interviewee meant that the team members did not see the goals/objectives from the same perspectives because they had different cultural backgrounds. If the team members had the attitude that their way is the 'best way' and only saw things from their own perspective not being willing to accept others' suggestions, this could have a severe impact on the integration and cooperation of the team. One explanation according to a respondent of why people hold onto their way of working is that they could have worked in a certain way in a mono-cultural team and really used to that particular way of working. When they started to work in multi-cultural team their way of working could be changed or challenged. If their way or working was changed or challenged by others, this could give rise to fear of change because the team members might be introduced to a whole new way of working which they are not comfortable with. Having different worldviews in a team also meant that team members had different ways of working such as meetings, decision making and ways of communicating. During meetings it could be the level of formality such as if a superior was taking part in a meeting then the subordinates did not speak as freely as they would have done in a meeting with only team members of the same hierarchical level. It could also be how the format of the meeting is; some of the team members were used to highly structured meeting and others to a more free structure. When team members had different decision making processes the effect was

that at some points when decisions were taken it was not clearly understood by the rest of the team.

Another challenge that was reported by all the respondents was that a multi-cultural team suffers from communication issues. One interviewee explained:

> *"In a multi-cultural team you may think that you understand each other but in fact you are seeing things from totally different perspectives, and a mistake that often takes place in multi-cultural teams is that you don't ask enough in order to understand the other person's perspective. If you ask several times then you will understand the other person's perspective. You have to ask to understand".*

The results of not being open and not asking questions create many misunderstandings in the communication between team members. This could be in meetings or when people are geographically dispersed. One respondent stated that communication difficulties amplify when team members have to communicate through video conferences, telephone meetings and emails.

The official language of the case organization is English and as the team members and project leaders are mainly from Europe, English is their 2nd, 3rd or even 4th language. This impeded their communication in English because they could not communicate or explain freely as they could do in their own language. It could be when negotiating with suppliers or describing something to others in the team. From these communication challenges many of the respondents agreed that it created an uncertainty among team members about what the goals and objectives were, what their role was or what area of responsibility each team member had.

Communicating frequently by asking a lot of questions could help both team members and project managers to understand the other person's perspective and also help to widen their own way or views on areas related to the project. One project sponsor said that posing or receiving questions created awareness if somebody was not clear enough. One of the project sponsors major rule was to promote to team members that it is acceptable to make mistakes but it is not acceptable to agree to something and later on say that you did not understand. According to this project sponsor the team members had often not asked enough questions to understand what was agreed. A project manager said that by frequently communicating with team members it helped

to ensure that all the team members had understood the message of the communication and to ensure these were aligned and not deviating from the project goals.

Yet in spite of the multi-cultural teams facing many challenges due to cultural differences, all of the interviewees acknowledged the benefits of using multi-cultural teams. One stated:

> *"It's the diversity that is the strength in a multi-cultural team".*

With diversity in a multi-cultural team, the interviewee meant the mixing of people from different cultures, experiences, knowledge, ages and gender. The reason for having a wide range of diversity in a team was that the task that had to be achieved would be seen from many angles and perspectives, and when a solution was chosen it was more likely to be the best one because so many aspects would have been considered.

The case organisation has its own multi-cultural training for people in management positions, which many of the respondents had undergone. A brief description of the training is that it takes place in the form of seminars, where managers from different cultures are invited to talk about how it is to work with other people that are not from the same culture so that awareness about each other is created. Some of the respondents had not yet received this training but all the interviewees had received some type of cross-cultural training either from their education background or earlier work experiences. The respondents found the training to be beneficial and one said:

> *"The training is vital because it gives you the insight that people are different and function differently and it helps you understand how people from other cultures are. So that you don't get a cultural shock when you start to manage a multi-cultural team. The organization would develop more quickly if the people are aware of such differences".*

And another said:

> *"When project leaders have the insight that they are operating in an international environment, then they will start to act as the glue which keeps the team together even though team members are experiencing cultural differences".*

Still the general view of all the respondents was that in order to become more culturally sensitive as a project leader they had to get real life experience in an international environment and not only learning from theory or seminars. This experience could be attained from working in other countries or being part of international projects. The respondents acknowledged that the team members should also receive some type of training to increase their cultural awareness. In one case a project sponsor had invited a German and Dutch team member to a seminar that was set up by the project sponsor for them to present how they perceived Swedes in business settings. In this way the Swedes could get an idea of how they were perceived by their international colleagues.

Another project sponsor promoted in his team that they should try to transform their mindset by leaving their cultural passports at home and adopt the organisation's passport in order to be part of the organisational culture where they respect one another's differences and try to understand them. The same interviewee used the strategy of building his team members to be more cross-cultural by letting, for example, a Swedish team member work in Germany and vice versa.

Generalization and stereotyping was viewed as problematic because it could lead the leader and team members into pitfalls. When generalizations and stereotyping was avoided and leaders and team members started to be more aware of the individuals and getting to know them cooperation was increased. One of the respondents said:

> *"You can use generalization to illustrate the cultural differences but when you manage a multi-cultural team you should always be interested in the individual".*

4.2 Team creation

All of the respondents' views on creating a successful team were that they had to meet in person many times in the beginning of the project. One of the interviewees mentioned the team development model by Bruce Tuckman, and explained that it was something that he saw in his work with multi-cultural teams. The interviewee explained that in the beginning the team came together and tried to build a common ground. When trying to set up a common ground for the team they would run into difficulties because of the cultural differences. The respondent said that when the

team had overcome these they could start to perform as a successful team. He explained:

> *"When team members meet a lot in the beginning the team would go through these phases early on in the project but if the team only meet a few times then they would probably have the storming phase later on in the project which you as leader would not want because you want the team to perform in a good way"*

Another reason why it was so important to meet and see all the team members in the beginning of the project was as one interviewee said:

> *"If you have personal relations with somebody cooperation automatically increases and it will be easier to work together despite cultural differences".*

If the project leader invested a lot of time in the beginning of a project and ensured that the team members got to know each other and created interpersonal bonds it would help them to get through their cultural differences, which was reported by all of the respondents.

Another benefit according to several respondents was that when team members had created personal relationships it decreased the level of uncertainty and made it easier for team members to accept change. It was also reported that when managing a multi-cultural team the project leader had to focus on creating a team in the beginning of the project rather than starting to focus on the task right away. When the project leader got to know the subordinates and created an understanding about the team members of why they might resist to change. Many of the respondents said the interpersonal bonds were created when team members got the chance to work with each other.

This process of creating personal bonds among team members can be accelerated by designing teambuilding and after-work activities. The benefit of having such activities are that they create more understanding of how each team member functions and thus creates a better working environment. An issue that was mentioned about the after-work activities that could be problematic was that these activities could be in a job format, i.e. that it was like going to work but at a different location, which was not seen to contribute team building. Instead the respondents suggested that they should be more free and relaxed where people can drop their boundaries, for example one

project manager went out to sing karaoke with his team. In his view it was a perfect activity that made people relax the boundaries.

Another vital outcome that was created from relationships was trust. All of the respondents recognised trust to be an important element in a successful multi-cultural team. As an interviewee stated:

"Trust is a vital element in a successful multi-cultural team".

The reason behind why trust is so important in a multi-cultural team is that when team members have established trust in each other, the uncertainty of working with team members from cultures is reduced. Trust becomes even more important when team members are dispersed geographically; when team members are performing tasks at other sites the rest of the project team know that the job will get done. A project sponsor said that it is important to establish a basic ground or norms so that the team members know what is expected of them and in some sense demand trust and reliability from them. When trust is established, the project sponsored said that it is easier to delegate a task and empower team members. All of the respondents agreed that trust is created mainly from working together, but the creation of trust among the project team can also be done earlier by arranging meetings early on in the project so that team members get a chance to meet face-to-face and participate in team building activities.

All of the respondents acknowledged their role as the project manager to be important for creating a successful team. All of them prepared themselves by reading about the project specifications such as what the goals was, budget and time scale of the project. This preparation was viewed as a project manager normal duty, but it was also a foundation for managing multi-cultural team. One project sponsor also prepared himself by anticipating possible future challenges in the team by looking at the different nationalities that were involved and where the project members would be located. This additional preparation helped him to see and prevent challenges that could arise in the team later in the project.

Most of the respondents reported that project leaders must create a "we" feeling in the team by being out among team members visiting them at different locations, motivating them and giving them support. In one case, a project manager that was located on a different site than most of his team and the project they were working on

reached a critical stage where they had do deliver in a short amount of time. His response was to fly to the location of the team just to give them his support and motive them. When the project manager was with the team, decisions could also be taken quickly. In order to create commitment from team members one interviewee said:

> *"You have to adopt a role model behaviour because your behaviour will rub off on the team members"*

The explanation behind this was that when the leader took on the role of model or a "parent", the behaviour of the leader would reflect on the team members actions and behaviour. One of the respondents said if the project leader showed commitment and took responsibility this rubbed off on team members and they started to be more committed and took more responsibility, which enhanced project performance. This also made it is easier to empower and delegate tasks to team members. As one of the project managers stated:

> *"In large projects it's important to have a core team which you empower and delegate tasks"*

To have a core team within the whole project group where the project manager could delegate responsibility over areas such as communication and marketing was important.

4.3 Communication

> *"You have to invest a lot of time in making the goals clear in the beginning of the project".*

This quote was by a project manager and all of the interviewees agreed that as a leader it was very important to ensuring that the goals were clearly understood by the team members. This was done by investing a lot of time in the beginning of the project and even more so in a multi-cultural team since team members could interpret messages in different ways because of their cultural background. In one case a project sponsor arranged a workshop in the beginning of the project to discuss areas that were relevant to the project, and one of these areas were to discuss how everybody perceived the goals and objectives of the project. One of the benefits of such a workshop was that it made it clear what the scope of the project was and what was expected to be delivered from the project team.

Another vital factor to be clear about as a project manager are directives, as stated by an interviewee:

> *"As people are used to work in their own way it is very important in a multi-cultural project that there are clear directives to follow"*

The reason why it is so important for a leader to have clear directives to follow for team members is because they might have a different way of working in their cultures. Some nationalities might be used to very clear assignments from their managers so when they are part of a team where the assignments are not that clear it could create high levels of uncertainty among them. So by having clear directives to follow reduces the uncertainty that team members can have in an international working environment. One project sponsor reported that by communicating what role and area of responsibility each team member had in the beginning of the project enhanced the project performance and avoided misunderstandings. Also that made it easier for the project manager to follow the progress of the project and manage the different views on the goals of the project team. Some of the respondents reported that what was important both for manager and team members was to realize how their communication was perceived by others. One of the respondents said:

> *"You have to understand how your communication is perceived by others"*

When both project leaders and team members understood how their behaviour was perceived by others, it helped them to create an awareness of how they could change their communication style so that it could become clear and easily understood by others. All of the respondents agreed that the project leader had to use simple and clear communication to avoid misunderstandings both in verbal and textual communication. In one case a project sponsor said that in multi-cultural teams you almost had to be overly clear with the communication to subordinates and use unambiguous words such as "Unacceptable" instead of "I think maybe next time do this differently" if there was something that the project leader was not satisfied with. An important communication tool was feedback, which was promoted by several respondents because this also gave them the opportunity to improve themselves and their way of conducting meetings for example.

Many of the respondents reported that they tried to standardize communication by implementing certain formats about how to communicate in video-conferences, in

telephone conferences and emails when the project team was dispersed, also implementing formats how meetings should be conducted. One of the project sponsor reported that she had implemented weekly corridor meetings for 10 minutes, which was a very informal way but that it was a good way to communicate in order get everyone updated if there were changes. All of the respondents reported that face-to-face meeting were the best way to communicate, and when that was not possible then video-conferences, telephone conferences and emails could be used. The purpose of these standardizations, by implementing different formats of how and when to communicate, was that it enhanced communication and decreased misunderstandings.

It was also reported that it is important for a leader to communicate change when implementing a new system or a new way of working. One of the respondents said:

"Instead of switching someone's light off, paint the future instead".

When the project leader communicated change to somebody, he brought out and showed the positive effects of the change and the reason behind the change. One project manager said that it is important to ensure that the change was understood from the bigger picture of change in order to convince them to accept the change. If there was any resistance it was important to understand the root cause of the resistance and then try to solve the issue.

If there occurred any conflicts, all of the respondents acknowledged that it was important to be objective when solving a conflict. As a leader said:

"You have to consider all the perspectives when solving a conflict"

In some cases team members from some cultures can have a strong communication style while team members from other cultures can have more of a calm communication style, which can be over-voiced by those who take a lot of space. Therefore it was important as a project leader to consider both sides of the conflict and try to understand the root cause of the conflict. Another project sponsor said that visiting team members often helped to sense if there were any tensions in the team. It was also reported that to take a supportive role and coach team members through both task and personal conflicts were important factors.

At the end of the project a project sponsor reported that it was important to have a "lesson learnt" workshop in order to recognize areas that could be improved and areas that worked fine for the next project. The benefits of having these sessions were that

both the project manager and project team could avoid or prevent challenges occurring in future projects.

5 Discussion

5.1 Cultural awareness

That team members had different worldviews and perspectives was expected and agrees with the description by Chevrier (2003) of how culture is made visible in business, e.g. how people from the same culture share the same way of cooperating, managing conflicts and dealing with authority. Cultural clashes can develop when people's ways of working differ in a team, which can create tensions among project managers and team members. Especially when some of the team members are convinced that their way of working is more appropriate than other team members.

One explanation according to a respondent of why certain team members were so comfortable in their way of working such as ways conducting meeting or taking decisions is because that this was something that they were used to and had been performing for years. When the team members had been performing tasks in a particular way for a longer period they saw their way of working, to be the right and appropriate way to perform tasks. This confirms with Person (2004) that people from the same culture tend to share to same ways of performing tasks. So if people have to change their established ways of work, as was the case for some of the team members in this study, it created uncertainty and made it difficult for them to see what was appropriate in the new working environment, especially if the rationale for the procedures and routines were not appropriately communicated to them.

In terms of communication, language was found to be a major challenge. The finding about the proficiency in English which hinders people to communicate freely agrees with Alon and Higgings (2005) findings. The study's findings show that when project managers and team members had to communicate through videoconferences, telephone conferences or by email when the project team was geographically dispersed, it was difficult to get the message through properly because of the English language difficulties. One of the reasons behind this as one of the respondents explained was that the body language could not been seen or interpreted as well when meeting in person, which Ochieng and Price (2009b) have also pointed out in their research.

In spite of the communicative constraints, the main resource of multi-cultural teams that was reported by the respondents was the cultural diversity. Maznevski *et al.* (2010) show that this resource can be because of the difference in team members experiences, mental models, modes of perception, information processes and approaches to solving problem. This explanation can be an underlying reason why the respondents saw the diversity as the biggest resource of a multi-cultural team. The respondents explanation why they saw diversity as being a strength because so many perspectives could be considered when planning and performing tasks. Some of the respondents created project teams that consisted of a mix of team members with different nationalities, experience, knowledge, gender and age. Instead of just having team members with the same background, the respondents saw the diversity to be a core strength of the team. Relating this to Maznevski (2010) where a mono-cultural team could suffer of groupthink which could hinder innovation in a project team and this can also be an explanation of why many of the respondents saw diversity as a strength. The respondents view was that if more project managers come to this conclusion and see diversity as a resource instead of a barrier they will more likely experience positive effects as Maznevski *et al* (2010) also showed.

To become more aware about the resources and barriers of multi-cultural teams the findings indicate that there is a need for both project manager and team members to be trained to become more culturally sensitive. This is vital for people in an organization that operates in an international environment in order to avoid problems such as stereotyping, conflicts, delays and leadership failures because of cultural differences (Alon and Higgings, 2005). Training gives people the possibility to be better prepared and more aware of issues that might arise when they are working in an international environment and meet people from different cultures. The respondents acknowledged that the training was important for both management and team members, and one suggestion based on the results in this thesis is that training include both management and employees, but that training for managers should be more extensive than that of the team members because it is the management's role to make sure that the team functions and delivers results.

A suggestion then is that training can include the cultural iceberg presented by Peterson (2004) as a metaphor and basis for reflection and collective thinking. It can help to create a better understanding why people from different cultures act as they do

in certain situations. When both managers and team members try to understand and reflect on their previous experiences why people from different nationalities behave as they do, it can help to avoid stereotyping and create insight about the people they are working with. This insight will in the long run increase team collaboration and deliver better results. It could be useful to also include some theory concerning behavioral determinants of national cultures in business environment. Also to use theories about certain areas which could improve multi-cultural teamwork which have been mentioned in chapter 2. Many of the respondents reported that a good way to develop inter-cultural understanding is through experience from working environments since we learn from our experiences. In this perspective it is important to reflect over these experiences in a collective, e.g. the project team.

5.2   Team creation

The Bruce Tuckman team development process described by Bonebright (2010) can give project managers an awareness about what stages a multi-cultural team needs to go through in order to be more successful. The team-development model does not only create awareness, but it can also help project managers identify which stage their team is in and help them take action if the team is stuck in certain phase. According to Bonebright (2010), a typical stage where multi-cultural teams can find themselves stuck in is the storming phase. One of the interviewees explained that this is where the different kinds of work styles of team members from different cultures is noticed by the other team members. The same interviewee meant this it is beneficial for the project manager to try to ensure that the team goes through the stages forming, storming, norming in the beginning of the project. An explanation why it is important to for the team to go through these stage early on in the project is because this is where the project manager can focus on creating a well-functioning team and to overcome the typical cultural challenges which can later on in the project harm project progress. When the team has gone through these stages, it enters the performing stage and can concentrate on executing project tasks efficiently (Bonebright, 2010).

The respondents of the study mentioned several times the importance of to meet team members early on in the project. This confirms Gupta (2008) and Ochieng & Price (2009a) suggestion of giving multi-cultural teams the possibility to start right and build vital elements such as personal relations and trust. The reason why the creation

of interpersonal bonds is so important in multi-cultural teams is because when team members start to work in multi-cultural teams, the better they get to know their peers the more understanding and respect they have for each other's differences. The findings of the study also agree with Mäkilouko (2004) that a person-focused leadership style is much more successful in an international environment than a task-focused leadership style. When project managers adopt a person-focused leadership style and try to create relations with team members, it is easier for them to cope with the cultural complexity in the team because they can get a better understanding of the team members. Many of the respondents said that the creating of relationships with team members can help project managers understand why certain team members might be unwilling to comply with their directives and are resistant to change. In the data, the relationships that were created with each team member also made it easier for project managers to manage a multi-cultural team.

The trust that was created from the relationships among team members and the project managers has shown to be an essential part of a multi-cultural team, which supports the findings of Ochieng and Price (2009a). Especially when team members are geographically dispersed, it is important that they can trust each other and know their colleagues will deliver what they are supposed to. When the case organization had gone through major reorganization, the importance of relationship and trust building became even more important for successful collaborations.

It was found from the respondents that the process of building relationship and trust among team members and the project manager could be enhanced by implementing team-building activities and after-work activities. This confirms with Ochieng and Price (2009b) suggestion of having such activities in the beginning of the project which helps to achieve personal relations and trust. The team building and after-work activities are useful tools for the project manager to use when managing a multi-cultural team. This is where the project manager gets a chance to form the team and establish common ground and rules for the team. Gupta (2008) states that this is where the team members get a chance see and meet each other, which can make a huge difference in how they appreciate each other. This was also reported by the respondents. The findings of this study show that team building and after-work activities can help to reduce the uncertainty of working in an international environment and meeting team members from different cultures.

In such a large organization as the case organization, it is important to create a team spirit since the team members come from different backgrounds. The team members may be located in different offices and do not get the chance to meet in person that often. Therefore the respondents said that it was important to motivate and support team members throughout the project. To be able to motivate is an important competence in multi-cultural project as Muller and Turner (2010) show. The findings show that project managers have to adopt a role-model behavior to create commitment from team members, and this can be seen as a motivating tool, getting the team to achieve the project goals by motivating and supporting them. This can be one of the reasons why Muller and Turner (2005) show the role of project leadership and their competence as a critical success factor in projects. The findings also show that project managers had to be able to coordinate tasks between team members, which is supported by Den Hartog *et al* (1999) view on effective team leadership. The findings also support the competence managing resources which Muller and Turner (2010) suggest to be favorable in multi-cultural projects. When project managers have to coordinate resources efficiently, the biggest resource the project managers have is the team members.

5.3   Communication

The findings show that is important for the project manager to communicate the project goals and to ensure that all the team members have perceived them in the same way. The importance of communicating the project goals clearly supports Grisham (2006) who explained that one of the four key factors of cross cultural communication is the establishment of the project goals, ensuring that everyone in the team has understood and knows the project goals. In the setting of the case organization and the respondents, it was important for a project manager to spend a lot of time in the beginning to focus on communicating the goals to team members. The reason why this is important in multi-cultural teams is because the likelihood for misunderstanding is high and therefore the project manager has to make sure that the goals are established and understood by all the team members. Then the chances increase that the team members will go in the same direction and not deviate from the project plan. The findings show that the project manager also has to establish clear directives to follow by defining which roles and areas of responsibility each team member has. This agrees with House and Javidan (2001) conclusions that project

manager have to establish clear roles and norms in an international environment. When clear directives for team members are established such as their roles and areas of responsibility, it can help to reduce the uncertainty which could arise when working in a multi-cultural environment.

The findings showed that if project managers created an understanding about how their communication was perceived by the team members, they could adjust their communication style to enhance communication. Gupta (2008) and House and Javidan (2001) claims that when project managers reflect over how they are perceived such as their communication style, it can help them to adjust or change towards a better communication with the team. The findings also showed that this should not only be reflected on by the project manager, but also by every individual that is a part of the project. This can help foster efficient communication in a project team.

The use of simple and clear communication is very important a multi-cultural team both from the project manager and the team members perspectives, which many of the respondents corroborated. Gupta (2008) states that in a multi-cultural team it is important that everybody in the project team "speaks" the same language thus preventing misunderstandings to occur. In the case organization where the team members came from different countries and had different levels of proficiency in English it is important to use simple and clear communication. To reduce the misunderstandings and misinterpretations, it was suggested by some respondents to the standardize communication process as much as possible by setting up formats how to conduct meeting, video conferences, telephone meetings and emailing. This agrees with Ochieng and price (2009a) claim that standardization of a common language minimizes communication problems in multi-cultural teams. Therefore it is suggested to standardize the communication processes in large multinational organization as the case organization. As they use multi-cultural teams, which often are located in different offices in Europe to conduct projects, standardization could help to minimize communication challenges, which can have an impact on the project performance.

When managing a conflict among team members, the findings suggested that the project manager should be objective and always look for the root cause of the conflict. This confirms Ochieng and Price (2009b) advice that it is important to figure out why the conflict happened. The findings also show that the role of the project manager is

very important when solving a conflict among team members. The respondents suggestion for solving a conflict is to consider both perspectives carefully because the team members from different cultures handle conflicts in different ways, and this is important for the project manager to understand. The project manager also has to support the team members through the conflict, supports Gupta (2008) suggestion that project managers have to coach team members through the conflict. It was suggested by the respondents that when the project manager decided on a particular solution for the conflict he/she should communicate why the solutions was chosen. When the project manager had to communicate change to team members it was suggested by the respondents that in order to implement change efficiently, the project manager also had to communicate the reason why the change was implemented.

The findings showed the importance of feedback sessions at the end of a project, which is explained by Ochieng and Price (2009b) as where the project team gets a chance to discuss what has been done well and what could have been done differently in the project. In the case organization, it is very important to have such occasions because it gives the possibility to learn so that some of the challenges that have been faced can be avoid or prevented in new projects.

6 Conclusion

Based on this case study, three factors seem to be critical for managing and communicating in a multi-cultural project environment: cultural awareness, team creation and communication. When working with multi-cultural teams, cultural awareness has to be created from both the project manager and the team members. This awareness makes sure that the resources of a multi-cultural team become more eminent and the barriers are reduced. It helps the project manager to avoid falling into pitfalls which could affect the project performance. Cultural awareness can be enhanced through training such as in seminars and workshops. The benefits from the training are that it helps project managers and team members understand why other team members act or behave as they do in certain situations. This can help to increase cooperation and avoid stereotyping in multi-cultural teams.

Understanding the stages a team goes through can help the project manager develop and create a successful multi-cultural team. Investing a lot of time in the beginning of the project gives team members a chance to start of right and create important elements of a successful team such as personal relationships and trust. These elements are important in a multi-cultural team, especially when the project team is geographically dispersed. The creation of relationships and trust among team members could be enhanced by having team building and after-work activities. Project managers have to adopt a person and relation-focused leadership style in order to manage multi-cultural teams successfully. The main competences of project managers were shown to be able to motivate and create commitment from team members, but also to empower them.

The project manager has to communicate the project goals in the beginning of the project. It is also important for the project manager to give clear directions to follow, where each team member's role and area of responsibility is clearly defined. When communicating in a multi-cultural team the communication has to be simple and clear so misunderstanding and misinterpretations can be minimized. When project managers also understand how their communication is perceived by others, it can help them to adjust their communication style and communicate more efficiently in the team. The findings show that to standardize the communication processes is a good way to reduce the communication challenges. When project managers try to solve a

conflict, it is important to understand the root cause and consider perspectives, but also to communicate why a certain solution has been chosen. The study also showed the importance of having feedback sessions at the end of the project so that the lessons learnt could be brought to new projects.

6.1 Recommendations for the case organization

The recommendations for the company from this study are to focus on three main areas: cultural training, teambuilding and after-work activities and standardization of communication. The cultural training should still include the element where the participants get to discuss how it is to work with people from different cultures. The training should focus on presenting typical challenges that can occur in a multi-cultural team which the study has presented, but also highlighting resources. The awareness created from learning about typical challenges that might occur in a multi-cultural environment, which people can later recall when working in or managing multi-cultural teams and help to reduce the challenges. The training can also include how to motivate team members or how to manage conflicts. The second area of recommendation is to implement teambuilding or encouraging after-work activities in the beginning of projects. From these activities, as the study has shown, personal relationships and trust are created, which are both key elements of a successful multi-cultural team. The third and final recommendations are to standardize communication processes as much as possible, such as how to conduct meetings or videoconferences to reduce communication challenges that a multi-cultural team could suffer from.

6.2 Limitations and Other areas of interest to study

The main limitation was the time limit. The research was based on interviews from a small number of respondents. The respondents were all from European countries and had a management position within the case organization. Other areas of interest to study can be to study other organizations which have more cultural diversity with team members from different parts of the world. A broader spread of people from different hierarchical levels can be added such as the team members views can also be an interesting area of further studies.

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Appendix A1

Interview Guide

Name:

Position:

Education background:

Years in the company:

Project management experience:

Nationality:

1. What does a typical multi-cultural project look like at Vattenfall?
     I.   Type of project?
     II.   Size?
     III.   Typical nationalities
     IV.   Sites (In Sweden or elsewhere)
2. Can you give some examples of what type of multi-cultural projects that you have managed as project or team leader?
     I.   In what countries?
3. Have you received any training in multi-cultural project management?
     I.   What type of training?
     II.   How useful was it?
     III.   What kind of training would you wanted/needed?
     IV.   What about team/project members?
             i.   How are they prepared?
             ii. What do you think they would need?
4. How do you prepare for managing a multi-cultural project?
5. What in your view is a successful multi-cultural team?
     I.   How can such team be created?
     II.   What are the barriers?
6. What are the biggest challenges you face in your work when managing a multi-cultural members/teams?

    I.   When managing tasks?

    II.   When making decisions?

    III.   How do you follow up on decisions or tasks?

    IV.   During meeting?

    V.   What if team members are dispersed?

7. What are your communications strategies?

    I.   What tools do you use?

    II.   What language/s do you use?

8. How do you startup a project?

    I.   What is important?

    II.   What problems have you experienced?

9. What after-work activities do you and your team engage in during a project?

    I.   Are there any nationalities that tend to not engage in such activites?

10. What do you see as distinctive characteristics of the nationalities you have worked with?

    I.   Can you give examples?

    II.   Do you see differences in multi-cultural teams when working Sweden and working abroad? What and why do you think this is?

11. How do you manage conflicts?

    I.   What are typical conflicts in multi-cultural teams compared to monocultural teams?

12. How can trust be build in a multi-cultural project?

    I.   Is there anything you do? Why/Why not?

    II.   What are the problems?

13. What is important to know as a project manager when managing a multi-cultural project teams?

    I.   Are there any competences that are important and need to be developed?

14. What are the most important issues to address when embarking on a new multi-cultural project?