



Understanding the impact of culture in international projects

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ABSTRACT

Due to globalization the world seems to be becoming smaller. With better transportation and improved communications, and as companies seek to establish global organisations and seek out new markets, people increasingly find themselves working in cross-border projects. This creates an imperative for people from different cultures to create mutual understanding and common goals which can drive these projects successfully.

The aim of the paper is to investigate the notion that cultural differences impact on international project teams. Firstly, it is important to determine whether it is coherent to suggest the notion that cultural differences have such impact. Secondly, the paper examines, assuming culture can be said to have an impact, how project managers can respond to culture. Thirdly, the paper seeks to clarify which competences are thought best suited to lead multi-cultural international project teams.

Four Icelandic project managers who have experience in leading international teams were interviewed. The purpose was to gain insight from their tangible project experience. This group was chosen because of the international presence of the companies they work for; geothermal science, on the one hand, and engineering projects on the other.

The findings from this research are provisional but indicate that cultural diversity in international teams has an impact on project process, particularly the further away from 'home' the project manager and his or her team is. In terms of tools, it seems that few project managers use specific or common approaches to manage the challenge of culture, but there is a degree of consensus that a blend of "push" and "pull" styles (flexibility blended with assertiveness) is a key to success.

Key words: Cultural diversity, project management, international teams, cultural impact, intercultural competences.

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1. INTRODUCTION

One of the results of globalisation is that more projects reach across borders, touching on an increased number of nations and national cultures. This poses both opportunities as well as challenges to those working in such projects. The aim of this research is to explore which challenges and opportunities project managers may have to face in international projects, with special attention to those presented by international project teams. Such project teams are often composed of individuals from various countries with different cultural backgrounds. To gain a deeper insight into the subject, four project managers with experience in leading international teams in international projects were interviewed. They work for companies which are specialised, on the one hand, in utilisation of geothermal energy and, on the other, in engineering. The choice of project is consciously of implementation and research projects as they are often seen as requiring so-called 'hard skills' from project managers in order to drive success. As 'management' of cultural differences in an international context is often thought of as a soft skill, the chosen projects were thought likely to support the investigation of the relevance of culture with managers traditionally more focused on harder-edged topics.

The focus of the research is on international projects in an environment foreign to Icelanders. The research question is the following:

How have Icelandic project managers experienced and responded to the impact of culture on/cultural diversity in international projects?

The purpose of this paper is not to find one specific answer or a solution, or to identify specific Icelandic leadership style. It is about to gain an understanding of which impact cultural diversity may have in international projects by engaging a selection of Icelandic project managers.

2. LITERATURE REVIEW

In the following chapters the focus is on examining the specific challenges project managers may have leading culturally diverse teams within international projects, and how project managers can utilise the opportunities offered by such teams with specific competences. Within this analysis, national culture as a construct will be examined with a view to understand the impact of national identity on international project team interaction.

2.1 International project teams

Projects are as different as they are many. They can be classified as traditional, international, global, virtual and so on depending on their structure and how and where they are implemented (Binder, 2007), with significant variations of definition within and across each of these overlapping terms of reference. ICB 3.0 defines the term project as a process that delivers a certain output that needs to fit to quality standards and procedures (IPMA, 2006). International projects are similar to domestic projects in the sense that they share project management processes, tools and techniques. Grisham (2010) selects diversity of location to define the uniqueness of internationality of project: *“a unique transient endeavour undertaken to create a unique product or service that utilizes resources from, or provides product or services in, more than one country.”* Binder uses a similar approach, defining international projects as project teams that work in different locations and across national borders. He also integrates the challenges of international, distributed and virtual projects within the term of global project. These are usually distributed around the world and made up of people from different organisations. This often causes a blurring of boundaries between definitions of project types (Binder, 2007).

An additional common distinguishing feature of internationality of project is complexity, with specific factors such as culture, language, time zones, different holidays in the project plan, coming into play in management terms (Grisham, 2010). Furthermore, legal and political issues, security, the economy, as well as the geography and infrastructure of the country or countries in question can all have an effect on the project (Larson, Gray, 2011).

Jónasson & Ingason (2012) define teams as an organised group of individuals with a common objective. Team members usually have a specific skill-set and educational background to contribute to their project, often working under great pressure because of limited time. Therefore, the combination of a joint team effort and the contribution of individual team members can be critical to the success of projects. Hence, it is important for a team to establish common understanding and a mutual platform for collaboration and candid communication, a process which internationality might challenge with project teams composed of individuals from different nationalities, diverse cultural backgrounds with, potentially, wholly different project experience and competence levels (K. Stahl et al, 2010).

2.2 Culture and diversity

Culture is a complex construct with a range of diverse definitions. Cultural identity is most often associated with national identity and the formation and adherence of self in some way related to a concept of specific nation state. Nation state is a geographical,

political and legal reality in most cases but the construct of national culture as a psychological and behavioural phenomenon is more controversial. The concept of “nation” is defined by Anderson (1991) as an imagined political community which is both inherently limited and sovereign. By ‘imagined’ he is referring to the way in which people of a certain nation state may see themselves as belonging together, to the same community, without knowing each other. In other words, people envisage boundaries between nations that are used to define discrete identities.

Hofstede (2010), a hugely influential figure in the field of cross-cultural studies, adopts a positivist approach to the notion of culture, defining national culture as a collective mental programming which is available to empirical study via cross-cultural analysis resulting in the establishment of categories of difference. These categories are used to define one group from another, with the majority of this programming acquired in childhood. With programming he is referring to the creation of customs, beliefs and values as to what is moral and what is permitted. Hofstede conducted a well-known study in the early 80’s in IBM, a multinational corporation spanning the globe. Hofstede had the opportunity to analyse data from over 40 countries, evidencing diversity in values, the hidden dimensions of culture which are so difficult to discern and analyse. The aim of Hofstede’s study was to find out how a company’s values are influenced by national cultural background. From his data he was able to recognise four dimensions of national culture. Two more dimensions were added based on later studies. The six dimensions are the following:

- *Power Distance*: How less powerful members of a society feel about the distribution of power. More distance means more inequality in their view.
- *Individualism versus Collectivism*: Individualistic societies expect everyone to look after themselves and their immediate families. Whereas in collectivistic societies individuals are a part of a larger, strong cohesive group.
- *Masculinity versus femininity*: This refers to the distribution of emotional rules between genders in a society.
- *Uncertainty Avoidance*: How much tolerance societies have for uncertainty and ambiguity and their need to counter with rules and safety measures.
- *Long Term Orientation versus Short Term Orientation*: The former hold a pragmatic view towards future rewards. The latter look more towards the past and present.
- *Indulgence versus restraint*: Indulgent societies embrace natural human drives and allow relatively free gratification. On the other end of the spectrum are restrained societies who regulate gratification through social norms. (Geerthofstede.eu)

Hofstede’s dimensions have been used extensively to explain the impact of national culture on business, although originally they were not intended to explain individual

behaviours but provide more abstract analysis of a broader business culture within a national context.

Determining the contribution of national culture towards specific aspects of individual thinking and behaviour is immensely challenging, if not impossible, given the additional and potentially more significant factors of personality, professional role and discrete situational constraints. Positing culture as a determining factors risks undue categorization and stereotyping (K. Stahl et al, 2010). However, a number of research studies have been conducted which suggest the impact of culture on the nature of teamwork. There is evidence which supports the hypothesis that cultural diversity has a positive impact by offering a wider range of perspectives on how to finalise projects. Diversity enhances the group's capacity to solve projects and problems in more creative and effective ways. Research also shows an indication of a negative impact, that the work of cultural diverse teams can be more fuzzy and distracting with visible racial differences even contributing to damage project outcome (Barinaga, 2007).

Stahl, Maznevski, Voigt & Jonsen conducted a meta-analysis by testing different hypothesis from empirical studies with the purpose of examining processes and performances in international teams. They also concluded that cultural diversity within teams can create both project benefits and difficulties. The outcome, positive or negative, depends on the team's careful management of diversity for group benefit, only potentially leading to more innovative results over homogenous teams. One important potential positive outcome of careful diversity management is higher satisfaction within an international team, an enjoyment of difference which leads to better motivation and better performance. Analysis also revealed that cultural diversity can increase the possibility of conflict arising from diverse perspectives on how to complete tasks, or different preferences about teamwork or more fundamental clashes around values. Individuals with different cultural background have varied mindsets, values and even beliefs which all may adversely affect the team's performances. Evidence also shows that the communication of more diverse teams can be less effective due to issues of time difference, group size and dispersal of geographical location (Stahl, G., Maznevski, M., Voigt, A., Jonsen, K., 2010).

There are ardent critiques of Hofstede's work, with some describing it as simplistic and limiting (Søderberg, Holden, 2002). Hofstede, and those who seek to measure culture and draw conclusions about its impact on individual behaviour and on project teams, derive from a positivist approach which many claim falsely posits culture as 'out there' and available to study. It is a philosophical tradition disputed by constructivism which suggests that terms such as culture are socially constructed and, in fact, always dynamic and changing (Guba, 1990). In terms of methodology, scholars using positivist approaches employ quantitative researches while constructivists believe that subjects and their terminology need to be studied in their own environments (Sigríður Halldórsdóttir, 2013).

Barinaga uses the methodology of constructivism through an ethnographic approach to gain insight into how international teams work together, with a special focus on how they organise. She studied multinational workgroups with members from different countries, five from European countries and two from USA, with variance in educational background. The groups met at several meetings and then did their work

separately, staying in contact via e-mail or telephone. She sat in on all the meetings over a seventeen-month period. In addition, she received access to all their e-mail correspondence.

Her findings were twofold. Firstly, she observed how the group used national culture as a social construct in discourse as a way to distinguish between team members, as a way of explaining an imbalance within the group or a lack of clarity. In such situations it seemed easy to use cultural difference as an excuse, instead of taking it to further discussions. At one point the group could not come to mutual understanding on a certain subject, rationalising this as being due to cultural diversity and different understandings. Secondly, cultural diversity was used to give more value to the project, with purposeful linking to national culture when applying for and gaining European grants, using the notion of variety of national cultures to make the project more interesting and relevant for funding. It is not possible to generalise from Barinaga's findings but the study indicates that culture may also be seen and used as a construct when things are unclear and fuzzy in international group communication. This could mean that instead of finding the root of a problem, an issue is blamed on misinterpretation arising from cultural background (Barinaga, 2010), with culture as scapegoat for failure. This research demonstrates the importance for a project manager to understand the different challenges and opportunities he can possibly meet when leading culturally diverse teams, and recognise the potentially limiting lens which national culture offers when analysing team problems and failures.

2.3 Cultural management

Being a successful leader of domestic teams does not necessarily mean that one will be successful at leading international teams. Fluency in different languages or the experience of living in other countries does not guarantee success (Mendell et al, 2013). Very little has been written specifically about the skills needed to manage culture in international projects. However, some believe it likely that a project manager would benefit from having conscious diversity attention and team practices, leveraging classical soft skills in addition to hard skills (Dignen, personal communication, 19 April 2015). Most commentators of this type focus on global leadership or intercultural competences without any special inclusion of or focus on specific project dynamics.

According to Binder, the success of culturally diverse teams depends heavily on the leadership skills of the project manager. He defines project leadership as "*the creation of a vision about the project objectives that directs all team members to work towards it*" (Binder, 2007). He introduces soft skills such as the ability to motivate and lead teams towards a project's objectives and create successful team dynamics, comprising an important part of the international project manager's skill set. It is suggested that project leadership is as important as the so-called hard skills of the project manager. Specifically, when working internationally it is important to consider that actions and words can be understood very differently between team members because of personal background, either due to personality, cultural background or a combination of the two. It is the project manager's responsibility to motivate the project team to contribute their knowledge and different experiences. In other words harnessing the diversity to enrich ideas and come up with ingenious solutions (Binder, 2007).

Homogenous teams might be able to start a project well as they do not have to deal with the issue of diverse cultures. However, Comfort & Franklin (2011) point out that well managed international teams can achieve better project outcomes than domestic ones. They introduce the concept of *mindfulness* and stress the importance of the manager understanding and consciously managing his own cultural background. In this context they focus not only on national culture but also other cultural forces such as religious and corporate culture. A method suggested is to profile one's own cultures in order to develop self-awareness, thereby, being able to better manage oneself and others. In parallel, it is recommended that one also needs to be aware of the differences of the team members and to be flexible and able to adapt to different situations with the project's objectives in mind.

It is also important to be note that people's behaviour is not fully explained by culture but is also influenced by personal traits. Because of this, the mindful manager knows that there is no single and guaranteed successful way to communicate messages and, therefore, needs to select different communication styles depending on the individual, team and surroundings. With the concept of the *Mindful International Manager*, Comfort and Franklin recommend building a common culture within the project team to embrace the diversity that different individuals bring. Forming mutual guidelines within the team will create a sense of belonging and establish mutual values and norms.

The book *Global Leadership* looks at the importance of *intercultural communication competence* in global surroundings, an individual's capability to communicate effectively and create mutual understanding across culture (Mendell et al, 2013). It suggests that an important part of building an effective team is to create mutual cohesion and an appreciation of the diversity within. In order to achieve this it is recommended that team members identify what they have in common and where their differences lie, especially with regard to cultural differences.

The process is threefold; to *map* the team's capability and to create trust and respect. The next step is to build on these differences by using what has been called *bridging*. That is to bridge the gap between how people respond and express themselves differently. For example, an American may communicate a difference of opinion more directly than a person from Asia. A bridging technique for the American could be to ask questions to understand the other's perspective. An important aim of bridging is to avoid blaming and negative ascription. Interestingly, it is acknowledged that it is almost impossible to avoid misinterpretation in culturally diverse teams. The focus is on finding a solution by communicating with an open mind. This method allows groups to turn potential problems into opportunities and to build a common ground. Furthermore, the team will establish common objectives, rules, values and norms. The third step is to *integrate* which consists of building the motivation of the team for effective participation, identifying the way in which conflict is resolved and to build on common ideas. It is about building synergy from differences. All those phases combine if used together, and this method can be useful to utilize the cultural diversity within the team and motivate candid communication and positive team outcomes (Mendell et al, 2013).

3. RESEARCH METHOD

The aim of the research is to explore how Icelandic project managers experienced and have responded to the impact of culture in international projects. Special focus will be on cultural diversity within international project teams. First of all, it will be explored whether they think culture has an impact and if so, how do they manage it. Furthermore, it will be examined which are the strengths, weaknesses and the biggest success factors in international project teams based on their experience.

The sample of the research consists of four project managers who all have experience in leading international teams. They are employed within companies in the field of engineering and geothermal energy projects and all of them have experience in implementing/conducting projects in foreign surroundings. A number of suitable companies were contacted and from this four project managers were identified which fitted with the estimated sample. The sample was specially chosen because of their experience as project managers in international projects and their type of work, often related to the so-called hard skills of the project manager.

3.1 Research approach

To provide data for the research, a qualitative research method was used in order to gain insight into the experience of the project managers. In-depth interviews, using the approach of phenomenography, were chosen. As a result, interviewees are able to express themselves freely concerning the subject and to reflect on things which they and myself, the interviewer deemed to be important. This methodology also allows a deeper response to questions. It would have been possible to use quantitative research methods e.g. with postal survey and gain statics data but it would have offered too limited approach and would not have met the main purpose of the research (Sigríður Halldórsdóttir, 2013).

The primary advantage of in-depth interviews is that they give more detailed information than other collection methods. The limitation of the qualitative research method is that it is not possible to generalise from the collected data. It can only be used to gain insight on thoughts and opinions and it can only give possible indications on things. The risk of bias is noted, in so far that research is often conducted to prove a certain hypothesis or need so the interview response may be biased. Finally, qualitative research can be time-consuming and therefore there is a need to take it into account the time for preparation (Sigríður Halldórsdóttir, 2013).

3.2 Interview structure

The four interviews were conducted in a two-week period and all took place face to face with each interviewee. Each interview took approximately one hour and was made in confidentiality. All the interviews were recorded. A list of questions was prepared beforehand (the list of questions can be found in the appendix) and questions were classified into these four sections:

- *Personal profile:* To gain information on the interviewee background e.g. education, work experience and why they are working in this field.
- *Impact of culture:* To examine their opinion on the strengths and weaknesses of

cultural diverse teams. Furthermore, to explore which factors in international teams are most likely to lead to success.

- *Management of culture:* To explore the importance of managing culture in international projects, how it is done and what they do as preparation.
- *Significance of culture:* To look into how significant culture is and which skills are considered important in leading international teams.

4. RESEARCH RESULTS

This chapter explores the most important findings from the four interviews.

4.1 Personal profile

The aim of this section was to gain an insight into the experience of the project managers and learn about their educational background. They will be introduced in the terms of A, B, C and D based on how culturally complex the teams are that they have been leading.

Project manager A: Has been leading international teams in various countries. Teams have been different in complexity but, in his last project, the team was composed of members from various countries.

Project manager B: Has been leading international teams in various countries. In his last project the team was composed of two nationalities.

Project manager C: Has experience in leading international teams in various countries. The teams are mostly composed of Icelanders, but sometimes with specialists from other countries.

Project manager D: Has experience in leading teams from Nordic countries. The teams are only composed of people from Iceland and other Nordic countries.

4.2 Impact of culture

The interviewees had different opinions on which impact culture has on international projects. The higher the cultural complexity is within the team the more they believe it is important to take cultural difference into consideration. Furthermore, it is important to consider the culture in the country where projects are implemented.

Project Manager A:

Has been working within various countries. The last time involved working on a project where the international team was composed of various nationalities, some with different religious backgrounds. The projects are often run by foreign companies, with locals in top-management and then migrant workers doing the physical work. In his experience it is important to be aware of the cultural differences. In some countries the authoritative hierarchy is so strong that people within the team have difficulties in making independent

decisions. This means that all decision-making can take a long time because signatures are needed for almost every task.

One of the challenge of culturally diverse teams, is to keep the project on track because there can be another working rhythm. If some mistakes are made sometimes the situation revolves around finding a scapegoat instead of concentrating on finding a solution. In his opinion the main weaknesses are a different way of using time. Team members can have different needs, for example in regards to praying, but it is necessary to respect the different needs of religious practices. The strength of working with international teams is that the frame around the project is clear and everything is formal. When the decision-making is on few hands the practices can be more disciplined which results in clearer decision making process. There is detailed documentation and strong emphasis on finishing work within budget.

The most important success factor is to be well orientated before working on international projects. The scope of the project needs to be exactly defined well in advance, time scheduling needs to be well defined, exact instructions issued and supervision provided daily. It took time for him to realize that this was the most successful to use. However, he does not use this approach in every project, it depends on where he is placed.

Project Manager B:

This interviewee expresses similar things as Project Manager A. In the last project he led initiatives to do things were missing. The culture is different from the Icelandic culture, the mentality and the way of thinking but the educational level is similar. The unemployment there is high and it seems that people do not want to contest things because this can have consequences. For him this was a special experience. Things which are usually accomplished at home could be very complicated especially because there was not the right equipment in place. The main challenge in leading international teams is the language. Sometimes the third language, usually English, is used in communications which can be interpreted differently between people because the English level of a project team can vary.

Another challenge is for everything to work as it is supposed to. To work on international projects is much learning experience for the employees. In his opinion his best employees are the ones who have had the opportunity to work abroad. People need to be open minded and open for new experiences. The weaknesses are that the dynamic can be strong and often challenging to manage. The most important success factor is that people realize what are the project's objectives and what is expected from them and then to monitor things very regularly. The same as with domestic teams. It is important is to create the mutual platform for this to work with clear lines, a clear setup and well defined organizational structure. The authority structure also needs to be clear.

Project Manager C:

The international projects this manager works on are often placed in the so-called underdeveloped countries where financial resources are little. The main challenge in his opinion is that holidays are at different times, Christians have holidays during Christmas and Muslims around Ramadan. No cultural conflicts have occurred. Most often it is

possible to negotiate with team members because some projects cannot be stopped because doing so would be expensive.

The strength of international teams is that people ask questions when things are done differently from what they are used to. He thinks it is a good thing to have positive criticism. One of the main strength of international teams is being able to communicate knowledge to local experts. The weaknesses are that misunderstanding sometimes occurs because of language difficulties. The most important success factor is good communication and good preparation. The same can be said with domestic teams but the main difference is that things need to be said more often. It is necessary to explain and define more regularly to ensure that people have the same understanding. It is important not to make presumptions of what people know and how they understand what is being said.

Project Manager D:

Project Manager D does not see much difference in people from Sweden, Denmark, Norway, Iceland and Finland. It is difficult to know whether it takes a person a long time to answer email because of individualistic characteristics or cultural background. Perhaps the person is busy. In his opinion, the Nordic countries are more like one cultural area because of good collaboration and common historical legacy. The same Nordic systems, funds and institutions exist. In his experience it is really good to work in Nordic teams because people communicate easily. He does not consider culture when leading projects, only in the sense of similar historical background of the Nordic countries. The most important success factor is to have everybody to contribute to the projects and to motivate people to be active.

4.3 Cultural management

Opinions differ on whether it is necessary to take culture into account in international projects. From the four interviews it seems that when the teams are more complex it is more important to manage cultural diversity. There is no special method used but it is important to respect others people values and behaviour.

Project Manager A:

It can be challenging for the project manager to work in international projects because sometimes things go slowly. Usually he soon gets adjusted and everything starts to be a normal routine. He does not do any special preparation apart from documentation. Though the community is different he somehow gets adjusted. In his opinion, it is important to manage culture in the sense to take it into consideration in projects. It is important that the teams know the authoritative hierarchy and acts by it. Respect is necessary both in the sense that the team respects him and he respects the team. In some projects it is most successful to report to their managers if team members are not doing their work effectively. The cultural factor is most important to address during the first week but he does not use any special method. In his mind, if cultural differences are not respected professionalism is missing and then it is more likely for conflicts to occur.

Project Manager B:

The preparation before heading to international projects consists of reading about the country and its history. In his opinion, there is certain respect in knowing something about the country to be able to ask questions and show interest in the country. It is important to include cultural differences in international teams because the diversity can cause problems and the project manager needs to be aware of it. It is necessary to respect other's people values and beliefs though they are different.

Project Manager C:

For preparation for international projects he reads about the area in terms of geothermal science. He used to read about the countries such as its history. In his opinion it is important to have culture in mind but he does not manage it in any certain way and does not think it is so important. These are usually individuals who have common knowledge and communicate through it. He does not use any method or tools to manage culture. If people need to do their religious practices it is important to respect that.

Project Manager D:

The project manager sees the Nordic projects as a home ground and that is why in his opinion it is not necessary to manage culture in the projects he has led. In his eyes people are becoming more similar. He has noticed in European projects that he has participated in that behaviour is a little bit different in Southern Europe. That is, usually it is a form of courtesy behaviour. The teams are most of the time composed from individuals with similar education and are used to work in this kind research projects. If conflicts occur within a team it has nothing to do with nationality but rather individual differences.

4.4 Significance of Culture

In all cases the project manager had difficulties with answering the questions in this section. They said it depends on where the project is being implemented how significant the cultural factor is.

4.5 Intercultural skills

Intercultural skills were under the section of significance of culture.

Project Manager A:

In his mind adaptability is most important, that is to get adjusted to the environment, climate and culture. Effective communication skills are also important. Furthermore, professional overview is necessary. Language is also an important component because if the project manager does not speak good English it is difficult to create respect among the team.

Project Manager B:

In his opinion it is important to be open, assertive and with uncontested authority. Language skills are important to be able to communicate in an effective way.

Project Manager C:

The project manager needs to have an overview and at least basic knowledge on the subject of project in question. Interpersonal communication is also important, that is to being able to settle things. Assertiveness and flexibility are also necessary behavioural factors. When things are going wrong or slowly he needs to be able to push things and be assertive. Furthermore he needs to be able to step back when the things are back on track. It is important to be realistic with the time and cost plan. There is not so much difference from leading domestic teams only in the sense things needs to be said more often since the basic understanding is not always the same. More qualifications from team members are required in international projects. There are certain protocols and conditions.

Project Manager D:

It is necessary to be organized because it can be challenging to keep a track of international teams. It is important to have an overview and some knowledge in the field the team is working on. The project manager does not need to know everything but to have some knowledge on the topic. Basic communication skills, defined structure and time management is important. Leadership skills are important, that is to have everybody to participate actively in the project.

5. DISCUSSION

The aim of the research was to gain an insight into the impact culture has on international projects with a special focus on cultural diversity within international project teams. The interviewees have different experience in leading international teams both in terms of complexity of nationalities within the team and location of projects.

In the opinion of Project Managers A and B, cultural diversity has an impact and it is important to manage culture in projects. They do not use any particular methods or tools but they are aware of the challenge of culture and the importance of taking it into consideration. The complexity in any team which Project Manager C leads can vary between projects. Usually the majority of team members are Icelandic with a few specialists from other countries. He does not manage culture in any specific way. The cultural difference on site (abroad) is even more at the top of the project manager's mind because of the strong obvious need to adjust to a different way of thinking in a foreign location. Project Manager D says he does not need to think about culture within the team. He rather sees the Nordic countries as one cultural area because of similar historical backgrounds.

When questions were asked about the strengths of international project teams the answers were more related to the possible requirements of international projects as being clear decision-making, detailed documentation and formality. International project working is viewed as a positive learning experience for their employees. One of the project managers said his best people are the ones who have the experience of working on projects abroad. Project Manager C said that sometimes team members come with different approaches to do things. It is a positive thing when people come with positive criticism.

Regarding weaknesses, the majority of interviewees mentioned that communication in a third language (common foreign language) increases the likelihood

of misunderstanding. One said that he repeats himself more often to ensure that people have the same understanding. Another talked about how he learned to never assume anything and that everything needs to be clarified. Two interviewees mentioned different approaches to time as problematic but necessary to respect. The most important success factors in their opinion were mutual understanding on objectives, well-defined scope, regular monitoring, clear roles and hierarchy. Two of them suggested that success factors are the same as in domestic projects.

Most of them felt that the most important intercultural competences were communication skills and professional overview. Also, to be open and adaptive but at the same time assertive are deemed important competences. The majority mentioned the importance of communicating well in English, with one mentioning English language skills as necessary to create respect, for himself and others. The lesson learned from international projects is that everything has to be well defined and clear. In addition, one mentioned that all communication is usually documented in international projects, which would be good to do in a greater scale with domestic projects. Two of them talked about the importance of small talk and of being friendly, to show interest in people, in the way of making greater contact with members of the team.

In the literature review there is certain focus highlighting the challenges and opportunities that cultural diverse teams may present. Stahl, Maznevski, Voigt and Jonsen believe that if the diversity within project teams is well managed it is possible for the team to gain outstanding performance as greater diversity of opinion, experience and viewpoint potentially offers more innovative outcomes over homogeneous teams. In this respect, it is vital to consciously work with diversity and address it directly with team practices. They propose the method of mapping, bridging and integrating as an effective way for the team to get to know each other and to create trust and respect among team members (Stahl, G., Maznevski, M., Voigt, A., Jonsen, K., 2010).

Comfort and Franklin put emphasis on how the international project manager needs to profile their own culture, with the likelihood of successful work increasing with the greater self-awareness of the project manager about his character and abilities. They use the notion of *The Mindful Manager*, a project manager equipped with both soft and hard skills. They suggest that the differences within the teams need to be formally addressed and propose the building of a common culture within the international team to create trust and mutual values. They underline that projects can be different and there is no one way to manage project teams successfully. Therefore, *the mindful manager* needs to be aware of the situations and the dynamic of each specific project team and choose an appropriate leadership style (Comfort, Franklin., 2008).

It is difficult to say how far these two approaches; map, bridge and integrate, or the creation of a common culture can be applied to international implementation and research projects. Often the project scope and objectives are well defined without these elements, as two of the interviewed project managers mentioned. Furthermore, there is often time pressure to finish the work, leading to lower focus on building collaboration. Often project managers work on projects within complex project programs used by other companies, so are unable to select the workers for their team. The project charter is usually well defined with decision-making processes pre-defined, making it difficult for the author to evaluate the degree of flexibility project managers have to use less conventional methods. As one project manager said, it took time to learn that the best

method in one of the projects was to be assertive, to give very exact instructions and have daily supervision.

Another indicated that his best people are the ones who have been involved in international projects because they know that a set up at one place does not mean it works in another. For Comfort and Franklin, *the mindful manager* is conscious that one leadership style is not necessarily effective in the next project. This description of leadership style is similar in many ways to the so-called *Contingent leader*, with the project manager needing to be aware that different leadership styles belong to different project settings. Flexible adaptation to circumstance, and trying to understand a team's specific dynamic project objectives are success factors (Jónasson, Ingason, 2011).

Finally, Barinaga introduces an alternative approach towards culture as a social construct rather than empirical reality, arguing that culture can manifest in an international team as an explanatory device for misunderstanding or difficulties within the team in the project process. Furthermore, it can possibly be used to make projects more interesting to increase its possibilities to secure financial funds (Barinaga, 2010).

6. CONCLUSION

It is complicated to understand which impact culture may possibly have on international project teams. One of the reasons is that culture is a highly complex and disputed concept. Additionally, culture is only one variable of many factors – sub cultures - in project teams such as gender, education, employment and etc. and it is difficult to explore which impact belongs specifically to culture.

The purpose of the research was not to give a definitive answer or solution. It was to gain insight into the experiences and perspectives of these four project managers and on what they believe is the impact of cultural diversity in international projects, with particular focus on international teams. The reason for focusing on international projects was that the literature and some anecdotal feedback indicate that different competences are required when projects are implemented in foreign locations. The qualitative approach was used and, therefore, it is not possible to generalise the results from the interviews. There are though some indications that the more culturally diverse the teams are, the more important it is to manage diversity itself. So far little has been written about cultural management in project management. Rather the focus has been on which competences are essential for the international project manager. Bob Dignen suggests that within project management practice, there is little account taken of internationality comparing those leading international projects and those leading domestic projects. Whilst it is interesting to consider that cultural diverse project teams may offer opportunities for better performances over homogenous teams, he suggests that many of the environmental constraints for international projects as complexity, staffing processes, strict decision making governance and etc., may mitigate against the effective management of diversity (Bob Dignen, personal communication, 25. April 2015).

It is interesting how little this subject has been explored within the field of project management. It is, therefore, an important field for further research to discover practical measures and tools for project managers in order that they might embrace the opportunity of diversity within their international project teams.

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9. APPENDIX

Here below is the list of questions which was used as guidelines in the interviews.

Research question:

How have icelandic project managers experienced and responded to the impact of culture on/cultural diversity in international projects?

Section 1: Personal profile

- Tell me what you do currently, and little about your experience including:
 - What kind of international projects you have worked in?
 - How complex were they?
 - For how long?
 - Your educational background?

Section 2: Impact of culture (Does it matter)

- When you are leading international teams what are the main challenges which you have had to deal with?
- Tell me about strengths (potential and in your experience) of international teams?
- What do you see as weaknesses (potential and in your experience) of international teams?
- What would you say the most success factor in international teams?

Section 3: Management of culture (What do you do about it)

- When you are leading teams/projects with people from different cultural background how do you prepare yourself?
- When you reflect, did you do enough preparation?
- How do you adapt the way you run projects to cultural differences?
- In projects you have been leading, what kind of intercultural conflict have you seen?
- How important do you believe it is to manage culture in international projects? Ef þú nefnir á skalanum 1-10, hvers vegna?
- How do you manage culture? Give me three tips.
- Do you use somekind of tools to manage culture?
- Which cultural difference caused the biggest problem?
- Can give me an example of cultural difference which had a positive impact?

Section 4: Significance of culture (What else is important)

- How important is the cultural factor compared to:
 - Effective sponsorship
 - Suffient budget/resources
 - Clear scope
 - Technical competence
 - Leadership
- What do you believe are the top three skills to manage international projects?

- How interculturally/internationally competent are you?
- What would you say is missing?
- What is a personally takeaway for cultural projects?
- Something you would like to add to what we have been talking about?
- Some further questions