

## THE DYNAMICS OF INTERNATIONAL PROJECTS AND THE ROLE OF INTERCULTURAL COMMUNICATION

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**Abstract:** This paper aims at better understanding of the internationally driven projects. Through description of its specifics such as multiple locations or various organizational cultures, it highlights the intercultural issues given by different origin of project team members. The impact of cultural values with focus on time orientation and communication is analyzed. The paper concludes that the international project management must be prepared for intercultural clashes and learn how to manage them especially through effective communication. Other competences required for maximal understanding and success of the project coordination are listed.

**Keywords:** culture, intercultural communication, international, project management.

### 1 Introduction

Worldwide development is driven by international and intercultural cooperation. Naturally, these forces increase demand for skilled human capital creating the global labour market and global workplace. Moreover, projects comprising people and organizations from different national cultures have become usual part of business which has given rise to several challenges for the nature of current business environment.

Projects such as construction of infrastructure, production, defense systems, software development and many others represent a significant share of the World's Gross National Product. According to the latest data from the World Bank (2018), around 24% of the world's \$75,8 trillion gross domestic product in 2016 was gross capital formation which is almost entirely project-based. This share is generally, but not always, higher in developing countries. For example in China it counts for 44%, in Germany it is 19%. Nevertheless, project management significantly contributes to the global value creation (Anbari et al, 2008).

Studies from last decades (Jackson et al, 1995; Snow et al, 1996) have demonstrated that the performance of multicultural teams is a vital determinant influencing the organizational success and the overall firm's performance. Increasing globalization and internationalization stimulate interest in developing the processes to ease the communication within culturally diverse teams working on mutual projects.

As several researchers (Milosevic, 1999; Pinnington, 2011; Hill, 2014) claim, the interpretation of the same project management practices differs. Moreover, the role of project managers has changed. They need to be not only technical experts but also business managers ready to face cultural clashes (Milosevic, 1999). As Müller and Turner (2007) continue, the research shows the need for training of project managers on cultural differences, building awareness for different cultural value systems and the difference in success criteria and achievement. According to Zeng et al (2009, p. 38); "*Cultural difference is the major factor affecting success or failure of projects*" which highlights the importance of intercultural competences as a way to get the intercultural communication effective.

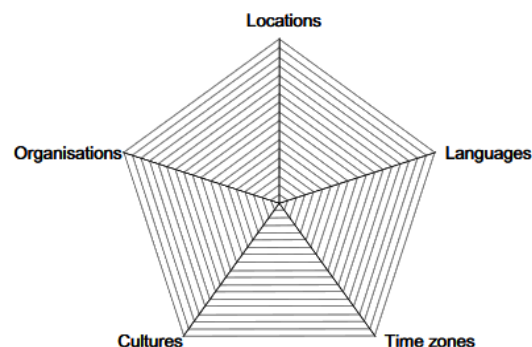
### 2 Global projects' specifics

Projects investigated in this contribution are associated with international and intercultural aspects. Binder (2007) views international projects as global projects including people from more than one organization. He developed five following dimensions to evaluate the level of the project complexity:

- Number of distant locations. The team members of international project are located at least in two different countries. The contact is facilitated by teleconferences and videoconferences. Since face to face contact is missing, the communication competences of project team members are crucial to ensure an effective meeting.
- Number of different organisations. International project managers must adapt their skills and the team members to the multiple policies, procedures and organisational cultures (depending on the complexity of departments and companies).
- Country cultures. Project managers must react to the increased diversity in the work environment. Different cultural values affect team spirit and basically all project activities and phases. Practices to manage the cross-cultural communication should be applied.
- Languages. Although multinational organizations tend to establish one corporate language, when working on international project there is continuous presence of other languages. As research shows, the native language is a direct determinant of the way people communicate and therefore an influencer of the effectiveness in intercultural discussion.
- Time zones. Depending on the project specifics, there can be project teams whose members are spread in different time zones. This brings difficulties in meeting organization and settling the deadlines. Delays can happen very easily but defining the precise procedures and implementing a 'follow-the-sun' strategy can help to avoid the problems.

Described dimensions of international projects' complexity can be displayed by the figure 1 below.

Fig. 1: Dimensions of global projects



Source: Binder (2007)

The lowest complexity lies in the centre of the chart. Increasing distance from centre means higher projects' complexity such as various departments and organisations, team members from different cultures, multiple languages, and working across the globe. The figure is a useful tool for companies to see the international specifics of their projects and to recognise where the focus of their management might be needed the most.

### 3 Cultural values in project management

Studies in the last decades have clearly shown that management practices are natural behaviour resulting from national cultures and that there is no universal effective way of management (Hofstede, 1980; Trompenaars, 1993). Management processes of international scope are defined not only by geographical distance but also by institutional, economic and cultural distances (Ghemavat, 2001; Čuhlová, 2016). Its multidimensional concept represents the great challenge but also may bring significant synergies and unique outcomes.

Multicultural project teams are melting pot of different national cultures where certain project techniques of one cultural cluster are based on assumptions that may not hold in another differently oriented societies. As Hofstede (1980, 2001) has stated, there are several important cultural elements influencing the project management strategy in planning, organizing, motivation and controlling resources as well as team development process: material culture referring to physical objects and to the results of technology; language as a tool for effective understanding among team members; aesthetics that encourages informal and more open communication; education which may display various views of problem of team members; religion, beliefs and attitudes demonstrated their work ethics attitudes; element of social organization standing for networking; and political life that is related to labor laws and other regulations.

When talking about cultural differences resulting from various values, often segmentation is made into Western and Non-Western or Eastern cultures. We consider this split as very arguable due to forces of globalization however it still has its justification and seems the most accurate. Kohls (1981) and Marquardt and Kearsley (1999) defined the list of values and their impact on project management including motivation, training, decision making or coordinating with other project participants. The values that drive their behavior. As values with positive impact of combining both values on outcomes they indicate following while first value states for Western cultures and the second value states for Non-Western cultures:

- Individualism vs. Collectivism
- Winning vs. Collaboration/Harmony
- Respect for results vs. Respect for status/ascription
- Specific/linear vs. Holistic
- Verbal vs. Non-verbal

As values and attitudes with negative impact on project management so called culture clash are described following:

- Equality/egalitarianism vs. Hierarchy
- Respect for competence vs. Respect for elders
- Time is money vs. Time if life
- Action/doing vs. Being/acceptance
- Systematic/mechanistic vs. Humanistic
- Tasks vs. Relationships/Loyalty
- Informal vs. Formal
- Directness/assertiveness vs. Indirectness
- Future/change vs. Past/tradition
- Control vs. Fate

Last group of values is with no direct impact on outcomes:

- Achievement vs. Modesty
- Guilt (internal self-control) vs. Shame (external control)
- Pride vs. Saving face

Of course, these potential various attitudes affect the project management in its different stages that is also important knowledge necessary to take into account. For instance, values of Equality and Hierarchy will be displayed when defining and planning the project, managing risk and uncertainty and in times of communicating and cooperating over project. Contrary, the orientation towards Tasks vs. Relationships will be more likely to be demonstrated when managing stakeholders, controlling activities, leading the team as well as learning. The relationship between areas of the project management and the most common cultural differences are described in the model called Culture gap tool (Koster, 2010).

### 3.1 Time orientation

As the key aspect affecting all internationally carried activities is necessary to name time orientation. Hofstede (1980, 2001) and Hofstede and Hofstede (2001) differentiate between short-term vs. long-term orientation important for the mutual understanding of deadlines. Another issues might appear when some team

members will be able to work concurrently on more projects in one time and will expect the same from others that might contrary prefer to finish every single activities before starting the next. This differentiation was observed by Hall and Hall (1990) that distinguished monochronic and polychronic perceptions and Trompenaars (1993) and his so called Sequential vs. Synchronic oriented societies. This different approaches manifest themselves also in relationships between the team members. So called monochronic people prioritize the time and the schedule over developing relationships with project partners as could be the matter of polychronic personnels.

Moreover, orientation of individuals towards past, presence or future can be another reason of misunderstanding. In organizations where is shared future (or so called long-term) orientation, people do not put emphasis on previous achievements and experiences as the context of past is not in main focus. Immediate accomplishments such as year's profits are not the key evaluation criterion of the company's performance. Generally, this aspect is included in company's planning activities, strategy and aspirations (Trompenaars, 1993; Hofstede, 2001).

Time orientation is very closely related to communication (Hall, 1959, 1976). As Hall argues there are four types of time: Schedule, Discussion, Appointment and Acquaintance. First two types differentiate period that is dedicated to tasks or contrary to business conversation. Appointment time states for punctuality where can be observed huge differences and therefore serious misunderstandings. Time of Acquaintance is dedicated to developing the relationship within the project team. This is the parallel with Trompenaars's (1993) polychronic orientation.

### 3.2 Communication

Getting required information from the other multicultural team member might be challenging task and requires a certain degree of cross-cultural competences. This competence should be built on knowledge of culture and language (both verbal and nonverbal) but further develop by communication skills and also relationship and behavioral skills such as empathy, being unprejudiced, open and be able to manage uncertainty (Congden et al, 2009).

Matveev and Nelson (2004) developed the Cross-cultural communication competence model that constitutes from four dimensions defining abilities and characteristics in order to communicate within the multicultural project team effectively. These dimensions are: Interpersonal skills, Team effectiveness, Cultural Uncertainty and Cultural empathy. Firstly, the Interpersonal skills dimension deals with general relationships. Project team members should feel comfortable when communicating with foreigners and be able flexibly deal with different interaction styles. In the Team effectiveness dimension it is important to discuss problems and solve conflicts. Team spirit, cooperation and ability of constructive feedback are the critical skills to have. The other two dimension of cultural uncertainty and cultural empathy deals with issues resulting from cultural differences. Dealing with cultural uncertainty, impatience, ambiguity, risks and inflexibility are reflected in the Cultural uncertainty dimension. The last Cultural dimension then focuses on abilities of understanding others' perspectives, values, beliefs; appreciating different working styles and generally not being judgmental to dissimilarities (Matveev et al, 2001; Matveev and Nelson, 2004).

Similar list of competences can be found in other existing models of intercultural competences summarizing the skills, abilities and attitudes. Although the factors of intercultural competences are in literature differentiated from the intercultural communication competences, we see communication as the most crucial element.

## Conclusion

The success of project management teams is importantly determined by the way in which cultural differences are considered, understood and managed. These differences are potential asset how to reach the success but also a challenge for the project managers as well as all project team members.

When discussing the abilities and competences that should the perfect international project manager have, we need to keep in mind that extreme degree of mentioned characteristics (such as being toospontaneous, too direct, too expressive) is harmful. Generally, project managers should be culturally sensitive and work on developing their intercultural competences. Through effective leadership, cross-cultural communication, mutual respect, the international project can succeed despite the diversity among the project team members. The communication remains the key tool how to reach mutual understanding and thus the aim of the project.

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