MANAGING MULTICULTURAL PROJECT TEAMS

Abstract

The article is based on literature review and authors’ own recent experience in managing multicultural project teams, in international environment. This comparative study considers two groups of projects: technical assistance (TA) projects versus information technology (IT) projects. The aim is to explore the size and structure of the project teams – according to the team formation and its lifecycle, and to identify some distinctive attributes of the project teams – both similarities and differences between the above mentioned types of projects. Distinct focus of the research is on the multiculturalism of the project teams: how the cultural background of the team members influences the team performance and team management.

Besides the results of the study are the managerial implications: how the team managers could soften the cultural clash, and avoid inter-cultural misunderstandings and even conflicts – in order to get a better performance. Some practical examples are provided as well.
Introduction
A growing number of decisions made by top managers of large companies are project-related – as they implement their strategies as a flow of projects, largely because of the pressure of limited resources and the need to use them efficiently, while the environment uncertainty ups. On the other hand, large companies and projects are more and more global, making boundaries and distances less and less significant. Consequently, multicultural project teams become commonplace. However, managing multicultural project teams proves to be more challenging than mono-cultural project team management.

Stimulated by their significant experience in information technology (IT) and technical assistance (TA) international projects, the authors explore the literature aiming at identifying practical solutions to multicultural team management. The research work is focused on: (i) Homogeneity and multiculturalism in information technology (IT) versus technical assistance (TA) project teams; (ii) Multiculturalism in project team management – with a special focus on IT project teams; (iii) Multiculturalism over the project team lifecycle; (iv) Multiculturalism in team communication. The structure of the paper follows these focal points.

Teams – homogenous vs. heterogeneous
It is generally accepted that “a team is a small number of people with complementary skills who are committed to a common purpose, performance goals, and approach for which they hold themselves mutually accountable” (Katzenbach & Smith, 1994, p.45).

In the broad area of management, the team management covers itself a multitude of issues – primarily depending on the complexity or level or activity; there are implementation teams, design teams, and even the management teams have to be managed; the latter bringing challenging topics for researchers (Wu et al., 2005; Carpenter, Westphal & McDonald, 2010). Managing the teams in high-tech industries (Wu et al., 2005; Itaya & Niwa, 2011; Crosby, 2012) as IT&C (Information Technology and Communication) is a research area of increasing interest (Yang & Lee, 2006; Dyaram & Kamalanabhan, 2011).

Project teams are actually groups of people that work together for a period of time, share common objectives and complement each other’s competences in order to accomplish a task that none of them could complete individually (Hughey & Mussnug, 1997). Not any group is a team (Lankard, 1994) - as they need alignment to a set of objectives, rules, roles and values; and not any team is a project team. In terms of size, it is accepted that technology and science teams are optimally composed of five-to-nine members (Qurashi, 1993). Belbin (2002) suggests six members as optimal size for management teams and Stewart (2006) favors project teams of six or seven. Studies conducted in international higher education environment (Scarlat & Zarzu, 2012; Scarlat & Falcioğlu, 2013) show that both performance and satisfaction are higher in small project teams of three-to-five members. Belbin (2002) also suggests that team performance is higher when management teams are built according to certain managerial team roles.

As far as team profile, due to globalization, teams tend to become more and more heterogeneous, with significant cultural differences in terms of nationality, ethnicity, language, education or social system (Groves & Feyertherm, 2011). However, heterogeneous groups, in spite of the communication difficulties leading to higher consumption of resources, may bring together diversity and creativity in the problem solving process as compared to homogenous teams (Mello & Ruckes, 2006). Therefore heterogeneous teams are recommended for industries that value
innovation and creativity (research, design, IT&C); while homogenous teams need less time to reach performing stage (Fadey, 2010). Heterogeneous teams perform better than homogenous ones in situations with high level of uncertainty (Mello & Ruckes, 2006), but, at the same time, they consume more time and money to overcome disagreements, and cope for turnover (Mello & Ruckes, 2006). There is no perfect solution, and choosing between homogenous and heterogeneous teams may be tedious and risky (Milliken & Martins, 1996).

**Homogeneity and multiculturalism in information technology (IT) versus technical assistance (TA) project teams**

In Appendix A, Table No.1 summarizes the authors’ concluding results of qualitative review of their various experiences in about thirty information technology (IT) and technical assistance (TA) projects running over a ten-year timespan. Some significant characteristics of IT and TA projects are emphasized in terms of team homogeneity. The major conclusion is that IT project teams should be heterogeneously built – as compared to TA project teams.

**Multiculturalism in project team management**

Culture is “the collective programming of the mind that distinguishes the members of one group or category of people from others” (Hofstede, Hofstede & Minkov, 2010). According to Hofstede (1997) the cultural differences relate to five dimensions:
- Power distance index (the degree of dependence between different level of authorities),
- Individualism (the degree in which everyone is expected to put herself / himself in the middle of the universe) versus Collectivism (integration into cohesive groups),
- Masculinity versus femininity (in some societies gender role are clearly distinct, while in others they are overlapping),
- Uncertainty avoidance index (members of a culture may feel threatened by uncertainty or unknown situations)
- Long term orientation (the importance showed for the future versus the past and present).

Cultural diversity has alternative meanings in different parts of the world. Thus while in USA multiculturalism prioritize racial aspects, in Europe concerns focus more on national and ethnic sides, due to the EU regulations regarding free movements of workforce. Under these circumstances more and more companies abandon the traditional elitism and promote in managerial positions cultural diversity, either due to social pressure, or respond to real need for cultural equilibrium within the teams. According to top echelon theory (Hambrick & Mason, 1984), top management reflects the specific of the organization, and also contributes substantially to the development of organizational culture (Dalton & Kesner, 1985).

Due to complexity induced by multiculturalism, the formal authority somehow fades and power is conversed from information and knowledge of joining cultures. Nowadays competitive advantages are hardly accessible in conditions of globalized competition and increasing customers’ requirements (Beer & Nohria, 2001).

Leaders interact every day with different team members with different ways of thinking and acting. The role of a good leader is to understand all those elements of cultural diversity and use this knowledge to avoid conflicts, delays or miscommunication (Brett, Behfar & Kern, 2006). A key point is the common values among team members with different cultural backgrounds. Common values like family, community, social activities, and health represent the defining elements in negotiations and conflict resolution.
Hofstede pointed in his studies that team values are determined by members’ national and organizational values and practices (Hulkkonen, Soikkeli & Jarvenpaa, 2007).

An effective team management recognizes cultural causes of conflicts or issues, and act in an effective manner to get the team back on schedule, scope and cost. In the same time, the diversity of cultures must influence the team management process. The risk of inadequate team management is profounder in case of intruders from a cultural prospective (Gudykunst, 1996) as anxiety of incertitude leads to defensive attitudes and denial of alien cultures (Schneider & Barsoux, 2003). But the disadvantage may be converted into advantage, and multicultural teams usually generate superior answers to external changes (Nummelin, 2005), though clear demarcation between pluses and minuses is hard to draw. In exchange to proper communication there are unplanned consumptions of resources (Schneider & Barsoux, 2003; Chevrier, 2003) – clear vocabulary and rules of communications are critical for further cooperation within the team.

Managing multicultural IT project teams
Currently, by their nature, IT project teams are distributed between multiple locations across the globe, especially in case of multinational organizations. The results are virtual, distributed teams that benefit of reduced costs, pool of complex skilled resources or even investment requirements imposed in foreign markets (Sutharshan & Maj, 2011). Because of their cultural diversity, the management of IT projects must define procedures and ways of working together that should be accessible for all team members, regardless cultural diversity. Two areas are more sensitive in this respect: problem solving techniques and ensuring the same understanding of task requirements.

A process model for multicultural team management of IT projects is presented in Appendix B, Figure No.1. The authors’ experience demonstrates that the focus must be on cultural diversity elements and variables with impact on communication process.

Project management guide and practices
A guide for how multicultural factors will impact the communication networks and delays needs to be created. This guide must address the singularity of any culture, and how different miscommunication (potential conflict) could be solved.

Assessment documents
Assessment instruments should create the big picture of the team members regarding different attitudes, roles.

Evaluation forms and reviews
Reviews will track the team interactions and the efficiency of multicultural team management; they can help to decide if the team management process needs improvement in order to cover the multicultural aspects.

Principles regarding multicultural aspects are also included in methodologies for IT projects, like Agile: “Software through people” is the motto of the Agile Manifesto (Highsmith, 2002). Appendix B, Figure No.2 presents Agile specific cultural attributes that correspond to Hofstede’s cultural dimensions (Sutharshan & Maj, 2011). Concerns regarding Software Development Methodologies and cultural issues have also been widely addressed (Abrahamsson et al., 2002; Yourdon, 1986).

Multiculturalism over the team lifecycle
The teams have their own lifecycle, with four stages (Tuckman, 1965): forming, storming, norming and performing followed by the inevitable final withdrawal.

Team members, whether joined the group voluntary or by accident or by force majeure, start by introducing each other, in the forming stage. At the beginning they share interests, backgrounds and focus
together on establishing common objectives. Well managed teams use this forming stage to evaluate strengths and weaknesses of the group, pool of competences and talents.

Usually the orientation step is followed by a period of conflicts, clashes of cultures or personalities. This was called by Tuckman the storming stage. Some teams may not surpass this stage and fall apart before any cooperation or common interests glue members together.

Once differences are acknowledged without terminal conflicts, team members agree on common norms and rules, they assume diversity. This norming stage is the inception of a new culture, the culture of that particular team, and represents the actual birth of the team.

Finally, team matures and learns how to build synergies. Team members learn how to complement each other in the process of problem solving, in order to achieve performances. This period is called performing stage while the potential of the successful teams is above the simple addition of individual capacities of the members.

Regardless the result of the project, success or failure, at the end of the team lifecycle the team withdraws, disassembles.

This team lifecycle is common for all teams, no matter the industry (Gold, 2005) or the composition of the teams. However, for multicultural teams the storming and norming stages are important as cultural diversity adds new obstacles to the process.

Some studies show that multicultural project teams with short lifecycle perform better when they are constructed according to the Belbin roles (Scarlat & Zarzu, 2012; Scarlat & Falcioglu, 2013).

An important aspect connected to the team lifecycle is the evolution of team leadership. Thus, in the forming stage people with own perceptions, preconceptions and cultures coming together look up to the leader due to his / her hierarchical position and also due to the fact that the leader has the critical information. The team leader has to take as much advantage as possible to define space and boundaries, to define roles and relationships, to communicate rules. It is a gain if the leader communicates as early as possible the objectives and the priorities ahead of the team.

During the storming stage team members acquire new perceptions of their own roles, the roles of the others and of the leader. Cultural clashes and confrontation with reality bring seeds of doubt and denial regarding the capacity and role of the leader. It is a dangerous stage as team may challenge and discredit the leader as a person, as manager or as professional. The leader has to sustain his / her legitimate position and allow freedom of opinions and initiatives as long as they are aligned to the rules and norms of the group, and he also has to mediate conflicts. This stage is less productive as its focus is on internal conflicts rather than on fulfillment of objectives. Since the leader is responsible for the successful completion of the project it may happen that teams are dismissed if conflicts are irreconcilable.

The norming stage comes with standardization of relationships and communication, building the cohesion of the group. Team members acknowledge diversity of cultures and try to understand and tolerate each other. At this point the team leader has to be strict with team members in aligning to the rules and norms of the group. If necessary the leader should sanction members who break rules.

Low context communication (straight forward, without any innuendoes or argotic allusions) should be used in order to avoid any ambiguity (Hall & Hall, 1990). It may happen that team members do not reach agreement regarding rules and norms and leaders would impose own rules, convictions or culture. But, generally the leader leads the creation of a new culture, and more training and experience in multiculturalism combined with capacity
of observation and high level of empathy more chances the leader has to build an efficient team. Both common sense and experience underline the role of the team leader not only in organizing the technical aspects of a project, but also in managing the cultural diversity of the team. All these call for special multiculturalism competence and experience.

At last, team functions according to the rules and standards appropriate for the completion of the project. Team members and leader together focus on performing, on learning best methods to accomplish objectives. Now the leader may allow more trust and independence to the members. The role of the leader is to lead and guide, to support and help members use synergetic competences and to offer recognition for jobs well done.

Sometimes, cultural differences may prolong excessively team formation stages, which hamper the normal evolution towards reaching maximum potential (Fischer, 1995). Hence, in cases when teams have to perform immediately homogenous teams are preferred.

The advantages of multicultural teams overcome disadvantages, as more and more consulting or IT companies are looking for diversity and announcements like of Bell Atlantic in the January 17th 2000 issue of „New York Times” - “At Bell Atlantic we believe in the power of diversity and the power of the individual. It is individual thinking from a diverse group of people working together that provides fresh new ideas and gives us a competitive edge” (Mello & Ruckers, 2006).

Common sense indicates that people only with different backgrounds and education working together would focus on different aspects of the project. Thus engineers would concentrate on technical aspects, economists would watch money flows and business managers would verify feasibility and efficiency of the projects, recent alumni would bring more theoretical contributions while older specialists would bring their practical experience.

It has to be mentioned that international, multicultural teams receive more support and thorough attention from managers and sponsors to overcome difficulties resulting from cultural diversity as opposed to national teams that may have cultural diversity that is not taken care of.

Another prospective belongs to Brett, Behfar & Kern (2006) according to whom there are four strategies leading to proper team functioning: adaptation (acknowledging cultural diversity), structural interventions (altering structure of the team to eliminate conflict sources), managerial interventions (setting norms and rules from the inception of the team), and exit (last resort to eliminate a team member that disrupts team and for whom the other strategies failed).

**Multiculturalism in team communication**

“Culture is learned, acted out, transmitted, and preserved through Communication” (Hulkkonen, Soikkeli & Jarvenpaa, 2007). There are lots of studies pointing out that society tends to have different ways of working and communicating (Alkandari et al., 2012).

Managing diversity is definitely the biggest challenge. From authors’ experience, projects that involved multicultural teams are difficult to manage and the critical aspect is the common sense of understanding the project, i.e. *communication*. In multicultural teams communication is the base of motivation, leadership, group interactions, discussions, and negotiation (Alkandari et al., 2012).

It is widely known that communication has different meanings in different cultures, and every culture has different communication means, channels and methods considered as effective (Hulkkonen, Soikkeli & Jarvenpaa, 2007). The top critical communication issue in multicultural teams is *the language*, especially when the project has plenty of
activities with deep technical know-how. An excellent example of globally successful language in the area of technical assistance projects mainly, is the NORAD’s Logical Framework Approach - LFA, (NORAD, 1999). The solution is to establish the communication language and a set of terms easy-to-recognize, and accepted by all team members. Pre-established communication styles must be considered as some cultures admit that informal communication could be as practical as formal one. The sense of authority is given also by culture means: some cultures give more importance to authority levels than others. The reaction of a team member could be also a result of his/her cultural background.

**Conclusions and recommendations**

This article is focusing on multiculturalism impact on project team management. There is no universal solution for managing diverse multicultural aspects of the project teams (not limited to either IT or TA projects). However, good care must be taken to manage this often unforeseen attribute.

(i) In terms of homogeneity and multiculturalism in IT versus TA project teams, the major conclusion is that IT project teams should be heterogeneously built – as compared to TA project teams (Appendix A, Table 1).

(ii) While managing multicultural project teams, the authors’ experience demonstrates that the focus must be on cultural diversity elements and variables with impact on communication process.

(iii) The team lifecycle is common for all teams, no matter the industry or team structure. However, for multicultural teams the storming and norming stages are important as cultural diversity adds new obstacles to the process. The team leader plays a key-role: his/her role is not only in organizing technical aspects of a project, but also in managing the cultural diversity of the team; it calls for strong multiculturalism competence and experience.

(iv) The language is a top critical communication issue in multicultural teams, especially in case of IT and TA projects that are associated with strong technical know-how. The solution is to establish the communication language and a set of terms easy-to-recognize, and accepted by all team members. Overall, multiculturalism is an asset, mainly in IT project teams – as opposed to TA project teams (in which homogeneity is preferred).

In general, the advantages of multicultural teams overcome disadvantages.

**Reference list: Book**


Journal article


Appendices

Appendix A,
Table No.1
Team characteristics from IT and Technical Assistance Projects

<table>
<thead>
<tr>
<th>IT PROJECTS</th>
<th>TECHNICAL ASSISTANCE PROJECTS</th>
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<tbody>
<tr>
<td>Heterogeneous teams are preferred as:</td>
<td>Homogenous teams are preferred as:</td>
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<tr>
<td>• Communication is very low content</td>
<td>• Communication is important and may affect considerably the progress of the project</td>
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<tr>
<td>• Language is almost universal</td>
<td>• Introduction of team members and their culture is important</td>
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<tr>
<td>• Cultural diversity marginally influences the formation of the team</td>
<td>• Forming, storming and norming stages may push in time results of the project</td>
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<tr>
<td>• Time for a team to reach the performing stage is shorter</td>
<td>• Leader must have both professional and managerial competences</td>
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<td>• Cultural diversity brings pool of resources, and creativity in the problem solving process</td>
<td>• The location of the project may have an impact on the culture of the team</td>
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<td>• Objectives are clear most of the times and jobs may be well defined</td>
<td>• The culture of the majority or of the leader have great impact on team’s relationships</td>
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<tr>
<td>• In case of virtual teams minimal interaction of team members</td>
<td>• Usually the group builds a new culture in which are melted elements from members’ cultures</td>
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<tr>
<td>• Leader needs mainly professional competences, managerial talent is not insignificant but not of the same importance</td>
<td>• Usually less resources are required in building the team</td>
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<td>• Members adjust little to the culture of the others</td>
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<tr>
<td>• Formation of the team’s culture is less important</td>
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Appendix B,
Figure No.1
Process model for multicultural team management in IT project

Note. Figure adapted from Multicultural Software Project Team Management (Alkandari et al., 2012)
### Appendix B, Figure No. 2

Common attributes between AGILE methodology and Hofstede multicultural dimensions

<table>
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<tr>
<th>AGILE specific attribute</th>
<th>Hofstede Cultural Dimension</th>
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<tr>
<td></td>
<td>Power Distance</td>
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<td>Trust people more than process</td>
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<td>Transparency</td>
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<td>Team collaboration</td>
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<td>Self-organizing team</td>
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<td>Dedicated team</td>
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<td>Innovation</td>
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<td>Authoritative</td>
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<td>Quick Decision Making</td>
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<td>Open and Honest Communication</td>
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<td>Tolerance for change</td>
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<td>Empowered</td>
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<td>Meeting deadlines and expectations</td>
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<td>Proactively</td>
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<td>Time keeping</td>
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<td>Direct customer involvement</td>
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<td>Management support</td>
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<td>Collective ownership</td>
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<td>Negotiation</td>
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<td>Conflict Resolution</td>
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Note. Table adapted from Culture and Agile specific attributes versus Hofstede’s cultural dimensions (Sutharshan & Maj, 2011)