

Determinants of Project Success in Multicultural Environment: A Project Team's Perspective

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Abstract

Today, with the global boundaries diffusing, working with the team members across the globe is norm of the day and definitely working with people with different backgrounds, different cultures and opinions poses challenges of a different kind. We need to appreciate that soft skills have harder impact on the end results and dovetail their working styles by integrating leadership qualities. Furthermore, dynamic and uncertain environments call for a renewed approach for executing projects at a global level.

Conventionally, project execution strategies have evolved around the project objectives of the performing organisation and the client. Today, Project Success transcends beyond evaluating the performance based on traditional Key Performance Indices (KPI) – Cost, Quality & Time and requires focusing on multifaceted stakeholder perspectives incl. their feelings & emotions. We need to recognize the fact that Stakeholders' feelings & emotions are at interplay and govern the projects outcome.

Shift in the strategy and working with higher level of Emotional Intelligence (EI) has led to emergence of "Project Leaders". Working with higher EI, integrating Change Leadership with project management processes & methodology and adopting traffic light approach: **Pause → Reflect → Respond** as against "**Fight, Flight or Freeze**" reaction have helped in effectively managing the operational challenges of executing multiple projects at a global level.

Purpose driven strategy and using emotions as a barometer to gauge stakeholders (SHs) satisfaction level has further enhanced the working relationships and contributed to higher efficiency and effectiveness.

End result – Engagement and enhancement of Stakeholders satisfaction.

Keywords: Cross cultural environment, Emotional Intelligence, Project Leaders, Stakeholders, Needs, Expectations

Nomenclature

| | | | |
|----|------------------------|-----|---------------------------|
| EI | Emotional Intelligence | KPI | Key Performance Indicator |
| PM | Project Manager | SH | Stakeholder |

Introduction

Statistics have proved that executing projects across the globe in a multi-cultural environment is increasing exponentially. Not only the Stakeholders (SHs) from different cultures have different tastes & expectations but also their expectations like the project risks are known to change during the project cycle. Continually changing environment poses the challenges of a different kind and keeping pace with the challenging times calls for innovativeness and sensitiveness to

the SHs expectations more than ever before. As such, adopting an integrated approach – integrating the traditional KPIs (to evaluate the project outcome in terms of Cost, Quality & Time) clubbed with close observance of the emotions and feelings of the SHs has served as an effective tool for monitoring the project health.

Furthermore, we have been observing that some of the project teams have been delivering excellent results consistently. Such teams are in demand and sought after by the clients for handling their new projects. More so, the clients have been recommending their names to other organizations. At the same time, we have also witnessed that although some of the project teams have been delivering on time and making decent margins on the projects but the project teams have not been successful in formal closure of the projects and the projects drag on for some reason or another.

An attempt has been made to address some of these critical issues –

1. What are the key factors that differentiate the successful and not so successful project teams?
2. What are the factors that lead to dragging of project closure?
3. What the successful project teams do differently?

We have collated the observations relating to above, the feedback from the Stakeholders - Clients, Vendors, Sub-contractors, Design consultants etc. Some of the major factors which have contributed to the project success are briefly covered in this paper.

Project Success – A big picture

Feedback and discussions with the stakeholders (SHs) have revealed that they usually evaluate the performance of the project teams in terms of -

1. **Fulfillment of Contractual obligations:** Direct comparison of project product with contract – Mismatches w.r.t. technical specs – Capacity, operating parameters; difference in makes of equipment etc. Typically referred to in form of facts and figures.
2. **Behavior/Attitude of the Project Team:** The team members are also judged by their individual behavior patterns which is compared with the acceptable norm in the country of operation. Behavioral aspects of individual are deep rooted, closely linked with the cultural norms and governs the relationships between the SHs. A direct and straight forward “NO” is considered normal in Europe, USA and other western countries whereas the same “NO” is considered to be rude in countries with higher power distance like India and other Asian & Middle East countries specially when interacting with persons in higher hierarchy, age etc.

In healthy working relationships, at times, the mistakes are ignored / under played in the best interest of project. However, a bad behavior is often the root cause of things reaching a flash point and strains the relationships. The SHs in such cases are known to quote facts and figures to pin down the defaulting SHs. Successful Project Managers (PMs) do not allow such situations to overwhelm them, instead they respond calmly by demonstrating following attributes:

- a) Higher Emotional Intelligence
- b) Higher Self-Awareness
- c) Higher Awareness about the Cultural Sensitivity and Social Norms of the society.

It is noteworthy to mention here that we even run a higher risk when we assume that the SHs have heard & understood what we have said. It is not uncommon to come across a situation - "You tell them that the project is behind schedule and over budget, and that while you are actively managing the issues you feel that there may be a cost overrun and a delay. But they hear that everything is going fine!" – Andy Jordan¹

Leadership as a key differentiator

A common link for the successful project teams has been the PMs who display leadership qualities. These Project Leaders excel in marshalling their resources and navigate their teams weathering the ship through the storms. Consistency and congruency in decision making is their hall mark. Above all, the high level of trust amongst the SHs (evident in form of the excellent rapport and bonding) serves as the main driver for such teams to work in a unified manner and attain the project objectives.

Daniel H. Pink² in his book, "Drive: The Surprising Truth About What Motivates Us" has pointed out that the chief drivers for work are:

1. Gratification of our needs, wants & desires.
2. Rewards or Punishments.
3. Feel good factor that is enjoying the journey itself.

As Project Leaders, we need to observe the team members and identify their main drivers. For example, in some cultures, spot bonuses in the form of cash are known to be good motivator whereas in some cultures people generally feel elated when they receive attention and appreciation. Recognition in the form of merit certificate acts as a booster dose for such individuals. It is therefore imperative that we understand and accept the fact that reward/punishment has limited use as a tool for motivator. In such cases, "One size does not fit all" and there is impressed need to look at the different ways and means to infuse energy in the team.

Cross Cultural Teams: Key areas of Thrust - TOP SIX

An in-depth analysis of way of working of these project leaders have led to the insights which have direct bearing on the project's outcome, the major ones being :

1. Culture Awareness & Sensitivity – What is acceptable norm & what is not...
2. Impact of emotions on our decisions and end results
3. Working with higher Emotional Intelligence
4. Handling of Conflicts and problem solving.
5. Relationship management - Trust Building & trust worthy relationships
6. Empowering & engaging team members

1. Culture Awareness and Culture Sensitivity

Culture is the knowledge and values shared by a society and defines the ways of living for a group of people. It is therefore important that we understand the core values and work within the boundaries acceptable by the local society. When operating on global projects, we often hear comments from the SHs claiming that it's difficult to operate here because the culture is different and lot of time is lost coping with the cultural differences.

CULTURE → OUTLOOK → BEHAVIOUR & ACTIONS → OUTCOME

Culture influences our outlook which in turn influences our actions & behaviour and our actions & behaviour eventually determines the outcome. It is therefore necessary that we have firsthand knowledge of the societal norms before we start our activities in any country.

Figure -1 summarizes the main points (Top 10) we need to be aware of and act in a manner which is acceptable in the society. More importantly, exercising care not to breach the boundaries and step on someone's shoes.

| Projects → | P1 | P2 | P3 | P4 | P5 | P6 |
|--|-------------------------|----|----|-------------------------|----|----|
| Location (Country) | C1 | C1 | C1 | C2 | C2 | C2 |
| Role of culture & Cultural sensitivity in PPM | | | | | | |
| 1. Core values, nature – reserved/outgoing | Strong & High Esteem | | | Medium | | |
| 2. Behaviour patterns – Acceptable norms | Frank & High discipline | | | Flexible & Adaptable | | |
| 3. Level of commitment & adhering to commitments | Very High | | | Medium - Low | | |
| 4. Flexibility & Room for negotiation | None | | | High | | |
| 5. Mode of communication | Direct & Concise | | | Indirect & High content | | |
| 6. Business meetings | Restricted to business | | | General + Business | | |
| 7. Weightage for Hierarchy & Age factor | Low | | | High + Power distance | | |
| 8. Labour/ Mechanisation oriented construction | Highly mechanised | | | Low on mechaisation | | |
| 9. Local festivals & holidays | xx | | | yy | | |
| 10. Requirements - Laws of land | aa | | | bb | | |

Figure – 1: Role of Culture and Cultural sensitivity in Project Portfolio Management (PPM)

For example, Finns are very much conscious about the punctuality and in Finland 5 minutes means 5 minutes whereas in some eastern countries 5 minutes is stretchable to 10-15 min. Imagine if you have asked someone to wait outside in minus 20⁰C and you reach there in 15 min instead of 5 min agreed earlier, the person may freeze to death. Business meetings in Finland are very much direct and business centered compared to some other places wherein pleasantries are exchanged followed by general talks and business. Even the contents in letters/emails are very much crisp and concise. In Finland, an important principle at business and at the individual level is “Commitments are Commitments”, a hand shake seals the agreement and often there is no written contract, yet we find that the commitments are honored without any follow-up.

2. Impact of emotions on our decisions and end results

“People will forget what you said, people will forget what you do, but people will never forget how you made them feel” – Jason Bearger

Impact of our emotions on the end results is best described by figure – 2

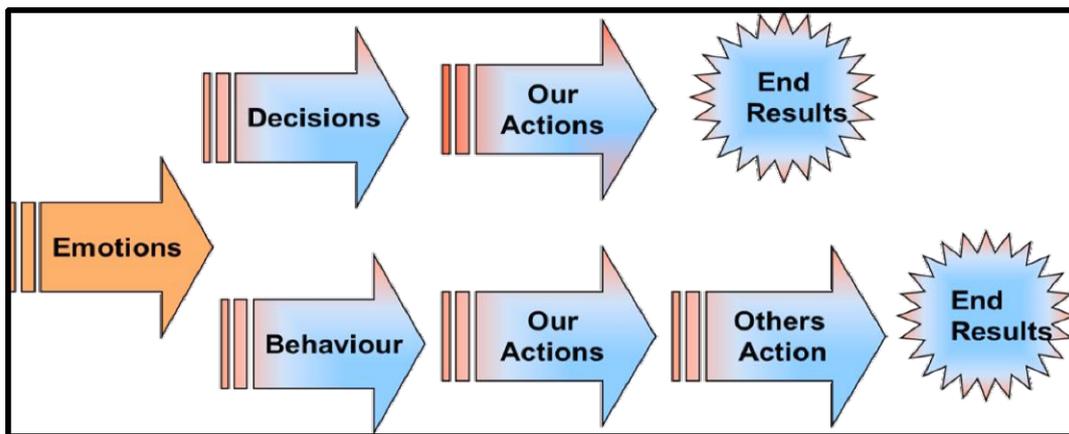


Figure - 2

A question – Are the end results –

1. Outcome of path 1 i.e. our decisions and actions?
2. Outcome of path 2 i.e. other's actions which are driven by our behavior and our actions?
3. Combination of paths 1 & 2

As is evident from figure 2, emotions are infectious and we need to accept that our behaviour, our emotions and our actions do affect other people. Hence, we need to be careful with what we say and do as it is not just always about us.

“We cannot make, manufacture or produce feelings like any other product, genuine feelings are spontaneous and anything else is sheer pretense”. – Anonymous

Research has shown that our feelings and our actions have positive co-relationship. With little more attention, we can observe incongruence between the verbal and the non-verbal communication. Non-verbal elements communicate feelings & attitudes that can be used as a barometer for monitoring and determining the health of our relationships.

Tiffs and conflicts only indicate mismatch of opinions, project leaders are smart at picking up the non-verbal cues on the brewing misunderstandings which thwart cordial working relationships and affects the cohesiveness of the team. These project leaders consciously work on creating conducive environment thereby promoting better understanding amongst the SHs, encouraging the SHs to share their views and contributing ideas for enhancing their overall performance as a team.

*“I care about your feelings more than mine,
For I believe that ...
A person who feels good, does well” – Anonymous*

3. Working with higher Emotional Intelligence (EI)

“Individuals play the game but the teams win trophies” – Anonymous

Project Management and Team Sports like Cricket, Football, Hockey, Relay racing etc. share a common thread - the outcome is not only the result of joint efforts of the team members but also markedly influenced by the quality of Leadership and Team Spirit. While working on any project, we deal with SHs who are essentially governed by their emotions and feelings. The feelings and emotions are at interplay and influences the project outcomes.

Hijacked by our own and/or other's emotions and negative feelings like anger, irritation, jealousy etc. or even positive feelings like excessive gratitude, we do and/or say things we repent later. In order to be effective and efficient in handling SHs, we need to be aware of our feelings and behaviour patterns as much as those of SHs. This entails enhancing our ability to recognize our own and others' emotions and not being controlled by our emotions. Also, managing the emotions & feelings of others does not mean that we simply put up with others' feelings; it calls for stepping back and objectively looking at the situation.

When angry, we tend to cloud our mind which is akin to seeing things with filtered glasses. We do not see the things as they are but the way we want them to be seen. However, after a while when things have calmed down, we realize that the decisions and actions taken at spur of moment were not rational and we have in fact added fuel to fire by our behaviour and actions thereby resulting into further misunderstandings and souring of the relationships.

At times, we have also observed that some of the PMs fail to recognize that emotions and feelings are the glue that connects us together and promote healthy working relationships. Typically they act like robots and do not show any compassion & concern for the fellow SHs. Although, they may succeed, but this kind of success invariably turns out to be empty, unfulfilling and frustrating in longer run as no one wants to be part of such project team where the relationships are strained and tempers fly high. It is therefore required that we take a pause and ask ourselves if we are adopting a myopic view point by ignoring the fact that we are dealing with people who like us have feelings and emotions.

"Self-Awareness helps us to redirect our focus to the experience we want to create rather than focusing on the need we want to protect" - Anonymous.

4. Handling Conflicts in Projects and problem solving

In one of the projects handled by us, customer's PM was very forceful and even went on to the extent of stating - "Contract is only between the companies, forget about what is written in contract, you have to give what we want and tell you to give". I am sure some of you would have faced similar situations. These situations not only test our patience and tolerance limits but also bring out the need for maintaining our balance and responding with higher maturity. Acting with higher EI prevent such comments from colouring our thinking and draining us emotionally.

In project environment, conflicts primarily emanate from –

- a) Difference of opinions amongst SHs,
- b) Unclear assumptions/ presumptions of the SHs,
- c) Mismatch of perceptions and expectations of SHs.

Handling of conflicts and conflicting situations add yet another important dimension in determining project outcome. Conventionally, conflicts were thought of something which were dysfunctional and served no purpose. However, present school of thought stresses that conflicts are not necessarily dysfunctional and if managed well, these foster awareness about the problem in hand, provide common platform in engaging SHs, creatively working towards a solution, ironing out the differences amongst SHs and ultimately enhancing the team spirit – critical enabler for achieving things together.

Problem solving is yet another key area wherein Project Leaders excel. They not only bring out the problems and possible solutions on the table, but also help in deciding the course of action and ensuring that the decisions are implemented in unison. In this context, adopting a simple approach suggested by Andy Jordan¹, and acting on the steps below to communicate and

explain the situation to the SHs, has helped PMs to realign the SHs and work with unified effort to redeem the situation.

The Issue → Its Impacts → Alternatives → Recommended approach → Decision → Implementation

It is equally important to allow space for reaction when breaking bad news and accepting the counter points by not defending ourselves. We have also observed that not allowing the person to vent out and usage of words like “Yes.... But...” have led to flaring up of tempers and the attack is more severe.

5. Relationships Management - Trust building & Trust worthy relationships

Stephan M. R. Covey³ in this book – “SPEED of Trust” has beautifully brought out the impact of trust on speed and cost. He has described the relationship by a formula:
 $TRUST = K * (SPEED / COST)$

Lack of trust not only slows down the speed but also results higher costs for getting the things done.

The example below is helpful in appreciating the value of trust in the project environment. PMs with low level of trust have been observed to be low on delegation and often end up micro managing. The team members feel that PM is not giving them adequate freedom and that the PM is “Managing Projects by Instructions”. This results in loss of trust, internal conflicts and disharmony ultimately leading to time and cost overruns.

Research scientists have observed that the level of communication is directly influenced by level of trust between the stakeholders. At low level of trust, communication is mainly restricted to exchange of facts and figures. However, with increase in trust level, communication is driven by rapport building and there is more sharing of emotions and feelings. More importantly, in relationships with high trust, sometimes, we can say wrong things and still get away, since people get the meaning behind our words. While in relationships with lower level of trust, the risk of misinterpretations and being misunderstood is considerably higher despite our using correct and measured words. We can gauge the level of trust by asking simple questions:

1. Do the SHs count on us to do the right things?
2. Do the team members feel that they are being micro managed?

Affirmative answer to the first question reflects higher level of trust while in second, it reflects lack of trust.

“Mistrusts doubles the cost of doing things” - Prof John Whitney, Columbia Business School

6. Empowerment and Engagement

Value statement by PepsiCo: “Our commitment is to deliver sustained growth through empowered people acting with responsibility and building trust” has served as a guiding light for us.

Engagement and involvement of the SHs right from the planning stage - communicating project execution plans, sharing the Project Management methodology with the SHs and obtaining their inputs have led to considerable improvement in leveraging skills and higher synergy level. We have not only completed the projects on time but have also witnessed substantial cost savings. Of course, the repeat orders from our customers have further boosted our confidence

to work on the above lines which integrates project management processes & methodology with leadership and EI.

Tools & Techniques:

“In order to stay competitive, we must understand our customers’ businesses better than the customers themselves, be fast, efficient and transparent in what we do. By doing so we are assuring Wärtsilä’s future profitability” - Björn Rosengren, President and CEO Wärtsilä Corporation.

Three Big Ideas - “**Entrepreneurial Drive**”, “**Customer centricity**” and “**Passion for doing right**” defines our culture in Wärtsilä. The strengths are our answer to the changing global business landscape.

Dovetailing the working styles on above principles, consciously working on the above three big ideas, with focus on two major aspects of communication have further pepped up the Energy, Excellence and Excitement levels and yielded positive results –

- 1) **Entrepreneurial Drive** - We foster openness, respect and trust to create excitement.
- 2) **Customer centricity** - We capture opportunities and make things happen.
We believe that putting our customers first, understanding their businesses, and making them more competitive is our path to long-term success.
- 3) **Passion for doing right** - We do things better than anyone else in our industry.

Dr. Stephen R. Covey⁴ in his book – “Seven Habits for Effective People” has emphasized the need for active listening and seeking to understand others. Application of this technique has paved for enhancing the relationships with the SHs and creation of conducive project environment.

- a) **Active Listening:** Actively listening to the SHs have helped us in better understanding, being on the same page, diffusing tensions and avoiding conflicts. . Often, we tend to listen to reply and our minds work overtime judging the speaker and getting ready with our answers to share our views, influence others, be under spotlight etc. this results in distraction and eventually breaks the communication flow. Listening, seeking to understand others and from their perspective serves as a catalyst and enhances the effectiveness.
- b) **Communication - Openness & Transparency:** Various articles and research studies have emphasized role of communication as a key enabler for project success. At times, irrespective of meticulous planning, we all have encountered problems and found that not everything goes as planned. Some of the PMs hold the information fearing the repercussions of communicating the bad news. Withholding bad news is a ticking time bomb waiting to explode and once it does, the consequences are far reaching. Openness & Transparency promotes trust and diffuses stresses & strains in the working relationships.

The quote below says all –

*‘With Trust – Even Silence is understood
Without Trust – Even spoken words are misunderstood’ - Anonymous*

Conclusion

Success is culmination of application of processes and methodologies which provide needed guidelines and framework. However, it is important to recon the fact that SHs are the processors who have multiple and diverse expectations. Moreover, like the project risks, the expectations also vary during the project cycle. Hence, we need to supplement the traditional performance measuring metrics and include other parameters like SHs satisfaction in our evaluation system.

Integrating the processes and methodology of project management with the leadership skills especially acting with higher EI, engaging & empowering SHs has helped in leveraging our skills and collaborating with the SHs to achieve success which is more meaningful and satisfying.

Creation of high level of trust, has enabled us to share our emotions; forming deep and enduring working and social bonds with SHs. Consciously working on the fact that our emotions and feelings are at interplay and govern the project outcome has paved the way for achieving success on sustainable basis.

Integration of both - the hard core technical aspects and soft side of project management as suggested above is most powerful and potent tool for co-creation of long-term, high impact project success specially when working with cross cultural SHs. The fresh perspectives gained by acting as Project Leaders have enabled us to re-shape and internalize our values and further build upon our leadership skills. More importantly, it has helped us to create a culture for cascading the learnings and multiplying the success stories across the organization.

Some PMs may argue that they have been working with higher EI and applying leadership qualities although unconsciously. However, once we act with mindfulness, apply the principles of leadership and consciously work with higher EI, we find that not only the efficiency and effectiveness is enhanced, but also working is more of a pleasure and is purpose driven. Above all, attainment of goals and objectives is more satisfying for all the SHs involved in making it happen.

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