

Examining the Effects of Cultural Diversity on Project Management

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What are the effects of cultural diversity on project management? Today, project management is a finely tuned science used for 'identifying and achieving targets while optimizing or allocating the use of resources over the course of a project' (en.wikipedia.org).

Of the many resources utilized in project-based work, the most important—and the most unpredictable—are people. While supplies, time and cost can be quantified and risks determined and managed, the human element remains the hardest one to manage consistently. To address human variability, project managers use human resource management tools.

Human resource tools allow project managers to review project requirements and then decide on staffing needs. In most projects, human resources, with respect to the number of people and their skill sets, is a defined quantity. What is not always accounted for is the cultural variability of the people in the project.

In fact, very few teams have complete homogeneity, how then does one handle the very real probability of a team that is actually quite heterogeneous, made up of individuals with diverse backgrounds. In these cases, a project manager will have to direct a group with different understandings and norms of operation. This variability of the team can either benefit or compromise the structure of the project plan.

What actually constitutes a diverse team anyway? This can often be a confusing question. Culturally diverse is not explicitly a difference in race, ethnicity, nationality religion or culture. Culturally diverse does not mean difference in preference or opinion such as political ideology. Rather, a culturally diverse team is any team that is made up of people from different backgrounds and experiences. This could be a group with people from Austria, India and Peru. It could be a group from New York, LA and Dallas. It could also be consisting of people from engineering, marketing and human resources.

It is also important to remember that even in the most homogenous of groups you will find difference in background and shared understanding. It may seem that workers from different parts of the U.S. are will all be typical careerists, familiar with a universal corporate culture and with only surface differences in food, dress, accents and idioms. Yet, diversity is often subliminal and something innocuous in one group may be very offensive to another group. For example, having a drink at lunch or commenting on a co-workers attire may be acceptable in one group but not with another. Do not underestimate these subtle differences, if unchecked they can grow into large-scale resentment and even hostility. With that in mind, what are some of the challenges for a project manager working with diversity?

One major hurdle for a project manager to clear in human resource planning and management is the belief that “Our project teams have a great track record; so, why do we need to consider areas like diversity?” It is easy to be complacent, but even if you have a great team that has no problems eventually, members of that team will change. Every day the workforce demographics are changing. In the United States, there is huge growth in the global economy and an international labor market (Heet, 2003). This ‘international labor market’ consists of both workers from around the globe as well as diversity within many domestic markets. Further, the number of projects run outside the States is increasing at an equally fast rate. As a result, every company will be affected to some degree by globalization. This is important because the ability for companies and project managers to adapt quickly to these trends will give them a distinct advantage in the marketplace. In this globalized economy, the better a company adapts to these trends the more success they will enjoy against their competition.

What are the specific challenges of a diverse team on project management? First, one must remember the nuances that differentiate project management from traditional team management. For one, a project manager may have less say over who specifically comprises the team; instead, cross-departmental teams are often built by functional managers who assign work based on the workload of available staff. Likewise, a project manager may not have the same tools that a traditional manager can use to incentivize a group. While both the project manager and the traditional manager may have similar positive motivational tools (bonuses, extra time off, etc), a traditional manager has hire/fire authority, which a project manager does not possess. A project manager can only remove a person from the project. This does not bear the same force as being fired, but being “reallocated” from a potentially successful project could have a similar stigma within a company.

Another nuance of project management is the need for immediate integration of the team. Project management does not allow for typical long-term employee development. Functional managers look to develop their staff for the successful and smooth operation of the department as it evolves and improves. Project managers, on the other hand often work with ad-hoc groups and expect their staff to be able to “hit the ground running”. In diverse team situations, however, additional time will be needed to integrate the group and address the critical inter-group relationships.

One of the major tenets of good business is relationship building. This is important to consider because we, the human race, are inherently social creatures. Relationship building establishes trust, develops bonds and motivates production. Business depends on relationships. Every interaction happens within a social context and in turn, that social context shapes the interaction. The same is true in project management: the greater the degree of internal team comfort, the greater the chances for successful interaction. In short, team members will be more productive if they trust, feel mutually valued, understood and respected.

What specific steps can we take? This is the challenging part because there is no quick solution or general fix. Diverse groups can present a myriad of different issues. Nonetheless, there are steps a Project manager can take. Here are six suggestions for addressing diversity in project management:

1. First, plan for diversity from the outset of a project. Even if there are no problems at the beginning of a project, issues related to diversity among team members can grow and be exasperated over time.
2. Reassess and adapt to each new team and to each new environment. Even if a project manager has worked with a specific group or in a specific environment, it will be important to reassess each new team. Project managers must learn to assess diversity the same way they assess the other aspects of a project plan and incorporate this into both schedule and budget. It is also important for project managers to allow for mid-stream corrections based on cultural factors.
3. Consider what you yourself, as the project manager; bring to a team with respect to the diversity of a group. Being self-reflective is one of the most challenging steps a project manager can take. Likewise, it is one of the more critical components of project success

when managing a diverse team. Without examination, unconscious bias can have unintended and potentially harmful consequences for the project manager, the team and the project.

4. Improve communications techniques, good communication is sometimes challenging in homogenous settings and can prove very difficult in diverse environments. Without proper preparation, communication issues can easily compromise and delay a project plan. Still there are tools that can be used to improve communication such as using multiple forms of communication and direct feedback.
5. Adjust management techniques to suit the situation. Project managers must consider a much larger set of variables in diverse settings. Overall, diverse team management will take more work, but a good project manager will not only manage but also be able to leverage the diversity in his or her team.
6. Bring in outside help when needed. There are firms and consultancies that focus on facilitating cross-cultural and/or multicultural collaboration.

Cross-cultural firms will focus specifically on the challenges of working with people from one particular culture who are working in another particular culture. These firms can be very helpful and provide tremendous advantages to bi-cultural teams. Nonetheless, it is also important to remember that this work takes time and one cannot learn all the social norms and cultural idiosyncrasies of a new environment or culture in one afternoon. Further, be selective, make sure that your consultants are familiar with the specific area in which you will be working or from which your team members come. Without targeted local knowledge, a country consultant may be able to give you an overview but not provide pointed advice on a particular area. For instance, geographically, Japan is slightly smaller than the state of California but there are distinct cultural differences among people who live in the very different cities of Tokyo, Osaka, Fukuoka and Sapporo. If you were going to be working with people from Sapporo or in Sapporo, you want a consultant to have experience working in Sapporo and not just Japan or Tokyo.

There are also multicultural consultant firms. These groups focus on tools and techniques for working in multiple cultures at the same time. For example, if you are working in New York with a project team consisting of people from San Paulo, Brazil; Rabat, Morocco; St. Petersburg, Russia; and Zurich-Switzerland. Multicultural consultants have generally

worked in multiple environments and often have a social science background. Working with multicultural consultants may take longer but the tools they provide will increase your facility over a wider range of settings.

Despite the challenges, working with diverse teams can also be exceedingly beneficial. One of the immediate advantages is that diverse teams will bring unique approaches to problem solving. The lack of homogeneity provides for a greater pool of knowledge and experience from which the team can draw. This can be a great force for innovation and improvement. With good management, a diverse team will be able to outpace and outperform homogenous teams. Also as a project manager, working with new groups will grow your own skill set and provide new tools.

What are the effects of cultural diversity on project management? Project management will need to evolve as the workforce continues to globalize. Project planners must consider the additional variables involved with managing cultural diversity. Developing sensitivity and the skill set to manage diverse teams effectively will become more and more important. Diversity has the potential to bring new life, fresh thinking and new solutions to problems. It will also add a level of complexity to the processes of project management. It will be companies and project managers who can effectively work with diverse teams and leverage the new ideas that will be on the forefront of global business.

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