



## **PROJECT MANAGEMENT IN A CULTURAL CONTEXT**

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### **Abstract**

Theories of project management are well structured guidelines to bring projects to success. Available studies on project success factors stress out that commitment on decisions, reliability and engagement within organizations as well as the benefit for the project sponsor decide over success or failure. In an international context projects face other cultural, technical and economic challenges. For project teams that work together in EU-funded projects the acceptance of cultural differences and the consideration of one's own and foreign cultural peculiarities form the basis for a successful cooperation. These projects usually produce results for several project sponsors, decisions are made by the coordinator and not directly with the project manager on the partner side. Agile methodologies are simply not possible and project communication is well defined in the project planning phase and alignments are difficult to put through. The authors of this paper stress out that one important project success factor are culture. According to current literature this issue in the context of international project management has potential for further research. With the aim to close this gap a set of selected EU-funded projects are analysed for success factors and problem areas. This paper provides the criteria catalogue of the conducted analysis and a recommended course of action.

**Key words:** *project management, globalization, regionalization, project goals, intercultural projects*  
**JEL code:** A1, A3, J5, J8

### **Introduction**

The European Union is one of the world's major trading partners and the world's largest donor of development aid. It faces many challenges and opportunities in an increasingly complex and interconnected world. Cohesion and peace in the border regions create closer cohesion in the EU and represents a role model for the outside nations. This effort to strengthen economic and social cohesion within the European Union is being realized within the framework of the Regional policy of the European Union. This framework invests in balanced territorial development that promotes economic growth, improves quality of life and supports sustainable development as a whole (Fligstein, 2008).

This territorial cooperation is being implemented under the INTERREG programs of the European Regional Development Fund (ERDF). Aiming to find common solutions to common problems in joint projects between national, regional and local actors from different member states (Interreg Programme, 2017).

International projects are associated with immense investment costs. Particular attention should be paid to publicly funded projects, as missing them means not only a material loss, but much more: these projects are financed with taxpayers' money and the project aims generate



added value for the general public. Such projects are instruments of shaping the future, which can provoke positive and sustainable developments in society. Therefore, it is more important to bring them to a successful conclusion. The main goal of project management is to complete a project successfully. Successful means that earnings have been achieved and deadlines and budgets have been met. Different perceptions, goals, and work results, but also how the collaboration is organized can hinder success (Thomas, 2013).

The distinction between national and international projects also arises from varying degrees, the number and types of stakeholders and the risk intensity. Due to their increased complexity, projects that cross national, cultural and temporal borders have increased demands on project management. Complications and misunderstandings arise often not only through the language itself, but through cultural differences, through the different meanings of the said and culture-related behavioural differences. These are different expectations of leadership behaviour, proximity and distance, different ways of dealing with time, or to what extent information explicitly or implicitly is expressed (Köster, 2009).

According to Thomas et al. (2011) there are estimates that postulate that 40 to 70 percent of all international projects fail. Various studies show that problem areas in international project work are often caused by the factor "culture" (Kinast & Thomas, 2011).

Project managers in international projects need the ability to contribute to the international economy in a qualified and informed manner. To be taken seriously on a global scale, a project manager must have a sound understanding of environmental issues. The ability to intuitively grasp cultural differences and adapt behaviour accordingly in an intercultural encounter with foreign business partners may very well have a positive, long-term effect on the business relationship in terms of communication and sustainable cooperation (Thomas, 2013).

Culture and organizations are thus considered being two sides of a medal: both are reciprocal and conventionalized communication products. On one hand, both the culture and the organizations in which we operate influence our thinking, speaking and acting. On the other hand, we reproduce them again - cultures and organizations can only exist because we think, talk and act that way. Culture and organizations are organizing a force that gives meaning and orientations, facilitates and legitimize communications and actions, but at the same time limit them.

Culture is not only unified by enabling cooperation and collaboration, but also differentiating: Different cultural embedded leads to different behaviours, yardsticks and behavioural expectations. Cultural artefacts give people the framework for action. There is a great potential for synergy in the diversity, but also the danger of disturbances, which make it difficult for us as a group to make the necessary adaptations (Becker & Alafont, 2015).

Every person carries patterns of thinking, feeling, and potential acting, which were learned during his or her lifetime. In most Western languages culture commonly means the refinement of the mind and is partly shared with people, who live in the same social environment. Each individual is determined by the inherited physical and psychological characteristics of humans, the culture learned and the individual personality (Hofstede, 1997).

One of the classical considerations of evolutionary theory is the Red Queen Hypothesis. It generalizes that the intensive exchange between different individuals increases the survivability of a population. In order to be a successful for an organization in its constantly changing environment, the most diverse communication means must accompany the changes in the framework conditions in order to enable adaptations over and over again. The more intensively these communications take place, the greater the likelihood that an organization will succeed in its environment (Bell, 1982).



We distinguish intercultural project management from the international one by the fact that it takes place not only under the conditions of different countries, languages and legal systems, but also that different behavioural expectations, styles, narratives, mindsets, moral concepts, habits and worldviews, different ideas of right and wrong, of good and evil, of just and unjust, and above all of appropriate and inappropriate must collide and come together. Above all, intercultural project management has higher social complexity, not technical or legal (Becker & Alafont, 2015).

This article aims to interrogate the phenomenon of intercultural competences within the field of EU-funded projects. The aim of this work is to develop an interculturally adapted competence profile for the international project staff and to derive recommendations for their intercultural development. Within the thesis, the theoretically determined peculiarities of international project management are presented. The paper describes the working methods in European projects, potential problem areas of intercultural interaction and intercultural competences. Therefore, in the empirical part, the project participants will be questioned, in order to gain insights of an independent competence profile of the international project member. This guarantees a safe and successful appearance in the foreign cultural environment.

The realization that the complexity of international project management can only be successfully overcome by considering cultural peculiarities summarizes the core message of this work.

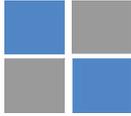
### **Project and Knowledge Management**

Next to standardized or semi-standardized project management theories and their methodologies with an impressive research track record, knowledge transfer and collaboration are major topics within the discipline of project management. The main aim of knowledge transfer within a system is to make knowledge available at the right time, the right place and to the appropriate circle of users. The term collaboration describes the common work of people within a team, projects or departments. Usually this collaboration work is based on a social collaboration software used to communicate and collaborate within teams.

Knowledge management aims in generating an environment where sharing knowledge is one major pillar instead of hiding it from others. This management discipline emphasizes the teamwork of persons willing to share their knowledge and gain advantages at the same time (Al-Alawi et al., 2007). Back in 1998, KPMG published a study called “Knowledge Management” where participating organizations claimed knowledge management to be a major part of business life and to change their organizations dramatically. Success factors of knowledge management are new strategies and ways of teamwork, the alignment of organizational culture and the allowance to invest time in knowledge generation for employees (KPMG, 1998).

Project management as such depends on formal and informal knowledge exchange between team members within a project. Sometimes these knowledge transfer processes happen automatically, and team members are not conscious about the importance of knowledge in this environment. Explicit knowledge turns to be an important success factor for projects.

In this context an appropriate definition for project management in relation to knowledge is provided by the Project Management Institute: “*Project Management is the application of knowledge, skills, tools and techniques to project activities to meet project requirements. This application of knowledge requires the effective management of appropriate processes.*” (PMI, 2013).



There is general consensus that projects are value drivers for industries. On the other hand, it is difficult for companies and research institutions to define and measure success. Framework concepts such as Project Management Body of Knowledge (as a basis for the waterfall model) (PMI, 2013) or agile approaches such as SCRUM provide clear guidelines for the evaluation of success (Scrum Alliance). However, these are very one-dimensional and often negate the complexity of projects. Projects in this environment can be classified as complex, individual and highly specific (Kütz, 2007). It is therefore important to define the terms "performance" and "success".

"Performance" has different meanings depending on the field of application (Gleich, 2001). For example, "Performance" subsumes the doing as well as the result of the doing, depending on the context. In (Aguinis, 2009) two characteristics for performance are mentioned: the first one where performance is linked to subjective perception/evaluation and external factors and the second where performance is not linear, it depends on many factors, not least the circumstances and objectives, not just the result achieved or the fulfilment of expectations.

In the style of (Aguinis, 2009) it can be said that performance describes goal-oriented action. The characteristics that make up the desired performance depend on external factors and the behavioural characteristics of the people performing the work. Performance has several dimensions, including measures for profitability, goal and customer orientation in terms of quality (effectiveness) and indirect benefits for the organisation, such as impact on reputation or knowledge acquired. Performance management is part of the corporate culture and can be summarized in simple words: Where do we want to go, and how do we get there? According to Marr (2006) the performance measurement can be divided into three categories: 1) Reporting: to fulfil organizational and legal obligations, 2) Control people's behaviour: Making progress, achievement of results and personal goals visible is an essential aspect of reward systems and motivation and 3) Learning organizations: New decisions must be questioned, decisions already made must be reflected upon in order to drive continuous improvement.

Performance measurement must be aligned with the organisation's strategy and objectives (De Waal, 2013). Moreover, if the project team members who manage a project cannot learn from their previous experiences, then the achievement of the objectives cannot be guaranteed. Performance cannot be improved without people, and people are the drivers of project success. (Abbas, Gravell, & Wills, 2008).

Project success, on the other hand, is often measured in the categories on time, on budget and on quality. *"Doing something right may result in a project which was implemented on time, within cost and to some quality parameters requested, but which is not used by the customers, not liked by the sponsors and does not seem to provide either improved effectiveness or efficiency for the organisation, is this successful project management?"* (Atkinson, 1999). However, this approach is the most widely used approach to measure project success. Time, cost and quality can easily be measured against quantifiable indicators that take financial efficiency into account. Measuring other aspects that are more related to quality and achievement of objectives than financial aspects is more complex (Cooke-Davies, 2002).

It is clear that project performance and success consist of several qualitative and quantitative components. Completeness is only achieved if a model takes these multidimensional aspects into account (Shenhar et al., 2001).

### **Project Management in an International Context**

International projects are an extension of a national project with an additional international client, an international project group, or with the provision of a substantial service



abroad. Culture with its basic assumptions, values, norms, attitudes and beliefs manifests itself in a variety of behaviours. Thus, these cultural specifics play a central role in international projects (Giesche, 2010).

The typical uncertainties and risks of project management above all due to resource, information, and time constraints, are massively increased or even multiplied by the influence of intercultural communication processes. Giesche (2010) identifies the following subjects as critical success factors in international project management:

- Stakeholder
- Negotiations
- Communication and information
- Team development
- Leadership
- Decision making
- Conflicts and conflict management
- Quality (the fulfilment of the requirements)
- Major project services abroad

### **Communication**

Project communication plays an important role within the entire project phase. It's about conveying information between project members, project owners, stakeholders and other environments. Care must be taken to ensure that the right amount of information is provided at the right time with the appropriate conduit of communication so that a productive exchange of information as well as knowledge is guaranteed. To design the communication strategy in a project accordingly, a communication concept that is already prepared in the planning phase should be designed (Bär et al., 2017).

Communication is seen as management task and therefore the project manager is responsible to manage the communication interfaces to customers, team members, colleagues, experts, consultants and other stakeholders (Noe, 2009).

Project communication management includes the timely and appropriate generation, collection, distribution, storage, retrieval and final disposition of project information. Project managers spend most of their time communicating within the team and with other stakeholders. Needed communication skills are for example active listening, asking questions, finding facts or confirming information, being convincing, negotiating, resolving conflicts, combining facts and identifying next steps. (Snyder, 2014).

Communication activities can have many forms, such as: internal and external, formal and informal, vertical and horizontal, official and unofficial, written and spoken, verbal and non-verbal.



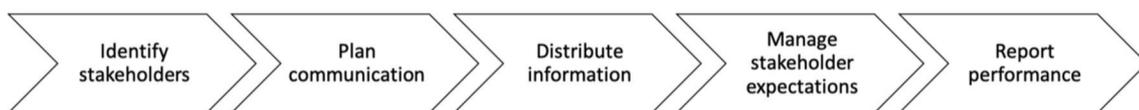
Oral and written communication is, according to Patzak & Rattay (2008) part of a project information system. Problems that can arise in practice in the field of communication are that the team members talk past each other because they do not have the same understanding or a different interpretation. Decision making can also lead to problems due to communication when project leaders make decisions without having previously obtained sufficient information and coordination. Too much information can be a hindrance. Not every project member needs the same amount of information. It is important that every employee receives the relevant information for him or her.

There are a lot of different communication channels in a project. The project manager should include the number of possible communication channels in the planning of the communication. The calculation results from  $n(n-1) / 2$ . In this case,  $n$  is the number of stakeholders in the project (Snyder, 2014).

The two most commonly used informal communication media in the professional context are telephone and e-mail. E-mails are used to receive messages and send them to as many people as you like. E-mails count as asynchronous communication (Patzak & Rattay, 2008). The difference between synchronous and asynchronous communication is that with synchronous communication the communication partners are in the communication situation at the same time. Examples of synchronous communication are chats or audio and video conferencing.

### Communication in Project Management Phases

According to the PMBOK Guide (PMI, 2013), project communication management includes the following processes, so that the information can be generated, collected, distributed, stored and retrieved in due time, and thus the communication process (see Fig. 1) within the project results (Snyder, 2014):



Source: (Snyder, 2014)

**Fig. 1 Communication Process**

The goal of the starting phase of a project is to create a unified picture (big picture) within the project team and its environment. It is important to communicate the goals and visions of responsibilities. If no communication rules have been set up in the project team, this should be recorded in writing during the project starting phase for all types of communication used (Patzak & Rattay, 2008). Oral communication channels are for example interviews (with clients, project managers, etc.), the kick-off meeting, project start meeting and workshop, informal discussions. Reports and documentation in written for are project order, project planning documents, project organization, the project information system, various protocols and the project handbook.



A very important step in the project starting phase is the identification of stakeholders. As already mentioned, stakeholders are individuals or organizations that will influence or be influenced by the respective project. The documentation about stakeholders contains the level of interest (high, medium low), the type of relationship (negative, positive or neutral) and the influence on the project's success.

In the second project phase, the planning phase, the designed communication plan determines the conduits of communication per stakeholder. It is about what kind of information, when, how and by whom is provided to which receiving entity. What is important to mention at this point is that the content of the provided information is always the same, meaning that everyone receives the same information but in a tailored manner. The aim of the planning phase is a communication plan and the updated project management documents (project plan, stakeholder register, stakeholder management strategy). The communication plan is part of the project management manual or supports it. The scope is based on the needs of the project. Contents of such a communication plan are for example stakeholder communication requirements, rules for communication (language, format, level of detail, etc.), persons responsible for distribution and authorization of the information, timeframe and frequency for the distribution of information, people (groups) receiving information, methods and technologies how the information is transmitted, resources available for communication activities (time and budget), escalation process, glossary, flowcharts, communication restrictions or guidelines and templates (Snyder, 2014).

During the realization phase two main activities in the context of communication have to be considered. The process of distributing information involves the transmission of relevant information to stakeholders as determined in the previous project phase. This process takes place throughout the entire project. The distribution of the information can be done through various channels and methods, such as meetings, video and audio conferencing, electronic communication or printed material. The process of managing stakeholder expectations consists of the active communication and the teamwork with stakeholders where necessary. The goal is to meet the expectations of each single stakeholder and to identify or to counteract the issues as they occur. With this behaviour the stakeholders feel to be actively engaged so that the acceptance of the project results is more easily accepted. If problems with the stakeholders arise, these are addressed or, in the other case, included in the risks. If there are changes in the stakeholders' behaviours or attitudes, they will be processed in change requests (Snyder, 2014).

Within the monitoring and controlling process which spans all over the entire project duration the reporting process is collecting and distributing information about the project's past success, including status reports, progress measurements, and forecasts. The information that is distributed must have the relevant level of detail for the target audience. To report the performance, the project plan and other documents are necessary. The goal of this process is to summarize and present the necessary information within appropriate reports (Snyder, 2014).

According to Patzak & Rattay (2008) the following communication takes place in the project completion phase: oral forms are lessons learned a final presentation to the project sponsor and/or customer and feedbacks, reviews, retrospectives and reflexions on project course. Written reports and documentations include project completion report, lessons learned and an inventory documentation of the project.

The conduits of communication and the quality of the content are critical for the success of a project. Everyone absorbs and processes information differently. Through this behaviour individuals create their subjective reality. Because of these different views, misunderstandings



in communication between people often occur. Important information is left behind because it is not understood. One of the main challenges arising in projects is the clear and understandable presentation of the content that is to be communicated (Artreus GmbH, 2013). Since projects are separate social systems, communication and culture may differ from the rest of the organization (Patzak & Rattay, 2017). However, the structure of the organization has a major impact on project communication requirements (PMI, 2013). The motivation of each individual and the project team as a whole is a great challenge for each single project.

### **Cultural Dimensions**

The term culture is defined in various ways in social sciences. The authors Thomas and Ulter (2013) summarize the different cultural definitions as follows. By 1952, Kroeber and Kluckhorn had found over 150 cultures and began to compare them. The results range from the thesis that culture should not be defined at all says Segall in 1984. Trompenaars and Hampden-Turner (1997) interpret culture in the light of Schein (1985) as *"the way in which a group of people solves problems and reconciles dilemmas"*. Although they take an application-oriented perspective, they limit the function of cultures exclusively to the solution of problems. Hofstede (2001) describes culture as *"the collective programming of the mind"*. The idea that culture is the collective programming of people's thoughts, feelings and actions appears to be mechanistic-technicity, ignoring the fact that culture is actively created and constructed by people. Thomas (1993), on the other hand, designs an application-related and yet differentiated definition of culture: Culture is a universal, but for a society, organization and group very typical orientation system. This orientation system is formed of specific symbols and transmitted in the respective society, etc. It influences the perception, thinking, values and actions of all its members and thus defines their affiliation with society. Culture as an orientation system structures a specific field of action for the individuals belonging to society and thereby creates the conditions for the development of independent forms of environmental management (Thomas & Utler, 2013).

For this study, the following definition is used, which is appropriate for the requirements of management teaching: *"Culture is the set of basic assumptions, values, norms, attitudes, and beliefs of a social entity that are manifested in a variety of behaviours and attitudes"*. According to Kutschker culture consists of two levels. An invisible level called Concepta and a perceptible level of Percepta. Concepta is the deeper part of the culture and is a summary of basic assumptions, values, norms, attitudes and convictions of the people. Percepta is a phenomenon in which the Concepta expresses itself and which is empirically perceptible, observable, tangible through behaviours and artefacts (Kutschker & Schmid, 2008).

Different cultures influence each other in international projects and ventures. They combine a variety of subcultures. The main culture is the corporate culture. It is typical for a company and is influenced by subcultures. These include the national cultures, branch cultures and social cultures (Kutschker & Schmid, 2008).

Cultural differences are manifested in different ways. The variety of terms is divided by Hofstede as follows:

- Symbols are words, gestures, pictures, or objects that have a specific meaning that only insiders recognize as such (e.g., words of a language, clothing, hairstyle, flags, status symbols). New symbols are developing rapidly, and old ones are disappearing.
- Heroes are persons (dead or alive, real or fictitious) who possess qualities that are highly regarded in a culture. They are more like behavioural models.
- Rituals are collective activities that are actually superfluous for the achievement of desired goals but are considered necessary in a culture. They are practiced for their own



sake (for example, forms of greeting, homage, religious ceremonies). This also includes business meetings, which seemingly take place for a rational reason but, for example, give only the leading personalities the opportunity to assert themselves.

- Practices summarize symbols, heroes and rituals. They are visible to outsiders, but their cultural significance is not. It lies exactly and exclusively in the way these practices are interpreted by insiders (Hofstede, 1997).

Values build the core. Values show a general tendency in preferring certain circumstances over others. They are feelings with an orientation, for example evil and good, dirty and clean, ugly and beautiful, unnatural and natural, abnormal and normal, paradox and logical, irrational and rational. Values are among the first things a child learns. Learning values and practices changes with age. Until the age of 10-12 years, we quickly and largely unconsciously record all information from our environment. This includes the symbols, heroes, rituals and our core values. It then develops to a more conscious way of learning, which is mainly related to practices. The cited theoretical approaches related to culture form the basis for the development of cultural dimensions and cultural standards, which have become known in recent decades as central models for determining cultural differences and are presented below (Hofstede, 1997).

The concept of cultural dimensions is based on the basic idea that there are universal categories or themes that all cultures of the world have to deal with and for which they have to develop answers. Hofstede initially named four cultural dimensions that added another dimension later:

- Power distance: This dimension describes to what extent a society accepts that power is unequally distributed. A low power distance means that more participatory decision-making processes and flatter hierarchies are lived and desired.
- Uncertainty avoidance: This dimension describes the extent to which insecure situations are perceived as a threat. Applied to economic activity, a high degree of uncertainty means that a high degree of standardization is sought, and this may lead to a less innovation-friendly climate.
- Individualism / collectivism: The dimension describes the extent to which personal goals (individualism) are preferred to common goals (collectivism). For example, work with the goal of self-realization is more likely to be expected in societies with a high value in the field of individualism.
- Masculinity / Femininity: A masculine society is characterized by the prevalence of classical gender roles (men are tough, women are sentimental). Feminine societies, on the other hand, are less divided between these roles, and classical feminine attributes are generally more positive. In an economic context, masculine societies focus on monetary incentives and career perspectives; in feminine societies they are more of a harmonious and long-term employment relationship.
- Long-term / short-term orientation: A long-term orientation is characterized by the pursuit of goals with continuity and consistency. For example, this leads to higher savings rates and investment activities. A short-term orientation is characterized by a high priority of short-term profits and leisure time (Hofstede, 1997).

The cultural standard concept is a cultural relativistic approach to understand behavioural differences. The starting point is a definition of culture, which understands culture as a specific



system of orientation that fulfils binding interpretations and meaningful functions for a nation, society and group (Thomas & Utler, 2013).

Thomas (2013) writes *“If culture is defined as a national and linguistic entity, which provides its members with a sense-giving system of orientation, then the question arises which culture-specific orientation signals come into play for persons of different cultures when the encounter takes place under particular circumstances such as conflict resolution or managing specific, work-related tasks.”*

In general, cultural standards can be defined on the basis of the following five indicators:

- Cultural standards are forms of perception, thought patterns, judgment and interaction that are shared by a majority of the members of a specific culture who regard their behaviour as normal, typical and binding.
- Own and other unfamiliar behaviour is directed, regulated and judged on the basis of this cultural standard.
- Cultural standards provide a regulatory function for mastering a given situation and dealing with people.
- The individual and group-specific way of applying cultural standards to adjust behaviour can fluctuate within a range of tolerance.
- Forms of behaviour that exceed this specific range are not accepted or sanctioned by the respective collective (Thomas & Utler, 2013).

Such cultural standards are in no way indicative for an entire culture. They provide insights into what makes up the respective culture as a whole. They are, however, helpful in navigating and accumulating knowledge about the other culture system of orientation and serve to explain unexpected and unfamiliar behaviour on the part of the interaction partner (Thomas, 2013).

The development of adapting one's own cultural environment, such as parents and siblings, the expanded family, peers, educators, etc., is called enculturation. Enculturation builds a specific cultural orientation system that serves as an instrument for what is perceived and valued, how decisions are made, what is motivating, what goals are pursued, what yardsticks and frames of references are used to judge one's own behaviour and that of others. In cultural overlapping situations, people of different cultures become meaningful to one another and their own and foreign orientation systems become so effective that their own expectations regarding partner behaviour, the interaction and communication process and the entire situational context are not fulfilled. The doer is irritated and cannot quite explain what is happening (Thomas & Utler, 2013).

### **Intercultural Competence**

Intercultural competence is explained differently in several research works. In order to better understand and limit the complexity of the term "intercultural competence", this article assumes that this term describes the ability to pursue processes that are describing the dynamics of closely linked members of different living environments, their relationships to each other and their interactions with each other (Bolten, 2007).

Intercultural constellations are "happening" in projects that are known to be temporary. Crisis caused in international cooperation can be divided into three areas: work (factual aspect), human (personal aspect) and culture (country-specific aspect). In factual or personal problems, the common methods can also be used. In contrast, a cultural problem area requires a sense of touch and intercultural understanding. Many conflict situations are caused by partners through



cultural misunderstandings, awkwardness or personal reasons. Often, such minor disagreements add up to international business. It happens that they are displaced by one party, and the other party may not even notice them. Such an accumulation of small discrepancies has a snowball effect. At a later date, it manifests itself in the form of apparently objective differences of opinion or methodological differences. When the conflict eventually escalates, it's very hard to figure out what the original and true causes are (Saidoun, 2015).

The Harvard concept of negotiation by Roger Fisher and William Ury achieves constructive cooperation and peaceful settlement in conflict situations. In the case of a sustainable agreement, therefore, the personal sensitivities of the participants should be taken into account alongside the entrepreneurial endeavour. While healthy mistrust is justified in certain circumstances, a constructive attitude is to use positive mistrust instinctively, which also has a natural protective function. It makes you clairaudient for a trick or a cunning manoeuvre. Mistrust should not stand in the way of creating a good partnership. It should also not be a question of who starts to trust first. Whoever takes the initiative, also directs the course of the project (Fischer, Ury, & Patton, 2013).

#### **Culture characteristic of Austria and Hungary**

Civilizations are differentiated from each other by history, language, culture tradition and, most important, religion. These differences are the product of centuries. They are far more fundamental than differences among political ideologies and political regimes. Differences do not necessarily mean conflicts, and conflicts do not necessarily mean violence. Over the centuries, however, differences among civilizations have generated the most prolonged and the most violent conflicts (Huntington, 1993).

Especially in Europe you can find even more heterogeneity in a small space. Striking are the different languages and the fact that not all EU states have introduced the euro. The further one digs into details, the clearer are historically shaped differences (Dörrenberg et al., 2014)

Even two nations that share a common history for a while may be completely different. Austria, the former Habsburg Empire, was one of the largest and most politically significant powers in Europe over centuries. For this reason, it is especially important not to be know-it-all, but to be cautious and courteous in communication relations. Thus, everyday communication in Austria is very polite and much is expressed in the subjunctive. The communication is indirect, direct rejections are uncommon and seem harsh. One emphasizes rather the own effort, than to reject a thing roundly. Rejection is often done by delaying and delaying, not a hard no (Eiselsberg, 2018).

Hungarian history is characterized by foreign rule and occupation. This fact has had an impact on the identity and inner attitude of the Hungarians to this day, leading to an ambivalence of the national self-understanding: national pride and upholding of one's own cultural values, mistrust of neighbouring states and fear of loss of meaning. Good personal relationships are essential for every business contact; they often count more than contracts. Everyone therefore struggles to create a good relationship at the beginning of collaboration: they eat together, chat about their private lives, and show themselves friendly and sociable. The communication is not direct and binding. "Yes, we agree," can also mean "We are not fundamentally averse". One should therefore always pay attention to the context of a conversation, take small objections seriously ("no" is rare) and sometime after the trial again carefully inquire about the state of affairs (Kövary, 2009).



Against this background, someone should always meet project partners on an equal footing. Devaluing statements about local customs or business practices are to be avoided in any case.

### **The Research Focus**

The work focuses on the topic of intercultural competence as a central key factor for the successful implementation of international EU-funded projects. Consequently, the theoretical part of this thesis dealt with the discussion of topics such as international project management as well as culture and intercultural competence. The analysis of the topic international project management showed that international projects pose special challenges to the project in general. Cultural differences are one of the most important challenges. The examination of the topic of intercultural competence has shown that knowledge of the different cultural dimensions helps to facilitate the understanding of logical relationships between the norms and rules of a culture in international projects. Intercultural competence is an important basis for the encounter with foreign cultures. Therefore, this paper puts the focus on the topic: What competences, skills or characteristics should a project member, a project leader have in order to successfully implement international project work in the border region of the EU?

### **Data Collection Method and Data Analysis**

Qualitative research methods are used when the goal of the research process is the exploration of phenomena and the development of new theories (Seidman, 2006). At the centre of the qualitative research interest are the personal perspectives of the respondent. In the foreground of the research interest are the subjective experiences and opinions of the interviewees. Consequently, the qualitative research method is used to address this objective (Mayer, 2012).

For the empirical investigation, an international project team was observed and interviewed. The project team members came from Austria and Hungary. Data collection focused on the personal perceptions of the individual project team members in terms of intercultural competences. In the evaluation of the narrative interviews, ten final categories were used, which influence the dynamics of the team as part of an intercultural project work. These are: balance of knowledge, emergence of a common language, organizational framework, culture, knowledge transfer, project management, project team, experts, and concept for cooperation, motivation and social interaction.

### **Findings**

As mentioned earlier the empirical data was gathered through document analysis and interviews with members of the project team. This helped to identify the possible problems throughout the project and the preventive actions which were taken.

People who are aware of being in an intercultural situation tend to suspend their own basic cultural assumptions and behave differently than they would in a familiar and routine context. It is important to deal with the cultural dimensions of the host country and to get a first impression of what you can expect. It is equally important to develop awareness that cultural dimensions provide a first orientation, but their significance through cultural imprinting of the project partner to understand his or her way of thinking and working.

The main challenge which the project management team faced from the very beginning of the project was the fact that different partners had different perceptions of the project goal. It is



important to have an integration competence yourself, to understand one's counterpart; to absorb its otherness and to act in the interest of the project.

The principle of "abide by the agreed", which in Austria and other European countries is generally taken for granted in project work, is often interpreted differently in our project context by project partners.

A special cultural feature is also the handling of efficiency and the associated understanding of time. This also applies, for example, to the start of a conference, which is often delayed by 30 to 40 minutes, and in addition the meeting time was wasted on issues that could have been clarified faster in a different way.

There is no responsible initiator for relationship management. Project managers and all team members all need to get involved in relationship management and invest personally. It is important to know concrete behaviours that can build a personal relationship and reduce fear of contact. The word "fear of contact" is to be taken almost literally, since in many cultures, such as in Hungary, more frequent physical contact is sought than is customary in Austria. If you want colleagues to speak freely, you have to do something about it. You have to get to know the partner a bit closer. If there is a certain amount of intimacy and familiarity, then everyone is ready to give their honest opinion.

Difficulties during the project management were influenced by factors that only became effective during the project implementation, such as the implementation of preparatory and follow-up discussions in the intercultural project team or the evaluation of the project against the background of different organizational cultures. These factors could hardly be changed or adjusted by planning and the agreement of small-scale target values. We therefore advocate risk management in the preparation of intercultural projects, the cross-cultural forms of conflict transformation, mediation or similar offering.

Additional to the fields of competence for international project teams the empathy or emotional intelligence should become a crucial role.

## **Conclusion**

The international projects are fragile constructs, because of their dynamics and involved risks. The special feature of international projects is the complexity of frustration-inducing factors and the lack of awareness of the lead organization to counteract with suitable measures. Therefore, traditional project management methods cannot fully capture the unexpected events. These hinder timely appropriate reactions but paying attention to the early signals and responding them at the right time is a support to face the challenges. A project manager must be familiar with the peculiarities of the national context in order to consider essential intercultural skills of success even before the project is deployed. These can be supported through the selection of the right project staff, strong mentoring, the contextualisation of project processes and project results, intensive verbal communication with all project partners, strengthening the bond by emphasizing the common past and much improvisation talent.



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