Cross-Cultural Teams In A Global Market: A Project Risk Management Perspective

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ABSTRACT

Culture is a complex subject encompassing variety of aspects of everyday life including art, music, philosophy and customs. Cross-cultural differences in a work context refer to culture in terms of issues such as a group's belief systems, their everyday behaviour and their values. Cross-cultural difficulties can often arise as a result of individuals making assumptions regarding how similar or different other people are to them. In this paper we conduct a qualitative analysis by comparing various models to discuss cross-cultural differences and how to minimize them in a global business environment. A real world case study is used to illustrate the opportunities and threats involved in managing the cross-culture teams, which is the focus of the Shape, Harness, And Manage Project Uncertainty process. The implications for management are discussed before concluding with recommendations for management in this global competitive landscape.

INTRODUCTION

Not too long ago many geographically diverse societies predominantly consisted of homogenous cultures. For centuries these distinctively dispersed societies safeguarded their cultures and identities from being infiltrated by alien cultures and saw no economic reasons to explore the world beyond their own borders, let alone learning a foreign language that they never intended to use.

Fast-forward into 21st century, the economic landscape of the world has drastically changed the market place. There are hardly any "closed economies" in the world today. Every business no matter how small or big, has to reorganize and reposition itself in order to meet the ever-growing demands of international customers and "culturally diverse" workforce in a global market. The performance in February 2008 by the New York Philharmonic Orchestra in Pyongyang, capital of North Korea was a clear indication of a socially and economically backward country opening its door for the very

first time for the rest of the world. The 2008 Olympic games in China, is another big step towards a more economic and cultural collaboration sought by China.

In order to survive in a global market and maximize a company's economic potential, businesses must, not only, understand local culture and values but also be able to communicate in multiple languages that are spoken by their international employees and clients. Companies are hiring more and more immigrant workers to work on important projects or offshore outsourcing their projects. In such a volatile and unpredictable environment, it is imperative that companies sensitize their employees to multiple cultures, learn about global issues, and think like their clients. International companies must recognize that they are competing with local companies who know their customers intimately and therefore, can target their sales and marketing efforts, and launch products in time to maximize their profits.

If a multi-national school supply company does not know when the school year starts in Russia, the company will be ill-prepared to compete with a local Russian business that knows exactly when to launch a new product. Hiring a local expert, such as educator from within the local school system could provide necessary information for the multinational company to compete in such an environment. A company hiring an employee from outside its own cultural boundaries seems like a natural solution, but often times there are no other alternatives. However, there are certain risks and opportunities of the "cross-culture" teams that need to be examined as well. Chapman & Ward (2003) propose the *Shape, Harness, And Manage Project Uncertainty* (SHAMPU) process to deal with uncertainties associated with any undertaking. In this paper we discuss various models to compare other approaches to analyze the issue and how to deal with the cross-culture phenomenon in a global market.

LITERATURE REVIEW AND SYNTHESIS

In order to compare the effectiveness of cross-cultural teams a comparison needs to be made between the performances of culturally diverse groups with that of culturally homogeneous groups (Adler, 1997). The first definition of culture refered to a geographic location: the culture of a tribe, a city, the West Coast, the British Isles. All of these are possible ways of grouping people into a culture. With this approach, it's possible to take a bigger macro view (e.g., Christian culture, African culture, or Eastern culture) or a more precise micro view (e.g., Irish Village culture versus Manhattan culture, or the culture of your family or your friends). According to the American Heritage Dictionary (2000), culture is "totality of socially transmitted behavior patterns, arts, beliefs, institutions, and all other products of human work and thoughts…. and these patterns, traits, and products considered as the expression of a particular period, class, community, or population: e.g., Edwardian culture; Japanese culture; the culture of poverty."

Peterson (2004) defined culture as "relatively stable set of inner values and beliefs generally held by groups of people in countries or regions and the noticeable impact those

values and beliefs have on the peoples' outward behaviors and environment" (Part 1, Defining Culture, Para 6). For even more precise definition of culture relevant to ones' organization or situation, Peterson recommended that we pick and choose few elements from the dictionary definition or from the definition above, or from our own experience and insights, then come up with our own workable definition. Maznevski (2000) defines culture as "the set of deep level values associated with societal effectiveness, shared by an identifiable group of people" (p. 474); also individuals tend to adopt strong values and behaviors of the social-group they belong to. Adler (1997) and Hofstede (1980) both agree that the cultural values influence our perception through which a person interprets information needed to make decisions.

These differences in perspective, offer potential for multicultural teams to perform well (Ling 1990, McLeod & Lobel 1992, Watson et al. 1993). Studies have also shown that a multi-cultural team has a great potential of successfully completing a project as compared to a homogenous teams, on the same token multi-culture team also has an increased risk of failure (Adler, 1997). Adler (1997) pointed out that technology does not guarantee the success of any project; it's the people who make a project successful. The project management across cultures should take a different management approach, not less of it. However, cultural values also influence members' preferences for social interaction norms (Bettenhausen and Murnighan 1991, Earley 1993, Zander 1997). Due to this often hidden influence, multicultural groups find cooperative decision-making difficult (Anderson 1983, Fiedler 1966, Kirchmeyer & Cohen 1992, Watson et al. 1993), hindering their performance. Two separate empirical studies (Maznevski, 1994; Watson et al., 1993) have shown that when multi-cultural teams integrate communication processes with the conflict resolution, they perform better, or at least equal to homogeneous teams.

Cross-cultural teams are common phenomena especially in an international cross-boarder (virtual) team environment. Team building could be one of the most important factors in accomplishing the project goals (Peterson, 2004). These teams frequently work on mostly inter-dependent activities and share multitudes of responsibilities on the projects (Malhotra et al., 2007). Hudson (2007) argued that both time and money is lost when cross-cultural team building skills are not applied on a project.

Several authors have addressed various aspects of cross-cultural ethical conflicts. Schollhammer (1977) emphasized the need for international codes of conduct to govern cross-cultural activities. Berliant (1982) looked at the ethical consistency problem with regard to wage scales and bribery. Pastin (1986) examined how End-point ethics and rule ethics would assess bribery in foreign countries. Donaldson (1985) presented an algorithm for making decisions in conflict situations, which focuses on economic development level, whether questionable actions are required to carry on business, and whether the actions violate basic human rights. Donaldson (1989) also provided the most thorough analysis of the problem to date in his book, *The Ethics of International Business*. Wines and Napier (1989) proposed a model for conceptualizing cross-cultural ethics, and Buller et al. (1991) suggested a model of global ethics and the need for its conscious development.

The above definitions have provided a basic foundation for defining and conceptualizing cross-cultural issues. Some have directly addressed the problem of appropriate management responses in conflict situations by conducting risks analysis. As managers face uncertainties in a global market, the appropriate strategies for dealing with them will depend on the nature of the situation. Several authors proposed that the appropriate response depends on the centrality of values at stake, the degree of social consensus regarding the issue, the decision-maker's ability to influence the outcome, and the level of urgency surrounding the uncertainty.
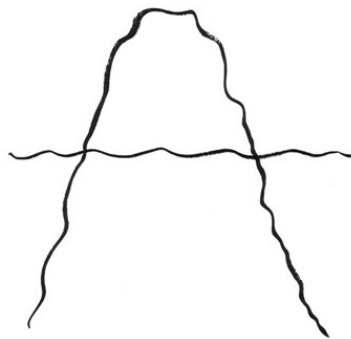
DISCUSSION

Putting a group of people of the same culture or location together can be a challenging task for a project manager. Consider that even when people work in the same office suite, they may work together electronically rather than face-to-face 90 percent of the time. Add different nationalities, unknown social cues, cultural differences and stereotypes, and the managers have the recipe for a project that feels more like a roller coaster than a planned process.

Culture as an iceberg

Peterson (2004) described culture as an "iceberg". An iceberg as we all know has a part that we see and a part we don't (Fig. 1). This analogy is popular among scholars of cross-cultural studies because they can visualize what can happen if business people ignore the much larger part of the iceberg that is "underwater" and hence there lies a greatest risk and a need to manage uncertainties. The project efforts may completely fail unless people understood the implications.

Figure 1. Tip of the iceberg

Bottom of the iceberg

Most businesspeople are only eager to study the tip of the iceberg. This is understandable because it's the first thing that people encounter while interacting with people from different cultures. As people learn more about the cultures they deal with, they may realize with the clarity of hindsight ways in which they were running into

bottom of the iceberg. When we take interest in another place, whether it's because we're going there or interacting with someone from there, the first questions that naturally pop into mind are along the lines of; what does it look like there? Is it crowded? What's the food like over there? Our curiosity and attention are understandably first drawn to certain aspects of the respective cultures we deal with, such as French cuisine, the Egyptian pyramids, sumo wrestling, Chinese painting, Indian classic music, Japanese opera costumes, and so forth. These things can be fun (or delicious) to learn about. The tip of the iceberg can be interesting, but just as approximately 80 percent of an iceberg's mass is underwater, perhaps 80 percent of the important aspects of culture are also contained in the invisible and usually unconscious characteristics of culture.

Bottom-of-the-iceberg cultural concept is equally important for the project team to know. They can also be amusing, shocking, or perspective building. Usually the most off-putting things about other cultures are what we see at the tip of the iceberg. People from nearly everywhere are stunned at how fat Americans are and surprised at how loudly we speak. The fact that Brazilians routinely run red lights at night, even when right next to a police car, certainly is different from what a German might be used to. Americans are disgusted when the French smoke in enclosed public places, and the French cannot understand why Americans allow themselves to be controlled by smoking laws and low speed limits.

Tip-of-the-iceberg culture is anything that we can perceive with our five senses, such as, language, architecture, food, population, music, clothing, art and literature, pace of life, emotional display, gestures, leisure activities, eye contact, sports. The under-the-water part of the iceberg represents what we can't perceive with the five senses (we just cannot see or smell "time" or taste "harmony"). The deeper we go toward the bottom of the iceberg, the more important the items are. For example, we may be able to change an opinion over the course of a five-minute conversation, but a value or conviction is far more entrenched, far longer lasting e.g., role of the women in a particular society.

Peterson (2004) advised businesspeople to look for the cultural traits both at the tip of the iceberg and below the waterline. There are two main reasons for this. First, the bottom of the iceberg is the foundation for what we see at the top. If we understand the underlying causes of why people behave the way they do, we are a little more likely to be able to anticipate how they may act or react in a variety of situations. For example, someone from a country where people prefer stronger leadership systems and more direction from superiors might react better to clearer direction and closer supervision. Conversely, someone from a culture tending toward less structured leadership systems or a more relaxed supervisory style might want to be left alone to complete an assignment as he sees fit and not be micromanaged. When someone does act or react a certain way, we are much more likely to be able to make sense of what is going on as it happens if you understand the "bottom of the iceberg" well. Neither of the two parts of the iceberg may be ignored.

Economic globalization promotes the interaction between individuals of different cultures. While experimental economists have established differences in the way individuals from different nations interact within their own cultures, behavioral differences in cross-cultural interactions have not been sufficiently explored (Peterson, 2004). It is highly unlikely especially for large companies to keep their staff homogeneous in the present time since there are borderless companies that are Internet based where 24 x7 work shift handovers charge to people in different time zone culture and geographies. Companies have to work non-stop with speed and accuracy in order to succeed in a global economy, it is important for companies to sensitize their staff to various cultures in which they operate.

In the U.S for example, if a worker is found snoozing after lunch, this will be a ground for a disciplinary action but in Spain it is part of the culture as the workers are supposed to take a long break in the afternoon, it will be against the social norms to operate businesses during the "siesta" time. Another cultural difference example is of Saudi Arabia, where all businesses are supposed to close for business during the prayer time, the shopkeepers pull the shutters and leave for a prayer break when its time, it is considered unlawful to do any business during those hours. Workers are paid weekly or bi-weekly in America while in many other countries, such as India, workers are paid monthly. We have to sensitize the workforce and encourage them and provide more opportunities for learning various cultures and respecting these cultures.

Cultural Values

National culture groups tend to operate with a set of common values (Peterson, 2004). Of course there are many exceptions in any culture, but it is possible to make reasonably accurate statements (generalizations) about the values of a particular culture. For example, it is probably fair to say that Asians generally value respect, formality, status, and position. In contrast to this, the British, Americans, Canadians, Australians, and Scandinavians tend to value directness (over respect or formality) and equality (over status or position). How does knowing about values help us to interact professionally with others? Why cannot we use our understanding of culture-based values to predict how people will behave? The answer is that we know there are some exceptions to the rule, and there are some elements of sub-culture and/or contextual elements that can influence a situation.

Dynamic Nature of Culture

A major weakness of the cultural dimension approach to cross-cultural working is that culture is not static. For example, we have seen dramatic changes in many societies over the last few decades in areas such as attitudes to gender, the environment, race, sex, family life, and religion. In the context of globalization, with increasing contact between different societies, it is increasingly difficult for any group to remain isolated and uninfluenced by other cultures. Thus, in the domain of cross-cultural working, we need theories that reflect change as well as stability, and that are attuned to shifts in attitudes and actions as well as their continuance.

Globalization of trade has proliferated, many nations are keen to take advantage of open markets. Technology has helped facilitate the trading of goods and services. While this is all good news for consumers and businesses alike, there are some other important aspects of this revolution that are more relevant than ever to be a successful player in this global economy and cross-culture is one of them.

Cross-cultural impacts on work : A Real World Case Study

The following excerpt form an online magazine (Enterpreneur.com) highlights management implications of cross-culture team in a global market:

> "When Intel Corp., maker of computer processors, chipsets, and more, brought international employees to the United States for a one-year project, managers decided from the start that they didn't want the diverse set of international people to operate only according to U.S. rules and ways of doing business. Managers saw the diversity as a distinct advantage and instituted a series of preparations that made the project a huge success. They had ongoing relationship-building activities; shared food from various cultures; celebrated Chinese New Year, Ramadan, and the Fourth of July; sought schools that taught English as a second language for the family members; and established a "people team" to educate and build connections. This project was one of the most successful ones Intel had employed in terms of results. One engineering group leader from Malaysia said that all the Intel preparation and relationship building made him feel not only valuable but also motivated and more productive (Hudson, 2007)."

Intel knew from the get go how to minimize the risks involved with working in a cross-cultural environment, and how to maximize on the opportunities for the benefit of the project. If not managed properly this would have cost them to the roof and pose even greater risk of project failure all together. First of all the company understood that it had to employee workers from other parts of the world that are not accustomed to "American culture" and its "working style". Obviously, for this company, "failure was not an option" which could damage company's international image. The management converted the entire experience into a team building that turned out to be a huge goodwill for the company. Eventually, the workers on the project became its spokespersons.

Intel certainly learned from its past experiences on how to manage cross-cultural teams and capitalize on team's potential. Company realized that the workers would bring their families on a long-term project such as this. They designed the project keeping in mind the families of the workers. They worked with local schools and non-profit organizations to offer English classes for non-English speaking families. Project team celebrated each country's religious and national holidays and formed a "people team" to learn about different cultures, organized food festivals to learn about various foods, local dresses and other significant cultural differences among the team members.

As expected, the project was a great success not only for the company but also for the workers and as well as for their families. All in all, it was a positive experience for everyone who participated in the project and turned out to be a highly productive undertaking for Intel.

BEST AND NEXT PRACTICES

As the global economy becomes increasingly interdependent, cultural conflict becomes ever more prevalent (Kohls & Buller, 1994). Few best practices have emerged from cross-cultural project management challenges and successes. In order to minimizing the risks for the project managers and increasing project success rates in cross-cultural settings, Hudson (2007) prescribed some of the best practices such as; manage time across-cultures, balance task and relationship among cross-culture, use project phasing, build on team strengths, and set project norms for the team to follow.

Cross-cultural teams and their composition may be an influential structural characteristic, and integration processes are likely key to performance. For the "time management" approach Hudson (2007) recommends to escape the dilemma of "culturally sensitive" and let people be late for example, if that's a cultural issue, by ignoring their culture. Another successful strategy is to get creative with time management while at the same time encouraging team members to adapt to the fixed-time system when necessary. Ignoring the benefits of the fluid-time system is unwise, Hudson (2007) argues. When you need people to stay late or shift their time around for a project, fluid timers are often quite willing to accommodate. Hudson recommends following seven practices for managing fluid-time people on a fixed-time project:

1. Create meeting agendas with reverse prioritization. Address the most important items at the end of the meeting. Alternately, explain to fluid-time staff members that they can show up when they want, but you will start on time. In that case, put the most important things first on the agenda. This method may help people adjust culturally to fixed time, as needed.
2. Plan buffer time in your calendar. Don't plan meetings too close together when you know fluid-time people are involved.
3. Allow time to build relationships. Often fluid-time cultures allow flexibility to make time for relationships and people. Solid relationships can make a positive contribution to your project.
4. Although a risky option, set false times for meetings. Tell people a meeting starts at 8:30 a.m. when it really starts at 9 a.m. The same can be done with deadlines.
5. When meeting a fluid-time person, bring work, laptop, books or other technology with you so you don't feel like you are wasting your time waiting with nothing to do.
6. Explain reasons for deadlines and other important time schedules.
7. Monitor project team members several times in between the project. Don't just ask for the status the day before a project is due.

Resolving Cultural Conflict

There are several models available to managers to resolve cross-cultural conflicts. Based on Ruble and Thomas' (1976) conflict resolution model, Kohls & Buller (1991)

recommended following seven approaches to resolve cultural conflict and reduce the risks of (project) team failure. The approaches provide a range of possible responses to cross-cultural conflict, however, they are not intended to be exhaustive or mutually exclusive.

1. Avoiding cultural conflict

Described as the low involvement approach, a party simply chooses to ignore or not deal with the conflict. The conflict may dissipate, but usually smolders and flares up at a later time. Strong parties can ignore the conflict when they are pleased with the status quo. For them, it may be a form of forcing. Avoiding is a frequent choice when the costs of pursuing a conflict are high. For example, one may decide not to sue someone who has wrongfully damaged the business, because the legal costs could bankrupt the company, or one does not mount a defense against a lawsuit to avoid negative publicity.

2. Forcing your culture

Forcing is often used when one party is stronger than other. In this approach, one party forces its will upon the other. Host country officials sometimes use their power to demand payoffs for initiating or continuing a business operation. Similarly, multinational companies sometimes demand practices that are inconsistent with the indigenous cultures of the host countries in which they operate.

3. Persuasion by educating

This mechanism attempts to convert others to one's position through providing information, reasoning, or appeals to emotion. For example, multinationals often extol the virtues of free enterprise. As the World Bank and United Nations (UN) conduct businesses in many countries, they also have the opportunity to communicate the importance of due process for employees, and protecting employee health and safety.

4. Infiltration others' culture

By introducing your values to another society, an appealing idea may be spread. This may be done deliberately, or it may be unintentional. The western values associated with freedom and consumerism, are examples. For some countries like Japan the western culture and consumerism is making negative impact on homogenous society.

5. Compromising by negotiation

In this strategy, both parties give up something to negotiate a settlement. The resulting compromise usually leads one party or the other (or both) to feel dissatisfied with the outcome and that the basic conflict has not been resolved. The recent negotiations on unfair trade practices between Japan and the U.S. are a good example.

6. Accommodating other culture

In this approach, one party merely adapts to the ethic of the other. A foreign company may meet U.S. expectations for legally precise agreements in order to do business in the U.S. market, and an American businessman might learn to drink "saki" (a popular Japanese drink) just to do business in Japan.

> 7. Collaborating in problem solving

In this strategy, both parties work together to achieve a mutually satisfying solution, a win-win outcome in which both their needs are met. This approach is most likely to address the source of the conflict. An example might be in the discussions leading to an agreement between a multinational company and host country in which both desire an agreement satisfying to the other as well as themselves, to help insure an effective, long-term relationship.

The appropriate conflict strategy will depend upon the issue involved and the circumstances surrounding that issue. There are appropriate occasions for each of the seven strategies. In order to develop a model to guide these choices, it is necessary to describe a classification system for ethical conflicts.

Cochrane Collaboration

The main premise of the Cochrane collaboration (Deeks, 2004) is to help people to develop a better understanding of the factors that influence successful cross-cultural communication and international team working. This model is useful to project managers who frequently work with cross-cultural teams.

Cochrane collaboration promotes sharing of information and experiences as well as assisting in the dissemination of methodologies adopted by the Collaboration. Furthermore, the heterogeneity of cross-cultural teams has been found to encourage innovations. The value systems between cultures have been shown to vary significantly. Everyday life experiences have shown that people from different cultural backgrounds are likely to have different attitudes towards hierarchy, ambiguity, achievement-orientation, time and working with others.

Differences in value systems can impact upon how effectively individuals work together as a team. Other factors that may impact on the effectiveness of a cross-cultural team include communication differences, individual use of stereotypes and preconceptions, the use of technology and approaches to time management. The Cochrane study provides some suggestions as to how to overcome the difficulties of cross-cultural team working. Some of the ideas included are:

- Avoid making assumptions or instant judgements about individuals or their working style.
- Take time to check out issues of culture that you are unsure of. Get to know a little about a country and its customs before interacting.

- Before communicating information think about how it might be received and take time to ensure that you have been clearly understood, put yourself in the other person's position.
- Think about your method of communication: e-mails can easily be misunderstood; they are not suitable for sensitive and difficult messages.
- When organising meetings, set up ground rules and pay particular attention to accommodating individuals who will be using their second language during the meeting.
- Take time to get to know individuals' preferred working styles and look to see how you can build on individuals' strengths.

IMPLICATIONS FOR MANAGEMENT

One of the ways in which cultures differ is in their underlying value systems. Peoples' values are expressed through what they say and what they do. Therefore people working together from different cultural backgrounds may find that they approach and execute tasks differently because of differences in their cultural values. Having people within a team who have different perspectives and styles can be extremely valuable; however, different approaches have to be recognised, understood and fully utilised if they are to benefit the team. Too often differences in style are simply seen as problems to be solved (usually by encouraging everyone to work in the same way). Understanding differences in value systems helps us to understand how and why individuals may behave differently to ourselves. This can help us work more effectively together and make the most of the benefits that those differences offer.

A number of models have been proposed to explain how the value systems of countries differ. Hofstede (1996) suggested five fundamental dimensions to national culture, these can be summarised as:
1. Hierarchy
Hofstede calls this dimension 'power distance', it relates to the extent to which individuals within a culture accept unequal distribution of power. At one end of this continuum are cultures that value hierarchy. In these cultures, the emphasis is placed on leader status; individuals will expect the team leader to provide direction and make decisions. Individuals within these cultures tend to be accepting of rules and questioning authority may be discouraged.

At the other end of the continuum are cultures that place a lot of emphasis on team involvement, with wide consultation and group decision-making being common. Questioning authority is likely to be accepted or even encouraged in these cultures.
2. Ambiguity
This dimension, labeled by Hofstede as "Uncertainty Avoidance" deals with the degree to which individuals feel comfortable with ambiguity. At one end of the continuum are cultures that encourage risk taking; in these cultures individuals are likely to feel very comfortable trying new and different ways of approaching things. At the other end of the continuum are cultures that place more value on routine, regulation and

formality. Individuals in these cultures are likely to prefer tried and tested ways of doing things rather than taking risks with unknown methodologies.

3. Individualism

This dimension relates to the extent to which the individual values self-determination. In an individualistic culture people will place a lot of value on individual success and the need to look after oneself. At the other end of the dimension are collectivist cultures in which individuals will place more value on group loyalty and serving the interests of the group.

4. Achievement-orientation

Hofstede describes one end of this dimension as masculine and the other end as feminine because it relates to values that have traditionally been associated with gender in western society. A culture at the masculine end of the continuum will be very achievement-oriented, valuing things such as success, achievement and money. At the other end of the continuum are cultures that place more value on aspects such as quality of life, interpersonal harmony and sharing.

5. Long-term orientation

This dimension was a later addition to Hofstede's work. At one end of the continuum are cultures that focus on long-term rewards; at the other end are cultures that are more concerned with immediate gain. Hofstede suggests that a country's cultural values are reflected along a continuum of five dimensions. Individuals' expectations and behaviors are likely to be influenced by their country's cultural values. For example, according to his research, team members from a country that is low on power distance, low on uncertainty avoidance and high on individualism are likely to:

- Expect to take a role in deciding the team's direction
- Be prepared to question a team leader's decisions
- Feel comfortable trying different approaches
- Focus on achieving their own personal goals, with the view that successful completion of those will facilitate group success.

On the other hand, team members from a country that is high on power distance and low on individualism are likely to:

- Expect a clear hierarchical team structure, with a clear team leadership
- Be highly disciplined
- Focus on providing support to other team members to ensure that the overall team outcome is achieved.

The dominant value system of a country is not always at the extreme of one end of the continuum. For example, one country in Hofstede's research falls somewhere in the middle of the power distance and uncertainty avoidance dimensions, suggesting a strong need for hierarchy, but also a tendency to break rules when needed.

Hofstede's framework is useful to help us to think about how misunderstandings may occur within work teams. For example, imagine an international team that is being led by someone from a cultural background that values hierarchy. That leader may expect to make decisions without consulting his team members. This may damage the relationship with those team members from cultures at the opposite end of the continuum who expect to be consulted and make joint decisions.

Hofstede's research provides some interesting findings, but, as even he acknowledges, his work does have limitations. Although his studies were comprehensive and many of his findings have been replicated to some extent by other researchers (Peterson, 2004), his work is, nonetheless, focused at quite a general and superficial level.

The most important point to remember when considering Hofstede's work is that from his findings he suggests the "dominant" value systems within countries. You cannot assume that everyone you meet from a country will hold a particular set of values. However, perhaps the biggest learning point one can gain from reviewing research into value systems is a better understanding of one's own personal values and how those values impact on your working style and working relationships (Peterson, 2004).

CONCLUSION

In order to survive in the global market, companies are heavily dependent on a culturally diverse workforce who understands different cultures better as compared with people who come from homogenous culture background. Recent trends have shown that companies are hiring more and more immigrant workers to work on multitudes of projects. The success or failure of any project is dependent upon how well, or unwell these people will work together. Companies are actively seeking people who can, not only speak multiple languages, but also understand other cultures and values. The competitive landscape for multinational companies such as Microsoft, Apple, and Wal-Mart has forced managers to hire experts in diversity issues and how to deal with the "soft issue" of cross-cultural differences.

It is important that the management realizes the importance of cross-cultural differences when working in a multi-cultural environment, the risks of project failure are even more significant in a global market where resources are scares, and survival of the company is not limited to only its shareholders, but it could impact the entire economy of the nation or even worst, globally.

There is a need for leadership to be highly sensitive to cultural differences when working in a cross-cultural environment. Sensitivity to other cultures does not imply the need for leadership to change its own attitude and values to those of the other culture. What is needed is some understanding, and ideally empathy, for the attitudes, norms, and values of others. This offers the possibility of mutual respect between cross-cultural partners and the opportunity for a move toward a more negotiated culture of cooperation.

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