"CLOSING THE GAP"

An Analyse of International Project Management Practices and Experiences

Av
Shawn Lillefjell

Copenhagen
Business School
HANDELSHØJSKOLEN

AARHUS
UNIVERSITET
INSTITUT FOR UDDANNELSE OG PÆDAGOGIK

SAMTYKKE TIL HØGSKOLENS BRUK AV MASTER-/BACHELOR- /KANDIDAT- OG PROSJEKTOPPGAVER

Forfatter(e):   **Shawn Lillefjell**

Tittel: **»Closing the Gap» An Analyse of International Project**

   Management Practices and Experiences

Studieprogram: **Master i Kunnskapsledelse**

Kryss av:

X	**Vi/jeg samtykker i at oppgaven gjøres tilgjengelig på høgskolens bibliotek og at den kan publiseres på internett i fulltekst via BIBSYS Brage, HiNTs åpne arkiv**
	Vår/min oppgave inneholder taushetsbelagte opplysninger og må derfor ikke gjøres tilgjengelig for andre **Kan frigis fra: _____**

Dato: 29.august 2013

____Shawn Lillefjell_____   _____
      underskrift   **underskrift**

_____   _____
      underskrift   **underskrift**

_____   _____
      underskrift   **underskrift**

Acknowledgement

Writing this thesis as taken a great deal of my free time, even more than I anticipated when I began to work on this project. The journey has been interesting, frustrating at times and I have learned a great deal along the way.

I really want to thank my husband for giving me time to work on my thesis and taking care of our children when I have not had the time. I especially want to thank him for being patient and supportive.

I want to thank my three boys for being patient and supportive when mama had to work on her paper and didn't have time to play. It was pretty amazing when they all wanted to be up in my home office to work on their "masteroppgaven" together with me while I was working on my thesis. It was a competition between all of us as to who could write the most number of pages that day. They beat me every time.

I would like to thank all of the project managers that took the time to participate in the interviews and took an interest in my project. I would like to thank my company for allowing me to take a closer look at project management and client relations within the organisation.

I would like to thank Hege Børve, my advisor for giving me her support, inspiration and insight as I worked on this research project. I especially would like to thank her for reminding me to keep an eye on the big picture and not get bogged down or worry about the things that were not really that important while working through this process. She taught me a new phrase in Norwegian that I used when I thought that I was getting off track in my writing.

Thanks to my Mom for giving me feedback on my thesis. I really appreciated her help and positive thoughts in the final phase of writing my thesis.

Abstract

As globalisation has increased, companies around the world have expanded their products and services in order to reach markets beyond their borders. This thesis will examine a project-based, Norwegian company, Technical-R-Us that delivers products and services to international clients. This thesis will look at the institutional factors found in the Scandinavian culture and how these impact both project management in the organisation when working with a project team and client relations with international clients.

Some of the inherent traits found in the Scandinavian leadership model are: democracy, equality, high levels of trust and employee involvement. These traits impact how project managers interact with the project team during the different phases of the project; how tasks are delegated to the team; and how individuals on the project team are challenged and developed in their roles. Trust is a significant factor in the relationship between the project manager and the project team and this can be reflected in the "hands-off" management style found when examining the project management style used primarily at Technical-R-Us. When examining project management styles, another style was found to exist called the "hands-in" style which is a deviation from the style found in the Scandinavian leadership model.

Important factors for Norwegian project managers at Technical-R-Us regarding client relations are: high levels of trust, openness and collective orientation to solve challenges together with clients. When exploring client relations between Norwegian project managers and foreign clients, a critical success factor for international project management is the project manager's ability to develop cultural awareness skills. These skills are important not only when creating an awareness of and knowledge about cultural differences in general, but also understanding how the individual's own mental programming can potentially impact interactions with clients from other cultures. For companies operating internationally, training staff in cultural awareness skills can increase the likelihood of success in the global market; thereby, potentially increasing a company's competitive advantage.

Table of Contents

List of Tables

1 Introduction

"To do business worldwide it isn't enough to apply a one-style-fits-all universal business model. You also have to empathize with a country's culture. This means understanding how your clients and suppliers see and do business, and recognizing that their processes may be very different than yours", (Tomalin and Nicks 2010:3).

1.1 Globalisation and international project management

The industrial revolution was a technological revolution from hand production to mass production through the use of machines. This revolution led to the advancement and creation of the industrial society. With the development of the industrial society, the standard of living for the average family improved and there was sustained growth both economically and industrially (http://en.wikipedia.org/wiki/Industrial_Revolution,_22.June 2013). The management style used at the end of the industrial revolution was based upon Frederick Taylor's scientific management theory. This theory is based upon the premises that the worker and the machine produce the product and that management controls and regulates how the work is performed.

During the 20th century, there has been a transformation to what has been referred to as the post-industrial society which is defined as a "society where the service sector is dominate and knowledge based goods/services has replaced industrial manufactured goods as the main wealth generators", (Hislop 2009: 5). Knowledge and information have played a significant role in this type of society. Professional service work, which includes the creation, use and application of theoretical knowledge or knowledge work, takes precedence over manual labour.

With the creation of the post-industrial society, a new type of worker emerged, the knowledge worker; however, there are different perspectives or definitions regarding what exactly a knowledge worker is. In Hislop (2009), the author presents different perspectives on knowledge workers. One perspective is the professional knowledge worker perspective, where a knowledge worker is defined as "a person whose work is primarily intellectual, creative and non-routine in nature, and involves both the use and creation of abstract/theoretical knowledge", (Hislop 2009: p. 75). Another perspective is "all work is

knowledge work", this perspective "includes all workers whose work involves a reasonable amount of tacit and contextual and/or abstract/conceptual knowledge", (Hislop 2009: p. 77).

Today, knowledge is the key source of a company's competitive advantage (Hislop 2009). The requirement for competent staff that pursues and develops innovative ideas and creative solutions has been an advantage for people with higher education. As a result of this influx of staff, this has changed the culture of companies (Siggard Jensen 2008).

To further demonstrate the importance of knowledge on a global level, below is the following statement from Organisation for Economic Co-operation and Development (OECD) which reflects the importance of knowledge in the framework of knowledge management globally (OECD 1998, in Siggard Jensen 2008:131):

> *For industrialized countries the ability to produce, select, adapt, commercialize and use knowledge has become critical for sustained economic growth and improved living standards. Knowledge is now the most important factor in economic development. Long term growth in OECD economies depends on maintaining and expanding the knowledge base. The real growth of value added in knowledge based industries has consistently outpaced overall growth rates in most OECD countries in the past two decades. For example, the share of knowledge based industries in the total national value added has increased from 51% to 59% in Germany, from 45% to 51% in the UK and from 34% to 42% in Finland. The process of globalisation is accelerating this trend as knowledge and skills – in the form of technical, innovation and human capital – are increasingly at the core of a company's competitive advantage.*

Therefore, it is critical for knowledge intensive organisations to have knowledge workers to either maintain or increase their competitive advantage.

The term globalisation or internationalization has become a more common term for most industries. It has changed the way that businesses operate domestically and how they operate outside of their national boundaries. Globalisation has changed the way that we view the world and involves many aspects which affect our day-to-day existence, leading to the creation of new strategies and practices by organisations to accommodate the diversity that occurs across countries around the world.

Although international business has existed for centuries, the way business is conducted has changed in the 20th century is due largely to "global economic activity that includes worldwide production and distribution, as well as increasingly large number of international joint ventures, multinational mergers and acquisitions and global strategic alliances", (Adler 2008: 8). Globalisation has led to an increased interaction between countries. Thereby, reducing

the importance of borders between countries and countries have become even more linked together than if they had been a single, national state (Mead 2005: 243). This linkage occurs through global organisations and their operations in multiple countries. Cross border institutions or organisations are strengthened; subsequently, this continual interaction only increases the strength of the organisation. Organisations that operate only within the boundaries of one nation state can be threatened by these global organisations.

Internationalization has impacted how project management functions in organisations. As stated by Tomalin and Nicks (2010), the one-style-fits-all universal business model does not apply when working internationally. For international project management, it is important to understand the context and the institutional factors which influence the client, the suppliers and even the project team members on international projects.

Scandinavian countries are members of OECD and as such, these countries can be affected by globalisation resulting in an increase of knowledge based industries in their home countries due to innovation, technical advances and the skills of their workforces. The leadership style in Scandinavia has been singled out as a leadership model prevalent in only Denmark, Sweden and Norway, hence the name. The Scandinavian model of leadership focuses on democracy in decision making, strong union involvement, employee involvement and gender equality.

The focus of this thesis is on how an organisation functions in the global market and how a company maintains their way of doing business or adapts to the global market place. I will look at project management and project management practices in a global organisation when managing projects involving international clients in the organisation's home country.

1.2 Research question

I will look at a company that interacts with international clients at a project management level, whom potentially use other management styles than the company, and how these differences can influence how a Norwegian based firm executes projects with special emphasis on communication and negotiation techniques. In addition, I will address project management in general; how project teams function; and how knowledge workers on international projects are managed.

The main research question for this master thesis is:

How can project managers, working with project teams, be successful in international project management?

In order to answer this question, I have two subordinate questions which assist in answering the research question. They are:

- *How do project managers lead project teams?*
- *How does cooperation occur with international clients?*

I shall explore these research questions through the use of a case that is based on project management experiences at one of the sites of a global company operating in Norway. The products and services produced in Norway are for both international and national clients. However, the focus of this thesis is on the interaction between the company and international clients. I will explore what characterizes the Scandinavian leadership model and how this influences project management on international projects. In order to do this, I will look at how project managers conduct project management at the site when working with a project team and how project managers interact with international clients based upon their practices and experiences.

1.3 Structure of the thesis

In order to answer the overall research question, I will present in Chapter 2, the relevant theories and previous research on globalisation, institutional theory, project management, working with a project team and intercultural relations with foreign clients. In Chapter 3, I will present the research methods that I have used gathering the data, assessments regarding the analysis and a presentation of the case organisation, Technical-R-Us. I will divide my analysis into two different chapters, Chapters 4 and 5.

In the Chapter 4, I will explore the formal requirements for project managers and how they work with the project team during different phases of a project. In the second analysis chapter, Chapter 5, I will explore how project managers work with international clients during different phases of the project. In Chapter 6, I will review the findings from the research chapters and I will summarize the findings of this thesis when exploring how project managers, through working with project teams, can be successful on international projects.

2 Theory

In this theory chapter, I will look at the concepts of globalisation; discuss the concept of institutional theory; look at the Scandinavian model/Nordic model of leadership; define classical management, scientific management, leading to the evolution of project management; describe project management, the role of the project manager and working on a project team. I will further look at international project management; define and discuss the concept of culture; and describe the role of the project manager in managing the differences through cooperation, communication and negotiation. Then, I will look at intercultural communication training and how this pertains to international project management.

2.1 Globalisation

Globalisation has led to the sharing of information, products, services and innovation across countries, across continents almost instantly with the click of a computer button. There are different aspects of globalisation which include: political aspects, global trade and global capital. The political aspects of globalisation includes that both national and international bodies are becoming increasing more dependent on each other. An example of this is that the United States of America (USA) since World War II has used its financial and military might to be a superpower in the world order (Mead 2005). Countries that comply with USA have been able to participate economically with USA and her allies. Countries, such as, Burma and North Korea that have not complied with the global standards set by the world community, have been cut-off economically from the democratic world which has had significant impacts to the civil populations in these countries.

Global trade encompasses both the positive side of increasing international trade and a more negative side that threatens the organisations in their home country due to increased competition by foreign competitors and also potential exploitation of the local labour market, as has been the case for some third world countries (Beck 2009). A significant effect of globalisation is that companies that can now produce the same product at a lower price; thus, driving the non-competitive organisation out of the market.

According to Mead, global capital means that there is an increase in the mobility of capital around the world and this increase impacts national economies of nation states (Mead 2005). This is not a new development as one could argue that global capitalism began centuries ago with examples pointing to the trade by the Royal Dutch Indies and Rothschild banking beginning in France and expanding to other offices in Europe (Mead 2005). However, the mobility has increased due to the technological advances that have occurred in the 20th century.

The global economy is not just the flow of goods, but the flow of capital, people and information. Time and space are no longer barriers to the execution of financial interactions around the world, as transactions can now occur on a 24-hour basis. International mergers and acquisitions and international travel both for business and tourism has increased significantly since 1960 (Kanter 1999: 563). The world is connected and information can be broadcast to almost any part of the world simultaneously through the internet.

Mead (2005) looks at globalisation as processes that have historical and cultural roots beginning in the late 1970's with the internationalization of finance, production and development of information technology. Globalisation has contributed to growth in many countries. Corporations have often relocated their staffing needs from a country with higher wages to a country with lower wages; hiring local, qualified workers to perform jobs previously held in the higher wage country.

Globalisation can occur if the competition in a domestic market is tougher than it has been historically, causing the organisation to expand sales and/or operations to other countries as a way to generate revenue and spreading costs over a larger production and a larger volume of sales (Schramm-Nielsen et.al 2004).

Thus far, the focus has been on defining globalisation from a historical perspective; and globalisation based on a number of different factors such as politics, trade and global capital. The next section will look at multinational and global companies; what are they and what type of focus these firms should have to be successful on a global market.

2.2 Multinational and global companies

As defined by Mead (2005), global/multinational companies are "those companies that own and manage investments located in countries other than headquarters", (Mead 2005: 249). In different industries, companies are now integrating their businesses across country boundaries. "Some companies seek world products that can reach every part of the world at the same time, made in fewer places for bigger markets, and supported by global procurement and global marketing", (Kanter 1999: 564). The overall size of multinational organisations allows them to achieve significant economies of scale in manufacturing and product development (Kanter 1999 and Mead 2005). In addition, there is an advantage to operating globally as companies are exposed to new and different ideas and different opportunities due to this global interaction.

According to Adler (2008), a number of industries became multinational corporations in the late 1980's, (Adler 2008: 10) and the focus of the multinational organisations was primarily on price and/or cost. This timeline differs slightly from Mead and Kanter who stated that globalisation began in the late 1970's. However, Adler is in agreement with both Kanter's and

Mead's viewpoints on multinational organisations in which the primary focus was on cost and economies of scale as the competitive advantage. This reflects the variations with regard to the beginnings of globalisation. However, the reasons for the upstart of multinational corporations are the same.

Adler (2008) introduces the idea that there has been another phase called the "global phase". Industries that have moved from the multi-national phase to the global phase focus on the following: a global strategy; competitive advantage will occur through strategic thinking; cultural sensitivity is critically important for the success of the organization; competitive advantage also occurs through mass customization and outlearning the competitors; and the strategic assumptions for the organization are that there are "many good ways" to be successful, (Adler 2008: 12). These global organisations design their products and services from information received from worldwide sources. However, when they are going to design their products and/or services for specific market niches, culture with regard to nationality, cultural norms and ethnicity, will prove to be a significant factor as a competitive element.

Adler (2008) furthers argues that "successful global companies competing under transnational dynamics need to understand their potential client's need, no matter where in the world their client lives", (Adler 2008:13). This means that they must produce goods and services that meet their client needs and that their client's receive these goods and services in a manner that is culturally acceptable to them. This phase has evolved from the multinational phase because the focus is on the culturally designed functionality of the product and/or service which is produced at a "least-cost" production worldwide. Mead states that "globalisation reflects an ideology of modernity and the assumption that a single, universal community can be established founded on principles of reason that are accepted by everyone", (Mead 2005: 258-259).

The concept of the global phase of globalisation affects project teams in that they should not only focus on the concerns of scope, cost, schedule and quality; but also, the team must evaluate the time-zone differences; the way the product fits in the cultural framework of the country the organisation is marketing in; travel requirements for meetings and other logistics regarding communication; and the political stability in the country where the project actually is located or the political differences of their clients (Project Management Institute 2000, Turner 1999 and Adler 2008).

Globalisation has impacted the way that corporations do business; it has created multinational corporations which operate across borders of countries. Globalisation has improved and/or changed the economies in some nation states impacting global trade, global capital and politics.

I will now look at institutional theory as nation states have their own unique, internal institutions within their countries with regard to legislation, norms and cultural ways of acting.

Multinational corporations operating in countries other than their home country must, at a minimum, be aware of the legislation requirements for operating in different countries where they are located. However, as referenced in Adler (2008), to be successful it is critically important to be culturally sensitive to how these countries operate based upon their norms and their cultural ways of operating. This implies taking the global and local environment into consideration when operating outside of one's home country.

2.3 Institutional theory

In order to understand institutional theory, one must first define the term, institution. According to W. Richard Scott's (1995), "institutions consist of cognitive, normative, and regulative structures and activities that provide stability and meaning to social behaviour. Institutions are transported by various carriers – cultures, structures and routines- and they operate at multiple levels of jurisdiction*",* (Scott 1995: 33). Based on this definition, "institutions are multifaceted systems incorporating symbolic systems- cognitive constructions and normative rules- and regulative processes are carried out through and shaping social behaviour", (Scott 1995: 33). It is important for companies operating internationally to look at the institutions that can potentially affect international project management.

These three structures or pillars of institutions have significance with regard to global business. This is due to how the institutions in different countries react to the multinational/global corporations that operate in or sell goods and services to these nation states.

2.3.1 Three pillars of institutions

I will now discuss the three pillars of institutions which are: regulative, normative and cognitive.

Regulative aspects of institutions focus on controlling and standardizing behaviour. These regulative processes create rules, review and secure the conformity to the rules and create sanctions for not adhering to the rules or rewards for compliance. In the context of this paper, this includes national laws, regulations, standards and sanctions.

The next pillar is normative institutions which include both values and norms. Values define the expectations with regard to the preferred way to operate; in this case, in terms of an organisation. Norms specify how things should be performed and are morally governed.

The final pillar is the cognitive system which is the system that is culturally accepted and typically taken for granted by the participants. These pillars are reflected in the chart on the next page.

	Regulative	Normative	Cognitive
Basis of compliance	Expedience	Social Obligation	Taken for granted
Mechanisms	Coercive	Normative	Mimetic
Logic	Instrumentality	Appropriateness	Orthodoxy
Indicators	Rules, laws, sanctions	Certification, accreditation	Prevalence, isomorphism
Basis of legitimacy	Legally sanctioned	Morally governed	Culturally supported, conceptually correct

Table 1: Varying emphases: three pillars of institutions (as referenced in Scott 1995: 35)

These three pillars interact with each other; members of society accept them without thinking about it because it is a normal part of day-to-day life. The three pillars are the basic rules in the social structure of society and the institutional pillars must be followed by the members of society.

There are different schools on institutional organisational theory. I will concentrate on new institutionalism as it focuses on the sociological impacts on organisations through the structure and order that can benefit some organisations and that same order and structure can limit the ability of others.

With globalisation, there is interaction between international organisations and nation states or the national institutional framework that organisations are operating in. The next question is: how are organisations affected by the institutional forces that they work in? Organisations are regulated by laws and legislation, but they are also subjected to the rules of the market and their adherence to the cultural norms where they operate in order to be successful (Scott 1995: 99). Despite the fact that all organisations can operate within the same institutional framework and are affected by the same institutional forces within the environment that they are working in, each organisation can react and develop differently from each other. This can be caused by how the organisation's own institutional framework adapts or interacts with the institutional environment where the organisation is operating.

Institutional frameworks are also established in organisations through the development of a corporate culture. I will look at four of many definitions of corporate culture, according to Trompenaas and Prud'homme (2004) to assist in understanding how corporate culture impacts an organisation and the members in it. These definitions are:

- *The way we do things around here.*
- *A system of informal, unwritten rules.*

- *A system of shared values, beliefs, assumptions that guide attitudes, behaviors, systems and practices in our organization.*
- *What the members of the organization perceive as being central, enduring and distinctive about it,* (Trompenaas and Prud'homme 2004: 13-14).

These definitions can be further broken down and defined. The way that we do things includes the formal structure, systems and process in the organisation. In addition, this includes the use of language, i.e., the technical terms specific to the organisation and technical area of expertise.

A system of informal, unwritten rules means knowing how things are done in the organisation. These rules are learned in the socialization processes as a new employee. This includes historical stories about employees or leaders that help define the firm and what they stand for.

 A good example to understand what members of an organisation perceive as central and enduring, is the 3M's rule that technical staff will use 15% of their time to products that they are interested in developing which reinforces of 3M's key principle regarding innovation (Trompenaas and Prud'homme 2004).

When working on projects with different stakeholders, company culture can influence relations with the stakeholders on the project and for international projects; this can be even more challenging with not only corporate cultural differences, but also national cultural differences. Hofstede et. al. (2010) maintains that organisational culture has similar "collective programming" as national culture. However, at the organisational level, it does not tend to be as deeply rooted as programming at the national level (Koster 2010).

It can be important to look at the institutional framework of the Scandinavian leadership model and to develop an understanding of the characteristics of the model and how it functions in Scandinavia.

2.4 Scandinavian leadership model

The Scandinavian leadership model includes the countries of Norway, Sweden and Denmark. Each country is unique in many respects; however, there are societal and organisational similarities in all of the Scandinavian countries. According to Schramm-Nielsen et. al. (2004), these are:

- *Similar philosophy in societal institutions*
- *Strong trade unionisms*
- *Advanced welfare states*
- *Social solidarity*

- *High level of general education*
- *High female participation in the labour market*
- *Small wage differential,* (Schramm-Nielsen et. al. 2004: 150).

Norway, Sweden and Denmark are involved at some level with globalisation either working in their home country, working on projects in another country or marketing/selling goods and services to foreign markets (Schramm-Nielsen et. al 2004). Democracy, equality and employee involvement in decision making in the Scandinavian leadership model is a different way of managing employees in comparison to hierarchical methods of leadership that can be found in industries from other countries operating at a global level.

It is important to look at the leadership model used in Scandinavia to develop an understanding of the institutional framework and management style used in Norway. Norwegian companies management styles are typically based on the principles of the Scandinavian model of leadership. The Norwegian workforce is generally born into the Norwegian social welfare model which the Norwegian society is based upon and is accustomed to the Norwegian institutions.

The Scandinavian leadership model or the Nordic model is the Scandinavian method of management. It builds on the Scandinavian welfare model, one of three Western welfare models, where the other two are the Anglo-Saxon and continental European (Rennemo 2011). Each model has its own, unique characteristics of how welfare benefits are produced and distributed. The Anglo-Saxon and the continental European model formed the basis for welfare benefits, respectively, on the market or on the social partners involved (Irgens and Wennes 2011). In contrast to these, the foundation of the Scandinavian welfare model is underpinned by democracy, equality for all and is funded through reallocation of taxes (Rennemo 2011). This reallocation is based partly on the principles that individuals pay according to their ability and it is based on the level of need of the individual so that collectively members of society are relatively equal.

The Scandinavian model of leadership is based upon welfare, democracy and equality for all, with a strong focus on gender equality and the involvement of employees. Within this model, there is a focus on relationship building in management models and there is a high degree of autonomy and self-management of work by the employees. In this respect, the model safeguards the conditions for knowledge workers in the organisation. This means that employees, who have knowledge and understanding of the issues and solutions, create objects of knowledge based upon their own individual knowledge more than on the basis of orders, instructions or procedures (Irgens and Wennes 2011).

A universal trait in Scandinavian management is the importance of the decision making process itself. For example, the decision making process during a meeting should be open, where the participants in the meeting have the ability to influence the outcome of the decision.

This is an important component of this management style. There should not be a meeting before the meeting where the decision is made only by a few people, a decision making style that can be often found in other cultures. This is the antithesis for the democratic involvement found in the Scandinavian leadership model. The participation in the decision making process gives the participants the information to understand the reasons for the decision. Thereby, increasing not only the likelihood that they will participate in the implementation process, but also have ownership in its implementation if they have been involved. This creates a type of loyalty to the decision making processes even if the outcome is not necessarily in their favour. In general, managers in Scandinavia strive to delegate responsibility and share power in decision making processes with all levels in the organisation (Schramm-Nielsen et. al. 2004: 161).

Trade unions have a strong tradition in Scandinavia. "In many factories, union representatives are involved in so many decisions related to employment, health, security and social issues that they are almost a part of the HR department", (Schramm-Nielsen et al 2004: 164). With regard to management-workforce relations, there is a strong degree of cooperation. In this model, there is delegation of responsibility down to the lowest possible level in the organisation. Employment empowerment is another trait in this leadership model which "represents a great potential for creating an offensive organisational flexibility", (Schramm-Nielsen et. al. 2004: 165).

Interpersonal relations within Scandinavian organisations focus on cooperation and inclusive, fair decision making processes. Additional characteristics are: informal; direct communication; egalitarian, and conflict avoidance (Schramm-Nielsen et. al. 2004). Managers typically do not give direct orders to their staff. Managers talk with all personnel within the organisation equally from the president to the janitor. Equality is a critical value in this leadership model. Personnel within an organisation are expected to work together professionally even if there is a conflict between parties. The overall goal is cooperation both horizontally and vertical within the organisation, consensus and teamwork.

As part of the Scandinavian model, "cross functional teams are created to work towards common goals and that they are given extended authority and responsibility for getting there", (Schramm-Nielsen et. al. 2004: 176). This reflects a significant amount of trust by management in the organisation.

When analysing if there was Scandinavian homogeneity between Sweden, Norway and Denmark, Schramm-Nielsen et. al. (2004) found the following:

- *A management style characterized by informality, equality and restraint.*
- *Paralleled by generally flat hierarchies, compressed salary spreads and low fringe benefits.*

- *A consensual, participative and inclusive approach to decision making and change implementation.*
- *A reluctance by most managers to articulate their power, an inclination to reasonableness and quiet persuasion rather than to charismatic dominance.*
- *A market and/or customer focus tending to promote coordinative mechanisms across hierarchies and between different departments.* (Schramm-Nielsen et. al. 2004: 181)

A high level of education within the workforce is a characteristic in Scandinavian countries, indicating that there are a high number of knowledge workers. The values of equality; autonomy in performing tasks; consensus; and solving problems in groups are prevalent in this management style. Close supervision which can be found in other global management styles is deemed unnecessary in Scandinavia and is not welcomed by the Scandinavian workforce (Schramm-Nielsen et. al. 2004).

When looking at Norway's participation internationally, the country has historically had success with whaling; trading; shipbuilding; fishing; off-shore oil extraction and processing; and world renowned fame with polar exploration (Schramm-Nielsen et. al. 2004).

Following World War II, Norway received economic aid through the US Marshall Aid program. One requirement to receive this aid was that the Norwegian economy had to be more internationalized and resulted in trade and custom barriers being removed. In addition, Norwegians had to be open to American management strategies (Heiret 2006:105). This was reflected in the influences of Taylor's, Scientific Management theory and Kenning style of management beginning in the 1950's. These styles have roots on the North American style of leadership model in which leadership is based on authority and power (Levin et. al. 2012: 108). Kenning's philosophy maintained that technical management was not as important as the professional ability to manage. According to Kenning, a leader could lead any discipline regardless of their actual technical competence if they were a professional manager and had studied management (Byrkjeflot 2002). This type of hierarchical style of leadership was contradictory to the traditional cooperation model found in Norway.

In general, Norway follows the same pattern as the other Scandinavian countries; however, the unions in Norway play a large role in all organisations both public and private. In Norway, there is the Norwegian cooperation model which is defined as the cooperation and collaboration between management and labour unions. According to Levin et. al. (2012), the characteristics which reflect the cooperation model at the business level are: "high levels of trust between management and employees; Norwegian businesses handle disagreement and conflicts relatively constructively; cooperation between management and employee representatives has high legitimacy; and there is a willingness to cooperate between the

different parts (labour unions, management and employees) to maintain corporate competitiveness", (Levin et. al. 2012: 27).

Characteristics of the normal work life in Norway in the year 2000 are: high work participation for men and women; low unemployment; small difference between high and low salaries, prestige and authority; work conflicts are low and employee satisfaction is high (Levin et al. 2012).

When looking at globalisation and the impact on Scandinavia, the advantages for the Scandinavian countries of Norway, Sweden and Denmark on an international level are that these countries have "open economies; are in favour of free trade; have favourable trade balances; are keen exporters; and in all cases, foreign trade constitutes a significant proportion of the GDP (Gross Domestic Product)", (Schramm-Nielsen et. al. 2004:188). In addition, these countries have good English speaking skills which enable to them to communicate effectively with international stakeholders.

I will now discuss different management styles that have evolved over time leading to the development of management styles found in knowledge organisations and project management.

2.5 Historical management styles

Styles of management and management theories have changed over time based on the developments and needs of the era, different of these theories are: classical management theory, the development of scientific management and one of the current management theories, knowledge management.

2.5.1 Classical management theory

The founders behind the classical management theory had their origins in the military and engineering. This model of leadership is based on hierarchy, where items complement each other and where the authority is held and maintained at the top. The founders of this theory considered management as a process, consisting of: planning, organizing, orders, coordination and control (Morgan 2004: 30). Many of the management tools that are in use today come from these models. As Information Communication Technology (ICT) has entered the field, several tools have been digitized and used to control the organisation's development, objectives, budget, etc. In this management theory, it is viewed that people will adapt similar to how machines have been adapted because they were specially selected and trained to perform particular jobs.

2.5.2 Scientific management

With the industrial revolution and the subsequent advances in technology, this led to an evolution in the workforce itself and how they performed their jobs. With the development of the assembly line, mass production and machine-oriented organisations, a new type of worker was created – the industrial worker. This allowed for the creation of a new management theory called scientific management, developed by Frederic Taylor in the second half of the 1800's. This theory holds that management should control all planning and management responsibility. The worker should not think, just complete the tasks he was given by management. The tasks should be completed in the most efficient manner which was determined by management, who were focused on optimizing production processes. The work was supervised and tasks were measured in time and motion to find the best possible time saving methods and the most effective ways to perform tasks.

Scientific management emphasises that only management has the necessary and proper knowledge to make decisions; employees were one of the tools to perform the job task, similar to the machinery used to perform the task. As a consequence of the way this work was led, there was a high turnover of staff. Due to the simplification of tasks, it was easy to replace those who quit. Taylor's management system is focused on repetitive work (Koster 2010). Employees were seen as part of a machine that could easily be replaced if something did not work, and many employees experienced work as boring and alienating. During this period, organisations typically had a high number of employees with a relatively low–level education and very few managers to manage this staff (Siggard Jensen 2008). This type of management is often used today in assembly line production, manufacturing and fast food chains (Morgan 2004).

2.5.3 Knowledge and knowledge organisations

There has been an evolution from scientific management or management by control to knowledge management in which organisations manage the knowledge of their workforce. "The demands for competence and the quest for innovation and creativity seemed to favour people with higher levels of education attainment fundamentally changed the culture of companies", (Siggard Jensen 2008: 131).

It is important to define knowledge in order to have a clear understanding of how this impacts knowledge organisations. In Hislop (2009), knowledge is classified in two different types: explicit and tacit knowledge. Explicit knowledge is defined as objective, impersonal, codifiable, content independent and easy to share (Hislop 2009: 23). Explicit knowledge can be expressed by formal language and knowledge that can be shared through the use of information technology (IT) tools and mathematical equations to give examples.

Tacit knowledge is subjective, personal, context specific, inexpressible in a codifiable form and difficult to share (Hislop 2009: 23). Tacit knowledge is more informal, difficult to specify

to others; is integrated in the culture; and the knowledge is the assumption of the person that has it and uses it. Tacit knowledge is difficult to quantify in the same way as explicit knowledge because tacit knowledge is comprised of the physical, cognitive and bodily skills like, for example, riding a bike. Employees in an organisation use both tacit and explicit knowledge when performing their jobs.

I will now discuss what knowledge work is. There are a number of definitions for knowledge work and there is disagreement among different theorists with regard to what exactly knowledge work is (Hislop 2009). Irgens and Wennes define knowledge work as "work that is not very routine-based, difficult to standardise, and the answers as to how the tasks are to performed are primarily found within the professional knowledge that employees have access to and develop through practice", (Irgens and Wennes 2011: 15).

Frenkel (1995 in Hislop 2009) creates a conceptualisation of work where creativity is measured from high to low. According to Frenkel (1995 in Hislop 2009), the work is characterized by two predominant forms of knowledge used, contextual or theoretical knowledge. The types of skills involved in this type of work can be divided into three different categories: intellective, social and action-based skills (Hislop 2009: 75).

According to Empson (2001 in Hislop 2009), there are two main types of knowledge that workers in a knowledge intensive firm are required to use. The two main types are technical and client knowledge. Technical knowledge includes formal education, specific knowledge about the organisation and its products and the sectorial knowledge which is shared with staff in other organisations. Client knowledge includes knowledge at the industry level such as: the factors impacting competition in the industry; company knowledge which entails knowledge of the specific organisation, the client's culture and how they do things; and knowledge of and relationships with individuals in the specific organisation.

For the purpose of this thesis, I will use the definition by Irgens and Wennes that knowledge work is work that is not routine, difficult to standardise and that workers have the skills to perform the tasks and further develop these skills through practice. As stated by Empson (Empson 2001, in Hislop 2009), there are two types of knowledge that people in knowledge intensive firms must use which are technical and client knowledge. I will include Empson's (2001) elements of technical and client knowledge in how I define a knowledge worker as technical expertise and client knowledge can be of importance when competing in a global market. This is one of the ways that the organisation wins projects and has repeat clients. Thereby, increasing the company's potential for profit and their competitive advantage.

According to Alvesson (Alvesson 2000, in Hislop 2009), knowledge intensive firms are "companies where most work can be said to be of an intellectual nature and where qualified employees form the major part of the workforce", (Hislop 2009: 73). A more comprehensive

definition of knowledge intensive firms, as outlined by Swart et. al. (Swart et. al 2003, in Hislop 2009), is that these firms have the following features as listed in the chart below:

Feature	Characteristics
Structure	Typically have flatter, less hierarchical and more fluid structures than traditional bureaucratic organisations. Use of project based work is also common.
Primary source of competitive advantage	The knowledge, skills and efforts of the workforce represents the primary source of competitive advantage.
Workforce	A large proportion of the workforce is typically highly qualified (often to at least degree level)
Work processes	Work is typically team/project based, with workers/teams having high levels of autonomy. Work also typically creative and non-routine.
Product and services	Typically complex and non-standard, being customized and designed for the specific needs of individual clients.
Markets	Highly competitive and dynamic markets, with competition more on quality of product/service than cost/price.

Table 2: Distinguishing features of a knowledge intensive firm
(Source: from Swart et al. 2003, in Hislop 2009: 74)

This chart describes the structure knowledge organisations as flat, not as hierarchical as traditional bureaucratic organisations. The workforce is highly qualified fitting into the classification of a knowledge worker who has a high level of autonomy and whose work is creative and non-routine. Knowledge organisations are often project based and the organisations operate in dynamic and competitive markets where the competition is based on the quality of the product/service rather than price. These organisations produce products which are customized and designed to meet the needs of their clients.

The knowledge, skills and effort of a typically highly educated workforce who have a high level of autonomy doing project based work leads to the next topic of the evolution of project management.

2.5.4 Evolution of project management

From a historical perspective, project management evolved from the general systems theory and the basis for the theoretical framework beginning in the 1950's as an off-shoot of classical and scientific management. The development of project management was further developed by USA in order to develop new management approaches with the changing environment which lead to projects with greater complexity (Koster 2010). This complexity led to the creation of the project management methodology and the evolution of companies using a more formal approach to project management in the 1970's and 1980's to handle

larger and more complex tasks. These more "complex tasks resulted from the following trends: technology developments increasing very quickly; product development becoming more resource intensive; availability of more information; and increasing pressures on new product or service development", (Koster 2010: 10).

With increasingly more complex tasks as project management has evolved, this has created a need for a different kind of worker to assist in managing the complexity. This type of worker, the knowledge worker, can be found working in knowledge organisations which have a tendency to be project based (Hislop 2009). Project management has become even more complex due to effects of the globalisation process and the increase of international project management (Koster 2010). Project management and its methodology will be discussed in the next section 2.6 on project management.

2.6 Project management

In order to develop an understanding of project management, the basic principles around project management should be explored by defining: project management in general; the role of the project manager on a project; what is working in a project team and project management on international projects.

2.6.1 Definition of project management

The development and use of project management began in 1945 by the US-American Department of Defense and National Aeronautics and Space Administration (NASA) with weapons and space projects as USA entered the Cold War in an attempt to win the weapons race with what was then the Soviet Union led by Stalin. Thus, project management has an Anglo-American approach (Turner 1999, Koster 2010). However, according to Turner (1999), "project management is a social science which will be applied differently by different cultures", (Turner 1999: 493). This is important to note as it demonstrates that the project management methodology can be adapted to the institutional context of the country executing the project.

A "project management mind-set involves seeing complex work from a big picture perspective, planned and implemented systematically, often in phases with a beginning and end point", (Weiss 2001: 158). Project Management Institute (2000) holds that project management is the "application of knowledge, skills, tools, and techniques to project activities to meet project requirements", (Project Management Institute 2000: 6). For the purposes of this thesis, I will use a combination of these two definitions to define project management with the following characteristics: the application of knowledge, skills, tools and techniques to project activities which are planned and implemented systematically to meet the requirements of the project.

A project is defined as any work that "involves multiple priorities, complex and numerous tasks, deadlines, constant communication across organisational boundaries, and limited resources", (Weiss 2001:157). The Project Management Institute (2000) defines a project as a "temporary endeavour undertaken to create a unique product or service", (Project Management Institute 2000: 4). Most project teams are created for the sole purpose of executing the project and they dissolve after the completion of the project.

Project management involves several processes or phases: initial phase, planning, execution, controlling and closing. These phases depict the life of a project. A project team during the course of the project is faced with different challenges that include: competing demands with regard to the scope of the project, time demands, cost, risk and quality; the stakeholders and/or clients who have different expectations or needs; and managing the identified requirements in the project.

According to Project Management Institute (2000), the project management knowledge areas are divided into nine knowledge areas with associated processes which are the framework for project management. It is the responsibility of the project manager to ensure that the team members who share responsibility for these knowledge areas perform their jobs well to assist in the successful delivery of the project. These knowledge areas are:

1. Project integration management involves plan development, execution and handling changes during the life of the project.
2. Project Scope Management; these processes ensure that only the required work is completed during the project. This includes defining the scope, planning and managing the scope of work if there are changes in the project.
3. Project Time Management; this process ensures that the project is delivered on time. This includes developing a schedule, defining and creating activities and managing the schedule and activities.
4. Project Cost Management; these processes are that ensure that the project is delivered within the approved budget.
5. Project Quality Management; this includes quality assurance and quality control processes ensuring that the project is delivered in accordance with quality demands.
6. Project Human Resource Management; these are processes which ensure that people working on the project are used effectively in their roles. This includes organisational planning, acquisition of staff and team development.
7. Project Communication Management; these are processes that include the dissemination of project information both internally in the organisation and project team and also externally to the client. This includes performance reporting, communication planning and administrative close-out at the end of the project.

8. Project Risk Management; these are the processes which identify, analyse and control risk.
9. Project Procurement Management; these are the processes which in place for acquiring and purchasing goods and services outside of the organisation. Processes include procurement planning, solicitation, selection and contracting with subcontractor and contract closeout, (Project Management Institute 2000).

The primary focus of this thesis is on Human Resource Management and the Communication Management knowledge areas of project management.

2.6.2 Characteristics of a "good" project manager

The leader of a project is a project manager and as such, a project manager is required to have a number of managerial skills to be successful in leading and delivering the project (Project Management Institute 2000). Examples of these are: finance and accounting; strategic management skills; personnel management; ability to manage work relationships, including motivating staff, delegating, team building and conflict management; and managing their own personal needs such as stress and time management (Project Management Institute 2000).

According to Turner (1999), effective project managers have the following characteristics: problem-solving ability and results orientation; energy and initiative; self-assured leader; perspective; and communication and negotiation abilities. When managing a project, project managers are typically under a great deal of pressure and they have to continue in this situation for a given period of time. Therefore, they should possess a great deal of stamina and drive and the wherewith all and the vision to see the action or response that needs to be done, take action and do it.

As referenced in Turner (1999) and Koster (2010), project managers must have the ability to solve complex problems which occur during the project. In addition, they need skills to analyse the current work situation that they are in and be able to identify reoccurring patterns. A project is a problem that must be solved in reality; how does one complete the project on-time, on-budget and with the right quality. The project manager handles the challenges which occur during all phases of the project. While solving the different issues that occur, the project manager should have continual focus on the end result which is the completion of the project on time and on budget (Turner 1999 and Koster 2010).

A project manager should have the self-confidence to make qualified decisions and feel secure in their opinions and decisions. This is a strong quality for a leader. In addition, he/she should be confident in their ability to motivate their team. Project managers delegate responsibility to the project team members, they should have the confidence in the ability of their team, as well as, trust the team to successfully perform their jobs (Turner 1999). It is

important for the project team members, which typically are knowledge workers, to have autonomy and be able to make decisions relevant to their discipline or area of expertise.

A project manager should have perspective, the ability to see the big picture, not only for the project, but also determine how the project impacts the organisation, as well as, how project team members fit in the organisation. A project manager should have the ability to communicate with all levels in the organisation and with clients (Turner 1999 and Koster 2010). In addition, he/she must have the ability to motivate the team. Therefore, communication plays a key role in the success of the project. If the project manager is unable to motivate the team in challenging times or communicate effectively with the client about the challenges on the project and how to mitigate them, the project can be an unsuccessful project. Thereby, the project does not fulfil the expectations of the company with regard to profit and repeat business. Another important aspect is the project manager's ability to skilfully negotiate both prior to signing the contract and during the life of the project.

Once the contract is signed by both parties, the project begins. A project manager is usually not the department manager for the project team members or other staff that work on their projects, as an example, a design engineer that performs only one task on the project (Turner 1999 and Koster 2010). The project manager "must win and maintain the commitment and cooperation of other people through their ability to negotiate and persuade", (Turner 1999: 438). This again, emphasizes the importance of having good communication skills.

Successful project managers possess a number of skills. In addition, effective project managers have different styles of management which can be classified into four different areas: Laissez-faire, where project managers allow the team to manage themselves; democratic, where the project manager consults with the team and then makes the final decision; autocratic, where the project manager directs the team on what tasks are to be done and how to do it; and bureaucratic, where the project team is managed through the use of rules and procedures. "Many project managers have a preferred management style, but research shows that they should adapt their style to the stage of the project", (Turner 1999: 439). This is called situational management where the project manager changes his/her style based on either the situation or the phase of the project.

After discussing the characteristics of a "good" project manager, I will now move on to the next topic which is working in a project team through different phases of the project.

2.7 Working in a project team

A team is defined by Katzenbach and Smith (1993) as a "small number of people with complementary skills who are committed to a common purpose, set of performance goals, and approach for which they hold themselves mutually accountable", (Katzenbach and Smith

1993: 112 in Weiss 2001: 135). Teams have the following characteristics: shared leadership roles; individual and mutual accountability; work toward a specific purpose; deliver a collective work product; encourage open discussion and active problem-solving meetings; and measure their performance by directly assessing their collective work products (Weiss 2001: 135).

A project team is created to complete a project and can consist of people that have never worked together before and/or are new in their role on a project team. In this initial phase, the team develops their identity and a set of common values or norms for the team. This is an important development as this affects the productivity and effectiveness of the team (Turner 1999).

Project teams have five different phases in the life of a project. These phases are: forming, storming, norming, performing and mourning. Forming occurs when the project team is first established where the member's motivation is high and their effectiveness is average as they are learning how to work with the other team members (Turner 1999).

Storming is the phase where the project members begin to work together and find out that they have differences both in their approaches and their overall goals in the project. During this phase, conflicts can occur due the different approaches which can affect motivation and productivity (Turner 1999).

Norming is when the project members reach agreement on the goals of the project. During this phase, the team has created their identity and have established values and norms for the project team (Turner 1999).

In the performing phase of the project, the project team functions well together and can continue in this manner. The project manager has the responsibility for maintaining this level of performance (Turner 1999).

The last phase is mourning; the team is reaching the end of the project. There are two things that can occur in this last phase, the team can either focus on completing the project, making the last big push to get it done or the team can begin to lose their motivation as they are disappointed that the project is coming to an end. Again, the project manager should strive to maintain the level of motivation and performance as the project begins to close-out (Turner 1999 and Tomalin and Nicks 2010).

2.8 Team development

There are different tools and techniques that can be used for team development. Teambuilding in the early stages of a project can be an effective tool to clarify the identity of the team and the different roles of each project team member. Types of teambuilding

activities can vary from 5-10 minute activity during a meeting to an off-site, day meeting to improve interpersonal relations within the team. Another technique is the establishment of reward and recognition programs within the project to encourage and support desired behaviour. Another method is training, either formal or informal, to improve the skills or competence of the team member (Project Management Institute 2000).There are different factors that need to be considered with a multi-cultural team, however, this is not the focus of this thesis.

According to Weiss (2001), high performance teams have the following six factors while in the development phase of the team:

- *Commitment, this means that the team members feel that they belong to the team rather than acting as an individual.*
- *Team members trust each to fulfil their commitments, have confidence and support their teammates.*
- *Each member understands their role and how this fits into the overall organisation or in this case, the project. The members feel ownership and understand how they can contribute.*
- *Communication is a key factor. This is how the team members learn how to interact effectively with each other and with people outside of the team.*
- *Involvement which means that the team members have developed their relationship with each other, they have developed mutual respect and, reach agreement prior to committing the team to a certain action or decision.*
- *When the team develop processes in which they solve problems, plan and have regular meetings,* (Weiss 2001: 137-139).

When working in a project team, the team consists of a project manager who has been assigned by the organisation to manage the project and the members of the team who are either assigned by the organisation or by the project manager (Koster 2010 and Turner 1999). Internally within the organisation, there is competition for project team members that are highly qualified in their disciplines (Koster 2010).

The project manager's tasks are not only to have a successful project, but also to successfully lead a team. When working with a project team, the members are removed from their line or traditional discipline organisation where their performance has been typically based on following a specific career track. Once having a role on the project team, the individual's performance is now based on the performance of the team (Weiss 2001).

The project manager and the team members have a vested interest in the success of the project as their individual performance is evaluated by the success of the project. The project manager has a responsibility for the coordination and development of the team. Developing a team while executing the project is both complex and challenging; the project manager

needs to use the individual group member's energy in a coordinated way to realize a synergy effect (Irgens 2007).

Managing high performance teams requires that the project manager has different skills than those used in Taylor's scientific management. The project team consists of knowledge workers and as such, the team members are generally very skilled in their fields. This requires that the project manager have the following skills: the ability to brainstorm, listen and give/receive feedback; knowing when to lead the team and when to step back and let others lead; giving instructions to the team as well as learning from them; and coordinating the team (Weiss 2001). These are challenging skills to learn, but they are often learned by doing (Koster 2010).

This now leads to the next topic of international project management and the elements which characterize an international project.

2.9 International projects and international project management

International projects are defined as projects which involve two or more countries. International projects can be broken down into the following categories: a project in the organisation's own country for a foreign client; a project in the organisation's own country using foreign contractors; projects in a foreign country in which the organisation is the client; working as a contractor for a foreign client in the client's country; projects in a country for clients also alien to the country; and multi-national joint ventures (Turner 1999).

International projects include a number of different stakeholders. They are: senior management of the organisation, the Board of Directors; shareholders, owners of shares in the organisation; business units within the organisation or its subsidiaries, with interests in the project; employees; external customer; users of the product or service; industry such as contractors, suppliers, joint-ventures or cooperation partners; and finance providers (Koster 2010).

When an organisation works on a project in their own country, the positive side is that the organisation knows how to work in their own environment; understands the legal system; and is familiar with the local subcontractors. The primary challenge can be the cultural differences that arise when working with a client; this includes intercultural differences and that the client may have different ways of doing business or work approaches. According to Turner (1999), the project team may have an expectation that the client will try to understand the culture and the work approach in the home country of the organisation. "However, it can still be valuable (for the project team) to understand the client's culture, in order to understand their way of working and not unwittingly offend them", (Turner 1999: 483).

2.9.1 Characteristics of international projects

Characteristics of international projects include complexity, risk, uniqueness, dynamics, limited resources and diversity. There is an increased complexity with international projects due to the interaction of multiple stakeholders and geographic challenges with shareholders and cooperation partners located around the globe. According to Koster (2010), it is important for the project manager to have a structure and a system to handle the multi-interdependencies and attempt to understand the different "hidden" agendas of the different organisations involved. This should be included in the planning phase of the project (Koster 2010: 17).

The complexity of international projects increases the risk for the project itself due to a variety of reasons; for example, uncertainty in the international environment; inflation rates; political instability; and different taxation issues. International projects are unique compared to national projects in that they strive to compete for a larger market share; have the ability to increase their economies of scale; involvement of the number of organisations; alliances involved in the project; and the both regulatory and technological context for international projects can be unique due to the global nature of the project (Koster 2010).

The dynamics on international projects can change suddenly due to a high level of competition in global markets. The complex environment on international projects, where decisions need to be made quickly due to taking advantage of suddenly new opportunities or changing direction due to a change in the level of risk. International projects typically have a large scope of work. Therefore, a larger number of resources are required in the planning and execution of the project. With regard to a human resource requirement, "it is a challenge to recruit staff with the language and intercultural skills necessary for an international project", (Koster 2010: 19).

Diversity is a major factor on international projects and it is important to both bridge and manage the cultural differences in an efficient manner. The cultural differences are both in light of different organisational cultures, national cultures and the challenges with language with regard to participants not using their mother language and the potential for misunderstanding that may occur due to communication differences (Koster 2010).

2.9.2 Challenges for international projects

According to Turner (1999), challenges for international projects are often based on cultural differences; geographic distances and distances regarding organisational differences; more complicated organisation structures which applies to projects in other countries or multinational joint venture projects; productivity and logistics when working in another country; local legislation and regulations if not working in the organisation's home country (Turner 1999). According to Koster (2010), diversity is an important characteristic of international

projects and is a problem comparable to the complexity found in international projects (Koster 2010: 19).

2.10 Culture

What is culture? There are many definitions of culture. For the purpose of this thesis, I will use the following definition as stated by anthropologists, Kroeber and Kluckholm in Adler (Adler 2008: 18):

> *Culture consists of patterns, explicit and implicit, of and for behaviour acquired and transmitted by symbols, constituting the distinctive achievement of human groups, including their embodiment in artifacts; the essential core of culture consists of traditional (i.e. historically derived and selected) ideas and especially their attached values; culture systems may, on the one hand, be considered as products of action, on the other, as conditioning elements of future actions.*

Hofstede et. al. (2010) describes culture as "collective programming" which is deeply rooted in values, attitudes and behaviours at the national level. Therefore, this specific collective programming is the national institutional framework that people from all nations have and use in their interactions with others.

It is interesting to note that Project Management Institute (2000) has a small section in their guide on cultural influences where culture is defined as "totality of socially transmitted behaviour patterns, arts, beliefs, institutions and all other products of human work and thought", (Project Management Institute 2000: 27). The Project Management Institute (2000) further states that projects operate "within a context of one or more cultural norms. This area of influence includes political, economic, demographic, educational, ethical, ethnic, religious and other areas of practice, belief and attitudes which affect the way that people and organisations interact", (Project Management Institute 2000: 27). This cultural element reflects that a project manager and his/her project team need the skills to cope with the cultural differences that can affect a project when having ethnically diverse project team members, operating over national boundaries and with international clients.

Multiculturalism is defined by Adler (2008) as a "dimension of global firms in which many people from many countries and/or cultures interact regularly", (Adler 2008: 17). This can include working with clients; working with subcontractors; working on multi-cultural teams or a combination of these.

When evaluating cultural differences according to Hofstede et. al. (2010), there are four parameters of cultural differences. These are: high and low levels of power distance; individualism versus collectivism; masculinity versus femininity; and different levels of

uncertainty avoidance. Such differences are important to understand when working with foreign clients because it allows the team to predict a culture's or client's behaviour based on culture; clarify why people do what they do; avoid offending people; find some kind of unity; and standardize ways of doing things or policies (Lewis 2006: 29).

Lewis (2006) explains further based on Hofstede et. al's (2010) theory, cultures can be divided into three categories which are: linear-active, multi-active cultures and reactive cultures. Linear-active cultures have characteristics such as: very methodical; do one thing at a time; punctual; introverts; focus on facts and plans; job oriented; and follow procedures. Countries that score high as linear-active are Germans, Swiss, American White Anglo-Saxon Protestants and Scandinavian countries (Lewis 2006).

Multi-active cultures function differently than linear-active cultures. People from a multi-active culture do not focus on schedules or punctuality; they typically do several things at once; are extroverts; change plans quickly; pull strings and obtain first-hand information orally instead of looking at statistics. Examples of multi-active cultures are Greek, Italian and Mexican.

According to Lewis (2006), reactive cultures are often called listening cultures, in which they listen to the presentation of the other party first to establish the party's position and based on that, they react to it and develop their own position. Traits of reactive cultures are: respectful; silent; punctual; statements are promises; uses both first-hand and researched data; plans slowly and must not lose face and are good at using and assessing non-verbal communication. Countries with that have a reactive culture are: Japan, China, Singapore, Korea, Turkey and Finland.

The differences between these three different types of cultures can lead to communication and cooperation challenges when working on international projects.

When looking at international project management, there are not only intercultural differences while working on international project, but there are also differences in the corporate culture in the different organisations involved on the project (Trompenaas and Prud'homme 2004). These corporate institutional factors have been addressed in section 2.3 institutional theory. Cultural and corporate institutional factors can impact cooperation in managing a project between the organisation and the client.

2.11 Ground rules for cooperation

Cooperation defined by Koster (2010) refers to "a common effort or an association of persons for a common benefit", (Koster 2010: 280). In order to have an effective cooperation, "the project manager needs to trust the major stakeholders and the stakeholders like the project team need to trust each other and the project manager", (Koster 2010: 281). This brings up the question: what is trust? According to Webster's Dictionary, trust is the "total confidence in the integrity, ability and good character of another", (Webster' New College

Dictionary 2008: 1212). Trusting the different stakeholders in a project can be a challenge at the start of the relationship.

At the beginning of international projects, knowledge about the collaborative partner is relatively low. Therefore, the project manager works to establish trust within a short period of time at the beginning of the project (Koster 2010). This can be accomplished through teambuilding with the project team and all parties (Turner 1999 and Koster 2010). During the initial teambuilding session, it is important to established ground rules for cooperation. This is important because one can reference the established ground rules when challenges or miscommunication occur on the project (Koster 2010).

Different techniques to increase and enhance trust in the relationship are "acknowledge the differences and respect them; believe in the goodwill of all stakeholders to work toward a common goal; establish transparency; be prepared to strike compromises; and admit failure (in a culturally acceptable way)", (Koster 2010: 286). According to Lewis (2006), other trust building strategies include: "set clear, transparent aims and goals; prepare clear instructions; communicate them effectively; insist on an information-sharing policy; provide practical, user-friendly tools; set up time-efficient processes; recognize contributions; back up the "team"; act on the team's recommendations; and work towards transparency", (Lewis 2006: 144-145).

As stated in Lewis (2006), Scandinavian countries are classified as high-trust societies. High trust societies "normally have a ready trust for their compatriots", (Lewis 2006:145). These societies are typically linear-active, which Norway is classified in this category (Lewis 2006). High-trust societies have the assumption that their countrymen comply and follow the rules. This means that a person is trustworthy until he/she proves otherwise.

No matter what the circumstances or differences are between the company and the client, both the project manager and the project team have a responsibility to demonstrate a willingness to cooperate in an effort to make the project a success for all parties involved. I will now look at the role of the project manager in managing international projects.

2.12 A project manager's role in managing the differences

Project managers on international projects have a challenging role. They are required to complete and deliver a project on time, with the right quality and on budget to their clients. The project management expectations are the same whether working on a project nationally or internationally. However, when working on an international project, there are additional challenges. These challenges are: diversity on the project team, foreign clients, working in foreign countries or a combination of all of the above (Koster 2010).

Working in multi-cultural environments, project managers should have an understanding of how their own cultural programming can affect client relations. Project managers and

organisations in order to be successful need to modify and adapt their own mental programming and their ways of working (Turner 1999). In addition, working in multi-cultural environments, project managers need to seek out and try to understand the client's world view which can be culturally different. This means respecting the values of clients as individuals and the society that they come from. Developing this understanding can have positive effects on client relations. The project manager strives to find ways to discuss the cultural differences and develop respect for each cultures established ways of working (Turner 1999 and Project Management Institute 2000).

Cultural differences can be challenging to understand for the project team, there may be a need to have either a coach that is familiar with the client's culture or it may be appropriate to have a person that has experience with that culture on the project team (Koster 2010).

It is also important to agree on the common language to be used on the project (Turner 1999). Communication is a skill that is of utmost importance in project management. The next section will discuss how communication is defined and used by the project manager and the team.

2.13 Communication

As defined by Project Management Institute (2000), communication is the exchange of information in which the sender has the responsibility for making the information clear, unambiguous and as complete as possible so that the receiver, in this case, the client, can receive and understand the message. The receiver has the responsibility to receive the message and understand (Project Management Institute 2000: 24). According to Weiss (2001), "*interpersonal communication involves a process that is defined by at least four factors:*

1. *Feelings about oneself.*
2. *Feelings about the other.*
3. *Feelings about the content of what is to be discussed.*
4. *Feelings about the subject being discussed,* (Weiss 2001: 165).

Communication includes the sender-receiver model described above, in this model it is important to get feedback as part of the communication process and focus on potential barriers for communication. The project manager and team members need to understand when to use what medium of communication, for example, when to communicate in writing and when to communicate verbally with a phone call or when to write an informal memo and when to write a formal report (Project Management Institute 2000). Types of communication include written and oral; internal, with the project team and external with the client; formal reports and informal, memos, email, etc.; vertical communication within the organisation and horizontal with peers to list some examples.

There are strategies for effective interpersonal communication to include active and reflective listening which enhance the communication process. Following Weiss (2001), examples of these strategies are:

- *Understand your intent, goals, and expectations.*
- *Understand whom you are communicating with; their background, expectations, etc.*
- *Examine the environment and organisational climate which includes the physical, political climate, timing and setting.*
- *Practice the message before sending it.*
- *Ensure that the organisation systems support and do not detract from communication efforts.*
- *Check with the receiver for understanding your message, ask for clarification, clarify meanings and words if necessary.*
- *Ask for verification; particularly if you desire a specific outcome,* (Weiss 2001: 175).

Communication in general can be challenging. However, communication on international projects can be even more challenging due to both the sender and receiver involved in the dialogue can be from different cultures and the interpretations of this interaction can be different (Varner and Beamer 2005). There are perceptual screens which are "conditioned not only by the immediate, situational variables but also by one's culture, personal system (self-concepts, personality factors, moods, esteem), and by the organisational context", (Weiss 2001: 165). As individuals, we are not aware that "we bring all of our associations to the communication process based on our values and norms", (Koster 2010: 249) or in others words, the national and organisational institutional frameworks of which we are a member.

Ways of communicating can impact both the relationship between the company and their client, but it can also impact negotiation and negotiation techniques between both parties. This leads to the next section on negotiation.

2.14 Negotiation

Negotiation means to discuss with others, in this case, the project manager or team members, to come to terms with or reach an agreement with the client. Negotiations have universal characteristics which include: "two or more parties with (partly) conflicting interests; a common need for agreement because of an expected gain from such agreement; an initially undefined outcome; a means of communication between parties; and a control and decision making structure on either side by which negotiators are linked to their superiors or their constituency", (Hofstede et.al. 2010: 399).

Negotiations during a project occur regularly, encompassing many issues and occurring at many different levels in the project. Examples of where members of the project negotiate with the client are: the scope of work, cost or schedule; any changes to these three; conditions and terms of the contract, and resources in the project (Project Management Institute 2000 and Turner 1999). In any negotiation, one must know their walk-away point and what concessions that they are willing to make. Negotiation styles are influenced by cultural differences and it is important to identify these differences prior to the actual negotiation discussions (Tomalin and Nicks 2010). I will now look at negotiations strategies for Scandinavian countries.

According to Lewis (2006), Scandinavians have the following traits related to communication during negotiations. Scandinavians "have thought about matters well in advance and they list all the "pros and cons" before giving you their conclusion, which they will justify. They will not abandon their decisions easily for they believe that they have proven their case, but on the other hand they do not ask for too much", (Lewis 2006: 64).

In general, effective negotiations require an insight into the cultural values of the parties involved. In addition, effective negotiations require sufficient "language and communication skills to guarantee that the messages sent to the other party or parties will be understood in the way that they were meant by the sender", (Hofstede et. al. 2010: 400). Another point that can affect international negotiations is whether or not the "actors are of the proper hierarchical level for the decisions at stake", (Hofstede et. al. 2010: 401). This can be an important factor for project manager to consider depending on the type of negotiation he/she will participate in.

As part of understanding the hierarchy and the cultural awareness needed with intercultural communication; it can be important to have intercultural training on how to work with others from different cultures.

2.15 Intercultural training for working on international projects

Intercultural training when working on international projects can be beneficial for the overall success of the project. When discussing intercultural training, this can include: training for how to work on a multi-cultural team; training on how to work with foreign clients; and training on how to work on international projects outside of your own country which can include working on diverse teams, working with foreign clients and the cultural differences in the country that one is working in (Turner 1999).

As part of intercultural training, training specifically in intercultural communication can benefit both the project manager and the project team for interactions with foreign clients. When developing intercultural communication skills, this occurs in three phases: awareness, knowledge and skills. Awareness is developing the understanding that the individuals

themselves have mental programming based upon how they were raised and others have a similar mental programming based upon the environment or institutions that they were brought up in. Knowledge is the next phase in which individuals learn how to interact with other cultures, understanding their own and other cultures institutional framework and symbols. The final phase is skills which are based upon awareness and knowledge, plus practice or experience (Hofstede et. al. 2010).

Intercultural communications skills can be taught to individuals. Training is often conducted in two different ways. One method is to offer a course for expatriates working in countries other than their home country, giving the person the knowledge about the area and culture where they are relocating. The other way is as an intercultural communication course which focuses on the awareness of and the knowledge about cultural differences, as well as, the individual's own mental programming and how it differs from others which can factor into the interaction with a person from another culture. The focus of this type of course is not on intercultural communication in a specific country, but how to use these skills in any foreign cultural environment (Hofstede et. al. 2010).

Hofstede et. al. (2010) further argues that in addition to training of expatriates, the staff in the home country organisation that work on the project should have the same cultural sensitivity training as the expatriate (Hofstede et. al. 2010: 421). This type of sensitivity training can benefit the home country organisation in general, as the goal of the training is to enhance cultural sensitivity which can be of particular importance working with foreign clients in or out of the home country of the organisation.

"The basic skill for surviving in a multicultural world is understanding, first one's own cultural values and next, the cultural values of the others with whom one has to cooperate", (Hofstede et. al. 2010: 424).

2.16 Summary

In the beginning of this chapter, I described globalisation and how globalisation has affected the way that companies conduct business due to how institutional frameworks affect interactions at an international level. I explored the Scandinavian leadership model and the characteristics of the institutional framework for companies operating in Norway. I reviewed the historical management styles that have developed as organisations have developed into more knowledge based organisations. As projects become more complex and involve multiple shareholders, this complexity has led to the development of project management. Project management involves a project manager who manages a team to complete a project. I further explored the characteristics of a "good" project manager and how the project manager works to develop his team.

The focus of this thesis is on international project management and what some of the success factors are for project managers on international projects through leading the project team and the project manager's ability to enable and enhance cooperation with international clients. In order to look closer at developing cooperation, this can involve looking at culture and cultural differences; the project manager's role in managing the differences on the project; and intercultural communication and interaction between stakeholders on international projects.

3 Research methods

In this thesis, my interest is in international project management and how project managers can be successful in their role as project managers working with the project team and how the cooperation occurs between the project manager and international clients. This led me to develop my main research question of:

> *How can project managers, working with project teams, be successful in international project management?*

Using the theoretical points presented in Chapter 2, I explore this research question. In order to answer my main question; I have developed two subordinate questions, which are:

> *How do project managers lead project teams?*
> *How does cooperation occur with international clients?*

In this chapter, I will present the methods that I have used when gathering and interpreting the research data. I will then present the case organisation; my role as the researcher; the informants; and how I gathered the data. I will discuss why the research method used on my thesis was relevant for this project, ethical considerations for the project and how this case can be generalised and applicable to other organisations that operate internationally.

3.1 Case as a research strategy

The starting point for research is curiosity. The goal with a research project is to have an answer to the research question that is well thought out due to that one has reviewed the relevant theory thoroughly. With that in mind, I would ask several questions. What is the purpose of the inquiry? What will the inquiry contribute to and why? These are the questions that I, as the researcher, asked myself in the preliminary phase of the project when I chose the method for this research project.

The purpose of the project was to develop a better understanding of globalisation; how the Scandinavian model of leadership functions in an international company; and intercultural relations between the organisation and their clients. Initially, I was asked if I could consider writing my thesis about project management and intercultural communications to develop an understanding of this phenomenon when working with non-Norwegian clients. This is a case study conducted within my own organisation.

In scientific research, one responds to the phenomena without language and the ability to understand themselves and the environment, where the researcher is a spectator to the phenomena of what is being studied. Naturalism ontological perspective asserts that everything that exists can be observed and identified through causal analysis of the natural reality. To understand what it means to exist as a human being, both collectively and individually, is part of the ontological basis for social research (Nyeng 2004). Ontology establishes the basis for the concept of knowledge and this is the perspective that I will use while researching and studying the phenomena in this thesis.

In this thesis, I have used the constructive perspective. The "constructive perspective of qualitative methods maintains that research knowledge is a result of the relation between the researcher and those that are being studied", (Thagaard 1998: 43). To set the context for my position as the researcher prior to beginning this project, I have worked with the most senior project manager on a current project at the site. Thus, I have a basic understanding of project management at the case site. Results of the research are dependent on the researcher's understanding of what constitutes valid knowledge as referenced in Thagaard (1998). "In pure form, it is considered that the information that the informant gives as constructed in an interview situation. The information is seen as a result of how the relationship develops between the researcher and the informant", (Thagaard 1998: 44).

As defined by Simons (2009), a case study is an "in-depth exploration from multiple perspectives of the complexity and uniqueness of a particular project, policy, institution, programme or system in a `real life` context. It is research-based, inclusive of different methods and is evidence-led", (Simons 2009: 21). When conducting a case study, the purpose is to develop a thorough understanding of the project which in this case is my thesis. This can be conducted through a qualitative approach through observation, open interviews, or this can be performed using quantitative research methods through using existing statistics and a structured questionnaire (Johannessen et. al. 2010). With regard to my case, I have chosen a qualitative approach in a single case design looking at a specific position within the organisation because I felt that the qualitative approach through the use of open interviews would give me greater insight into how project management is conducted and how client relations are developed at the site.

The effects of globalisation have changed the way that business is transacted around the world. Globalisation has led to the creation of multi-national/global organisations which are defined by Mead (2005) as companies have investments in other countries rather than the country that their corporate headquarters is located. In this case, the organisation's management is based on the Scandinavian model. It is of interest to the researcher how project managers are impacted in their positions by the different leadership styles of their international clients. How do the project managers adapt- or not adapt- their style to the different leadership styles of their global clients?

"The distinction between quantitative and qualitative methods represents sharp professional fronts and in some cases, sometimes bitter conflicts in methodology in the social sciences" (Nyeng 2004:192). It will depend on the researchers worldview, ideals or beliefs as to what extent one supports quantitative or qualitative methods despite that both methods require interpretation during the research process. "To ensure the quality of qualitative research, it requires good analysis with theoretical reflection", (Silvermann, in Thagaard 2009: 21).

3.2 Performing a case study

The data material that is used in this thesis is taken from a Norwegian owned, international knowledge organisation. The choice of the case organisation was based upon the following criteria:

- Knowledge organisation.
- Established in Norway, Norwegian owned and operates internationally.
- Project organised.
- Have international clients both on and off-site.

The operational definition which was the basis for this thesis was a global company executing projects both in Norway and internationally.

3.3 Case

The case is a technical company that provides products and services to the oil and gas industry. It is a Norwegian company, with its corporate office in Oslo. The company has a total of 3,000 employees globally; however the majority of the staff is in Norway. In order to maintain the anonymity of the organisation, I will give the company the fictitious name of Technical-R-Us.

At Technical-R-Us, the majority of the workforce employed in the Norway offices is Norwegian. The company has several offices in in Norway. It is primarily a project based organisation. At the particular site for my case, there are 850 employees and 450 subcontractors. There are 26 different nationalities working at the site; this includes both the company's employees and a large number of foreign subcontractors working at the site. Subcontractors have been hired in at the yard due to the lack of qualified Norwegian staff in these positions. The phenomenon of how the Scandinavia model functions with different nationalities working at the site would be interesting to research. However, the focus of this paper is on how project management functions at the site with international clients and how project managers communicate, interact and cooperate with foreign clients with an additional focus on how project managers lead project teams.

The firm's clients include companies based both in Norway and countries outside of Norway. The type of work that is completed by the company is specialized; the knowledge and expertise of their employees is the company's competitive advantage; and the work is project organised with workers having high levels of autonomy. For these reasons, I classify Technical-R-Us as a knowledge organisation that employees knowledge workers.

The products and services that the company produces and delivers are primarily for both Norwegian and international clients and projects are conducted in Norway. This means that there is interaction with international stakeholders and subcontractors during the execution of the project and the product is delivered to international clients either in or outside of Norway. The company does have projects in other countries; however, this is not the focus of this thesis. For the purposes of this thesis, I am going to explore how Scandinavian project managers practice project management with international cooperation partners that have different institutional frameworks. When looking at how project management is practiced, it can be important to look at the institutional framework of the Scandinavian leadership model and how this model can affect how project managers lead their project teams and how project managers cooperate with their international clients.

In this thesis, the focus will be on linear-active cultures as this is applicable to the particular case. Technical-R-Us is a Norwegian owned company and many of their international clients and subcontractors are from Western Europe such as England, Germany, The Netherlands, Denmark, Finland and Sweden. The majority of the countries that Technical-R-Us works with when executing projects in Norway have linear-active cultures.

3.4 Choice of informants

At the beginning of the project, I took contact with a case organisation that met the criteria of my thesis. I spoke with the Vice President of Human Resources at the site. We discussed the options for my master thesis. The company thought that it would be beneficial to look at how to improve client relations with international clients. In order to discover ways to improve client relations, it was important to look at how project management currently functions at the site.

There was a discussion about the choice of informants at the site. Since the focus of this thesis is primarily on project management on international projects; project managers at the site were selected as the informants. In particular, project managers that have worked with international clients both in Norway and in other countries. I discussed the potential selection of informants with the Vice President in Human Resources. She confirmed the selection of informants.

Currently, there are five project managers at the company. Five project managers were contacted and interviews were conducted with 4 of them. The fifth person was unable to participate due to his hectic work schedule and travel requirements at the time that this thesis was written. All five project managers are male and are Norwegian citizens. There are no female project managers at this site at this time. It is important to note that there are female project managers in the company; however, they were none at the current site when this research project was conducted.

All four project managers interviewed have worked on international projects with international clients in Norway. Two of the four project managers have worked as discipline leads, such as Fabrication Manager or Commercial Manager, on international projects in other countries in both Europe and South America.

3.5 Oversight over the informant's gender, age, years of experience at the company

This section will give information about the informants and the type of data material used in the research project.

Gender	Age	Years of Experience
Male	43	20
Male	53	20
Male	46	20
Male	67	35+

The data material consists of the following data sources:
- Primary data: a case study with a choice of 4 interviews.
- Secondary data:
  - Project Manager job description.
  - Job descriptions for Engineering manager and Fabrication Manager.
  - Project manager handbook.
  - Company's website on the intranet.
  - Company training information on requirements for project managers on international projects.
  - IPMA website for Certification of Project Manager (performed jointly by the Scandinavian Certification Organisations).

3.6 Procedure through the use of individual interviews

When creating the interview guide, I created a list of potential relevant topics for the research project. After narrowing down the themes for the project, I created the interview guide based

on the relevant themes that I selected. The purpose of the interview guide was to understand the following:

- Knowledge about how project management functions on international projects; how the project managers lead a project team and interact with international clients; communication styles on international projects; and gain more knowledge about the Scandinavian model of leadership.

- The organisation's structure; organisational tools available to project managers; and training requirements for project managers.

The interview guide that was created was structured with open-ended questions around specific themes and the informants were asked to give specific examples around the questions to further illustrate their answers. The main questions were grouped by themes; however, during the interview, the order was not permanently structured from one question to the next. The questions were asked in a different order if the interview went in a different direction during the course of the interview. This gave the informants freedom to be more comprehensive in their answers, in particular, when describing their interaction with project team and clients and when describing how they lead in a project.

During the data gathering, I was the sole researcher that interviewed the company project managers. The interviews were conducted in conference rooms at the site during February and March 2013. Project managers have a work space in an open landscape; however, none of them have a private office. The interviews were conducted toward the end of the workday to have the least amount of impact on their workday.

The informants were an engaged group and seemed to have a passion for their jobs as project managers. During the interviews, each project manager had their own different experiences due to their years of experience as a project manager and the types of projects that they completed; however, there were many common themes and approaches in their leadership styles.

The interviews with the project managers were in-depth interviews which were duration of 1 hour and 30 minutes to 2 hours. These interviews were conducted over a period of three weeks.

The interview questions were written in English and the informants were asked the questions in English. All of the project managers have a comprehensive understanding of both spoken and written English. The project managers had the choice to answer the questions in either English or Norwegian. All project managers chose to answer the questions in Norwegian. The interviews were taped and they were later translated and transcribed in English. During these interviews, notes were taken by the interviewer. The interview notes were used as a

supplemental resource after the completion of the interviews. When translating the quotes from the informants, I took great care to ensure I accurately quoted each informant.

When analysing the data, I created lists where I categorized the similarities and differences between the informants. Through this categorisation, I was able to develop the different themes for this research project.

3.7 Researcher

I will explain my role as the researcher in this project. It is important to explain the researcher's position in the research project as it can be difficult for a researcher to maintain objectivity (Thagaard 2002). I am an American living in Norway and I am employed at the case organisation which is a global company that specializes in engineering, procurement and construction of a technological product which is distributed globally. I am fluent in both English and Norwegian. I have lived in Norway for a total of five years and I have worked at the case study organisation for 1 ½ years.

According to Thagaard (2002), "observations in foreign cultures are based upon the researcher attempts to understand the culture from within by participating together with those that are being studied", (Thagaard 2002: 77). As I have been living in Norway for five years to date, I have developed an understanding of the Norwegian culture and have learned how the company culture functions within the company structure through my employment at the firm.

I have 18 years work experience in the United States (US); working the last 10 years in Human Resources employed in both national and international engineering firms and 7 years in leadership positions. I have worked in a project consulting environment for most of my professional life, however, in a support function and not actually on a project team until I began working at Technical-R-Us. Based upon this, my cultural programming is American and as such, I have the same programming with regard to the American business culture. This programming can affect my viewpoint on the research project; therefore, it was important that I kept an open mind about the possibilities when interpreting the data on this research project.

As a former manager in the US, I have an understanding of how the system works in the US. Having been employed at a global Fortune 500 Company in the US, there was a focus on diversity and intercultural communications both internally in the organisation, understanding cultural differences in the workplace and externally, with clients. In addition, I have attended a number of diversity workshops during my employment at the Fortune 500 company. There is a focus on intercultural relations in companies that have international projects or operate in countries outside of the United States.

3.8 Research ethical considerations

According to Simons (2009), "ethics is how we behave or should behave in relation to the people with whom we interact", (Simons 2009: 96). This means that throughout the entire research project, the researcher should develop a trusting relationship with the participants and maintain the basic research principle of '"doing no harm" (Simons 2009).

In an effort to "do no harm", I have created a fictitious name for the case company and did not state what type of products and services that are supplied to the oil and gas industry by the organisation. In addition, to maintain anonymity for the informants in this research project, I did not use their real names and in fact, I did not give the project managers names in the paper at all. This was a conscious choice as this thesis will be publicly available and I did not want to comprise my informants or the company that I work for.

As stated earlier when describing my role as the researcher, it was of utmost importance that I strived to maintain objectivity when analysing the data due to both my role within the organisation and due to my own cultural programming as an outsider to the cultural institutions being observed in the research process (Hofstede et. al. 2010).

3.9 Applicableness and analytical generalising

When conducting case study research, the researcher has an obligation "to demonstrate how and in what ways our findings may be transferrable to other contexts or used by others", (Simons 2009: 164). This research project can be viewed as applicable in how it looks at international project management particularly for companies with corporate headquarters in Norway, having the cultural and leadership model based on the Scandinavian institutions, working with international clients both in and out of Norway.

4 Project management and managing a project team

In the first section of Chapter 4, I will describe the context for project management in the case organisation, Technical-R-Us. I will briefly describe the company, Technical-R-Us; present the required formal qualifications for project managers; project managers roles and responsibilities; and how project management is performed at Technical-R-Us.

In order to explore the subordinate research question 1 on how project managers lead a project team, I will look closer at how project management is performed in the second section of Chapter 4. To do this, I will explore how project managers manage a project team in accordance with the general principles of project management and through different phases of a project; management trends discovered while exploring this phenomenon; how project managers delegate, involve, and develop individual project team members; and how project managers establish a dialogue with members of the project team during a project.

4.1 Technical-R-Us

Technical-R-Us is a Norwegian owned company with its corporate office in Norway that provides services to the oil and gas industry worldwide. There are a total of 3,000 employees in the company. At the case site, there are 750 employees and 450 subcontractors employed.

Technical-R-Us is a project-based organised company. A project-based organisation is an organisation where project teams are created to deliver projects to clients. A project team is comprised of different technical disciplines such as; engineering, plan, and fabrication to give a few examples. To support this project organisation, there is a functional management organisation which is made up of different departments for every discipline which supports and supplies staff to work on different projects. Project managers in the organisation are responsible for both the successful execution of a project and managing the project team. Project managers report to the Vice President of Execution, who in turn, reports to the President of Technical-R-Us. The project managers interviewed at the case site are Norwegian.

The company typically has yearly revenue that varies between 2,300 and 2,900 million Norwegian kroner. Projects are executed at the site and the products are delivered to clients. The projects typically involve a number of different stakeholders to include: national and international subcontractors delivering goods and services to Technical-R-Us; international clients; and subcontractors performing work at the site. The project teams can vary in size from an average of 10 or more persons on the core team who regularly interact with clients.

The project team members are primarily Norwegian. In addition, there are additional staff members working directly on the project in all departments. However, they are not a part of the core project team. A typical project has longevity of two to three years after the contract is awarded.

I will now describe the formal qualification requirements for project managers at Technical-R-Us.

4.1.1 Formal requirements for project managers

The qualifications and skills required for project managers as defined in the project manager job description at Technical-R-Us are: university degree and the basic course in Working Environment (40-hour course). The company provides technical services to the oil and gas industry. One might speculate that all project managers are required to have technical bachelor degrees. It is not a requirement to have a Bachelor in Engineering. All of the project managers that I interviewed have at a minimum a Bachelor of Science in Engineering. However, there are other project managers within the global organisation that have bachelor degrees in economics and/or business administration.

Project managers at Technical-R-Us typically become project managers by working their way up to this position, gaining their experience while working in either the engineering or fabrication department at the company. This development of knowledge and experience of how to design and build the product is an advantage to the company which is in accordance with the theory of knowledge workers in knowledge intensive organisation (Hislop 2009). All of the project managers have many years of experience at Technical-R-Us; this reflects that they have been socialized internally by the organisation. The project managers share the same system of values; know the informal, unwritten rules in the organisation; and know how things are done in the organisation. New project managers are typically not hired in these positions from external organisations, but are "grown" and developed in the organisation and are eventually promoted. As referenced in Trompenaas and Prud'homme (2004), corporate culture internally socializes the members of that organisation, in this case, project managers. The development of project managers demonstrates that the company values growing and developing their employees internally within the organisation.

Other key competencies for a project manager required by Technical-R-Us are: work in accordance with policies and leadership principles of the company; commercial awareness; project execution; fluent in English; negotiation, cooperation and communication skills; and a team-player. All of the skills that project managers are required to have in Technical-R-Us are consistent with the managerial skills as referenced in Project Management Institute (2000).

The job description for a project manager at Technical-R-Us does not state that project managers require managerial skills such as motivating staff and delegating to project teams members. This differs from what is recommended by Project Management Institute (2000) in which the ability to motivate the project team is considered a necessary skill to have as a project manager.

Technical-R-Us defines the role, responsibilities and expectations of project managers in the project manager job description. The job description states that the project manager has a responsibility for the overall performance of the project to ensure that the project achieves acceptable Health, Safety and Environment (HSE) results, profit, cash position, quality and progress. The job description includes the following major points that the project manager is responsible for:

- Implementation and adherence to the company's operating system to include policies and procedures.
- Establish lead and maintain the project organisation in accordance with Technical-R-Us' values, policies and leadership principles to include feedback to each key member of the project team on their performance and development/empowerment of the whole project team.
- Establish and maintain project specific procedures and plans.
- Establish and maintain reports and Key Performance Indicators (KPIs) as required by company and Client regarding HSE, Finance, Quality and Progress.
- Transparent and predictable reporting to Client.
- Establish and maintain good relations to Client, Stakeholders, Suppliers and Subcontractors,
- Project Manager shall implement and maintain communication and correspondence routines to ensure that all parties receive necessary information.

The roles and responsibilities as outlined in the job description mirror the principles and the knowledge areas of project integration management, scope, time, cost, quality, human resources, communication, risk, and procurement management, as outlined by Project Management Institute (2000).

4.1.2 Training for project managers
Project management and leadership training is offered to project managers. One example of training is an internal leadership training course offered by the company's internal training department. This course also includes training by external consultants in specific areas as conflict management and cultural awareness, for example. The course is given annually or as necessary in the company to all managers, staff with leadership roles at the site and

safety delegates. All project managers interviewed have participated in this training. The modules in the training course further reaffirm the corporate culture of how projects are executed at Technical-R-Us.

International project management training is offered in Scandinavia. The training is cooperation between The Danish Project Management Association, The Norwegian Association of Project Management and The Swedish Project Management Association. This certification is performed in accordance with procedures developed and validated by the International Project Management Association (IPMA). This certification has four levels: A – Certified Project Director; B - Certified Senior Project Manager; C – Certified Project Manager; and D – Certified Project Management Associate. "The four-level programme is designed to facilitate a targeted competence development and career process within project management. The programme supports both individual project managers and organisations for which project management is an important competence", (http://www.tekna.no/ikbViewer/Content/874247/Scandinavian%20IPMA%20Certification%20in%20English%20Autumn%202013.pdf 21.June 2013).

This programme is recognised internationally. The IPMA certification focuses on assessing the project manager's competencies for managing projects; this includes their ability to adequately apply knowledge, experience and leadership behaviour. The achievement of the IPMA certification has been the new project management direction in the company since 2011 in an effort to enhance the competiveness and marketability of the firm services at an international level.

During the time of writing this thesis, two of the four project managers interviewed passed the International Project Management Association (IPMA) project management certification examination at Level C, Certified Project Manager.

4.1.3 Project management at Technical-R-Us

Technical-R-Us has developed and sold its products and services for over 40 years and over time, the company has developed its own standards. The employees in the company have product knowledge and know how to design, procure and construct their product in accordance to the regulatory requirements of the oil and gas industry. The current project managers have a keen knowledge of the industry that they are in and the company has developed a project execution model which is used for the delivery of each project.

The organisation uses a Project Manager Handbook company-wide for all project managers. The handbook is available on the company's intranet site and is used to set the standard for how to conduct project management within the company. The handbook is a compilation of experience from other project managers which can be used in other projects and is updated regularly to further support knowledge sharing with all project managers. According to Hislop

(2009), tacit knowledge can become explicit through systems, processes or written procedures. The handbook and revisions to the handbook based on the experience of the project managers can be viewed as how tacit knowledge becomes explicit knowledge within the company.

The handbook describes the philosophy of project management and what the expectations are with regard to project execution. The first section of the handbook describes project management; project kick-off with the client; teambuilding; and developing "rules of the game" for the project team. The primary focus is on how to develop a relationship with the client and defining the expectations for the team regarding internal and external client relations.

It is a formal requirement at Technical-R-Us that project managers have knowledge, skills and abilities to deliver projects to clients; however, they do not deliver the project alone. Project managers are assisted by the project team and are reliant on each project team member's knowledge, skills and abilities in their technical discipline. The project manager must manage and lead the team to achieve the ultimate goal of project delivery and client satisfaction. I will now discuss the roles and responsibilities of the team as the project team assists the project manager in achieving his/her goal.

4.2 Roles and responsibilities for project team members

Each project team member has a job description, similar to the project manager, for their position in the project which states the qualifications and skills required in their particular discipline and the competency and requirements necessary in this discipline when working on a project. The word, manager, is in their title, for example Plan Manager; Fabrication Manager; HSE Manager; and the Construction Manager. This can reflect the responsibility that has been delegated to them by the company. Technical-R-Us requires and expects that project team members have the knowledge, skills and abilities to fulfil this role.

When reviewing the job descriptions, there was a small requirement regarding the individual's ability to develop client relations. The primary requirements of each job description were directed at the project team member's interaction with the project leadership, project reporting requirements to the project manager and internal communication with the project manager.

As referenced in Weiss (2001), project teams have shared leadership roles; team members have both an individual and mutual accountability to develop and deliver the product which is the team's specific focus; and they work actively together to solve issues which occur during the project. Technical-R-Us has the same expectations for the project manager and the project team.

4.3 Phases of a project

According to Turner (1999), there are five phases of a project when working as a project team. These phases are: forming, storming, norming, performing and mourning. As described by Turner (1999) forming is when the project team is first established. The next phase of a project is storming where the project team begins to work together and figure out how they will work together to achieve the overall goals of the project.

According to Turner (1999) and Weiss (2001), the norming phase is when the values and norms are established for the team. In this phase, ideally, the project team begins to perform effectively together (Turner 1999). In the performing phase, the team and the project manager have developed their relationship with each other and they feel committed to the team (Weiss 2001). According to Turner (1999), the performing phase is the phase where the team begins to work well together and the project manager has the responsibility to maintain this level of performance. The last phase is mourning. As referenced in Turner (1999), in the mourning phase, the team can begin to lose motivation due to the disappointment that the project is coming to an end.

The five phases as described by Turner (1999) were not specifically discussed during the interviews; however, there was dialogue with regard to the how teams are formed; how expectations are clarified during team building; and the performance of the team members during the project. I will use the forming, storming and performing phases of a project described by Turner (1999) to explore and to create an understanding of how project managers manage a project team during these three phases at Technical-R-Us.

4.4 Forming phase

At Technical-R-Us, project teams are formed and established initially in the proposal phase when trying to win a project contract for the company. Every proposal includes an organisational chart listing the qualified project team members that will work on the project for the company if Technical-R-Us is awarded the contract. The project team is decided on by the proposal committee based upon the input from the project manager listed in the proposal; input from each department manager for each department involved on the project; and the availability of the potential project team members based on their workload.

It is important to note when project teams are formed, project managers do not always get to choose the project team members themselves. This can be decided by the department supervisor based on the need of the department and the level of interest of the individual themselves. Project managers can have a "wish list" of whom they would like to work on the project, but they do not always get their first choice on the project team. Despite the way that project teams are selected and according to Weiss (2001), the project manager or leader of the team, does have the ultimate responsibility to make the team function and work together to deliver the project.

Once the project has been awarded, the project team starts to work on the project. The project team then enters the next phase, storming.

4.5 Storming phase

According to Turner (1999), the next phase of a project is storming where the project team begins to work together and figure out how they will work together to achieve the overall goals in the project. During the interviews conducted, there was a consensus by all project managers that at the beginning of a project, they conduct team building workshops with the project team members. These team building sessions consist of a clarification of expectations for each team member. One informant stated:

> *"It is important to give employees their job/role description and clarify what this means and the expectations of the project manager."*

The above quote can reflect the importance that each individual on the project has an understanding of the written expectations of the company and in order to create individual ownership and accountability. It can be important that the project manager clearly clarifies his own expectations to each individual project team member of what exactly his expectations are with relation to their roles on the team. This can be seen as how the project manager manages the project team and once expectations have been clarified, the project team member has the autonomy to perform the job how they deem necessary within the project manager's expectations.

The most senior project manager conducts workshops with the project team members to focus on the "I", what I am responsible for as a member of this team. This is conducted in front of all of the team members and the team has the opportunity to ask the person for clarification after his/her presentation. This is most consistent with Weiss' (2001) theory on creating high performance teams in which each member of the team has ownership and understands how they contribute in the project. In addition, "rules of the game" or ground rules of behaviour are established for the project team itself which further reinforces the performance expectation for each project member.

It is important to note that project managers at Technical-R-Us have no supervisory responsibility for the project team members which means that project managers do not have the same authority as the department managers that have supervisory responsibility for the project team members. There are department managers responsible for each technical discipline and each team member is supervised by the manager of their specific department that they belong to; for example, engineering, procurement or quality. This is consistent with how project managers lead as outlined by both Turner (1999) and Koster (2010) and that project managers typically do not have a supervisory function over project team members.

As stated in Turner (1999) and corroborated by both Project Management Institute (2000) and Tomalin and Nicks (2010), the project manager "must win and maintain the commitment and cooperation of others through their ability to negotiate and persuade", (Turner 1999: 438).

I will now look at the performing phase to explore how project managers manage a team during this phase.

4.6 Performing phase

During the interviews, it was apparent that all of the project managers were focused on the following elements when executing or performing a project to include: focus on maintaining schedule; keep the momentum going in the project; be on the offensive to find solutions when challenges occur; motivate the project team; ask the project team "the important questions" during the life of the project, timing is critical; and have the ability to see the big picture.

With regard to looking at the big picture, the common trend was that project managers should continually look into the future, i.e., what is next, what consequence a challenge on the project can have in the execution phase or in the final phase of the project. This ability to look at the big picture also is an expectation for each project team member; however, the project manager has the overall responsibility for executing the project. One informant stated:

> "F*ocus on what will be happening in two months; four months ahead in the project, always keep looking ahead."*

This statement can reflect that when executing a project, the project manager and team should be on the look-out for challenges using their knowledge and abilities to be proactive in seeking solutions to potential challenges that can arise during the project. Developing an understanding of how decisions that they make today can affect or have consequences for things occurring further out in the project. Having this ability to see the big picture and knowing what to look out for during the phases of the project is learned through experience. A project manager, as discussed by Turner (1999), must have the ability to both see the big picture and to solve complex problems.

One project manager stated that when he had a project that he felt would be successful:

> *"I have a good feeling in my stomach about the project."*

The above quote can reflect that the project manager seemed to develop a sense, a feeling or intuition about the project. This feeling can come from the tacit knowledge that he possesses based on his own experience in this role or the signs that he can see as the project moves through different project phases.

As part of this performing phase, I will look at the elements that can be used to effectively manage a project team. I will explore two different styles of managing: the "hands-off" style, focusing on the element of trust which can be found in the "hands-off" style; and the "hands-in" style, where the project manager has more a controlling style of management. I will further explore how project managers challenge and develop project team members and the dialogue that occurs between the project manager and the team when performing a project.

4.6.1 Managing the project team

The members of the project team, including the project manager, can be classified as knowledge workers. They are college educated; their work is intellectual, creative and non-routine in nature; and their work involves the use of abstract/theoretical knowledge. As knowledge workers, the work is primarily team or project based with high levels of autonomy and the skills of the team members are the competitive advantage for the firm (Swart et. al. 2003 in Hislop 2009). The project manager is responsible for leading the project team which is made up of independent knowledge workers. How is this accomplished?

Here is an example of how one informant leads his team:

> *"My leadership style is based on being open; equal and fair; I give freedom to my team in decision making; I trust the project team in their decision making abilities and their ability to perform their tasks."*

This statement can reflect that the project manager allows the project team member the freedom and authority to do their job. This particular project manager's point of view of being fair and equal can reflect principles found in the Scandinavian model. In addition, this can imply that project managers in general have a significant level of trust in the project team members and that the team has the knowledge and skills to do their job allowing team members to manage themselves. The trust bestowed upon the project team members can also reflect that Technical-R-Us is a knowledge intensive organisation and as such, the company's Human Resources (HR) practices and management style allow the project team to perform their tasks with very little management oversight. This an opposite way of managing staff as described in Taylor's scientific management, where managers decide how tasks should be completed.

Technical-R-Us has its roots based on the Scandinavian model which is built upon the principles of equality, democracy and employee involvement (Schramm-Nielsen et. al 2004). A project manager's trust in the individual abilities of the project team members was a theme expressed by all project managers who were interviewed. Trust was an underlying principle when working on a project team. I will further explore the concepts of delegating and trust to

illustrate how project managers interact with project team members in section 4.6.2 and 4.6.4 respectively.

Turner (1999) describes different styles of project management that can be used during different phases of the project which are laissez-faire, democratic, autocratic and bureaucratic. According to Turner (1999), project managers use different styles of leadership based on the situation. Based upon the feedback during the interviews, the project management style at Technical-R-Us is a combination between laissez faire, where the project manager allows the team members to manage themselves and democratic, where the project manager first consults with the project team and makes the final decision after this consultation. These styles can also reflect the Scandinavian leadership style where tasks are delegated to team members and the team members have the autonomy to perform their jobs with limited oversight of their department manager and their project manager.

As outlined by both the Project Management Institute (2000) and Turner (1999), the project manager should have the ability to motivate the project team members; employee development occurs through the project manager's delegation responsibility to the team; and the project manager should have trust and confidence that the project team will perform their jobs successfully.

A challenge when managing project team members was the lack of control over the workload of project team members. As stated by one project manager,

> *"The lack of control over workload of the project team members is a challenge for a project manager."*

This statement can reflect that it can be a challenge to maintain a balance between giving freedom to the project team members and maintaining control to ensure that the project team fulfils their project requirements and meets the expectations of the project manager. One reason for the lack of control over the workload of the project team is that project managers do not have supervisory responsibility for the project team. Project team members can have responsibilities in their own department which can interfere with their ability to complete tasks on the project.

Project managers manage the project team members, whom are classified knowledge workers and as such, the project manager is concerned with giving team members autonomy; not controlling; sets high expectations for the team; accepts that team members make mistakes as part of the learning process; gives praise for a job well done as necessary; respects and trusts the team; and allows project team members to develop as individuals.

I will now explore how project managers delegate responsibility to the project team members and how the project manager is able to get the job done through others.

4.6.2 Delegating, getting the job done through others

"Getting the job done through others; solving problems; and creating value together during the project; these elements are important when managing a project."

The above quote can demonstrate that the project manager's delegation of tasks to the project team is a direct result of his explicit trust. He shows this by delegating tasks to individual team members, allowing them to complete the task without the need to reconfirm or control how the task is completed. His viewpoint of solving problems and creating value together can represent the elements of equality, employee involvement and democracy that are indicative of the Scandinavian leadership model (Schramm-Nielsen et. al 2004).

Getting the job done through others was an example of delegation to the project team. Delegation to others is a measure used to avoid the project manager from getting bogged down in the details. Projects and especially international projects have a significant amount of complexity which requires an entire team to execute them. According to Turner (1999) and Project Management Institute (2000), it is important that project managers delegate responsibility to others to maintain the big picture and have an overview of the project.

When delegating responsibility to others and managing the project team, project managers expect that the project team members set themselves in the role that they have, perform the duties required and contact the project manager when they need help on the project. According to Schramm-Nielsen et. al. (2004), as a part of the Scandinavian model, cross-functional teams are created and these teams are given extended responsibility and authority for achieving project goals. In Norway, close supervision is not deemed as necessary nor desired by the workforce as it can be interpreted by the employee as mistrust. I will explore the element of trust in section 4.6.4.

There is a phrase used at the company; a "hands-off" manager and a "hands-in" manager. I will now explore the "hands-off" approach to managing a project team which is indicative of low supervision and high levels of trust in the project team members by the project manager which results in extended responsibility and authority to the project team members. I will explore the "hands-in" approach in section 4.6.5.

4.6.3 "Hands-off"

The "hands-off" approach is where the project manager allows each team member to perform their tasks autonomously; the project manager assumes that once expectations have been clarified with the project team, the team members can make their own decisions within their discipline on the project. The project team member's decisions are typically

supported by the project manager, again, indicative of the extensive authority and responsibility of each team member, as well as, the level of trust by the project manager. In support of this "hand-off" approach, one project manager stated:

> *"Project team members can make their own decisions on the project and I will support them. It is ok if they fail sometimes; I support them and take responsibility if there is a mistake."*

This statement can indicate that the project manager trusts the decision making abilities of team members and that the project manager believes that the team has the competence and capability to make good decisions for the project. Trusting in the competence of project team members can be seen as a way to succeed for the project manager. The project manager does have the overall responsibility for the project and as such, the project manager accepts the responsibility if the team member makes a mistake or a poor decision. The project manager's acceptance of responsibility can reflect the support and opportunity that the project team members have to learn from their mistakes. The support for the individual may reflect the project manager's focus on the development of individual members of their project team. I will explore development of project team members in section 4.6.6.

The "hands-off "approach assumes that there exists a high-level of trust between the project manager and the team. This is an assumption and a prerequisite for the "hands-off" approach. I will now explore how a project manager trusts his team.

4.6.4 Trusting the project team

As referenced in the "hands-off" approach, trust is an inherent part of working on a team and is considered a success criteria for the delegation of responsibility from the project manager to the project team at Technical-R-Us. One project manager stated:

> *"I trust my project team to make the best decisions for the project."*

Trusting that project team members can make the best decisions for the project can reflect truly the significant level of trust that the project manager has in project team members. To a person outside the organisation, this can appear as a naive way of managing. From a Taylor scientific management perspective this would not even be considered by management as this level of trust in decision making could not be left up to a single individual. Scientific management theory maintains that only management can make decisions on the project.

Once performance expectations have been clarified with project team members and tasks have been delegated; the project manager trusts the team member to perform their job. "Trust" or earned trust was of utmost importance to all informants. One project manager stated:

"I have trust from my supervisor, the President, to deliver my project successfully. I, in turn, trust the members of my team, to do their part in this project delivery."

This statement can reflect that there is trust throughout all levels in the company, from the senior management down to all employees in the firm. This is an assumption when delegating responsibility from the president of the organisation to the project manager, from the project manager to the project team members and from the project team members to the employees in each department that support the project. The high level of trust can be associated with the characteristics found in the Scandinavian leadership model (Schramm-Nielsen et. al. 2004).

Trust is an underlying dimension with regard to the project manager's interaction with project team and it is an important factor for high performing teams where each team member must trust that their teammates will fulfil their commitments (Weiss 2001). This may reflect characteristics found in the Scandinavian cooperation model where there is a high level of trust between management and employees (Schramm-Nielsen et. al. 2004, Levin et. al. 2012 and Lewis 2006). Trust can be seen in how the project manager delegates to the project team members with the expectation that this task will be completed with very little oversight by the project manager or a "hands-off" approach.

The high level of trust is further supported by Lewis (2006) who references that Scandinavians have a ready trust for others and believe that people will follow the rules. In this case, that the project team will follow the rules and perform their job. This trust is maintained up until the project team member proves to be untrustworthy. The expectation is that the individual is qualified and will perform their job to the best of their ability. If the team member does not, it is the expectation of the project manager that the team member will ask them for help or let the project manager know why the team member is unable to perform the task.

One can also view trust in light of working in a knowledge organisation, how knowledge workers are led by giving them autonomy to do their job with minimal supervision. There may also be a high level of trust between managers of knowledge workers because the workers themselves have a specific expertise which may exceed the level of expertise of their department manager or project manager which is a characteristic of knowledge workers as described in Hislop (2009). Therefore, the manager can trust and expect that the employee does the job to the best of their ability.

I will now explore another approach used at Technical-R-Us with regard to managing a project team. It is called the "hands-in" approach.

4.6.5 "Hands-in"

The "hands-in" approach is a more controlling style of management and has elements of Taylor's scientific management approach where there is less freedom and autonomy for the project team members. With this approach, the project manager "checks in" or follows up more with project team members.

> *"Project team members are individuals and as such, some work*
> *independently and others need to be followed up more."*

This statement can reflect that project managers must adapt their leadership style to fit the individual or the situation; this is commonly referred to as situational leadership. This can reflect that not all employees can work independently and that some individuals may need more oversight than others.

A "hands-in" manager is a manager that regularly checks with the employee to find out the status of tasks. In some instances, this can refer to a project manager that has their "hands-in" too many of the details or takes over some of the tasks for the different disciplines. As described in section 4.6.3, a "hands-off" manager is a manager that allows and trusts that the employee is competent and will do their job. The method of maintaining control of the tasks for each discipline and maintaining the overall oversight of the status of the project is done through a weekly internal project team meeting. These meetings are held for every project no matter if the project manager has a "hands-off" or "hands-in" approach; however, a "hands-in" manager tends to have additional project team meetings or meetings with specific project team members as necessary.

One project manager referenced that during different phases of the project there are times when a project manager should follow up with different project team members more than others due to the level of activity on the project. He stated:

> *"When there is high activity in the fabrication of the product, this requires*
> *more follow-up of the construction manager, engineering manager,*
> *procurement, quality and health and safety. This is not to micro-manage the*
> *team, but to try to ensure that everything is on track with the project."*

This statement can reflect a more "hands-in" approach to managing the team or this approach can be indicative of situational leadership where the different phases require a different type of leadership as described in Turner (1999) and Berg (2010). An interesting point here is that this particular project manager has worked on projects outside of Norway for a number of years and has recently returned to work again in Norway. This more "hands-in" approach may also reflect that the institutional way of leading in Scandinavia can be adapted and that his leadership style may have been influenced by different international

leadership styles that are institutionalized in other countries while he was working outside of Norway.

Regardless of whether the leadership approach is "hands-off" or "hands-in", the project manager strives to motivate and develop the project team members.

4.6.6 Challenging and developing project team members

Employee development of the project team members was a critical theme and focus for all of the informants. This was considered to be one of the most important responsibilities as a project manager. One informant stated:

> *"I have always liked to develop people during my career."*

This quote can reflect that by delegating responsibility to project team members this can enhance and develop their individual skills. This can reflect openness by the project manager to teach and develop others. Through sharing the project manager's knowledge, he can strive to develop people that may be able to one day fill the role of a project manager on future projects.

The ability to develop others was seen as one of the most important skills to have as a project manager. Motivation of individuals ranked high in all of the project management theory (Turner 1999 and Project Management Institute 2000). One can say that employee development can have a positive impact on an employee's motivation and engagement on the job. Another point to mention is that all of the project managers have functioned as a mentor to at least one of the project team members during the duration of a project.

Another example that both individual development of project team members ranked high was stated by a project manager:

> *"I allow project team members to work on tasks on the project that are one level above their skillset as it challenges the individual and I allow them to stretch in their roles."*

The quote above can reflect that project managers have high expectations of project team members who typically are highly qualified in their fields. This can also reflect that the project team members are allowed significant opportunities for individual development and learning. These expectations can reflect the trust the project manager has in the project team. The high expectations of the project manager can increase the risk of failure for the team member by giving the individual tasks that may be beyond their skill set. However, as stated earlier, the project manager accepts the overall responsibility for the project and the responsibility if the team member fails or makes a mistake.

It is important that the project manager does not take over their assignments or tasks when it becomes challenging or difficult for a project member. A project manager stated:

> *"This is important for the learning process and the development of the individual that they work to figure this out. I can step in and fix it, but it is better for the individual if they work it out on their own."*

This statement can reflect the "hands-off" approach by a project manager. Potentially, through his delegation of responsibility; it can create ownership by the individual team member that to perform the task can ultimately lead to their individual development.

As part of developing the project team at Technical-R-Us, employee involvement plays a significant role in the daily operations. This can be found both at the department management level and on project teams. Examples of employee involvement ranged from including individual project team members in important meetings with the client, report writing and giving team members challenging tasks. An informant stated:

> *"People feel ownership for the job that they do; it is important to challenge them in their work."*

The quote above can reflect that the project manager values the team member and has high expectations with regard to their performance on the project by giving them challenges. This can also imply that the project manager believes that by challenging the individual this will motivate and engage them in their role on the project.

Challenging tasks not only impact individual development, but also their involvement in these tasks increases the level of ownership by the individual. Employee involvement applies to not only the project team, but also can be applicable to all employees in the organisation.

At Technical-R-Us, the product must be delivered on time and with the right quality. In order to explain the extent of employee involvement at Technical-R-Us, it can be important to present the following example. During the final phase of one project it seemed as if the project would not be delivered on time, the project manager went out to the fabrication area to discuss the issue with all of the operators and have a brainstorming session. He presented the issue with fabrication; teams of operators from production were established to brainstorm to find a solution. The company would receive a large bonus from the client if Technical-R-Us could deliver the product on-time. The end result was that the operators found the solution; the project manager implemented their idea; the project was delivered on time to the client; and the company received the bonus. This can be reflective of how much the company really values employee involvement

The example above can reflect the power of employee engagement and ownership to get results on a project. This example may also reflect the Scandinavian value of employee involvement in decision making and change implementation (Schramm Nielsen et. al. 2004). Other examples were given with regard to operator involvement on projects in order to increase productivity of all the operators - the people that actually perform work. This can be viewed as a success factor for the execution of the project. Therefore, it is deemed important by the company to get their feedback to find the most efficient solutions from the people that perform the work, especially with mass production. This is a different approach than Taylor's scientific management approach where management decides how the work will be performed.

Some of the project managers at Technical-R-Us have received feedback from foreign clients that decision making processes at the site take more time due to the necessary involvement of the Main Safety Delegate, labour unions at the site, the company Working Environment Committee, and senior management. However, this is the process used in Norway and is based on the principles of the Scandinavian leadership model in reference to strong trade unionism and democracy. According to Schramm-Nielsen et. al. (2004), this cooperation between the different parts, i.e., management, labour unions and employees, is an important as it ensures employee satisfaction and engagement in implementing decisions in the company which in turn, can maintain or increase corporate competiveness.

I will now move to developing a project team to the next section which will explore how a project manager creates a dialogue with the project team.

4.6.7 Dialogue with the project team

Communication, as defined by Project Management Institute (2000), is the "exchange of information in which the sender has the responsibility for making the information clear, unambiguous and as complete as possible so that the receiver can receive and understand the message", (Project Management Institute 2000: 24). The receiver has the responsibility to ensure that they receive and understand the message that is sent from the sender. I will address communication specifically with the client in Chapter 5.

During the interviews with the informants, a success factor for project managers was giving feedback to individual project team members after meetings with clients and feedback based upon the project team member's interaction with the project team itself. As referenced in Weiss (2001), when looking at high performance teams, communication is a key factor which includes how the team members learn how to interact effectively with others and with people outside of the team, in this case, the client. Different types of internal communication within the team are: during meetings, telephone conversations, written communication and informally in the hallways.

Communication within the project team and the project team's communication with the client can be an important success criterion for the project. One informant stated:

> *"I give feedback to individual project team members on how they communicate and are perceived during meetings both internally and with the client. The person needs to know how they are perceived. Then, you can do something to work on the issue."*

The method that the project manager gave feedback to the team member can demonstrate the level of importance of employee development is to the project manager. This can also demonstrate how the project manager mentors staff by giving them tips for improvement, as well as, positive feedback.

One project manager had his own type of performance evaluation with each individual team member as a way of giving feedback on their performance both positive and constructive. In addition, during this evaluation the project manager got feedback on his performance in his own role. He conducted the evaluations 1 to 2 times a year depending on what he thought was necessary for the individual. This was typically not documented in the employee's personnel file, but was kept and referenced by the two parties. The method used by the project manager can demonstrate that he was also open to feedback for his own individual development. This allowed for individual development for both parties. The performance evaluation was an opportunity to give two-way feedback and focus on what skills are important both for the individual and for the project. As referenced in Weiss (2001), the individual's performance is based on their performance on the team. However, at Technical-R-Us, individual performance evaluations are conducted by the department manager and not the project manager and an individual's performance is not based solely on their performance on the team.

The dialogue that occurs on when working on a project team is not through one-way communication, but through two-way communication. This again can reflect the level of trust and openness between the project manager and the project team.

4.7 Summary

During this chapter, I discussed what the formal qualifications and expectations are for project managers at Technical-R-Us regarding project management. Thereby, setting the context of how project managers work at Technical-R-Us. When managing a project, I explored the interaction of the project manager with the project team during the different phases of the project.

In part two of Chapter 4, I explored the characteristics of a "good" project manager and how he involves and manages the project team. When exploring how a project manager manages

the team, there were a number of themes that came up. In many respects, project management and managing the project team at Technical-R-Us are in accordance with general project management principles. The style at the company can also be viewed as in accordance with the principles of how to manage in a knowledge intensive organisation.

When exploring management of the team, it became apparent that employee development, delegating of responsibility, and team member involvement was a key priority for all project managers which can be due to the influence of the Scandinavian leadership model. In addition, the project managers had a significant level of trust in the project team members that each member will perform the job to the best of their ability. This can be indicative of the Scandinavian institutional framework, where one trusts the other party until the person proves that they are untrustworthy. In addition, another factor I discovered was that project managers often had a dialogue with project team members or two-way communication during the project to discuss issues occurring during the project both with regard to the project itself and performance issues. This can reflect both employee involvement and enhancing the development of both parties.

Another management style which I explored was the "hands-off" and "hands-in" management style which seemed to occur primarily in the performing phase of a project. The "hands-off" style of managing the project team appeared to be in line with the Scandinavian leadership model and to some extent, the style of managing knowledge workers, in which the project manager trusted the knowledge and abilities of the project team member and gave the individual team members the autonomy and freedom to perform in their role. The "hands-In" style can be viewed as a less stringent version of Taylor's scientific management with the project manager stepping in periodically during the project to control the project team member to ensure that the required tasks are performed at a level acceptable to the project manager. The level of control over the project team members was not a constant measure used by project managers; it was only used as deemed necessary.

I will now move on to Chapter 5 to explore how project managers develop client relations and the value of cultural competence when working with international clients.

5 Client relations and cultural competence

The main research question of this thesis is how can project managers, working with project teams, be successful in international projects? In order to answer how project managers can be successful, one should explore how the project manager interacts and enhances cooperation with international clients during different phases of the project. Thus, the second subordinate question used to answer the main research question explores how cooperation generally occurs between the project manager and the client on international projects.

In this analysis chapter, I will explore how project managers interact with international clients during different phases of a project; how a relationship is developed with the client, looking in particular at elements such as, trust, openness and collective orientation; communication when interacting with clients; and intercultural training project managers receive at the company.

5.1 Timing during the project phases

According to Project Management Institute (2000), there are five phases of a project. The phases are: the initial phase, planning, execution, controlling and closing. The project team and the project manager interact with the stakeholders involved on the project. This analysis will focus on how the project manager develops his relationship with the client; the project managers interaction with the client; and the timing of events when executing a project.

After the contract is awarded and prior to project start, there is a kick-off meeting with client. Technical-R-Us expects that during the course of the kick-off meeting that the project manager does the following: present the members of the project team; give an orientation on the company and the local area; describe desired client relations, cooperation relationship and common goals; present the organisations expectations to the client; overall execution philosophy and HSE targets for the project. This process is documented specifically in the project management handbook.

During the early phases of the project, a team building session is held with the client early in the execution phase. The participants include: the project manager, the company's project team members, the client and the client's respective project team members. The purpose of this meeting is to clarify expectations. One informant stated:

"When you have a teambuilding meeting with a client, it is important to be very clear when clarifying expectations for the project. This helps when challenges occur later on in the project."

This statement can reflect the importance of clarifying expectations between both parties at the beginning of the project to avoid misunderstandings during the life of the project. This can demonstrate the project manager's focus that each of the parties involved has the same understanding. This can also be used as a tool to further develop the relationship with the client and create the feeling of openness and cooperation.

Technical-R-Us specifically outlines the key words for discussion for teambuilding which include: setting common goals, clarification of expectations, discuss the use of the company's (contractors) expertise, requirements, procedures and experience during the course of the project, loyalty both internally and to the client and use the correct communication lines during the project. The method that is used at Technical-R-Us is in line with the principles of project management as described by Project Management Institute (2000) and is further corroborated by Turner (1999) and Koster (2010).

During the execution phase of a project, the focus of the project manager and the client can differ. One project manager stated that during the execution phase,

"The client's focus is on plan, quality and economy; whereas, the company's focus is on economy, quality and plan."

The above quote from the project manager may reflect that both the company and the client have a different focus when executing the project that can lead to potential conflicts. One example that was given during an interview was if there is a change on the project, the client looked at the consequence to the project plan; whereas, the company strived to ensure that they will get paid for the plan change. This can reflect the differences of not only the focus, but also the expectations of the client and the company. Even though the goal of the project is the same, i.e., the completion of a successful project, conflicts can occur due to different approaches from the stakeholders. Therefore, it is important to develop a good relationship based on mutual trust between the stakeholders. I will look at how "good" relationships are developed in section 5.2 and more specifically at developing trust between the two parties.

As the project enters the close-out stage, it is important to keep focus on delivering the product or service on time, with the right quality and meeting the expectations of the client. As the delivery date closes in, this can be a hectic time for both the project manager and the project team.

Each phase of a project involves either developing a relationship with client or improving the relationship with the client. I will now explore the next topic of how relationships are developed with the client and the elements involved when developing this relationship.

5.2 Developing a relationship with the client

It is an expectation at Technical-R-Us that both the project manager and the project team strive to develop and build a good relationship with the client. This initially can begin in the planning phase of a project. The elements found in developing a good relationship are: trust, openness, and cooperation with the client to find solutions.

5.2.1 Establishing and developing trust

Project managers have a specific responsibility to achieve a "good" relationship with the client; one element of developing a good relationship is that each party trusts each other. This was a consistent and significant success factor for all project managers interviewed. As a reflection of this, one project manager stated:

> *"Develop trust with the client, be honest and open."*

When discussing client relations with the project managers, trust was the first element discussed. This can reflect the importance of trust as a general element found in the Norwegian culture and the Scandinavian leadership model. Trust was, and is a significant factor for the project manager when working with a project team and can demonstrate that trust is an element that is used and is highly valued in all relationships.

As defined by Technical-R-Us, elements of a "good" client relationship are defined as: good communication; be open for new ideas, including those from the client; build up a relationship based on trust; get problems out on the table; and establish personal cooperation in relationships. This reflects the importance of the role of the project manager and his/her ability to develop a strong relationship with the client. It is interesting to note that one element for a "good" client relationship is to get problems out on the table and out in the open. I will explore this further when looking openness or transparency with the client and how this impacts client relations.

One project manager stated:

> *"The method I use to establish trust is by being open with the client and having the project team work and interact with the client regularly so that the client develops trust in the project team members. This creates client confidence that the team members are competent in their roles on the project."*

The statement from the project manager again can reflect that the critical elements when working on a project are developing trust and being open with the client. This can demonstrate that this is an expectation of the company to the project manager. This expectation in turn, trickles down as an expectation of the project manager to his project team. The regular interaction between all project team members on the project can further enhance client relations.

Trust was an important theme for all project managers interviewed at Technical-R-Us; the project manager and the members of the project team should strive to gain trust and to establish credibility with the client. This was felt to be a critical success factor for a project. This viewpoint can be attributed to that the organisation operates within the institutional framework of the Scandinavian model where trust is emphasized. Another viewpoint can be trust is element found in knowledge organisations that are project based where the skills and competence of the employees create credibility and a sense of trust as the knowledge possessed by the employees is the company's competitive advantage and one of the reasons why the client hired the company.

According to Lewis (2006), values in linear-active cultures are that the truth overrides diplomacy and facts come before feelings. Scandinavian countries are ranked high as linear-active. In linear-active cultures, it is viewed as important to be direct and results-oriented (Lewis 2006). The high value of truth and the direct and results-oriented style can further enhance trust in the relationship between the company and the client.

Another component of project management as defined by the company regarding developing a relationship with the client is that they develop "rules of the game" for the team and how the team interacts with the client. Examples of these as described by Technical-R-Us are: client must see the project team as united and loyal as a team; client service is important; behave honestly when interacting with the client; help the client find solutions; strive to help the client understand *how* we work and *why* changes can affect plan and costs; keep the client informed; timely information with critical activities; and discuss cultural differences with the client. These factors can also help with developing trust with the client and developing credibility. The last element of cultural differences can impact client relations and can impact the success of international projects. I will discuss cultural differences under analysis section 5.4 on cultural competence.

Three of the four project managers commented that when there is a Norwegian client at the site with a project, the Norwegian clients allow Technical-R-Us to complete the project based on their own internal and institutionalized company standards. This can demonstrate Scandinavian cultural institutions that highly regard trust of the other party, in this case, the client's trust of Technical-R-Us until they prove to be untrustworthy. The client thereby allows

Technical-R-Us the freedom to run their projects within their corporate standards, norms and values without the client micromanaging or controlling the way that the project is executed.

Technical-R-Us has had different experiences with international or non-Norwegian clients at the site. One project manager interviewed stated below with regard to his current non-Norwegian client:

> "The client requires that the company comply with the client's way of doing business for example, reporting requirements, incorporating client processes into the project or ways of working."

This quote can reflect that the non-Norwegian client required that Technical-R-Us comply with the client's corporate way of operating. This could have been due to a lack of trust for how the company ran the project or the way that Technical-R-Us executed the project did not fit within the client's own institutional framework. This can reflect that the client was not willing to accept the institutional framework and corporate culture that Technical-R-Us uses. This can also insinuate that the client believes that their way of doing business is the better way of doing business.

An example of this type of compliance of conducting business in the client's way was illustrated when Technical-R-Us was required to hire HSE inspectors on their project. This type of system used by the client is institutionalized in their own organisation to manage HSE behaviour at their sites. This is not the case at Technical-R-Us. In Norway, HSE is a line management responsibility; however, this was deemed unacceptable by the client. Therefore, the client's requirement was implemented. The HSE inspectors began to take over the role of the Safety Delegates which is not in compliance with the system used at the yard. The HSE inspectors were removed once the client's project was completed and the company began to use the Safety Delegates at the site. The control type of leadership did not function within the institutional parameters of Technical-R-Us' leadership style and corporate way of doing business.

As stated earlier, developing trust with the client was a key success factor for the project managers at the site. As an element of developing trust, I will explore what openness with the client means at Technical-R-Us.

5.2.2 Openness

Openness was considered an element of the success criteria for the project for all project managers. The project managers were all in agreement that one should not try to be "smart" or try to deceive the client. It was expressed by all that it is important to be open and perceived as credible. Developing credibility with the client was a reoccurring theme with all informants. Openness with the client also ties in with developing trust and is consistent with

trust building strategies as outlined by Lewis (2006) in which the project manager should set clear, transparent aims and goals; develop an information-sharing policy and continually work toward transparency.

> "As part of successful client relations, it is important to be open with the client, serious about the work and honest. Sometimes we are too open with the client, but this openness helps when you have other discussions with the client later on in the project in particular regarding financial discussions about the project."

The above quote can reflect the level of importance that openness, honesty and trust are to the project manager. This has been a reoccurring theme with all of the project managers and can imply that trust is a cultural institutional factor in Norway. The project manager's comment can indicate that he feels that perhaps the company is too open. However, it appears that he feels that it is better to be more open with the client than not. This point of view of being more open can be to further improve client relations in the long run both the current project and the ability to be awarded future projects.

This openness with the client; information sharing with the client; and interaction of the different parties harmonizes with the Scandinavian model (Schramm-Nielsen et. al. 2004). This can reflect that developing credibility with the client can impact client relations in a positive way.

Developing openness and credibility with the client can further enhance the cooperation between Technical-R-Us and the client and can lead to a successful project and potential repeat business in the future. It is also the expectation of the company that project managers will perform well in their positions not only with regard to project delivery but also in client relations to ensure that the company has repeat clients and business.

5.2.3 Collective orientation to solve challenges through cooperation

> "It is not us against them (the client); we work together for what is the best for the project."

The above comment can reflect that the relationship style between Technical-R-Us and the client and demonstrates that the emphasis is on cooperation. This shows that the focus can be upon the "we"; attempting to work cooperatively and not trying to create barriers or differences as both Technical-R-Us and the client have a common goal, the successful delivery of the project.

Cooperation between the company and the client was an important factor for a successful project. Cooperation is defined by Koster (2010) as a "common effort or association of persons for a common benefit", (Koster 2010: 280). This is in accordance to the philosophy at Technical-R-Us. Part of a project manager's responsibility is to work to achieve agreement with the client.

A common phrase used in many industries is "the client is always right". This is an expression used to emphasize customer service and meeting the client's need. However, one project manager stated:

> "*This is not necessarily correct. As a project manager, it is your job to present a solution, which is the best for the project, in such a manner, that the client accepts the solution.*"

This statement can demonstrate that the project manager analyses the situation and may have developed an understanding of the communication style he should use to present this solution to the client. It is as if he has developed a sense of what would work best in a client relationship based on his experience as a project manager.

In the oil and gas industry, Technical-R-Us has a good reputation and is known as a company that can design, construct and deliver a quality product on time. In addition, the company has a reputation in the global industry as a company that works with the clients to solve challenges and find the best solution for the project. Such a reputation can require that both the project manager and the project team use their creativity to find the best solution. As stated by the most senior project manager:

> "*You must continually search for opportunities during a project, opportunities to save money, save time, or find good design solutions for the product. You must always seek the potential opportunities. I ask that of both myself and my team.*"

This type of thinking can generally reflect that the project manager and his team should have the ability to always be thinking proactively about the next step in the project, always looking forward. This can reflect the project manager's ability to maintain the big picture of what is going on in the project, particularly in the performing or executing phase.

This analysis section focuses on how cooperation occurs with international clients when working on international projects. When looking closer at cooperation and how this occurs, I will now explore how a project manager communicates with the client. This exploration of project manager's communication with clients includes different communication strategies that they use as individual project managers and what they have learned with regard to timing of communication on projects.

5.3 Project manager's communication with the client

In this section, I will look at the important factors in communication for the project managers at Technical-R-Us with regard to project management. I will explore communication styles and strategies with international clients in section 5.4 on cultural knowledge because these are important elements of the success criteria for international project management.

During my interviews, two informants stated that communication and timing of specific communication is critical throughout the project especially if one foresees particular challenges ahead. It was interesting that the both commented on exactly the same thing in the same manner. This can reflect that the younger project manager was mentored by the senior project manager or that they both had participated in the same type of project management training. Both project managers stated:

> *"You plant a seed before you harvest it."*

According to the project managers, if you started early enough discussing the issue with the client, you will be able to discuss it openly later in the project and have the ability to achieve the outcome or the results that you desire. Another important element of project management was patience and this can be reflected by the planting of the seed analogy used by both project managers. This has a symbolic meaning in that it takes time for the idea to develop, you give it water and fertilizer so that the idea can grow and prosper.

Timing was also viewed as important factor when presenting challenging issues. For example, when a project is not on schedule and the delivery date must be delayed. One project manager stated:

> *"Raise the issue early so that the client is not surprised."*

Raising the issue early can demonstrate the level of openness by the project manager with the client and can reflect that the project manager understands that no one likes to be surprised. By not disclosing the issue, it can appear as if the project manager had been hiding something from the client. Raising the issue early and avoiding surprises can also create predictability and credibility in the relationship with the client.

Another project manager stated that in his experience:

> "*Once a milestone is achieved on the project that is a good time to bring up future challenges on the project with the client."*

The above comment can reflect the importance of timing on a project and how once a major goal has been achieved, it can be a good time to once again "plant the seed" of potential

future challenges later on down the road. In addition, the client can have positive feelings toward the company due to their successfully meeting the project milestone. The feeling that Technical-R-Us will be able to meet and overcome the next challenge or meet the next milestone on the project despite upcoming challenges.

As outlined by Project Management Institute (2000), the project manager should disseminate information externally to the client to include performance reporting and regular information sharing with regard to status on the project. Project managers should understand which communication medium to use when sharing information. As referenced in all of the quotes regarding a project manager's communication with the client, each project manager was concerned with timing and when to distribute information to the client. This is in accordance with the interpersonal communication strategies as presented by Weiss (2001), where the project manager should examine the environmental climate to include both timing and setting.

Listening is an important part of communication and as the receiver of the information, it is the receiver's responsibility to receive and understand the message from the sender (Project Management Institute 2000). The informants strived to adhere to the communication style as described by Project Management Institute (2000). There were a number of comments related to listening to comprehend what the client is saying; listen to hear the issues that are important to the client; and listen to what the client is not saying. This can reflect that the project managers have all attended similar training or that they have had practical experiences where they have learned that this is a "good" project management practice. One project manager stated:

> *"I try to understand if there is something between the lines of what is being said."*

This comment can reflect that as the receiver of information the project manager must strive to understand what is being said or not said. This can reflect that he understands that there can be cultural differences in how he and the client are communicating with each other.

Another example stated by another informant was:

> *"When the client said nothing at all during schedule discussions that meant that they were not satisfied with the progress of the project."*

This statement can again reflect the importance of role of the receiver to listen to what is not being said and trying to understand what is really occurring in the situation. This can reflect the importance of understanding what communication clues to look for and the communication style that the client uses.

The senior project manager stated that it had been important factor for him, in his career, to have informal conversations with the client, for example, over a cup of coffee. He stated:

> *"It is over that cup of coffee that you get clues about the things that are most important to the client on the project."*

The informal dialogue has been a critical success factor for him; through dialogue he had been able to get to know the client on a personal level and develop and cultivate his relationship with the client. This can also demonstrate that this informal dialogue or "chit chat" created a more trusting relationship in which this positive dialogue helped to develop a better working relationship. This can lead to better cooperation to do what was best for the project. In other words, getting to the "we" rather than the "us" and "them" way of thinking.

There are many similarities how these project managers communicate with clients, but there are also variations in their methods. This may be based on their number of years of experience as a project manager or perhaps this can be based on how they have learned to work as a project manager based on their international experience.

The examples given by the different project managers can reflect different intercultural communication strategies that they have developed over time; the project managers have learned these methods during internal or external training; or a combination of both. Understanding the environmental climate and the timing of the communication (Weiss 2001) can be seen to play a significant role in the communication process.

In this next section, I will explore cultural competence working on international projects to include: cultural differences with regard to communication styles; hierarchy and bureaucracy found in different cultures; and ways of negotiating when working on international projects.

5.4 Cultural knowledge when working on international projects

An international project can involve multiple stakeholders from different countries having different cultural and organisational institutions. As a success factor working on international projects, it can be beneficial that the project manager managing the project has cultural knowledge and/or awareness of the stakeholders involved and in particular, the client (Koster 2010).

Working on international projects requires that the project manager read the context of the situation, taking into account the specific national context or institutions of the country that the client comes from (Turner 1999 and Koster 2010). This type of cultural awareness can be shared explicitly through intercultural training offered by the company. However, this can also be understood as tacit knowledge gained through practical experience by understanding the nuances and presenting issues to a client based on the client's national institutional context.

Managing international projects can be challenging due to both cultural differences and the stakeholder's different ways of doing business. As stated in Turner (1999), the project team, when operating in their home country, may have an expectation that the client will make an effort to understand the culture and work approach of the country where the project is being conducted. The project team members may not make an effort to understand the client's cultural differences. Turner points out that "it can be valuable to understand the client's culture, in order to understand their way of working", (Turner 1999: 483).

I will now explore international communication styles that can be found in international projects. I will look at intercultural styles of communicating and how this can impact project managers as they interact with different international clients.

5.4.1 International communication styles

> *"The Norwegian language and our way of communicating is very direct.*
> *Please is a word that is seldom used. We do not use polite formalities when*
> *asking questions."*

When talking with this informant, he referenced that Americans used the words "please" and "thank you" often in conversations. This use of this type of polite formalities can be commonly found in the American culture. This was something that he discovered when he began to work on international projects outside of Norway. As a consequence, this project manager had to modify his communication style to incorporate the polite formalities when working with both the client and his internationally diverse project team. As referenced in Koster (2010), all project members should be careful about the language that they use as it can quickly create misunderstandings. As referenced in Hofstede et. al. (2010), communication styles and the use of language can be of particular importance with regard to cultural differences when working internationally.

As part of working internationally, project managers are often required to communicate in a foreign language to them, English. They are expected to communicate in a cultural acceptable, appropriate manner in their interactions with the client to help assist in developing a successful relationship. It is a requirement, for both the project manager and the project team, to have comprehensive speaking and writing abilities in English. Understanding and speaking business English is one thing, but understanding the key phrases or the written style of communicating, the institutional key phrases or jargon used by different cultures or even different corporate cultures is usually something that is learned over time (Trompenaas and Prud'homme 2004).

> *"I asked for a separate article in the contract which was – 'The Company (client) shall act fair and reasonable during the term of the contract'. The specific language in the separate article was an important phrase to have in the contract in the event of disagreement between the client and Technical-R-Us or in case of a lawsuit."*

The above statement by one project manager with significant international experience is an example. He believed that a particular contract was out of balance for Technical-R-Us or that it was more one-sided in favour of the client. Based on his international experience, it was important to have this contractual language in the contract in the event that there was a disagreement with the client which could result in arbitration. During this project, the project manager referenced this particular clause on several occasions with the client to further reinforce and improve Technical-R-Us' position during the project. This can reflect the project manager's knowledge of the culture of the client and understanding the client's institutional framework and symbols (Hofstede et.al. 2010).

Technical-R-Us' clients and subcontractors are either from Western Europe or Scandinavia. Recently, there has been expansion to both Russia and China; however, the informants that were interviewed were not currently responsible for projects in these countries. The clients at the site while writing this thesis were: German, British, French, Swedish and Norwegian.

Cultures from Western Europe and Scandinavia are classified by Lewis (2006) as linear-active. Linear-active cultures have the following characteristics: very methodical; punctual; focus on facts and plans; job-oriented and follow procedures (Lewis 2006). It is important to note that these characteristics are applicable to these different countries in varying degrees. Germany and Switzerland are at the top of the linear-active scale, Scandinavians are ranked third on the scale and British fourth (Lewis 2006).

Another point expressed by project managers that was significant were the types of information that should be shared with the client and the manner in which it should be shared. Since the Norwegian culture is based on trust and open, honest communication, one project manager stated:

> *"We were up-front with the issues and gave what was considered to be "bad news" regarding the challenges on the project with our German client. I quickly learned that you do not talk openly about bad news with a German client."*

This statement can reflect the importance of developing cultural antennas or awareness regarding what is acceptable or unacceptable to discuss openly with the client (Hofstede et al. 2010). Another example one of the informants gave was that in the English and American

cultures it was not good to talk openly about money or health and safety challenges on the project.

At Technical-R-Us, clients typically have a site team at the company for the entire life of the project. This creates a forum for both formal and informal meetings with the client. As referenced in section 5.3, regular communication is considered to be an important factor for all project managers at Technical-R-Us. Currently, Technical-R-Us has a project with a German client. This client has one technical person mobilised at the site, but this person does not have the authority to participate in client meetings with the Technical-R-Us project team. The business relationship with the client is poor; there are a limited number of formal meetings that take place at the site; little informal dialogue; and communication primarily occurs formally through written correspondence. The project manager has learned through experience that decisions cannot be made through verbal communication or dialogue with the client during meetings.

Communication occurs through formal written communication that is sent to the correct channels for approval by the client. On some occasions, these decisions must be approved by the German company's Board of Directors which can take a long period of time to be approved. This can lead to potential slowdowns in the manufacturing time for the project. The project itself has been challenging, however, the poor communication has further exacerbated the challenges on the project.

Another component of cultural knowledge and intercultural relations involves negotiation styles, different ways of interpreting the negotiation exchange between the involved parties; and different levels of hierarchy used in different types of negotiation.

5.4.2 Negotiating styles

When negotiating between two different cultures, there can be different perspectives and understandings between the two parties in a negotiation situation.

> *"Norwegians are too naive in business negotiations. Norwegians try to achieve consensus too early in the process, they agree with what is being said and they don't really listen to what the client is actually saying or the message from the client."*

This was an interesting statement made by the most senior project manager and can be an example of what he feels goes wrong in a negotiation situation. This can reflect the need for cooperation and general principles of trust which are found in the Scandinavian culture. However, in a negotiation situation, the Scandinavian need for cooperation can be a handicap and have a negative effect on the ability to achieve an advantage in a negotiation or a win-win situation for both parties.

According to Lewis (2006) Scandinavians in negotiation situations are very methodical; focus on facts and plans; and typically are not easily persuaded from their positions easily if they believe that they have a case. Perhaps this statement from the project manager can be related to the Scandinavian way of seeking cooperation, believing in the goodwill that the stakeholders are working toward a common goal (Koster 2010). The typical Scandinavian way of having a ready trust for the client and believe that the client will follow the "rules" until the client proves to be untrustworthy (Lewis 2006).

Another observation from the same project manager was:

> *"Germans and the Dutch seem to be much tougher in negotiations. This reflects that they have had extensive experience with trade/commercial negotiations historically. With German clients, I have found that it is important to stick to the facts in the contract."*

This statement can demonstrate that negotiations are context dependent; it can be important for the project managers to have an understanding of the client's institutional framework and their cultural background to be successful in negotiations. As referenced in Hofstede et. al (2010), developing an awareness of the cultural background others can enhance intercultural relations.

When talking about negotiating on smaller issues during the project, the project manager commented that he often implements modifications as recommended by the client if they are reasonable. The success and profitability of the project are in focus and it is the client that pays for the product. Therefore, if the request is reasonable, the project manager stated:

> "*It is a give and take relationship.*"

This can reflect the collective orientation and cooperation by the project manager to do what is best for the project and continuing to maintain "good" client relations. This can demonstrate that in order to achieve cooperation, he should be willing to make some compromises along the way.

With regard to both communication and negotiation with a challenging client, one project manager stated:

> *"Initially at the beginning of the project, we tried to have a dialogue with the client to come to agreement. Now, everything happens formally through correspondence. There are no informal discussions. There is no gentleman's agreement. The client says one thing during a meeting, thanks for correcting*

> *this issue. Then, I receive a letter stating that this action was in wilful misconduct with the terms on the contract."*

What went wrong with this communication? This can reflect that there are different styles of communicating used to by different cultures. The client referenced in the statement above is a German client. As stated by the most senior project manager, it is important to stick to the facts of the contract when dealing with German clients. Another example of challenging negotiations on this project is regarding variations orders on the contract. Change orders/deviation requests are when Technical-R-Us submits a variation for additional services provided by the company due to a change in the scope of work. The project manager stated:

> *"We submitted the change order to the client with the documentation of the total amount. The client did not believe that was the actual price. They thought that we (Technical-R-Us) had a large mark-up on the price. We believed that the change order was a fair estimate for what the additional services would actually cost. The price was the price; there was no room for negotiation."*

The above quote can again reflect the Scandinavian way of negotiation as presented by Lewis (2006) where the project manager had justified the basis of the change order due to the increase of the scope of work and had presented what he considered a fair price for this increase to the client. During a negotiation one must know their walk-away point and the concessions, if any, that they are willing to make (Tomalin and Nicks 2010). The project manager had presented his offer to the client and this was the figure or the walkaway point. There would be no concession or negotiating on the price.

Negotiation styles are influenced by cultural differences (Tomalin and Nicks 2010). In this particular situation, it could have been helpful to have had a better understanding of the cultural differences between the client and the company. In the end, the client accepted the price for the change order; however, this has been a continual pattern for change orders on this project. The "back and forth" with the majority of the change orders on the project can take a great deal of time and use a great deal of energy for both parties.

At Technical-R-Us, the project manager has the authority to make a number of major decisions on the project, through contract variations. The contract variations are sent to the client without seeking permission from senior management. There have been issues which have required the approval of the President at the site. It is very rare that a decision must be made by the Technical-R-Us Board of Directors in Oslo.

Many of the international clients at Technical-R-Us have a more bureaucratic system where issues on the project cannot be solved or decided on by their site team. Issues must go up to

the next level in the organisation or at times, depending on the nature of the issue, must go before the Board of Directors in order to reach a decision. The requirement of having the Board of Directors approval on decisions can affect the ability to make a quick decision or reach agreement when negotiating on the project. According to Hofstede et. al. (2010), in order to have effective negotiations or decision making, the appropriate levels must participate in the process to achieve the best results for both parties. This can be viewed as an important factor for project managers to understand when negotiating or attempting to reach consensus with the client on a decision.

This section highlighted the challenges that can occur on an international project with regard to negotiation and the ability to achieve agreement between the company and the client. Some of the examples given can reflect the need for cultural training for project managers and project teams in the company to develop a better understanding of how to interact with other cultures when working internationally.

5.5 Intercultural training when working on international projects

With the increase in globalisation and companies working with different cultures within and outside of their borders, intercultural training for project teams can be beneficial for not only success of the project, but also for the company.

The focus of this thesis is upon international projects working with international clients in Norway. It is important to note that when working on international projects outside of Norway, project teams at Technical-R-Us receive training on the cultural and institutional frameworks about the country where they are relocating. Another element as expressed by one project manager:

> *"It is really important to have a person on the team that can tell you how you should act and what things mean in that culture otherwise you can do damage to the relationship without knowing it."*

> *"When working out of Norway, you need to understand the type of surroundings that you are in when you are working there."*

The above comments were quoted by two different project managers. This can reflect that the project managers know and understand the importance of learning about the culture you are working in or with on a project. If the project manager is new to working internationally or has not worked with the client's culture, it is can be a success factor to have a person that understands or is a member of the particular culture that he/she is working with to avoid misunderstandings. This way of thinking is also supported by Hofstede et. al. (2010) when assessing intercultural communication training needs for expatriates.

At Technical-R-Us, two project managers had attended a course which looked at cultural differences and examples of different leader styles with regard to culture, other lands and how they work. The course was held in the Netherlands and appeared to be very appropriate with regard to the challenges that they meet when working with the different cultures.

All of the project managers agreed that there has been very little training at the site regarding intercultural training when working on projects with international clients and subcontractors for projects that are executed in Norway. There was an overall feeling by the majority of project managers that intercultural training in general should be more systematic.

Typically, the company conducts intercultural training with the main project team when a team will work out of the country. In addition, there is generally a person on the project team that is either from that country/culture or has a great deal of experience working with the particular country. There is coaching and training conducted for the project team. Topics that are included in the intercultural training are: what is important working in that culture; what do we need to watch out for; and how can the Norwegian cultural institutions affect the cooperation between the stakeholders. Another key factor for intercultural training is to have follow-up after a certain period of time (Hofstede et. al. 2010). If there are members that have worked out of the country before, there is less training required than if the project team has never worked out of Norway before.

During the interviews, the majority of project managers expressed an interest in learning about new cultures, learning new things and interested in intercultural relations. Two of the PM's wanted to "hop off" again which means work out of Norway on international projects. They expressed an interest and thought that it was exciting to work in other countries, with culturally diverse projects and the challenges that stem from working on international projects with multiple stakeholders.

5.6 Summary

In the first section of this chapter, I explored how project managers work with clients during the different phases of a project. Then, I explored how project managers develop a relationship with the client. Key success factors for project managers at Technical-R-Us were developing trust and being open with the client. This transparency was viewed as a critical success factor and this can be indicative of the Scandinavian institutional framework of trust and fairness. In addition, project managers when developing a relationship have a collective orientation where they work together with the client to find solutions that are best for the project and work toward a win-win situation when challenges occur. There is an assumption of fairness and there is very little room for negativity when working on international projects. This can reflect the influences of the Scandinavian model or it also can reflect the general principles of project management as referenced in Koster (2010).

When working with international clients there can be a number of "pitfalls" due to language and communications differences. It can be important for project managers working both internationally and with international clients within their own borders to develop cultural competence, as well as, develop cultural awareness skills regarding different social convention or manners relating the different clients that they are working with. Another component of culture competence is developing an understanding of how one's own individual cultural background can influence interactions with clients.

6 Closing the gap

I chose this title after my interview with the most senior project manager. He used this term of "closing the gap" to describe how he managed client relations. The way that he described his process of closing the gap was inspirational and it demonstrated how passionate he was about his role as a project manager. He stated:

> *"There is a gap between the client and the company. The gap can be with regard to different cultures; different languages; different product knowledge and knowledge about how the product is produced; and different company cultures, this applies to projects with Norwegian clients as well. This gap must be closed and understood."*

This statement can reflect that based upon his years of experience he has learned that these factors play a large role in the success or lack of success on a project. Based on his project management experiences, the senior project manager used a great deal of his time on closing the gap at the beginning of the project as a way of getting to know and understand his new clients.

It is interesting to note, when I first began working on my thesis, I was very focused on intercultural relations and the dynamics involved between project managers and clients when working on international projects. I asked myself how project managers communicate with foreign or international clients. After conducting my interviews, I began to become very interested in project management itself and how project managers manage both the team and client relations. I became curious about how project management functions at the yard and what the characteristics are that make a "good" project manager. I was impressed by the strong commitment by each of the project managers to develop and grow the individuals on the project team. Finally, I became very interested in exploring further what are the characteristics of a "good" international leader as some of the project managers interviewed have participated in large international projects in Europe. Although this is not the topic for this thesis, I am interested in conducting further research to develop a greater understanding of this phenomenon.

The main research question of this thesis is how can project managers, working with project teams, be successful in international project management? In order to find an answer to the main research question, I created a subordinate research question to explore how project managers lead project teams. While exploring how project managers lead a team, I

discovered that developing and allowing the project team to work on challenging tasks to enhance an individual's development was seen as a one of the key roles of a project manager. In addition, at Technical-R-Us, there is an assumption of trust between the project manager and the project team. Trust plays a significant role with regard to delegating tasks to the team and giving team members freedom, autonomy and allowing them to use their own creativity to solve challenges when working on a project. Communication with the project team is often a two-way dialogue between the project manager and project team members. This can reflect the level of trust and openness between the project manager and the team.

There were two different styles of management I discovered when exploring the management styles of project managers. These two styles were the "hands-off" style of management, a style that can occur throughout the project and the "hands-in" management style which can occur during critical phases of a project. The "hands-off" style is more in line with the Scandinavian leadership model and can also be connected with the management style typically found in knowledge intensive firms. The "hands-in" management style involves managerial control which is indicative of a Tayloristic management style. The use of the "hands-in" style appeared to occur during more hectic phases of the execution of a project. However, the control measures (i.e. extra meetings and follow-up) used by project managers were used as required by the project manager based on their experience. The control measures were discontinued when it was deemed no longer necessary by the project manager. The use of the "hands-in" style is in conflict with the leadership style found in the Scandinavian leadership model.

In order to develop an understanding of how project managers develop relationships with clients which can lead to successful international projects, I developed a second subordinate question to explore how cooperation occurs with international clients. The one of my key findings when exploring how relationships are developed with clients was that project managers had a high level of trust when interacting with international clients. In addition, project managers exert a significant effort to strive to be open and transparent with the client during the project to enhance credibility and improve cooperation with the client. This can stem from the institutional framework found in the Norwegian culture and is noted as a characteristic of linear-active cultures in general (Lewis 2006).

When working on international projects, it can be important for project managers at Technical-R-Us to understand how cultural differences and their own Scandinavian culture can impact relationships between the project manager and the client. This was of significant importance when understanding the best way to communicate with international clients, particularly when challenges occur on the project and during negotiations. These two findings regarding characteristics found in specific cultures and cultural differences can reflect the need for an increase in intercultural training and development of cultural competence or cultural awareness for project managers as referenced by Hofstede et. al. (2010). Additional

training in cultural awareness skills and the development of cultural competence is a measure that can be implemented in order to increase the likelihood of success on international projects.

The importance of communication with international clients in general was seen as a critical success factor for project managers. As a part of communication, the receiver of communication has a responsibility to listen to understand what is said or not said by the client. Again, this can be challenging on international projects as both the sender and the receiver involved in the dialogue can be from other cultures and the interpretations can be different (Varner and Beamer 2005).

An additional finding when exploring cooperation with the client was how project managers generally focused on timing of communication during the different phases of the project. An example of the importance of timing is the "planting the seed" analogy given by two of the informants. In addition, appropriate timing of communication can enhance the level of trust between the project manager and the client which can in turn, increase his/her credibility with the client. The project managers seemed to have developed a sense of timing based up their previous experiences with particular clients and/or based upon their previous experience as a project manager.

The primary research question for this thesis is: how can project managers, working with project teams, be successful in international project management. In this paper, I have explored globalisation and how it can affect organisations. As referenced in Tomalin and Nicks (2010), the one-style fits-all universal business model is not applicable when working internationally. In order for project managers to be successful, it is important to understand the context and the institutional factors that can influence the client, suppliers and even the project team if working with a culturally diverse team.

Technical-R-Us is a Norwegian owned company and as such, functions in accordance to the Scandinavian leadership model. The some of the characteristics found in this leadership model are: employee involvement, democratic, equality and a highly educated workforce. It is important to understand the institutional framework found in the country of Norway, as this is the focus of this thesis. According to Lewis (2006), the country, Norway is classified as a linear-active culture having characteristics such as: punctuality; job oriented; and are very methodical. In addition, Scandinavian countries are classified as high-trust societies (Lewis 2006).

Trust was a prevalent theme with the project managers interviewed both when in working with teams and working the international clients. Another component of trust was openness and transparency which was of particular importance to project managers. Trust and openness were viewed as important success criteria for client relations. When working with international clients, it can be beneficial for project managers to understand how this

Scandinavian trait will be received and/or interpreted by different cultures as not all cultures have this trait. A high level of trust by project manager in the Norwegian company can be an impediment to client relations as some cultures operate from a mistrust perspective. In addition, the Norwegian characteristics of stating the facts, being fair and presenting change orders to the client should be evaluated closely by project managers to ascertain the best negotiation strategy for the company when working with non-Norwegian clients.

Another important success factor for project managers was good dialogue both with the project team and the client. Dialogue with the project team can be viewed as a component of the Scandinavian leadership model where employee involvement, equality and democracy are viewed as an important part of cooperation within the organization. Dialogue with the client is a factor in enhancing cooperation with the client in order to achieve results which are best for the project. Dialogue or regular communication with the client is in accordance with Project Management Institute's principles on good project management. The impact of globalisation on project management requires a greater focus on intercultural communication by both the sender and receiver of the information.

In order for companies to be competitive in the global marketplace, it is important that companies train and prepare their project managers and project teams for working internationally. According to Tomalin and Nicks (2010), in order to conduct business globally, one must empathise with a country's culture. This means having an understanding of how your client conducts business and understanding that the client's processes can be different than yours. In order to have this type of cultural competence, it can be important for project managers to develop cultural awareness skills as described by Hofstede et. al. (2010).

Cultural awareness skills include not only understanding different cultures, but also understanding one's own mental programming and how it can impact client relations. For companies operating globally and/or working with international clients in their home country, training in cultural awareness skills can be a significant success factor, as well as a competitive advantage when working internationally. Project managers that possess cultural awareness skills have the ability to develop a relationship and work with the client to "close the gap" between the client and the company to cooperate in order to deliver a successful project.

Bibliography

Adler, Nancy (2008). *International Dimensions of Organizational Behavior, Fifth Edition*. Canada: South Western Cengage Publishing.

Berg, Morten Emil (2010). *Ledelse verktøy og virkemidler. 3 utgave*. Oslo: Universitetsforlaget.

Børve, Hege Eggen (2008). *Norske kunnskapsorganisasjoner I et globalt arbeidsliv.* Doctorate at NTNU 2008:319.

Børve, Hege Eggen and Kvande, Elin (2010). "The Nordic Model in a Global Company Situated in Norway. Challenging Institutional Orders". Nordic Journal of Working Life Studies. Vol. 2, No. 4, November 2012. Pg. 117-134.

Byrkeflot, Haldor (2002). «Ledelse på norsk: motstridende tradisjoner og idealer?» *Ledelse på godt og vondt: Effektivitet og trivsel.* Kap. 2, p. 41-60. Bergen: Fagbokforlaget.

Edwards, Tony and Rees, Chris (2006). *International Human Resources Management Globalization, National Systems and Multinational Companies*, England: Pearson Education Limited.

Fleming, Daniel and Thornqvist, Christer (2003). *Nordic Management-Labour Relations and Internationalization Nord 2003:15.* Copenhagen: Nordic Council of Ministers.

Gooderham, Paul N. and Odd Nordhaug (2003). *International Management Cross-Boundary Challenges.* Oxford: Blackwell Publishing.

Hannerz, Ulf (1996). *Transnational Connections Culture, People and Places.* London: Routledge.

Heiret, Jan (2006). "International Management Strategies and Models of Industrial Relations – A Norwegian Experience". *Nordic Management-Labour Relations and Internationalization Nord 2003:15.* Copenhagen: Nordic Council of Ministers.

Hislop, Donald (2009). *Knowledge Management in Organizations: A Critical Introduction, 2nd Edition.* New York: Oxford University Press Inc.

Hofstede, Geert (2001). *Culture Consequences, Second Edition.* Thousand Oaks: Sage Publications, Inc.

Hofstede, Geert; Hofstede Gert Jan; and Minkov, Michael (2010). *Cultures and Organizations Software of the Mind.* New York: McGraw-Hill.

Irgens, Eirik J. (2007). *Profesjon og organisasjon.* Bergen: Fagbokforlaget.

Irgens, Eirik and Wennes Grete (editor) (2011). *Kunnskapsarbeid – om kunnskap, læring og ledelse i organisasjoner.* Bergen: Fagbokforlaget.

Irgens, Eirik and Wennes Grete (editor) (2011). «Kunnskapsarbeid – om kunnskap, læring og ledelse i organisasjoner». *Kunnskapsarbeid – om kunnskap, læring and ledelse i organisasjoner*. Bergen: Fagbokforlaget. Kap 1, p. 13-22.

Johannessen, Asbjørn, Tufte, Per Arne and Christoffersen, Line (2010). *Introdukjson til sammfunnsvitenskapelig metode, 4. Utgave.* Oslo: Abstrakt Forlag AS.

Kanter, Rosabeth Moss (1999). "Change is Everyone's Job: Managing the Extended Enterprise in a Globally Connected World", The Organizational Behavior Reader (2001). New Jersey: Prentice Hall.

Koster, Katherin (2010). *International Project Management.* London: Sage Publications Ltd.

Levin, Morten, Nilssen, Tore, Ravn, Johan E. and Øyum, Lisbeth (2012). *Demokrati i arbeidslivet den norske samarbeidsmodellen som konkurransefortrinn*. Bergen: Fagbokforlaget.

Lewis, Richard D. (2006). *When Cultures Collide Leading across Cultures, Third Edition*. Boston: Nicholas Brealey International.

Mead, Richard (2005). *International Management Cross-Cultural Dimensions, Third Edition*. Oxford: Blackwell Publishing.

Morgan, Gareth (2006). *Images of Organizations*. Thousand Oaks: Sage Publications.

Nyeng, Frode (2004). *Vitenskapsteori for økonomer*. Oslo: Abstrakt Forlag.

Project Management Institute (2000). A Guide to Project Management Body of Knowledge (PMBOK Guide). Newtown Square, Pennsylvania: Project Management Institute.

Rennemo, Øystein (2006). *Lever og lær*. Oslo: Universitetsforlaget.

Rennemo, Øystein (2011). «Skandinavsik ledelse i en globalisert verden». *Kunnskapsarbeid*. Bergen: Fagbokforlaget, Kap. 6, p. 105-122.

Schramm-Nielsen, Jette, Lawrence, Peter and Sivesdind, Karl Henrik (2004). *Management in Scandinavian Culture, Context and Change.* Northham, Massachusetts: Edward Elgar Publishing, Inc.

Scott, W. Richard (1995). *Institutions and Organizations.* Thousand Oaks, California: Sage Publications Inc.

Siggard Jensen S; Mønsted, M. and Fejfer Olsen, S. (2004). *Viden, ledelse og kommunikasjon.* København: Samfundslitteratur: Kap. 3, p. 37-72 («Forskjellige syn på viden og videndeling»).

Siggard Jensen, Hans (2008). «Management and Learning in the Knowledge Society». The Journal of Regional Analysis and Policy, p. 130-137.

Simons, Helen (2009). *Case Study Research in Practice.* London: Sage Publications Ltd.

Spurkland, Jan (2009). *Relasjonsledelse, 3. utgave*. Oslo: Universitetsforlaget.

Thagaard, Tove (1998). *Systematikk og innlevelse: en innføring i kvalitativ metode 3. utgave.* Bergen: Fagbokforlaget.

Tomlin, Barry and Nicks, Mike (2010). *The World's Business Cultures and How to Unlock Them 2nd Edition.* London: Thorogood Publishing.

Torp, Hege, red. (2005). *Nytt Arbeidsliv medvirkning, inkludering og belønning.* Oslo: Gyldendal Akademisk.

Trompenaas, Fons and Prud'homme, Peter (2004). *Managing Change across Corporate Cultures.* West Sussex, England: Capstone Publishing Ltd.

Turner, J. Rodney (1999). *The Handbook of Project-based Management, Second Edition.* Berkshire, England: McGraw-Hill Publishing Company.

Varner, Iris and Beamer, Linda (2005). *Intercultural Communication in the Global Workplace, 3rd Edition.* Boston: McGraw-Hill Irwin.

Von Krogh, Georg; Ichijo, Kazuo; and Nonaka, Ikujiro (2000). *Enabling Knowledge Creation.* New York: Oxford University Press Inc.

Weiss, Joseph P. (2001). *Organizational Behavior and Change Managing Diversity, Cross-Cultural Dynamics, and Ethics, 2nd Edition.* Cincinnati, Ohio USA: South Western College Publishing.

Webster's New College Dictionary (2008). Boston: Houghton Mifflin Harcourt Publishing Company.

Westeren, Knut Ingar (2010). *Kunnskap og konkurranseevne hos Aker Verdal, utredning 119.* Steinkjer: Høgskolen i Nord-Trøndelag.

Yin, Robert (2009). *Case Study Research Design and Methods, Fourth Edition.* Thousand Oaks: Sage Inc.

Websites:

http://www.tekna.no/ikbViewer/Content/874247/Scandinavian%20IPMA%20Certification%20in%20English%20Autumn%202013.pdf. 21.June.2013.

(http://en.wikipedia.org/wiki/Industrial_Revolution,_22.June 2013).

Appendix 1: Interview Guide

Background on interviewee

- Age:
- Position:
- Education:
- Years of experience at KVE:
- Describe work situation
- Number of projects that person has been involved in
- What nationalities have you worked with on your projects/in what countries?
- What size of project, how many people are typically involved on KVE side/clients side?

Leadership style

- Describe your own leadership style and how you do this in practice.
- What do you feel are important skills to have as a leader?
- Is there one or more skills that are more important than another? Why? Can you give me an example of how this works in practice?
- How do you think employees perceive your leadership style in practice? Do you receive feedback from members in the project?

Employee involvement

- What does employee involvement mean to you? Please give me an example
- How do you involve employees in your leadership style? Please give an example.
- What you experience as expectations from employees regarding your leadership style?
- How do you think that this affects the work that they do for you? Example?

Delegation of responsibility

- What does delegation of responsibility mean to you? Please give me an example.
- How do you delegate responsibility in your role as a project manager? Please give me an example.

Working in another country

- Have you worked as a project manager in another country? Tell me about your experience.
  - Employee involvement
  - Communication style
  - Disciplinary actions
  - Delegation of responsibility to employees

Scandinavian model of leadership

- Describe the Scandinavian leadership model in your view (employee involvement, delegation of responsibility, democracy, etc.).
- How do you see your own leadership practice in relation to the Scandinavian model?

- How does leadership in general function at the yard? Would you say that it is in accordance with the Scandinavian model? If so, how?
- How does your leadership practice function when you meet the client's leadership style (both Norwegian/non-Norwegian)? Can you give me examples?
- What challenges do you perceive with a client's leadership style?
- Have you experienced positive results when working with a client that uses a different leadership style than your own? Please describe.
- What type of reactions have you experienced with your leadership style?
- Have you heard clients comment in general on the method of leading in Scandinavia?
- Can you give me examples of challenges/positive reactions when communicating/expressing how leadership is performed at the yard?
- Have you had to change your leadership style when working with non-Norwegian clients? If so, how?

Communication with clients
- Context and forms of communication used in communication with different clients.
- What has worked with regard to successful projects with foreign clients? Please give me examples.
- Have you experienced a time where client relations have not functioned well? Can you give me an example of what did not go well and why it did not go well from your perspective?
- Have you experienced clashes with communication? Why? Do you feel that it might have been due to cultural differences or differences in the way of communicating based on the different culture? Can you give me some examples?
- How do you communicate when you have challenges with project cooperation with the client during the course of the project?
- Describe a project that has been a challenge in your experience as a project manager. What were the factors that contributed to the challenge?
- How significant you say communication factored into this equation? How did you handle the situation? Is there anything that you would do differently in the future projects?
- Can you describe your experience with communication practices when working with non-Norwegian clients? In terms of the following:
  - Verbal
  - Nonverbal
  - Direct/Indirect communication styles
- How might you compare this to working with Norwegian clients?

Negotiation Techniques
- Tell me about your experience with negotiation with both Norwegian clients and non-Norwegian clients. Please give examples of positive and situations that have been challenging.
- Have you had experience where negotiations have broken down totally?

Training

- Is there project management training offered within the company with regard to diversity when working with non-Norwegian clients? Can you give me an example if this type of training?
- If not offered, what would you recommend for training?