



**THE IMPACT OF CULTURAL DIFFERENCES ON CRITICAL PROJECT  
MANAGEMENT PRACTICES: THE CASE OF CHINESE CONTRACTORS IN  
ETHIOPIA**

A THESIS SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS  
FOR THE MASTER OF PROJECT MANAGEMENT (MAPM).

SCHOOL OF COMMERCE

COLLEGE OF BUSINESS AND ECONOMICS

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ADDIS ABABA, ETHIOPIA

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**The Impact of Cultural Differences on Critical Project Management Practices:  
The Case of Chinese Contractors in Ethiopia**

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**ADDIS ABABA UNIVERSITY COLLEGE OF BUSINESS AND ECONOMICS**  
**SCHOOL OF COMMERCE**  
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## DECLARATION

I, the undersigned, declare that this thesis is my original work; prepared under the guidance of Worku M. (Ph.D.). All sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

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July 2023

## **ENDORSEMENT**

This thesis has been submitted to Addis Ababa University college of Business and Economics School of Commerce, Graduate Studies for examination with my approval as a university advisor.

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**July 2023**

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## Abstract

*This research study aims to examine the impact of cultural differences on critical project management practices in the Ethiopian construction industry, with a specific focus on the experiences of Chinese contractors. The study addresses the need for understanding and research on the influence of cultural differences on key aspects of project management practices in this particular context. Through a comprehensive data collection process involving questionnaire responses, interviews, and observations, valuable insights were obtained. The findings emphasize the significance of cultural awareness, effective communication, trust-building, and adaptability as critical factors influencing project management practices in a cross-cultural setting. The study also identifies the challenges posed by cultural differences and highlights best practices for managing cross-cultural project teams, such as cultural sensitivity training and language proficiency development. The conclusions drawn from this research suggest that addressing cultural differences is essential for successful project management in the Ethiopian construction industry. Recommendations are provided for further exploration in areas such as cross-cultural communication strategies, conflict management, and leadership styles to enhance project team performance in multicultural settings.*

**Key words:** *cultural differences, project management, Chinese contractors*

# **1. Chapter -One: Introduction**

## **1.1. Background of the study**

The globalization of the project management profession has led to the emergence of international construction companies that operate across borders. Governments worldwide are increasingly opening their doors to these companies, recognizing the benefits they bring in terms of economic growth, job creation, and technological advancement. Many governments have taken steps to attract foreign construction companies by streamlining the process of obtaining permits, easing visa requirements, and improving infrastructure. For example, countries like the United Arab Emirates, Qatar, and Saudi Arabia have actively sought foreign construction firms to help them achieve their ambitious infrastructure development goals. This trend towards internationalization is likely to continue, as the demand for large-scale infrastructure projects grows, and construction companies seek to expand their operations into new markets. As a result, the project management profession is becoming increasingly global, requiring professionals to possess cross-cultural communication skills, knowledge of international regulations, and the ability to manage complex projects across multiple jurisdictions. (Dasgupta, 2019)

Over the past two decades, the construction industry has played a significant role in Ethiopia's economy. In 2021/2022, The manufacturing sector experienced a growth rate of 4.8 percent, making a significant contribution of approximately 23.4 % to the overall industrial output. Conversely, the construction industry played a leading role in the industrial sector, contributing a substantial 72.2 % to the industrial output. The industry sector shares a total of 28.9 % of the country's GDP. This prominence can be attributed to investments made in the construction of vital infrastructure such as roads, railways, dams, and residential houses. In 2021/2022, 42% of the operational investment were construction projects. These statistics highlight the influential position of the construction industry within the national economy, as indicated by the data provided in the Annual Bulletin of the National Bank of Ethiopia. (National Bank Of Ethiopia, n.d.) . However, due to factors such as the inflated cost of construction materials and foreign currency deficits, the contribution of the construction industry to the country's GDP has decreased in recent years.

Foreign and local industries have entered Ethiopia's construction market due to its high demand. Nevertheless, the influence of Chinese contractors in the industry is significantly greater than that of other foreign contractors. One can easily observe several Chinese construction sites in the streets of Addis. Chinese companies are also actively participating in other African markets. Reports suggest that Chinese construction projects in Africa generated gross revenue of between USD 15 billion and USD 55 billion from 2007 to 2015. In the bidding process, Chinese companies offer as low as a 3% profit margin, which is lower than Western companies. (Stellenbosch University, November, 2006).

Given the importance of the construction industry to the global economy, factors affecting the industry should be properly studied. Cultural diversity is one such factor that can have a significant impact on the success of a business firm. The cultural differences among the people working in a firm can affect communication, decision-making, and teamwork, all of which are essential components of a successful business. For example, employees from different cultures may have different expectations about communication and decision-making, leading to misunderstandings and conflicts. By recognizing and understanding these cultural differences, firms can create a more inclusive and effective working environment that can ultimately lead to greater success.

Culture could be shared between individuals and it will shape one's behavior and mode of thinking. Depending on the intelligence, genetic makeup, and experience of the receiver, culture has a noticeable effect on changing people's thinking and management skill. (Thomas Grisham, Derek H.T. Walker, June, 2008). The author argues cultural intelligence has a positive and negative effect on trust, empathy, transformation, power, and communication.

Studies have shown that culture plays a significant role in the construction industry's success and in improving a project's overall performance. Different countries have developed unique techniques for managing projects that are rooted in their respective cultures (A. Hasan et al., 2018). Therefore, it is essential to study cultural diversity and its impact on the construction industry, especially in the case of Chinese contractors in Ethiopia (Kozhakhmetova, A. et al., 2019).

Cross-cultural management focuses on managing individuals which came from different cultural setups and experiences. A Chinese manager who is working in Europe and Africa will not have a similar mode of communication to their team. Enormous factors change the way the manager shares and receive experience. Cross-cultural management describes organizational behaviors

within countries and cultures which seek to understand the interaction of coworkers, clients, and suppliers across different countries. (Adler, 1991)

Several studies have been done on the influence of management methodology from a different perspective. although people argue there have not enough publications done on seeing the influence from the cultural perspective angle. (Anne-Marie Söderberg and Nigel Holden, 2002) argues only two works has been done in 1991 and 1980 on understanding management approaches from a cross cultural management perspective. Journals related to multicultural team management indicate there are have not been enough empirical studies done on cross-cultural team management in project performance. There are several studies done on project team performance and individual team organization, but the multiculture project team is not appropriately covered. (Ochieng, 2008)

This paper tried to explore the cross-cultural management methodology of Chinese companies working in the construction industry. As explained, the construction industry is still growing in the country. Big investment is circulating through this market. Big institutions and banks are building huge buildings giving contracts to several Chinese contractors. The local contractors work for those big Chinese companies as sub-contractors and employees from different parts of the counties work under their management. Therefore, understanding their way of managing their employees and their effects on the construction industry will be very important. Here, its specifically concerned with a managing culture that they brought to this industry, the experience they brought for their fellow companies working locally, and unwanted cultures inherited.

## **1.2. Statement of the Problem**

The construction industry in Ethiopia is witnessing rapid growth, with contractors from various countries actively participating in various projects. However, the effective management of cross-cultural project teams in this context is impeded by a lack of understanding of how cultural differences influence management practices. Specifically, cultural disparities between contractors and local subcontractors and employees can give rise to communication challenges, potential misunderstandings, and conflicts, which can significantly affect project outcomes.

While some research has been conducted on project management practices in general, there is a dearth of research on how cultural differences specifically influence the management practices of

contractors in Ethiopia. This lack of research prevents contractors from developing effective strategies for managing cross-cultural projects.

This study aims to address this research gap by exploring the impact of cultural differences on critical project management practices in the Ethiopian construction industry. The specific problem this research addresses is the lack of understanding of the challenges and opportunities of cross-cultural project management in the Ethiopian construction industry.

The study will explore the management methodologies employed by contractors in Ethiopia and how these practices are shaped by their cultural background and experiences. By examining the challenges and opportunities encountered when managing cross-cultural project teams and identifying best practices in cross-cultural management, this study seeks to shed light on the interplay between cultural differences and project management practices in the Ethiopian construction industry.

The findings of this research will offer valuable insights and practical strategies to stakeholders in the industry, enabling them to effectively navigate cultural differences, enhance project coordination and collaboration, and ultimately improve project outcomes. By addressing this research gap and examining the impact of cultural differences on critical project management practices, this study endeavors to contribute to the team performance and sustainability of construction projects undertaken by contractors in Ethiopia.

### **1.3. Research Question**

What are the cultural differences and similarities between Chinese contractors and local employees in the Ethiopian construction industry?

How do these cultural differences and similarities influence critical project management practices in a cross-cultural setting within the construction industry?

What are the challenges encountered by Chinese contractors and local employees in cross-cultural project management, and how do they effectively address and overcome these challenges?

How do cultural differences and similarities impact the effectiveness of cross-cultural project management in the Ethiopian construction industry?

## **1.4. Research Objectives**

### **1.4.1. General objective**

- To investigate the impact of cultural differences on critical project management practices in the Ethiopian construction industry, with a specific focus on the experiences of Chinese contractors.

### **1.4.2. Specific objective**

- To examine the influence of cultural differences on communication and collaboration within cross-cultural project teams in the Ethiopian construction industry.
- To identify the challenges that project team members from diverse cultural backgrounds face when working in cross-cultural teams in the Ethiopian construction industry.
- To assess the impact of cross-cultural communication on project team collaboration and coordination in the Ethiopian construction industry

## **1.5. Significance of the study**

The significance of the study is that it will contribute to the limited literature on the effects of managing cross-cultural project management in the construction industry, specifically in the case of foreign contractors working in Ethiopia. The study will provide insight into the management methodology of foreign contractors and its impact on project team performance. The findings of the study can be used to inform the management practices of construction firms, particularly those working in multicultural environments, and to guide policy decisions related to cross-cultural project management.

The findings of this research will contribute to the existing body of knowledge on cross-cultural project management and provide practical recommendations for project managers, professionals, and organizations involved in similar cross-cultural contexts. By understanding the specific challenges and opportunities presented by cross-cultural projects in the Ethiopian construction industry, stakeholders can enhance their understanding and develop more effective strategies for managing diverse project teams.

## **1.6. Scope of the Study**

The study is delimited to Chinese construction companies in Ethiopia, specifically those who are working in Addis Ababa. The study does not seek to evaluate the overall success of their projects. Instead, it aims to analyze the specific methodologies and approaches employed by Chinese project managers and team leaders in navigating cultural differences and fostering effective collaboration with local contractors.

By delving into the unique cultural context of Chinese construction companies operating in Ethiopia, this research aims to provide valuable insights into the intricacies and complexities of cross-cultural project management. The boundaries of the study are defined by the geographical focus on Chinese companies in Ethiopia and the specific emphasis on project management methodologies and experiences.

## **1.7. Limitation of the study**

One potential limitation is the focus is on only one specific case, namely Chinese contractors working in Ethiopia. This may limit the generalizability of the findings to other multicultural contexts. The study is based to study the contractors who work in Addis Ababa because of the time constraints and the availability of major contractors in big construction projects. Another potential limitation is the possibility of bias in data collection, as the study will rely on self-reporting from employees and managers. Additionally, language and cultural barriers may affect the accuracy and reliability of the data collected. However, steps will be taken to mitigate these limitations, such as using multiple data sources and conducting adequate data analysis.

## **2. Chapter -Two: Review of Related Literature**

### **2.1. Introduction**

In this chapter several researches related with multicultural project management methods will be covered in detail. We are focusing on studying the relationship between cultural differences within a team and the methodologies adopted to manage those cultural disparities. Concepts related with the topics will be reviewed from several literatures and books published. International projects are now widely practiced throughout the world due to the globalization influence and technological advancement. Construction is one of the dominant market sections that countries interchange shares their economy through inviting several contractors into their projects beyond their own local contractors. Even though such trends trace back long to the human history, the world is hugely narrowing down. its customary to witness several firms working in different countries beyond their own people. Besides that, international companies hire employees from different part of the world. Ethiopia also strives to invite several international companies depending upon the demand and the scale of the projects. In Big scaled construction projects like Dams, bridges, roads and Highrise buildings, the country invites international companies to work and share their knowledge to the local contractors and employees. Therefore, having a profound understanding of how those companies manage their projects or employee's and sharing all those experiences shade light on the understand of how cross-cultural projects is being handled and should be managed here in Ethiopia. as its is discussed earlier, several researches will be assessed in this chapter to set the theoretical and conceptual framework of the research paper.

### **2.2. Understanding culture and cross-cultural management**

#### **2.2.1. Culture Concept and Approach**

The concept of culture holds great significance and is extensively utilized due to its ability to meet various societal needs and interests, as well as the researchers' own interests. Culture encompasses stability, facilitates the manifestation of abstract ideas, serves as a binding force to establish a shared understanding among group members, and signifies both consistency and change. (Nadia Lima, Leandro Alves Patah, April 2016) . In 1962, it was discovered that there were 164 distinct interpretations of the term culture. Culture is a widely used word that has multiple meanings, all

of which are rooted in its Latin origin that pertains to planting in the ground. In many Western languages, culture denotes civilization or the cultivation of the mind, encompassing its refined outcomes such as art, literature, and education. As people gather together to engage in a particular activity, they also begin to establish their customs, language, and culture. (Pires et al., 2006)

There were Different definition and understanding on what how the concept culture was interpreted throughout. There were various perspectives on culture, including those from Germany, England, France, and Latin America. the concept of culture has undergone different phases in Germany, from its use in eighteenth-century general history to its more recent association with "Kultur" and "Schrecklichkeit." In England and elsewhere, culture has been defined in the humanities, while in France, the concept of "civilization" has been more prominent. Clyde Kluckhohn perceive culture is way that a memory or experience is shared into a society. Experiences that have been tested and functioned will be transmitted to the neighboring individuals and groups. (A. L. Kroeber et al. , 1967)

When we see it from its linguistic background, the word culture that we are refereeing in today's understanding have shaped from several years back in the past. It's believed that its origin returns to the preclassical Latin having a meaning of cultivation or nurture. some still persisting words like horticulture and agriculture shows what was the root meaning of the word. The word culture has a similar background with the word civilization meaning which the romans developed into different instead of culture for societal betterment and improvement. So, it was perceived as a shared civilization which will be transmitted through mechanisms without hereditary or any biological means. They argue that essential reduction of culture is an illusion and that attempts to fully define or understand culture are often reductionist and oversimplified. The paper explores different perspectives on culture, including its relationship to civilization, its historical and normative aspects, its psychological dimensions, its structural organization, and its genetic origins. Overall, the author's understanding of culture is complex and multifaceted, and they caution against simplistic or reductionist approaches to studying and defining culture (A. L. Kroeber et al. , 1967)

Hofstede defined culture as "the collective programming of the mind which distinguishes the members of one group or category of people from another." It encompasses the values, beliefs, customs, behaviors, and artifacts that characterize a group or society. Culture is learned, shared,

and transmitted from one generation to the next, and it shapes the way individuals perceive and interact with the world around them. Culture embodies all activities which could be written or in our minds having a characteristic of being shared, learned and practiced. Doing those actions rapidly will shape our behavior and could end up a different individual with respect to the others who grow in a different culture. (Hofstede, G. J, 2005)

Nancy J. Adler provides a comprehensive discussion on the concept of culture. Adler defines culture as "a pattern of shared assumptions, values, and beliefs that are learned by individuals and groups, and that are embodied in their actions and behaviors." She goes on to explain that these shared assumptions, values, and beliefs are passed down from generation to generation and are deeply ingrained in the way individuals perceive and interact with the world around them. Adler also emphasizes the importance of understanding the various dimensions of culture, including power distance, individualism-collectivism, uncertainty avoidance, and masculinity-femininity. She argues that these dimensions help us to better understand the cultural differences that exist between individuals and groups, and are crucial for effective cross-cultural communication and collaboration. According to Nancy J. Adler, there are three cultural orientations: individualism-collectivism, power distance, and uncertainty avoidance. Individualism-collectivism refers to the degree to which people prioritize their individual goals over group goals or vice versa. Power distance refers to the extent to which people in a culture accept or reject unequal distribution of power. Uncertainty avoidance refers to the degree to which people in a culture tolerate or avoid ambiguity, uncertainty, and risk. These three cultural orientations play a significant role in determining the behaviors, values, and beliefs of individuals within a given culture. (Adler, 1991)

Others scale up the understanding of culture beyond the geographical location, history, language, religion, race, hunting practice, music, agriculture, art etc.... Culture is the comparatively unchanging set of underlying values and beliefs that are typically held by populations in nations or regions, as well as the discernible influence those values and beliefs have on the behaviors and surroundings of those populations. They denote culture as an analogy of an iceberg. They divide the iceberg into two categories, the tip of the iceberg and the bottom of the iceberg. The tip of the iceberg is those values that can be easily noticed by our five senses. It's the first thing peoples easily grasp and keen to study. It could be language, architecture, food, population, music, clothing, literature, pace of life, sport etc. although about 80 percent of an iceberg mass is under the huge

water surface. Business peoples shall crave such inner part of definition of culture. The bottom part of the iceberg includes opinions, viewpoints, attitude, philosophies and convictions. How the individual fits into society, Beliefs about human nature, Importance of work, Motivations for achievement, Tolerance for change, Preference for leadership systems, Communication styles, Preference for thinking style linear or systemic. (Perterson, 2004)

Strong team cultures enable individual and team performance and communication, making them the mark of an effective team. Strong team cultures may result from shared, pre-existing team member traits or recently developed patterns of team member interaction. While academics were still unable to come to a consensus on a single, all-encompassing definition—which would be undesirable in any case—they did all agree that culture is learned behavior rather than genetically predisposed behavior. Regarding the potential for creating an "all-encompassing definition," notes that cultural analysis, as ordinarily made, is not the study of behavior at all but is essentially the orderly description, without evaluation of a behavior. (HALL, october 1999)

### **2.2.2. Organizational culture**

Organizational culture is the main and influential direction of the business environment. it refers to the collective programming of the mind that distinguishes members of one organization from another. Corporate culture is a shared believes, norms and patterns that are essential for the company's team performance. It is a pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid, and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems. Organizational culture encompasses values, beliefs, norms, attitudes, and behaviors shared by members of an organization. It influences the way people interact with one another and with stakeholders outside the organization, and it shapes the organization's purpose, strategy, decision making process, trats, response and structure. (Geert Hofstede et al., 2010)

The organizational environment can impact project management, with culture and lifestyle being key factors. Organizational culture is formed through the collective experiences of its members, resulting in the development of distinctive and unique cultures over time. Shared experiences such as visions, missions, values, beliefs, and expectations, as well as regulations, policies, methods, and procedures, all contribute to the development of a company's culture. Additional factors that

shape the culture include systems of motivation and reward, risk tolerance, views on leadership, hierarchy, and authority, codes of conduct, ethics, working hours, and operating environments. (Nadia Lima, Leandro Alves Patah, April 2016)

Pinto's (2010) research highlights the significant impact of organizational culture on project management, citing four distinct ways in which culture can influence project outcomes. Firstly, it affects the way different departments interact and cooperate in order to achieve project goals. Secondly, culture plays a critical role in determining the level of employee commitment to project objectives and the extent to which these goals are prioritized over other potentially competing priorities. Thirdly, the organization's culture can have an impact on project planning processes, including resource allocation and work estimation. Finally, the culture can shape the way project teams are evaluated and how project outcomes are perceived by managers. (Pinto, 2010) (Stare, 2011)

National culture and organizational culture are the two main topics in any discussion of culture in a business context. The difference between the two was attempted to be described by Hofstede et al. in 1990. They claimed that, despite being otherwise similar, people from different national cultures differed significantly in their "values," which they defined as general, irrational emotions like good and evil. However, it was discovered that for individuals who otherwise held broadly comparable "values," there were significant differences in "practices" within organizational cultures. According to Hofstede, this difference can be attributed to the various settings in which practices and values are socialized. It is suggested that while practices are learned through socialization at work, values are acquired early in life from influences like family, community, and school. (HALL, october 1999)

Cultural phenomena in organizations can be detected at three distinct levels. The first level involves overt behavior and physical manifestations, such as formal communication styles and dress codes. The second level consists of values and a sense of what is expected, including promoting from within the organization and lifetime employment. The third level contains the deepest assumptions about how to cope with the environment, including strategic choices and ways of dealing with competition. By examining these levels, it is possible to gain a better understanding of the cultural influences on an organization and its members. (K. Fatehi, J. Choi, 2019) (Schein, 1985)

### **2.2.3. Effects of Cultural Diversity**

Cultural diversity refers to the coexistence of individuals with distinct identities who interact within a shared social system. The concept emphasizes the importance of recognizing and respecting the unique characteristics of each employee. It's a diversified perspective or approach for individuals to exist and work with in a different identity group. Managing diversity in the workplace demands the acquisition of skills that are essential for the growth and success of the organization. It's essential for any company to unleash the skills of those diversified individuals by understanding their way of thinking to achieve the grand objective of the institution. (Ely, 1996) (Nadia Lima, Leandro Alves Patah, April 2016)

Different backgrounds are linked to varying information, expertise, and viewpoints. Consequently, teams with more diversity can access a broader and more diverse range of relevant information resources. However, to reap the performance advantages of diversity, it's necessary to engage in a deliberate process of information elaboration to combine and integrate the diverse task-related information and perspectives. The good attributes of diversity in a team or group of individuals are the accumulation of vast amount of information, i.e., the way of how things could be worked out or perceived is transcribed under the sense of information. Therefore, interpreting a theory to effectively deliver the information throughout the diversified group is eminent. (Anne Nederveen Pieterse et al., 2013)

The advantages of cultural diversity are commonly associated with the assortment of standpoints, principles, talents, and characteristics that diverse team members bring to the table. In some cases, even a small degree of heterogeneity, such as a solitary but outspoken dissenting viewpoint, can boost team performance, depending on the task at hand. However, research on groups indicates that the connection between heterogeneity and performance is not straightforward and is influenced by various restrictions that work settings impose. Individuals within a team develop, share, and implement a hybrid team culture as a result of mutual interaction. This culture is made up of an emergent and condensed set of rules and actions, work capability expectations, and member perceptions. Strong team cultures enable individual and team performance and communication, making them the mark of an effective team. Strong team cultures may result from

shared, pre-existing team member traits or recently developed patterns of team member interaction. (P. Christopher Earley, Elaine Mosakowski, 2000)

Since we live in the same world, our culture might overlap in some regions. Although it's difficult to denote two cultures are alike unless there is a proper dimension to compare and contrast the disparity. The six dimensions of culture refer to a framework developed by Dutch social psychologist Geert Hofstede, which describes the values and attitudes that shape different cultures. These dimensions include power distance, individualism-collectivism, masculinity-femininity, uncertainty avoidance, long-term orientation, and indulgence-restraint. Power distance is the degree to which people in a society accept and expect unequal distribution of power. Individualism-collectivism reflects the importance of individual goals versus group goals. Masculinity-femininity refers to the extent to which a culture values assertiveness and competitiveness versus caring and nurturing. Uncertainty avoidance reflects the degree to which people in a culture feel threatened by ambiguity and uncertainty. Long-term orientation refers to a society's time horizon, whether it's focused on short-term goals or long-term planning. Indulgence-restraint reflects the extent to which a culture values self-gratification versus self-control. Understanding these dimensions can help individuals navigate cultural differences and communicate more effectively across borders. (Hofstede, 1984)

There are also other dimensions of culture besides the six dimensions mentioned. The dimension of work and material gain refers to the extent to which individuals in a culture prioritize work and financial success. In some cultures, such as the United States, work is highly valued and long working hours are common, while in others, such as France, a better work-life balance is more important. Informality refers to the degree of formality and hierarchy in a culture. Some cultures, such as Japan, have highly formalized social structures and strict protocols for communication, while others, such as the United States, are more informal and have flatter hierarchies. Joking and fun refer to the use of humor and playfulness in social interactions. In some cultures, such as Brazil, joking and teasing are common ways of showing affection and building relationships, while in others, such as Germany, humor is often more reserved. (K. Fatehi, J. Choi, 2019)

Attitude toward time refers to how individuals in a culture view punctuality, deadlines, and schedules. Some cultures, such as Switzerland, place a high value on punctuality and strict adherence to schedules, while others, such as Mexico, have a more relaxed approach to time

management. Time perspective refers to a culture's orientation towards the past, present, or future. Some cultures, such as Japan, place a high value on tradition and history, while others, such as the United States, have a greater focus on innovation and the future. Age and gender are also important dimensions of culture that can influence workplace behaviors and attitudes. In some cultures, such as China, older individuals are highly respected and have greater authority, while in others, such as the United States, youth is more highly valued. Similarly, gender roles and expectations can vary greatly across cultures and can impact workplace dynamics and relationships. (K. Fatehi, J. Choi, 2019)

Multiculturalism in organizations can bring several benefits. By actively promoting cultural diversity within an organization, it is possible to enhance creativity, innovation, problem-solving, decision-making, and customer service. Diverse teams can approach problems from multiple angles and draw upon a range of experiences to find more effective solutions. Additionally, a multicultural workforce can better understand and accommodate cultural differences, leading to improved customer service. Multicultural organizations can also attract and retain top talent from diverse backgrounds, which can give them a competitive advantage in the marketplace. By embracing cultural diversity, organizations can access a wider pool of resources, better understand and connect with diverse customer segments, and approach problems from multiple angles. Overall, embracing multiculturalism can lead to a more inclusive and effective organization that is better equipped to meet the challenges of an increasingly diverse world. (Cox et al., 1991)

Taylor H. Cox, presents six arguments in favor of managing cultural diversity in organizations to provide a competitive advantage. These arguments include cost reduction, resource acquisition, marketing, creativity and innovation, problem-solving, and flexibility and adaptability. That managing cultural diversity can provide a range of benefits that can help organizations remain competitive and successful in today's increasingly diverse and complex business environment. By reducing costs, accessing a wider pool of resources, and promoting creativity and innovation, organizations can gain a competitive advantage. In addition, a multicultural workforce can help organizations better understand and connect with diverse customer segments, leading to increased sales and market share. Finally, by promoting flexibility and adaptability, organizations can better respond to changing market conditions and customer needs. In conclusion, managing cultural

diversity can be a key driver of organizational competitiveness and success in today's global business landscape. (Cox et al., 1991)

#### **2.2.4. Managing cultural diversity**

Managing people and activities can be a difficult task, and diversity management poses additional challenges. The process of management involves coordinating resources and operations through planning, organizing, directing, and controlling company activities. (Wegelius, 2013) Understanding the values and assumptions of people shaped by their cultures is essential to effective management of a business organization. While there are some similarities in cultural norms and values, it's important to recognize that they are not universal. Though concepts like the desire to be helpful, respect for authority and power, and a tendency towards comfort may seem universal, closer examination reveals significant differences. Therefore, it's crucial to have a deeper understanding of cultural norms and values to manage an organization effectively.

According to Cox, diversity in organizations can impact both individual and organizational effectiveness, and that the organizational context is crucial in determining whether diversity has a positive or negative impact. The model predicts individual outcomes that are categorized into affective response variables, such as job involvement, organizational identification, and satisfaction, as well as achievement variables, such as compensation, performance, and job mobility. Meanwhile, organizational outcomes are categorized into first level variables, including attendance, turnover, and work quality, and second level variables, such as profits, based on the expected direction of impact. The model is based on social psychological phenomena that can be applied to various aspects of group identity beyond race and gender, such as nationality, religion, job description, and social class.

Moreover, it applies to both majority and minority group members within organizations. The model acknowledges that unmanaged diversity can lead to heightened conflict between majority and minority group members, which can negatively impact the emotional outcomes of work for all individuals involved. For instance, the affective outcomes of work for both men from majority and minority groups can be negatively affected by increased intergroup conflict resulting from unmanaged diversity. Overall, the model suggests that effective management of diversity can lead to positive outcomes for both individuals and organizations. Planning and implementing

organizational processes and practices to manage people in a way that maximizes the potential benefits of diversity while minimizing its drawbacks is what Cox refers to as managing cultural diversity. (Taylor H. Cox, 1994)

The five key components needed to transform traditional organizations into multicultural ones, as identified by Taylor H. Cox in 1994, are leadership, training, research, analysis and change of culture, and human resource management systems and follow-up. The first component, leadership, involves creating a vision for diversity and championing it throughout the organization. The second component, training, involves educating all employees on the benefits of diversity and how to work effectively with people from different backgrounds. The third component, research, involves gathering data on the current state of diversity within the organization and identifying areas for improvement.

The fourth component, analysis and change of culture, involves examining the organizational culture and making changes to ensure that it supports diversity and inclusion. This includes examining policies, procedures, and practices to eliminate bias and discrimination. The fifth component, human resource management systems and follow-up, involves developing and implementing strategies to attract, retain, and promote diverse talent, as well as monitoring and evaluating progress to ensure that diversity initiatives are effective. By implementing these five key components, organizations can transform into multicultural ones that promote diversity, inclusion, and ultimately improve performance.

In the book "International Dimensions of Organizational Behavior" by Nancy Adler, there are several strategies outlined for managing cultural diversity in organizations. One of these strategies is task-related selection, which involves selecting employees based on their ability to perform the job, rather than their cultural background. Another strategy is recognizing difference, which involves acknowledging and valuing the differences that exist among team members. Establishing a Vision or Superordinate Goal is another strategy, which involves setting a common goal for the team that is bigger than any individual cultural group. Equalizing power is also important, as it involves ensuring that power and decision-making are distributed fairly among team members, regardless of cultural background.

Creating mutual respect is another key strategy, which involves building a culture of respect and understanding among team members. This can be achieved through training, team-building

exercises, and other initiatives. Giving feedback is also important, as it provides team members with constructive criticism and helps them to improve their performance.

Other strategies for managing cultural diversity in organizations include ensuring that policies and procedures are culturally sensitive, providing opportunities for cross-cultural communication and collaboration, and creating a supportive work environment. It is also important to promote diversity at all levels of the organization, from entry-level positions to executive leadership roles. (Adler, 1991)

A good diversity strategy would not only lessen the drawbacks but also attract additional talent, fresh viewpoints, education, and unending potential for creativity (Wegelius, 2013). Effective cross-cultural management requires an understanding of these cultural differences and the ability to adapt one's management style to suit the cultural context. Developing cultural intelligence, building trust, resolving conflicts, and communicating effectively and building strong relationships with colleagues from diverse cultural backgrounds has an extensive influence on cross cultural management. For implementing and witnessing the end result, it's important to have flexibility, empathy, and cultural sensitivity. One of the management styles commonly known in North America, Western Europe is the Linear-Active style, which is characterized by a focus on task-oriented goals, direct communication, and a preference for efficiency and punctuality. Another management style known in China, Japan, and Korea is the Reactive style, which is more relationship-oriented and emphasizes building trust and establishing personal connections before engaging in business activities. The Multi-Active management style (known in Mediterranean and Latin American cultures) is characterized by a high level of energy, frequent interruptions, and a focus on personal relationships. And finally, the Diffuse style which is known in Eastern European, African, and Asian cultures, which emphasizes group harmony, consensus building, and a preference for indirect communication. (Lewis, 2006)

In the book "The Influence of Culture on Human Resource Management Processes and Practices" by Dinna L. Stone, the author discusses cultural variations in employee assistance programs (EAPs). EAPs are workplace programs designed to provide support and resources to employees who are dealing with personal or work-related problems. The author notes that the implementation and use of EAPs can vary widely across cultures. For example, in some cultures, there may be a

stigma attached to seeking help for personal or emotional problems. This can make employees hesitant to use EAPs, even if they are available.

In other cultures, there may be a greater emphasis on group harmony and collective problem-solving, which could make individual-focused EAPs less effective. The author also notes that the types of issues addressed by EAPs can vary across cultures. In some cultures, the focus may be on physical health and wellness, while in others, mental health issues may be more of a concern. Additionally, the types of interventions offered by EAPs can vary. For example, in some cultures, meditation and mindfulness practices may be more effective than traditional counseling. To be effective, EAPs must be tailored to the cultural context in which they are being used, and HR managers must be sensitive to the cultural norms and values that may impact employee participation in these programs. (Dinna L. Stone, Eugene F. Stone-Romero, 2008).

Adler presents three distinct methods for managing cultural diversity: the parochial approach, which assumes that there are multiple ways of doing something but my way is superior; the ethnocentric approach, which acknowledges various methods but asserts that my way is the best; and the synergistic approach, which recognizes that our way and their way may differ but neither is inherently superior. Adler suggests that the third approach is the most effective, as managers who adopt this strategy focus on addressing the consequences of cultural diversity rather than the diversity itself. This approach allows for a more collaborative and inclusive workplace culture. (Adler, 1991). She also suggested that there will be a significant problem in communication when there is a huge gap between the two individuals in cultural background. Since the distinction between low-context and high-context cultures is based on communication styles, it is crucial to consider it in this context. low-context communication relies more on words than behavior, and high-context communication relies more on nonverbal context or behavior than verbal communication. (Novinger, 2001)

According to Prince and Hoppe, there are three practical guidelines for enhancing cross-cultural communication. The first rule is to capture the essence of the conversation by paying full attention and utilizing your knowledge of other cultures to comprehend all meanings. The second guideline is to clarify by looking for nonverbal cues, seeking clarification to ensure understanding, and confirming the message. The third rule is to allow individuals to paraphrase what you just said, write down your message, or schedule a follow-up conversation. (Prince et al., 2000). (Thomas,

D. & Inkson, K. , 2009) Define cultural intelligence as the ability to understand a culture, adapt one's thinking to be more open to other cultures, and develop better interaction skills. This is achieved through three elements: knowledge of culture, mindfulness, and cross-cultural skills. To develop cultural intelligence, the authors suggest activities such as formal training, cross-cultural teamwork, experiencing other cultures, and having cross-cultural interactions at home.

The growing body of general international management literature contends that becoming sensitive to cultural diversity is crucial to solving the issue of intercultural communication. There is agreement that Cultural sensitivity encourages individuals to undermine behavioral deference, which obstructs communication.

### **2.2.5. Cross Cultural Management and The Construction Industry**

The involvement of human resource is greatly reflected in the construction industry. The industry is highly influenced by the behavioral pattern, discipline, knowledge and work methodology of the peoples working under the management of the company. Therefore, it's important to clinically investigate the detailed influence of cultural implication on the construction industry human management tactics. The construction industry (CI) serves as a significant indicator of economic performance in developing countries, including newly industrialized and less developed ones. It contributes a substantial portion to their GDP and provides employment to a significant part of their working population. It plays a crucial role in formulating economic policies. (Editorial, 2010). In Ethiopia, construction is the second most important sector in assisting the economy.

Ethiopia considers the construction sector as a crucial component of its ongoing domestic reform. This sector has consistently achieved impressive double-digit growth since 2010, surpassing other countries in the region. In the first phase of the Growth and Transformation Plan (GTP I, 2010-2014), construction accounted for 7.15 percent of Ethiopia's GDP. The second phase of the plan (GTP II, 2015-2019) outlines specific strategic directions for the construction industry, emphasizing the need to combat rent-seeking behavior, reduce project costs by enhancing contractor capacity, efficiency, and effectiveness, and implementing kaizen and construction project management systems as tools for driving change (National Planning Commission, 2015, p.37).

Diversity and related difficulties are inextricably linked to the management and growth of construction project teams in a global setting. Organizations must assist their project managers in understanding the global context of multinational construction projects and cultivate the capacity to comprehend daily problems from many cultural vantage points. According to (Ely et al., 2001) diversity in teams leads to a wider range of perspectives, styles, knowledge, and insights, which can be beneficial for solving complex problems. Innovative companies such as Microsoft have utilized multicultural teamwork to their advantage. However, the construction industry has not given enough consideration to the impact of cultural complexity on team dynamics, unlike other sectors such as IT, manufacturing, and aerospace.

Organizations are now expected to value and adapt to multicultural teamwork, in order to improve project work performance and team effectiveness. However, it remains controversial to link different individual cultures to project outcomes. The understanding of the behavioral dynamics of multicultural project teams in construction is still developing, and while teams from different cultures can bring different perspectives and styles, the necessary conditions, likely consequences and overall performance implications are yet to be universally accepted. (E.G. Ochieng , A.D.F. Price , 2010)

Addressing the gap in people's management focusing on cultural issues has not been sufficiently addressed in the literatures. (Dainty et al., 2007) (Egan, 1998) discussed the importance of strategic people management in the construction industry, highlighting the need for a skilled and motivated workforce to improve productivity and project outcomes. The authors argued that people management should be integrated into overall business strategies and that effective communication and collaboration among project teams are essential. (Egan, 1998) emphasized the importance of modernizing the construction industry and adopting a more collaborative approach to project management. He identified people management as a crucial factor in achieving this goal, noting the need for increased training and development of workers, as well as a shift in attitudes toward teamwork and collaboration. Egan also highlighted the need for a more diverse and inclusive workforce in the construction industry to address skill shortages and improve innovation.

Cultural issues are among the factors which influence the performance of individuals in team. Pearson and Nelson identified five major challenges that managers encounter, which include fostering team cohesiveness, maintaining effective communication, addressing coordination and

control problems, managing geographic distances and dispersed teams, and handling cultural diversity, differences, and conflicts. Construction project managers from various nations may have different understandings of environmental opportunities and threats, resulting in diverse interpretations and responses to the same strategic issues or team tasks. (Pearson, J.C., Nelson, P.E., 2003).

The construction industry has not adequately addressed cultural issues faced by its multicultural workforce, and the understanding of cross-cultural communication on such project teams is insufficiently developed. Large international engineering construction projects may involve project teams from diverse backgrounds, facing various political, legal, economic, and cultural challenges. As the external environment becomes more complex and changes happen rapidly, these teams need to enhance their ability to address these challenges. Although there is considerable data on how to lead an international organization, such data may not always be relevant to construction project management. (E.G. Ochieng , A.D.F. Price , 2010). It becoming mandatory to understand the cultural aspects of how an individual is built to effectively manage and control.

Abeysekera's (2002) research explored the impact of culture on the construction industry, with a particular focus on Sri Lanka. The paper argued that the construction industry is inherently culturally embedded and that cultural factors, such as language, religion, and values, have a significant impact on project performance and team dynamics. Abeysekera identified several cultural issues that affect the construction industry, including the dominance of male workers, the hierarchical nature of the industry, and the role of religion in shaping attitudes towards work. The paper also highlighted the importance of understanding cultural differences when managing multinational project teams, as cultural misunderstandings can lead to project delays and cost overruns. The paper advised to follow more culturally sensitive approach to managing construction projects, particularly in multicultural settings. The author highlighted that culture in the construction industry encompasses various factors such as the unique features of the industry, the methods and techniques used for construction, the skills and capabilities of workers, and the objectives, principles and tactics of the organizations within the industry. In other words, culture in the construction industry is not limited to the values and beliefs of individuals but is also shaped by broader industry characteristics and organizational factors.

The construction industry is increasingly discussing cross-cultural complexity due to the demand for international construction projects involving multicultural teams. Clients in both developed and developing countries are demanding improved people management and communication strategies. Projects are also demanding huge experience abroad. Countries crave to involve big experienced companies worldwide to approach and participate. In Ethiopia Hydrological dams, railways, roads, multistory buildings and big telecommunication towers are being constructed by international companies. Therefore, it's essential to evaluate and study the cross-cultural dimension of management in the construction.

#### **2.2.6. International management and Chinese involvement in the Ethiopian construction industry.**

Thomas Friedman's book "The World is Flat: A Brief History of the Twenty-First Century" is a comprehensive study of globalization in the 21st century. Friedman argues that the world is becoming increasingly interconnected and "flat" as a result of advances in technology, communication, and transportation. He asserts that this has created a level playing field for individuals, businesses, and countries, allowing them to compete globally. Friedman believes that the effects of globalization have been significant and transformative, impacting economies, cultures, and politics around the world. He describes how companies and individuals are now able to collaborate and compete with others from all over the world, with new business models and technologies emerging to support this globalized economy. (Friedman, 2007)

It's not a new history mentioning peoples leave their home countries to involve in other nations project. Construction projects demand the involvement of highly experienced and knowledgeable individuals and companies since its continuously change throughout the time because of its nature. Examples of such constructions include the Suez Canal built by the French from 1859 to 1869, the 1200 miles Ankara-Baghdad Railway built by Germans in 1914, and the British railway builders constructing railways in Europe and the New World in the 19th century. British railway builders of the 19th century were the pioneers of modern international construction and established the model of capital investment and multinational labor forces that are still evident today. Americans, in the early 20th century, constructed hydroelectric power stations and oil refineries worldwide,

including the Panama Canal from 1904 to 1914. The first Japanese overseas project, a railway from Seoul to Inchon, in Korea, was completed in 1900. (Linder, 1994) (HALL, october 1999)

(Neo, 1976) and (Seymour, 1987) identified key factors that distinguish international construction from domestic construction activity. First, international construction involves a higher level of complexity due to varying cultural, political, and legal environments. This complexity can result in communication and coordination challenges, as well as different approaches to decision-making. Second, international construction involves greater uncertainty in terms of financial and economic risks. Construction firms operating in foreign countries face challenges related to currency exchange rates, inflation, and legal and regulatory risks. Third, international construction involves unique logistical challenges related to transportation and the availability of materials and equipment. Despite these challenges, international construction offers opportunities for construction firms to expand their operations and gain access to new markets. The development of new technologies and communication tools has made it easier for firms to operate in different parts of the world. However, to be successful in international construction, firms need to have a deep understanding of the local culture, legal and regulatory environment, and economic conditions. They also need to have effective communication and coordination strategies in place to manage the complexity and uncertainty of international projects.

The need for new building work increased steadily in developing nations, and the local construction industry were unable to meet the demands for both the quality and quantity of work needed. As we have witnessed from history, being globalized and is not only using a worldwide products and technological advancements. utilizing international knowledge and experience is also the important half. Although the individuals and companies who come from a different environment and culture demands a different technique to manage them efficiently.

The main responsibilities of a manager consist of managing information, decision-making, problem-solving, and leading and motivating employees towards achieving the organization's objectives. These tasks are heavily dependent on interpersonal interactions, which form the basis of managerial work. Although global and domestic managers perform similar functions, the culture of the organization and work environment can impact the emphasis of each role, both directly and indirectly, in the case of global managers. (Thomas, D. & Inkson, K. , 2009)

Adapting a culture of one's nation is mentioned as one of the attributes of global management. (Javidan M et al., 2006) discovered that successful global managers share certain attributes identified in previous studies, such as a "global mind-set," high tolerance for uncertainty, and the ability to adapt to different cultures. Having a global mind-set is essential in understanding new cultures and their complexities, including differences in political, legal, and economic systems, as well as management paradigms. Effective management in an unfamiliar culture requires dealing effectively with uncertainty, which can create significant challenges. Successful global managers are those who can quickly adapt to new environments and adjust their behavior patterns to those accepted in the local culture.

In Ethiopia several companies work in different small and mega projects as a consultants and construction projects. Alike the others, it's no delusional for the country sides to witness several Chinese contractors working in most part of the country. The fact that China becoming a global economic power and the special Chinese program to invest more on the Africa's economy is one of the reasons to witness many Chinese companies participating in different market in Ethiopia. (Yeung, et al., 2008) argued that Chinese firms have played a significant role in the African economy by investing in infrastructure projects and establishing manufacturing operations in the continent. The authors noted that these investments have been driven by China's need for natural resources and its desire to expand its global reach. They also pointed out that Chinese companies have faced challenges in navigating the African business environment, including corruption, political instability, and cultural differences.

(Xu, 2014) studied the motivations and strategies of Chinese firms investing in Africa. The author found that Chinese companies are attracted to the African market due to its vast natural resources and large consumer base. Xu also noted that Chinese firms have adopted a flexible and adaptive approach to doing business in Africa, which has helped them overcome the challenges posed by the continent's complex political and economic environment.

Infrastructure development has been a crucial aspect of the partnership between China and Africa. In 2015, Chinese enterprises garnered a gross revenue of USD 55 billion from infrastructure projects in Africa, with Algeria, Ethiopia, Angola, Kenya, and Nigeria accounting for 48 percent of the total revenue generated. According to the China Africa Research Initiative ("Chinese Contracts in Africa, 2017), Chinese large-scale investments and contract projects exceeding \$100

million in the transportation and real estate industries amounted to USD 146 billion from 2005 to mid-2016. Out of the 229 recorded projects, 155 were assigned to six state-owned enterprises, which constituted 73.8 percent of the total project value. (Fei, 2021).

The construction sector in Africa has seen a significant involvement of Chinese companies, with 65 of them listed among the Top 250 Global Contractors by the Engineering News Record in 2015. These companies generated a total turnover of US\$35.92 billion in Africa, which constituted 40 percent of their total overseas turnover and 50 percent of Africa's construction contract market. (Fei, 2021)

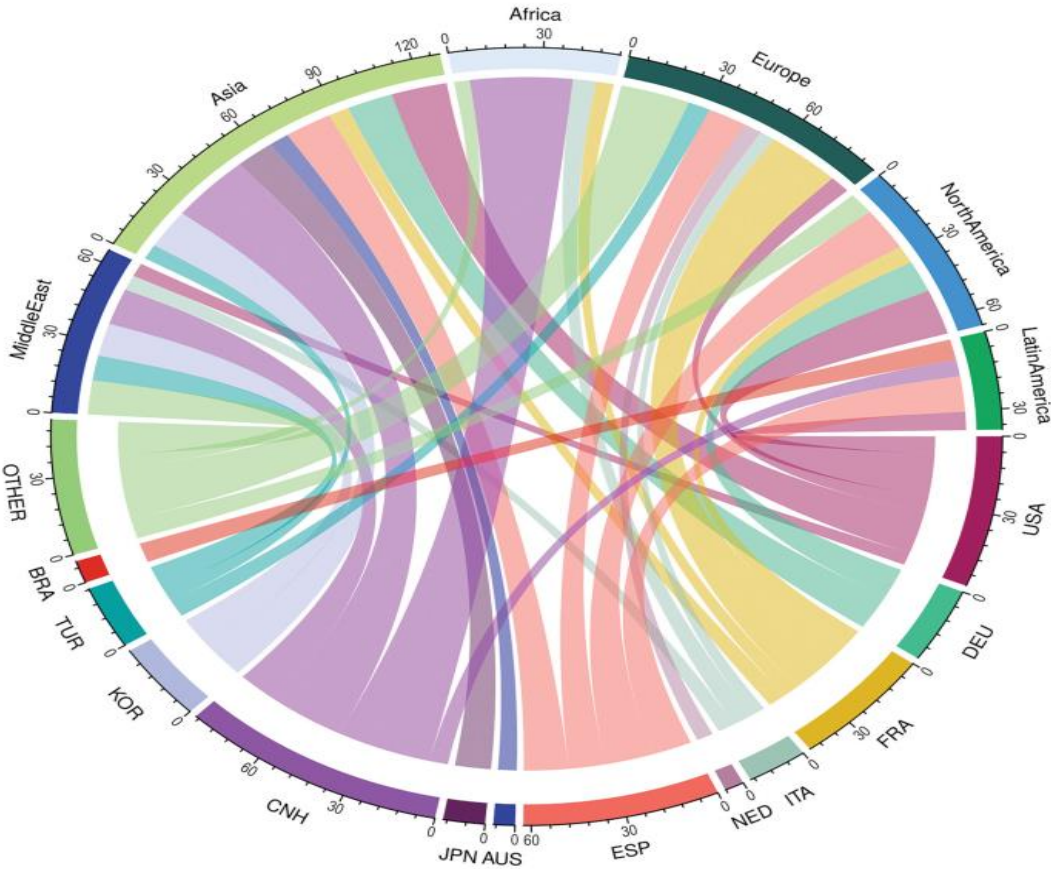


Figure 2.1::Distribution of market share (in millions of US\$) of the top 250 global contractors by country of origin. (Top 250 Global Contractors. 2015, 2017)

Chinese companies have succeeded in Africa's construction sector largely due to government financing. Chinese loans, often tied to the sale of natural resources, are a major source of funding for infrastructure development in Africa. The loans are provided by the Export-Import Bank of

China as concessional loans, and contractors with relevant international qualifications and a certain grade level are required to reduce financial risks. This ensures the almost exclusive access to government-financed projects by major State-Owned Enterprises (SOEs). The infrastructure-for-resources strategy has been used to finance infrastructure projects in Africa by tying loans to the sale of local natural resources. Additionally, China's historical and cultural ties to Africa have further intensified their partnership and collaboration in various sectors, including infrastructure development. Among the recorded Chinese infrastructure projects in Africa above US\$100 million in value, 155 were contracted to six SOEs, according to data from the China Global Investment Tracker (2016). (Fei, 2021)

Chinese companies also are interested in investing in Ethiopia for various reasons. first, Ethiopia has a strategic location with access to the Red Sea and the Indian Ocean, making it a gateway to other African markets. Second, Ethiopia has been implementing economic reforms, including the creation of industrial zones and the privatization of state-owned enterprises, which have made the country more attractive to foreign investors. The historical and cultural ties between China and Ethiopia date back to the 1970s when the two countries established diplomatic relations. During the Cold War, China supported Ethiopia's socialist government, providing it with military and economic aid. After the collapse of the Soviet Union, China continued to support Ethiopia, investing in infrastructure projects such as roads, railways, and power plants. Today, China is Ethiopia's largest trading partner and the largest foreign investor in the country, with investments in various sectors, including manufacturing, agriculture, and construction. (nicolas, 2017)

<b>Ownership</b>	<b>Count</b>
Local Partnership	19
North American/European Partnership	2
Other Partnership	1
Sole Proprietorship	174
<b>Region</b>	<b>Count</b>
Addis Ababa	168
Dire Dawa	1
Multiregional	8
Oromia	12
SNNP	4
Tigray	3
<b>Subsectors</b>	<b>Count</b>
Building Construction	19
Civil Engineering Consultancy	18
General Construction	70
Machinery and Equipment Rental	56
Road Construction	7
Specialized Construction	26

Data obtained from the Ethiopian Investment Commission

*Table 2.1: registered Chinese construction companies in Ethiopia (Fei, 2021)*

GTP II proposes two programs to enhance the construction industry, the Construction Industry Management Reform program and the National Construction Project Management Capacity Building program, as stated by the National Planning Commission in 2015. The former program targets enhancing the competitiveness of local contractors. Despite the well-intentioned efforts mentioned above, foreign contractors, especially those from China, still dominate Ethiopia's local construction industry. China has become one of Ethiopia's largest African markets for contracted projects, with an accumulated turnover of USD 26 billion between 1998 and 2015. According to Table 1, 196 Chinese construction companies were registered in Ethiopia from 1999 to the first half of 2016, with most of them operating independently and only 19 engaging in local partnerships. These companies are primarily based in Addis Ababa, but they do not exclusively work on capital-based projects; instead, they establish a central office in the capital city and send teams to regional sites for construction work. (Fei, 2021)

(Geda, March 2008) argued that China's involvement in Ethiopia has been driven by its strategic interests in securing access to natural resources, expanding its global influence, and promoting its Belt and Road Initiative. However, the study noted that China's involvement has been criticized

for its lack of transparency, accountability, and respect for human rights. Furthermore, the study highlighted the need for Ethiopia to develop a comprehensive strategy to manage its relationship with China and ensure that Chinese involvement contributes to sustainable development and benefits the local economy. A study on China's involvement in Ethiopia's construction, energy, and telecommunication sectors revealed that local and foreign firms are being displaced. Chinese companies are able to win contracts and dominate the market by offering very low initial bid-prices and credit. However, high operational costs offset the low initial bid-prices. The study also found the use of Chinese contract labor instead of local workers in some projects, which has been criticized locally. The author recommended that Ethiopia should prioritize local content development, technology transfer, and capacity building in its engagement with China.

Sector	Number of projects	Capital in Ethiopian Birr (thousands)	Total number of projects (including registered but not yet operational)
Agriculture	3	13,771	11
Manufacturing	388	12,293,243	666
Mining	2	26,500	2
Education	1	530	1
Health	10	15,417	12
Hotels (including resort hotels, motels, and lodges) and restaurants	29	84,076	42
Tour operation, transport, and communications	7	19,721	8
Real estate, machinery and equipment rental, and consultancy services	86	693,213	124
Construction contracting including water well drilling	75	5,269,786	138
Others	9	56,000	4
<b>Total</b>	<b>610</b>	<b>18,472,258</b>	<b>1008</b>

Source: ODI report 2021

*Table 2.2: Chinese investment project area from 2000-2020*

China has been investing heavily in Ethiopia through the Belt Road Initiative (BRI), which is a flagship economic project of China. The BRI aims to connect Asia, Europe, and Africa through a network of infrastructure projects, including roads, railways, ports, and other facilities. Ethiopia is a key country in the Horn of Africa region for China's BRI, and Chinese entrepreneurs have political and economic support for Ethiopia's development cooperation priorities. Chinese investment in Ethiopia has focused on several sectors, including transport systems, roads, railways, small industries, automotive sectors, and health development programs. These investments have brought positive changes to the country, such as improved infrastructure, increased trade, and job creation. However, there is a need for more projects to improve human, social, and economic life in Ethiopia, and China has an important role to play in this regard. The principles of mutual cooperation, peaceful coexistence, sustainable development, and mutual benefit that underpin the

BRI are important for achieving sustainable development in Ethiopia and other countries involved in the initiative.

The development paradigm in China has its own specific advantages and that Chinese transformation disproved the pessimistic attitude that was, "if you are poor once, you are likely to be poor forever." The Chinese model of development, which emphasizes infrastructure development and investment in strategic sectors, has been successful in Ethiopia. However, the challenges and criticisms that have arisen from Chinese investment in Ethiopia, including concerns about labor practices, environmental impact, and debt sustainability. The competition among Chinese firms has led to a focus on cost-cutting measures and a preference for short-term profits over long-term sustainability. This has resulted in a number of negative consequences, including poor working conditions for local employees and a lack of investment in local communities. Financial constraints, difficulties in exchanging information, cultural disparities, and unfamiliarity with Chinese work methods were identified as the primary challenges impacting the performance of local contractors involved in Chinese construction projects. While Chinese investment has the potential to bring significant benefits to Ethiopia, it is important to address these challenges and retrieve the best methodologies and experiences adopted by Chinese contractors and consultants to acquire and share the knowledge under their management. (Solomon Esaiyas, Girmay Kahssay, 2020) (Fei, 2021)

### **2.3. Conclusion on the literature review**

Cross-cultural management is an essential aspect of project management in today's multicultural society. The literature review has highlighted the importance of studying cultural diversity and its impact on the construction industry. The study has shown that different countries have developed unique techniques for managing projects that are rooted in their respective cultures. Therefore, it is crucial to understand the cultural differences and their impact on project team performance.

The trend towards internationalization in the construction industry is likely to continue, as companies seek to expand their operations into new markets and governments continue to open their doors to foreign investment. However, companies must be aware of the challenges they may face when operating across borders and take steps to mitigate these risks. Cultural differences and similarities between foreign and local employees in the construction industry need to be studied to

better understand the challenges and opportunities of cross-cultural project management. Different countries have developed unique techniques for managing projects that are rooted in their respective cultures, making it essential to study cultural diversity and its impact on the construction industry.

The literature review has also emphasized the need for effective cross-cultural communication and collaboration among project team members from diverse cultural backgrounds. The study has shown that language and cultural barriers can affect the accuracy and reliability of the data collected. However, steps can be taken to mitigate these limitations, such as using multiple data sources and conducting adequate data analysis. The study has also highlighted the importance of cultural sensitivity and awareness in project management, which can help to build trust and foster positive relationships among team members.

The literature review has also highlighted the significant involvement of Chinese companies in Ethiopia's construction industry. The study has shown that Chinese contractors have been successful in securing large-scale infrastructure projects in Ethiopia due to their competitive pricing and technical expertise. However, the study has also emphasized the need to evaluate and study the cross-cultural dimension of management in the construction industry, especially in the case of Chinese contractors in Ethiopia. countries like the United Arab Emirates, Qatar, and Saudi Arabia have actively sought foreign construction firms to help them achieve their ambitious infrastructure development goals. This has led to an increase in the number of international construction companies operating in these countries, which has in turn contributed to their economic growth and development. The study has shown that cultural differences can affect project team performance, and effective cross-cultural communication and collaboration are essential for project management. Therefore, it is crucial to understand the cultural differences and their impact on project in the case of Chinese contractors in Ethiopia's construction industry.

In conclusion, the literature review has demonstrated that cross-cultural management is mandatory to study in a multicultural society. The study has shown that cultural diversity can have a significant impact on project team performance, and effective cross-cultural communication and collaboration are essential for project management. The study has also highlighted the importance of cultural sensitivity and awareness in project management, which can help to build trust and foster positive relationships among team members. Further research in this area can help to develop effective

cross-cultural management strategies that can be applied in the construction industry and other sectors.

## **2.4. Conceptual frame work**

### **Inputs/Resources:**

Cultural differences between Chinese contractors and local employees in the Ethiopian construction industry, including:

- Different cultural values, norms, and practices
- Different languages spoken
- Different levels of education and experience
- Different expectations of work

### **Processes:**

Cross-cultural communication and collaboration Strategies:

Communication Strategies, including:

- Language proficiency enhancement
- Use of technology-based communication tools
- Cultural sensitivity training
- Conflict resolution training

Collaborative Decision-Making, including:

- Cultural sensitivity in decision-making
- Conflict resolution approaches

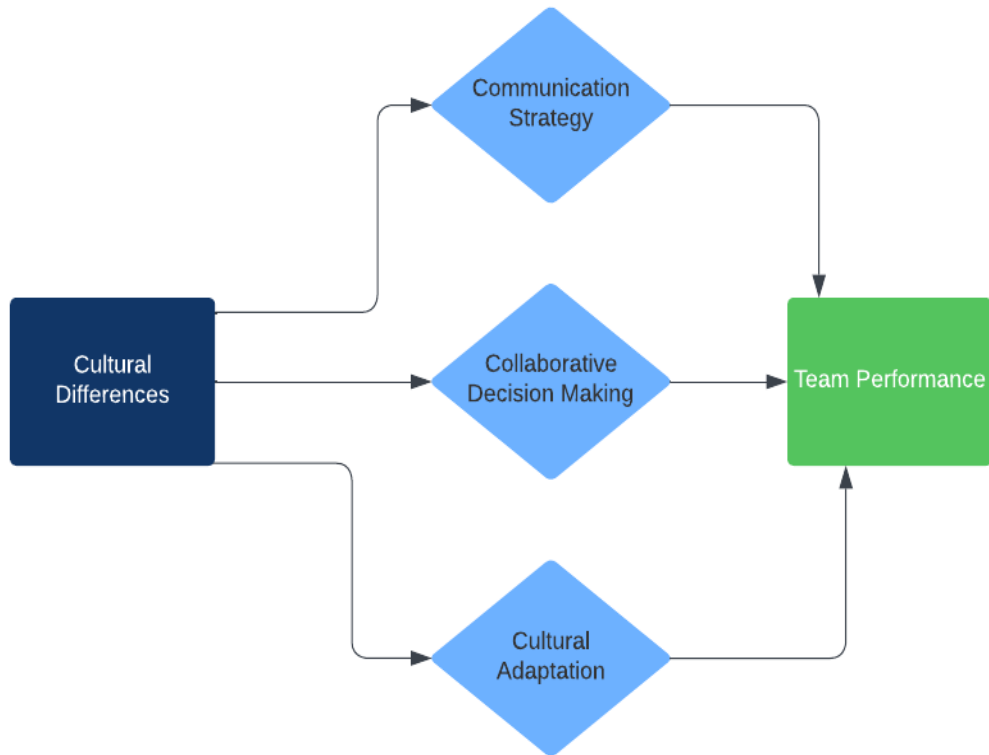
Cultural Adaptation, including:

- Cross-cultural training programs
- Cultural integration initiatives

### **Outcomes/Results:**

Team performance, including:

- Overall effectiveness of cross-cultural project teams
- Ability to manage cultural diversity, communicate effectively, and collaborate
- Satisfaction of team members



*Figure 2.2: Conceptual Framework*

## **3. Chapter Three: Research Methodology**

### **3.1. Introduction**

The specific objective of this paper is to describe and understand the impacts of cultural differences on critical project management practices specifically focusing on Chinese contractors in Ethiopia. The study will focus on the management methodology employed by Chinese companies in Ethiopia from the perspective of their cultural background and experience, and how it influences their management practices. The goal is to understand the specific ways in which Chinese companies manage cultural differences, and how this affects the project they are managing in terms of team performance in the Ethiopian construction industry. In this section we will try to cover the research design, the research approach and the data collection techniques used. This section will try to correlate the theory and concepts raised in the previous chapter with retrieved data.

### **3.2. Research design**

Research design covers the overall plan or strategy employed to address research questions or objectives. It includes decisions about data collection methods, sample selection, measurement instruments, and data analysis techniques. The choice of research design depends on the nature of the research problem, the availability of resources, and the research objectives.

The category of the research falls under a descriptive research and data analysis. It aims to describe and understand the effects of managing cross-cultural project management in the construction industry, specifically focusing on Chinese contractors in Ethiopia. The emphasis is on understanding the impact and influence of cross-cultural management practices. Our objective is investigating cultural differences, identifying challenges, suggesting effective ways of managing cultural differences, and examining the impact of cross-cultural communication. Our scope explicitly mentions that the study will collect and assess information on how Chinese project managers and team leaders work with local contractors, and it aims to explore the experiences and cultural practices employed. Therefore, its focused on describing and understanding the characteristics and dynamics of cross-cultural project management in the construction industry.

While there may be elements of explanation within our study, such as exploring how cultural differences affect cross-cultural project management, the overall emphasis appears to be on describing and understanding the phenomena rather than establishing cause-and-effect relationships. Therefore, our research aligns more with a descriptive analysis.

The research design will allow us to gain a deeper understanding of the experiences of Chinese contractors working in Ethiopia. The interviews will provide us with insights into the challenges and opportunities of managing cross-cultural projects. The questionnaires will provide us with quantitative data on the experiences of a larger sample of Chinese contractors. The findings of the research will be of valuable to contractors, project managers, and other stakeholders in the construction industry.

The research design will be conducted in the following steps:

1. Identify a sample of Chinese contractors working in Ethiopia.
2. Contact the contractors and arrange interviews.
3. Develop and distribute questionnaires to a sample of Chinese contractors working in Ethiopia.
4. Collect and analyze the data from the questionnaires using statistical analysis.
5. Analyze the data from the interviews.
6. Write the research report.

### **3.3. Research Approach**

The research approach for the paper will be a mixed-methods study using semi-structured interviews and questionnaires. The interviews will be conducted with Chinese contractors working in Ethiopia to explore their experiences of managing cross-cultural projects. The questionnaires will be distributed to a sample of Chinese contractors working in Ethiopia to gather quantitative data on their experiences.

The research will be carried out in a careful and ethical manner, with participants being fully informed about the research and providing their consent before interviews and questionnaires are conducted. Confidentiality will be maintained during the collection and analysis of data, and the research findings will be reported objectively. The research design approach is suitable for the

research question and will enable the research objectives to be achieved in a feasible and efficient manner. By using a mixed-methods approach, the research team can gather both qualitative and quantitative data, resulting in a more comprehensive understanding of the experiences of Chinese contractors working in Ethiopia.

The use of mixed-methods research will enable triangulation of data, helping to ensure data validity and providing a more detailed exploration of the research question. Through conducting interviews, the research team can gain deeper insights into the experiences of Chinese contractors working in Ethiopia, while questionnaires will provide quantitative data on the experiences of a larger sample of contractors. This combination of methods will result in a more complete understanding of the challenges and opportunities of managing cross-cultural projects in the construction industry.

### **3.4. Data sampling**

In our study, we focused on Chinese contractors working in the capital city of Ethiopia, Addis Ababa. This specific research scope influenced our choice of data sampling techniques, considering the contextual factors and the challenges we encountered in accessing the Chinese contractor population.

Despite the availability of a contractor database, contacting Chinese contractors proved to be a complex task. One key reason for this difficulty was the sensitivity surrounding the issue, as contractors may have been hesitant to engage in discussions about cultural differences and potential challenges they face while working in a foreign context. To overcome these challenges and gather data from Chinese contractors in Addis Ababa, we employed a combination of convenience sampling and snowball sampling techniques.

Convenience sampling was initially utilized to identify and recruit Chinese contractors who were easily accessible. We made efforts to connect with Chinese contractors listed in online directories and leveraged personal networks to include participants based on their availability. However, due to the unique circumstances and the sensitivity of the topic, direct access to the Chinese contractor population was limited.

To supplement our sample size and diversify our participant pool, we incorporated snowball sampling into our methodology. Snowball sampling allowed us to tap into existing networks and contacts within the construction industry, facilitating the inclusion of Chinese contractors who might not have been readily identifiable through conventional means. By asking initial participants to refer other contractors they knew who met the inclusion criteria, we expanded the range of experiences and perspectives captured in our study.

The focus of our research was to gain in-depth insights into the experiences and challenges faced by Chinese contractors in Addis Ababa, rather than making population-level inferences. We aimed to provide a nuanced understanding of the specific context and dynamics within which Chinese contractors operate in the Ethiopian construction industry.

It is important to acknowledge that while a contractor database was available, reaching out to the Chinese contractors within that database posed significant challenges due to the sensitivity of the topic. The combination of convenience and snowball sampling techniques was thus justified as a practical and effective approach for data collection, considering the specific constraints and the aim of obtaining insights from Chinese contractors working in Addis Ababa.

To ensure the validity and reliability of our findings, we adopted a careful approach to data collection and analysis. Multiple sources of data, including interviews and questionnaires, were used to triangulate the findings and enhance the robustness of the study. By employing these diverse data sources, we aimed to capture a comprehensive understanding of the experiences and challenges faced by Chinese contractors in the Ethiopian construction industry.

In summary, our research focused on Chinese contractors in Addis Ababa, Ethiopia, and the challenges we faced in accessing this population influenced our choice of data sampling techniques. The combination of convenience and snowball sampling allowed us to overcome the limitations of direct access and gather valuable insights from Chinese contractors. By acknowledging the specific context and constraints, and utilizing careful data collection and analysis methods, we aimed to provide meaningful contributions to the understanding of cross-cultural project management practices in the Ethiopian construction industry."

### **3.5. Data collection**

**Data Sources:** This study utilized a representative range of data sources to ensure a comprehensive exploration of the influence of culture on global project management teams. The primary data sources consisted of structured interviews, questionnaires, and project-specific information. By employing these multiple sources, the study aimed to gather rich and varied data for a comprehensive analysis.

**Collection Process:** A pilot survey was conducted to test the design of a larger study. The pilot survey identified some issues with the questionnaire, and these issues were addressed before the larger study was conducted. To initiate the data collection process, a structured interview protocol and a well-designed questionnaire were developed. The interviews were conducted in person with some participants, following a set of interview guidelines specifically tailored to investigate the intricate ways in which culture impacts management teams in global projects. These interviews provided an opportunity for in-depth conversations, allowing participants to share their experiences, insights, and perspectives.

Simultaneously, participants were provided with questionnaires designed to assess their level of agreement with the statements presented. Recognizing the diversity of the sample, the questionnaires were prepared in both English and Chinese to ensure smooth communication and inclusivity. This multilingual approach aimed to facilitate participation and reach a broader range of respondents, enhancing the representativeness of the study.

### **3.6. Data Analysis**

The collected data underwent a systematic and careful analysis process. The interview data were subjected to content analysis, employing techniques such as categorization. This process involved identifying key themes and patterns that emerged from the interviews, allowing for a detailed exploration of the influences of culture on global project management teams.

Furthermore, the questionnaire responses were carefully evaluated and compared. Statistical techniques were applied to analyze the quantitative data, enabling the identification of trends, correlations, and patterns of agreement or disagreement with the statements presented. The responses were examined in relation to the propositions outlined in the study, facilitating a

comprehensive examination of the alignment between reported experiences and theoretical expectations.

Additionally, the study considered project-specific information provided by the participating managers. This contextual information enriched the dataset by providing specific examples and enhancing the understanding of the research topic. The examination of project-specific information complemented the insights derived from the interviews and questionnaires, offering a holistic view of the phenomenon under investigation.

The synthesized findings resulting from the content analysis, questionnaire analysis, and examination of project-specific information were thoughtfully organized into categories, encompassing positive influences, negative influences, and strategies for effectively managing the impacts of culture. These findings are comprehensively presented and interpreted in Section 4 of the study's report, contributing to the existing body of knowledge and offering practical implications for global project management practices.

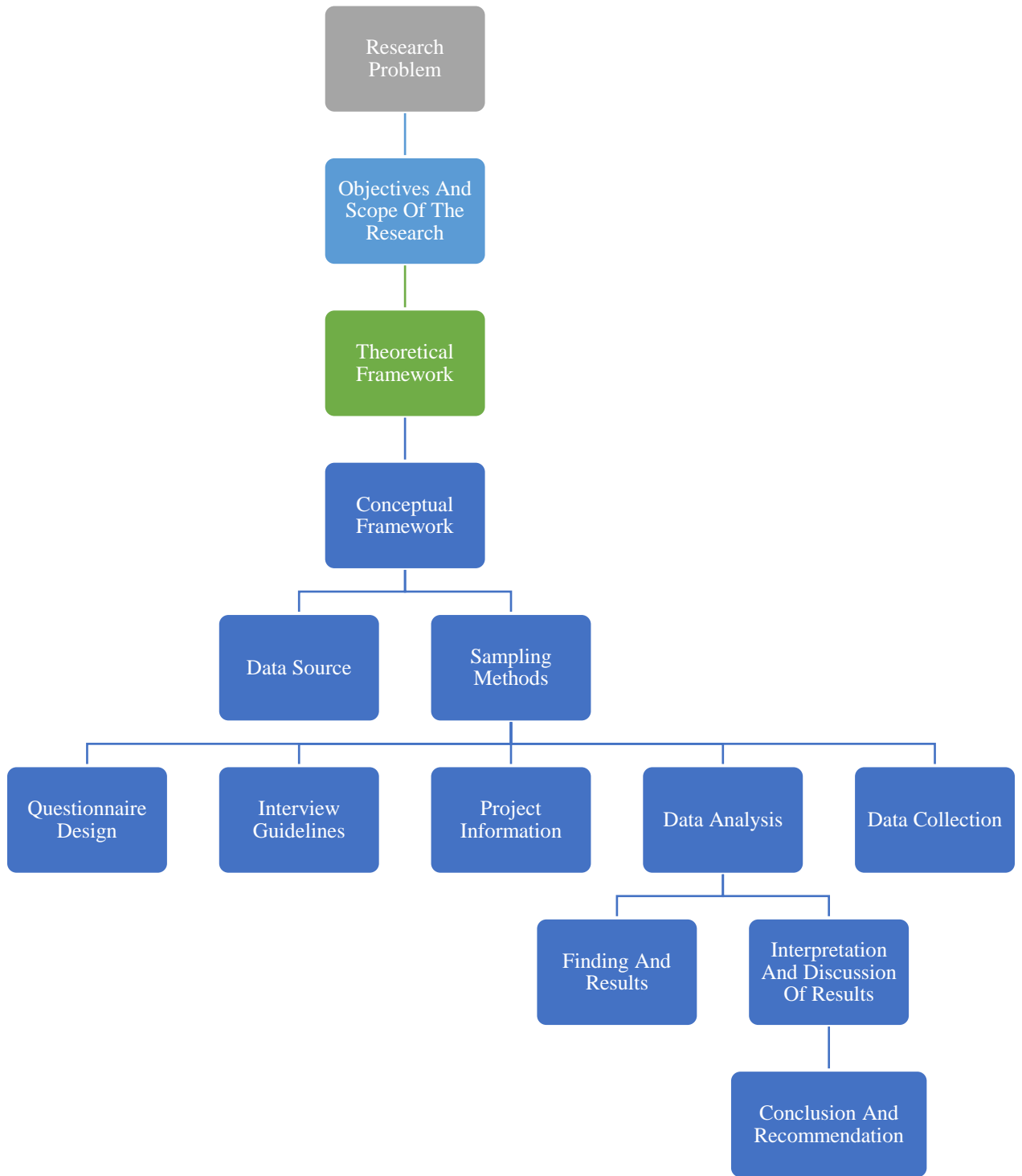


Figure 3.1: - Research chart

## **4. Chapter Four: Data Analysis and Discussion**

### **4.1. Introduction**

This chapter presents the data analysis of the study, which aimed to understand the impacts of cultural differences on critical project management practices specifically focusing on Chinese contractors in Ethiopia. The chapter provides a comprehensive analysis of the data collected through questionnaires and interviews, offering valuable insights into the perspectives and experiences of construction industry professionals working in cross-cultural project teams. By examining the responses and analyzing the data, this chapter aims to uncover patterns, trends, and relationships within the dataset, contributing to a deeper understanding of the research objectives and research questions.

Effective data analysis is essential for extracting meaningful insights from research data. In this chapter, the collected data is carefully examined to address the research objectives and research questions of the study. By employing appropriate statistical techniques, qualitative analysis methods, and thematic analysis, the data is analyzed to explore the key factors influencing the success of cross-cultural project management and to identify effective strategies for mitigating challenges in this context.

The construction industry is becoming increasingly globalized, necessitating cross-cultural collaboration in project teams. However, managing cross-cultural dynamics presents unique challenges and opportunities. By analyzing the data collected from the questionnaires and interviews, this research aims to provide a comprehensive understanding of the various aspects related to cross-cultural project management in the construction industry. The analysis will uncover valuable insights into factors for team performance, challenges faced, best practices, and specific cultural differences affecting project outcomes.

The data analysis was conducted in three phases. In the first phase, the demographic information of the participants was analyzed to identify any patterns or trends. The second phase involved the analysis of the participants' views on cross-cultural project management, management strategies, challenges faced, and best practices identified in the data. The third phase involved the analysis of

the open-ended questions, offering in-depth insights into specific cultural differences, management strategies, and ways to enhance team communication and collaboration.

## **4.2. Questionnaire And Interview Analysis**

As previously mentioned, one of the primary aims of the questionnaire was to gather insights from project managers, employees, and management bodies regarding cross-cultural project management issues. While our intention was to reach a better population sample, several factors impeded our ability to achieve the desired sample. These factors included the contractors' willingness to participate in the study and the sensitive nature of the topic under investigation.

Regrettably, we were unable to conduct interviews with the Chinese contractors due to various constraints. The contractors operate within a demanding work environment, faced language barriers, and expressed limited willingness to engage in interviews. Consequently, we developed alternative versions of the questionnaire, ensuring that they maintained similar content. The questionnaires were prepared in both Chinese and English languages, and we made them available in two formats: printed paper and Google Forms.

To accommodate the circumstances surrounding the unavailability of interviews, we modified the questionnaire format to capture participants' perspectives effectively. We designed the questions to reflect the participants' views as closely as possible, providing multiple choice options for those who preferred a more time-efficient method of response. This adjustment allowed us to transform the interview questions intended for the participants into a survey format, given the challenges encountered during the interview phase.

The questionnaire is divided into three subsections, section 1: the general information, section 2- views of participants about cross cultural project management and section :3 is an open-ended question. Besides the three sections additional questions are added to retrieve more information on the cross-cultural project management effects.

The purpose of Section 1 is to collect general information about the participants, such as their personal details, background information, and experiences in the construction industry and cross-cultural project teams. This section is essential for creating a demographic profile of the participants and examining how their characteristics and experiences may affect their views on

cross-cultural project management. Each question in this section has a specific role in obtaining relevant information that will enhance the overall understanding of the research topic.

#### 4.2.1. Response rate of the questionnaire.

As it is explained in the introduction part, the questionnaire is as whole distributed in two format, printed paper and by sending a google form link. From the total invitation of 35 participants, 25 are being returned, which is 71.42% of the total questionnaire. From the 25 questionnaires received, 80% of them has answered all the questions provided.

#### 4.2.2. Demographic information

**Gender:** This question is included to evaluate the gender distribution among the participants.

Gender	Percentage
Female	8%
Male	92%

*Table 4.1: Gender*

**Age:** The question regarding age provides insights into the age distribution of the participants. Age can influence individuals' experiences, perspectives, and adaptability to cross-cultural project management.

Age	Percentage
25-35	83%
35-45	13%
45-55	4%

*Table 4.2: Age*

**Educational Background:** This question aims to understand the participants' educational background.

Level	Percentage
Graduate School	35%
College	26%
Post Graduate	39%

*Table 4.3: Educational Background*

**Current Position:** Different positions may entail distinct levels of involvement in cross-cultural project management, decision-making authority, and interactions with diverse team members.

Position	Percentage
Other	26%
Project Manager	13%
Engineer	43%
Team Leader	13%
Architect	4%

Table 4.4: Current Position

**Monthly Salary:** Financial considerations can impact individuals’ motivation, commitment, and engagement in cross-cultural project management.

Salary	Percentage
30,000-50,000	30%
10,000-30,000	26%
< 10,000	22%
>50,000	17%

Table 4.5: Monthly Salary

**Years of Experience in the Construction Industry:** This question aims to capture the participants’ level of experience in the construction industry. Experience can significantly influence individuals’ knowledge, skills, and ability to handle challenges associated with cross-cultural project management. The average years of experience of the participants found to be 8.42 years.

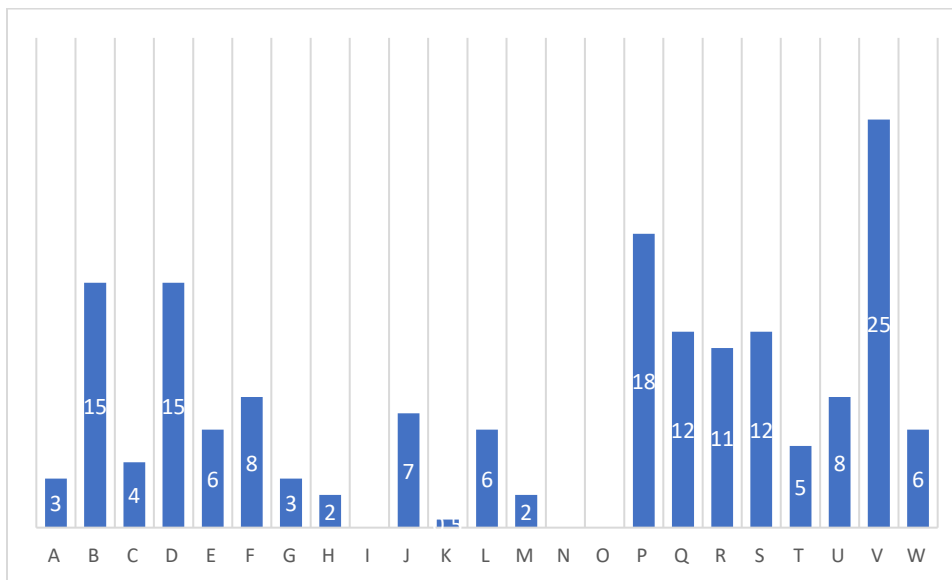


Figure 4.1: Years of Experience in the Construction Industry

## Years of Experience Working in Cross-Cultural Project Teams

This question focuses specifically on the participants' experience in working within cross-cultural project teams. Experience in cross-cultural settings can shape individuals' understanding of cultural dynamics, communication strategies, and conflict resolution approaches. The average years of experience found to be 5.22 years.

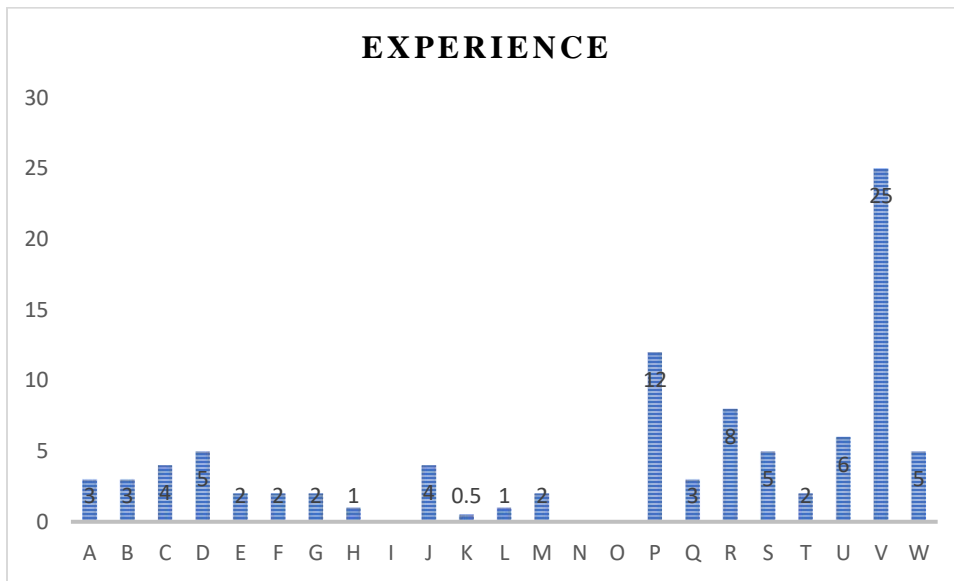
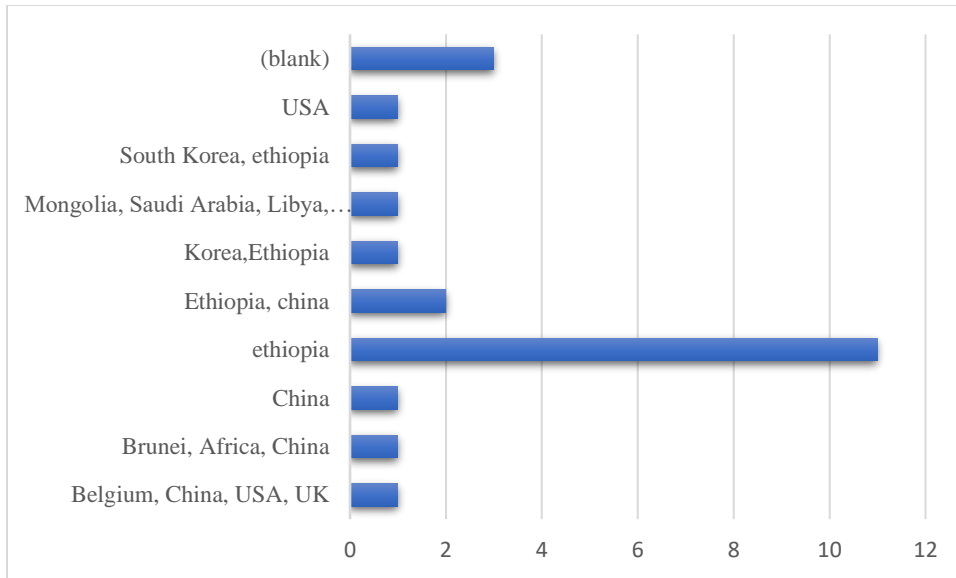


Figure 4.2: Years of Experience Working in Cross-Cultural Project Teams

**Countries Where You Have Worked in Cross-Cultural Project Teams:** This question aims to identify the countries in which the participants have worked in cross-cultural project teams. Different countries have unique cultural characteristics, work practices, and communication styles. Understanding the countries where participants have gained cross-cultural project management experience provides valuable insights into their exposure to different cultural contexts and the diversity of their project experiences. Most of the participants experience is accumulated in Ethiopia. some of them has also participated in different part of a continent.



*Figure 4.3: Countries Where participants Worked in Cross-Cultural Project Teams*

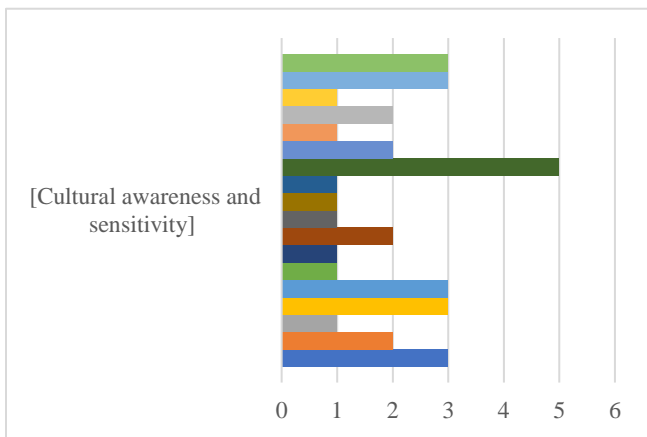
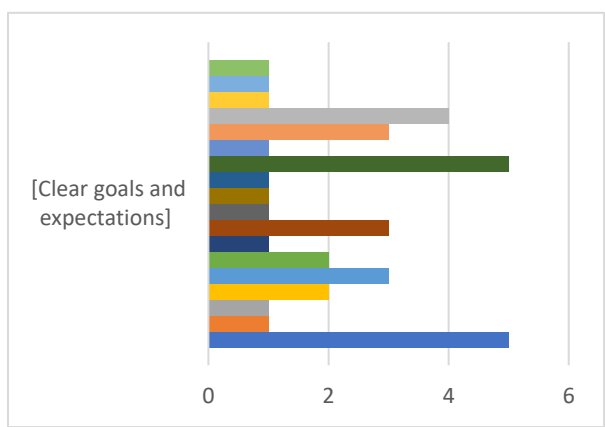
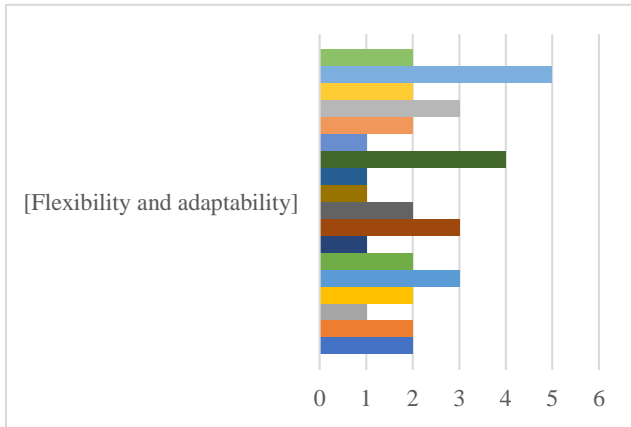
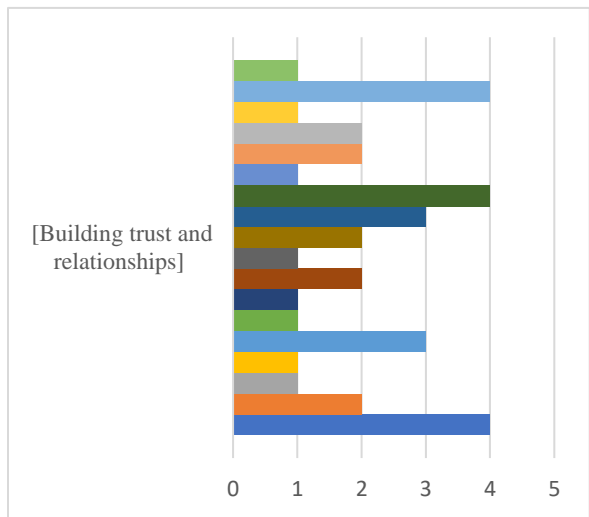
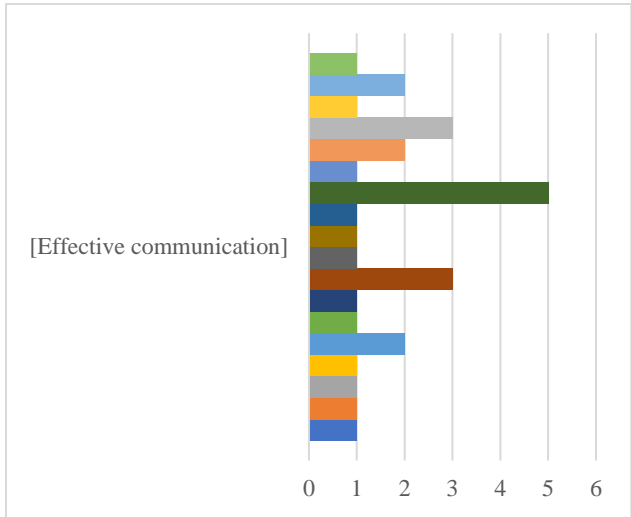
### 4.2.3. Cross cultural project management-oriented information

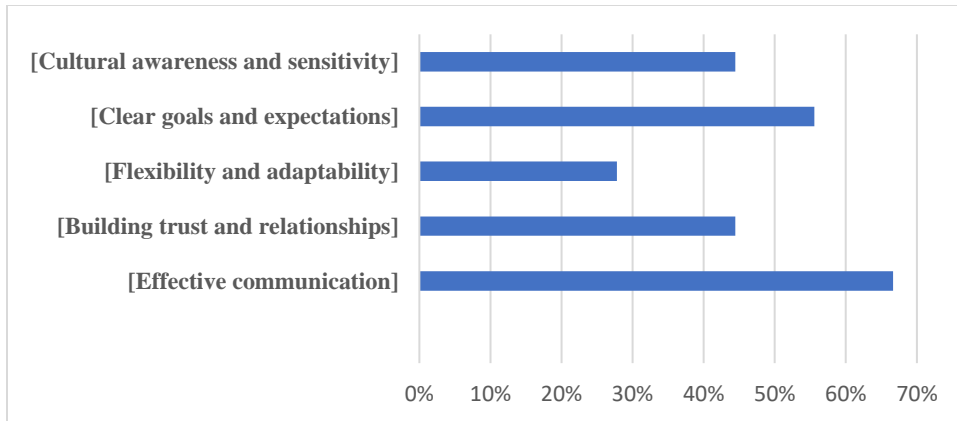
#### Section 2: Individual's View on Cross-Cultural Project Management

The focus of Section 2 is to capture participants' perspectives and experiences related to cross-cultural project management. It aims to gather insights into the factors that contribute to success in managing cross-cultural projects, the challenges faced, and the best practices employed in this context. Each question in this section is designed to explore different aspects of participants' views on cross-cultural project management and shed light on their strategies and experiences in working with diverse project teams. Questions in section two are given to some of the participants without giving an insight so as to capture their point of view only, who are refused to conduct an interview. The dimensions which are pre-determined and given for the participants are taken from the literatures which have been review earlier.

**In your experience, rank the following factors for success in cross-cultural project management in order of importance (1 being the most important and 5 being the least important):** This question intends to assess the participants' perception of the key factors contributing to success in cross-cultural project management. By ranking these factors, participants provide valuable insights into their priorities and emphasis on different aspects such as effective

communication, cultural awareness, trust building, flexibility, and goal clarity. Understanding the perceived importance of these factors can help identify areas of focus for improving cross-cultural project management practices.





*Figure 4.4: Dimensions of success in cross-cultural project management*

The diagram representation shown most of the participants agree on the importance of the dimensions we provided. From all dimensions we provided, effective communication has been selected by 66.67% of the participants as the most important parameter. Clear goal and expectation has been chosen by 56%, building trust and relationship & cultural awareness and sensitivity chosen by 44% of the participants. Lastly flexibility and adaptability chosen at the first place by 28% of the participants.

**How have you effectively managed cultural differences to improve communication and collaboration within your team? (Select all that apply):**

This question aims to explore the strategies employed by participants to manage cultural differences in order to enhance communication and collaboration within their project teams. By providing multiple options, participants can indicate the specific approaches they have found effective in navigating cultural diversity. Analyzing the responses can reveal common practices and highlight successful strategies used by participants to bridge cultural gaps and foster effective teamwork.

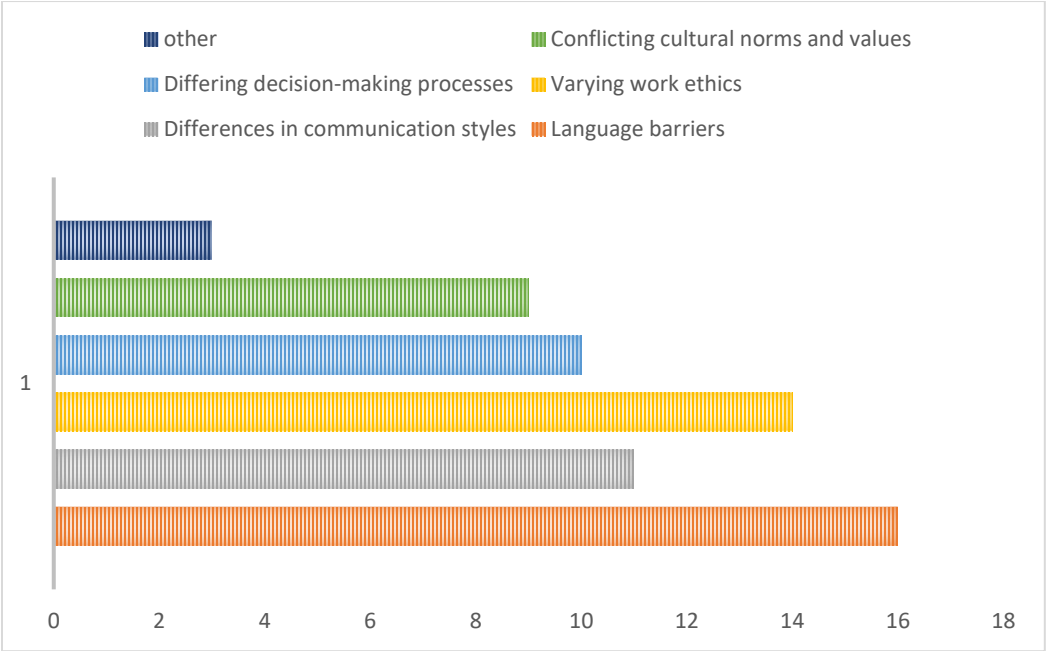


Figure 4.5: How participants effectively managed cultural differences to improve communication and collaboration within your team

Promoting active listening and open dialogue	24%
Establishing clear communication channels	27%
Providing cultural awareness training	12%
Encouraging team-building activities	22%
Implementing effective conflict resolution mechanisms	14%
other	2%

Table 4.6: how participants manage cultural differences

**Can you provide examples of the challenges you have faced when working with people from different cultural backgrounds in cross-cultural project teams? (Select all that apply):** This question seeks to identify the challenges participants have encountered while working with individuals from diverse cultural backgrounds in cross-cultural project teams. By allowing participants to select multiple options, the questionnaire aims to capture a comprehensive range of challenges, including language barriers, communication style differences, work ethic disparities, decision-making conflicts, and clashes of cultural norms and values. Analyzing the responses can help identify recurring challenges and potential areas for improvement in cross-cultural project management.

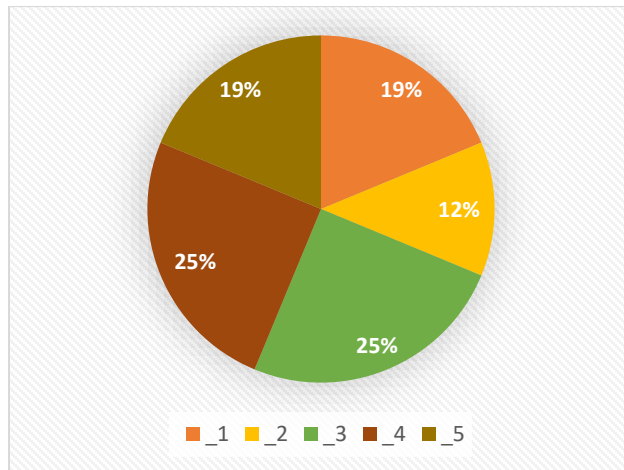


*Figure 4.6: examples of the challenges when working with people from different cultural backgrounds*

25% of the participants believe language barrier is the most challenging factor when working with cross cultural teams. Although the other dimensions are voted by the participants equivalently. but varying work of ethics has been found the second most voted dimension from all by 14%.

**How have cultural differences and similarities impacted the success of cross-cultural project management in your experience? (Please rate on a scale of 1 to 5, with 1 being minimal impact and 5 being significant impact)** This question intends to assess the perceived impact of cultural differences and similarities on the success of cross-cultural project management. By rating

the impact on a scale, participants provide an indication of the extent to which cultural factors have influenced project outcomes. Analyzing the ratings can help gauge the significance of cultural dynamics and identify areas where cultural differences or similarities have had a notable effect on project team performance.



*Figure 4.7: How cultural differences and similarities impacted the success of cross-cultural project management*

Even though the percentage is a tie, many of the participants believe cultural difference has a significant impact on the success cross cultural management.

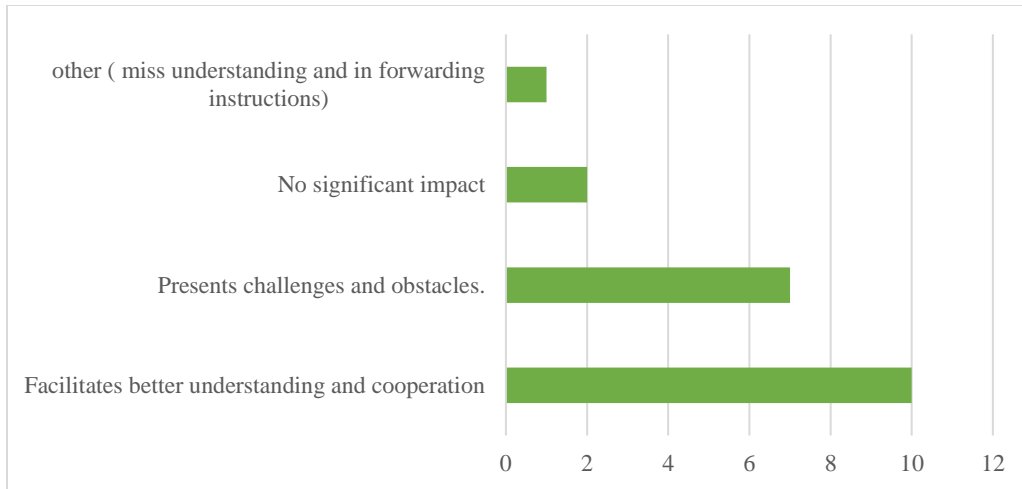
**Based on your experience, what are the best practices for managing cross-cultural project teams in the construction industry? (Select all that apply):** This question aims to gather participants' perspectives on the best practices for managing cross-cultural project teams specifically within the construction industry. By selecting multiple options, participants can indicate the practices they consider effective in facilitating successful cross-cultural project management. Analyzing the responses can provide insights into common strategies, approaches, and interventions that are perceived as beneficial in the construction industry's unique context.



*Figure 4.8: best practices for managing cross-cultural project teams in the construction industry*

From the result obtained around 65% of the total participants has believed all dimensions are important. Although 24% of the participants believe establishing clear goals and expectation is the best practice for managing cross cultural teams.

**How does cross-cultural communication influence project team collaboration and coordination? A) Facilitates better understanding and cooperation b) Presents challenges and obstacles c) No significant impact.** This question explores participants' views on the influence of cross-cultural communication on project team collaboration and coordination. By selecting one of the provided options, participants can express their perception of how cross-cultural communication affects teamwork. Analyzing the responses can reveal the overall sentiment towards the impact of cross-cultural communication and shed light on its role in facilitating or hindering collaboration within project teams.



*Figure 4.9:How cross-cultural communication influence project team collaboration and coordination*

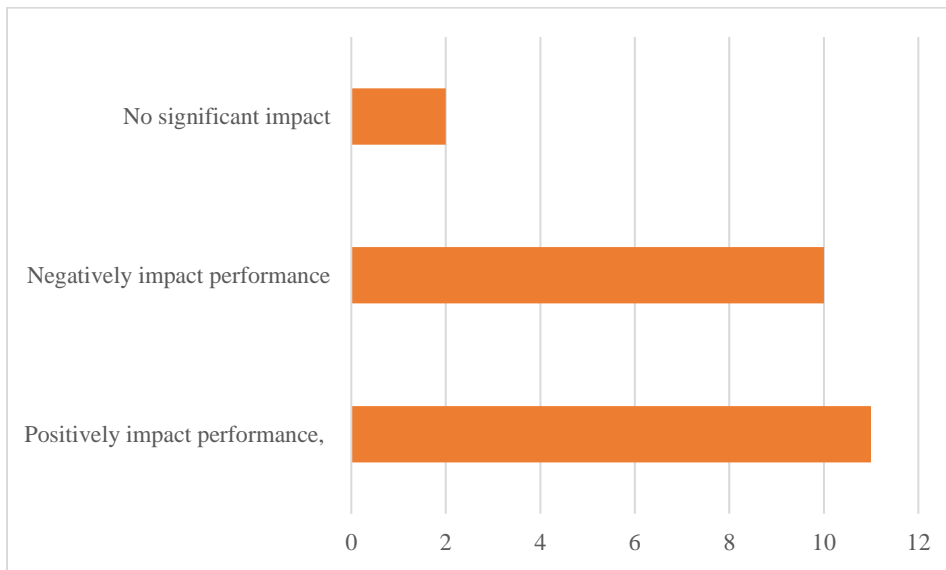
From the data acquired, 50% of the participants believe cross cultural communication facilitates better understand and cooperation.

**How do you feel about the importance of cross-cultural project management for the construction industry in Ethiopia?** This question is designed to find out participants' views on how relevant cross-cultural project management is for the construction industry in Ethiopia. The questionnaire allows participants to share their opinions and provide insights into how they value managing cultural diversity in construction projects within the Ethiopian setting. By analyzing the responses, researchers can understand how aware participants are of the role of cross-cultural project management in achieving successful outcomes in the construction industry in Ethiopia.

positive work environment, sharing of experience, and economical importance are the positive responses against cross cultural relationship between managers and employees. Although unemployment of local contractors is the negative assessment raised by the participants. we will try to collect the general view of the participants in the next section with the open-ended questionnaires and interviews.

**How do you think cultural differences in global projects affect the performance of individuals and organizations**

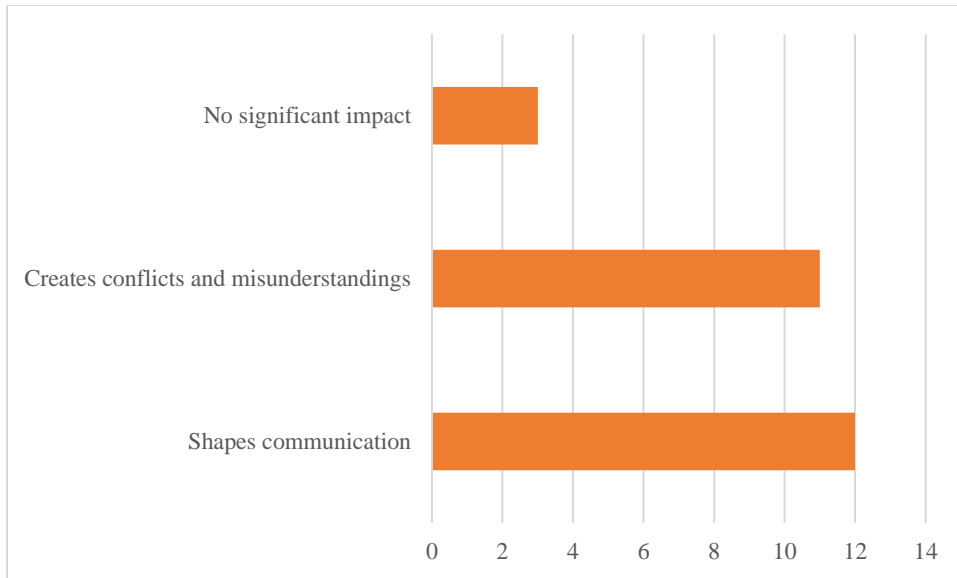
**? a) Have a positive effect on performance b) Have a negative effect on performance c) Have no significant effect.** This question asks participants to express their opinions on how cultural differences in global projects influence the performance of individuals and organizations.



*Figure 4.10: how cultural differences in global projects affect the performance of individuals and organizations*

The sample showed participants have come to acquire divided opinion on the impact of cultural difference of global management. 48% of them believe it will positively impact the performance of individuals and organizations. Although 43% of the participants believe it will negatively impact the performance.

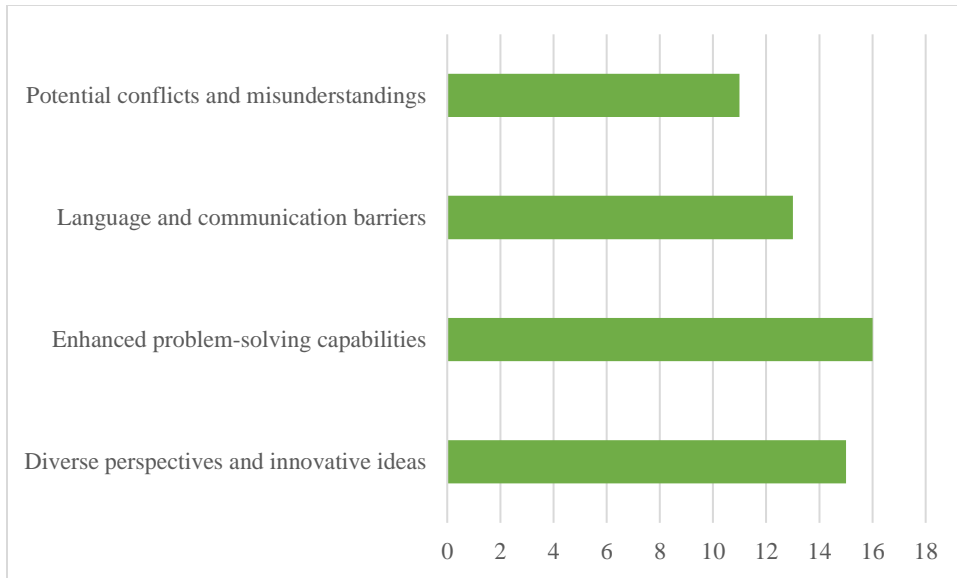
**Based on your professional experience, how does culture influence the relationship between a global project manager and their team? a) Affects communication and collaboration b) Causes conflicts and misunderstandings c) Has no significant impact.** By selecting one of the options, participants can show how culture impacts communication, collaboration, and potential conflicts or misunderstandings within the project team.



*Figure 4.11: how culture influence the relationship between a global project manager and their team*

Here also the opinions of the participants are divided. 46% of the participants believe culture shapes communication although 43% believe it creates conflicts and misunderstanding.

**What are some benefits and drawbacks of having professionals from different cultures in a team? (Select all that apply): a) Diverse perspectives and innovative ideas b) Enhanced problem-solving capabilities c) Language and communication barriers d) Potential conflicts and misunderstanding.** This question intends to identify the perceived benefits and drawbacks of having professionals from different cultural backgrounds working in a team. By selecting multiple options, participants can emphasize the specific advantages and challenges they have observed.



*Figure 4.12: some benefits and drawbacks of having professionals from different cultures in a team*

As it is shown on the diagram, most of the participants believe on the dimensions we provided. Although 29% of the participants believe enhanced problem-solving capabilities mentioned as the positive aspects of having different culture in a team.

### **Section 3: Open-Ended Questions**

#### **What are some examples of cultural differences that have affected communication and collaboration within your cross-cultural project teams? (Please list up to three examples)**

This open-ended question aims to collect specific examples of cultural differences that have influenced communication and collaboration within cross-cultural project teams. Participants are encouraged to provide up to three cases where cultural diversity has affected team dynamics. By looking at these examples, researchers can gain a deeper understanding of the specific opportunities or challenges that arise from cultural differences, enabling them to identify patterns and develop strategies to address them effectively. This are the answers that our participants are responded.

Language, communication norm, living style (e.g., eating and sleeping culture), perceptions in order of hierarchy, Attitude towards authority, suspiciousness, Norm, way of thinking and working culture, too much respect for bosses, Work ethics difference and demanding working time (entry and out) are repeatedly mentioned by the participants. Besides that, one participant mentioned,

“after setting a deadline for a certain task, local people often fail to meet it on time and do not consider it a serious matter. On the other hand, Chinese people, even if it means working late into the night, strive to complete the task within the agreed timeframe because the deadline was set in advance. There is a certain proportion of Ethiopians who experience feelings of inferiority, and to mask this insecurity, their interactions with others may come across as arrogant and proud. In reality, it is best to maintain a balanced and confident demeanor, embracing one's strengths and weaknesses without the need to deliberately conceal them.”

**Why do you think it is important for project managers to deal with cultural differences among team members?** This question seeks participants' insights into why project managers should deal with cultural differences among their team members. The responses are listed below.

The participants said Addressing cultural differences helps to avoid conflicts between team members. Team members need to trust, understand, and collaborate with each other. By aligning their thinking and coordinating their actions, they can work together efficiently to ensure that all tasks are completed on time and with high quality. Enables to utilize team potential to enhance productivity as a collection and individual and clear goals. Project managers will enable them build its own cultural project management behavior and create a more balanced and inclusive construction industry. This will not only improve the overall productivity and success of construction projects but also contribute to the growth and development of the industry in the country. Small inconveniences or misunderstandings might make workers lose the feeling of belongingness and it might affect their productivity. It helps the team members to have a good relationship and understanding which is very essential for the project team performance. Strong and coordinated team will improve performance.

**Choose the cross-cultural management strategies that you think have the most positive impact on the quality of construction projects: a) Effective communication techniques b) Training and cultural awareness programs c) Building trust and relationships d) Clear goal setting and expectations e) Regular feedback and evaluation f) Flexibility and adaptability**

This question intends to explore participants' opinions regarding the cross-cultural management strategies that they think have the most positive impact on the quality of construction projects. By selecting one or more options, participants can indicate the strategies they think are most effective. By analyzing the responses, researchers can gain insights into the strategies that participants find

valuable in fostering successful cross-cultural collaboration and improving the overall quality of construction projects.

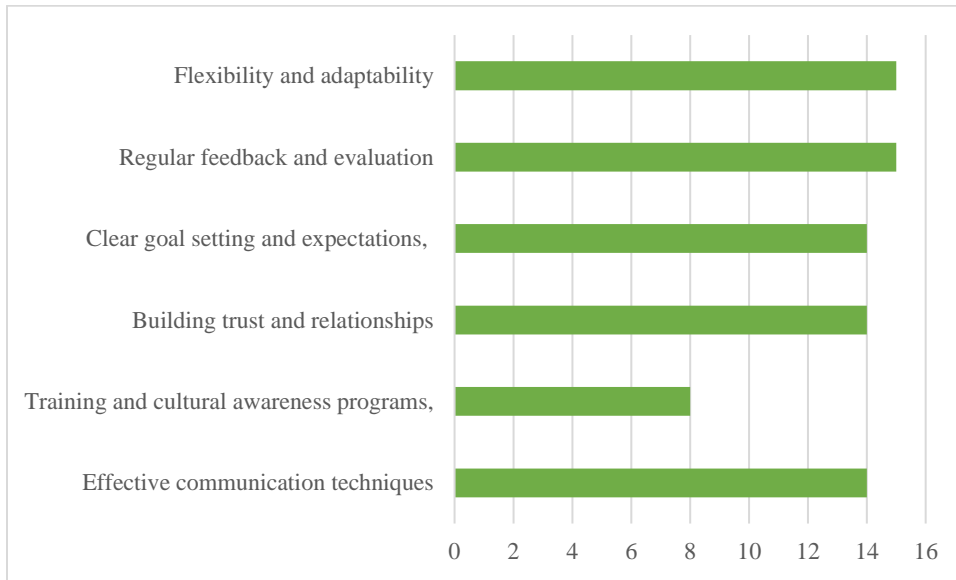
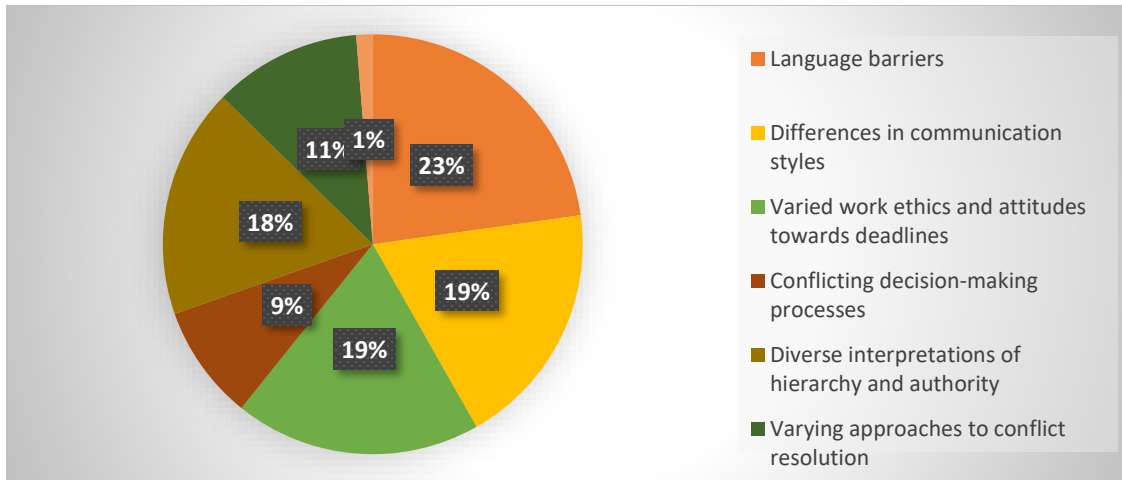


Figure 4.13: Cross-cultural management strategies

All dimensions but one is collectively agreed by most of the participants. regular feedback and evaluation & flexibility and adaptability have got the vote of 19% vote of the total participants.

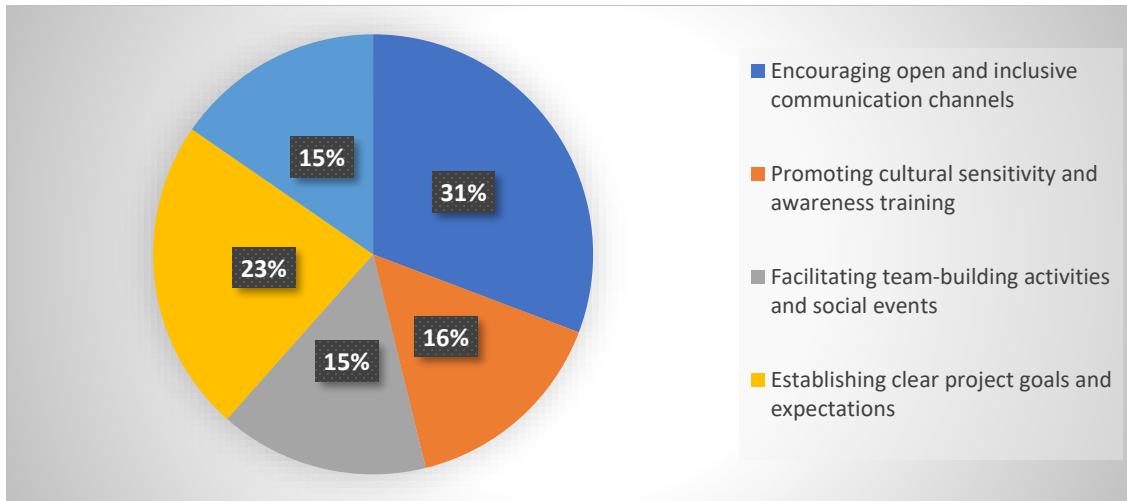
**Choose the common challenges faced by project team members from diverse cultural backgrounds when working in cross-cultural teams in the construction industry: a) Language barriers b) Differences in communication styles c) Varied work ethics and attitudes towards deadlines d) Conflicting decision-making processes e) Diverse interpretations of hierarchy and authority f) Varying approaches to conflict resolution.** This question intends to identify the common challenges that project team members from diverse cultural backgrounds face when working in cross-cultural teams within the construction industry.



*Figure 4.14: common challenges faced by project team members from diverse cultural backgrounds when working in cross-cultural teams*

Language barrier once again becomes the most dominant challenge faced by the cross-cultural team by the participants. The rest of the dimensions has also equivalently chosen by the participants.

**Choose the most effective ways to manage cultural differences and improve team communication and collaboration in cross-cultural project management in the construction industry:** a) Encouraging open and inclusive communication channels b) Promoting cultural sensitivity and awareness training c) Facilitating team-building activities and social events d) Establishing clear project goals and expectations e) Implementing regular cross-cultural feedback and evaluation processes. This question intends to identify the strategies that participants consider most effective in managing cultural differences and improving team communication and collaboration in cross-cultural project management within the construction industry.



*Figure 4.15: effective ways to manage cultural differences and improve team communication*

**How do project managers handle and resolve cultural conflicts in cross-cultural project teams?** This question intends to examine the strategies and approaches that project managers use to handle and resolve cultural conflicts within cross-cultural project teams. The respondents said:

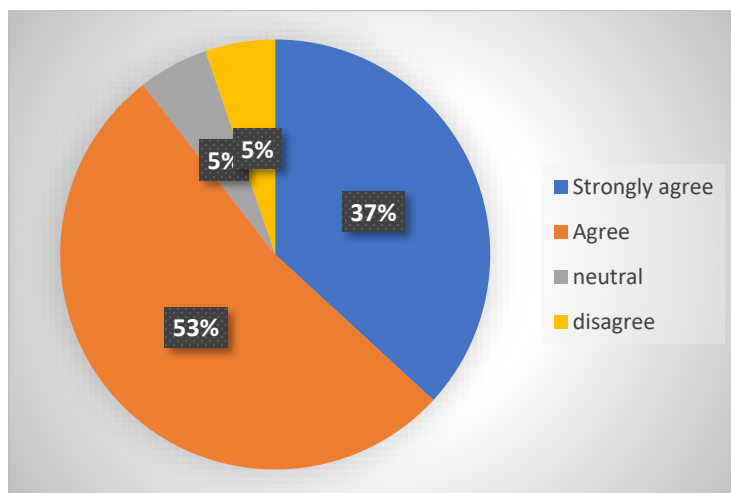
- Creating awareness and understanding about diversity and cultural differences,
- preparing and gathering for events where teams most openly discuss to resolve problems,
- Implementing regular cross-cultural feedback and evaluation processes,
- Seeking for common ground while reserving differences,
- Narrowing down management goals and methods to comply with laws and regulations.
- Facilitate communication and understanding, eliminate misunderstandings, promote inclusive understanding, and foster mutual learning.
- Establishing clear project goals and expectations from individual
- Implementing regular cross-cultural feedback and evaluation processes
- addressing the problems in professional and well ethic manner
- Varied work ethics and attitudes towards cultural team members
- By developing different Conflicting decision-making processes
- Using Varying approaches to conflict resolution
- Raise cultural awareness programs
- Also, some of them believe No significant effort is made

**In your opinion, what are the most important cultural factors to consider when managing cross-cultural project teams in the construction industry in Ethiopia?** This question asks participants' opinions on the cultural factors that are considered most important when managing cross-cultural project teams in the construction industry in Ethiopia. By sharing their perspectives, participants can emphasize the specific cultural aspects that project managers should consider and prioritize. The majority of the responses were:

- Communication skill and work ethics
- Religion, gestures, and language barriers
- Awareness of other social norms.
- Diverse interpretations of hierarchy and authority
- Clear goals and expectations/deliverables from each party is crucial
- To be culturally understanding and respectful of one another
- Respecting each other

We have also included questions for the respondents to reflect their response by simply agreeing and disagreeing with the concepts we designed to enable us clearly differentiate some ideas.

**“I am comfortable working with people from different cultures.”** This statement aims to measure participants' comfort level when collaborating with individuals from different cultural backgrounds. By indicating their agreement or disagreement, participants provide an indication of their level of cultural openness and adaptability.



*Figure 4.16: working with people from different cultures*

**I think that cultural differences can be a source of conflict in cross-cultural project teams.**

This statement explores participants’ perceptions regarding the possibility for cultural differences to cause conflicts within cross-cultural project teams.

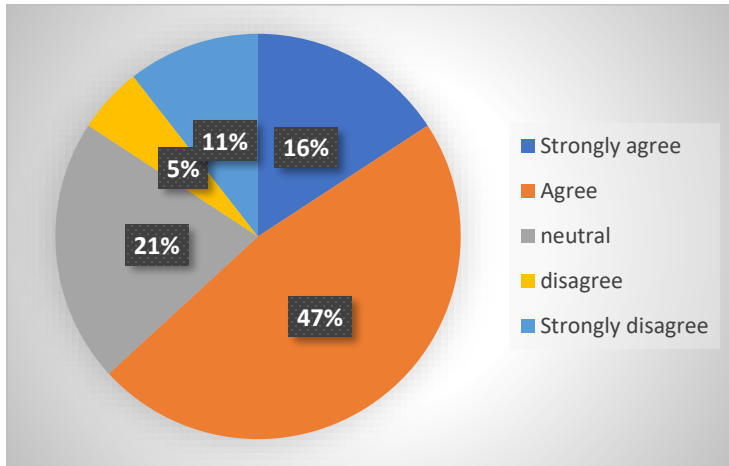


Figure 4.17: cultural differences on a source of conflict

**“I am confident in my ability to manage cultural differences in cross-cultural project teams**

“This statement measures participants’ self-perceived confidence in effectively managing cultural differences within cross-cultural project teams. Their agreement or disagreement provides insights into their level of self-confidence and perceived competence in navigating and leveraging cultural diversity.

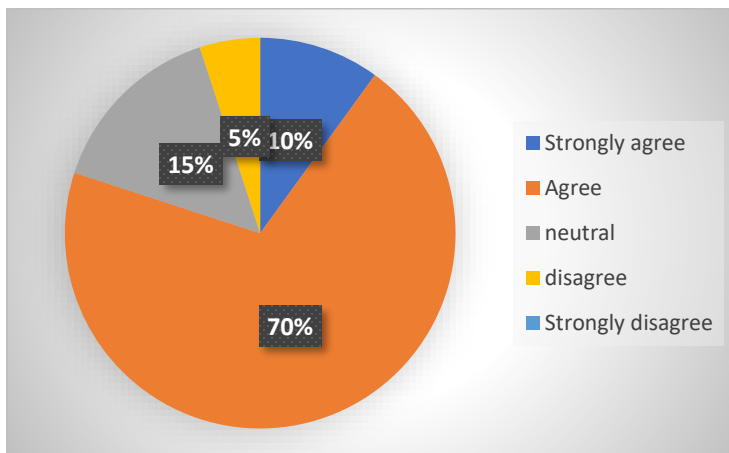
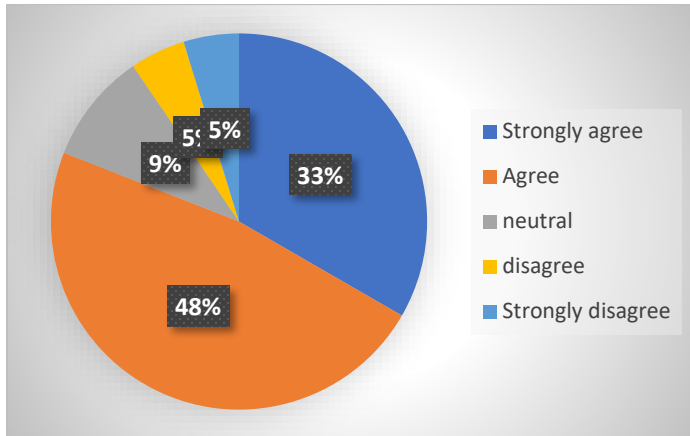


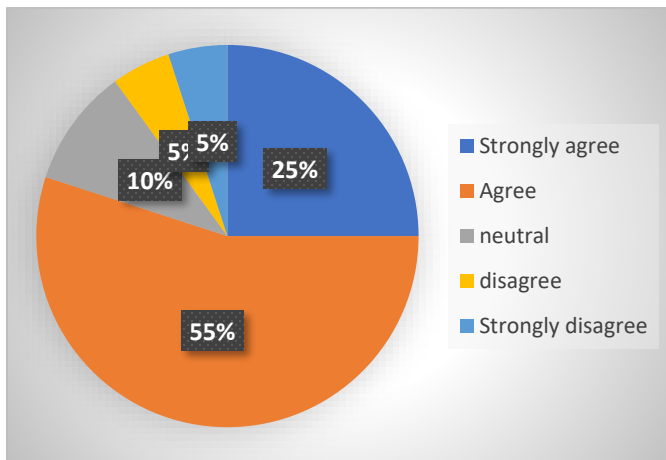
Figure 4.18: Ability to manage cultural differences

**“I think that cross-cultural project management is an important skill for project managers in the construction industry”.** This statement explores participants’ views on the importance of cross-cultural project management as a critical skill for project managers in the construction industry.



*Figure 4.19: Cross-cultural project management Skill for project managers*

**I am willing to learn more about cross-cultural communication and management.** This statement assesses participants’ openness and willingness to further develop their knowledge and skills in cross-cultural communication and management.



*Figure 4.20: willingness of the participants to learn more on cross-cultural communication and management*

**“Please order the following cultural factors by importance when managing cross-cultural project teams in the construction industry in Ethiopia (1 being the most important and 10 being the least important):** • Decision-making style • Time orientation • Work ethic • Social

**hierarchy • Gender roles • Religion • Language proficiency • Attitude towards authority • Conflict resolution style.** The aim of this ordering question is to evaluate the perceived importance of various cultural factors when managing cross-cultural project teams in the construction industry in Ethiopia. Participants are asked to give a numerical order to each factor, indicating their relative significance in affecting project team dynamics. The orders provide a way to prioritize and understand the cultural dimensions that participants consider most essential in the context of their work.

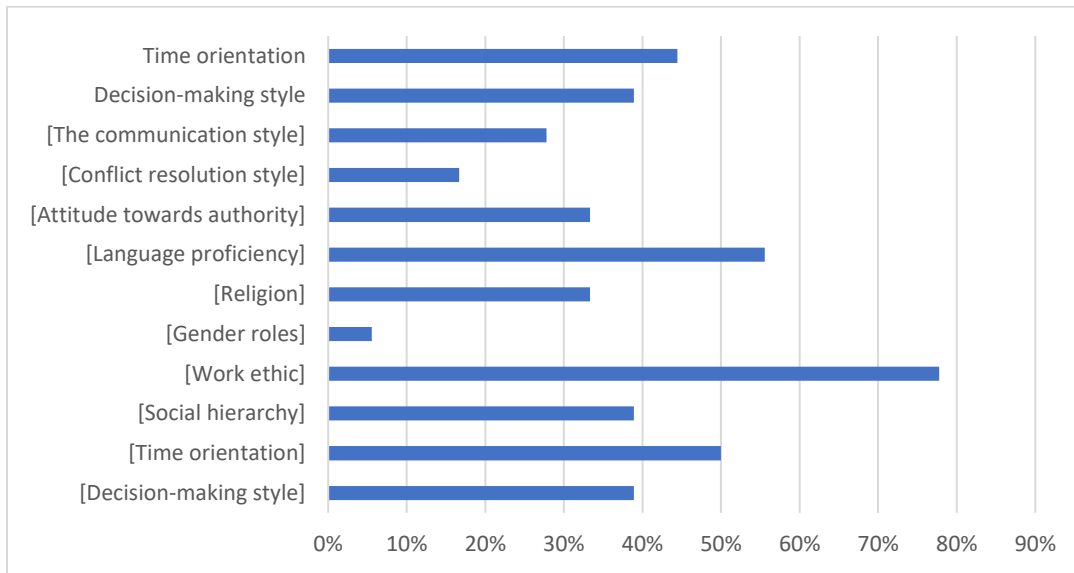


Figure 4.21: Cultural factors by importance

<b>[Work ethic]</b>	<b>1</b>
<b>[Language proficiency]</b>	<b>2</b>
<b>[Time orientation]</b>	<b>3</b>
<b>[Decision-making style]</b>	<b>4</b>
<b>[Social hierarchy]</b>	<b>4</b>
<b>Decision-making style</b>	<b>4</b>
<b>Time orientation</b>	<b>4</b>
<b>[Religion]</b>	<b>7</b>
<b>[Attitude towards authority]</b>	<b>7</b>
<b>[The communication style]</b>	<b>9</b>
<b>[Conflict resolution style]</b>	<b>10</b>
<b>[Gender roles]</b>	<b>11</b>

Table 4.7: cultural factors by importance

#### **4.2.4. Interview findings**

Limited interviews in different formats have been carried out with small number of individuals to triangulate the results taken from the questionnaire survey. to make the result retrieved from the questionnaire more shaped and meaningful, conducting an interview found too more useful. Although the sensitivity of the issue did not let to conduct several interviews.

***QUESTION--**What are the most important factors for success in cross-cultural project management?*

Participant A: The most important factors while working in cross culture work environment is to recognize and respect the cultures represented on the project team. It is also good to customize oneself quickly to work culture of the other team member so that cultural difference in this regard will be synchronize.

Participant B: The most important factors are time management, skill upgrading, proper communication with staff, scheduled follow-up of tasks, work plan and sticking to the plan.

Participant C: Mutual understanding, adaptability, applying previous experiences to meet new region's requirements.

Participant D: The crucial factors in this aspect are effective communication and amicably prepared work plan among those entities who are exposed to entertain the cross-cultural working platform. Additionally, time management habit and awareness on the hierarchy of authorities within the company have a great influence on its success.

- ✓ The quantitative findings brought effective communication as the primary choices of the participants. Clear goal, trust and cultural sensitivity has also been majorly chosen by the participants. In the interview the participants mentioned the dimensions in their own terms. Almost all participants agree on the quantitative finding dimensions.

***QUESTION --**How have you effectively managed cultural differences to improve communication and collaboration within your team?*

Participant A: I would say I have effectively managed cultural differences to improve communication and collaboration within my team through various methods. Usually, it is difficult

to effectively manage cultural differences at the early-stage project implementation within project team.

Participant B: By trying to understand their perspectives and learn new things. Mainly by planning and communicating about the daily tasks and duties before starting any work. In addition, by asking how the practices and habits of the respective body.

Participant C: “No particular way, respect the other's culture while not treating them as different individuals.”

Participant D: “Well, from the very beginning it was very difficult for me to compromise the cultural difference in a positive manner particularly, regarding the difference in attitude and treatments given to smoothly grip the positional hierarchy within the company. In the meantime, I have handled the situation through notifying the stakeholders about the norms and positional treatments that should be provided for the respective staffs from the perspective of our country, Ethiopia. In addition, I tried to contextualize the norms, cultures and values of the other side with my experience. Above all, it took several conflicts, discussions and arguments to compromise the resulting effects of cultural differences.”

- ✓ The quantitative findings incline on establishing clear communication channel. Cultural awareness training and promoting active listening are also the other dimensions mostly agreed upon by the participants. The only different opinion mentioned by the interviewee is respect which one way or another it will be included by our dimensions.

***QUESTION-- Can you provide examples of the challenges you have faced when working with people from different cultural backgrounds in cross-cultural project teams?***

Participant A:

- Working Language Proficiency limitation
- Various Standard and Specification for design and construction of civil infrastructure projects make working people from different culture backgrounds in cross-culture to face challenge.

Participant B: (local)

- Problems relating to creating a common understanding regarding different tasks and duties

- Communication difficulty, especially lack of common language (dominantly poor in English). Especially difficult to communicate and discuss different professional tasks and ideas related to our work.
- Difference in knowledge and skill
- Expecting more respect and taking any question or idea as an indication not willing to do any tasks rather than trying to understand the staff.
- Giving less credit to the things/works performed and expecting to do all things at the same time.
- Neglecting the risks which might be encountered in site for the local staff, mainly related to safety and other things

Participant C (Chinese): The main challenge is that everyone has different attitudes towards work, and local employees have their own considerations regarding future expectations, salary, and career development.

Participant D:

- Communication problem,
  - Management and leadership problem,
  - Decision making problem,
  - Lack of understanding the norms of our country,
  - Lack of awareness on the responsibilities of one's profession
- ✓ From the quantitative findings language barrier is the dominant factor selected by the participants. varying work ethics and communication also chosen mostly. The interview respondents mentioned styles of working skill, different specification, work modality of the country and extensive work load given beyond dimensions in the questionnaire.

*QUESTION --Based on your experience, what are the best practices for managing cross-cultural project teams in the construction industry?*

Participant C (Chinese): localization, adopt the management strategy of the local culture before implement own methodology for a better communication.

Participant D:

- Provide awareness on the implications of cultural difference on the success of the project,
  - Organize joint management team to resolve possible conflicts among the entities resulting from cultural differences,
  - Provide concise and short cultural exchange programs in an academic setting within the cross-cultural team,
  - Equipping oneself on best cross-cultural difference handling mechanisms through referring books, internets and experiences of other staffs.
- ✓ Establishing clear goal is the standout choice of the questionnaire respondents. Although most of the participants consent on the rest of the choices. Here the interview brought up localization of management strategy. Which is adopting the local methods before introducing a new method to easily communicate with local employees.

*Q--What are your thoughts on the significance of cross-cultural project management in the construction industry in Ethiopia?*

Participant A: Cross-cultural project management in construction industry will play vital role through various ways by bridging the culture gaps between different cultures represented in the project. One of the key factors in project management is human resource management. Bridging the gap on cultural difference on human capital will result efficient human resource with directly impact the construction industry.

Participant C (Chinese): Localization is a necessary development process for multinational companies expanding their business abroad.

- ✓ Again, here the participant stressed on following localization to significantly address the benefits which will be gained by cross cultural management. The quantitative findings show cross cultural management facilitates better understanding and cooperation.

*QUESTION--What are the advantages and competitive disadvantages brought to the team by professionals from different cultures?*

PARTICIPANT A: diverse workplace can have positive effects in terms of increased variety of knowledge, skills and experience. Racially diverse teams outperform non-diverse ones by some percent. However, there can also be negative impacts of diversity in terms of reduced social cohesion, poor communication and increased conflict.

Cultural diversity in teams can have tremendous benefits like knowledge of different markets and culturally sensitive customer service. Of course, that's when things are running smoothly. Unfortunately, cultural differences within teams can create obstacles to effective teamwork. Some negative effects include dysfunctional conflicts, lost productivity, and difficulty to achieve harmony in group settings

PARTICIPANT B:

Advantages

- Developing different working work habits and knowledge
- Allow the development of communication skills
- Create multi-cultural disciplinary working environment

Dis-Advantages

- Working habit difference which affects the overall working environment and performance
- Difference in understanding the work and tasks assigned. This could be the knowledge gap b/n the professionals
- Difference in giving credit and respect to the same professional staff
- Difference in benefits and other related issues

PARTICIPANT C: “Utilizing their respective strengths contributes to resource integration within the team.”

PARTICIPANT D: “The advantages are being exposed to international experiences and best practices of the world, improve the communication skill, get platform to exchange one’s own culture, equipped with leadership experiences etc. While the disadvantage are the teams might adopt the negative norms exercised by the other cultures”

- ✓ The results gained from the interview are all mentioned in the quantitative findings. Although, one participant said teams might adopt negative experience while working different cultures. This attribute has been heard from an informal communication with different employees. Both employees (Ethiopian and Chinese) have transmitted a different mode of unnecessary norms (like different styles of corruption and burglary) each other .

*QUESTION --Can you describe specific cultural differences that have affected communication and collaboration within your cross-cultural project teams?*

PARTICIPANT A: “It is difficult describing specific cultural differences that have affected communication and collaboration within cross-cultural project teams. However, I can tell you that cultural differences within teams can create obstacles to effective teamwork. Some negative effects include difunctional conflicts, lost productivity, and difficulty to achieve harmony in group settings.”

PARTICIPANT B: “The most frequent cultural difference that I faced while working with Chinese staffs is the difference in approaches of treating the team leaders, the line of command among the teams, the scope difference among the teams, and the awareness regarding the difference in responsibilities of various professional expertise.”

PARTICIPANT C: “After setting a deadline for a certain task, local people often fail to meet it on time and do not consider it a serious matter. On the other hand, Chinese people, even if it means working late into the night, strive to complete the task within the agreed timeframe because the deadline was set in advance. Strategy: Apply some pressure to make the team members feel the urgency of meeting deadlines. Over time, this can help develop a habit of adhering to deadlines.”

PARTICIPANT D: “Punctuality, Commitment for the assigned tasks, giving credit and respect for the staff equally.”

✓ This question has been addressed in the quantitative findings

*QUESTION -- Why is it important for project managers to address cultural differences between team members?*

PARTICIPANT A: “Effective use of cross-cultural project teams can provide a source of innovative thinking and diverse experience to improve the likelihood of project success and to enhance the competitive position of the organization.”

PARTICIPANT B: “Set up good conflict resolution approaches i.e., by exhaustively considering the presence of cultural differences, Efficiently and effectively managing the project, to create better relationship among the teams”.

PARTICIPANT C: “Because team members need to trust, understand, and collaborate with each other. By aligning their thinking and coordinating their actions, they can work together efficiently to ensure that all tasks are completed on time and with high quality.”

PARTICIPANT D: “To create good relationship among the team member which enable them to work efficiently toward the project goal, to be more productive and to achieve the desire project goal.”

PARTICIPANT E: “It is important b/c it might help for creating proper communication and transfer ideas and orders properly. In addition, it might help also to evaluate and assign the proper professional for the proper tasks.”

*QUESTION--How have different cross-cultural management strategies impacted the quality of construction projects you have worked on?*

PARTICIPANT A: “Managers need to consider the nature of the tasks at hand. Projects that require creativity and unconventional thinking would benefit from contextual diversity. This includes not just the ethnic or demographic diversity, but the diversity of contexts the team members come from and understand.”

PARTICIPANT B: “Chinese cross-cultural management strategies have shown positive implication on the accomplishment of the project where they have a culture of allocating local management for addressing and/or managing the interests of local teams. However, I have also witnessed the negative implication of these technique on other projects due to misapplication of the system by the local management.”

PARTICIPANT D: “It affects by creating the difference in time management and commitment and more importantly if affects by creating superiority difference”

*QUESTION--What are the common challenges faced by project team members from diverse cultural backgrounds when working in cross-cultural teams in the construction industry*

PARTICIPANT A: “The different language competencies of all parties, a narrow knowledge of cultural differences. The single greatest challenge in working with cross-cultural teams is communication barriers. This does not include just language barriers. It includes differences in styles, types of humor, and tone.”

PARTICIPANT B: “Communication problem, conflicts resulting from misunderstanding one’s norm, line of command related issues, unreliable work outcome, inaccurate flow of work”

PARTICIPANT E: “Knowledge and work habit difference, Difference in understanding a specific task, lack of respect and neglecting the ideas of a professional”.

*QUESTION--Based on your experience, what are effective ways to manage cultural differences and enhance team communication and collaboration in cross-cultural project management in the construction industry?*

PARTICIPANT A: “Foster activities that encourage collaboration, Active listening”

PARTICIPANT B: “Setting up good communication platform, developing a sense of trustworthy among the teams, focusing on the common aspects, Organizing cultural exchange sessions.”

PARTICIPANT E: “Creating a well-established working environment which includes all the cultural differences, making sure the foreigners are well experienced and preparing a standard for cross-checking the skill and quality of the foreigners, giving emphasis to international laws and quality assurance techniques which can help in improving project management”

- ✓ Participants in the interview raise more or less similar ideas with the preset questions given, although one participant mentioned the foreigners who are invited to work in the local projects shall be properly evaluated.

*QUESTION --In your opinion, what are the most important cultural factors to consider when managing cross-cultural project teams in the construction industry in Ethiopia?*

PARTICIPANT E: “Understanding cultural deference among team, encouraging open and inclusive communication channels, facilitating team-building activities, Establishing clear project goals and expectations

PARTICIPANT C: “respect”

#### **4.2.5. Findings of observation**

In this section we will try to cover ideas which we have observed during the data collection process. Some of the observed facts are also mentioned in the interview and quantitative findings. During the data collection process, several noteworthy observations were made regarding the behavior and communication patterns of Chinese contractors and their interaction with the local population in Ethiopia. The presence of Chinese workers in the country has become more prevalent due to their involvement in various construction projects. As a result, individuals residing in Addis Ababa have become familiar with their behavior and communication style, extending beyond the immediate employees who work with them.

One prominent observation during the interview and questionnaire administration phase was the strict and stringent access control measures implemented at construction sites. We have observed some Chinese contractors employed their own security personnel alongside local security staff. These security personnel closely monitor and regulate the entry and exit of individuals at the site, maintaining an attendance log for construction workers. Furthermore, most construction sites are enclosed by well-constructed walls, a practice that is not as commonly adopted by local contractors. This emphasis on site protection is primarily driven by security concerns.

Another noteworthy finding is the strong loyalty displayed by Chinese workers towards their immediate supervisors. In contrast, some local workers have expressed a preference for engaging in work that is deemed convincing to them, potentially straining the relationship between the workers from the two countries. Additionally, Chinese workers tend to exhibit a high level of

secrecy regarding their working methods and even attempt to gather information about their local counterparts. The political background and experiences of Chinese contractors seem to influence their working behavior in a different cultural and environmental setting.

A strict adherence to discipline is a prevalent characteristic among Chinese contractors and their workforce. They often bring in technical workers with specialized expertise in addition to engineers. Many Chinese workers cited a lack of time as a reason for their unwillingness to participate in interviews or fill out translated questionnaires. This reluctance may be attributed to their inherent suspicion of their surroundings or the language barrier. The Chinese contractors' proficiency in the English language, which serves as a common communication modality, is often limited. Human resource employees working under Chinese contractors have noted a preference for employees who possess a better understanding of the Chinese language. While Chinese contractors have brought forth unique knowledge and experiences to the construction industry, the cultural and methodological differences pose challenges to achieving collective success in the sector.

These findings may shed light on the dynamics and challenges associated with cross-cultural project management in the Ethiopian construction industry, specifically with regard to Chinese contractors. The observed language barrier, suspicion, loyalty expectations, and working discipline reflect the cultural characteristics of the involved parties.

## **5. Chapter Five: Summary, Conclusion and Recommendation**

### **5.1. Introduction**

The conclusion and recommendation chapter serves as a vital section in any report or research paper, as it encapsulates the key findings and insights derived from the study. This chapter provides a concise summary of the main points discussed throughout the document, highlighting the significance of the research and its implications for the field. By examining the results and drawing connections between the data and the research objectives, the conclusion section offers a comprehensive understanding of the study's outcomes.

In addition to summarizing the findings, the conclusion and recommendation chapter also presents actionable recommendations based on the research. These recommendations serve as practical guidance for decision-makers, stakeholders, or practitioners who can implement the suggested measures to address the identified issues or improve the situation. Recommendations are derived from a thorough analysis of the research results and are aimed at contributing to the advancement of knowledge, addressing challenges, or enhancing practices in the relevant field. The conclusion and recommendation chapter plays a crucial role in concluding the study and providing a roadmap for future actions and initiatives.

### **5.2. Summary of Findings**

The findings of this study shed light on the impact of cultural differences on critical project management practices within the Ethiopian construction industry, specifically focusing on the experiences of Chinese contractors. The research objectives were accomplished by examining the influence of cultural differences on communication and collaboration within cross-cultural project teams, identifying the challenges faced by project team members from diverse cultural backgrounds, and assessing the impact of cross-cultural communication on project team collaboration and coordination.

Effective communication emerged as the most significant factor highlighted by the participants, aligning with the objective of examining the influence of cultural differences on communication and collaboration. Clear goals and expectations, trust-building, cultural awareness, and flexibility were also recognized as essential components. These findings directly contribute to understanding the impact of cultural differences on critical project management practices and provide insights into enhancing communication strategies within cross-cultural project teams.

The study emphasized the substantial impact of cultural differences on cross-cultural management and the challenges faced by project team members from diverse cultural backgrounds. Participants recognized the importance of establishing clear goals and expectations as a means to address these challenges, aligning with the objectives of identifying the challenges faced by project team members and assessing the impact of cross-cultural communication. Additionally, the findings highlighted the positive aspects of cross-cultural relationships, including the promotion of a positive work environment, the sharing of experiences, and economic benefits.

The findings also revealed specific cultural factors and challenges encountered when working with individuals from diverse cultural backgrounds, such as language proficiency, work ethics, communication norms, perceptions of hierarchy, attitudes towards authority, and disparities in decision-making and conflict resolution styles. These findings provide insights into the challenges faced by project team members and contribute to the understanding of critical project management practices within a cross-cultural context.

Based on these comprehensive findings, the study proposes several best practices for managing cross-cultural project teams in the construction industry. These recommendations include fostering awareness and understanding of diversity and cultural differences, organizing events for open discussions, implementing regular feedback and evaluation processes, seeking common ground, and adhering to relevant laws and regulations. These practical recommendations directly address the challenges identified and align with the objectives of the study.

In summary, the research findings clearly support the objectives outlined in the study, providing valuable insights into the impact of cultural differences on critical project management practices within the Ethiopian construction industry. The findings highlight the significance of effective communication, clear goals and expectations, trust-building, cultural awareness, and flexibility in managing cross-cultural project teams. By linking the findings to the objectives, the study

demonstrates its contribution to the understanding of critical project management practices in a cross-cultural context, specifically focusing on the experiences of Chinese contractors in Ethiopia.

### **5.3. Conclusion**

In conclusion, this research study titled "The Impact of Cultural Differences on Critical Project Management Practices: The Case of Chinese Contractors in Ethiopia" aimed to investigate the impact of cultural differences on critical project management practices in the Ethiopian construction industry, with a specific focus on the experiences of Chinese contractors. The objectives of the study were to examine the influence of cultural differences on communication and collaboration within cross-cultural project teams, identify the challenges faced by project team members from diverse cultural backgrounds, and assess the impact of cross-cultural communication on project team collaboration and coordination.

Through the collection and analysis of data, including questionnaire responses, interviews, and observations, valuable insights have been obtained. The findings have provided a comprehensive understanding of the key factors for success in cross-cultural project management within the Ethiopian context. The research findings emphasize the significance of effective communication as the most critical factor highlighted by the participants. Clear goals and expectations, trust-building, cultural awareness, and flexibility were also identified as essential components. Language proficiency was recognized as a significant challenge when working with cross-cultural teams, necessitating the exploration of strategies such as language proficiency enhancement and the use of technology-based communication tools.

The study revealed the substantial impact of cultural differences on cross-cultural management, with participants recognizing the importance of clear goals and expectations in promoting understanding and cooperation. It also highlighted the positive aspects of cross-cultural relationships, such as the promotion of a positive work environment and the sharing of experiences, while addressing concerns regarding the unemployment of local contractors. The research identified various cultural factors and challenges encountered when working with individuals from diverse cultural backgrounds. These factors included language proficiency, work ethics, communication norms, perceptions of hierarchy, attitudes towards authority, and disparities in decision-making and conflict resolution styles. The study also shed light on specific practices

employed by Chinese contractors, such as strict access control measures and discipline prioritization, which influenced interactions with local counterparts.

The study revealed that Chinese contractors emphasized strict discipline and adherence to work schedules, which presented a potential clash with local work expectations and practices. The locals claim the work schedule should not only be implemented because of the hierarchy of command, it should be reasonable and respectful of the time boundaries. The intense work schedules demanded by Chinese contractors created challenges for Ethiopian employees, who may have different work norms and priorities. To address this, project managers should promote mutual understanding and flexibility, finding common ground in terms of work protocols and timelines that respect both cultural perspectives. This requires a delicate balance of cultural sensitivity and effective communication strategies to bridge the gap between the expectations of Chinese contractors and the work culture of Ethiopian employees.

Building a culture of trust, transparency, and respect is essential for creating a conducive work environment. Project managers should strive to develop strong relationships with team members, fostering open dialogue, and trust-building activities. The local contractors claim enough respect is not given from the Chinese contractors and employees regarding their experience and knowledge. This has been expressed as an ego by the Chinese participants. Also, suspicion in every scenario is seen by the local employees from the Chinese, which might disturb transparency and trust between them. Regular team-building exercises, cultural exchange initiatives, and social events can help foster a sense of unity and camaraderie among team members from different cultural backgrounds.

These findings and recommendations directly contribute to the desired team performance outcomes in cross-cultural project management. By effectively addressing the challenges posed by cultural differences and implementing the suggested strategies, project managers can enhance the overall effectiveness of cross-cultural project teams. This includes improving the ability to manage cultural diversity, facilitating effective communication, promoting collaboration, and ultimately leading to greater satisfaction among team members.

In summary, this research study has provided valuable insights into the complexities of cross-cultural project management in the Ethiopian construction industry. The findings emphasize the significance of effective communication, cultural awareness, trust-building, and adaptability as

critical factors influencing project management practices in a cross-cultural setting. The recommendations derived from this study may not only apply to the Ethiopian construction industry but also it might have a relevance to other cross-cultural project management contexts globally, promoting inclusive and collaborative work environments.

#### **5.4. Recommendation**

Based on the findings of this study on The Impact of Cultural Differences on Critical Project Management Practice of Ethiopian construction industry, several recommendations can be proposed to enhance the management of cross-cultural project teams. These recommendations aim to address the challenges identified and promote effective collaboration and project team performance:

1. **Cultural Sensitivity Training:** Organize cultural sensitivity training programs for both Chinese contractors and Ethiopian employees. These programs should focus on raising awareness and understanding of each other's cultural norms, values, and work practices. By fostering cultural sensitivity, team members can develop a deeper appreciation for diversity and navigate cultural differences more effectively.
2. **Language Proficiency:** Emphasize the importance of language proficiency in project teams. Encourage Chinese contractors to learn basic local languages or provide access to interpreters to facilitate communication with Ethiopian employees. This will help overcome language barriers and enhance understanding and collaboration among team members.
3. **Clear Communication Channels:** Establish clear and efficient communication channels within project teams. Encourage regular and open communication to ensure that information flows smoothly, issues are addressed promptly, and feedback is shared effectively. This can help minimize misunderstandings and promote effective coordination.
4. **Mutual Understanding of Work Expectations:** Foster a mutual understanding of work expectations and practices between Chinese contractors and Ethiopian employees. Recognize that cultural differences may influence work schedules, levels of authority, and

expectations of loyalty. Encourage open dialogue and flexibility to find common ground and strike a balance that respects both cultural perspectives.

5. **Trust-Building Activities:** Promote trust-building activities and team-building exercises to cultivate positive relationships and strengthen collaboration among team members. Establishing a foundation of trust and mutual respect is essential for effective cross-cultural project management.
6. **Diversity Appreciation:** Encourage project managers to value and leverage the diversity of cross-cultural teams. Recognize that diverse perspectives can contribute to innovative problem-solving and improved project outcomes. Create an inclusive work environment that embraces and capitalizes on the strengths and unique perspectives brought by team members from different cultures.
7. **Regular Project Evaluation:** Implement regular project evaluations to assess the effectiveness of cross-cultural project management strategies. This evaluation should include feedback from team members, identification of challenges faced, and areas for improvement. The insights gained can inform future projects and help refine cross-cultural management practices.

## **5.5. Areas of further study**

Further research in cross-cultural project management within the Ethiopian construction industry can provide valuable insights for future endeavors. Several areas warrant exploration in order to enhance understanding and improve project outcomes in multicultural environments. These areas include delving into cross-cultural communication strategies, examining the dynamics of trust and relationship building between Chinese contractors and Ethiopian employees, understanding the challenges of cultural adaptation and adjustment for both parties, developing culturally sensitive conflict management approaches for diverse project teams, investigating leadership styles and behaviors in cross-cultural contexts, and exploring mechanisms and barriers to knowledge sharing and transfer within such teams. By addressing these areas, researchers can deepen their comprehension of the complexities and intricacies of cross-cultural project management in the Ethiopian construction industry. Consequently, they can contribute to the development of effective communication strategies, trust-building techniques, conflict management methods, adaptive

leadership approaches, cultural adjustment facilitation, and knowledge sharing enhancements, thus elevating project outcomes in multicultural settings.

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## APPENDIX: A (Questionnaire, English)

Notes about the questionnaire:

🔊 Participant Information and Confidentiality Notice 🔊

Dear Participants,

The Study Aimed is to Investigate the Effects Cross-Cultural Project Management in The Construction Industry, The Case of Chinese Contractors in Ethiopia.

Your valuable input is crucial for our research on cross-cultural project management. We kindly request your full participation in the questionnaire to gather insights that will shape the future of the construction industry.

Your responses are strictly confidential, and your identity will remain anonymous. By sharing your experiences, you contribute to better understanding and collaboration within cross-cultural project teams.

Join us in making a positive impact on the industry. Your input matters! Thank you for your time and valuable contribution.

Best regards,

[Jack Solomon]

Section 1: General Information: Provide your personal details and background information to help us understand your profile and experience in the construction industry and cross-cultural project teams.

1. Gender Male  Female

2. Age

< 25  25-35  35-45  45-55  > 55

3. Educational background?

High school  /College  /Graduate school  /post-graduate

4. What is your current position?

Project manager  Team leader  Engineer  Construction worker  Other

5. What is your monthly salary?

< 10,000  10,000-30,000  30,000-50,000  >50,000

6. Years of experience in the construction industry: \_\_\_\_

7. Years of experience working in cross-cultural project teams: \_\_\_\_

8. Countries where you have worked in cross-cultural project teams: \_\_\_\_

9. Cultures represented on the cross-cultural project teams you have worked on:

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Section 2: Individual's View on Cross-Cultural Project Management: Share your perspectives and experiences regarding the important factors for project team performance, effective management of cultural differences, challenges faced, and best practices in cross-cultural project management.

10. In your experience, rank the following factors for success in cross-cultural project management in order of importance (1 being the most important and 5 being the least important):

Effective communication \_\_\_\_

Cultural awareness and sensitivity \_\_\_\_

Building trust and relationships \_\_\_\_

Flexibility and adaptability \_\_\_\_

Clear goals and expectations \_\_\_\_

11. How have you effectively managed cultural differences to improve communication and collaboration within your team? (Select all that apply):

Promoting active listening and open dialogue

Establishing clear communication channels

Providing cultural awareness training

Encouraging team-building activities

Implementing effective conflict resolution mechanisms

Other, \_\_\_\_\_

12. Can you provide examples of the challenges you have faced when working with people from different cultural backgrounds in cross-cultural project teams? (Select all that apply):

Language barriers

Differences in communication styles

Varying work ethics and practices

Differing decision-making processes

Conflicting cultural norms and values

Other, \_\_\_\_\_

13. How have cultural differences and similarities impacted the success of cross-cultural project management in your experience? (Please rate on a scale of 1 to 5, with 1 being minimal impact and 5 being significant impact)

14. Based on your experience, what are the best practices for managing cross-cultural project teams in the construction industry? (Select all that apply):

Encouraging open and inclusive communication

Promoting cultural sensitivity and awareness

Providing cross-cultural training and education

Establishing clear goals and expectations

Facilitating team-building activities

Other, \_\_\_\_\_

15. How does cross-cultural communication influence project team collaboration and coordination?

a) Facilitates better understanding and cooperation

b) Presents challenges and obstacles

c) No significant impact

Other, \_\_\_\_\_

16. What are your thoughts on the significance of cross-cultural project management in the construction industry in Ethiopia?

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17. In your opinion, how do cultural differences exist in global projects impact individual and organizational performance?

a) Positively impact performance

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b) Negatively impact performance

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c) No significant impact

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18. In your professional experience, how does culture impact the relationship between a global project manager and their team?

a) Shapes communication and collaboration

b) Creates conflicts and misunderstandings

c) No significant impact

Other, \_\_\_\_\_

19. What advantages and competitive disadvantages are brought to the team by professionals from different cultures? (Select all that apply):

a) Diverse perspectives and innovative ideas

b) Enhanced problem-solving capabilities

c) Language and communication barriers

d) Potential conflicts and misunderstandings

Other, \_\_\_\_\_

Section 3: Open-Ended Questions: Provide detailed responses about specific cultural differences, management strategies, challenges, and effective ways to enhance team communication and collaboration in cross-cultural project management.

20. What are some specific cultural differences that have affected communication and collaboration within your cross-cultural project teams? (Please list up to three examples)

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21. Why is it important for project managers to address cultural differences between team members?

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22. Select the cross-cultural management strategies that you believe have the most positive impact on the quality of construction projects:

a) Effective communication techniques

b) Training and cultural awareness programs

c) Building trust and relationships

d) Clear goal setting and expectations

e) Regular feedback and evaluation

f) Flexibility and adaptability

Other, \_\_\_\_\_

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23. Select the common challenges faced by project team members from diverse cultural backgrounds when working in cross-cultural teams in the construction industry:

a) Language barriers

b) Differences in communication styles

c) Varied work ethics and attitudes towards deadlines

d) Conflicting decision-making processes

e) Diverse interpretations of hierarchy and authority

f) Varying approaches to conflict resolution

Other, \_\_\_\_\_

24. Select the most effective ways to manage cultural differences and enhance team communication and collaboration in cross-cultural project management in the construction industry:

- a) Encouraging open and inclusive communication channels
- b) Promoting cultural sensitivity and awareness training
- c) Facilitating team-building activities and social events
- d) Establishing clear project goals and expectations
- e) Implementing regular cross-cultural feedback and evaluation processes

Other, \_\_\_\_\_

25. How do project managers address and resolve cultural conflicts in cross-cultural project teams?

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26. In your opinion, what are the most important cultural factors to consider when managing cross-cultural project teams in the construction industry in Ethiopia?

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Additional Questions: Please indicate to what extent you agree or disagree with the following definition by checking the box  .

27. I am comfortable working with people from different cultures.

Strongly agree  Agree  Neither agree nor disagree  /Disagree  Strongly disagree

28. I believe that cultural differences can be a source of conflict in cross-cultural project teams.

Strongly agree  Agree  Neither agree nor disagree  /Disagree  Strongly disagree

29. I am confident in my ability to manage cultural differences in cross-cultural project teams.

Strongly agree  Agree  Neither agree nor disagree  /Disagree  Strongly disagree

30. I believe that cross-cultural project management is an important skill for project managers in the construction industry.

Strongly agree  Agree  Neither agree nor disagree  /Disagree  Strongly disagree

31. I am willing to learn more about cross-cultural communication and management.

Strongly agree  Agree  Neither agree nor disagree  /Disagree  Strongly disagree

Please rank the following cultural factors in order of importance when managing cross-cultural project teams in the construction industry in Ethiopia (1 being the most important and 10 being least important):

Decision-making style \_\_\_\_\_

Time orientation \_\_\_\_\_

Work ethic \_\_\_\_\_

Social hierarchy \_\_\_\_\_

Gender roles \_\_\_\_\_

Religion \_\_\_\_\_

Language proficiency \_\_\_\_\_

Attitude towards authority \_\_\_\_\_

Conflict resolution style \_\_\_\_\_

Communication style \_\_\_\_\_

Please raise any related information related to the study which you think it will be considered in the research. Thank for patiently filling the questionnaire!!

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## APPENDIX B :(Questionnaire, Chinese)

问卷笔记：

### 🔊 参与者信息和保密通知 🔊

亲爱的参与者，

本研究旨在调查跨文化项目管理对建筑行业的影响，以中国承包商在埃塞俄比亚的案例为例。

您宝贵的意见对于我们在跨文化项目管理方面的研究至关重要。我们诚恳地请求您全面参与问卷调查，以收集塑造建筑行业未来的见解。

您的回答将严格保密，您的身份将保持匿名。通过分享您的经验，您为跨文化项目团队的更好理解和合作做出了贡献。

让我们一起对行业产生积极影响。您的参与非常重要！感谢您的时间和宝贵贡献。

此致，

[杰克·所罗门]

**第一部分：一般信息：提供您的个人资料和背景信息，以帮助我们了解您在建筑行业 and 跨文化项目团队中的个人资料和经验。**

1. 性别：男  女

2. 年龄：

< 25  25-35  35-45  45-55  > 55

3. 教育背景：

高中  大学  研究生院  博士研究生

4. 您目前的职位是什么？

项目经理  团队负责人  工程师  建筑工人  其他

5. 您的月薪是多少？

< 10,000  10,000-30,000  30,000-50,000  > 50,000

6. 在建筑行业的工作经验年限：\_\_\_

7. 在跨文化项目团队工作的经验年限：\_\_\_

8. 您在跨文化项目团队中工作过的国家：\_\_\_

9. 您所在的跨文化项目团队代表的文化有哪些？

**第三部分：个人对跨文化项目管理的看法：分享您对成功因素、文化差异的有效管理、面临的挑战以及跨文化项目管理中的最佳实践的观点和经验。**

10. 根据您的经验，按重要性对以下因素在跨文化项目管理中的成功进行排序（1表示最重要，5表示最不重要）：

有效的沟通\_\_\_

文化意识和敏感性\_\_\_

建立信任和关系\_\_\_

灵活性和适应性\_\_\_

清晰的目标和期望\_\_\_

11. 您如何有效地管理文化差异以改善团队内的沟通和协作？（选择所有适用项）：

促进积极倾听和开放对话

建立清晰的沟通渠道

提供文化意识培训

鼓励团队建设活动

实施有效的冲突解决机制

其他, \_\_\_\_\_

12. 您在与来自不同文化背景的人在跨文化项目团队中工作时面临过哪些挑战？（选择所有适用项）：

语言障碍

沟通风格差异

工作道德和实践差异

决策过程不同

文化规范和价值观的冲突

其他, \_\_\_\_\_

13. 根据您的经验, 文化差异和相似性对跨文化项目管理的成功产生了怎样的影响? (请在1到5的评分表上评分, 1表示影响最小, 5表示影响最大)

14. 根据您的经验, 在建筑行业中管理跨文化项目团队的最佳实践是什么? (选择所有适用项):

鼓励开放和包容的沟通

提倡文化敏感性和意识

提供跨文化培训和教育

建立清晰的目标和期望

促进团队建设活动

其他, \_\_\_\_\_

15. 跨文化沟通如何影响项目团队的协作和协调?

a) 促进更好的理解和合作

b) 带来挑战和障碍

c) 没有明显影响

其他, \_\_\_\_\_

16. 您对埃塞俄比亚建筑行业中跨文化项目管理的重要性有何看法?

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17. 在您看来, 全球项目中的文化差异对个人和组织绩效有何影响?

a) 对绩效产生积极影响

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b) 对绩效产生消极影响

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c) 没有明显影响

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18. 根据您的专业经验，文化如何影响全球项目经理与他们的团队之间的关系？

a) 形成沟通和协作

b) 引发冲突和误解

c) 没有明显影响

其他, \_\_\_\_\_

19. 来自不同文化背景的专业人员对团队带来哪些优势和竞争劣势？（选择所有适用项）：

a) 多元的观点和创新思想

b) 增强的解决问题能力

c) 语言和沟通障碍

d) 潜在的冲突和误解

其他, \_\_\_\_\_

**第四部分：开放性问题：详细回答关于具体文化差异、管理策略、挑战以及增强跨文化项目管理中团队沟通和协作的有效方法的问题。**

20. 影响您的跨文化项目团队内沟通和协作的特定文化差异有哪些？（请列出最多三个例子）

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21. 为什么项目经理有必要解决团队成员之间的文化差异？

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选择您认为对建筑项目质量有最积极影响的跨文化管理策略：

- a) 有效的沟通技巧
- b) 培训和文化意识计划
- c) 建立信任和关系
- d) 明确的目标设定和期望
- e) 定期反馈和评估
- f) 灵活性和适应性

其他, \_\_\_\_\_

在建筑行业中的跨文化团队中工作时，来自不同文化背景的项目团队成员面临的常见挑战有：

- a) 语言障碍
- b) 沟通风格差异
- c) 工作道德和对截止日期的态度不同
- d) 决策过程的冲突
- e) 对等级和权威的不同解释

f) 对冲突解决的不同方法

其他, \_\_\_\_\_

在建筑行业的跨文化项目管理中，以下是管理文化差异、提高团队沟通和协作的最有效方法（选择所有适用项）：

a) 鼓励开放和包容的沟通

b) 提倡文化敏感性和意识

c) 提供跨文化培训和教育

d) 建立清晰的目标和期望

e) 促进团队建设活动

f) 其他, \_\_\_\_\_

25. 项目经理如何解决和解决跨文化项目团队中的文化冲突？

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26. 在您的观点中，在埃塞俄比亚的建筑行业中管理跨文化项目团队时，最重要的文化因素是什么？

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额外问题：请勾选相应的选项来表示您对以下定义的认同程度（通过勾选方框）。

27. 我乐于与来自不同文化的人一起工作。

强烈同意  同意  不同意也不反对  不同意  强烈不同意

28. 我认为文化差异可能是跨文化项目团队中的冲突源。

强烈同意  同意  不同意也不反对  不同意  强烈不同意

29. 我对自己在跨文化项目团队中管理文化差异的能力感到自信。

强烈同意  同意  不同意也不反对  不同意  强烈不同意

30. 我认为跨文化项目管理是建筑行业项目经理的重要技能。

强烈同意  同意  不同意也不反对  不同意  强烈不同意

31. 我愿意学习更多关于跨文化沟通和管理知识。

强烈同意  同意  不同意也不反对  不同意  强烈不同意

请根据以下因素在管理埃塞俄比亚建筑行业中的跨文化项目团队时的重要程度对它们进行排序（1表示最重要，10表示最不重要）。

决策方式\_\_\_\_\_

时间观念\_\_\_\_\_

职业道德\_\_\_\_\_

社会等级制度\_\_\_\_\_

性别角色\_\_\_\_\_

语言和沟通\_\_\_\_\_

教育背景\_\_\_\_\_

宗教和宗教习俗\_\_\_\_\_

工作习惯\_\_\_\_\_

人际关系和团队合作\_\_\_\_\_

感谢您参与本次调查！您的意见和经验对于我们的研究非常宝贵。如有其他任何评论或想法，请在下方留言。