

Cross-Cultural Factors Impacting Successful Project Procurement Management Implementations

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Date: 5/31/16

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Cross-Cultural Factors Impacting Successful Project Procurement Management Implementations

A Seminar Paper

Presented to

The Graduate Faculty

University of Wisconsin – Platteville

In Partial Fulfillment

Of The Requirement for the Degree

Master of Science

Integrated Supply Chain Management

By

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Abstract

This paper is a literature review that attempts to understand the relationship between the cultural impacts to project procurement activities and the overall success or failure of those projects. The focus is on three specific areas that relate to project procurement management which includes cross cultural negotiation, project team selection and cross cultural ethics. The review showed that negotiation and team selection had been heavily studied with varying success rates within cross cultural teams. When evaluating ethical approaches, it was surprising that very little research had been performed that linked ethics and performance in a project environment. The review seemed to be conclusive that cross cultural teams can impact the overall negotiation performance of the team and a successful project. When looking at team selection the result was inclusive at best because study results aligned along the lines of scholars that support the theories and non-support of team selection benefits. Ethics as it relates to team performance seemed to be the least studied and any conclusion would be impossible to determine until additional research specific to performance is conducted.

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Introduction

As globalization continues to advance in day to day business operations it has become abundantly clear that to be successful in this dynamic business environment organizations are approaching global project procurement management from a localized perspective focusing on the development of cross functional tools that allow for successful implementation of global projects. According to Sutharshan and Maj (2011) twenty-four percent of all multicultural cross functional software project implementations failed to be completed with a functional solution delivered and over thirty-four percent that did deliver a functional solution were up to fifty six percent over budget and finished well beyond the originally established implementation schedule due to cultural, business and scope misunderstanding. The negative impact to project implementation is being attributed to unskilled multicultural project team members, clear understanding of cultural perception, developing negotiation skills and potential business ethics conflicts (Hurn, B.J. (2007) that varies by region on a global scale. The short fall of the team leading the project procurement activities and the inherent misunderstanding of cultural norms exhibit an unbalanced skill set mix. Cultural norms, coupled with a clear lack of needed cultural knowledge, have driven project success and organizational relationships to low levels. This mindset and lack of cultural focus has generated dismal results for global organizations (Sutharshan, A., & Maj, P. S. 2011). In the special report *Becoming culturally fluent*, Genevieve Hilton (2007), it was pointed out that one key skill missing in management's portfolio was a thorough understanding of cultural perceptions by the team when undertaking a global activity,

be it a plant expansion, software implementation, or a media campaign, which drives the project procurement team to treat an activity in China the same as one undertaken in India or the United States. It is recommended that project team members, organizational management, suppliers, and other members of the team (Hurn, B.J. (2007) associated with any project procurement activity undergo in-depth training specific to national, regional and local cultural norms. Taking any type of action related to an activity before understanding cultural sensitivities could cause misunderstandings, conflicts and ultimately project delays, specifically associated with cultural attitudes. This can be as simple as one's cultural views associated with daily start time or other local traditions can initiate conflicts (Hilton, G. 2007). There are culturally based management theories such as emergent project management (Ramaprasad, A. & Prakash, A. 2003) that address how an organization can establish a framework of training and knowledge development. This approach would allow cross cultural project procurement management teams the opportunity to effectively achieve all milestones and project deliverables while maintaining a high degree of respect and recognition for all national, regional and local cultural priorities (Ramaprasad, A. & Prakash, A. 2003).

There are other theories that identify criteria for selecting the correct person to fill team roles that align closely with the behavioral factors needed to validate overall project procurement management successes (Hilton, G. 2007). Team role selection during any sourcing or re-sourcing activity needs to take into consideration normalized national, regional and local cultural impacts to the cross cultural team's performance (Hilton, G. 2007). There has been evidence that suggests culture establishes a link between team selection factors and the corresponding resulting cost associated with missed targets (Hilton, G. 2007). This is due in part to improper cultural training negatively impacting contract negotiations and the successful delivery of project results

(Hilton, G. 2007). When evaluating approaches to team selection one must include such psychometric models and theories as 16PF and, the five factor methodology, the results show none of these approaches are as popular or well known as Belbin's theory on team role selection. Belbin's theories are not restricted only for use in defining management level team members for an organization (Hilton, G. 2007). They should also be applied when selecting project procurement team members adding a level of assurance that the team selected will succeed (Water, et.al, 2008). In today's global business environment, the use of teams is now more than ever a permeant part of any organization's growth strategy. The development and deployment of balanced teams is critical to the overall success in cross cultural activities (Water van,d.H. et.al, 2008). Team selection can be the single most important factor that spells success or failure for a project activity (Batenburg, R., et.al. 2013). The use of team role theories to establish team structure is being driven mostly by the organizational shift to reduce headcount at all levels (Batenburg, R., et.al. 2013). This action benefits the organizations ability to compete internationally and react more flexibly than other western companies. Team theory basically focuses on the approach that performance of any team, domestic or cross cultural, is better positioned for success if the team is in a balanced state (Batenburg, R., et.al. 2013). This state is based on the concept that certain team roles within the cross cultural group come more naturally to certain members than others within a multifunctional project procurement activity (Batenburg, R., et.al. 2013). The key assessment incorporated and used during the process of identifying a person's primary team role preferences is the team role self-perception inventory (Swales and McIntrye, 2002). An observer assessment sheet that is also used to determine a match between the eight team roles specified and the team member most qualified for a specific role (Swales and McIntrye, 2002). The positive results from a well-balanced team is believed to far exceed

any results that an unbalanced team can deliver because of role conflicts, poor cooperation, and other non-complimentary disruptions that arise during the launch of a project set in a complex cross cultural setting (Swailles and McIntrye, 2002).

There are other culturally based management theories, such as project management development (Bredillet, C., et.al. 2010) that approach project procurement implementation through knowledge development and skill management with a specific focus on national culture and the intrinsic differences that exist in cultural styles (Bredillet, C. et al, 2010). These approaches focus more on training than team selection (Bredillet, C.et al, 2010). When evaluating culturally based management approaches a good starting point is to analyze the cultural theories of Hofstede (Sutharshan, A., & Maj, P. 2011). This can allow the team to establish a baseline understanding of the tacit and explicit knowledge formed thorough cultural connections that are needed by the team (Ramaprasad, A., & Prakash, A. 2003). These types of approaches develop an understanding of culture and the impact of culture on procurement management activities in a project setting (Hofstede, G. 2011). They stem primarily from the work of Geert Hofstede. Hofstede identified two types of cultures that are key to project success in a cross cultural project procurement team: one being a social culture, that takes into consideration the values and preferences specific to a cultural group, and an organizational culture that is based on an organizations practices (Hofstede, G. 2011). As one considers the dimensions associated and identified by Hofstede in his original theories, that were segregated into six identifiable cultural dimensions (Hofstede, G. 2011). These dimensions have evolved over time and focus on the impact societal values have on organizational success (Hofstede, G. 2011). The original four dimensions identified by Hofstede included *Power Distance*, *Uncertainty Avoidance*, *Individual vs Collectivism*, *Masculinity vs Femininity* (Hofstede, G.

2011). The theory evolved and two additional dimensions were added *Long Term vs Short Term Orientation and Indulgence vs Restraint* (Hofstede, G. 2011). The additional two dimensions could enlarge the overall focus on cultural impacts that allow a more in-depth understanding of cultural conflicts (Hofstede, G. 2011). These dimensions focus on considerations of how individuals perform under stressful deadlines as a comparison (Hofstede, G. 2011). The result is a development of multiple approaches to determine the optimum factors that support procurement projects during team selection, negotiations and other ethical conflicts (Waller, M. et.al. 2001).

As global relationships develop cross culturally, business ethics will always be a point of conflict between businesses and governmental organizations. This can only be addressed by clearly understanding the cultural origin of both parties involved in project procurement activities. Perception of a team's action, in particular, (Gift, M., et. al. 2013) the actions that could be considered ethical or unethical, can drive a wedge between the opposing teams and cause project failure. What may be acceptable and expected in one cultural setting can very easily be perceived differently by another culture as an insulting, unlawful, or unethical (Sanchez-Runde, J. c., et. al. 2013). An action by a person or organization, as simple as an individual's predisposition to being on time to work, or how people in different regions respond to gestures, must be directly understood by the project procurement team allowing the development of a clear understanding of any local, regional and national culture influences (Ramaprasad, A., & Prakash, A. 2003) The team should exhibit the willingness to discuss and resolve the misunderstandings. This is not an easy task because of the natural tendency for individuals in each interacting culture to perceive that the ethics of the opposing team as suspect (Ramaprasad, A., & Prakash, A. 2003). This perception is a bit ironic in any cross cultural

situation because both teams perceive the other team in the same way based on some level of misunderstanding, action or negative news headline (Gift, M., et. al. 2013). These types of perceptions can easily end a business relationship and cause long term damage to an organization's reputation, increase the cost of a project, or jeopardize the timely delivery of a completed project (Gift, M., et. al. 2013). A failed project may cost an organization hundreds of millions of dollars with no working solution or benefit (Sutharshan, A., & Maj, P. S. 2011).

Another area of cultural conflict where the international project procurement team could impact program activities is during negotiation and contract development globally (Hurn, B.J. 2007). The issues between cultural imperatives, values and beliefs appear to add an additional level of preparation for procurement or contract negotiation (Hurn, B.J. 2007). It is highly encouraged that the procurement teams perform a review of local, regional and national cultural factors (Hurn, B.J. 2007). The factors may dictate control of the negotiation tempo or other cross cultural activity that will lead to an overall positive results (Adair, et al, 2001). In the west it is very common to have a high desire to "get down to business" and accomplish the task at hand. This approach could cause conflict because presenting an aggressive position is not the cultural norm for example in Latin America or the Middle East (Hurn, B.J. 2007). This approach to procurement negotiations is typically discouraged and frowned upon by local customs and values (Hurn, B.J. 2007). These cultures prefer to understand the person and make some form of connection on a personal level before getting down to business. A less direct approach to negotiation may be warranted because at some point during the negotiation the parties may need to rely on that personal rapport to move beyond perceived conflict or misunderstanding that developed (Hurn, B.J. 2007). The negative impact to a successful project procurement negotiation activity seems to be repeated by procurement teams due mainly to a lack of

preparedness and understanding of the national, regional and local culture (Hurn, B.J. 2007). An example of cultural differences impacting a project with members from the U.S. and Japan. These countries have very different cultural approaches to sharing data during procurement activities. Negotiators from the U.S. desire to communicate bluntly, precisely, and clearly defining all negotiation priorities and objectives (Hurn, B.J. 2007). Western negotiators share data very directly whereby Japanese negotiators are less direct and use a highly indirect approach to data dissemination (Adair, et al. 2001). It does seem during a preliminary review that cross cultural teams approach negotiations in very different ways and use very different perceptual baselines upon which to draw conclusions during negotiations (Adair, et al. 2001).

The research evaluated supports the concept that culture impacts the team selection process, negotiation results, and ethical perceptions (Bredillet, et al, 2010). The results of analyzing cross cultural actions are applicable in determining levels of performance and specific deliverables generated by the successful implementation of global projects led by multicultural teams (Bredillet, et al, 2010). The significance of the analysis is to understand, identify and potentially categorize the impact of cultural norms (Bredillet, et al, 2010). The ability to make a clear determination that developed models and existing literature point to clear solutions and define a long term road map is difficult. This leads to an insufficient level of understanding of the procurement team members' skills set and how those skills positively impact project success for global organizations (Bredillet, et al, 2010). The content of research performed already shows a connection between ample theories, models and research literature that demonstrates relevance to identified factors involved in procurement management. It is evident that a clear understanding, adequate training, and an ability to learn are key contributors to project procurement management framework thus allowing organizational projects to succeed (Bredillet,

et al, 2010). The project team's ability to identify cultural issues and develop plans to proactively engage a multicultural team can ensure success over failure. A clear comparison of theories and models allows for varied approaches to cultural knowledge development for project procurement management to choose the optimum approach to support a team's position (Adair, W. L., et. al. 2001). This leads us to question their understanding of what extent does, cultural team selection, culture based negotiation style, and global business ethics impact cross cultural project procurement management success.

Literature Review

PPM

A look at the literature researched for this paper requires a short review to better understand the relationship that culture has on project procurement management. The book *Project Procurement Management: Contracting, Subcontracting, Teaming* by Quentin Fleming clearly identifies and thoroughly covers the six steps involved in project procurement management as a part of an overall organizational project to expand or grow in a global business environment. The author was able to show a systematic approach to project procurement management as well as share several opportunities for practical application of those processes to improve project success. The overall ability to apply each process in a timely fashion during a project relies on the procurement team member's ability to interact with other members. To ensure a successful launch and success of project procurement activities all six steps in the process need to be followed which includes plan purchases and acquisitions, plan contracting, request seller responses, select seller, contract administration, and contract closure.

Culture

The focus of the study by Brewer and Venaik (2012) attempts to highlight the use and potential misuse of Hofstede's cultural dimensions and other cultural studies. The basis of the article focuses on studies attempting to apply national cultural dimensions at the individual level. The original intent of Hofstede's dimensional theory was for use at only the national culture level. Based on the attempt to force a relationship using a national approach to quantify an individual result has generated inaccurate study results and inappropriate assumptions on personal reactions to cross cultural conflict. The study by Chipulu, et al, (2014) also attempted to explore and develop an understanding of the local, regional and national impact that culture may have in the success of a team based cross cultural project activity. They found that intracultural factors seemed to have more of an impact on complex project related activities than intercultural factors in relation to the success or failure of a project. It was also noted that having expatriated team members increased the likelihood of project success because of the in country exposure to the culture and the ability to resolve conflicts based on their experiences. The article by Fortado and Fadil (2012) approached organizational culture from a human resources perspective when applying Hofstede's cultural dimensions. A negative association or clear understanding that a direct cross functional impact was recognized is weak and may require additional research. As part of the review of literature the authors identified what is presented as the four faces of organizational culture. The older of the cultures that focuses on organizational practices was presented without much elaboration. The authors separated the remaining three categories into the new faces of organizational culture that included not only Hofstede's software of the mind, but others that could be seen to impact organizational success. This subject of the study, Hofstede's "Software of the Mind" Revisited and Tested: The Case Study of Cadbury Worldwide and Cadbury (Nigeria) Plc – A Qualitative Study by George, et al, (2012) was to

determine if national culture as presented by Hofstede impacts management practices and decisions in cross cultural activities. The focus on the six cultural dimensions were compared between two Cadbury locations to determine if the dimensional profiles impacted local approaches to management practices. The resulting position was that transporting management practices from a home culture to multinational locations would be impacted by local regional and national cultural values and behaviors. The article by Hofstede, G. (2011) presents a review of the cultural theories pertaining to the six dimensions that impact performance and the individuals within that environment. The dimensions are clearly defined and the reader is given a presentation on how the characteristics of each dimension should be applied and interpreted. In conclusion a representation is shared on how the dimensions can and most likely would impact perceived actions and results because of conflict and misunderstanding. Jetu and Riedl (2013) performed an empirical investigation on Cultural values influencing project team success in Ethiopia that focused on information systems project success and the overall impact that cultural values influence the individual team member participation. The results of the investigation indicated that personal cultural values exhibited a much larger influence over the success of the project than did national level cultural values. The research was able to identify five team leadership factors that include enhanced work support, good communication, active participation, effective risk management and favorable project environment that, when present, increased project success over the absence of these leadership characteristics. Schein, E. (1990) adds to the understanding and presents a look into a new area of cross cultural interaction within an organization not at the national culture level. The focus is specific to the practices of an organization and not on the values, norms and beliefs of a culture. An individual's flexibility to adjust to organizational culture practices are believed to be more moldable working within the

organization. A forward looking approach to cultural integration by Sutharshan and Maj (2011) is a review of the overall need to improve cross cultural information technology (IT) teams which could proactively improve overall performance in delivering a successful project to stakeholders. The authors presented the results of typical project failures and the associated cost. There seemed to be a connection between the accuracy of the scope of work as presented during project development and excessive conflict that was generated between the teams. The suggestion was clear that improved team identification and development to include cultural sensitivity training were needed to improve project performance.

Team Selection

Aritzeta, et al, (2001) performed a study based on research relating to Belbin's team role theory and the overall diversity of individual team members, identifying any benefit that diversity adds to balancing the team for project success. Their approach considered both the sociological and psychological perspectives as they relate to performing within a team structure, as well as the corresponding individual perspective that core behaviors are applicable to the role characteristics. The resulting belief was that certain roles fit better within certain organizational structures than others for desired results in project activities. The Batenburg, et al, (2013) study performed was to compare and correlate Belbin's team role theory and overall team performance of a balanced with an unbalanced team. The study considered the diversity within the team which showed a relationship between members' strengths and weaknesses as a benefit because one member's strength complimented another member's weakness. The team's ability to draw on each other's abilities allowed for overall cohesiveness that aided in development of the individual members. The review by Fisher, et al, (2001) focused on the use of the Belbin team role theory for team member selection for all project related activities within an organization.

Based on the results of the study the authors show a strong relationship between Belbin's theory at all organizational levels when selecting team members. They believed that using the theory only when selecting executive level team members should be avoided and applied across the organizational structure. The review by Senior, E. (1990) is an assessment of the Belbin team role theory that evaluates all eight roles of the original theory, little consideration is given to the ninth role that was later included as a dimension by Belbin. There was a focus on the belief that a balanced team would result from properly selecting the correct person for the eight various roles identified by Belbin. Somerville and Dalziel (1998) focused their study on the use of Belbin's team role theory as a tool in the selection of team members for construction related projects. The authors believed that by using a structured approach to selecting members based on behaviors that overall team performance would be improved thereby showing the applicability of Belbin's theory. They also focused on the relationship between introversion and extroversion as a key success factor of behavior based performance. The study by Water, et al, (2008) focused on the comparison of a team's overall make up and any resulting performance delivered by the team member interaction. The article reviews Belbin's original eight team roles and the overall concepts behind the results related to a balanced team's performance. The resulting overall view did not support conclusively that a balanced team performed better than an unbalanced team after several iterations were performed using data from the professional and student study members.

Negotiation

Adair, et al, (2001) performed a study relating to negotiation styles of American and Japanese counterparts and how cultural factors influenced the parties approach to the negotiation process including assumptions made by both sides. The authors focused on the cultural fashion in which each share and particularly do not share information during a negotiation activity. They

also identified, as a positive result, the ability to gain an understanding of cultural differences allowing development of trust. The authors showed that a defined lack of trust seem to validate the negative impact of negotiation and project success. Another factor of negotiation presented by Hurn, B. (2007) is a view into the various spoken and unspoken communication that happen in all teams naturally during negotiations in an international setting. The review looked at styles of communication that included body language and their meanings within specific cultures. The resulting position was that as international negotiations continue to evolve over time it seems clear that trust and relationship are becoming more important in these types of activities. Another author Ioanid, A. (2015) found the relationship between organizational practices and the impact on international negotiation activities need additional research. The author focused on the American and Japanese styles of negotiations and any perceived results of the overall negotiations. The review took into consideration several characteristics such as the individualistic nature of western culture and the collectivist approach of Asian cultures as it applies to business relations. An additional article by Kopelman and Olekalns, (1999) considers a broad range of communication styles and the conflicts that individual approaches generate along with the potential solutions in resolving cross cultural misunderstanding. The ability to develop a cross cultural relationship was an overarching observation in the evaluation that not only included values and norms but also defined the approach to understand how trust impacts results. Overall the level of trust in the relationship seemed to be more beneficial than an understanding of cultural norms. The article by Lee, et al, (2013) introduces the ideology that negotiation results are more beneficial and productive when teams look at normalizing the context of behavior and responding as if all parties have planned based on the cultural norms and values of the other team. This planning is based on the understanding and perceptions of the other cultures

behaviors to arrive at a strategy or strategies to be used during negotiations. The results of the research, planning, and actions seem to be beneficial to the team's overall success at delivering a positive result for both project teams. An empirical study by Metcalf, et al, (2007) compares the influence of local, regional and national culture on resulting negotiation strategies that include intra and international settings. The research identified a correlation between the distributive and integrative approach to cross cultural negotiations and the long term success of the relationship and project performance. The results identified by the analysis show over time there has been a shift in the approach of western negotiators from the stereotypical domineering approach to an integrative style where relationship is more important than winning.

Ethics

An article by Butler, et al, (2000) concentrated mainly on identifying the factors that create ethical conflicts between multinational organizations in a cross cultural setting. The authors presented that organizations operate at extremes when managing ethical conflicts. At one end, they are fully accepting the local cultural ethics, at the other end, forcing the home cultures ethics upon the local workforce. There were specific strategies presented allowing an organization to investigate, understand, and then work with the local culture to allow organizations to move to the mid-point and find acceptable solutions to cultural issues. In Cross-Cultural Perceptions of Business Ethics: Evidence from the United States and China by Gift, et al, (2013) evaluated perceptions of business ethics comparing China to the United States and the differences in ethical profiles that teams from both cultures bring to a relationship. The article identified that, based on the cultural profiles, each culture develops perceptions, correct or incorrect, of each other that are typically not accurate. These misperceptions are believed to be the root cause of ethical misunderstanding and conflict between organizations. Hunt and

Jennings, (1997) undertook a game simulation to determine the relationship between ethical dilemmas presented during the study to establish if any had an impact on team performance. The overall results of the simulation did not show a difference in the performance of the teams as ethical parameters or market conditions changed. The study looked at the overall cultural roots of ethical conflicts. The study focused on developing an understanding of whether local ethical perceptions, or other factors, drive misunderstanding between cultures and performance.

Sanchez, et al, (2013) presented that the understanding of local cultural ethics has been impacted by the reliance on western style research and models that are not applicable in other environments. The results seem to support the research that restricting the approach to a study fashioned after western style activities does not benefit the results at the local level. This seems to be an incorrect approach to explain and understand the perception of ethical behavior. In the article Organizational Dependence and the Likelihood of Complying with Organizational Pressures to Behave Unethically, Wahn, J. (1993) evaluated the results of a survey performed using managerial professionals and students. The article was an attempt to understand an individual's propensity to act more or less ethically while under pressure by organizational management to deliver results. The results revealed that younger business professionals were more likely to act unethically while older more seasoned business professionals were less likely to act in that fashion. The authors did identify a relationship between an individual's freedom to choose other employment with a higher ethical standard than those individuals' that were not as free to make that choice.

Project Procurement Management

A normal occurrence for any project, domestic or international, is to be broken down into two distinct activities, technical and procurement, that revolve around the specific plans and

decisions associated with the make and buy portions of projects that an organization undertakes. This is not to say a project team and any identified members that are planned as support for the project must wait until the make versus buy decision is complete (Bredillet, et al, 2010). It means the exact opposite because those identified members are the ones that will be tasked with the identification of which will be performed inside the organization and which components, subassemblies, equipment or services will be acquired from the organizations suppliers and managed by the procurement team. The decisions supporting the project should always be made by all team members, not in a vacuum by one isolated individual that may be acting on incomplete information or facts associated with each procurement activity. These types of decisions must be made on a consensus basis by the entire team and implemented by the entire project team. This is especially important for the external selection of suppliers and placement of purchase contracts in support of needed components or service. Supplier selection can impact the success of the project as it relates to the project procurement management which is most commonly referred to as the buy portion of the program which is a subset of the entire project activity.

Quentin W. Fleming has defined six specific activities in his book titled “Project Procurement Management: Contracting, Subcontracting, Teaming” that need to occur during the buying or procurement management phase of the project. These steps allow for properly establishing the opening phase and guidelines to move through the process to closing out the procurement project. During a project there are specific actions that occur in chronological order such as project identification, team selection, engineering design, make versus buy analysis, and schedule maintenance, that enable the team to identify and complete all planned tasks. In project procurement management these types of deliverables have already been performed by the time

actions need to take place for the procurement team to start planning for any sourcing activity. The key decision point in a project based procurement activity is the make versus buy analysis that determines what the organization plans to manufacture internally and what components and services to purchase from the supply base. The six processes are as follows *Plan Purchases and Acquisitions, Plan Contracting, Request Seller Responses, Select Seller, Contract Administration, and Contract Closure*. These are the same steps identified in the project Management Institute's PMBOK guidelines for use during the procurement phase of a project.

There are multiple factors to be taken into consideration when planning for all the various procurement activities that happen during a project. The spend amount may range from hundreds of thousands to billions of dollars in expenditures for an organization. The first item that needs to be addressed after a completed make versus buy analysis is approved by management is the establishment of criteria that determines the complexity of each specific individual contracted purchase that is placed to support a successful domestic or international procurement activity. As the team establishes the project complexity matrix there are four specific classifications. These classifications are specific to level of risk and are identified as high risk, medium risk, low risk and the specialty category. The types of procurement actions that fall within the high risk category are types that involve complete design and build of component, sub-assemblies, specialized service. Plant expansions and software development are also considered high risk in nature that cost many millions of dollars. These types of design build or design to manufacture usually lock the buyer and seller in a very long term commitment to each other in support of delivering the desired results with as little scope growth, also called scope creep, as the project progresses. There are two approaches to controlling scope of work expansion, one of which is to ensure that the technical content of the work package is very specific and detailed in a fashion

that avoids expansion or to utilize special contracting methods to encourage cost control of the project. If the organization plans to utilize special contracting methods, the project procurement team must have in place the means to measure and quantify in detail the results being delivered by the supplier. When the complexity of the purchase to be performed is considered of medium risk the difficulty to deliver the component or service has dropped and typically so does the value of the purchase. The main factor observed that drives the value of these type purchase activities valued in the hundreds of thousands of dollars are typically attributable to redesign of available technology, components, machinery or materials that require alterations to meet the form, fit and function of the desired application. The lowest risk of all project procurement activity is the purchase of common items that typically are purchased in bulk quantities such as nut, bolts, fasteners, oils, gaskets and other similar type standard items. These types of purchases will consume the majority of lines needed when creating a bill of material (BOM) for a new project will be the lowest total dollar amount for the entire program purchase requirement. These low cost bulk components will consume time in the purchase cycle and should not be overlooked because the items are still critical to project success and an on time delivery of the desired machine, software application, or other major activity. The addition of the special procurement classification is reserved for those highly unique complex activities that do not fit within the other categories. The nature of the purchases in relation to project procurement are such that the two categories are usually management defined and directed with little or no input from the project team. The first of the categories identified by Quentin W. Fleming defined as “teaming” whereby two or more organizations plan to pool resources to win a specific high value contract. The organizations could also join in an effort to deliver a new product to market by combining two or more different patented proprietary technologies into a single product. This inherently

exposes each organization involved to great risk that is normally negotiated and monitored by senior management within each collaborating organization. Maintaining a senior level focus on the relationship ensures that it does not sour and the project is completed on time. This differs from the second special category where by senior management instruct the project team to procure machinery, components or other service from internal sister organizations. This type of intra company sourcing activity in support of the program is normally driven by direction without the input from the project team. It is critical in these situations that senior management within both organizations remains engaged to ensure success. Experience has shown that sister companies are not the best performing unless there is a direct link from president to president or other senior level to senior level that can intervene when conflicts and underperformance develop.

After the project has launched, the procurement and engineering team will begin the process of developing the scope of work for each of the purchases identified during the risk review. The activity also includes the development of all associated mitigation plans specific to the individual contracts to support the program. The technical scope of work is the most important part of a request for proposal (RFP) because it sets the stage for all cost drivers for the purchase quantities. A very thorough detailed scope of work (SOW) will aid the procurement team during supplier selection and negotiations. This detailed scope of work will support the team's ability to control total project cost and eliminate scope changes as the project progresses. If the Scope of Work is open ended and not detailed the project procurement team could expect to see multiple change orders that increase the total cost of the program. Changes to the design could be so large that it redefines the entire scope until the final result does not match the initial intent of the project. The project team will also develop a detailed schedule for the entire activity

while procurement simultaneously develops a sourcing schedule that is compliant with a planned on time delivery of the purchased content. During this focus phase the project procurement team will be developing the actual request for proposal that will be used during the solicitation phase. The request for proposal should also include all organizationally defined standard legal terms and conditions specific to such items as performance, payment, delivery, warranty and other boiler plate requirements. The document should also contain any special requirements that have been identified by the project team and organizational management. The project team should also develop a supplier selection matrix. The matrix would be used to determine the parameters and criteria used to judge a supplier's capability, capacity, pricing and other factors. Additional scoring parameters could be developed, specifically weighted in six or seven final categories that are used to evaluate each supplier's response.

At this stage in the project procurement management process the team will be preparing for the actual bid process of all individual scopes of work for each of the procurement activities identified during the make versus buy planning stage. The team will be responsible to deliver a complete list of prequalified suppliers. The criteria for qualification would have been established by the team during the original project planning phase. The team should develop the supplier list in a fashion that mirrors the perceived complexity of the purchase. One would expect that the more complex the components, subassemblies, equipment or service the shorter the list of qualified suppliers and as complexity goes down the list of supplier should grow in length. As the team identifies qualified suppliers the team should be completing a detailed qualification matrix for each supplier specifically for the high and medium complex purchases. It is imperative during this phase that the technical members complete the detailed scope of work and technical specifications to ensure the supplier understands exactly what is needed during the

performance of the contract. The procurement team members will have the responsibility to develop the terms and conditions, quote breakdown matrix, defined payment terms for the purchase, the contract template and other legal documents. Once these documents have been developed and the request for proposal is ready, they should be submitted to the suppliers identified. The planning phase is effectively completed and the team can issue the request to the supply base. There is a special situation that teams must be aware of during the supplier identification process and that is identifying sole source suppliers. By selecting sole source suppliers, the team has effectively eliminated all competition for that particular procurement activity which will increase the difficulty of any future negotiations. This approach typically increases the supplier's inflexibility relating to scope changes and sharing cost breakdowns that are needed to justify competitiveness. The project procurement team's ability to create competition is very important and beneficial when building a business case that supports the team's ability to gain consensus with senior management. Most managers accept the results from a process that has multiple sources in a competitive bid activity as being a reasonable and fair price. When a team considers single and sole source purchases for components, subassemblies, equipment or services, senior management may question the reasonableness of pricing thus slowing the program's progress.

The most logical next step in the project procurement activity is to release the request for proposal to the suppliers identified for the specific requirements either through the use of email, overnight courier or at a bidder's conference held at the team's physical location. In the case with highly complex procurement activities it is recommended to hold a bidder's conference after the suppliers have had the opportunity to review all documentation and are prepared to ask questions specific to the technical scope of work, legal requirements, or the terms and conditions.

It is customary for all bidders to attend the same meeting to ensure that any questions technically or otherwise can be asked. The meeting allows all participants to hear the questions and official answers at the same time from the buying organization's representatives. As the complexity of any purchase is reduced from highly complex to medium or lower it is acceptable to hold a question and answer session by email distributing both the question and answer to all suppliers. A very good approach to ensure that this step is documented is to maintain a master list of all questions regardless of which supplier asks them and to send responses to all suppliers involved. This process should be followed especially if the organization is planning to include qualified international suppliers. If using international suppliers, the procurement team should be provided training to better prepare for interaction with culturally different suppliers, sales and technical teams. When communicating with international suppliers about technical information using qualified translators to support any and all meetings is a key factor in reducing misunderstanding or conflict. Conflicts could potentially develop due to culture, trust issues, or ethical concerns, part of doing business across international borders.

During the project planning phase, the project and procurement team should have developed a weighted proposal analysis matrix that would serve as the basis to evaluate valid proposal submissions. The analysis matrix sets a standard for the review to be performed, such as, cost parameters and benchmark cost models in comparing and validating the detailed breakdown delivered by the supplier that supports the proposal. In a Request for Proposal suppliers are encouraged to quote only the scope of work identified in the technical requirements. Some suppliers go above this and submit non-solicited items, which, in most cases are recommendations for alternate approaches, at a lower than expected price formula. The technical and the procurement team will work collectively to negotiate pricing relevant to the

technical requirements for each identified scope of work to allow all purchases to move ahead. A written contract, that is mutually agreed upon and enforceable in a court of law is the final step in the acquisition process. A step that must be addressed prior to contract implementation is the need to gain agreement with senior management that the path selected by the team is agreeable. This can be difficult on occasions especially if the purchase is a sole or single source activity that falls outside of an already defined teaming project or if the order is going to be handled by an organization's sister location under a sourcing direction by management. Once senior management has approved the final pricing and all terms, conditions and technical requirements, both organizations can sign and countersign the contract. The contract will serve as a guideline for management to ensure all deliverables are accomplished in the time line established for the procurement activity.

At this point the project activity changes to allow the purchasing team members to start the day to day management of the supplier to ensure that they remain on schedule and meet the defined milestones. Weekly meeting should be established to determine progress in delivering the purchased component, subassemblies, equipment or services. Task completion should correspond to the agreed time periods that are critical in defining at what point the buying organization may owe compensation to the supplier. The most difficult part to manage during a project is the change order process, when the project team needs to make a change in the scope of the project to ensure that the end result will function properly and deliver the desired results. A change order to a supplier is an opportunity for the supplier to increase profits for the project. Changes may be needed to ensure desired results but the use should be avoided during the project. If the technical scope of work on the front end is inaccurate or poorly developed in the planning stage of the project, then changes will be numerous and costly. Changes may affect the

program during the close out phase if the change order process is flawed, or if engineering is in a rush to direct a contractor to make changes to the scope without proper negotiations. Without a detailed process that includes required approvals, changes can resurface in the final stages of the project as termination charges that historically may be difficult to justify because of the time delay between scope change and the delivery of the final product or service involved.

The close out phase is the final step of the project where the contract is legally terminated after the supplier has delivered to the organization a final functional product or service and all obligations have been fulfilled by both seller and buyer. If the project has been managed properly and a detailed change order process has been followed, then closing out a project can be fairly easy and painless. Without a change order process, the closing process may be very painful for the team due to misunderstanding of requirements and additional funds owed to the supplier. It is not an advantage to either party to ignore or postpone closing a contract for an extended period of time. The process may be a difficult engagement or conversation but should not be avoided as this could delay payments owed or due which allows penalty fees to accrue and add to the total owed by the organizations.

Culture

Evaluating the impact of cultural mindsets, perceptions of norms, resulting interpretations and actions of individuals on performance during project procurement activities needs a baseline. An understanding of regional and local area factors can contribute to performance results relating to how a person interacts during a cross cultural project activity. There are multiple theories and approaches that focus on defining what core beliefs, those beliefs that identify a group as being cultural likeminded can have on project success. Some of these, include the five factor and other

psychometric theories used to classify and define a group's beliefs and performance in a cross functional setting (George, et al, 2012). The most recognized and studied of these theories is based on Greet Hofstede's research focusing on the national level of cultural interaction of management's cultural mindset and the productivity relationship of culturally diverse individuals in the workplace (George, et al, 2012). Greet Hofstede's definition of culture is "Culture is the collective programming of the mind that distinguishes the members of on group or category of people from others" which varies significantly from the general concept of culture being specific to a person's ethnicity or country of origin or village in which they reside (Hofstede, 2011). In Hofstede's *Software of the Mind* it is postulated that cultural norms, values, rituals and other factors are learned at an early age and then reinforced over time through group interaction, schools and the workplace (George, et al, 2012). Through earlier research efforts, four areas or dimensions of national culture were identified that characteristic of all groups could impact cross cultural relationships. These factors are hard wired within the individual at early ages and these specific values, norms and perceptions of the group are difficult to alter later in life. The original four classifications identified by Hofstede in earlier studies are *Power Distance*, *Uncertainty Avoidance*, *Individualism versus Collectivism* and *Masculinity versus Femininity*. In later studies he identified two additional classifications identified as, *Long Term versus Short Term Orientation*, and *Indulgence versus Restraint* (Hofstede, 2011).

Power distance basically refers to the extent that power is distributed disparately within a society and is measured from a high level to low level (Hofstede, 2011). High power distance is an unequally distributed level of power, as represented in Asian and Middle Eastern Societies. Whereas the opposite end of the spectrum there is a low level of unequal distribution and the power is shared as typically seen in European and other western cultures (Hofstede, 2011). This

classification has immense implications in project procurement team performance and should be taken into consideration during team selection or other cross cultural team functions. These dimensions relate to a person's ability to perform as part of the team (George, et al, 2012). In a high power distance society, the cultural norm is for managers to identify work requirements for all team members. Any activity performed by the team member would be completed through the use of detailed work instructions supplied by the manager with very little self-direction allowed (George, et al, 2012).

Uncertainty avoidance refers to a society's ability to respond in situations that are unplanned or unexpected and gauges the stress level associated with the disruption (Hofstede, 2011). This cultural classification ranges from a strong factor level to a weak factor level which basically equates to cultural norms that engender a high stress level constantly because of the high concern that some unexpected event will occur to the weak side whereby unplanned events are expected and considered just another day and dealt with appropriately (Hofstede, 2011).

The third of the cultural classifications is individualism versus collectivism. The individualist approach to the world focuses on the roles individuals defined as self-reliance whom look out for themselves and any connection to a group is very weak (Hofstede, 2011). The collectivist approach to culture focuses on the belief that being part of a group is most important and the success of the group is more important than the glorification of a single individual. The collective approach can be seen in the Asian rim and other prior Soviet Bloc countries after the disillusion of USSR (Fortado and Fadil 2012). The conflict arises when cross cultural teams engage in potential negotiation or other activities. The engaged parties are not familiar with these cultural complexities and how they can impact the results of projects and other cross cultural relationships between organizations (Fortado and Fadil 2012).

The fourth classification carries the familiar stereotypical associations of masculinity and femininity. In this situation masculinity, denotes the characteristics of strong willed, pushy, and self-confident while femininity is typically associated with nurturing, caring, and nonassertive behaviors gauged at the national level (Hofstede, 2011). This dimension is difficult to measure, yet very important, at the individual level when selecting team members in the early stages of developing the project procurement team. It is found to be a critical element to have the correct person lead during negotiation strategy development and ultimately during the actual negotiations (George, et al, 2012). Understanding this cultural norm during team development and addressing this in a cross cultural environment has been shown to improve program results with international sourcing activities (George, et al, 2012).

The fifth classification identified addresses long and short term orientation of the culture described as a focus that culture takes toward how it builds and grows internationally along with how the culture measures results over time (George, et al, 2012). When viewing Asian cultures the typical stereotype is they attempt to build long term relationships and plan for horizons ten or even twenty years into the future. It is perceived that they value the gains over the long haul while being less focused on short term approaches. Most western cultures typically focus on quarter to quarter results and at best year to year results, not allowing for planning much beyond that horizon (Hofstede, 2011).

The sixth classification and the most recent addition to the dimensional classifications is indulgence versus restraint and is applicable to a cultures freedom to satisfy wants above and beyond the basic needs of survival or to socially condone or condemn these types of freedoms through cultural values and norms. This is also the least studied classification of the six and is a prime area for future research to truly understand if the classification is a new dimension or a

subsequent subset of one to the original four dimensions (Brewer and Venaik, 2012). This would be most beneficial if directly linking the study results to individual team member's values and norms over defining the dimension only at the national level (Hofstede, 2011). Overall it seems very clear when a project procurement team is operating outside of their cultural borders that conflict, misunderstanding and poor performance can potentially be directly related to the perceptions associated with society's values, cultural norms and national identity (Brewer and Venaik, 2012).

The relationship of cultural characteristics between national level focus and attempting to apply those dimensions to the individual has brought Hofstede's models theories and research under attack by several other anthropological, psychological, and sociological approaches to cultural analysis (Brewer and Venaik, 2012). There seem to be as many studies that attempt to validate Hofstede's results as are attempts to refute the validity of the theories and study results. Even considering the controversy surrounding national and individual cultural traits Hofstede's models have become the most popular and the most studied (Brewer and Venaik, 2012).

As part of Hofstede's theory, organizational culture was defined separately from social culture because organizations were viewed as process based activities that have a cultural aspect to be considered (Hofstede, 2011). This aspect of culture is more specifically tied to how an organization is managed and the ability of management to alter a person's group values and norms to align more closely to the organization's mission and goals (Schein, 1990). Given the nature of organizational culture, consideration should be given to such aspects as building layout, closed offices, open work space arrangements, managerial structure and meeting etiquette that impact the overall bond with the existing organizational group structure (Schein, 1990). Unfortunately, as a person is placed in an organizational structure there is the opportunity for

conflict with a person's national, regional, local values and norms. This conflict may lead to lower levels of desired performance and potentially lead to an unsuccessful project or procurement activity (Schein, 1990). Internal conflict may introduce a direct disconnect between local and national levels of cultural conflict that impact project procurement management. There has been an attempt by researchers to only focus on national level study results and incorrectly apply national results to an organizational group at the individual level (Hofstede, 2011).

There are studies that have been completed that indicate that cultural values, norms and perceptions can have a sizable impact on the success of any project procurement activity at the national, regional and local level (Jetu and Riedl, 2013). Other studies have attempted to generalize national cultural characteristics then apply the results to the individual team member within a group. This has generated unreliable performance results, given that individual perceptions and preferences differ from the national level (Jetu and Riedl, 2013). This divergence though does not seem to follow national characteristics given project procurement management already adds a high level of complexity to the project but seems reasonable that a team member could react and perform differently due to individual preferences and perceptions (Chipulu, et al, 2014). The incorrect application of national cultural values at the individual level could be a factor according to Sutharshan and Maj (2011) why twenty-four percent of all multicultural software project implementations failed to be completed with a functional solution delivered. Thirty-four percent of the project completed delivered a functional solution but delivered results that were fifty-six percent over budget and finished well beyond the originally established implementation schedule.

The incorrect application of cultural norms seems to be one of the issues that negatively impacts project procurement team implementation. The failure of projects has been attributed to

the increase in multicultural project teams that are leading the project activities. The inherent misunderstanding between communication and cultural norms can be due to the high mix of team member's skill set (Sutharshan, A., & Maj, P. S. 2011). Communication issues coupled with a clear lack of necessary cultural knowledge at the management level have generated the dismal results experienced (Sutharshan, A., & Maj, P. S. 2011). It seems likely that project procurement teams can overcome these types of results through proper sensitivity and other cultural based training (Jetu and Riedl, 2013). For the team to fully garner successful benefits, team member work experience should be drawn upon to deliver better results. All experience, even in what is considered an unsuccessful project, should be taken into account. (Jetu and Riedl, 2013). When cross cultural teams are deployed it should be with the knowledge that the team has been given the necessary tools to succeed (Jetu and Riedl, 2013). The opportunity for cross cultural teams to clash during project procurement activities is very high when values, norms, beliefs and perceptions are not clearly understood. Even when training has taken place the potential to clash may be present and could impact overall program success and team performance (Chipulu, et al, 2014). The approach to training and development needs to be targeted at the team member level. To understand the impact requires studies that focus on the factors that influence performance at lower organizational levels (Chipulu, et al, 2014). To accomplish a team level response, characteristics and measurement criteria need to be developed that apply to internal conflict with other members and how the related individual values, norms, beliefs and perceptions drive actions and conflict (Chipulu, et al, 2014). The actual conflict and resulting suboptimal performance by project procurement teams has shown to be improved by including expatriate and repatriated members on both teams, because living directly in the cultural environment allows those members to develop a rapport and avoid performance related

conflict (Jetu and Riedl, 2013). The personal experience and knowledge gained from living in Japan and Spain have given insights into the cultural norms, values and beliefs of those environments at the individual level allowing a better cultural understanding and develop solid conflict resolution skills. Not only did it aid in conflict avoidance but allowed a high level of trust with the team members from those countries. Overall it seems very clear that culture at the national level as studied impacts the resulting performance of cross cultural procurement activities and more generally project success. The lack of research involving team level interaction shows a clear conclusion could not be determined concerning the direct impact to performance of individual procurement team members.

Team Selection

The identification of team members needed to support planned cross cultural procurement project related activities should be chosen not only on functional capabilities but also based on their individual fit within a team structure, and the ability to perform in a team environment (Aritzeta et al, 2007). There are various approaches to team selection some options are psychometric theories such as the 16 PF and the five factor models. The most popular and the most studied is the Belbin team role model that comprises eight dimensions needed in order to have a fully complimentary team that should deliver positive results (Aritzeta et al, 2007). The competing theories have experienced a limited level of study activity unlike Belbin's theory which has experienced an abundance of study activity. The popularity of Belbin's theory over the years has helped it remain the most used and studied theory of team performance (Aritzeta et al, 2007). The team roles Belbin identified does not focus on a functional or intellectual structure as other models but on the way members interact and respond to problem solving within a balanced group of participants (Senior, 1998). The theory originally was developed to include

eight team role compliments that should be represented within a cross cultural team. The focus is to achieve a balanced member representation with the expectation that balance will allow the team to perform better than non-balanced teams (Senior, 1998). At a later stage in the development, the theory was altered to include a ninth characteristic role identified by Belbin as the specialist (Azitzeta et al, 2007). The identification of this role allowed needed specialized knowledge, by the team in support of decisions but was not considered an overall impacting personality to the team dynamics with limited value provided towards the success or failure of the team as a whole (Aritzeta et al, 2007). The popularity and continued use of Belbin's team theory is the prime reason it was selected as a gauge to measure the success rate of team activities but more specifically as a representation of a project procurement team's success or failure.

The definition of a team role was characterized by Aritzeta et al, 2007 as a "pattern of behavior characteristics of the way in which one team member interacts with another in order to facilitate the progress of the team as a whole." The research that is the basis of Belbin's theory revealed that the relationship between intelligence, work related experiences and delivering successful results was not present. The research did reveal that behavior was a key characteristic specifically when considering the team member's interactions (Batenburg et al, 2013). The original eight team roles, and associated characteristics each deserve a short review to ensure a clear understanding of the role and the descriptive nature of the member that characterizes the role (Senior, 1998). The plant role (PL) is identified by the following characteristics of being creative and proactive with a clear ability to work through issues and arrive at a solution more rapidly than other team roles (Senior, 1998). A team member that identifies with the resource investigator (RI) role will typically be more quizzical and inclined to look for additional

opportunities and enthusiastically approach out of the box solutions to problem solving for the team (Senior, 1998). As a coordinator (CO) within the team structure this member will be the person that can delegate objective tasks to the appropriate roles. Overall the team member will be able to keep the team focused and the project moving forward (Senior, 1998). The shaper (SH) is the person on the team that will always be driven to accomplish tasks and thrives on high levels of stress. This member will become frustrated quickly if tasks are not being completed or if the project has stalled (Senior, 1998). The monitor evaluator (ME) will be the most grounded of the group that relies on information to develop a complete strategy around the project activities based on available information. The thoroughness and slow to action response of this member's approach could put a damper on other member's drive for success (Senior, 1998). As a team worker (TW) the member would be more concerned with harmony between all members but will be fiercely loyal to the team and project success. When under pressure or in a crisis situation, they will also be more likely to avoid making a decision that could resolve the issue (Senior, 1998). The implementer (IMP) role is the doing member of the team. They quickly turn plans into actionable items and deliver on those in a very efficient detailed manner. This team member lacks flexibility and struggles when a change in the program direction is needed to support the desired end results (Senior, 1998). The last of the original eight roles to consider is the completer finisher (CF) whom is a people person, is focused on the accuracy of work product and delivering the result on time for the team. This member has difficulty letting go or delegating to other members for the fear that one hundred percent accuracy in the work will not be achieved (Senior, 1998). These eight roles that Belbin identified were considered absolutely necessary for the creation of a balanced team. Team members should exhibit as a core preference one of the

eight roles. They should also exhibit other roles as a secondary or tertiary characteristic in order to fill gaps if they exist (Water et al, 2008).

A central part of Belbin's theory is the Team Role Self Perception Inventory, used to establish an individual's core role preferences as well as other varying levels of role preferences (Arizeta et al, 2007). The inventory consists of seven sections that include ten questions per section to be answered by an individual in order of the preference perceived that most closely matches their behavior. Belbin recommends that a role with a normalized score result of seventy or higher indicates the core role of that individual and a normalized score between thirty and seventy would indicate a secondary role alignment (Senior, 1998). Belbin indicated that a balanced team should be more stable and capable of delivering a high level of successful performance than an unbalanced team. The reason for this result is the perceived complimentary nature of the roles that exist between the members (Water et al, 2007). It is easy to understand that an unbalanced team would not perform as well because of potential internal conflicts, lack of role offset by individual members, and the desired compliment of weaknesses in other members (Fisher et al, 2002). Belbin's team balance inventory has been predominately used to identify and develop management team members over the years. There is a potential underutilization of Belbin's team role theory at lower levels within organizations. The approach would benefit the identification of team members at the working level and the overall composition needed to support specific activities such as procurement, construction or new product introduction (Fisher et al, 2002). Fisher et al, (2002) performed a study to better understand if the team role inventory could also be used to determine a balanced team condition at lower echelons within an organization to determine performance within those teams. The overall results of the investigation generated the notion that using Belbin's team role inventory at lower organizational

levels seemed beneficial and should not be reserved for identifying upper level management members (Fisher et al, 2002). This study supports utilizing the team role inventory as a starting point in all project and procurement team selection activities (Fisher et al, 2002). Organizations should not simply rely on an employee's functional role within the organization, as a balanced team could benefit project activities (Fisher et al, 2002).

The team role inventory theory has been studied more than any other teaming theory and continues to be one of the most popular in use by major governmental and industrial organizations. The perceived benefits achieved during project implementation far outweigh the decision to not implement the approach (Batenburg et al, 2013). Belbin's team role theory has been criticized for the manner in which the team role self-perception inventory is administered specifically for the ipsative nature of the assessment (Aritzeta et al, 2007). The use of teams is quickly becoming the primary source that organizations use to impact project success in a global cross cultural environment. The development of team members that have the ability to deliver beneficial results is a critical factor in the equation (Batendurg et al, 2013). A study performed by Batenburg et al, (2013) focused on all eight team roles but also viewed them as a clump that generally associate or orientate with a focus on results, relationships and issue resolution. The overall results of the study did not seem to support the team role inventory model but did indicate that the theory was a good point to start with the development of a team and should not be ignored as a tool (Batenburg et al, 2013). A competing study surfaced a concern focused on the realization that not only do teams differ in behaviors but those same behaviors are influenced by the individual's education, life and work experiences (Sommerville & Dalziel, 1998). This perception could impact the overall behavior of other members within the team (Sommerville & Dalziel, 1998). The investigation resulted in the objective identification that no one team

member was isolated in a specific role. In reality members exhibited competencies in multiple roles which was believed to indicate that a team member was relying on personal and other relevant experience when interacting with members (Sommerville & Dalziel, 1998).

During the review of the literature related to Belbin's team role theory it appears that the many studies performed by scholars that agree with the concept and the scholars that disagree seems to be basically split evenly between the ratio of success to failure (Aritzeta et al, 2007). The study performed by Water et al 2008, was not able to validate the parameters of the team role inventory theory as it relates to the success of a balanced team over the success of an unbalanced team. In a later study performed by Sommerville and Dalziel (2013) the results indicated that the team role inventory theory was a valid approach to team selection but was only applied to construction project teams. Based on this data it becomes difficult to establish a clear connection between the success of teams considered to be balanced and teams that do not fit the Belbin team role model (Batenburg et al, 2013). At the same time there is little evidence that the use of the model should be abandoned. The potential to expand its use to include teams at all levels within an organizational structure seems to be supported (Fisher et al, 2002). Given the nature of the inconclusive results of the literature presented it would be difficult to firmly show that a balanced project procurement management team would deliver a more successful project than an unbalanced team effort. This does not specifically indicate that research should end but should be expanded with a specific focus on the successes and failures of the procurement team within an overall project.

Cross Cultural Negotiation

It is a normal occurrence for any project, domestic or international, to be broken down into specific phases, and to accomplish this the phases are further divided into multiple actions

that occur during each step of the project. Negotiation is one of the areas that seem to encounter varying level of results and success within a project procurement management team (Metcalf, et al, 2007). The varying results are impacted when dealing with cross cultural business relationships. As the world of business continues to expand globally into more regions, procurement teams are met with more variations of negotiation styles, levels of trust and approaches to information sharing. These variations seem to impact the success rate for cross cultural teams when engaging in negotiations (Volkema and Fleury, 2002). As these areas of cultural conflict affect international project procurement teams, they could impede, derail or stall the program activities during negotiation actions, and result in poor contracts (Volkema and Fleury, 2002). A poorly developed contract implemented during cross cultural negotiations could impact the long term pricing for component, sub-assemblies or service which reduces the overall project success (Hurn, B.J. 2007). It has been shown that perception of others international cultures, a lack of culture specific knowledge, and a general lack of detailed cultural information, has impacted program success for many global project implementations (Metcalf, et al, 2007). When considering the general concepts that underpin negotiating and cultural negotiation styles there are basically two approaches employed by negotiators (Metcalf, et al, 2007). These approaches are, my team wins or we can win together as a team. These orientations were identified by Metcalf, et al, 2007 as *distributive* and *integrative*. Basically, equating this to one team is the winner and both teams win respectively (Metcalf, et al, 2007). When looking at the traits of the one team is a winner approach it seems easy to describe the traits of the team that is employing the distributive approach. The traits seen are typically domineering, thoughtlessness, unwilling to yield, and no concern for the other team are the approaches to this style of negotiation (Metcalf, et al, 2007). The alternative style of negotiating is to improve or to allow

both sides in a negotiation to gain in areas of importance (Metcalf, et al, 2007). This style allows the other side to gain in areas that are of a priority to their team (Metcalf, et al, 2007). The distributive approach in international cross cultural negotiations does not typically work in favor of developing contract solutions that generate positive results for the procurement team. The cultural focus does not end with a look at negotiation styles but bleeds over into contract development (Metcalf, et al, 2007). Western cultures typically tend to prefer agreements that are very detailed and specific relating to the supplier requirements and in other areas of the global business world a contract is viewed as simply a guideline (Metcalf, et al, 2007). Using the collectivism approach to negotiation as a guideline allows both sides to build a longer lasting relationship that is grounded in trust as the organizations implement project procurement activities (Metcalf, et al, 2007).

Other studies focus on different approaches that allow a better understanding of cultural aspects that can impact negotiations (Adair, et al. 2001). For example, the Japanese use a very subtle approach to information sharing which is opposite of being overtly specific in sharing information during a project procurement negotiation (Adair, et al. 2001). This approach is very different from the western style of information sharing relating to the project. The direct delivery of information is an attempt by western cultures to set intended goals and desired results during the negotiation (Adair, et al. 2001). This difference in cultural styles seems to be fairly regionalized. In the Asian rim and Middle Eastern countries, their cultures tend to be high context. At the negotiation table they prefer to build common ground and focus on relationship building (Adair, et al. 2001). When conflict arises the teams tend to be on firm common ground which enables open communication whereby a solution can be defined that resolves any conflict without damage to the relationship (Adair, et al. 2001). It was presented by Hurn (2007) that

being more culturally knowledgeable and prepared entering into a cross cultural negotiation is beneficial. The teams seem to be more successful and become more trustful of the opposing organization when a clear understanding has been developed of the overall style. While all cultures have an innate belief system that one's own cultural values, norms, perceptions, and styles are the best to follow in a cross cultural exchange, doing so seems to automatically put any negotiation on a weak foundation and can definitely make for an uncertain situation that results in poor performance or total failure (Adair, et al. 2001). This uncertainty can potentially be eliminated by developing a clear understanding of the culture being negotiated within. One should develop a clear alternative plan if the opposing team has a significantly different negotiation style. For example, the more the team exhibits a collective nature drives the goal of the negotiation to promote the team's collective good over an individual standing out in the group as a winner (Kopelman and Olekalns, 1999). The focus on relational and trust based imperatives is a recurring theme in literature and studies that have been performed. Over time the ability to improve these cultural perceptions by project procurement teams must include the ability to understand the approach of the opposing team's cultural style and develop a negotiation strategy that allows for flexibility to compromise or gain common ground during the negotiation process (Lee, et al. 2013). There has been some focus on the relationship between trust and success for project procurement activities and doing business globally. Most cultures focus on using stereotypes as part of the analysis. This approach tends to set the stage for negative results to be delivered when teams are negotiating (Lee, et al. 2013). These results revolve around the procurement team's willingness to truly walk the path of the opponent and to accommodate or change strategic direction during a negotiation (Lee, et al. 2013). In any negotiation between a project procurement team and buyer/seller there is the desire to accomplish positive results and

deliver true value to a purchase activity and overall value to the organization. Other cultural stigma may impede these results such as cultural etiquette, as it relates to business, or something as simple as having a member that can commit and bind the organization during the negotiation session (Hurn, 2007). This is evident when contrasting the business lunch within the French culture and one in the United States. In the United States a working lunch is very common, catered by a local sandwich purveyor, while one in France which would more resemble a seven course meal. To the French a working lunch is considered a breach in etiquette and could impact the negotiation results (Hurn, 2007). There are other specific regional cultural norms that deserve consideration when a cross cultural project procurement team is developing a negotiation strategy (Kopelman and Olekalns, 1999). During strategy development the procurement team should prepare to make accommodations to the opposing team during the negotiation process to ensure the teams succeed in adding mutual value to both organizations (Kopelman and Olekalns, 1999).

As global interactions between project procurement teams and buyer/seller continue to expand with an every growing global business environment the experience level of those parties that are interacting in cross cultural negotiations will continue to learn about other cultures and retain the innate knowledge of various cultures allowing them to be more effective over time (Metcalf, et al, 2007). In more recent research the growth in retained knowledge, negotiation skills and cross cultural accommodation have clearly allowed for mutual gains that benefit project success (Ioanid, 2015). The cultural world interprets the United States cultural approach to a negotiation as being direct, one sided and very much based on the individual winning which also is the typical perception of other western cultures. At the other end of the spectrum is the collaborative, collective and win / win cultural perception of other global areas grouped based on

the similarity of negotiations (Ioanid, 2015). It was presented that western cultures have changed over the past decade relating to a clear focus on long term relationships with suppliers. Western cultures also see beneficial results by changing the level of direct communication to their individualist approach to negotiation (Ioanid, 2015). They learned from their cross cultural counterparts and repeatedly use a lower complexity level approach to procurement team interactions (Ioanid, 2015). This does not attempt to indicate that western accommodation to other cultural styles has allowed for giving power over to their counterpart but exactly the opposite, in that the teams are delivering much more mutually beneficial agreements that improved overall project performance (Hurn, 2007). This shift in cultural change experienced by western society seems also to be a prominent change across all cultural approaches in negotiation whereby Turkish, Chinese, Japanese and others were shown to have started exhibiting traits and characteristics of their western counterparts (Ioanid, 2015). It was also noted the intra-cultural negotiations had not changed within western society nor did it change within other cultural societies (Ioanid, 2015). When team members have been exposed to other cultural norms and values over time they develop the skills necessary to recognize negotiation styles and adjust the strategy allowing both organizational teams to succeed (Ioanid, 2015). These types of changes typically seem to be associated with project procurement organizations that have been given the necessary training and have developed a very diverse skill set operating within multiple cultural settings. They understand how to apply the skills and knowledge gained to ensure program success (Ioanid, 2015). There is no indication that all organizations are created equally, and many western organizations still practice and approach negotiations with an individualist, take no prisoners, attitude toward their counterparts (Ioanid, 2015). This drives to poor success levels in relation to project performance.

Global Cross Cultural Ethics

This is one of the most complicated areas for businesses working and expanding globally to manage. Managing ethical perceptions at the site level is difficult but what is more important is the overall image in the public's eye of the corporate level approach to ethical actions that are more damaging when exposed (Gift et al, 2013). Gift et al, (2013) offers an understanding of cross cultural ethical conflicts that allows a person's perception to influence behavior. These perceptions are typically based on host and home country ethical understanding (Gift et al, 2013). The perception includes both the misrepresentation and misunderstanding of conflicts and their true causes (Gift et al, 2013). The severity of the conflict could be lessened by more clearly understanding the values, culture and norms of the host country where business is being done and by increasing the visibility to the general public on how the organization operates, awards contracts, and treats employees (Sanchez-Runde et al, 2013). Sanchez-Runde et al, (2013) questioned the relationship between perceived ethical dilemmas related to groups and organizational practices as a cause of conflict that deteriorates the level of trust between the cross cultural teams. An individual's understanding of ethical concerns vary between cultures, individual wealth and other values but must grow beyond a focus on survival (Sanchez-Runde et al, 2013). The factors mentioned have been identified as characteristics that impact the level of importance that ethics play in day to day decisions in host cultural environments (Sanchez-Runde et al, 2013). All cultures have varying concepts of ethics and each concept is as diverse as another (Sanchez-Runde et al, 2013). The way values and norms are emphasized then applied in cross cultural project interaction are even more complicated when one takes into consideration that each culture considers their society more ethical than others (Sanchez-Runde et al, 2013). At the same time a clear understanding of these factors upon which ethical decisions drive

perceptions seem to have aided in fostering a high level of misunderstanding within project teams (Gift et al, 2013). Three dimensions of conflict have been identified by Sanchez-Runde et al, (2013) consisting of tastes and preference, moral imperatives and legal requirements, and tolerance and intolerance of values that range on a scale from a low level to a high level of importance. The results of this analysis lead to the position that the lower the dimension is on the scale the easier the ethical conflict could be resolved even for a society that is perceived as highly ethical (Sanchez-Runde et al, 2013). The ability of an organization to research, understand and develop a strategy around how to learn and apply the knowledge to ethical situations will be successful at the team activity level as well as at the organizational level (Gift et al, 2013). The measurements of success for organizations that have a highly developed ethical culture have been seen to be more accepted and successful in an overall market perspective when doing business internationally (Gift et al, 2013). Unfortunately, the literature and research is not currently available to understand if this success translates to the team level (Gift et al, 2013). An individual's standard for ethical behavior is influenced by cultural perceptions that have an impact on the team member actions (Gift et al, 2013).

While today's business environment allows plenty of opportunity to act unethically it becomes more important than ever to build an ethical model that members can easily follow (Buller et al, 2000). It is believed that the majority of ethical conflicts occur between cross cultural teams specifically within multinational organizations (Buller et al, 2000). Most unethical concerns manifest themselves through bribes, worker rights violations, financial inaccuracies, environmental incidents and the safety perceived concerning consumer products (Buller et al, 2000). Most businesses approach ethical issues from points of extremes with complete trust at one end of the spectrum and at the other extreme adopts the values of the multinational

organization's home perception of ethical behavior (Buller et al, 2000). Buller et al, (2000) offered several specific strategies that could be employed when dealing with ethical conflicts. These strategies apply as guidance for organizational direction that include avoid the conflict, enforce or force a supplier to act in a certain fashion, train and teach, employ effective negotiations, acquiesce to the situation, and collaboration between the parties impacted (Buller et al, 2000). It was offered that organizations do not need to adhere to either polar direction but need to realize that opportunities exist that allow both parties to succeed in cross cultural project activities by moving closer to the middle and finding agreeable solutions to any ethical conflict (Buller et al, 2000). The use of these conflict resolution strategies were presented as a specific course of action based on the combination of factors that had significant moral importance, ability to control the outcome, and the level of urgency that unethical behavior presented (Buller et al, 2000). A decision tree was presented by Buller et al, (2000) that identified a specific strategic response to resolve a conflict based on answers to applicable questions as the controlling factors were identified. The use of the decision tree as a conflict resolution tool precludes the possibility that a clear understanding of the conflict exists, and that cultural perceptions originally caused the misunderstanding (Gift et al, 2013). This tool neither seems to add to the conclusion that unethical actions impact performance in cross cultural procurement teams but definitely offers a sterilized approach to decision making in a team environment both intra and internationally (Buller et al, 2000).

As organizations grow the opportunity to project a level of ethical compliance to local, regional, national and international ethics with specific normative cultural approaches to decision making are varied in nature. Judy Wahn (1993) surveyed several managers and students in an attempt to understand if individuals would acquiesce to organizational pressure to act ethically or

unethically. The pressure applied by an organization was specific to a person's ability to deliver results perceived as necessary by management (Wahn, J. 1993). The survey discovered that some forty percent of the respondents identified that management had made direct requests to the individual to act unethically in some fashion during the tenure with the company (Wahn, J. 1993). The survey also showed a direct relationship between acting unethically, and the level of dependence an individual had with the organization that allowed the person to justify certain unethical actions (Wahn, J. 1993). An individual's degree of independence to choose a different path such as, move to another organization showed that they were less likely to act unethically even in the face of being fired or replaced by management (Wahn, J. 1993). There was no intent to indicate that organizational dependence is the only factor that can impact an individual's unethical behavior others are morals, culture, and personality but it seemed clear that organizational dependence was an important factor in the overall decision (Wahn, J. 1993).

The decision making capabilities of a cross cultural team was also visited by Hunt and Jennings (1997) in a simulation based activity. The intent was to understand if ethics were more or less prevalent during specific episodic or as other market based factors impacted behaviors (Hunt & Jennings, 1997). The simulation was designed to focus on the following parameters, environmental or market changes, age, and team type that theorized a direct influence upon ethical and unethical decisions during the game (Hunt & Jennings, 1997). The simulation identified that severe economic market shifts influenced an individual's ethical decision making capabilities no matter if the shift was positive or negative (Hunt & Jennings, 1997). The relationship between positive economic conditions and acting highly ethical were comparable to the unethical behaviors seen when the team was exposed to a negative economic condition (Hunt & Jennings, 1997). The second factor defined as a parameter for the simulation was the age of

the individual participating in the game (Hunt & Jennings, 1997). Results seemed to indicate that the older the participant the more ethically they acted in most situations (Hunt & Jennings, 1997). The game also presented the realization that younger members of the teams were more inclined and open to using unethical behavior in all situations to meet expected performance results (Hunt & Jennings, 1997 and Wahn, 1993). The third factor was directed at the type of team make up (Hunt & Jennings, 1997). The simulation identified teams that were student, manager and a mix of student / manager, that were exposed to various business situations (Hunt & Jennings, 1997). All managers were at varying points in their career paths and represented various industries while the students were selected based on university location (Hunt & Jennings, 1997). The overall indication of these factors indicate that the younger the participant the more likely they were to engage in less ethical approaches to a solution (Hunt & Jennings, 1997). The simulation results indicated that all teams were more inclined to act unethically when presented with a dramatic negative shift in economic conditions. Unfortunately, all student only teams tended to act more unethically in all situations (Hunt & Jennings, 1997).

To be able to determine if ethical behavior is a key factor in the ability of a balanced team to deliver more beneficial results than an unbalanced team is difficult. The limited nature of specific research or studies related to the area of performance in ethical situations is lacking. Based on this lack of information there seems to be an area of opportunity for additional research to determine the specific relationship between cross cultural team performance and overall success of project procurement activities.

Conclusion

At the national level all areas that were investigated seem to be impacted by cultural events including perceptions, facts, news events and other input that drive the success of a

project and in particular procurement management. Most procurement professionals define negotiation as critical to any buying activity. When adding a cultural component to the equation that is influenced by perceptions from the host and home cultures can be devastating from a cost and performance result. Research does seem to support the conclusion that cultural approaches to strategy development differ and are impactful to project success. Overall the ability of a procurement team to limit future performance problems needs to be addressed at this stage.

The review related to team selection was not as conclusive related to negotiations between the teams. The studies were equally divided when considering team performance relating to team role selection. Belbin's team role theory is the most used and studied but the studies do not support the concept that a balanced team delivers a more successful project result than an unbalanced team. The lack of supporting data does not justify any attempt to eliminate the use of the theory as a starting point when identifying team member capabilities. The theory does add an unrealized perspective to performance which could be positive or negative depending on member dynamics.

Literature related to ethics and performance is exceptionally rare considering the areas of research available in other areas of focus. It is believed that cultural perceptions relating to ethics vary between age, team dynamics and corporate oversight. The literature showed that corporations were more profitable and successful when they were considered ethical in both the host and home environment. The corporate level ethical standards can influence younger and dependent team members but management must be willing to set the ethical standard for all team members.

In a cross cultural environment, actions and reactions tend to be based on perceptions and not on reality that is applicable to a specific situation. As a general observation team interaction in all areas can drive results in either direction based on complimenting other team member's weaknesses and contributions. This area of research and study needs to be expanded to include performance in all specified areas without exception. The data is necessary to understand what perpetuates a team's success and failure that allows for future training which should deliver more successes than failures.

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