INVESTIGATION OF THE EFFECTS OF MULTICULTURAL TEAM DYNAMICS ON COST PERFORMANCE IN LARGE CONSTRUCTION PROJECTS

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Abstract

As project environments increasingly embrace cultural diversity, understanding how multicultural dynamics shape financial performance of construction project has become essential. Large construction projects often experience cost overruns and schedule delays due to multicultural team dynamics and this has resulted to poor project cost performance. This study investigates the effects of multicultural team dynamics on the cost performance of large construction projects in Lagos State, Nigeria. A quantitative research design was adopted and structured questionnaires were administered to 113 professionals across different construction firms with annual turnovers above ₦100 billion. Data were analysed using descriptive and inferential statistics, including correlation and regression techniques, to establish relationships between multicultural factors and cost-related performance metrics. Findings reveal that multicultural backgrounds affect project cost performance, through communication challenges, conflict arising from cultural differences and inconsistent work approaches among team members. The relationship between MTDF and ECP is weak and negative ($r = –0.094$) with significance value ($p = 0.140$) indicates that this association is not statistically meaningful. ECP in the regression analysis has a negative unstandardized coefficient ($B = -0.156$), indicating that larger cost-related effects result in somewhat lower MTDF ratings, albeit this link is not statistically significant ($p = 0.074$). The study concludes that multicultural dynamics are a major determinant of cost performance in project delivery. It recommends that organizations adopt robust diversity management strategies, intercultural training, and standardized communication protocols to enhance synergy among diverse project teams and improve cost outcomes.

Keywords: *Construction projects Cost Performance, Cost Overruns, Multicultural Team dynamics, Schedule Delays*

1. Introduction

Multicultural project teams are becoming more important as construction projects become more globalized (Agyekum, 2023). This is especially true for large-scale projects when professionals from various cultural, linguistic and professional backgrounds work together (Eyiah, Kissi & Agyemang, 2025). Although multicultural teams are widely recognized for their ability to improve creativity, invention, and problem-solving skills, these benefits are frequently accompanied with serious difficulties that have a direct impact on project cost performance (Eyiah et al., 2025). The way resources are used, coordinated and managed in construction projects is influenced by variations in cultural values, communication styles, work ethics and decision-making techniques (Anumudu, Okolie & Ezeokoli, 2024). Such discrepancies often lead to miscommunications, delays, rework, and inefficiencies that worsen financial performance and cause cost overruns (Anumudu et al., 2025). The capacity of multicultural construction teams to work together in spite of cultural differences is crucial to their success. It has been demonstrated that cultural misalignment within teams increases operational and administrative expenses, escalates confrontations and interferes with cooperation (Kwak & Park 2021). Positive results from cultural diversity can be achieved, but only when trust, cultural awareness, and strong leadership are present (Kwak & Park 2021). As a result, cultural intelligence has become a

crucial skill for project managers since it improves inclusive decision-making, dispute resolution and planning precision, all of which led to better cost control (Li & Yazid 2024). Even while multicultural teams are becoming more common in construction projects, especially in developing nations like Nigeria, there are still large cost inefficiencies due cultural differences not adequately managed. Project cost overruns are still caused by issues including intercultural miscommunication, irregular work practices and complex governance in Nigeria, particularly in Lagos where multinational construction projects are becoming more prevalent (Li & Yazid 2024).

Therefore, with an emphasis on large-scale projects in Lagos, this study examines how multicultural team dynamics affect the cost performance of construction projects in Nigeria. Key multicultural dynamics that impact project cost performance are identified, the degree to which these dynamics impact cost results are examined and techniques for reducing cost-related issues related to multicultural teams are suggested.

2. Literature Review

The coexistence of people from various cultural, language and value-based origins in a common workplace is referred to as multiculturalism (Stahl & Maznevski, 2021). Due to globalization, the involvement of international contractors, usage of foreign expertise and the dependence on migrant labor, multiculturalism is becoming more prevalent in the construction sector (Mata et al., 2021). Within project teams, these cultural differences have an impact on interpersonal interactions, communication styles, work ethics and decision-making methods.

The degree to which actual project expenditure complies with the agreed budget is reflected in cost performance, which is a crucial measure of the success of construction projects (Kwak & Park, 2021). It covers expenses for labor, supplies, machinery, administration and changes that occur while a project is being carried out. According to recent research, human and cultural variables have a major impact on building project cost results in addition to technical and planning considerations (Anumudu et al., 2024).

The interaction patterns, coordination strategies and behavioral reactions that arise when people from different cultural backgrounds work together on project assignments are referred to as multicultural team dynamics (Li & Yazid, 2024). Cost overruns are directly caused by poorly managed intercultural dynamics, which frequently lead to misunderstandings, disputes, rework and delays. On the other hand, successful cultural integration increases cost management and coordinating effectiveness (Agyekum, 2023).

A useful framework for explaining performance in multicultural project environments is provided by Cultural Intelligence (CQ) Theory. CQ is the ability of a person to perform well in a variety of cultural contexts (Ang & Van Dyne, 2015). According to Nosratabadi et al. (2020) leaders with high cultural intelligence are more adept at managing conflicts, interpreting culturally impacted behaviors and adapting communication techniques, all of which increase cost performance in building projects. According to Tajfel and Turner (1986), social identity theory describes how people classify themselves and others into social groups, which affects cooperation, trust and conflict within teams. Strong in-group identification can hinder collaboration and information sharing in multicultural building projects, which raises project costs. By encouraging group identification and collaboration, inclusive leadership techniques lessen these impacts (Stahl & Maznevski, 2021). By emphasizing variations in organizational norms, labor practices and regulatory frameworks throughout nations, institutional theory contributes to the explanation of cost issues in multicultural building projects (Scott, 2014). Procurement, contract administration and compliance procedures are complicated by institutional environment misalignment, which frequently results in cost inflation if improperly managed (Psicosmart, 2022).

Multicultural team dynamics and construction project cost performance are strongly correlated, according to empirical research. In contrast to culturally aligned teams, Kwak and Park (2021) discovered that projects with poorly managed multicultural teams had noticeably larger cost overruns. In a similar vein, Singh and Chen (2022) found that a significant percentage of cost-related delays in international construction projects were caused by intercultural miscommunication. According to Mata et al. (2021), cultural diversity only improves project performance when it is backed by trust and culturally aware leadership. In major engineering projects, culturally aware leadership decreased

rework and increased cost predictability, according to Nosratabadi et al. (2020). Additionally, Agyekum (2023) found that trust among multicultural team members improved cost control and coordination effectiveness. These ascertions are supported by data from developing economies. Cultural mismatch in African construction projects increased worker inefficiencies and administrative costs, according to Anumudu et al. (2024). Li and Yazid (2024) also verified that variations in communication styles and work values had a substantial impact on cost management procedures.

3. Methodology

This study adopted **a** descriptive and explanatory quantitative research design to examine the effect of multicultural team dynamics on cost performance in large-scale construction projects in Lagos State, Nigeria. The descriptive design enabled the documentation of existing multicultural communication patterns, leadership interactions and team dynamics without manipulation, while the explanatory design facilitated the testing of relationships between multicultural variables and project cost outcomes (Creswell & Creswell, 2018; Saunders et al., 2019). A cross-sectional survey approach was employed, with data collected from 200 professionals actively involved in construction projects valued at ₦100 billion and above in Lagos State, including project managers, engineers, quantity surveyors, site supervisors, procurement officers, cost engineers and expatriate professionals. These professionals were selected base on their roles directly influence project coordination, communication and cost management within multicultural team environments. A combination of purposive and stratified random sampling techniques was adopted. Purposive sampling ensured that only professionals with direct experience in multicultural project environments were included, while stratified random sampling ensured proportional representation across professional categories. This approach enhanced data relevance, reduced sampling bias, and improved the reliability of the findings (Sekaran & Bougie, 2020). Primary data were collected using a structured questionnaire adapted from relevant literature on multicultural management and construction project performance. The questionnaire consisted of sections covering demographic characteristics, multicultural communication, leadership diversity, conflict management and project cost performance indicators such as cost overruns, rework costs, and communication-related expenses. Responses were measured using a five-point Likert scale ranging from Strongly Disagree (1) *to* Strongly Agree (5). The questionnaire was administered through both physical distribution and online platforms (Google Forms) to improve response rates. A pilot study involving 20 respondents was conducted to test clarity and reliability, leading to minor adjustments before the main survey (Field, 2018). Content and face validity were ensured through expert review by academic supervisors and construction professionals. Construct validity was assessed through factor analysis conducted during the pilot study. Reliability was tested using Cronbach's alpha, which produced an overall coefficient of $\alpha = 0.871$, indicating high internal consistency and meeting the acceptable threshold for social science research (Hair et al., 2019). Data were analyzed using the Statistical Package for the Social Sciences (SPSS) Version 29. Descriptive statistics including frequencies, percentages, means and standard deviations were used to summarize respondents' demographic characteristics and multicultural team dynamics. Pearson correlation analysis was employed to examine relationships between multicultural variables and cost performance indicators, while multiple linear regression analysis was used to determine the predictive effect of multicultural team dynamics on project cost performance. Analysis of Variance (ANOVA) was applied to assess differences across demographic groups. All statistical tests were conducted at a 5% level of significance ($p < 0.05$)**.**

4. Results and Discussions

Demography

Table 1 shows that out of 133 respondents, 88 (66.2%) were male and 45 (33.8%) were female, indicating a male predominance in the study sample, which may reflect gender representation trends within the construction industry and have implications for interpreting perceptions of multicultural team dynamics and their effects on project cost performance (Mata, Faria & Gomes, 2021).

Table 1: Gender

		Frequency	Valid Percent
Valid	Male	88	66.2
	Female	45	33.8
	Total	133	100.0

Source: *Survey, 2025*

Project Role

Table 2, shows the distribution of replies based on project roles across the 133 participants. Consultants were the largest group, with 46 (34.6%), followed by contractors, who accounted for 42 (31.6%). Clients accounted for 25 responders (18.8%), with the remaining 20 participants (15.0%) falling into roles not precisely described. This distribution suggests a balanced representation of the primary professional stakeholders involved in construction projects, offering diverse perspectives on how multicultural team dynamics influence cost performance, as well as insights from both execution and supervisory roles within project teams (Nosratabadi, Mosavi & Shamshirband, 2020).

Table 2: Project Role

		Frequency	Valid Percent
Valid	Contractor	42	31.6
	Consultant	46	34.6
	Client	25	18.8
	Others	20	15.0
	Total	133	100.0

Source: *Survey, 2025*

Designation

The data in Figure 1 show the distribution of responders by designation within building projects. Site engineers were the largest category, with 45 respondents (33.8%), followed by project managers with 36 (27.1%) and quantity surveyors with 26 (19.5%). Architects and foremen were the least represented, with only 4 respondents (3.0%), while other designations accounted for 18 respondents (13.5%). This distribution shows that the majority of participants hold technical and administrative positions, providing a variety of professional viewpoints important to evaluating the effects of ethnic team dynamics on cost performance in building projects (Purasinghe, 2024).

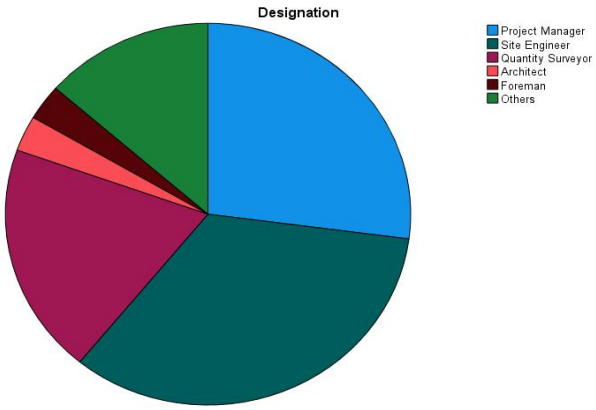

Figure 1: Designation **Source:** *Survey, 2025*

Years of Experience

Table 3 shows the distribution of respondents according to their years of experience in the construction business. Participants with 1-5 years of experience made up the largest group, with 54 (40.6%), followed by those with 6-10 years of experience, who made up 48 (36.1%). Respondents with 11-20 years of experience accounted for 22 participants (16.5%), while those with more than 20 years of experience made up the lowest group, with 9 respondents (6.8%). This distribution implies that the bulk of the study participants have early to mid-level industry experience, which may influence their views on multicultural team dynamics and their impact on project cost performance (Stahl & Maznevski, 2021).

Table 3: Years of Experience

		Frequency	Valid Percent
Valid	1-5 years	54	40.6
	6-10 years	48	36.1
	11-20 years	22	16.5
	Over 20 years	9	6.8
	Total	133	100.0

Source: *Survey, 2025*

Number of Multicultural Projects Worked on

The data in Figure 2 show the distribution of responses based on the number of multicultural projects they have worked on. The bulk of participants, 67 (50.4%), claimed experience with 1-5 multicultural initiatives, with 43 (32.3%) having worked on 6-10 projects. A lower fraction, 14 respondents (10.5%), had expertise with 11-20 projects, while only 9 respondents (6.8%) had worked on more than 20 multicultural initiatives. This indicates that most respondents have had minimal to moderate exposure to multicultural project environments, which may have influenced their opinions of team dynamics and their impact on cost performance in construction projects (Stahl & Maznevski, 2021).

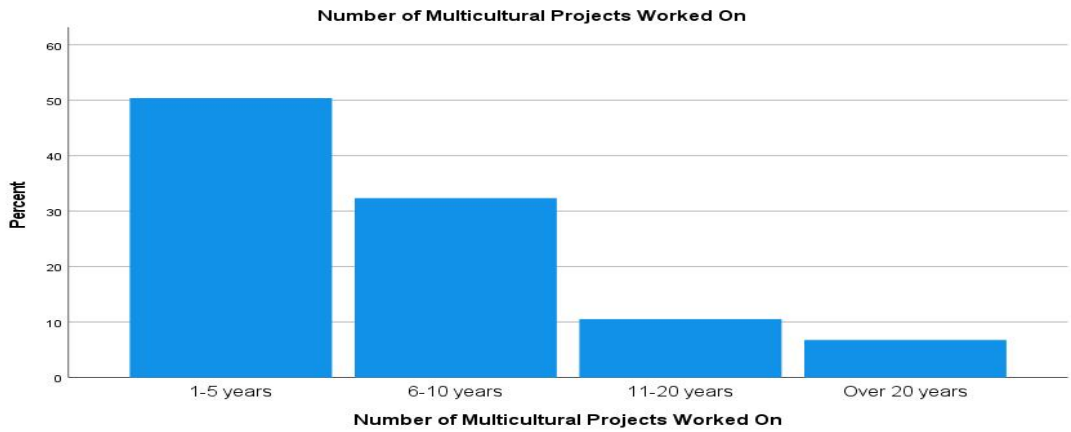

Figure 2: Number of Multicultural Projects Worked on
Source: *Survey, 2025*

Identify the Various Multicultural Team Dynamics Factors in the Construction Project that affects Project Costs Performance

To examine perceptions of the respondents on the various multicultural team dynamics factors in the construction project that affects project costs performance. Specific team-dynamics factors (MTD1–MTD7) including miscommunication from cultural differences, language barriers, differing work ethics, diverse problem-solving approaches, difficulty in achieving cohesion, leadership style and cultural awareness training were examined. The data summarized in Table 4 show that miscommunication (MTD1) and language barriers (MTD2) are the most widely recognized challenges, with agreement by approximately 70 % and 76 % of respondents and mean scores of 3.60 and 3.71 respectively, indicating consistent acknowledgement of these issues (Brett et al., 2020). The items on differing work ethics (MTD3) and diverse problem-solving approaches (MTD4) each yielded means of

3.65 and agreement above 72 %, reflecting respondents' views that while conflict may arise, multicultural teams also bring creative potential (Taras, Baack & Caprar, 2021). The factor regarding cohesion (MTD5) had a lower mean of 3.34 and 56.4 % agreement, suggesting that respondents are less unanimous in viewing cohesion as difficult in multicultural contexts (Taras, Baack & Caprar, 2021). Leadership style (MTD6) and cultural awareness training (MTD7) produced moderate mean scores of 3.50, with agreement rates of 68.4 % and 64.7 % respectively, indicating that while these are influential, they are not as strongly perceived as the communication- and diversity-related factors. All items show standard deviations between 1.070 and 1.216, signifying considerable variation in responses and underscoring that, although there is a trend, participants' perceptions diverge meaningfully.

Table 4: Multicultural Team Dynamics Factors

Multicultural Team Dynamics Factors		Strongly Disagree/ Disagree	Neither Disagree nor Agree	Strongly Agree/ Agree	Mean	Standard Deviation
MTD1: Cultural differences cause miscommunication among team members.	Count	25	15	93	3.60	1.141
	Row N %	18.8%	11.3%	69.9%		
MTD2: Language barriers affect collaboration and task coordination.	Count	22	10	101	3.71	1.070
	Row N %	16.5%	7.5%	75.9%		
MTD3: Differing work ethics and values lead to conflict	Count	23	14	96	3.65	1.073
	Row N %	17.3%	10.5%	72.1%		
MTD4: Diverse problem-solving approaches improve team creativity.	Count	24	11	98	3.65	1.135
	Row N %	18.1%	8.3%	73.6%		
MTD5: Team cohesion is difficult to achieve in multicultural environments.	Count	33	25	75	3.34	1.086
	Row N %	24.8%	18.8%	56.4%		
MTD6: Leadership style significantly influences multicultural team performance.	Count	32	10	91	3.50	1.216
	Row N %	24.0%	7.5%	68.4%		
MTD7: Lack of cultural awareness training affects teamwork effectiveness.	Count	25	22	86	3.50	1.077
	Row N %	18.8%	16.5%	64.7%		

Source: *Survey, 2025*

Investigate the Effects of Multicultural Team Dynamics Factors on The Cost Performance of Construction Project

To examine perceptions of the respondents on the effects of ethnic team dynamics on cost performance of large construction projects. In the Table 5, Cultural conflict is the leading cause of budget overruns and delays (ECP2), with 76.7% agreement and a mean of 3.71, indicating the importance of resolving cultural difficulties. Miscommunication leads to higher rework costs (ECP1), with 72.2% agreement and a mean of 3.66, indicating that communication breakdowns are a substantial cost driver. Poor team integration resulting in poor resource utilization (ECP3) is also well recognized (75.9% agreement, mean 3.56), however the somewhat high standard deviation (1.189) implies varying individual perspectives. The contention that multicultural diversity improves creativity and cost efficiency (ECP4) has a lower, but still significant, agreement of 67.0% and a mean of 3.42, indicating that respondents are more hesitant regarding the cost benefit of diversity. Finally, 71.4% of respondents, with a mean of 3.59, agree that a lack of trust among team members increases

administrative costs (ECP5), demonstrating that trust deficits are also perceived to be economically significant. These findings are consistent with broader literature, which shows that misunderstanding, cultural conflict, and poor team integration in multinational or multicultural construction project teams are associated with higher costs and delays (Purasinghe, 2024; Buildings, 2024).

Table 5: Effect of Cost Performance

Effect of Cost Performance		Strongly Disagree /Disagree	Neither Disagree nor Agree	Strongly Agree/ Agree	Mean	Standard Deviation
ECP1: Miscommunication increases rework costs.	Count	24	13	96	3.66	1.154
	Row N %	18.1%	9.8%	72.2%		
ECP2: Cultural conflicts cause project delays and cost overruns.	Count	20	11	102	3.71	1.028
	Row N %	15.0%	8.3%	76.7%		
ECP3: Poor team integration leads to inefficient resource utilization.	Count	29	3	101	3.56	1.189
	Row N %	21.8%	2.3%	75.9%		
ECP4: Multicultural diversity improves innovation and cost efficiency.	Count	27	17	89	3.42	1.116
	Row N %	20.3%	12.8%	67.0%		
ECP5: Lack of trust among team members increases project administrative costs.	Count	26	12	95	3.59	1.149
	Row N %	19.5%	9.0%	71.4%		

Source: *Survey, 2025*

Correlation Analysis

The correlation analysis shows how multicultural team dynamics factors (MTDF), effective cost performance (ECP), and improvement strategies (IS) relate to one another within the dataset of 133 respondents. The relationship between MTDF and ECP is weak and negative ($r = –0.094$), and the accompanying significance value ($p = 0.140$) indicates that this association is not statistically meaningful. This suggests that variations in multicultural team dynamics do not reliably correspond to changes in cost performance within the sample. In contrast, MTDF shows a weak but positive relationship with IS ($r = 0.157$), and the correlation is statistically significant at the 0.05 level ($p = 0.036$), implying that stronger multicultural team dynamics are modestly associated with greater endorsement or use of improvement strategies. The strongest correlation in the matrix appears between ECP and IS ($r = 0.327$), and this relationship is highly significant ($p < 0.001$), indicating a moderate and meaningful association in which better cost performance tends to align with higher perceived relevance or adoption of improvement strategies. Overall, while MTDF shows limited direct association with cost performance, its significant link with improvement strategies suggests an indirect pathway, and the moderate relationship between ECP and IS highlights the relevance of strategic interventions for enhancing cost outcomes in multicultural project settings.

Multilinear Regression Analysis

Model summary in Table 6 demonstrates that there is a somewhat weak link between the predictors, Improvement Strategies (IS) and Effect of Cost Performance (ECP), and the dependent variable, Multicultural Team Dynamic Factors (MTDF). The correlation coefficient (R = 0.220) suggests a little positive relationship between the combined predictors and MTDF. The R Square value of 0.048 indicates that the model accounts for just 4.8% of the variance in MTDF, and the modified R Square of 0.034 reveals that the explanatory power remains low even after accounting for model complexity. The standard error of the estimate (3.17) indicates a moderate level of prediction error, demonstrating ECP and IS's poor capacity to account for fluctuations in MTDF. The Durbin-Watson statistic of 1.221 is less than the ideal value of approximately 2, implying significant positive autocorrelation in the residuals, but not at a level that necessarily indicates a major violation of regression assumptions. Overall, the model has limited explanatory power, implying that other unmeasured factors play a larger role in shaping multicultural team dynamics.

Table 6. Model coefficient Summary

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.220[a]	.048	.034	3.17362	1.221

a. Predictors: (Constant), IS, ECP

b. Dependent Variable: MTDF

Source: *Survey, 2025*

Evaluation of the Independent Variables

The regression results in Table 7, illustrate how the Effect of Cost Performance (ECP) and Improvement Strategies (IS) influence the prediction of Multicultural Team Dynamic Factors. The constant value of 24.40 represents the predicted MTDF score when both predictors are set to zero. ECP has a negative unstandardized coefficient (B = -0.156), indicating that larger cost-related effects result in somewhat lower MTDF ratings, albeit this link is not statistically significant (p = 0.074). Its confidence interval exceeds zero (-0.328 to 0.015), confirming the absence of a significant effect. In contrast, IS has a positive and statistically significant connection with MTDF, with an unstandardized coefficient of 0.183 (p = 0.022).

This means that increased improvement methods are related with higher MTDF scores, and the confidence interval (0.027 to 0.340) suggests that this impact is reliable. The standardized coefficients show that IS (β = 0.210) has a higher influence on MTDF than ECP (β = -0.163). The tolerance values (0.893) and VIF scores (1.120) for both predictors show that multicollinearity is not a problem in this model. Overall, the findings imply that, while cost-related considerations have little influence on multicultural team dynamics, improvement strategies do play an important and positive role in enhancing them.

Table 7 Detailed results of the Multiple Linear Regression Analysis

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	24.401	1.765		13.825	.000	20.910	27.893		
	ECP	-.156	.087	-.163	-1.800	.074	-.328	.015	.893	1.120
	IS	.183	.079	.210	2.319	.022	.027	.340	.893	1.120

a. Dependent Variable: MTDF

Source: *Survey, 2025*

Analysis of Variance (ANOVA)

The ANOVA results indicate whether the predictors, Improvement Strategies (IS) and Effect of Cost Performance (ECP), contribute to explaining variations in Multicultural Team Dynamic Factors (MTDF). The regression sum of squares (66.39) versus the residual sum of squares (1309.34) demonstrates that the model only accounts for a small percentage of the entire variation in MTDF. The F-value of 3.296 represents the explained to unexplained variance ratio, and the associated significance level ($p = 0.040$) demonstrates that the model is statistically significant at the 5% level. This suggests that, when integrated, IS and ECP have a large effect on MTDF, even if the total explanatory power is limited. In essence, the variables jointly boost the model's capacity to estimate multicultural team dynamics above what would be expected by chance, demonstrating the usefulness of integrating them in the regression analysis.

Recommend Improvement Strategies to Mitigate the Effects of the Multicultural Team Dynamics Factors on Cost Performance in large Construction Projects

To recommend effective mitigation strategies to address effects of multicultural team dynamics on cost performance in large construction projects, participants' perceptions on the proposed strategies (IS1–IS5), were collected through the questionnaire. Table 8 presents strategies to enhance the effectiveness of multicultural teams. For each strategy, a substantial percentage of respondents strongly agree or agree, ranging from 67.7% to 74.4%. Promoting inclusivity and respect for cultural differences (IS4) received the highest agreement at 74.4%, with a mean of 3.76, highlighting its perceived importance in fostering positive team dynamics. Integrating multicultural collaboration strategies into project planning (IS5) and adopting clear communication protocols across all team levels (IS2) also recorded high agreement, at 72.9% and 73.7% with mean scores of 3.71 and 3.66, respectively. Employing project leaders skilled in multicultural management (IS3) and providing cultural awareness and diversity training (IS1) received slightly lower agreement, 67.7% and 68.4% with means of 3.63 and 3.53, reflecting general support for leadership and training initiatives.

Table 8: Recommended Strategies

Recommended Strategies		Strongly Disagree / Disagree	Neither Disagree nor Agree	Strongly Agree/ Agree	Mean	Standard Deviation
IS1-Provide cultural awareness and diversity training for project teams.	Count	27	15	91	3.53	1.178
	Row N %	20.3%	11.3%	68.4%		
IS2-Adopt clear communication protocols across all team levels.	Count	27	8	98	3.66	1.218
	Row N %	20.3%	6.0%	73.7%		
IS3-Employ project leaders skilled in multicultural management.	Count	28	15	90	3.63	1.240
	Row N %	21.0%	11.3%	67.7%		
IS4-Promote inclusivity and respect for cultural differences.	Count	17	17	99	3.76	1.026
	Row N %	12.8%	12.8%	74.4%		
IS5-Integrate multicultural	Count	19	17	97	3.7	1.072

collaboration strategies into project planning.	Row N %	14.3%	12.8%	72.9%	1	

Source: *Survey, 2025*

5. Conclusions

In large-scale building projects in Lagos State, Nigeria, this study looked at how multicultural team dynamics affected project cost performance. The results show that diversity has a major impact on project cost outcomes, demonstrating that cultural elements have an impact on financial performance that goes beyond interpersonal interactions. Language barriers, cultural misinterpretations, and conflicting work ideals were shown to be the most significant issues affecting cost performance. These difficulties frequently showed themselves as delays, rework, ineffective coordination, and overspending. In many cases, cultural diversity was linked to higher levels of conflict and decreased team cohesion, but the study also found possible advantages. Respondents agreed that when handled well, a variety of viewpoints foster innovation, creativity, and the ability to solve problems. However, it was discovered that the existence of intentional management techniques was necessary for these advantages to materialize. Teams with inclusive leadership and organized communication showed improved cost control and resource utilization, while poorly managed ethnic teams were more likely to encounter inefficiencies.

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