

Project Management

THE MANAGERIAL PROCESS

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Third Edition



Chapter 15

International Projects

International Projects

- Types of Projects

- Domestic
- Overseas
- Foreign
- Global



- Issues in Managing International Projects

- Environmental factors affecting projects
- Global expansion considerations
- Challenges of working in foreign cultures
- Selection and training of overseas managers

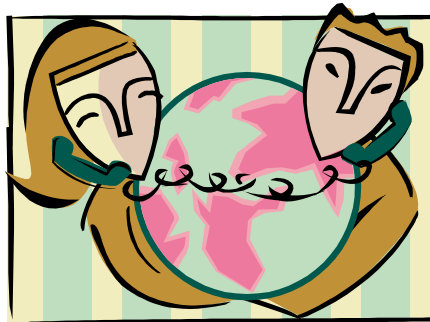
International Assignments

- Positives

- Increased income
- Increased responsibilities
- Career opportunities
- Foreign travel
- New lifetime friends

- Negatives

- Absence from home and friends, and family
- Personal security risks
- Missed career opportunities
- Difficulties with foreign language, culture, and laws



Environmental Factors Affecting International Projects

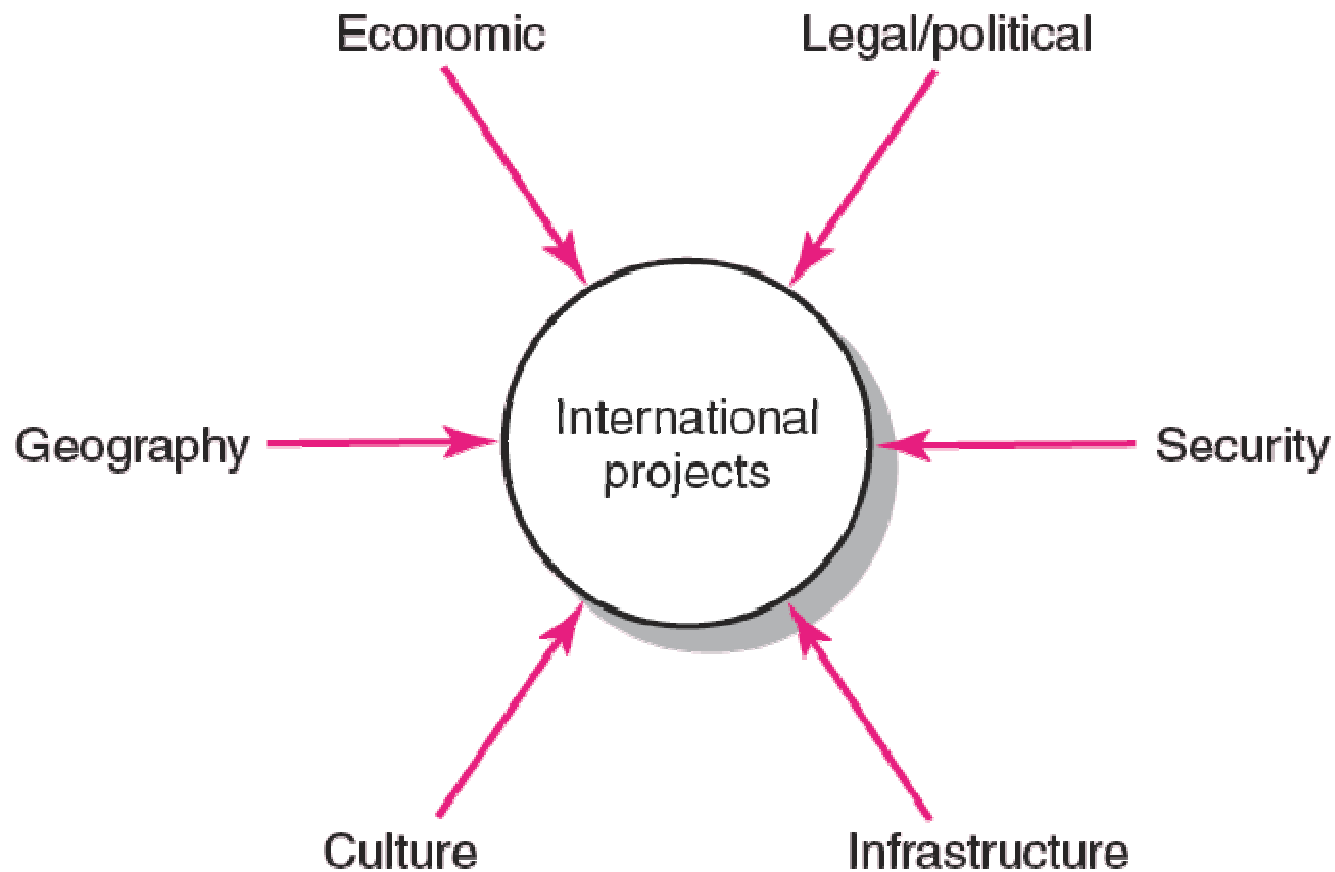
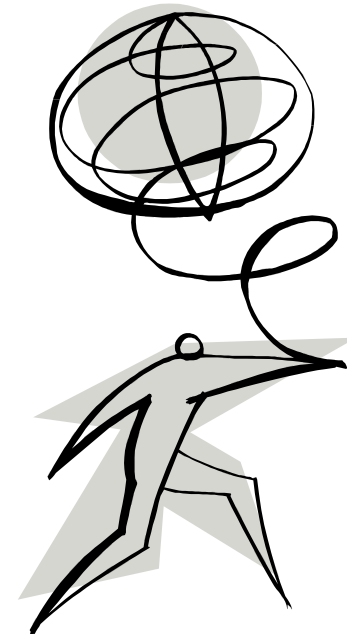


FIGURE 15.1

Environmental Factors

- Legal/Political
 - Political stability
 - National and local laws and regulations
 - Government, state and local bureaucracies
 - Government interference or support
 - Government corruption
- Security
 - International terrorism
 - National and local security
 - Local crime and kidnapping
 - Risk management



Environmental Factors (cont'd)

- Geography

- Climate and seasonal differences
- Natural obstacles

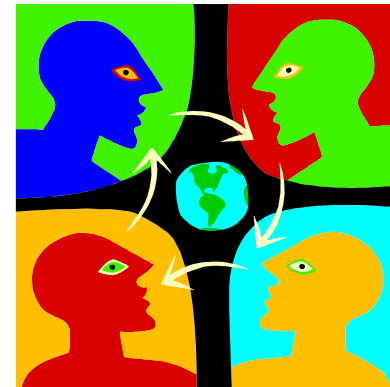
- Economic

- Gross domestic product (GDP)
- Protectionist strategies and policies
- Balance of payments
- Currency convertibility and exchange rates
- Inflation rates
- Local labor force: supply, educational and skill levels



Environmental Factors (cont'd)

- Infrastructure
 - Telecommunication networks
 - Transportation systems
 - Power distribution grids
 - Unique local technologies
 - Educational systems
- Culture
 - Customs and social standards
 - Values and philosophies
 - Language
 - Multicultural environments



Assessment Matrix Project Site Selection

Score legend

5 = excellent
3 = acceptable
1 = poor

	Political stability	Worker skill, supply	Culture compatibility	Infrastructure	Government support	Product-to-market advantage
Singapore	5	4	4	4	4	3
India	3	4	3	3	3	3
Ireland	5	4	5	5	5	5

FIGURE 15.2

Assessment Matrix Project Site Selection

Score legend

5 = excellent
3 = acceptable
1 = poor

Transportation

Educated workforce

Utilities

Telecommunications

Vendor suppliers

Singapore	5	4	5	5	4
India	3	4	4	4	2
Ireland	5	4	5	5	5

FIGURE 15.3

Cross-Cultural Considerations: A Closer Look

- Culture
 - A system of shared norms, beliefs, values, and customs that bind people together, creating shared meaning and a unique identity
- Cultural Differences.
 - Geographic regions
 - Ethnic or religious groups
 - Language
 - Economic

Cross-Cultural Considerations... (cont'd)

- Ethnocentric Perspective
 - The tendency believe that one's cultural values and ways of doing things are superior to all others
 - Wanting to conduct business only on your terms and stereotyping other countries as lazy, corrupt, or inefficient.
 - Ignoring the “people factor” in other cultures by putting work ahead of building relationships.
- Adjustments
 - Relativity of time and punctuality
 - Culture-related ethical differences
 - Personal and professional relationships
 - Attitudes toward work and life

Cross-Cultural Orientations

- Relation to Nature
 - How people relate to the natural world around them and to the supernatural.
- Time Orientation
 - The culture focus on the past, present, or future.
- Activity Orientation
 - How to live: “being” or living in the moment, doing, or controlling.
- Basic Nature of People
 - Whether people viewed as good, evil, or some mix of these two.
- Relationships Among People
 - The degree of responsibility one has for others.

Source: F. Kluckhohn and F. L. Strodtbeck, *Variations in Value Orientations* (Evanston, IL: Row, Peterson, 1961).

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Kluckhohn-Strodtbeck's Cross-Cultural Framework

Cultural issue	Variations		
Relationship to nature	Domination	Harmony	Subjugation
Time orientation	Past	Present	Future
Activity orientation	Being	Doing	Controlling
Nature of people	Good	Evil	Mixed
Relationships among people	Individualist	Group	Hierarchical

Note: The line indicates where the United States tends to fall along these issues.

FIGURE 15.4

Source: F. Kluckhohn and F. L. Strodtbeck, *Variations in Value Orientations* (Evanston, IL: Row, Peterson, 1961).

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Hofstede Cultural Dimensions Framework

- Individualism versus collectivism
 - Identifies whether a culture holds individuals or the group responsible for each member's welfare.
- Power distance
 - Describes degree to which a culture accepts status and power differences among its members.
- Uncertainty avoidance
 - Identifies a culture's willingness to accept uncertainty and ambiguity about the future.
- Masculinity-femininity
 - Describes the degree to which the culture emphasizes competitive and achievement-oriented behavior or displays concerns for relationships.

Sample Country Clusters on Hofstede's Dimensions of Individualism-Collectivism and Power Distance

Collectivism		Columbia, Peru, Thailand, Singapore, Greece, Mexico, Turkey, Japan, Indonesia
Individualism	Israel, Finland, Germany, Ireland, New Zealand, Canada, Great Britain, United States	Spain, South Africa, France, Italy, Belgium
	Low power distance	High power distance

FIGURE 15.5

Cross-Cultural Considerations (cont'd)



Working in Different Cultures

- Relying on Local Intermediaries
 - Translators
 - Social connections
 - Expeditors
 - Cultural advisors and guides
- Culture Shock
 - The natural psychological disorientation that people suffer when they move into a different culture.
 - A breakdown in a person's selective perception and effective interpretation system induced by foreign stimuli and the inability to function effectively in a strange land.

Culture Shock Cycle

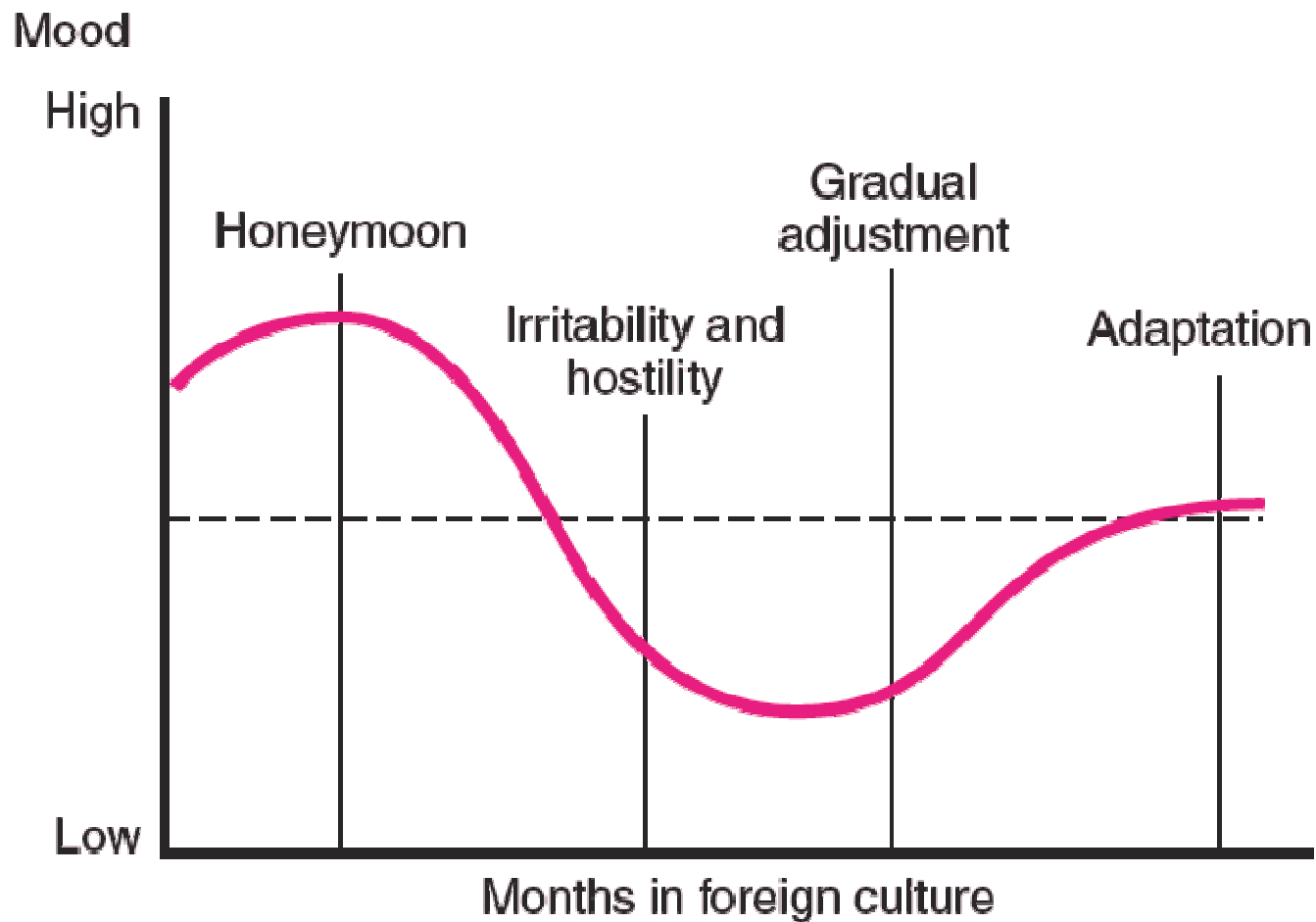


FIGURE 15.6

Working in Different Cultures (cont'd)

- Coping with Culture Shock
 - Create “stability zones” that closely create home.
 - Modify expectations and behavior
 - Redefine priorities and develop realistic expectations
 - Focus on most important tasks and relish small accomplishments
 - Use project work as a bridge until adjusted to the new environment
 - Engage in regular physical exercise programs, practice meditation and relaxation exercises, and keep a journal

Selection and Training for International Projects

- Selection Factors

- Work experience with cultures other than one's own
- Previous overseas travel
- Good physical and emotional health
- Knowledge of a host nation's language
- Recent immigration background or heritage
- Ability to adapt and function in the new culture

Selection and Training for International Projects (cont'd)

- Areas for Training to Increase Understanding of a Foreign Culture:
 - Religion
 - Dress codes
 - Education system
 - Holidays—national and religious
 - Daily eating patterns
 - Family life
 - Business protocols
 - Social etiquette
 - Equal opportunity



Selection and Training for International Projects (cont'd)

- Learning Approaches to Cultural Fluency
 - The “information-giving” approach—the learning of information or skills from a lecture-type orientation.
 - The “affective approach”—the learning of information/skills that raise the affective responses on the part of the trainee and result in cultural insights.
 - The “behavioral/experiential” approach—a variant of the affective approach technique that provides the trainee with realistic simulations or scenarios.

Key Terms

Cross-cultural orientations

Culture

Culture shock

Infrastructure

International projects