



INVICTA

Topic 3 Transcript

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TOPIC 3 – PRESENTATION RECORDING TRANSCRIPT (PART 2)

Welcome to the second part of the International Project Management section. In this lesson, we are going to look at the biggest challenge in this type of projects, the cultural differences. The reason why cultural differences are so important is because, as a project manager of an international project, it is mandatory that you understand the cultural differences of each country. Cultural differences can greatly influence on international project and require a specific approach to solve these challenges.

As a project manager delivering an international project, it is necessary that you consider these cultural and social differences between the countries that are taking part in the project. This would give you a better understanding in order to reduce the risk of failure and reduce the costs.

In order to provide the student with a framework of understanding, this course is going to be focused in the Hofstede's Cultural Dimensions tool. We are going to look at the 5 key areas of cultural differences and as a final review, we will look at real example between two different cultures.

Hofstede divides the cultural differences in 5 sections that are called "Cultural Dimensions". This model allows you to analyse two or more different countries. The five sections that constitute such model are:

- Power Distance
- Individualism vs Collectivism – Individualism
- Masculinity
- Uncertainty of avoidance
- Long-Term Orientation

Each of them are scored on a scale of 0 to 120. We will analyse now each of them separately in order to understand what this score means for each culture, but before I would like you to watch the following video to digest all the information you have been provided.

After this summary, we are going to start analysing the Power distance Index (PDI).

This dimension determines the degree of acceptance that member of a society with less power have, in terms of power distributed unequally. Some societies handle inequalities differently than others, and have less tolerance to it. Societies with a large degree of Power Distance tend to assume that everybody has a place in the society that needs no justification. By contrast, in



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countries with low PDI, people try to distribute power more equally and they demand justification for inequalities of power.

We are now going to look at the section that relates to Individualism and Collectivism.

This dimension represents the social framework in which each individual are supposed to look after only themselves and their immediate family or, by contrast, or a group of members with unquestionable loyalty. The former is referred to individualism and the latter to collectivism. Societies with a high scored in this dimension tends to be more individualist that those with low score.

The third dimension is related to masculinity and femininity. A low score in this section means that the society rewards achievement, heroism, assertiveness and material rewards for success. By contrast, femininity means that the society prefers modesty and cooperation, caring for the weak.

Now we are going to look at Uncertainty and Avoidance Index. It represent the degree to which the society feel uncomfortable with ambiguity and risks. Societies with a high level of this dimension tend to be more conservative, while those with a low level are more willing to take risk and feel more comfortable with uncertainty.

The last dimension is related with the time orientation in projects. Those societies with a low score tend to be more conservative and maintain time-honoured traditions, while a high score means that the society is more pragmatic and has a short tem orientation.

As you can see, cultural differences and Hofstede 5 dimensions are closely related.

Cultural differences always add complexity to the projects, at least more that the domestic one's. For that reason, a good manager in an international project has to understand the different cultures involved in the project, in order to take the right decisions and reduce the risk of failure.

Now, as a review of what you have just seen, we are going to look at a real example of the Hofstede 5 dimensions. This graph compares two different societies, Argentina and the United Kingdom. We are going to analyse the 5 dimensions separately.

In terms of Power Distance, Argentine society is more willing to accept hierarchy and the distribution of power than UK. However, both have a low score and therefore they tend to equalise the distribution of power.

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Talking about the Individualism, The UK tends to be more individualism, and this means that they tend to look after themselves and their close relatives rather than other members of society.

The grade of masculinity seems to be similar for both, a low score, which means that both tend to be tenderer and therefore prefer cooperation and modesty.

In terms of uncertainty avoidance, Argentine society have a high score, and therefore they tend to feel uncomfortable and avoid situations that carries risks. UK has a low score and therefore they feel comfortable and look for innovation and progression and do not feel comfortless in risky situations.

The last dimension is the time orientation. As you can see, Argentina has a higher score and that means that they tend to think in a long term basis. That can be contrasted with the UK that tend to think in a short term basis. As an example, Argentine Society tend to be more conservative than the British.

All of these factors have to be taken into account when it comes to deal with members of both societies. Studying their behaviour will give you a better understanding and will help you to approach better difficult situations.

This is the end of this lecture, hope you have got all the contents. However, in order to settle all the knowledge, you have access to self-study material that will help you in you still have hesitations. You can also check references in order to expand your knowledge.