

# Chapter Fifteen

## International Projects

# International Projects

- 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

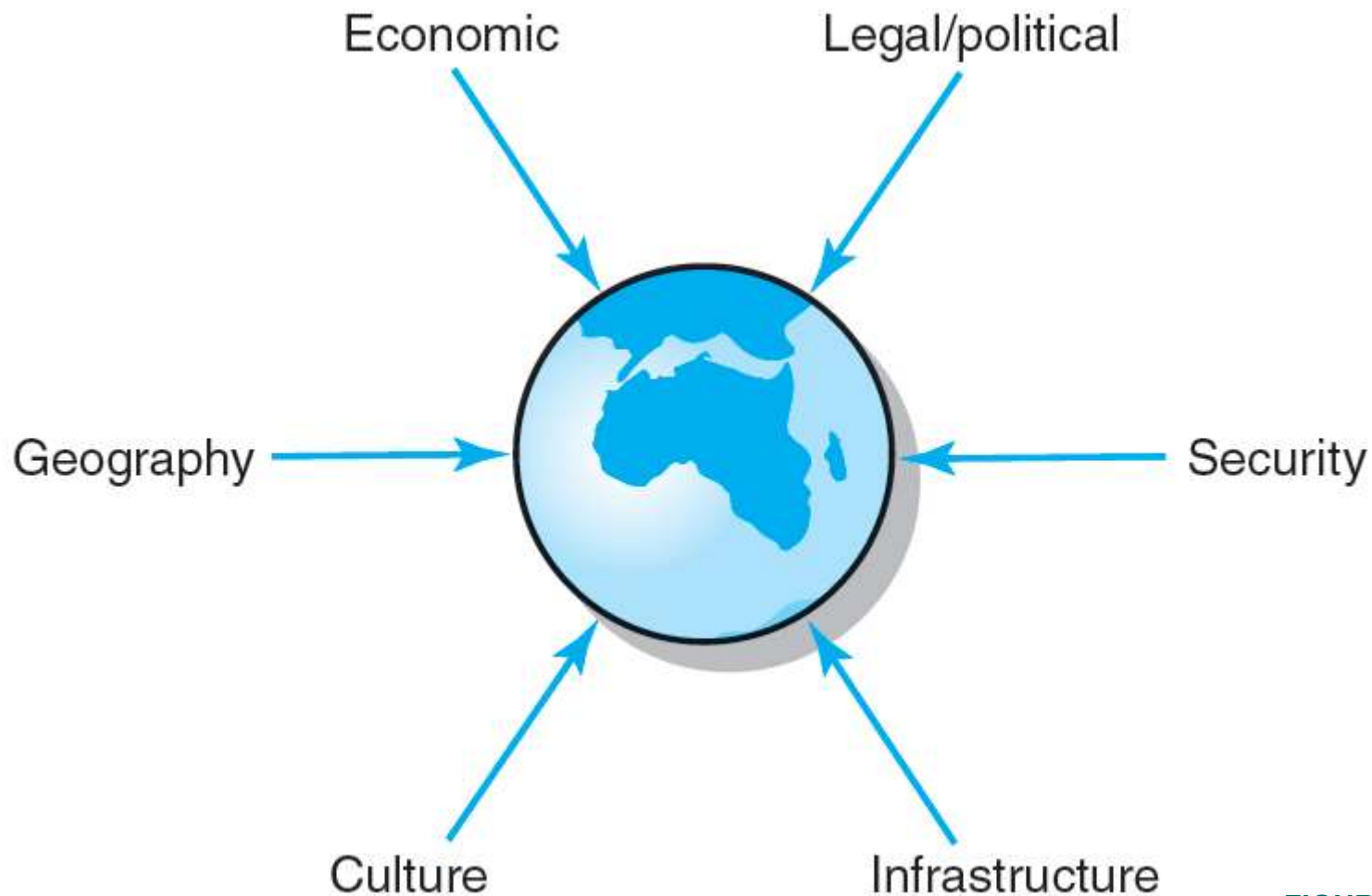
- Increased income
- Increased responsibilities
- Career opportunities
- Foreign travel
- New lifetime friends

- Negatives

- Absence from home and friends, and family
- Personal 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
  - Federal, 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 geographical obstacles

- Economic

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



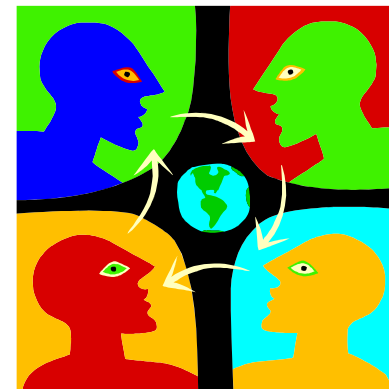
# Environmental Factors (cont'd)

- 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



# 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)

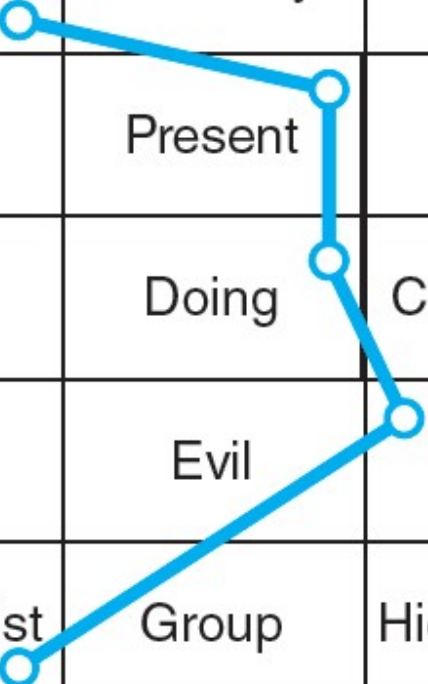
- Ethnocentric Perspective
  - The tendency to believe that one's cultural values and ways of doing things are superior to all others
    - Wanting to conduct business only on your terms and stereotyping other countries
    - Ignoring the "people factor" in other cultures by putting work ahead of building relationships
- Adjustments Required:
  - 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

# 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**

# The 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.

# Selection and Training for International Projects

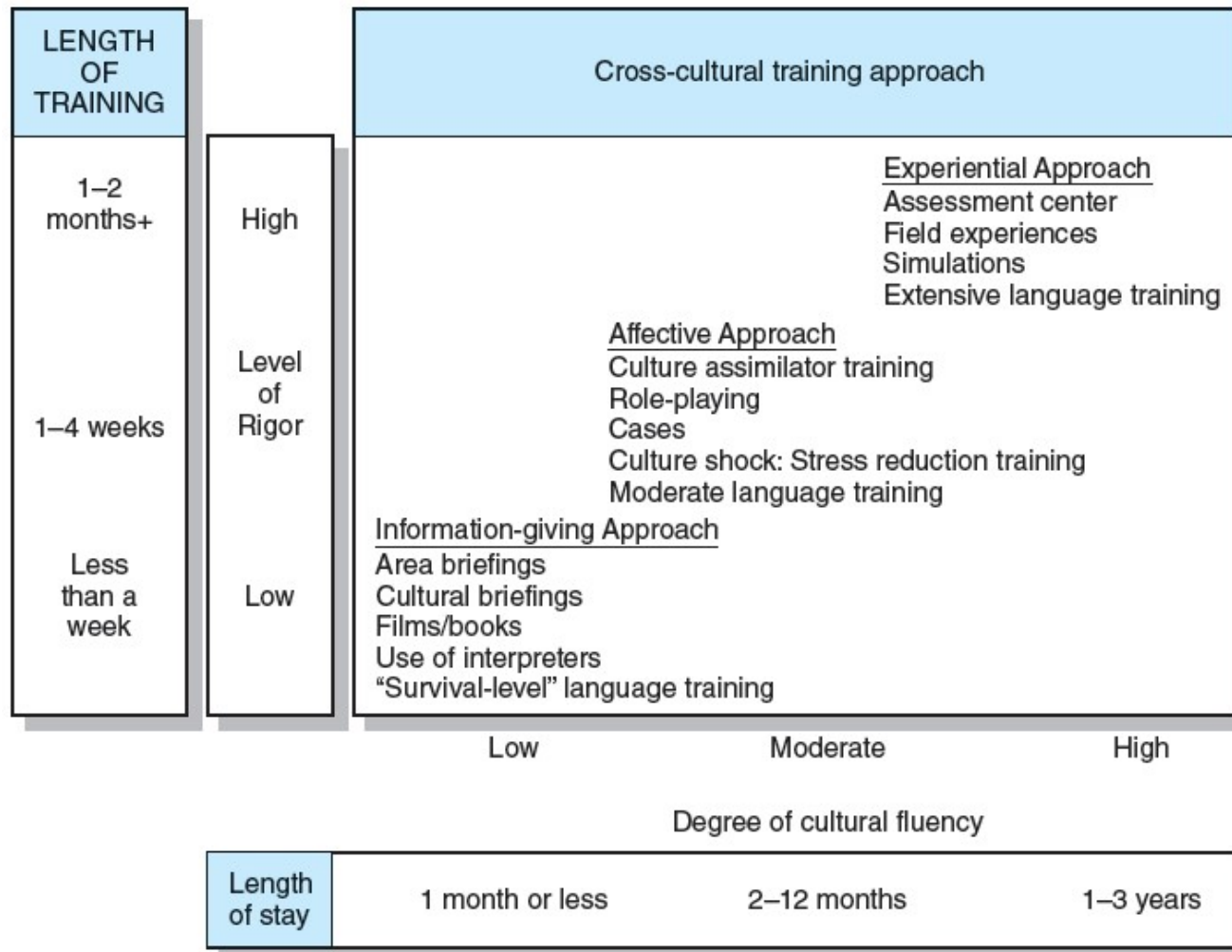
- Selection Factors

- 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)

- 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

# Relationship between Length and Rigor of Training and Cultural Fluency Required



**FIGURE 15.7**