Enhancing Transition to Management for First-Time Expatriates through Cross Cultural Training and Competency Development

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ABSTRACT

HR captains from multinational corporations are continually charged with introducing and implementing effective HRD programs that would successfully bring about transition to management for their first time expatriates working in international assignments. Without such programs or initiatives many organizations have faced high turnover, expatriate failures, and untimely repatriation decisions. The purpose of this paper is to emphasize and discuss how transition to management for first time expatriates could be brought about by inculcating cross-cultural sensitivity and cross-cultural competency development. The paper also briefly brings about a discussion on various relevant learning and development approaches important for cross-cultural competency among expatriates.

Keywords: Transition to management, Expatriate, Cross-Cultural Sensitivity, Cross-Cultural Competency Development, Transformative Changes

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Introduction

Managing the challenge of “transition to management” for first-time expatriates is one of the most daunting tasks international HR managers face while operating in the Global perspective. As a result most MNCs and Global corporations have to face the consequence of the failure of such first-time expatriates. On the other hand organizations who champion by successfully developing and retaining such first-time expatriates benefit heavily in terms of escalating performance in the international scenario. This paper aims to discuss the fundamental issues related to how cross cultural sensitivity and cross-cultural competency development could lead to the engagement & retention of first-time expatriates and thereby contribute in their “transition to management”. The paper also briefly brings about a discussion on various relevant learning and development approaches important for cross-cultural competency among expatriates.

Why do International HR professionals need to address Cross-Cultural differences

MNCs have agreed that culturally insensitive attitudes and behaviors stemming from ignorance or from misguided beliefs ("my way is best," or "what works at home will work here") not only are inappropriate but often cause international business failures. Therefore, an awareness of cultural differences is essential for the HR manager at corporate headquarters as well as in the host location. Activities such as hiring, promoting, rewarding, and dismissal will be determined by the practices of the host country and often are based on a value system peculiar to that country's culture.

A firm may decide to head up a new overseas operation with an expatriate general manager but appoint as the HR department manager a local, a person who is familiar with the host country's HR practices. Organizations like Procter & Gamble, IBM, Pepsi and Coca Cola have had extensive international experience and their success can only be attributed to their capability of constantly deploying the right people at the right place, facilitating knowledge and innovation dissemination and constantly identifying and developing talents on a global basis. Thus for Ford which has a global HR perspective, “The company requires understanding different cultures, what motivates people from different societies, and how they are reflected in the structure of International assignments.”

It is argued that for the success of any international assignment (which is also known as “Expatriation”), cross cultural adjustment is crucial for the success of any expatriate. Lack of cultural adjustment leads to apathy, depression, frustration and may influence the expatriate to either resign or demand for an early repatriation.
Expatriation and Cross-Cultural Competency Development

The success of an international assignment or expatriation has been argued to be largely contributed by cross-cultural competency development among first-time expatriates.

Primarily driven by an upsurge in international joint ventures and strategic alliances as well as the emergence of small to medium-sized organizations as key players in the global marketplace, an increased importance has been placed on the ability of today’s organizations to develop managers for international work assignments. The complex and ever-changing world of international management requires not only cultural awareness and sensitivity, but also the ability to change, develop, and improve on-the-job performance. In response to this challenge, most multinational corporations (MNCs) have pursued cross-cultural training programs for their expatriate managers in order to make them more culturally aware and effective in their international assignments (Harris and Kumra, 2000). In fact, one recent survey indicated that almost two-thirds of MNCs offer some type of cultural development program for their expatriates (Fitzgerald-Turner, 1997). Although expatriate cultural training is now widely accepted and used, there has been to date very little attention devoted to evaluating this training’s effectiveness and better fitting expatriate managers to the local culture to make them more effective once on the job.

One of the main reasons for effective cross-cultural training is to help control the failure rate of expatriate managers. Defined as the premature return by an expatriate from an overseas assignment, failure rates are between 25 and 40 percent when the expatriate is assigned to a developed country and a whopping 70 percent when the expatriate is assigned to a still-developing country (Shay and Tracey, 1997). An overwhelming majority of these failures is attributed to the expatriate’s and/or spouse’s inability to adapt to the new culture (Thomas, 1998; Tung, 1988).

The importance of developing first-time expatriate professionals and managers for their overseas assignment through the utilization of cross-cultural training seems apparent (Tung, 1988). Caudron (1991) highlights some specific dimensions which cultural training can help in reducing costly expatriate failure and increase the effectiveness of their assignment.

Importance of Cultural Sensitivity among first-time expatriates

In every organization it is important that a certain internal sensitivity or awareness develops with respect to the various cultural differences (cultural diversity) within the global concern which is often known as cultural sensitivity. In other words it can be said that cultural sensitivity is an awareness of cultural differences that is essential for the HR manager at the corporate headquarters as well as in the host location (Tung, 1993) so as to decide upon activities such as hiring, promoting, rewarding etc which could be determined by the practices of the host country and based on the value system peculiar to that country’s culture.
It has been claimed by Tung (1993) that cultural sensitivity could not only be essential and crucial internally, but externally as well to the organization located internationally.

**Cultural Sensitivity: Its acquisition and development**

Cultural sensitivity has emerged as one of the most essential competence on the part of most expatriates in their foreign assignments. It can be mentioned that learning a foreign language could be best done in conjunction with getting to know the culture, customs and taboos of the country where the language is to be spoken. This makes the language learning much less tedious and mechanical and adds the essential dimension of cultural awareness to the knowledge of the language. It may also be necessary for other members of the organization who are not going to learn the language – but still to have sensitivity to the culture of a country they are going to visit or whose nationals are visiting them.

One method of developing “cultural sensitivity” is to read about the culture of the people with whom an expatriate or a HR manager has to deal or watching films made with the specific purpose of explaining cultural variations. A refinement is needed from the repatriates in order to prepare case studies on their experiences abroad regarding the host country cultures, beliefs or practices that should be diligently shared with the trainee expatriates.

**A Four Phase Model for cross-cultural competency development for expatriates**

Based on the Harrison and Harris model (Harrison, 1994; Harris and Moran, 1991) a four-phase model for cross-cultural competency development for expatriates could be presented. This includes areas like (Fig 1):

![Four Phase model of Cross-Cultural Competency Development for Expatriates](image)

**Fig 1: Four phase model of Cross-Cultural Competency Development for Expatriates**
Self and cross-cultural awareness

The self-awareness phase should be designed to provide the trainees with insight into their receptiveness and propensity for successful cross-cultural assignments. There are several psychological instruments available for managers and their family members, including the Cross-Cultural Adaptability Inventory (Kelley & Meyers, 1999) and the Intercultural Sensitivity Inventory (Bhawuk & Brislin, 1992). After completing several psychological instruments, it may become clear to the manager (or to his/her supervisor) that overseas assignment may not be appropriate. Jordan and Cartwright (1998) believe successful expatriate professionals & managers should have attributes, namely, emotional stability, self-confidence, intellectual capacity, openness to new experiences, relational ability, linguistic skill, cultural sensitivity, ability to handle stress. This is critically important for those who belong to the first-time expatriate category.

General awareness on cultural differences

The general awareness of cultural differences phase of training is now supported by an impressive body of literature. Kluckhohn and Strodtbeck (1961), Hofstede (1980, 1993), and Trompenaars (1998) provide insight into how cultures differ on various dimensions. Kluckhohn and Strodtbeck (1961) have described six different cultural dimensions, namely:

- How people view humanity (good, evil, mixed)
- How people see nature (domination, harmony, subjugation)
- How people approach interpersonal relationships (individualistic, group, hierarchical)
- How people view activity and achievement (being, controlling, doing)
- How people view time (past, present, future)
- How people view space (private, public, mixed)

Bennett (1986) believes by educating individuals to recognize their own values, they can better identify contrasts with other cultures and then apply these insights gained to improving cross-cultural interactions.

Specific cross-cultural knowledge acquisition

The specific knowledge acquisition phase includes area studies, language studies, and host attitude awareness. Area studies, covering history, political system, economy, demographics, and climate are assumed to increase empathy, which will modify behavior in cross-cultural interactions (Tung, 1981). Researchers (Copeland & Griggs, 1985; Harris & Moran, 1991) have found knowledge of the host country's language to be essential. Interestingly, an individual's level of confidence and willingness to use the host language is a greater influence on success than his or her actual level of fluency (Mendenhall & Oddou, 1985). Therefore, building the trainee's confidence and willingness is critical. In this phase, it is important for the trainee to become aware of the attitudes he or she will face in the host country. Work-related attitudes such as productivity, dependability, pace, frequency of breaks, meeting
interruptions, and deadlines vary greatly from culture to culture. Trainees must also be alerted to possible negative attitudes toward nationality, race, or gender.

**Specific skills training**

The specific skills training phase emphasizes the application and practice of the skills necessary to succeed in the foreign culture. In this phase, "a first time expatriate (trainee) analyze the problem situation, diagnose the underlying cultural issues, and respond accordingly” (Harrison, 1994). Case studies, simulations, and behavior modelling allow for the application and practice of previously acquired knowledge. An effective skills training method is the simulated cocktail party (Earley, 1987). The interactions in this simulation require the use of greetings and introductions, etiquette, and appropriate topics for conversation. Mendenhall and Oddou (1985) believe this type of simulation forces the trainees to deal with emotions resulting from cross-cultural misunderstandings. Harrison (1992) describes the use of behavior modelling as an effective cross-cultural training tool. Managers watch live or videotaped models demonstrating effective behaviors; then the managers rehearse the demonstrated behaviors. Trainers should be available to provide feedback.

**APPROACHES TO CROSS CULTURAL COMPETENCY DEVELOPMENT FOR EXPATRIATES**

A variety of approaches for cross-cultural competency development have been used by various MNCs. Three areas that are emerging for HR managers who work in the international HR area are: Global Mindset Training and Orientation, and In-Country Real-Time Training.

**GLOBAL MINDSET DEVELOPMENT AND ORIENTATION**

**Pre-departure Expatriate Training**

The ability of an expatriate to adapt to the international business perspective and working practices of the host country is essential for successful international assignment. Failure to adapt in the international assignment can manifest itself in dissatisfaction; patterns of strategic failure, low work productivity, poor working relationships, and incur high costs for the MNC. Hence MNCs ensure that pre-departure training programs are being designed to provide expatriates with the necessary management skills so as to cope with the business practices they will experience during an overseas assignment. Pre-departure training mainly focuses on areas such as:

- Orientation on the host country culture, traditions, festivals, business practices, statutory norms and regulations lay down by the host country government.
- Training on the local language (depending upon the length of stay in the International assignment)
• Orientation on Global Managerial roles and responsibilities, legal issues and statutory compliances

**Pre-departure Global Strategy Orientation Program**

Orientation programs on global strategies are designed so as to provide top executives with the necessary strategic skills and knowledge to be able to run overseas operations successfully. Specifically, these programs focus on areas like:

• Orientation on fundamentals Global Business Strategies
• Case Studies based on Corporate & Business Strategies
• Corporate Financial Strategies
• Orientation and experience sharing from senior executives under expatriation assignments

**CD-ROM/Internet-based Learning**

This provides an excellent orientation for pre-departure training of expatriates. The methodology adopted is self learning and evaluation. The participants learn various modules from the CD-ROMs or Internet based materials and their learnings are also evaluated on-line.

**Cultural Orientation**

The expatriate cultural training for the above types of dimensions must be tailored to each country and even subcultures (e.g. social vs. business) to be effective. In other words, a contingency or “if-then” approach should be utilized when designing and delivering cultural training programs (Luthans et al., 1997). This training should not only include the above four dimensions but also help the expatriates develop their management and interpersonal skills and a sense of efficacy (confidence) and leadership effectiveness.

There is no question that comprehensive cultural training can have many benefits for MNCs. For starters, it can help orient and develop expatriates to better communicate, understand, and work effectively with people from different cultural, religious, and ethnic backgrounds. Comprehending and valuing cultural differences can also help expatriates in the effective management of multicultural teams. Understanding global markets, customers, suppliers, and competitors is another indirect benefit. Pragmatically, cultural training can have a positive impact on combating very expensive expatriate failure.

Besides these obvious benefits that mainly result from simple cultural awareness and sensitivity gained from the training received, the more important and sustainable interpersonal skills (e.g. listening, providing feedback and recognition, and a caring, empathetic concern for associates) and management skills (e.g. planning, coordinating and controlling the work and coming up with and implementing innovative ideas to improve the work) in other cultures are not found in most training programs for expatriates. The more subtle, but potentially even more important, efficacy (confidence) building and leadership
Effectiveness in other cultures are badly neglected or ignored in expatriate training programs and may be the reason for performance problems.

**Cross cultural Learning & Development**

Expatriate Cross-cultural Orientation Programs enable the expatriate employees and their families to successfully transition from one culture to another by enabling them to develop an understanding of the concept of the other cultures and intercultural communication, the notions of national differences and values orientations, differences in organizational cultures, the psychological processes of cross-cultural transition, and country-specific knowledge. The fundamental aim of cross cultural training is to secure a successful adjustment to a new position and to ease the pain of repatriation when their foreign assignments are completed. MNCs use a number of various types of training and development programs which can be grouped into two general categories, namely (Fig 2):

- **Types of Training in IHRM Context**
  - **Standardized Training:**
    They are generic and can be used with managers anywhere in the world. Examples include programs for improving quantitative analysis or technical skills that can be used universally. Others include programs designed to acquaint participants with the fundamentals of how to behave, communicate, motivate & lead people
  - **Tailor-made Training:**
    They are designed to meet the specific needs of participants and typically include a large amount of culturally based inputs.

- **Environmental Briefings:** Provide information about the geography, climate, housing & schools.
- **Cultural Orientations:** Familiarize the individual with cultural institutions and value systems of host country.
- **Cultural Assimilators:** Using programmed learning approaches designed to provide participants with intercultural encounters.
- **Language Training**
- **Sensitivity Training:** Designed to develop attitudinal flexibility.
- **Field Experience:** Sends participants to the country of assignment to undergo some of the emotional stress of living and working with people from a different culture.
Fig 2: Cross-Cultural Training in the International Context

IN-COUNTRY REAL-TIME TRAINING

Area and Orientation Tours

Once relocated, even with an initial preview trip providing a broad picture of the new city, the Area and Orientation Tour is more detailed and targeted to the areas which the expatriate family is likely to frequent or live. Showing the family how to move around the city easily and safely as they visit neighbourhoods and explore new communities carries benefits both to the family and to the corporation.

Living and Working Orientation

These programs focus on the cultural differences between home and host countries, targeting communication, social interactions, as well as business ethics and protocol that build critical skills for an expatriate’s success.

Expatriate on Assignment Training

This training is designed to identify and review to what extent the organization’s expatriates have acquired the necessary global skills and knowledge during their assignments. The training emphasizes on areas as those of:

- Identifying and reviewing global competency levels since expatriation.
- Reviewing Global Management Practices through case studies
- Critical Incidents studies focusing on Management Practices
- Labour Management & Industrial Relations related issues

Cultural Diversity Training

This training is designed to prepare expatriates to understand the value of cultural diversity, and create a paradigm for executives to be able to work harmoniously in the culturally diverse host country environment. This enables expatriates to understand the cultural values, beliefs and attitudes that affect behavior, and workplace relationships.

Expatriate Management Training

This training is designed to develop the future management staff belonging to Host Country National (HCN) and Third Country National (TCN) categories. Emphasis is being given on training HCNs and TCNs a thorough understanding of head quarter strategies and business

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practices so that they could be involved in more management decision-making in the subsidiary organizations. This training focuses on:

- Strategic views of management practices
- Country of operations (Host Country) and Head Quarter corporate culture
- Local HRM practices and statutory compliances

**Global Leadership Workshops**

These are designed to prepare employees for leadership positions in a global environment and to strengthen the leadership capabilities of senior managers to lead their organizations effectively in light of the challenges and opportunities presented by rapid globalization. Participants will learn about the impact of globalization on their organizations, understand the concept of global leadership, develop cross-cultural communication skills, learn to think strategically in a global environment, managing and leading change, and leading global socially responsible organizations.

**APPROACHES OF CROSS CULTURAL LEARNING & DEVELOPMENT**

**Didactic Training:** Didactic training is most often provided in informal briefings, which can be given in a classical lecture form or with less structured methods such as casual conversations with experts. It can also be provided with informational booklets, presenting facts on the host country. Didactic training is the most common form of CCT and more than two thirds of all multinational corporations offer didactic training in the form of informal briefings to their expatriates before deployment abroad.

**Experiential Training:** Experiential training is conveyed using a number of methods including, not only, practical exercises, workshops and simulations, but also more genuine concepts such as look-see visits to the host country. Look-see trips can provide a first real experience of the country for the expatriate and sometimes his or her family. They give the opportunity to meet people in the new country and get a view of the new environment and the workplace.

**Attribution Training:** Attribution training attempts to give the expatriate skills in thinking and acting as a host national. It is aimed at giving the expatriate an insight into the cultural point of view in the host country. This enables the expatriate to explain and understand host national behavior. By teaching such skills, the aim is to make the expatriate’s attributes more isomorphic to the new culture. Attribution training is closely connected, but not limited, to a teaching method called “cultural assimilator”. This method consists of a series of intercultural short episodes, judged to be critical for the interactions between members of two cultures.

**Language Training:** Language training involves teaching the expatriate the native language and/or the business language of the host country. While fluency can take months or even years to attain there are still benefits of using this training method. The method is often used
as an effective way of preparing an expatriate since lack of language skills can slow down the adjustment process.

### Exhibit 1: Approaches of Cross-cultural training methods, their focus, timing of implementation

<table>
<thead>
<tr>
<th>Training</th>
<th>Focus</th>
<th>Timing</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Didactic</td>
<td>Factual information, culture general and/or culture specific</td>
<td>Pre-departure and/or post-arrival</td>
<td>Lectures, informal briefings</td>
</tr>
<tr>
<td>Experiential</td>
<td>Practical learning, culture general and/or culture specific</td>
<td>Pre-departure and/or post-arrival</td>
<td>Look-see trips, workshops, simulations</td>
</tr>
<tr>
<td>Attribution</td>
<td>Learning to think and act as a host national, culture specific</td>
<td>Pre-departure</td>
<td>Cultural assimilator</td>
</tr>
<tr>
<td>Language</td>
<td>Facilitating specific intercultural communication</td>
<td>Pre-departure and/or post-arrival</td>
<td>Traditional teaching</td>
</tr>
<tr>
<td>Cultural Awareness</td>
<td>Understanding culture as a concept, culture general</td>
<td>Pre-departure</td>
<td>Role-plays, self-assessment exercises</td>
</tr>
<tr>
<td>Interaction</td>
<td>Learning from previous expatriates, culture specific</td>
<td>Pre-departure and/or post-arrival</td>
<td>Overlaps, on-the-job training</td>
</tr>
<tr>
<td>Cognitive Behaviour Modification</td>
<td>Learning to focus on rewarding activities, culture general</td>
<td>Pre-departure</td>
<td>Counselling</td>
</tr>
<tr>
<td>Sequential</td>
<td>Synergies from combined training, culture general and culture specific</td>
<td>Pre-departure, post arrival, repatriation</td>
<td>Combining different training methods</td>
</tr>
</tbody>
</table>

**Awareness Training:** The goal of Cultural Awareness training is to give the expatriate insight about the concept of culture and cultural differences, by teaching awareness about the home culture. Training activities include self-awareness building and value ranking charts, but the goals can also be reached with more culture-general approaches, such as simulation games and perceptual exercises.

**Interaction Training:** The method of Interaction training is based on interactions between first-time expatriates and expatriates with more experience of the local culture. It can take place before departure with previous expatriates or at the arrival in the host country. Overlaps in expatriate placements are a sometimes-used training method, which can be effective for the expatriate’s adjustment process.

**Cognitive Behavior Modification Training:** This method is among the less used training methods when training an expatriate. The expatriates get to name what activities they find rewarding or punishing in the home culture context. By making such distinctions, the expatriate can hopefully apply the same process in the host country and enable him or her to identify and focus on rewarding activities and feel positive about facing challenges of the host culture.
Sequential Training: The early ideas about CCT suggested that it should be carried out before the departure, and some researchers still think that pre-departure training helps the expatriate to form realistic expectations prior to arrival.

ROLE OF CROSS-CULTURAL L&D IN TRANSITION TO MANAGEMENT

Professional Identity Development: Professional identity (Fig 3) is the combination of various beliefs, attitudes, values, experiences in which first-time expatriates or other professionals may define themselves in their professional role (Schein, 1978). It develops as a part of many social identities of an individual which on the other hand is an outcome of cross-cultural awareness and sensitivity. The process of identifying oneself within a group is also crucial for professional identity development.

![Diagram](image_url)

**Fig 3: Role of Cross-Cultural L&D in Transition to Management**

The cognitive, emotional and evaluative components of how an individual identifies himself/herself within a group or social structure also stems from proper cross-cultural learning & development. First-time expatriates need to bring about their professional identity by bringing about a holistic change in their behavior, sharpening their cross-cultural competencies and bringing stability by maintaining processes that are crucial for the success of their teams in international assignments.

Learning through experience & experimentation and enhancing cross-cultural intelligence: On-assignment interactions with people from other cultures provides a ready
made platform for first time expatriates to constantly learn and experiment in order to
develop the desired behavior and sharpen their cross-cultural competencies. Interactions over
cultural borders require skills that can be described as cross cultural intelligence. Cultural intelligence can be present individually or collectively. Extensive learning and exposure to foreign assignments is required for a first-time expatriate to acquire sufficient cross-cultural intelligence.

**Transformative Changes:** Cross-cultural L&D brings about a transformation in first-time expatriates. This may include learning, developing new behaviors and changing assumptions as well as expectations regarding their professional roles & jobs. Such changes occur when learning from experience and experimentation influences the development of professional identity, which ultimately contributes to the development of leadership potential.

**Developing Leadership Potential:** It is essential for HR managers to identify expatriates who exhibit extemporary abilities to deal with people, situations demanding high levels of cross-cultural competency, sensitivity and tolerance. Such expatriates may excel in effectively communicating, motivating other people, involving themselves and even mentoring others where they might be also dealing with the challenges of cultural diversity in the workplace.

**Concluding remarks: Implications of Transition to Management**

As evident above, transition to management for a first time expatriate would involve a radical cross-cultural transformation of the individual who would not only be behaviorally competent in situations demanding high levels of cross-cultural competency, sensitivity and tolerance, but at the same time sharpen competencies making the individual responsible for the productivity and performance of others. The process of this transformation may not be actually as simple as conceptualized above, it may be associated with failures, high turn-over, untimely repatriation requests, poor performance and most importantly, delayed learning. First time expatriates may constantly be in dilemma as to how to balance their cross-cultural development with issues as those of quality improvement, performance enhancement, managing role dysfunctions and working in teams having people with diverse cultures and backgrounds.
REFERENCES


