

## POSITIVE RELATIONSHIP OF CROSS CULTURAL TRAINING TO EXPATRIATE ADJUSTMENT

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### Introduction

The review paper analyzed six studies which examined positive relationship of cross cultural training to expatriate adjustment in Asia, specifically in China and one case in Morocco. To improve practical implication of cross cultural training researcher attempt to stress on the result of the studies which indicated that cross cultural training positively related to expatriates success and over all to organization's goal achievement. Researcher chooses following six studies because all of findings indicated that CCT positively associated to expatriate adjustment and their performance. Following six papers were analyzed: Cross-Cultural Training, Expatriate Self-efficacy, and Adjustment to Overseas Assignments: An empirical investigation of managers in Asia (M.Osman-Gani&Rocksthul,2009), Cross-Cultural preparation of Australian Expatriates in Organizations in China: The Need for Greater attention to Training( Kate Hutchings, 2003), Perspective on Practice Cross-Cultural Training of European and American Managers in Morocco (Mansour, & Woods 2011), Cross-Cultural Training and Expatriate Adjustment in China: Western Joint Venture Managers (Jan Selmer, (2005), Intercultural Training Models for U.S Businesses in China (Guo Xiaonan, 2008), The Impact of Cross-Cultural Training for Expatriate in a Chinese Firm (Qin &Baruch, 2009).(six references)

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### Purpose

Purpose of this review paper is to demonstrate positive relationship of the CCT to expatriates success, especially emphasize importance of it to expatriates who are assigned to new emerging market like China. Researcher analyzed differences and similarities and summarized main points of the six studies.

**Key Words:** Cross Cultural Training, Expatriate, MNC, Adjustment,

**Cross Culture Training**-Cross-cultural training has generally been defined as any intervention designed to increase the knowledge and skill of people to help them operate effectively in an unfamiliar culture (Kealey & Protheroe, 1996; Brislin, Landis, & Brandt, 1983).

**Expatriate**- refers to any person temporarily working outside of the country for which he or she holds passport on international assignments for “a period exceeding 6 months per Period Cover” (Guo, 2007).

**Multinational Corporations** (MNC's) – a multinational corporation consist of a group of geographically dispersed and goal-disparate organization that include its headquarters and the different national subsidiaries(Ghoshal & Bartel, 1999).

**Adjustment**– there are two type of adjustment: sociocultural and psychological.

Sociocultural-adjustment has been associated with variables that promote and facilitate culture learning and acquisition of social skills in the host culture (Cross, 1995; Searle & Ward, 1990).

Psychological adjustment refers to an individual's subjective well-being or satisfaction in their new cultural environment. It has been associated with individual's emotional states, cognitive perceptions, and personal trait variables(Ward & Kennedy, 1996).

### Problem statement

All six studies provided deliberate problem statements. Mainly studies are introducing global trend of expatriation to new emerging market and providing evidence that expatriate success is the key contributor to organization goal achievement. All six studies stressed on shortage of the practical implication of cross cultural training in organization.

The removal of national protectionist trade policies, de-regulation of the international fiscal and monetary market, and rapid advances in communications and distribution channels, has contributed to the increasing numbers of organizations that have decided to expand their operations across international borders in the last two decades (Hutchings, 2003). Especially China is an important current and potential market for Western and other international business organizations. Foreign capital has poured into China on a large scale over the last two decades and the Chinese market has retained a considerable attraction for international business (Selmer, 2005). Many studies and literature on business management practices in Asia suggest that Western expatriate managers assigned to Asia need to make considerable sociocultural adjustment to their roles at work (Child, 1994; Goodall & Warner, 1997; Selmer 2002). Therefore expatriate development is increasingly becoming an important Human Resource Development (HRD) issue for MNCs and international organizations that are operating in China. According to Hofstede's cultural dimensions are very significant for the awareness and development of cultural problems in international business (Hofstede, 1980). One of the major determinants of expatriate performance effectiveness is how well they adjust themselves to function appropriately in the host culture (Osman-Gani & Tan 2005). The success of multinational organizations is often highly dependent on these expatriate (Gupta & Govindarajan 2001), expatriate development and training is critical to the company's growth and performance. The challenge to enable people to work effectively across cultures in global economy has forced multinational companies to provide their expatriate with adequate cross-cultural training (Mansour, Haute & Wood, 2009). Unfortunately previous research indicate that between 16%-40% of all expatriate managers return prematurely from overseas assignments due to their poor performance or failure in cross cultural adjustment (Baker & Ivancevich 1971; Black & Mendenhall, 1991; Dunbar & Ehrlich, 1986; Tung 1981). The literature suggest that key to achievement of acculturation and intercultural effectiveness of expatriates is the provision of pre-departure and /or post arrival training, especially cross-cultural

training. Fundamental to the rationale for providing CCT is the belief that management skills are not necessarily generalisable as “good manager is not good worldwide” and those existing management skills of expatriate managers need to be integrated with cross-cultural skills (Osmani-Gani, Tan & Toh 1998; Osman-Gani, 1999) in order to attain intercultural effectiveness. Feldman and Tompson (1992) indicate that expatriate may face more obstacles to good performance on assignment than domestic employees face. Several studies conclude that expatriate’s difficulties adjusting and poor performance are costly, lead to low productivity, and may result in early termination of assignments (Tung 1987; Balck 1988; Kaye & Taylor, 1997; Storti, 2001). The expatriates’ failure result costly consequence (Bennett, 2000). Studies conducted in western firms suggest that cross-cultural training improves managers cross cultural effectiveness and performance, and reduce failure rates (Bhawuk & Brislin, 2000; Black and Mendehall, 1989, 1990; Deshpande & Viswersvaran, 1992; Morris & Robie, 2001).

In sharp contrast to the wealth of studies on this subject conducted in western firms, there is little known about cross-cultural training in emerging economies. Firms in emerging economies, even if realizing the importance of cross-cultural, might face challenges in implementing cross-cultural training policies under their unique and different circumstances (Qin & Baruch, 2010). China is a challenging destination for foreign business expatriates as Chinese culture is distinctly different from most of the other countries in the world. The need for effective cross-cultural training seems to be extremely urgent for foreign expatriates going to China (Guo, 2008). Therefore to claim above statement researcher analyzed studies which were conducted mainly in China and Asia, and additionally one study which was conducted in Morocco was included to see difference between countries.

### **Purpose**

Main purpose of six studies is to provide evidence that cross cultural training positively associated to expatriates success. Even though studies had analogous purposes, all of them provided their own specific framework, hypothesis and methodologies to prove that claim. For example study by M. Osman-Gani & Rockstul suggested following hypothesis; positive relationship between cross-cultural training effectiveness to self-efficacy and adjustment of expatriates in Asia. Study result partially supported main suggested hypothesis that self efficacy

will be boosted by cross-cultural training and therefore better work and general adjustment will be achieved by expatriates. Five studies: by M.Osman-Gani&Rocksthul, Kate Hutching, Jan Selmer, Mansour, Haute & Taylor, Qin &Baruch to support main hypothesis and to reveal perception of expatriates to the value of cross-cultural training for intercultural effectiveness and adjustment researchers conducted interview, semi-structured interview and delivered internet-mediate questionnaire. From my point of view study conducted by the Gouwas groundbreaking, not many studies provided trainers or consultant perspective to existing cross-cultural training design and delivery of training programs. Study by Selmer also had an unusual purpose study tried to reveal distinction between different organizational contexts in assessing the effect of cross-cultural training. Emphasized impact of the organizational context on implementing, designing and providing CCT to expatriates.

### Need

In international assignments, expatriates are often exposed to situations in their new environments in which they are uncertain what behaviors are acceptable and what is not (Adler, 2001). Expatriate literature suggests that the reduction of uncertainty is key to adjustment (Black & Gregersen, 1991; Feldmen & Brett, 1983; Gudykunst, 1998; Louis, 1980). Previous research also suggested that cross-cultural training enhances expatriates intercultural adjustment as they aid in the reduction of uncertainty (Black & Medenhall, 1990; Deshpande & Viswesvaran, 1992; Earley, 1987). Many studies have found that expatriates with cross-cultural training adjust better in the host country (Early, 1987; Eschbach, Parker & Stoeberl, 2001; Landis & Brislin, 1983; Mendenhall & Oddou, 1985; Tung 1981). According to the Brookfield's 2008 Global Trends survey reports that 69% of respondents expected an increase in expatriate population growth, 27% expected the number to remain the same, only 5% thought the population would shrink. The success of those MNCs are often highly dependent on these expatriate (Gupta & Govindarajan, 2001). Therefore to increase number of successful expatriates organizations must consider the essential factor like cross-cultural training.

Guo (2008) wrote:

Although more and more multinational companies are having expanding their operation in China their overseas assignments are not always successful. China is a challenging destination for

foreign business expatriate as Chinese culture is distinctly different from most of other countries in the world. The need for effective cross-cultural skills seems to be extremely urgent for expatriates going to China.(p12)

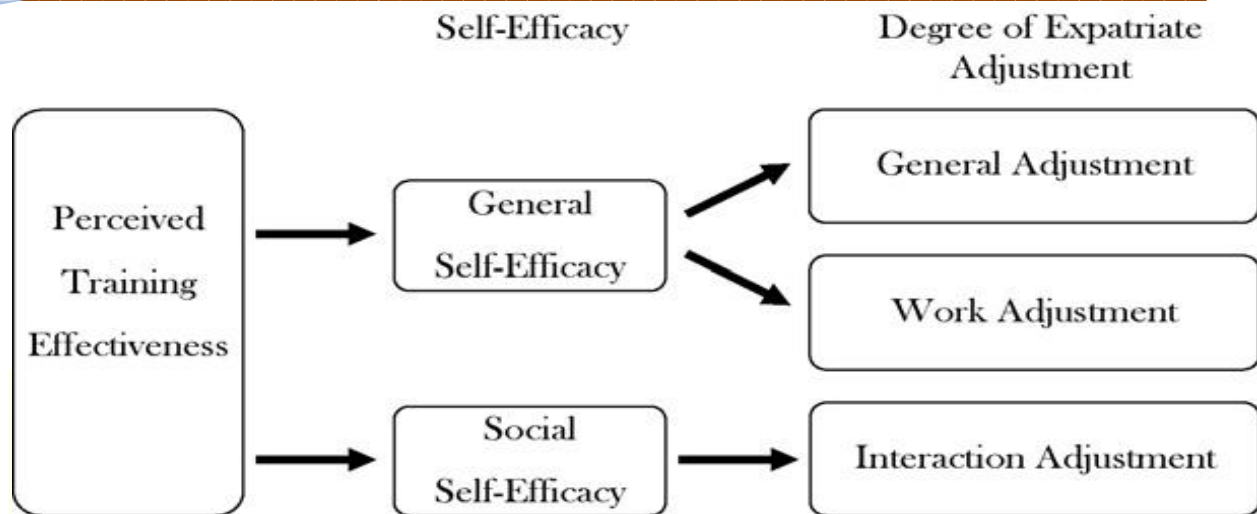
In a sharp contrast to the wealth of studies on this subject conducted in western firms, there is little known about cross-cultural training in emerging economies. Firms in emerging economies, even if realizing the importance of cross culture training, might face challenged in implementing cross-cultural training policies under their unique and different circumstances.(Qin&Barunch, 2010).Therefore to expand practical implication of cross-cultural training researcher and practitioners must provide credible, reliable result to business professionals, that cross cultural training is significantly contribute to expatriate success and over all to organization success itself especially if in emerging countries. According to the literature there are still wide gap in practical implication of cross cultural training, organizations and individuals are still reluctant to perceive importance of CCT as it is in the studies.

### **Methodology, Framework and Participants Selection**

Out of six studies three studies adopted qualitative research approach, conducted semi-structured interviews trough telephone and face to face technique, three studies adopted quantitative survey research approach,collected data trough internet questionnaire (email). Different frameworks were developed for each study for example:

Cross-Cultural Training, Expatriate Self-efficacy, and Adjustment to Overseas Assignments: An empirical investigation of managers in Asia by M.Osman-Gani&Rocksthul, 2009,

Table 1: Theoretical Framework of the study by A.M. Osman-Gani, T. Rockstuhl



Framework by M.Osman-Gani & Rocksthal can implicate basic framework of five studies because purposes of most studies analogous, to demonstrate positive relationship of CCT to adjustment and expatriate success. Following methodology was applied to conduct the studies; Mansour, Haute & Taylor study used the models of Black and Mendenhall(1990) and Mendenhall & Oddou(1985) to describe perspective CCT practice from perspective of American and European managers. Selmer study applied Black and Stephens 14 items scale to assess adjustment of expatriates. This scale is designed to measure three dimensions: work adjustment, general adjustment and interaction adjustment. Study by Guo has different sample and framework; participants were not an expatriates, researcher conducted qualitative in-depth semi-structured interview with actual CCT trainers. Samples for the five studies or expatriates were drawn from a multi-industry background of organizations mostly. Hypothesis that are not related to cross-cultural training were not included to this paper review discussion.

### Cross-Cultural Training

In the lights of globalization, Landis and Brislin (1983) argued that it is necessary to train people in order to help them to fit in the diverse global workforce and environment, thus work effectively and successfully in different context. There is a strong relationship between cross-cultural training and adjustment to the new environment (Black & Mendenhall, 1990). Cross-cultural training has been regarded as an effective way to stimulate communication, activity, and business in moves involving the crossing of national borders (Ashamall&Crocitto, 1997).

Attending cross-cultural training before taking up the expatriate job was suggested to be positively related to job satisfaction (Bozionelos, 2009). Similarly, Hogan & Goodson (1990) researched in Japanese MNCs found that expatriate given cross-cultural training had lower failure rate compared with expatriate without such training.

Zakira (2000) listed the following advantages for firms that provide cross-cultural training to expatriates. Cross-cultural training could switch attitude from home-cultural management mind-set will improve competitiveness and global fit compared with the home-cultural management mind-set, and helping expatriates adapt better compared with expatriate in other organizations. Cross-cultural training will reduce culture shock, the effects that people feel unfamiliar and shocked to be confronted with a new culture (Deal & Kennedy, 1982). Expatriate given cross-cultural training experience less cultural shock and better fit for the new environment compared with the expatriate without cross-cultural training (Eschbach, 2001). Cross-cultural training is also a means of reducing pressure and uncertainty, such as being anxious and having negative attitude towards work, thus better enhance the expatriates' ability to fit in the new environment and prevent failures (Befud, 1988; Caligiuri, 2001, Zakaria, 2000). From the practical point of cost-effectiveness, Mervosh & McClenahan (1997) argue that firms should invest in cross-cultural training to reduce failure rates.

Content and duration of cross-cultural training may vary widely. Cultural familiarization training could range from brief introductions less than one day to intensive orientations for several days or a week (Caligiuri, 2001; Gudykunst, 1996). According to the Bridlin & Yoshida 1994 cross-cultural training is formal, well-planned, budgeted and staffed programs designed to prepare for the wide variety of issues people face when adjusting to another culture. Hammer (1994) pointed out that in general most cross-cultural training involves some form of cognitive, affective and behavioral goals. The first cognitive goal involves knowledge and awareness of culture; the second focuses on helping trainees manage their emotional reactions in intercultural communication; and the third goal refers to the skills trainees need to increase effective communication in a new cultural environment.

Hutchings wrote (2001);

The literature suggest that key achievement of acculturation and intercultural effectiveness of expatriate is the provision of pre-departure and or post-arrival training, especially



cross-cultural training. Fundamental to the rationale for providing CCT is the belief that management skill are not necessarily generalisable as “good management is not good worldwide” and that existing management skill of expatriate managers need to be integrated with cross-cultural skill in order to attain intercultural ineffectiveness ( Osman-Gani, Tan & Toh 1998; Osman-Gani, 1999).

### Obstacles of CCT study

Expatriate adjustment is usually regarded as a multi-faceted theoretical construct of some complexity. There many lurking variables which impact to adjustment. Therefore when researchers analyze data and run regression analyzes most of time they come out with low relation between variables or hypothesis partially supported. Many different studies are showing a larger variance in correlations between cross-cultural training and expatriate adjustment and job performance (Black& Gregsen 1991; Earley, 1987). For an example studies conducted in western firms suggest that cross-cultural training improves managers cross-cultural effectiveness and performance, and reduce failure rates( Bhawuk&Brislin, 2000; Black & Mendenhall, 1989, 1990; Deshpande & Viswesvaran, 1992; Morris & Robie, 2001). The aim of these training is to ease the transition stage, which follows the expatriation move and enable effective adjustment. The supporting evidence is not strong, as Hechanova (2003) meta- analysis identified a weak negative relationship between attendance of cross cultural training and expatriate adjustment in host workplace and Bozionelos (2009) did not find such a significant impact. The impact, though, may be indirect, and not immediate (Eerde, 2008). Evidence of effectiveness remains inconclusive. After a thorough examination, Kealy & Protheroe (1996) claimed that most of the studies that support the effectiveness of training applied flawed methodologies or based on anecdotal or limited information restricting their generalisability. Also, most investigations study other sojourners than business expatriate making the findings doubtful in a corporate context (Caligiuri, 2001). Even studies examining training effects on business expatriates typically fail to examine the impact of the specific circumstances of the foreign location. Cross-cultural training of business expatriates in adverse organizational context may facilitate their adjustment (Selmer, 2005).

### Limitations

Most of the analyzed studies had a limitation with sample size. Study by M.Osman-Gani & Rocksthul relied on exclusively on data from single source tend to find inflated relationship (Podsakoff, MacKenzie, Lee & Podsakoff (2003). Second limitation researches were not able to directly measure the training effectiveness using training evaluation methodology for different kinds of cross-cultural training due to the limitation in resources available for their study. Third female expatriates underrepresented in this study. The main limitation of the studies by Hutchings (2003), Guo (2008), Mansour & Wood (2009), Qin & Baruch (2010) were small sample size. Selmer, (2005) study's limitation is data were collected through a self-report questionnaire, which may constitute a limitation but according to the Crampton & Wagner (1994) found the general condemnation of self report methods to be overstated. Second limitation emanates from the cross-sectional approach applied here. Expatriate adjustment is considered to be process over time (Black and Mendenhall 1991). Average level of adjustment for the investigated groups of business expatriates at a certain point in time was used to reveal the result. A longitudinal approach may have produced a more rich data source where adjustment patterns over time could have been identified and compared.

### Major Findings

In summary, there are several things that can be concluded based on this review. All six studies result partially and completely supported that CCT has a positive relationship to expatriate adjustment. Homogenously all study mentioned additional factors like personality, organizational context, family preparation, should be considered before to provide CCT to expatriate. For example study by M.Osman-Gani & Rocksthul demonstrated that CCT positively affect to expatriate adjustment additionally researcher emphasized fact that implication and designing CCT should target on enhancement of self-efficacy of participants in dealing with host-culture. Because self-efficacy depends largely on past experience (Sherer, 1982) training programs that emphasize on experiential learning and incorporate specific work-related experience might be particularly useful (M.Osman-Gani & Rocksthul, 2009). Study by Hutchings beside CCT importance emphasized that organization must carefully held selection process. According to literature review and respondent answer we can see that training can never fully prepare expatriate for new culture until he/she experience it. Big Five Personality Characteristic must be considered before to take participation in CCT. Study by (Selmer, 2005) applied novel research

distinction between different organizational contexts in assessing the effect of cross-training. Findings reveal that business expatriate experiencing a stressful organizational environment may benefit more from cross-cultural training. Study by (Qin & Baruch, 2009) finding support that many other factors like family package, free right to choose the assignment, protean career, family support package combination with CCT positively affect to expatriate success.

All though all the studies pointed the issue that organizations and individuals are still reluctant to translate research findings in practical implication. This trend is changing though as 84% of companies participating in Brookfield Global Relocation Service's 2008 Global Trends Survey report offering cross-cultural training programs, yet only 23% of mandate participation in the programs, down from a high 41% in the 2000 Global Trends Survey ( Brookfield Global Relocation Service, 2008). Many CCT programs are designed to equip employees with the basic of the country's history, politics, business norms, education system, demographics, cultural values, communication and how to function in foreign country ( Mansour & Wodd, 2009).

Important finding is organizations must have greater attention to training for expatriate who posted to China is warranted. Understanding unique Chinese cultural characteristics would be of assistance expatriate operating in any of Chinese-based societies throughout Asia. Organizations must consider other factors of the country for example as a society transiting from Communism to capitalism, China provides a fascinating interplay of remnants of a Communist polit-bureau and military with an overarching capitalist economic system determined by market forces- a situation that creates interesting contradictory elements of great efficiency with elements of great inefficiency. Expatriates need to be prepared by their organizations to be familiar with; great disparities in skill and education levels of the workforce: the variable availability of telecommunication (such as the internet); the rapidly expanding, but still limited infrastructure, and the paradoxical inflexibility and flexibility of Communist bureaucracy.

Study by Mansour & Wood (2009) proved that expatriate adjustment depends from the host countries context. American and European expatriates who are assigned to Morocco had less demand on cross cultural training comparing to expatriates who are assigned to China or Asia. For example from the literature review we can see study by Hofstede (1983) argue that host nation culture is important in management. He also argues that management is not becoming the same around the world, and he highlighted several examples of how countries such as the USA or those

Europe are different from rest of the world. Additionally expatriate nationality also plays role Selmer (2000, 2001, 2004) found difference in the adjustment displayed between North American and Western European expatriate in China. Comparing to China, Morocco has a long relationship history with Europe which makes easier for companies to do business in Morocco. Comparing expatriates in China and Morocco, expatriates who are assigned to Morocco emphasized importance of interaction with local people like neighbors, co-workers, local managers, local workers rather than CCT.

Study by Guo indicated that overall perception of experienced intercultural trainers or consultants to training programs for U.S corporate employees on overseas assignments in China. Major finding of this study is intercultural theories plays essential role in designing and delivering intercultural training programs. All interviewees agreed that intercultural training should be based on trainees and rooted to the theories.

### **Conclusion**

Since CCT was found significant factor which affects on expatriate adjustment and success, it is important to Human Resource Practitioners to plan and design CCT carefully considering additional influential factors, host countries culture and circumstances. Especially if the MNCs are expanding operation in new emerging market like China all the aspect of the country must be considered in certain level.

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