

# Crossing Cultural Borders

*What Do Expats*

*Say About Expatriation?*<sup>2005©</sup>

# Crossing Cultural Borders: Topics

- Expatriates Speak Out
- You Can't Separate Culture from Business
- Why Do They Act That Way?  
Tools to Understand Behaviors
- How Plan Sponsors Can Save the Day  
(and the Assignment!)
- It's Not Over 'Till It's Over:  
The Pain of Repatriation

# Expatriates Speak Out on . . . .

- Culture-Based Behaviors
- Preparation for Living Abroad
- Adapting to Foreign Cultures
- Employer Organizations' Role
- Overall Expatriation Experience

# The Expatriates

This report is based on person-to-person interviews with expatriates based in several foreign countries.

All had been living in their host cultures from 15 - 40 months.

All of the expatriates are employees of large, globally recognized corporations that include General Electric, 3M, General Mills, Honeywell and Carlson Companies, plus others.

# Expatriates' Reactions

- Expatriates did not understand culture-based behaviors and were often offended by them
- Expatriates felt they did not receive the preparation they needed
- They found adapting to foreign cultures to be very difficult
- They were irritated and indignant regarding the role their companies played
- The overall expatriation experience is described as a “life-changing experience.”

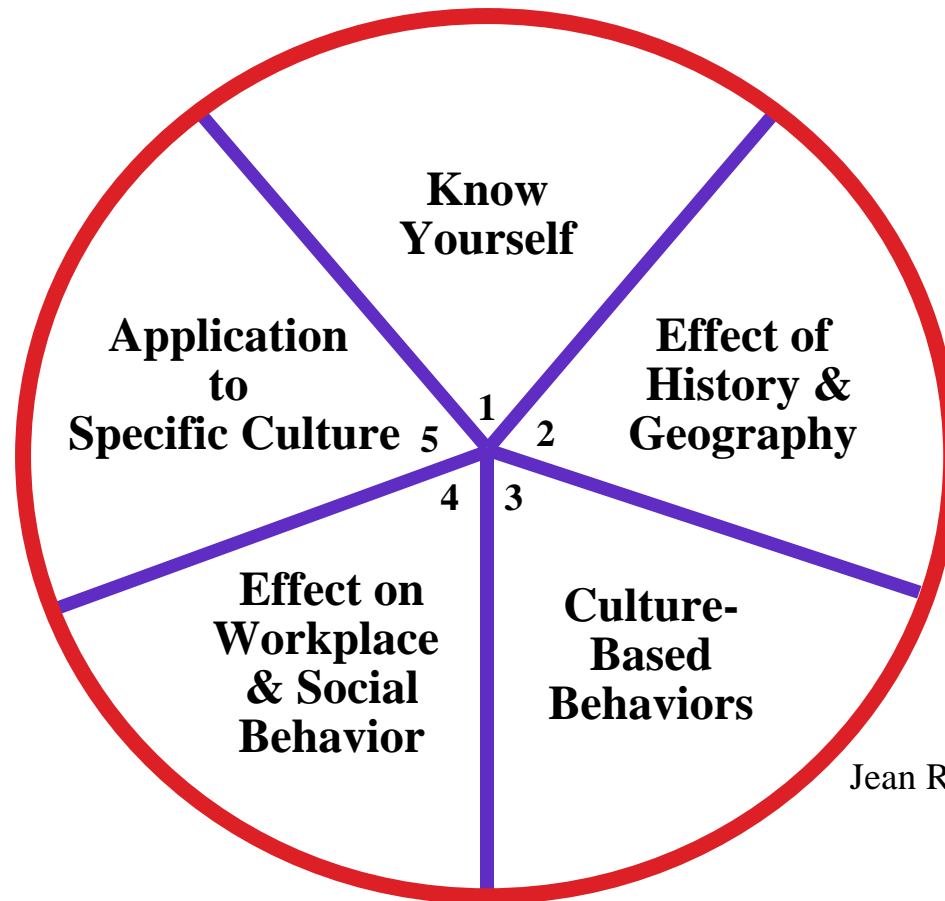
# Cross-Cultural Communication Training

---

In a study of 200 expatriates from 26 countries,

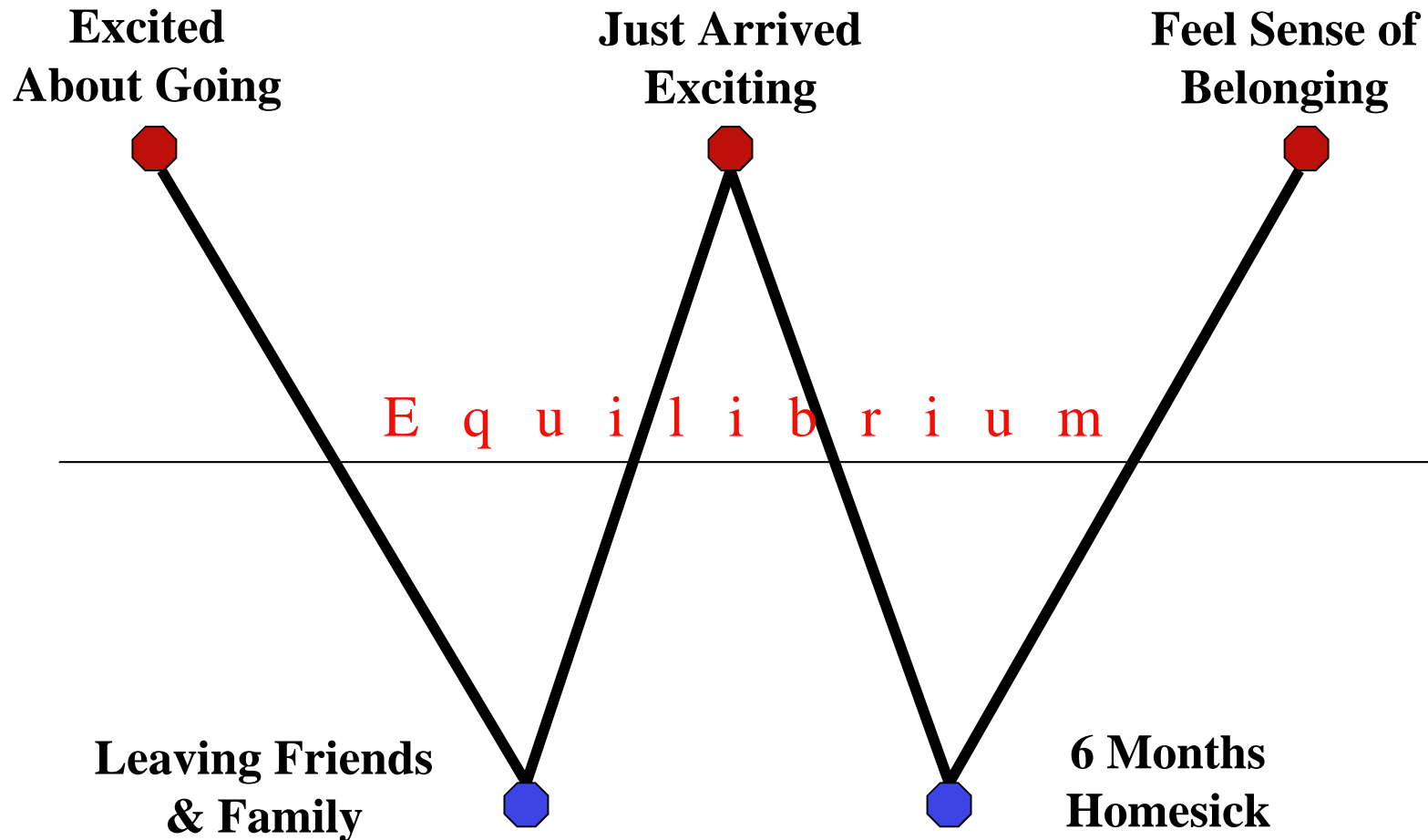
- Only 26% had cross-cultural communication training
- The training generally lasted one day
- The training was provided after relocating

# Cross-Cultural Communication Training Model



Jean R. McFarland 2005©

# Culture Shock Cycle



# You Can't Separate Culture from Business

- 83% of 200 companies reported some level of expatriate failure
- 40% of expatriate employees fail (return early)
- No. 1 reason for failure is spouse dissatisfaction
- 50% of “successful” expatriate employees admit they do not perform adequately
- 54% of international joint ventures fail

# Failure is Directly Linked to Candidate Selection & Lack of Preparation

- 84% of companies say expatriate employee failure is due to selection
- 86% say failure is due to inability to culturally adapt
- Only 21% of spouses are provided cross-cultural communication training
- CEO's say 50% of international M&A failures are due to cultural differences

# Individualism v. Collectivism

## Why Do They Act That Way? Tools for Understanding

IDV v. COLL refers to extent to which people in a culture prefer to function as individuals or as members of groups

### **Collectivists**

- Think in terms of groups
- Relationships are more important than tasks
- Education system teaches how to do, not to think . . . need direction
- Do not want to stand out or excel as individuals
- Productivity is higher when working within groups

# High Power Distance

## Why Do They Act That Way? Tools for Understanding

PD is degree of inequality considered normal in a culture

### High PD

- Do not expect fairness
- Communication is downward
- Respect is upward
- Workers tend to be less educated
- Require much direction
- Prefer close supervision
- Stress process more than result

# High Uncertainty Avoidance

## Why Do They Act That Way? Tools for Understanding

UA is extent to which people of a culture go to avoid uncertainty & reduce anxiety

### High UA

- Likely to show emotions
- Less likely to take risks
- Need rules, precision, & security
- Need direction and clarity
- Need processes to have built-in controls
- More implementation, less innovation
- Emotional need to be busy. These people are do-ers.

# Masculinity v. Femininity

## Why Do They Act That Way? Tools for Understanding

MAS v. FEM is degree to which traditional societal values of men or women predominate in a culture

### **Masculine Values**

- Assertiveness
- Achievement
- Success
- Competition

### **Feminine Values**

- Nurturing Relationships
- Service
- Solidarity
- Caring for the Weak

# What Can Plan Sponsors Do?

Use the

**S** =

**P** =

**E** =

**C** =

**I** =

**A** =

**L** =

Model

# **It's Not Over 'Till It's Over: The Pain of Repatriation**

**Except for language,  
repatriation requires as much  
care and preparation as expatriation.  
Yet, it is rarely addressed as a serious event.**

**As global business practices converge,  
global cultures diverge.  
Be prepared.**

# Something to Think About

---

Where will a young expatriate manager be more readily accepted? At a Costa Rica-based subsidiary or a Mexican-based subsidiary?

In Taiwan, will new hires be brought on board primarily for their individual merit or their personal associations?

Where will decision-making require more time?  
In a Swedish firm or a U.S. firm?

# Selected Data Sources

Black, J. Stewart & Gregersen, Hal B. (1999). The right way to manage expats. *Harvard Business Review* 77(2), 52-63.

Global Relocation Trends 2001 Survey Report. (2002). GMACC Global Relocation Services, Warren, NJ; National Foreign Trade Council (NFTC), New York, NY; SHRM Global Forum, Alexandria, VA.

Many Expatriates Many Voices. (2004). Conducted by Copeland, Anne P. The Interchange Institute commissioned by Prudential Financial.

McFarland, J.R. (1995). The status of intercultural communication training in Fortune 500 organizations. *Academy of Human Resource Development 1995 Conference Proceedings*.

Minehan, Maureen. (July 2004) SHRM Global Forum online.