

## **Chapter 5: Discussion**

In this chapter we present a discussion and analysis of the propositions presented in Chapter 3. Then we present conclusions of the study and implications for the International Human Resource Management, Multinational Corporations and Small Medium Enterprises.

### **5.1 Proposition Analysis and Discussion**

**Proposition 1: A social cross-cultural training approach meets the need to institutionalize the concept of diversity within the workforce of the organization**

Based on the results, diversity is something that companies want to pursue as a driver for competitive advantage as a business essential. If big companies like Johnson and Johnson want to institutionalize diversity, we infer that there is a great need for developing IHR programs that ensure a multicultural working environment where people develop cross-cultural skills. However, in the case of JNJ there appears to be an inconsistency in the theory of diversity and the actual working scenario of the subsidiary in Mexico. From the interview with HR Analyst, we infer that diversity, in terms of a multicultural work environment, has not developed to the extent of creating an International Human Resource Department for expatriate management. From this, we assume that JNJ Headquarters send more expatriates to developed countries and that training of Mexican employees abroad is not yet a common practice. This is also a reflection of the decentralized structure of the company, which calls for more autonomy in local operations. Nevertheless, in the interview the analyst said that the relationship with headquarters was strong at the strategic level.

When asked about the “Benchmark Diversity Initiative”, she said that actually that initiative was forcing JNJ and the relatively new acquisition lines, like Pfizer, to integrate processes. In the case of

Human Resource Management, the aim is to create consistency in the practices covering recruitment, retention, training, development, compensation and employee advancement. The policies, objectives and metrics should remain the same. At the same time, each subsidiary handles HR in its own way at the operating level.

Due to this diversity initiative, we would expect an increase of the employee movement, especially in developed countries, since they want to attract highly qualified human resource from abroad. The secondary data supports this when it shows countries like the U.S. and Canada with high levels of highly skilled immigrants. Also countries like United Kingdom and Germany reported high levels of highly skilled emigrants to OECD countries (Dumont and Lemaitre, 2005).

In terms of how companies are responding to this trend, the expatriate survey results provided insight in the use of the traditional method for cross-cultural training. From the responses, we infer that the traditional method for cross-cultural training is preferred, meaning that training is done using inductive-deductive method tools. The majority is in the form expositive instructions in the form of lectures and also field experiences. These results, however, are not representative of company practices in cross-cultural training. With the results of secondary data, we perceive, in the case of firms sending expatriates to China, a lack of cross-cultural training. In addition, the expatriates who did not receive cross-cultural training came from small private enterprises. Interestingly, out of forty-four expatriates, all said that cross-cultural training would have helped when experiencing problems in their adaptation to the new country. Only a few said that training cannot fully prepare someone for a new culture until you experience it (Selmer, 2006).

There is enough information to show (1) a need for cross-cultural training, but most importantly (2) a need for social cross-cultural training because there is hardly any evidence of a cross-cultural

training program that prepares expatriates for local encounters and relationship building as means for adapting into a new culture. Although the current, training is rich in cross-cultural understanding and language knowledge, the social aspect in the application of the method tools does not take place. Evidence of social-cross cultural training in the context of multinational corporations, was also not found in secondary data available. Only, the exploratory research in the form of expert interview revealed the use of social learning approach methods. Nevertheless, the application was done in the home country setting rather than the local cultural setting. On the other hand, the literature available on cross-cultural training is based mainly on the traditional approach and some in the social approach, but again in the home country.

Finally, the trend in diversity defined as “ a variety of similar and different characteristics among people, including age, gender, race, religion, national origin, physical ability, sexual orientation, thinking style, background and all other attributes that make each person unique” matches the foundations of the social-cross-cultural training in that it is based on people, on relationships for building and adapting to culture. Instead, the traditional approach is based on knowledge building for understanding and adapting to culture.

**Proposition 2: A social cross-cultural training approach enables expatriates to develop emotional and cultural intelligence**

Based on Brewster’s cross-cultural training method in order to enter a new culture successfully a person must build local relationships first before even having much knowledge of the language. This approach enables people to build communication bridges to reach an insider’s perspective on cultural knowledge. Building communication bridges does not mean speaking their language. Instead it means communicating a serious attempt on wanting to learn the language. The message is supported by a large amount of non-verbal communication and very little use of verbal

communication. In this way, local people perceive an honest desire to learn their language and culture. As a result, the majority of local people who receive this message will gladly contribute a small amount of language input for the person to learn to the extent that he needs it. At the same time, they receive a large amount of cultural input that the person must decipher in the context of the social interaction.

Now, if we analyze the context in which emotional intelligence and cultural intelligence skills develop, we see that it takes place in the social context, as people relate to each other. Emotional intelligence skills can be developed in a domestic environment as well as international. However, cultural intelligence necessarily requires a multicultural context in order for it to develop. Table 5.1 shows the abilities for successful expatriate adaptation and cross-cultural training (Yamazaki and Kayes, 2004), related to emotional and cultural intelligence, and a description of how the social cross-cultural method (Brewster, 1976), enables the development of those skills.

*Table 5.1: Emotional and Cultural Intelligence Skill Development*

<b>Ability to influence people and change situations</b>	SCT Method: Expatriates are sent out in the community or neighborhood to build relationships with no other reference than their own identity. They only know how to introduce themselves. The aim is to create a social network of people willing to help them learn the language
<b>Intuitive understanding and sensitivity toward other people's emotions and values</b>	SCT Method: When the expatriate has already established a network of local contacts, he might be invited for a coffee, to events or gatherings. These encounters are suitable for learning cultural values, but also individual personal characteristics.
<b>Ability to understand meaning of thoughts</b>	SCT Method: Expatriates that follow this approach are frequently invited to local homes and even when their language level is very low, they see and experience a lot of what happens in a typical local environment (family).

*Source: Author's own construction based on Yamazaki and Kayes, 2004*

Using the social cross-cultural training the expatriate has no previous knowledge of the language. Due to the fact that he is unable to speak, he is immersed into the non-verbal communication world. The literature shows that a large part of what we communicate is non-verbal (Barbour, 1976). So,

instead of language learning being a barrier, it acts as a stepping stone for cultural adaptation and relationship building. According to literature, we also find that non-verbal communication is full of clues, sounds, codes, intonations, expressions, attitudes, bodily contact, etc., which convey significant and unique meaning, depending on the culture. The expatriate then, has to develop the skills to decipher and understand the meaning of those non-verbal messages. Therefore, it is evident that in this context, emotional and cultural intelligence are developed in a constant basis. As a result, the social cross-cultural training approach is suitable for developing these skills.

**Proposition 3: The implementation of a social cross-cultural training creates a competitive advantage over the traditional approach**

The effectiveness of a cross-cultural training approach over the other was measured to the extent a person was able to adapt to the local culture easier and faster and the degree to which they were able to communicate more effectively. This measure was used as opposed to the degree to which they could speak the local language faster because as it was mentioned by the trainer expert, having the knowledge does not necessarily mean that you are able to perform it. It requires a competence. And even if the person is able to speak the local language fluently, he still needs to communicate in a culturally contextualized way to be effective.

In order to adapt to a new culture, the expatriate has to go through the cross-culture adaptation process. Evidently, the faster a person is able to advance from cultural shock experience to master, the faster the adaptation will be. We use the empirical research to identify the level of cultural involvement by the presence or absence of two paradoxes in the expatriate mind. If expatriates deal successfully with these paradoxes, they will be able to adapt much easier (Osland, 2006).

According to the results on the expatriate surveys, the American expatriate did experience the self-identity paradox. However, she was not able to deal with it successfully because she was not willing to give up her values in order to be accepted. We can infer that the Mexican expatriate experienced the paradox of sense of belonging, meaning that “as a result of being abroad a long time, feeling at ease anywhere but belonging nowhere.” After living in Japan for three years and a half, he mentioned that he feels at home in that country. There is a clear difference if we compare the adjustment of these two expatriates. The Mexican experienced the paradox and learned to deal with it successfully. Consequently, he felt more adjusted in the culture as opposed to the American, who did not handle the experience of paradox in the right way. The Philippine also learned to cope with paradoxes. In the beginning toward the local culture was very negative, but as he looked for reasons to explain and understand why the other culture behaved as it did, he was no longer in culture shock, but had entered an adjustment-mastery phase. This is evident when he said after five months: “I have learned about the culture, the work ethics and the overall aspect of relating with other people.”

Regardless of the approach cross-cultural training cannot avoid the experience of paradox in expatriate. In fact, trying to avoid them would be a mistake because in order to complete the process of adaptation, a person must learn to handle these paradoxes. Therefore, culture shock experiences must be perceived as learning opportunities rather than obstacles for cultural adjustment. One should not avoid them, but provoke them as much as possible. This will force expatriates to enter into a learning environment, where the conditions are suitable for developing emotional and cultural intelligence. The only place where paradoxes come to the surface is within the local community, in the everyday interactions with people.

The cost of opportunity is very high for expatriates who spend their cross-cultural training time inside a classroom studying about local culture and language, country facts and so on. They are missing out on the real-life cultural learning and skill development. By the time an expatriate trained by the traditional approach arrives to the host country to put into practice all the knowledge, an expatriate trained by the social learning approach already has local contacts who help him learn the language and he has also already been able to experience the culture. By doing this he has already experienced culture shock and is processing paradoxes (learning). Not to mention the emotional and cultural intelligence skills have already increased.

The trainer expert brings forth an excellent example to prove this with the story of a Mexican man who learned German in a social context outside of the classroom as opposed to his classmates who studied German. He also mentioned how some of the trainees who wanted to be perfect in the language ended up more frustrated and learned the language less. This phenomenon relates to Haslberger's empirical results, when he found that "the more sufficient people feel their language skills are, the worse they feel in day-to-day interactions" (2005). Even the author admits that it is hard to explain this result. However, if we look at it from this context, it is no big mystery. People that learn the language in school feed their left side of the brain only, like the trainer said. And when it comes to actually speak it in a social context, the right side of the brain is empty. Paradoxically, they can no longer speak even if all the language knowledge is stored. In contrast, the trainer said that using a social learning approach, people learn with the right side of the brain, just like children do. Thus expatriates learning with this method are less afraid to speak because the focus is not on the language, but on the people.

With the information gathered, we can say that a social cross-cultural training creates a competitive advantage because:

- (1) Expatriates are exposed to a learning environment (culture shock) faster
- (2) Expatriates are in the right place (local community) for developing emotional and cultural intelligence skills
- (3) Expatriates learn the language in a real cultural context
- (4) Expatriates have more local contacts because they spend more time with local people than in the classroom
- (5) Expatriates develop relational skills
- (6) Expatriates learn to enjoy the experience of entering a new culture
- (7) Expatriates live the culture faster

**Proposition 4: A social cross-cultural training approach has the potential to equip the expatriate for successful performance at least to the extent of the person's success in his own home country**

Multinational corporations are sending expatriates abroad to fill posts under the assumption that their competencies are transferable in other cultural settings. However, the failure rates have indicated that making such assumptions is not always true. The implications of these assumptions set a disappointing scenario for multinational corporations because it inhibits their potential or growth in international markets. We tried to analyze why do these assumptions should not be true. If expatriates are successful in their home country, how come they can not be successful in another



cultural setting? If only a few domestic executives can be successful abroad, companies are limited in the use of their workforce.

Based on the results and in literature, we tried to determine the key factors that enable expatriates to be successful abroad. The experience shared by the trainer emphasized the abilities to appreciate different cultures and the way people communicate. The trainer said that many of the trainees who were part of the program now occupy high positions in big corporations. The results on the expatriate survey showed that as their language level increase, so did their performance. One of the expatriates even said that “understanding the language was understanding the culture of the people.” Others mentioned that as they learned the language, the better they felt about their job.

With this information, it is possible to say that the key for expatriate success lies in the communication factor. Two aspects need to be in balance: language and culture. Language proficiency without cultural understanding does not communicate effectively and culture without the means of communicating is also not effective. As a result, communication abilities are crucial for expatriate success. In other words, if an expatriate can communicate who he is in a cultural contextualized way and in the local language, then at least he will be just as successful as back home, or even more if he adopts a new identity.

The social cross-cultural training is based under the assumption that “that any person can be successful at learning another language and culture because evidently they were successful at learning their own language and culture” (Brewster, 1976). Therefore, the potential of their cross-cultural adaptation and local language skills will be to the extent of their own mother tongue language skills. Then, if everybody was successful at learning their own mother tongue, this leaves out no one in being able to learn a new language and culture. Under this assumption there are no

restrictions for anyone to undertake international assignments. The social learning approach stimulates expatriates to learn language the same way they learned their mother tongue. It helps them to discover the language skill hidden in every person.

## **5.2 Conclusions and Implications**

Diversity is a relevant concept today for business. Globalization has triggered an important movement of people from place to place as companies seek for new business opportunities in the international market. As a result, global corporations have come to acknowledge the relevance of the concept of diversity today. They have realized that diversity has strong implications on the way of doing business, competing and managing people. Not only this, but diversity is also seen as a stepping stone to have competitive advantage and gain market share. Managing diversity has great advantages in business, but it is also a great challenge. A multicultural working environment helps to enlighten and enrich knowledge because of the different worldviews culture provides, but at the same time, it can create conflict when people fail to understand each other. The advantages, however, outweigh the disadvantages and this is why many multinational corporations see an excellent opportunity to send expatriates abroad and use diversity as a strategy for growth and competitiveness. As they do that, they set the trend for other multinational corporations and small medium enterprises.

The greatest challenge is for the International Human Resource Department of Multinational Corporations to respond to this diversity strategy. The increase of international assignments undertaken by expatriates indicates the effort to create a strong corporate culture across multiple locations. However, these missions are not always successful and even though, the failure rates have decreased due to experience, the way multinational corporations manage expatriation can be

improved. Cross-cultural training programs play a key role in ensuring expatriate successful performance abroad. Multinational corporations that have realized the importance of cross-cultural training are taking serious initiatives in preparing their expatriates for this drastic job transition. However, the review of the existing training methods shows a lack of effectiveness in developing the necessary cross-cultural skills for a faster adaptation to new cultural environments.

This study shows that the social approach to cross-cultural training enables expatriates to develop emotional and cultural intelligence skills through relationship building in the local context. The everyday interaction with local people builds up the understanding of the culture. In addition, as they develop emotional and cultural intelligence, their communication skills enhance. The learning of the local language is no longer a barrier for communication, but a tool for creating social networks. As a result, first they adapt into the new culture as insiders rather than outsiders. Then, the local language is learned through the input of local contacts. This method demonstrates a competitive advantage over the traditional cross-cultural training approach in that expatriates not only learn the local language faster, but they also adapt faster to the new environment.

With the results, it is also possible to justify that the social approach to cross-cultural training has the potential to equip anyone for successful cross-cultural adaptation under the assumption that if every person has the necessary language skills to communicate in their own culture, they can also do it in a different culture. Consequently, the success of an expatriate at home can be internationally transferable. Also, the implementation of the social cross-cultural training has the necessary elements in its methodology to support a diversity strategy in a multinational corporation and to prepare for effective internationalization of small medium enterprises. As a conclusion, the four propositions are justified; therefore, it is possible to justify the need for the International Human Resource Department of Multinational Corporations to implement a social cross-cultural training

for expatriates as they are sent for international assignments. The author suggests the implementation of the social cross-cultural training method as proposed by Tom and Elizabeth Brewster (1976).

### **5.2.1 Implications for the International Human Resource Management:**

- (1) An evaluation should be made to show if expatriates are developing emotional and cultural intelligence skills under the current cross-cultural training methods
- (2) Selection procedures should be reconsidered in terms of language skills and cross-cultural abilities so that potential expatriates are not disqualified under those conditions
- (3) There is an increase of flexibility in the use of workforce to fill posts abroad and enhance career development

### **5.2.2 Implications for Multinational Corporations:**

- (4) The success and talent of national executives can be transferable to other markets
- (5) Opportunity rises to fill posts in foreign markets that are perceived as difficult due to large cultural difference and language difficulty
- (6) Successful expatriate experience serves to communicate diversity throughout the entire workforce

### **5.2.3 Implication for Small Medium Enterprises:**

- (7) Opportunity rises for a proper entry to foreign markets that are perceived as difficult due to large cultural difference and language difficulty

### **5.3 Further Research**

Current literature shows that companies invest considerable amounts in the whole expatriation process, particularly in cross-cultural training. Further research can be done in the return on investment of the social cross-cultural training based on the tools and methodology used. In contrast with the traditional cross-cultural training approach it appears that it reduces costs significantly for corporations.