

A Review of Intercultural Training in the Workplace

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Keywords: Intercultural training, cultural intelligence

Abstract

As the number of multinational corporations and other organizations increases, more employees find themselves interacting and at times, immersing themselves in new cultural settings. In order for them to be successful and achieve their business goals, they must be well trained in the culture and language of their assigned region. When conducted correctly, intercultural training can be an effective way to ensure multinational employees are comfortable and effective in international settings. Unfortunately, current practice in intercultural training is generally ineffective because of (1) organizations disregarding or omitting intercultural training for managers; (2) lack of validated theory and practice for the development of intercultural training; (3) and the influx of developers selling low quality intercultural training programs. More in-depth studies on international businesses and the use of ability indicators such as cultural intelligence can help lead to more effective intercultural training programs.

Introduction

The world of business is becoming more dynamic as corporations strive to increase branding and profits by expanding into global markets. Walker and Jeurissen (2003) identified current trends in business including continued globalization, enhanced information technology, and increasingly diverse workplaces. Increased global competition has led firms around the world to pursue new markets, new sources of raw materials and other components, and more cost-effective locations for their manufacturing operations (Johnson, et al., 2006). This global growth necessitates that employees interact and at times, immerse themselves in new and different cultural settings. In order for them to be successful and achieve their business goals, they must be well trained in the culture and language of their assigned region. Earley (1987) makes the case that an ill-prepared individual will be unable to effectively perform required work duties or may unintentionally offend a foreign host and possibly jeopardize existing long-term relationships. Therefore it is incumbent upon current learning and development professionals to understand the issues surrounding effective intercultural training.

In order to have a meaningful discussion about intercultural training, we must establish a working definition of the concept. Intercultural training, sometimes referred to as cross-cultural training, can be defined as any procedure intended to increase an individual's ability to cope and work in a foreign environment (Early, 1987). It involves learning factual knowledge about other cultures, cultural norms and values, social and work roles, and language. As companies continue to operate and compete globally, it is important for learning and development professionals to focus on how employees are trained for intercultural work. Training professionals must understand the various approaches typical for intercultural training such as informational programs, simulators and assimilators, and experiential learning. Furthermore, in order for the learning experience to be meaningful, the learning objectives and *who* determines those objectives are key to ensure employees are effective in international environments.

While designers of intercultural training programs are moving toward a more engaging approach through experiential learning, most designers still assume that all participants need the same information – regardless of the learner's background knowledge and/or prior experience (Early & Peterson, 2004). With the increased popularity of intercultural training, more than one thousand vendors worldwide are packaging cross-cultural training seminars, CDs, workshops, etc. and selling them to human resources departments of global companies (Lang, 2004). This generic design can pose problems such as loss of time, effort, and resources for both the training professional and the employee who is required to participate in the training. With this in mind, training developers should consider not only the general design of the training, but also how the learning goals and objectives are determined to help ensure a useful and effective experience for the learner.

In the midst of the current intercultural training boom, “interculturalists” (specialists in intercultural relations) and others in the intercultural training industry are working to develop theories and models to help guide the industry. Earley and Peterson (2004) offered the idea of a “CQ” or cultural intelligence for managers. Cultural intelligence measures one's ability to adapt across cultures by being able to interpret and react to different cues and nuances, and thus function effectively. This approach suggests that intercultural training should include metacognitive, motivational, and behavioral components. Another development is the model of intercultural sensitivity presented by Bennett (2011). This model offered six stages (Denial of difference, Defense against difference, Minimization of difference, Acceptance of difference, Adaptation to difference, and Integration of difference) of how individuals cope with new cultural situations. The model is relevant to intercultural training professionals because, according to Bennett, people are not capable of effectively working in another culture until stage five (Adaptation to difference). Therefore, it would be important for training professionals to assess the current stage of the learner to appropriately design instruction.

When done correctly, intercultural training helps to ensure that multinational employees are comfortable and effective in international settings. Unfortunately, current practice in intercultural training is generally ineffective because of (1) organizations disregarding or omitting intercultural training for managers; (2) lack of validated theory and practice for the development of intercultural training; (3) and the influx of developers selling low quality intercultural training programs. This is evidenced by the 40% to 80% failure rate of international mergers and acquisitions, and/or international joint ventures (MacDonald, 2005). The international business failure rate jumps to 80% to 85% when international business success is measured by whether or not there is an increase in value to shareholders (2005). Therefore, until interculturalists and instructional theorists seriously explore these issues and use research to develop operative models and theories, intercultural training experiences will be less than optimal, and thus result in a significant waste of organizational resources.

Review of Issues

The Impact of the Global Manager

The global manager could be in charge of global operations (or a division of global operations) working from headquarters in the home country, or be working internationally as an expatriate. A manager's ability to direct global tasks effectively is critical for a corporation competing on an international level (Templer, 2010). Both types of managers are responsible for ensuring successful business operations in the international arena. These operations should include not only understanding the marketplace, but also understanding and being able to operate in the local culture. Global managers are key personnel who will have a significant effect on the success of any international business. The relationship between a manager's cross-cultural preparedness and the effectiveness of a multinational corporation should not be overlooked. Johnson, Lenartowicz, and Apud (2006) support this with the following:

Some foreign ventures succeed, but many do not, and the inability of firms and their managers to adjust to the demands of the international business environment has been advanced as a primary

cause of international business failure. Two general themes emerge from the literature: expatriate failure, and a broader inability by headquarters managers to appreciate the cultural challenges of doing business overseas (p. 525).

While some corporations are successful with their international operations, it is instructive to review some notable failures by U.S. corporations in international ventures. Our first example comes from Mattel Corporation and one of their key product lines—Barbie dolls and accessories. Many adult American women today carry memories of playing with Barbie dolls. It is fair to say that the Barbie product line has become a cultural icon in the United States. And of course Mattel hoped and planned to market Barbie products across the globe. However, Mattel closed its large, pink, flagship store in China after only two years in operation (Anderlini, 2011). Analysts cited poor adjustment to consumer preferences as the primary reason for failure, as well as poor location of the store, and doll clothing that was too provocative for a “Hello Kitty”-style market (2011). Stores like Best Buy and Home Depot have also recently closed stores in China. Best Buy did not recognize that local customers can negotiate and get the same products at smaller retailers. Home Depot missed the cue that Chinese customers do not resonate with the company’s “do-it-yourself” approach toward home improvement (Rein, 2011; Flanagan, 2011). Companies such as Apple and Nike, on the other hand, have had great success in China (Anderlini, 2011). While a company will not get it right every time, an effective global manager should understand and capitalize upon customer mindset preferences, and practices within a particular culture.

Another example of a large U.S. corporation failing in an international market comes from Wal-Mart. This massive corporation has not missed many growth opportunities. However their closure of sixteen stores in South Korea demonstrated they misread the market and by extension, the culture. Analysts called Wal-Mart a typical large global corporation that failed to accurately discern what South Korean housewives wanted in a shopping experience. Similar failures by Nokia, Nestle, and Google were also reported (Sang-Hun, 2006). Executives and managers making decisions within these multinational corporations must have a deep understanding of the market and culture in which they are trying to do business. Certainly a major corporation like Wal-Mart can recover from a failure such as the one in South Korea. However, a lack of cross-cultural competence can lead to poor business decisions, which can be very expensive.

The Expatriate Factor

Expatriates are persons from one culture who have chosen to live in another culture, but still identify at some level with their original culture. Unlike a global manager operating from within the home country, expatriate employees are actually relocated from their original country to work for their same company in another country; and as O’Donnell asserts (2000), serves as an extended form of headquarter’s supervision. Recent estimates show that more than 100,000 U.S. expatriates are sent overseas each year (Johnson, et al., 2006). Generally, corporations use expatriates for periods ranging from a few months to five years in hopes that a vested employee can help ensure the success of the international venture. These corporations want a skilled individual to get a business running, establish the corporate culture in the new location, and sometimes, find and train a new manager from the local community to continue operations (Neyman, 2007). Veteran expatriates bring key benefits to their companies such as the ability to build relationships and synthesize best practices from many cultures, as well as first hand cross-cultural knowledge and skills – both of which lead to a competitive advantage for the company (Cassiday, 2005).

The cost of deploying an expatriate (called “expatriation”) overseas is daunting, even for large corporations. Although expatriation can require an investment of up to \$1,000,000 (Foster, 2012), a properly trained and effective expatriate is a priceless commodity for a multinational corporation, especially when considering the costs incurred with expatriate failure. Light (1997) stated that expatriates are a “critical asset...often making the difference between a company’s success or failure in the marketplace.” Between 40% to 50% of expatriates fail in their assignments, with a loss to the company ranging from \$250,000 to \$1,000,000 (Johnson, 2006). When lost opportunities, costs of finding a replacement, and the possibility of damaged long-term relationships are included, the loss can grow to as much as \$3,000,000 (Foster 2012). Corporations can significantly reduce the rate of expatriate failure through better cross-cultural preparedness for these individuals. Human resource managers in the U.S. agreed that cross-cultural adaptability is the most important factor for expatriates—even more important than technical and managerial skills (Templer, 2010). Effective intercultural training costs much less than a failed expatriation effort.

Cultural and Intercultural Competence

As more companies compete internationally, managers and corporate leaders are challenged to ensure successful business practices and relationships across many cultures. Organizational effectiveness is increasingly reliant on people who can be effective and respectful in various cultural settings (The Cultural Intelligence Center, 2012). Therefore, training professionals, instructional designers, and interculturalists are challenged with how to best prepare individuals for international work. However, most intercultural training efforts are unsuccessful because of the lack of agreement on defining cultural competence, the absence of cultural studies in international business (Johnson, et al., 2006), and the inadequate training methods that rely solely on country-specific knowledge. Thus, researchers have begun theorizing and developing models for measuring cultural competence in hopes of increasing effectiveness of intercultural preparation efforts.

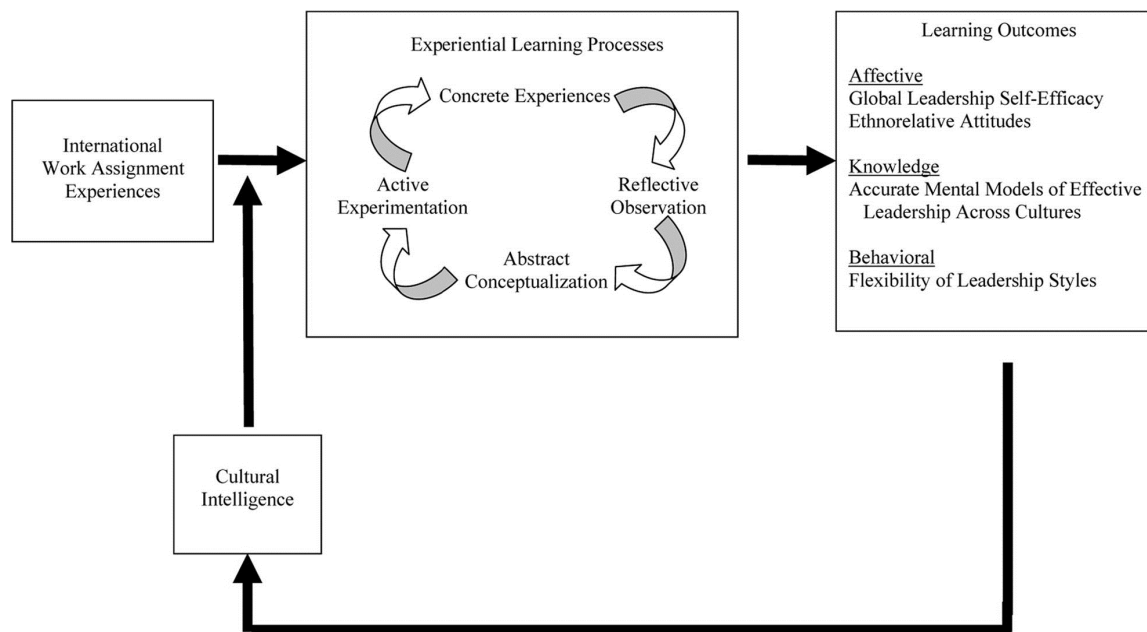
Cultural Intelligence

The idea of cultural intelligence, or CQ, emerged as theorists looked to overcome the country-specific style of intercultural training where learners were taught basic information about a designated country or culture. This style failed to take into account the adaptive abilities of the individual to gather, interpret, and act upon different cues to function effectively across cultural settings or in multinational situations (Early and Peterson, 2004). Cultural intelligence captures these capabilities as it is based on metacognitive, cognitive, motivational, and behavioral indicators (Early and Peterson, 2004, & Ng, Van Dyne, and Ang, 2009). The following table briefly summarizes the cultural intelligence model based on Ng, et al (2009).

CQ Type	Description	Application
Metacognitive	Consciousness and awareness during intercultural interactions	Planning, monitoring, revising mental models
Cognitive	Knowledge of norms, practices, and conventions in different cultural settings acquired from education and personal experience	Knowledge of economic, legal, and social systems of different cultures
Motivational	Capability to direct attention and energy toward learning about and functioning in situations characterized by cultural differences	Intrinsic motivation and self-efficacy
Behavioral	Situationally appropriate behaviors from a broad repertoire of verbal and non-verbal behaviors	Exhibit culturally appropriate words, tones, gestures, and facial expressions

A scale, entitled the CQS (cultural intelligence scale), was created and validated (Van Dyne, et al, 2008), and is currently being used to assess cultural intelligence (The Cultural Intelligence Center, 2012). As a whole, this model continues to impact current research on cultural competence and intercultural training, and will likely be a driving force for future research.

In continuation of cultural intelligence research, Ng, Van Dyne, and Ang (2009) connected cultural intelligence theory with experiential learning theory, of which Kolb (1984) is credited. Their idea is to capture the role a global manager's international experience plays in affecting learning and change – specifically, how the four CQ components increase the likelihood that a global leader will be actively engaged in the following four stages of experiential learning during an international assignment: (1) Concrete experience, (2) reflective observation, (3) abstract conceptualization, and (4) active experimentation. The following graphic (Ng, et al., 2009) connects CQ with experiential learning outcomes.



This connection can be used to support the idea that an individual's CQ can determine not only the success of the assignment, but also of the international work assignment as a learning opportunity. This is analogous to how an individual's IQ (intelligence quotient or cognitive intelligence) has various levels and can lead to various outcomes.

Intercultural Sensitivity Model

Moving from ethnocentrism to a stage where one is able to fully integrate and accept cultural differences is indeed a process. Bennett's (2011) intercultural sensitivity model is a six stage development tool designed to identify a person's sensitivity stages, as well as to offer guidelines for intercultural trainers on how to develop, support, and challenge learners in each stage. The following is a brief summary of the model.

- **Stage 1:** "Denial of difference." Individuals in this stage are "in denial" about cultural differences and make superficial statements of tolerance, such as, "live and let live" or "all big cities are the same".
- **Stage 2:** "Defense against difference." In this stage, a mentality of "us vs. them" abounds. Frequent statements are, "Boy, we could teach these people a lot of stuff" or even, "I wish I could give up my own cultural background and be one of these people."
- **Stage 3:** "Minimization of difference." Bennett (2011) characterizes individuals in this stage with descriptors such as "we are the world" and "just be yourself." Similarities are focus between cultures in stage three.
- **Stage 4:** "Acceptance of differences." The word *acceptance* does not signify that individuals necessarily agree with other cultures, but rather recognize the world consists of varied cultures. One might say, "The more differences the better...It's boring if we're all the same," or "My homestay family and I have had very different life experiences, and we're learning from each other."
- **Stage 5:** "Adaptation to difference." This stage is described as "intuitive empathy" or "intercultural empathy" as it is not until this stage that an individual is ready for intercultural work assignments. "The experience of adaptation is one of consciously shifting perspective and intentionally altering behavior...It is likely the predominant experience when there is a need to actually interact effectively with people of another culture" (Bennett, 2011).
- **Stage 6:** "Integration of difference." In this final stage, an individual is considered bicultural or multicultural and has the ability to move effortlessly among and between cultures.

This model is robust in that it shows the intricacy of one's growth toward multicultural integration, and further supports the position that intercultural training efforts must be individualized and designed well in order to properly prepare managers for global assignments.

The Intercultural Training Boom

The more diversity and cultural awareness and integration become corporate issues, the more opportunity for intercultural training arises. The business of intercultural training has grown rapidly in recent years, with more than one thousand vendors worldwide (Lang, 2004). Intercultural training courses aim to equip individuals with specific knowledge, skills, and abilities ranging from knowing appropriate behaviors when interacting with different cultures, to conversing in another language (Ng, et al, 2009). Intercultural training efforts come in various formats including courses from in-house training departments and face-to-face, online, and packaged workshops from outside contractors. The Cultural Intelligence Center, Dean Foster Associates (DFA), Communicaid, and Kwintessential are examples of agencies with offerings that are generally representative of the intercultural training field.

The Cultural Intelligence Center (CIC) offers “the only academically validated instrument to measure cultural intelligence” (The Cultural Intelligence Center, 2012). The CIC offers online tools for assessing cultural intelligence, and provides training, coaching, and opportunities to become certified to assess and teach about cultural intelligence to others (2012). The CIC offers workshops ranging in duration from four hours to a few days, and include titles such as “CQ for work”, “CQ and Faith-based Contexts”, and “CQ and the Classroom”.

In contrast to the CIC, Dean Foster Associates (DFA) (2012) offer “intercultural global solutions” with more current, Internet savvy offerings. In addition to face-to-face workshops, DFA offers online public webinars at a cost of \$295. This fee includes books and materials. The course covers a lengthy list of topics including “dos and don’ts”, negotiating techniques, and information about gender roles in the workplace. The DFA website includes a blog, research articles, an online store, and an interactive tool (login required) that provides “a powerhouse of intercultural information” when needed. The tool provides individualized, strategic recommendations based on one’s responses to a 40-item questionnaire.

DFA has three core programs. The first is cross-cultural coaching, where although objectives are in place, there is no planned agenda. This allows DFA to respond to a client’s particular needs. The second includes DFA’s global training programs that take a client’s real-life issue, and uses it as a foundation for creating action plans. Finally, DFA also offers corporations strategic consulting services. DFA promotes itself as a one-stop shop for intercultural services (Dean Foster Associates, 2012).

Other firms such as Communicaid (2012) and Kwintessential (2012) offer online opportunities for learning. Communicaid promotes its ability to offer each client a dedicated client manager, and being able to assess a client’s current knowledge and skills. They also offer training videos. Kwintessential offers intercultural training and includes services for translation, interpreting, and design work (such as website and desktop publishing). As the market for intercultural training grows, we see more companies like these competing to create and maintain a unique niche.

Recommendations

With increasing ethnic and cultural diversity within nations, and increasing international competition among corporations, it is essential that managers and employees can function effectively in multinational and multicultural settings. A leader who can understand and manage in the global environment is a rare and valuable resource who can offer firms a competitive advantage (Ng, et al, 2009). It is in a company’s best interest to grow and expand the capabilities of leaders working in these settings through effective intercultural training.

Based on our review, we recommended that trainers begin with a solid theoretical foundation as the basis for instructional interventions. Both the cultural intelligence and intercultural sensitivity models presented here offer a baseline to consider. Use of either would require an analysis of learners that would yield better individualized and more focused goals for instruction. This, in turn, would increase the likelihood of success of the instructional efforts due to initially selecting more qualified training participants, and due to providing more useful and appropriate experiences for those participants.

An additional recommendation is for those in the business of intercultural training to increase web-based efforts with more interactive and experiential-style learning opportunities. As Internet capabilities and use grows worldwide, effective training can be delivered online via modalities such as synchronous and asynchronous courses, informal learning (social media), and simulations and virtual worlds.

Intercultural training is a relatively new field, and thus there are many opportunities for future research. Just as the CQ model has been validated, research can also be done to validate the intercultural sensitivity model proposed by Bennett (2011). Research can also be done to connect either theory directly with corporate return on investment as a measure of effectiveness. Study is also needed about efforts to incorporate one of the abovementioned theories and experiential learning into the development of online intercultural training environments.

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