

- 9-5. What are the common training techniques for managers going overseas? How should these vary as appropriate to the level of globalization of the firm?
- 9-6. Explain the balance sheet approach to international compensation packages. Why is this approach so important? Discuss the pros and cons of aligning the expatriate

compensation package with the host-country colleagues compared to the home-country colleagues.

- 9-7. Discuss the importance of a complete program for expatriate performance management. What are the typical components for such a program?

Application Exercises

- 9-8. Make a list of the reasons you would want to accept a foreign assignment and a list of reasons you would want to reject it. Do they depend on the location? Compare your list with a classmate and discuss your reasons.

- 9-9. Research a company with operations in several countries and ascertain the staffing policy used for those countries. Find out what kinds of training and preparation are provided for expatriates and what kinds of results the company is experiencing with expatriate training.

Experiential Exercise

This can be done in groups or individually. After the exercise, discuss your proposals with the rest of the class.

You are the expatriate general manager of a British company's subsidiary in Brazil, an automobile component parts manufacturer. You and your family have been in Brazil for seven years, and now you are being reassigned and replaced with another expatriate—Ian Fleming. Ian is bringing his family: Helen, an instructor in computer science, who hopes to find a position; a son, age twelve; and a daughter, age fourteen. None of them has lived abroad before. Ian has asked you what he and his family should expect in the new assignment. Remembering all the problems you and your family experienced in the first

couple of years of your assignment in Brazil, you want to facilitate their adjustment and have decided to do two things.

- 9-10. Write a letter to Ian, telling him what to expect both on the job and in the community. Tell him about some of the cross-cultural conflicts he may run into with his coworkers and employees and how he should handle them.
- 9-11. Set up some arrangements and support systems for the family and design a support package for them, with a letter to each family member telling him or her what to expect.

CASE STUDY

Kelly's Assignment in Japan

Well, it's my job that brought us here in the first place ... I am going to have to make a decision to stick with this assignment and hope I can work things out or to return to the United States and probably lose my promised promotion after this assignment—maybe even my job.

As she surveyed the teeming traffic of downtown Tokyo from her office window, Kelly tried to assess the situation her family was in, how her job was going, and what could have been done to lead to a better situation four months ago when she was offered the job.

As a program manager for a startup Internet services company, she had been given the opportunity to head up the sales and marketing department in Tokyo. Her boss said that "the sky's the limit" as far as her being able to climb the corporate ladder if she was successful in Tokyo. She explained that she did not speak Japanese and that she knew nothing about Japan, but he said he had confidence in her because she had done such a great job in Boston and in recent short assignments to London and Munich. Moreover, the company offered her a very attractive compensation package that included a higher salary, bonuses, a relocation allowance, a rent-free apartment in Tokyo, and an education allowance for their two children, Lisa and Sam, to attend private schools. She was told she had two days to decide, and that they wanted her in Tokyo in three weeks because they wanted her to prepare and present a proposal for a new account opportunity there as soon as possible. Her boss said they would hire a relocation company to handle the move for her.

That night Kelly excitedly discussed the opportunity with her husband, Joe. He was glad for her and thought it would be an exciting experience for the whole family. However, he was concerned about his own job and what the move would do to his career. She told him that her boss had said that Joe would probably find something or be transferred there, but that her boss did seem unconcerned about that. In the end, Joe felt that Kelly should have this opportunity, and he agreed to the move. He talked to his boss about a transfer and was told that the manager would look into that and get back to him. However, he knew that his company was having layoffs because of the economic decline that was taking its toll on profits. The problem was that Kelly had to make a decision before he could fully explore his options, so Kelly and Joe decided to go ahead with the plans. To sweeten the deal, Kelly's company had offered to buy her house in Boston since the housing market decline had her concerned about whether she could sell without taking a loss.

After the long trip, they arrived at their apartment in Tokyo; they were tired but excited, but did not anticipate that the apartment would be so tiny, given the very high rent that the company was paying for it. Kelly realized at once that they had included way too much in their move of personal belongings to be able to fit into this apartment. Undaunted, they planned to spend the weekend sightseeing and looked forward to some travel. Japan was beautiful in the spring, and they were anxious to see the area.

On Monday, Kelly took a cab to the office. She had emailed requesting a staff meeting at 9 A.M. She knew that her immediate staff would include seven Japanese, two Americans, and two Germans—all men. Her assistant, Peter, to whom she had not yet spoken, was an American who had also just arrived, coming from an assignment in London. He greeted her at the elevator, looking surprised, and they proceeded to the conference room, where everyone was awaiting the new boss. Kelly exchanged the usual handshake greetings with the Westerners and then bowed to the Japanese; an awkward silence and exchange took place, with the Japanese looking embarrassed. While she attempted a greeting in her limited Japanese that she had studied on the plane, she was relieved to find that the Japanese spoke English, but they seemed very quiet and hesitant. Peter then told her that they all thought that "Kelly" was a man, and they all attempted a laugh.

After that, Kelly decided that she would just meet with Peter and postpone the general meeting until the next day. She asked them each to prepare a short presentation for her on their ideas for the new account. Whereas the Americans and Germans said they would have it ready, the Japanese seemed reluctant to commit themselves.

Meanwhile, at home Joe was looking into the schools for the children and trying to make some contacts to look for a job. Travelling, getting information, and shopping for groceries proved bewildering, but they decided that they would soon get acquainted with local customs.

At the office the next day, Kelly received a short presentation from the Westerners on the staff, but when it came to the Japanese, they indicated that they had not yet had a chance to meet with their groups and other contacts to come to their decisions. Kelly asked them why they had not told her the day before that they needed more time, and when could they be ready. They seemed unwilling to give a direct answer and kept their eyes lowered. In an attempt to lighten the atmosphere and get to know her staff, Kelly then began chatting casually and asked several of them about their families. The Americans chatted on about their children's achievements, the Germans talked about their family positions, and the Japanese went silent, seemingly very confused and offended.

Still attempting to get everyone's ideas for an initial proposal to the potential new client, Kelly later asked one of the Americans who had been there for some time what he thought was the problem and delay in getting presentations from the Japanese. He told her that they did not like to do individual presentations, but rather wanted to gain consensus among themselves and their contacts and present a group presentation. Having learned her lesson, but feeling irritated, she asked him to intervene and have the presentations ready for the next week. When that time came, the Japanese made the rest of the presentations but, oddly, they seemed to be addressed primarily to Peter. Later, Kelly decided to finalize her own presentation to put forth a proposal for the client, which she set up for the following week.

At home, Joe said that he had not heard anything from his company in Boston and asked Kelly to contact her company again to request some networking in Tokyo that might lead to job opportunities for him. Kelly said she would do that, but that there didn't seem to be any one person back home who was keeping up with her situation or giving any support about that or about her job.

The children, meanwhile, complained that, although their schools were meant to be bilingual English–Japanese, a majority of the children were Japanese and did not speak English; Lisa and Sam felt confused and left out. They were disoriented by the different customs, classes, and foods for lunch. At home, they complained that there was no backyard to go out to play, and they could not get their programs on the television or understand the Japanese programs.

Back at the office, Kelly worked with her staff to finalize the proposal but noticed a strained atmosphere. Peter told her that some of them would drop by a local bar for a drink after work, which helped the whole group to relax together. However, she felt that she could not do that, nor that she would be accepted as a female.

The next week, as arranged, Kelly and Peter went to the offices of the client; she knew that a lot was riding on getting this big new contract. She had asked Peter to let them know ahead of time that she is a woman, yet the introductions still seemed strained. She planned to get straight down to business, so when the client company's CEO handed her his business card, she put it in her pocket without a glance and did not give him her card. Again, she noticed some shock and embarrassment all around. (She found out much later that a business card is very important to a Japanese businessman because it conveys all his accomplishments and position without having to say it himself.) Flustered, she tried to make light of the situation, patted him on the back, and asked him what his first name was, saying, rather loudly, that hers was Kelly. He went quiet again, backed away from her, and, with his head bowed, whispered, "Michio." He glanced around at his Japanese colleagues rather nervously.

After a period of silence, Michio pointed to the table of refreshments, and indicated that they sit and eat; however, Kelly was anxious to present her power-point slides and went to the end of the table where the equipment was and asked Peter to set up the slides. As she proceeded to go through the proposal, telling them what her company could do for them, she paused and asked for questions. However, when Michio and his two colleagues asked questions, they directed them to Peter, not to her. In fact, they made little eye contact with her at all. She tried to remain cool, but insisted on answering the questions herself. In the end, she sat down and asked Michio what he thought of the proposal. He bowed politely and said, "Very good," and that he would discuss it with his colleagues and get back to her. However, Kelly did not hear from them, and after a couple of weeks, she asked Peter to follow up with them. He did that but reported that they were not going to pursue the contract. Frustrated, she said, "Well, why did Michio say that it looked very good, then?" She knew that it was a very competitive proposal and felt that something other than the proposed contract was to blame for the loss of the contract.

Disillusioned, but determined not to give up without success in the assignment, Kelly took a cab to go home and think about it, but the driver misunderstood her and went the wrong way and got stuck in traffic. She felt discouraged and wished that she had some female American friends to whom she could confide her problems.

When Kelly got home, Peter was angrily trying to fix dinner, complaining about the small appliances and inability to understand the food packages or how to prepare the food. He said he needed something else to do, but that a job did not seem to be on the horizon for him. He was also concerned about continuing to live in such a high-cost city on only one salary.

Kelly went to the other room to see the children; they were fighting and complaining that they had nothing to do and wanted to go home. Kelly felt that the three months they had been there was not a fair trial and was wondering what to do. She wished she had had more time to prepare for this assignment, and whenever she contacted the home office, no one seemed able to advise her.

Case Questions

- 9-12. Explain the clashes in culture, customs, and expectations that occurred in this situation.
 - 9-13. What stage of culture shock is Kelly's family experiencing?
 - 9-14. Turn back the clock to when Kelly was offered the position in Tokyo. What, if anything, should have been done differently and by whom?
 - 9-15. You are Kelly. What should you do now?
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