related to the team's need to develop evaluation procedures for their operation back on 384 the job. Teams often encounter difficulty measuring the "soft" side of their operation (aspects such as interpersonal relationships, effective meetings, effective use of team's talent, etc.). The team's experience developing the reaction questionnaire is a good practice opportunity in preparation for developing an evaluation instrument for their "team process" back on the job.

After the trainees complete the reaction questionnaire, the trainer plays the role of a team leader and reviews the results with the team. The trainer may also identify outcomes that appear to be below standard, which the group did not identify. During this discussion, the trainer asks for clarification and seeks consensus about the results. The trainer then outlines the training process for the module and asks the trainees to help identify ways that improve the process. Once this task is completed, the trainer asks the team to review the evaluation process to identify practices that would be useful on the job.

More formal content evaluation is not necessary if the trainer did a thorough job. The trainer observes the team members using the knowledge and skill during their exercises. These observations combined with continuous coaching throughout the day, and the use of the feedback from the reaction questionnaire makes formal testing redundant. However, a trainer who is less confident in his abilities in this area may use more formal measures.

Transfer of training should be built into the team's own evaluation process. The trainer should schedule a meeting with the team about two weeks after training to review how things are going. Additionally, a meeting should be scheduled approximately six months after training is concluded. Organizational results should be reviewed at least every six months to identify teams that may be experiencing difficulties.

CROSS-CULTURAL TRAINING

Culture is the shared values, beliefs, attitudes, and behaviors that a society has in common. So, culture helps shape the behavior of its people and, of course, the way organizations operate. To understand some of the differences between cultures, it is useful to examine the work by Holfstede.[86] He identified five dimensions along which individuals from different cultures seem to differ: individualism/collectivism orientation, uncertainty orientation, goal orientation, power orientation, and time orientation.

Individualism focuses on individual goals and accomplishments. In these cultures, individuals have a high degree of self-respect and independence and focus on what is best for them. In an organizational setting, the employee expects to be rewarded for his own work. Collectivism is just the opposite. The group comes first; ahead of the individual's own interests. In a collectivist culture, organizations tend to have participative decision making, where the group has input into decisions. Uncertainty orientation focuses on how those in the culture feel about uncertainty. In an uncertainty acceptance culture, people are stimulated by change, and new opportunities excite them. Those in an uncertainty avoidance culture try their best to avoid uncertainty. So, organizations operating in an uncertainty accepting culture will be more flexible and encourage risk taking, whereas in uncertainty avoiding cultures, the organization would likely adopt a more hierarchical structure, with lots of rules and procedures. Goal orientation refers to what motivates the person in the culture. Aggressive goal behavior is focused on achievement, possessions, and assertiveness. Passive goal behavior is focused on social relationships, quality of life, and helping others. Organizations in the aggressive goal orientation culture are set up to value competitiveness and assertiveness and are primarily profit motivated. In a more passive goal orientation culture, employees prefer more fringe benefits than higher salaries. Power orientation is the degree with which people accept a power hierarchy in their society. Power respect cultures accept the power differences in the hierarchy. In these cultures, it is understood that those above in the hierarchy have the right to make decisions, and these decisions should not be questioned. Those in a power tolerance culture do not blindly accept decisions made by those in higher positions. In fact, they may choose not to follow a leader if these people believe that it is not in their best interest. Organizations in power respect cultures have employees who expect to be told what to do, whereas employees in power tolerance culture expect to be consulted. Finally, time orientation is the extent to which people have a long-term versus a short-term outlook on their life and work. In long-term orientation cultures, people focus on the future and value dedication, persistence, and hard work. The payoff is in the future. Short-term orientation cultures focus on the past and present, with emphasis on traditions and social obligations.[87] **Table 10-6** provides examples of where various countries fall in terms of the preceding dimensions. There are, of course, other differences between cultures as well, and the preceding was simply to provide an example of the differences that exist. But just these basic differences highlight the importance of being aware of the culture you plan to be operating in.

TABLE 10-6 Cultural Values of Some Countries

Individualistic	**Collectivistic**
United States	Taiwan
Canada	Greece
Netherlands	Mexico
Great Britain	Singapore
Uncertainty Acceptance	**Uncertainty Avoidance**
Canada	Japan
United States	Israel

Denmark	Peru
India	Italy
Aggressive Goal Orientation	**Passive Goal Orientation**
Japan	Sweden
Germany	Norway
Italy	Denmark
United States	Chile
Power Tolerance	**Power Respect**
Israel	Mexico
United States	France
Norway	Japan
Austria	Brazil
Short-Term Orientation	**Long-Term Orientation**
Canada	China
United States	Japan
Pakistan	South Korea

Australia	India

Why It Is Important

North American businesses continue to expand, moving aggressively into markets around the world. These businesses require their employees to work in different countries and interact with varying cultures. Employees working in a foreign country are called expatriates. These expatriates range from sales staff to various professionals all the way to senior management.[88] To be effective, expatriates need to be aware of the differences between their home culture and the host country's culture, and act accordingly. If they do not, their behavior could lead to embarrassment, confusion, damage to the international relationship, and even loss of market share.[89] See **Table 10-7** for some examples.

TABLE 10-7 Examples of Lack of Cultural Awareness

The Japanese manager gave me his business card. I glanced at it and put it in my shirt pocket. Things deteriorated after that. Business card exchanges in Japan are very ceremonial. You have to acknowledge the card you have received, look at the logo, create conversation about it, and then do it in reverse. Everyone has to exchange cards before anyone can conduct any business. This can take a long time even if as few as four or five people are involved.

The recently transferred U.S. manager wanted to build his credibility with his native Japanese subordinates. He brought them together for a few hours to explain to them how much he had accomplished at his postings in the United States. Not a good idea. Behaving with humility is an important cultural norm in most Asian countries, including China, Japan, and Korea. These cultures also focus on the "we" not the "me." The manager should have been talking about the "team's" accomplishments not "his."

Bill went into the Latin American store confident that he had a product they would want to buy. He was surprised when he could not seem to close the deal. After over an hour, he left, confused about why he had not been able to convince the manager to buy his product. The simple concept of time is important. In Latin America, relationship is more important than how much time passes or how great the need for the product is. This differs from the mind-set in the United States that focuses on the task and instant gratification. The U.S. sales people go into the sales call wanting to know right away whether you want the product. But the Latin American person, no matter how wonderful that widget you're selling is, is not going to buy from you today.

Even Walt Disney Co., a brand name recognized all over the world, was slow to recognize the importance of adapting to cultural differences when it opened its theme park in Paris. Initially, the park suffered financial losses. This may have been due to the fact that they didn't serve wine with their lunches. The cultural norms in the United States view wine as an alcoholic beverage with restrictions on when and to whom it can be served. The French culture views wine as a food and classifies it as such. Mealtime consumption of wine for the French is analogous to having coffee with breakfast for many Americans. But Disney executives either overlooked or neglected to provide the option of having wine served with lunch.

An American oil rig supervisor in Indonesia berated an employee who seemed to be taking much too long to take a boat to shore. This supervisor had no idea what was in store for him. In this culture, no one berates an Indonesian in public, so a mob of outraged workers chased the supervisor with axes.

U.S. and British negotiators found themselves in confusion when the head of the American company said that they were "tabling" the remaining key points and began to walk out of the meeting. In the United States, "tabling a motion" means to postpone discussing it, while the same phrase in Great Britain means to "bring it to the table for discussion."

And finally, imagine the trouble you could get into in Bulgaria, where nodding your head up and down means "no."

In the 1970s, many of the expatriates sent to other countries for an assignment either came back before the assignment was due to end, or, although they stayed the full duration, their effort was deemed a failure.[90] Decades later a survey conducted by the Employee Benefit Plan Review indicated that there were still about 20 percent of expatriates who returned from their posting early.[91] These early returns, in an organizational view, are failures. The problem often cited for the early return was the lack of cultural skills.[92] It has been estimated that these failures and unfinished assignments cost their organizations about $2 billion per year.[93] For a single organization, the cost of these failures can range from $200,000 to 1.2 million.[94] This, of course does not include costs associated with the person leaving the position, such as damage to company reputation, impact on productivity, and so forth. So, for organizations to be effective in an international marketplace, their expatriates must operate successfully. An important part of the preparation for success working in a different country is training/orientation in the culture of that country.

What Organizations Are Doing

Today, most multinationals who use expatriates do offer some type of cross-cultural training.[95] However, in choosing an employee to represent the organization in a foreign subsidiary, many managers still consider the key component to be technical competence, with minimal attention being paid to the interpersonal skills and the domestic situations of potential expatriates.[96] This is in spite of research that suggests that failure in expatriate assignments is more likely due to family and personal issues and the lack of cross-cultural skills that enable people to adapt to their new environment.[97] Cross-cultural training does help in that regard, but this training needs to be for everyone in the family, not just the expatriate.

Given the costs associated with sending an expatriate to manage in another country, it is surprising that little in the way of evaluating success of these employees has been done. This is in spite of the fact that the failure rate (the percentage who return prematurely, without completing their assignment) in the United States is still around 20 percent. In contrast, Japan has a failure rate that is less than 5 percent for their expatriates. One of the reasons for the difference is that Japanese expatriates receive far more orientation and language instruction than U.S. expatriates do.[98]

With the concern regarding failure rates, the high costs associated with expatriates, and the difficulty in obtaining qualified employees to accept these positions, organizations are looking to alternatives. Hiring of foreign nationals has been one alternative. In a survey of multinationals, more than half indicated that they were doing just that.[99] When someone is hired who already knows the culture, there is less chance for cultural problems, and the cost is considerably less than using an expatriate. Another alternative is the virtual expatriate. As an example, the head of an Asia-Pacific operation could be officially based in Singapore but actually live in Los Angeles. He could stay in an apartment when he visits Singapore and, at other times, communicate with his Singapore team via videoconferencing and other technologies.[100] McDonald's has also found it cost-effective to have the manager live in one country (Australia for example) and work in another (the entire Asian market). The virtual expatriate is able to keep his family (and himself) at home and communicate often via various technologies. The organization saves money, even with the costs associated with travel, and the manager is able to stay in his home country.

Notwithstanding these alternatives to expatriates, there will always be a need for them. These expatriates need to be prepared to deal with the culture of the host country. Despite all the warning signals about the frequent failure to adapt to a new culture, not all organizations send their business managers on any form of training to prepare them to operate effectively in the new environment. That said, those that do provide appropriate training do reap the benefits. See **Training in Action 10-4** to see how McDonald's handles their foreign markets.

Using the Training Model to Develop Cross-Cultural Training

Training for an expatriate assignment is important for all the reasons mentioned earlier. This cross-cultural training/orientation needs to be developed in the same manner as any training.

TRAINING NEEDS ANALYSIS

In the development of cross-cultural training, the organizational outcomes not being achieved are future oriented. That is expected future performance in the foreign country is predicted to be higher than the actual future performance. "Expected performance" in this case means doing the things necessary to meet company standards within the cultural norms of the host country. This operational analysis information (describing how effective managers behave) would come from the host country. The person analysis is how the expatriate behaves presently. Some of the information in this analysis could come from experts in the specific culture, former expatriates, and the literature. However, it is also important to conduct interviews with host country employees. These employees can help identify problems that have occurred in the past with expatriates as well as identify methods for optimizing expatriate management performance. This step is often ignored.[102] The output here (training needs) would be the necessary items to be learned in order to be effective in the culture. The nontraining needs would be roadblocks that the organization in the host country had that would prevent the expatriate from being effective.

10-4 Training in Action McDonald's Expatriates[101]

McDonald's goal is to have local nationals leading all of their markets. However, this is not always possible, especially in developing markets. Therefore, McDonald's will use seasoned leaders from developed markets as expatriates to initially lead the market to get it established and off to a strong start. Expatriates may also be used in support leadership roles as well in these markets (e.g., marketing, finance, supply chain, etc.). Expats understand that they have a dual role. One is to initially develop the market. The second major priority is to identify and develop local leaders who after some period of time will be able to replace the expatriate.

Expatriate assignments in a given market/location typically last from three to five years.

McDonald's typically takes the following steps to ensure the success of their expatriates. Step one is for the candidate to visit the market on their own to get exposed to the market, the culture and the team in place. During the visit they will get a very realistic view of the situation they are entering and business and personal challenges they will face. If they respond positively to the opportunity and express an interest in accepting the position, McDonald's will then arrange for their family to visit the market so they can assess the opportunity from their perspective.

During these visits, that may last three days to a week, they will have an opportunity to look at schools, real estate, shopping options, job prospects for spouse, and such. The visit usually includes tours, culture orientation sessions, visits with other expats, and the like. The specific orientation provided depends on the needs of the employee and her family and, of course, on the actual location of the assignment.

With the high costs associated with expatriates, McDonald's, in some cases, uses virtual expatriates. Virtual expatriates are managers who are assigned to support a region or country, but remain in their own country. This works especially well when an individual's role involves a great deal of travel and, therefore, time away from home, so where they live is not as important. It is often less disruptive for their families and also less expensive to allow them to remain in their own country and travel to where they need to be vs. relocating them and paying them as expats. Technology enables them to communicate effectively and efficiently regardless of their distance from the market.

McDonald's is quite proud of their success rate with expatriates. Failure on assignments due to non-work issues, family issues, and the like does happen, but it has been very infrequent. For the most part, McDonald's expatriates have performed and adjusted well to their assignments and find them to be incredible learning experiences both for them and their family.

DESIGN

One of the inputs to the design phase is constraints. In determining the type of training to provide and how long it should be, an important constraint is the cost versus benefit. Many organizations, although realizing that training is important, tend to be concerned about the cost of some training. One way to examine this is to look at the cost/benefit ratio of a short training program versus a more comprehensive training program. For example, say we are sending an executive to Asia for five years with his family. Being very conservative on the costs ($1 million per year) means an investment of $5 million. Even comprehensive training (costing $50,000) in terms of cost benefit ratio is only 1 percent of this $5 million investment. When it is important that the expatriate be successful, this seems to be a small price to pay.

One of the objectives for the training will be to identify what behaviors are and are not appropriate in the culture. This can be measured by having the trainee watch a CD of various interactions between an expatriate and a host country employee. The trainee will stop the CD at each error committed by the expatriate (be 100% correct), explain the problem, and explain what should have been done.

To facilitate learning, the training will be in two parts: predeparture training (three days) and on-site training, which will take place after being on the job for four to six weeks and will be provided over a five-week period.

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DEVELOPMENT/IMPLEMENTATION

The training will utilize reading material, online discussion with current expatriates in the region, CDs, and role-plays. In the predeparture training, the focus is on providing

- cross-cultural awareness,
- cross-cultural communication skills, and
- business etiquette and procedures.

For the on-site training, there should be a review of the predeparture training, as often the hectic time prior to leaving for a foreign assignment causes one to lose her concentration. Then training will focus on questions that the expatriate and her family have now that they are living in the foreign country. This will take place a few times per week for a number of weeks.

EVALUATION

Reaction questionnaires should be designed to rate the relevance and value of the training and should be completed just before beginning the on-site training. Learning will be measured by an online test of multiple-choice questions completed a week after training. Learning will also be evaluated at the end of training using multiple videos portraying various cultural gaffes. Behavior will be assessed from 360-degree performance appraisals completed on the expatriate after six months in the country. In the appraisals, there will be dimensions related to how the expatriate is fitting into the culture of the host country. Organizational results will be measured in terms of a drop in expatriates returning early from their assignments because of a frustration with their situation in the host country.

OTHER TRAINING PROGRAMS AND ISSUES

The types of training provided and the way they are managed affect almost every aspect of organizational life. Training can assist an employee in doing a job more effectively and can provide opportunities for promotion, transfers, increased pay, and employee well-being. It