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# Impact of Cross-Cultural Training on Expatriate Performance

Helsinki Metropolia University of Applied Sciences

Bachelor in Business Administration

Double Degree Programme in European Business Administration

Bachelor Thesis

08.05.2017

Author(s) Title	Menni Polón Impact of Cross-Cultural Training on Expatriate Performance
Number of Pages Date	38 pages 8 May 2017
Degree	Bachelor in Business Administration
Degree Programme	Double Degree Programme in European Business Administration
Specialisation option	Management
Instructor(s)	Kevin McIntire, Senior Lecturer
<p>Due to free trade agreements, rapid expansion of global markets, changes in the business environment and the increased ease of global mobility, numerous companies have enlarged and diversified their business overseas. A firm's strategic purpose, together with many other factors, such as host-location policies, culture and the competency level of local employees, affects the decision of whether a parent country national (PCN) or a host country national (HCN) will be appointed to manage foreign operations.</p> <p>Due to firms' transnational value chains and global operations, expatriation (sending a PCN to a foreign office through an internal transfer) has increased in popularity, with the number of expatriates worldwide estimated to be around 50.5 million in 2013 (Finnaccord, 2014). Expatriation offers companies various benefits compared to utilising an HCN, such as lowered task-specific training costs, tighter control of organisational culture and improved communication with a foreign subsidiary. On the other hand, expatriation has various challenges associated with it, as the employees sent abroad can have an increasingly difficult time in adjusting to their new host country. This often leads to expatriate failure, identified most often as the event of premature departure, or poor work performance.</p> <p>Cross-cultural training (CCT) is often thought to be the most important factor in easing the process of an expatriate's cultural adaptation - although some empirical evidence exists demonstrating its effectiveness, there is some disagreement regarding the degree of influence it can have on cultural adjustment. This mainly results from the inaccurate nature of the available research, and the lack of specificity in categorising relevant survey data.</p> <p>Overall, it seems that CCT has, in the very least, a slight positive impact on an expatriate's cultural adjustment, which can in turn lower the chance of failure and improve overall performance. In order for researchers and companies to arrive to more accurate conclusions, however, the research methods and criteria for future studies need to be updated to include relevant factors such as an expatriate's innate cultural sensitivity, spousal situation and the length of an assignment. The relevant terms (such as expatriate failure) need to also be defined on exact terms, so that the results are comparable.</p>	
Keywords	Expatriate failure, cross-cultural training, expatriation, expatriate adjustment, cultural distance, cultural adjustment

## **List of Abbreviations**

PCN - Parent Country National  
HCN - Host Country National  
CCT- Cross-cultural Training  
MNC - Multinational Corporation

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## 1 Introduction

Due to free trade agreements, rapid expansion of global markets, changes in the business environment and the increased ease of global mobility, numerous companies have enlarged and diversified their business overseas. When opening subsidiaries across borders or creating international joint ventures, firms face the challenges of international staffing. A firm's strategic purpose, together with many other factors, such as host-location policies, culture and the competency level of local employees, affects the decision of whether a parent country national (PCN) or a host country national (HCN) will be appointed to manage foreign operations.

As the demand for global operations increase resulting from stiffer competition and transnational value chains, the importance of human resource management, and especially international human resource management, grows. Selecting the correct managers to lead overseas operations, training them for the expatriation process and managing their performance during the assignment all play a key role in determining the success of a company's expansion abroad, as well as retaining the best performers within the firm.

Sending a PCN employee to an international assignment to manage host location operations is also known as expatriation. This type of ethnocentric management approach has its advantages, and is currently a common practice worldwide, constantly growing in popularity - in 2013 the total number of expatriates worldwide was estimated to be around 50.5 million (Finnaccord, 2014).

Despite its popularity, expatriation comes with its costs. Companies are driven to establish hefty compensation packages to attract expatriate managers to relocate to a foreign country, and must take part in a multitude of bureaucratic and administrative hurdles to ensure that the process runs smoothly. The expatriates, in turn, are sacrificing their life at home and must adjust to a completely new environment. Expatriation is a highly complex process, and not as straightforward as simply sending a manager abroad and hoping for the best.

Failure to adjust to the local environment and culture, among many other obstacles, can cause the expatriation process to fail and lead to premature departure. Both failure, as in poor performance, and premature departure are extremely costly for a company in a

pecuniary sense, and in some situations can even cause damage to its goodwill, in addition to a host of other challenges. For the expatriate, failure can induce a diminished sense of self-esteem, contribute to a broken home life and be a step back in career development, even resulting in job loss (Mendenhall and Oddou, 1985).

### 1.1 Research Problem

Companies are investing in different training schemes to help expatriates, and in some cases their families, with the adjustment process in regards to integrating to the host country environment, and minimizing the chance of failure. The training schemes can be divided into a pre-departure training component, followed by a post-departure phase (Mead, 2005) – the pre-departure training usually contains most of the required cultural sensitivity training, with many companies skipping the post-departure phase altogether. However, not all companies are willing to invest in the costly and time-consuming training protocols offered by several firms, as they do not see it as necessary for the success of the expatriation process (Selmer, 2001).

Starting from Tung's (1981) pioneering research into the topic, there have been a lot of studies into the drivers of expatriate success, and the challenges that have caused the premature departure or failure of different expatriation scenarios. This thesis aims to analyse the effectiveness and importance of cross-cultural training on expatriate performance, and determine the possible relationship between a lack of cross-cultural training and expatriation failure, either in terms of premature departure or poor performance. The thesis will also discuss the challenges of analysing this relationship, and the different pitfalls authors may encounter in their research into the subject.

### 1.2 Research Questions

The main research questions, which the thesis aims to answer are:

1. **What are the effects of cross-cultural training on expatriate performance?**
2. **Is there clear evidence of such a relationship?**
3. **What are the challenges of trying to identify and analyse this relationship?**

In order to properly address the above questions, a series of sub-questions is also identified:

4. What is expatriate failure, and how is it defined?
5. What are the main factors causing this failure?
6. What is involved in the process of cultural adjustment, and how does its duration affect the successfulness of expatriation?

### 1.3 Methodology

This thesis is solely a literature review of the available secondary data. The main sources of information utilised in creating the text were different global relocation surveys, management books, case studies and academic text published on various different management journals. The chosen methodology aids the author in gaining a broader knowledge of the research problem, and identifying the challenges and limitations of prior studies - it also allows one to develop the necessary knowledge required by further research into the area of expatriation and cultural adjustment, or aid one in creating different expatriate procedures in a work place context.

### 1.4 Limitations

The greatest limitation of this research is the lack of publicly available data and empirical research regarding the different aspects of expatriation and cross-cultural training. For example, the cross-cultural training service providers do not publish information of the effectiveness of their training schemes, at least on a widely available form. Even though the effectiveness of cross-cultural training is a widely discussed and researched area, the amount of empirical evidence is still relatively limited, and most of the major publications are conducted by American researches, thus focusing on American expatriation. Besides regional limitations, it is also important to highlight the fact that most of the major studies have been conducted a few decades ago, and thus the applicability of the results can be questioned, especially since the definition of the terms "expatriate" and "failure" have evolved great deal since then.

## 2 Expatriation

This section will start by defining the word “expatriate”, and discussing the reasons behind companies’ choosing to use expatriate managers in their overseas operations, instead of native employees. It is very important to begin the analysis by discussing the basic concepts associated with expatriation, in order to better understand the significance of the research topic – this also allows one to have a more accurate grasp of the variation existing between the different research results, as well as in the opinions of different authors.

### 2.1 Expatriate

The definition of the word “expatriate” has evolved a great deal over the past decades. The term expatriate has traditionally been used to describe people involved in an international experience of either work or extracurricular nature, encompassing situations ranging from self-initiated expatriation and international students to immigrants and refugees (Suutari and Brewster, 2000; Pedersen et al., 2011). Writing for the “International Journal of Human Resource Management”, McNulty and Brewster (2017) claim that the term expatriate has been lacking a proper definition for many years, which has also contributed to the existence of inconsistent research results regarding the different topics surrounding expatriation.

McNulty and Brewster (2017) conducted research to find out how the 25 most cited studies regarding expatriation define the word “expatriate”. The result of the research revealed that many of the studies did not identify the term at all, but rather assumed it to be “self-explanatory”, meaning the employees of multicultural companies sent on foreign assignments for a specific period of time.

Based on the available information, it can be concluded that the definition for the word expatriate has changed over the years. In the beginning, it was used to refer to everyone engaged in any sort of international activity, whereas the more recent definitions have narrowed its scope to refer specifically to the workers of international business organizations, also including the context of a limited time-frame. For instance, Harrison et al. (2004:pp. 203) define the term expatriate as the following: “...employees of business organizations, who are sent overseas on a temporary basis to complete a time-based task or accomplish an organizational goal”.



## 2.2 Ethnocentric management

Besides the definition of the term expatriate, the reasons behind firms' decision to send a parent country national to manage their foreign subsidiaries, instead of hiring a host country national, have changed over the past years. After the implementation of different free trade agreements many decades ago, companies started to consider and utilise more overseas operations in efforts to reduce production costs, and increase their market shares and international presence. Most companies conducted their market entries through establishing foreign offices and plants abroad, and sending employees from the home offices to manage them. The above method can be described as an "ethnocentric" management approach, per Perlmutter's (1969) EPG-matrix. The ethnocentric approach is very home-country oriented, which means that the headquarters of the MNC hold a high degree of decision making power, and corporate governance is extremely centralised. This ensures that operational and cultural control are strictly maintained within the grasp of the home location of the firm.

After the rapid increase of globalization, many companies expanded their operations overseas by using an ethnocentric approach, sending parent country nationals to lead their foreign operations. Nowadays the purpose of using PCNs is no longer limited to the usage of setting up foreign operations, but also to the development of the managers themselves - expatriate managers are also widely used to train local managers (Morley et al., 2006). As such, besides utilising an ethnocentric management approach as a strategic entry mode, it can also be effective in the transfer and development of knowledge and skills.

Ethnocentric management approaches are popular and widely-used to this day, as they allow companies to retain the major decision-making power and overall control over operations required by a tightly coordinated transnational corporation. By using a parent-country national to lead foreign subsidiaries, companies can better apply the same values and organizational culture across the whole of their value chain. In addition, the communication between the parent and the subsidiaries is easier, as there are less language and cultural barriers (Scullion and Collings, 2006).

On the other hand, an ethnocentric management approach can be costly to a company, as they must pay all the transfer expenses related to transferring a PCN to the foreign subsidiary, and invest into different kinds of compensation packages to ensure maximal

performance (Martocchio, 2009; Herod, 2012). This kind of approach also increases the risk of adjustment issues, both on an organizational level as well as on a personnel level. Thus, to mitigate and minimize such risks, it is important for the companies to understand the consequences of potential failure and to identify the reasons that have caused the situation of a respective expatriate failure in order to provide the necessary support for the expatriate managers. The next chapter will explain and define the concept of expatriate failure in more detail.

### **3 Failure**

This section aims to give a better understanding of the challenges that expatriates face during their international assignments. These challenges make the adjustment of an expatriate to a host location more difficult, and can (in the worst-case) lead to premature return or other kind of expatriate failure, such as decreased job performance. This chapter also looks at the recent discussion and challenges of identifying the term “expatriate failure”, as it can include many different concepts depending on a study’s research standards, or a company’s preferences. This section also briefly discusses the costs associated with expatriate failure, in order to emphasise the significance of the matter.

For many decades, expatriate failure was directly associated with the scenario of premature return, and thus completing the full length of an assignment abroad was always considered to be a case of successful expatriation (Tung, 1981; Mendenhall and Oddou 1985; Insch and Daniels, 2002). However, as the whole concept of expatriation has developed during recent years (and companies are sending employees for international assignments for an increased number of reasons), the meaning of the terms success and failure have also transformed (Morley et al., 2006; Martocchio, 2009; PwC, 2006). According to Bennett et al. (2000), other factors have been taken into consideration in assessing a company’s expatriation performance, such as an expatriate’s job performance abroad in comparison to his or her performance in a similar position at the home company - other considered aspects are a candidate’s successful transfer of skills and knowledge, as well as the level repatriation turnover within a company. The definition of failure has re-focused to a more assignment-specific level, as the employees are sent on assignments with different goals and purposes (Morley et al., 2006). Harzing and Christensen (2004: pp. 622) define expatriate failure as “the inability of the expatriate or repatriate to perform according to the expectations of the organization”. However, multiple surveys researching MNCs and their international human resource management

practices show that only around 30% of the surveyed companies set assignment-specific goals and effectively measure the job performance of their expatriates (KPMG, 2016). This is one of the aspects that makes the identification of failure relatively difficult, as companies do not always set specific goals for the assignment (or at the very least do not monitor their achievement consistently), and thus at the end of the assignment it is hard to evaluate whether the employee has performed in line with the expectations or not. One of the reasons why early return has been used as a synonym for expatriate failure during many decades is probably due to the difficulty of measuring the job performance of an expatriate during an assignment – as such, companies and researchers have arguably taken the simple route, sacrificing accuracy in their results.

There is also uncertainty in the rates of premature departure among the published research and literature. In 1999, Black and Gregersen found that 10% -20% of all US-based managers sent to an international assignment returned earlier than planned. In contrast, for the same expatriate segment, Eschbach et al. (2001) estimated the premature turnover rate to be anywhere between 10- 50%. However, the relatively high recorded rates of premature departure have been criticized due to a lack of solid empirical evidence (Harzing, 1995). More recent research has demonstrated the premature return rates to be lower than previous studies have suggested (Brookfield, 2012; Insch and Daniels, 2002). Even though the overall percentage of premature returns has decreased, a failure during a foreign assignment can be extremely costly for the MNC and thus should be taken extremely seriously. As such, when discussing the term expatriate failure in this thesis, the author is referring to the premature departure of the expatriation or an expatriate's under-performance in comparison to the goals set for the assignment.

### 3.1 Factors influencing failure

Expatriates encounter a great deal of challenges when relocating to a host country for their international assignment. Often the expats and their families have not been trained well enough to cope with the uncertainties and stresses they might encounter during their assignment. According to a survey called "Worldwide Survey of International Assignment Policies and Practices" by Mercer (2015), poor candidate selection, adjustment challenges in the host country, poor job performance and a partner's (or family's) unhappiness were the main reasons for expatriate failure. As the employees are sent overseas to transfer skills and knowledge, in many occasions the companies focus on the candi-

date's technical skills, and overlook the importance of cross-cultural intelligence and social attributes when selecting the right candidate for the international assignment (Lee, 2007).

Culture, taxation, regulations, infrastructure, safety, and environmental factors, such as the standard of living and cost of living, are among some of the elements which play a key role in the process of an expatriate adjusting to their host country (Mullins and Gill, 2016). Companies usually include a "hardship allowance" in their expatriate compensation packages, in order to address the possible issues associated with the standard of living in the host country (Martocchio, 2009). However, monetary compensation alone does not allow a candidate to prepare the necessary skills to overcome the "culture shock" associated with overseas transfers, which many expatriates experience whilst moving to a foreign country (Mullins and Gill, 2016). As the assignees come from different countries, and are sent to completely different locations ranging from developed countries to developing countries, it is difficult to identify a single main factor affecting the adjustment process into the host country's culture. Language, for instance, can be a major issue in a specific location, as the assignee is not able to properly communicate with the local population, whereas in another location the country's unsafety can be the main factor. Based on a global survey conducted by Brookfield (2012), the increasing concern for security has caused a significant number of early returns from assignments, for instance in countries such as Egypt and Tunisia. The drastic increase in terror attacks across the globe has caused increased peoples' overall feelings of uncertainty and potential danger, which can significantly increase the stress levels of an assignee. Wang and Kanungo (2014) and Tung (1981), argue that stress and uncertainty have been identified as the most damaging factors in regards to a candidate's success from the point of view of psychological well-being.

On top of the previously mentioned reasons, Morley et al. (2006) also suggests that host country nationals (HCNs) should be taken into consideration in the adjustment process of an expatriate. For instance, the wage difference between the HCNs and an expatriate employee might result in a lack of satisfaction among the HCNs, and cause instability within the workplace. Usually the expatriate employee, performing similar activities in comparison to the HCNs, will receive much higher compensation through various expatriate benefits and allowances.

According to research conducted on nearly 2,000 cases of expatriation, other reasons for failure and premature departure were a lack of company support, poor career development opportunities and other miscellaneous (often personal) repatriation concerns (Stahl et al., 2009). In addition, the adjustment of the expatriate's family on the host location plays a vital role in the overall success of the expatriation process (Trompetter et al., 2016). The happiness of the spouse and the children, as well as the availability of quality education and extracurricular activities, are factors that affect the overall satisfaction of the expatriate and can often lead to premature departure if handled poorly.

In addition, a better job offer from another company during the assignment has also been identified as one of the relatively common reasons for premature departure, which also means that the old employers of the expatriates have made a loss in investment (Insch and Daniels, 2002; Brookfield, 2012). Sending an expatriate to an international assignment is costly for the companies in itself, but the failure of an assignment can lead to even higher costs in both monetary and non-monetary terms. The next section will identify the costs associated with expatriate failure in greater detail.

### 3.2 Cost of Failure

Sending a parent-country national to lead the operations in a foreign country comes with its costs. The costs of expatriation include transfer costs, potential training costs, the wages and compensation whilst on an assignment, and potential repatriation costs after the assignment. Black and Gregersen (1999) and Hill (2013) estimate the total cost of expatriation to vary between USD 300,000 to USD 1 million per annum, depending on the specifics of a given situation.

The costs of failure in monetary terms can double the cost of expatriation, as the company must find someone to replace the person who left for the assignment. Other costs failure may induce to the company are productivity loss, loss of various operational opportunities and even a lack of trust in the host location (Bennett et al., 2000). In smaller firms, a single individual on expatriation can play a significant role in the overall internationalisation process of the company, and thus the costs of failure are also dependent on the purpose of the assignment and the size of the company. Failure in the above example could cause considerable damage to the company's international operations, all effected through a single employee.

Besides the obvious monetary and operational costs expatriation failure can induce on a company, there are also many consequences to the expatriates themselves. According to Mendenhall and Oddou (1985), expatriate failure can result in low self-esteem, a step back in the employee's career development or even result in the loss of a job. Another issue companies struggle with in regards to expatriation relates to the aftermath of a concluded tour abroad. After the expatriation, companies may struggle with retaining their employees, as the workers may feel more valuable to the company compared to before, and thus are not willing to give up all the compensation offered during the assignment (Martocchio, 2009).

The full extent of repatriation challenges leading to failure will not be more deeply covered in this thesis, but they are important to mention in order for one to have a clear picture of the issues surrounding foreign assignments. The above paragraphs effectively cover the main issues companies and expatriates face during a foreign assignment.

#### **4 Cross-cultural training and expatriate adjustment**

The previous chapters have identified and explored the challenges associated with expatriate failure, and detailed the various costs and negative effects failure can have on both a respective company, and on the expatriates themselves. During the past few decades, firms have started to pay greater attention to the various adjustment issues which may result in an expatriate's poor performance or failure on a foreign assignment. To mitigate these problems, some firms have started to utilise different cross-cultural training (CCT) schemes in order to better help expatriates and their families to adjust to the specific host culture to which they are sent. Although many companies believe in the effectiveness of CCT programs (and there is some evidence to support this), some companies are still hesitant to embark on the costly and time-consuming schemes. Overall, there is a lack of clear, conclusive evidence regarding the training programs' effectiveness on contributing to the success of expatriates' adjustment and performance.

This chapter will first briefly define cross-cultural training, its purpose and its different variations. After this, the text will move on to discuss the general adjustment process, with its requirements and potential pitfalls.

##### **4.1 Cross-cultural training**

To avoid or minimize the adjustment challenges that the cultural distance between the home and host national cultures creates, companies invest in different kinds of training packages. The training is usually done before the assignment (pre-departure), or right after arriving to the host location (post-departure), and consists of different types of training. The main focus is on cross-cultural training, and cultural sensitivity exercises (Dowling et al., 2008).

Cross-cultural training is a broad concept, which encompasses various different psychological, sociological and motivational theories. In its basic form, CCT is aimed at helping an individual become more culturally sensitive and aware: this essentially means that one is capable of impartially and effectively spotting and analysing the cultural differences between their home country, and the country which they are visiting or living at. As such, cross-cultural training is not meant to make one change their values or outlook on life when they move to another country, so that they could fit in – instead, CCT is meant to allow one to learn the skills enabling them to interact effectively from people from all sorts of different cultural and social backgrounds (Hofstede, 1984).

Some of the most common cross-cultural training practices are basic language training, cultural assimilation exercises, didactic training (through different group activities and exercises), cultural sensitivity training and different “field” experience exercises (for example immersing future expats on their new host culture by having them spend time with that country’s natives before they embark on their assignment) (Tung, 1981). Although in rare cases companies conduct CCT training internally, usually firms hire an external service provider who specialises in training future expatriates for their assignments (Morris and Robie, 2001). Due to expatriation’s rising popularity with companies, the amount of these private CCT training firms has increased almost exponentially – this also results in the increase in variation of these companies’ backgrounds. Some firms mostly employ cultural researchers and scholars, some utilise former expatriates and people with a background in business, while some focus mostly on the services of psychologists and linguists (Bennett et al., 2000).

Cross-cultural training can be roughly divided into three levels: low, moderate and high-rigour. The chosen level of the training protocol affects both the methods and time allotted to the training (Mendenhall et al., 1987).

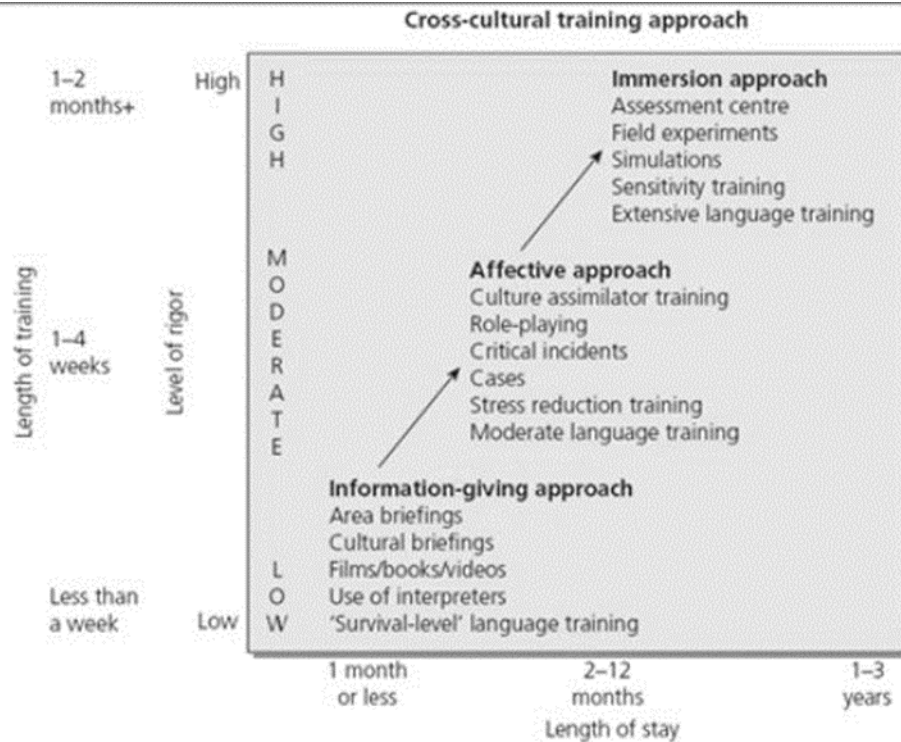


Figure 1. – Cross-cultural Training Model (Mendenhall, Dunbar & Oddou: 1987)

Low-rigour training is mostly utilised when a company needs to send an expatriate on an assignment on a fast schedule (resulting from a suddenly arisen need), and the length of the assignment is decidedly short. The training itself consists of very basic briefing sessions and exercises, aimed at giving an expatriate the basic knowledge about a respective culture, in order for him or her to have the minimum level of understanding regarding the country's customs, language and bureaucracy. Low-rigour training usually involves mostly self-study, through books and videos, with the possibility of some one-on-one sessions or group activities (Mendenhall et al., 1987). Low-rigour training usually lasts less than a week, and in some cases it can be as short as a single session lasting a few hours.

Moderate-rigour training is used when the length of the assignment is reasonably long (up to a year) and the sending company has more time and resources they can devote to the training. Moderate-rigour protocols involve various exercises, such as mid-level language training, cultural assimilation exercises, case studies, roleplays and stress re-



duction training (Mendenhall and Oddou, 1986). Compared to low-rigour training, moderate protocols are vastly more expansive and improve a future expatriate's readiness for a move abroad a great deal more (Mendenhall and Oddou, 1986). In essence, moderate-rigour training is the first "real" step towards improving an expatriate's cultural adaptation skills, and thus requires more time and interaction compared to low-rigour protocols – as such, moderate-rigour training utilises more group activities and different teaching sessions compared to low-rigour training.

High-rigour training is utilised for expatriations which are to last for a reasonably long time, a year or longer, and the parent company has a significant amount of time and resources they can devote to the training. As such, high-rigour training is mostly used when the expatriation is critical for the company's success, and/or the length of the assignment is very long (several years). Some companies use high-rigour training in preparing manager-level employees for expatriation, while others view managers as not really requiring cultural training, perhaps because in companies' eyes they do not need to adapt to a respective work environment: if one has performed his or her tasks well in the home country, he or she will also do so in the host country (Anderson, 2003).

High-rigour training is much more involved and complex compared to the two lower rigours – high-rigour protocols are usually initiated in the home country, but they continue in the host country - this is called an integrated approach to CCT (Eschbach et al., 2001). They are meant to give an expatriate all of the expertise and knowledge they might require during their assignment, and generally improve a candidate's skills in adapting to different cultures. As such, high rigour training is the only protocol which is aimed at increasing an expatriate's cultural sensitivity in actual terms, whereas low and moderate-rigour training focus solely on providing a candidate with the basic skills he needs to survive in a specific host culture (Mendenhall et al., 1987).

High rigour training usually occurs in an external facility (for example in an assessment centre), and it comprises of very involved exercises, such as sensitivity training, field experiments, simulations, advanced language training and social experiences, such as spending time with the nationals of a foreign country (Mendenhall et al., 1987). Resulting from the steep time and financial requirements of high rigour training, it is relatively rarely utilised extensively by companies.

As figure 1 demonstrates, according Mendenhall et al. (1987) the level of rigour is determined by two different factors: the length of the assignment, and the level of interaction required by the position the expatriate will work at. Tung (1981) also suggests that in addition to the two aforementioned factors, the cultural distance between the home and host countries is very important in determining the required rigour of training, and should be taken into account.

According to multiple authors (Black and Mendenhall, 1990; Kraimer et al., 2001; Wang and Tran, 2012; Kassar et al., 2015; Okpara and Kabongo, 2010), cross-cultural training has a significant positive effect on an expatriate's adjustment process and integration into a host culture. The success of CCT is determined by monitoring the behavioural, affective and cognitive changes in a candidate. Still, the results are conflicting, and there is a significant deal of variation between the opinions of different authors regarding the various theoretical frameworks that should be used in analysing CCT's effectiveness.

#### 4.2 Expatriate Adjustment Process

According to both theory and empirical evidence, a move to a foreign country requires one to go through an adjustment process, which can involve different phases. As adjustment has a major impact on a person's overall mental and psychological well-being, it has important implications in terms of expatriation, having an influence on performance and the successful completion of an assignment.

There are some differing opinions on the ways to effectively define an expatriate's adjustment in a host culture, but the most commonly utilised definition involves four distinct stages (also showcased in figure 2 below): 1. the initial stage (also known as the honeymoon stage), 2. culture shock, 3. adjustment and 4. mastery (Oberg, 1960).

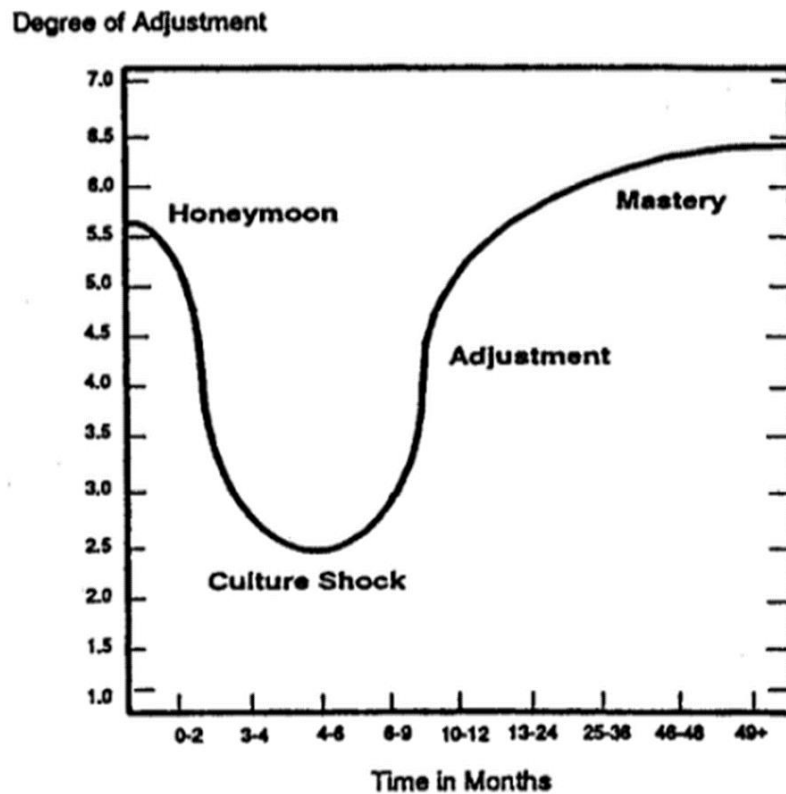


Figure 2. - U-Curve Model of cross-cultural adjustment (Oberg, 1960).

The initial stage involves the candidate finding only the positive in his or her new surroundings – essentially, they feel almost like tourists in their new environment, even though they know they will be staying in the respective country for a long time. As such, in this stage an expatriate often has a very positive outlook of both the host country and work culture of their new host office – full integration seems easy and simple (Oberg, 1960; Heher, 2006).

The second stage, culture shock, varies a great deal depending on the personal attributes of a specific candidate, along with their respective situation in terms of family and prior experience with different cultures (Oberg, 1960). The lack of familiar touchstones in one's new environment often causes significant stress and results in feelings of anxiety, isolation and different interaction issues. This stage is often the point where an expatriate experiences the most adversity, and culture shock usually sows the seeds of the future failure of an expatriation, should one occur.

The third stage of adjustment sees the expatriate experience a diminishing amount of the different stressors and issues identified in the above paragraph. Overall, the candidate starts to adjust to the host culture, and their work performance and general happiness starts to increase (Oberg, 1960). The expatriate still experiences smaller culture shocks periodically, but they do not send them off balance to the same degree as before.

The final stage, mastery, allows one to utilise their full potential and capabilities both in their work and their personal life, due to them having properly and fully adjusted to the host culture (Oberg, 1960). The new culture does not feel foreign or strange, but an expatriate rather experiences it as their second home. A candidate effectively sees the positive aspects of their new living surroundings, and is happy in their environment.

Cross-cultural training has been shown to shorten the time required by cultural adjustment, and alleviate the severity of the culture shock an expatriate can experience (Waxin and Panaccio, 2005; Kraimer et al., 2001). According to the U-curve theory, for example, CCT can effectively shorten each of the four stages of adjustment, and make the overall expatriation process smoother. A candidate can benefit from CCT especially regarding the first two stages, where initially they can have more realistic expectations regarding their new host culture, while possessing the necessary skills to deal with the stress and anxiety caused by cultural shock.

Black et al. (1990) are among those who argue that cross-cultural training has a significant positive impact on the adjustment process, and therefore an expatriate's performance at his new position. Similarly, Waxin and Panaccio (2005) and Bennett et al. (2000) find that CCT in all its various forms and levels of rigour has proven to be beneficial in preventing expatriate failure and poor performance, and improving companies' overall return on investment in terms of expatriation.

While Black and Mendenhall (1990) agree that cross-cultural training has a positive effect on an expatriate's adjustment to a host culture, they still argue that the research documenting these positive effects lacks a reliable theoretical framework. In other words, the authors see an issue in the anecdotal and inferred nature of the evidence, and identify this as one of the potential reasons behind the conflicting nature of the results regarding research into cultural adjustment and cross-cultural training. Church (1982) and Sapien (1993), among others, share doubts about the trustworthiness of the results of expatriates' adjustment research and the U-curve framework. Both suggest that the U-

shape of the theory is not necessarily accurate due to two reasons: firstly, expatriates can experience the stages in different orders. For example, one could initially experience a culture shock, after which they could move onto a honeymoon stage, or straight to the adjustment stage. Secondly, although one might experience the stages in the correct documented order, they might have multiple culture shocks all throughout the assignment – as such, the shape of the curve would not be the traditional U. Both authors also argue that the variation between the times different people spend on different stages can be significant – this would also change the traditional shape of the curve to something more unique.

As such, although the U-curve theory is often referred to in the relevant literature and it is cited in cross-cultural training situations, various authors have differing opinions on its suitability as a measuring tool, and some suggest utilising other theories. Black and Mendenhall (1990) highlight the “social learning theory” (SLT), originally created by Albert Bandura (1962), as a more suitable alternative. Black and Mendenhall do not necessarily dispute the validity of the U-curve theory, but see it more as describing a process, rather than explaining it. According to the social learning theory, cultural adaptation and learning is achieved through observation. Following observation, an individual then essentially mimics what he or she has seen. This results in one acquiring the necessary skills for cultural adaptation, and, in the end, developing cultural sensitivity.

Bandura (1962) argues that motivation is an extremely important part of the process of cultural adaptation through social learning. In the case of expatriation, the pace and degree of a candidate’s adaptation to a specific host culture varies based on his personal motivation to achieve cultural adjustment. Factors which can influence motivation are, for example, the cultural distance between the expatriate’s home country and the new host country, the work environment at the new office, salary and length of the expatriation (Black and Mendenhall, 1990).

Sappinen (1993) proposes a different structure for analysing expatriate adjustment compared to the U-curve – the author argues that the process of adaptation is a continual, flowing process of culture shock followed by adjustment, and as such the visual representation of the process should reflect this, being a “wave curve”. In addition, Sappinen identifies other major variables regarding adaptation besides just overall culture adjustment – according to the author, the adjustment process is comprised of four different

curve factors, which together form the wave curve. These four factors are business adjustment, social adjustment, country adjustment (this comprises the traditional cultural elements present in the other theories) and family adjustment. As such, Sappinen's theory is more expansive compared to some of the other theories regarding cultural adaptation.

#### 4.3 Factors influencing the adjustment process

The above chapters have detailed the theoretical frameworks surrounding the cultural adjustment process of expatriates, and discussed the various viewpoints different authors have regarding the topic. In addition to the views described in the previous text, there are some other factors which cause conflicts of opinion among the scholars working on cultural adjustment research. These factors are individual factors, contextual factors and organizational factors (Black et al., 1991). The contextual and the organizational factors are also sometimes referred to as job-related factors and outside factors, respectively, per Black's (1988) previous definitions.

One of the most divisive issues within the field of cultural adjustment research is the importance placed on a candidate's prior international experience, otherwise referred to as a person's individual factors (Black et al., 1991; Waxin and Panaccio, 2005). Starting from 1982, Church has argued that prior international experience is one of the key determining factors in an expatriate's adjustment process, and the benefit a candidate can incur from cross-cultural training. Essentially, CCT is less useful for candidates who have a significant amount of international experience through previous expatriation, immigration or extracurricular traveling. Waxin and Panaccio (2005) argue that people who have less than two years of international experience benefit from cross-cultural training protocols significantly more than people with more than two years of experience. The above issues could also explain some of the variation and conflict within the results of cultural adaptation research: as previous international experience might not be taken into account when collecting data on the length and successfulness of cultural adaptation, the results arguably provide little effective information. As such, when conducting research on expatriates' adaptation into a host culture, their previous international background should always be taken into consideration.

Contextual factors, such as spousal and family support, and the time spent on an assignment, are suggested to have an effect on the adjustment process and the effectiveness of cross-cultural training. In a study conducted by Eschbach et al. (2001), the researchers found that the opinions and attitude of an expatriate's spouse has a significant impact on the employee's overall adjustment process. A spouse with negative feelings regarding a respective host culture can slow down and decrease the effectiveness of cultural adjustment, while a spouse with a positive attitude can vice versa quicken the pace and improve the effectiveness of adaptation.

The organisational factors comprise of elements such as job-related variables, cultural distance and organisational support (such as pre- and post-departure training) (Black et al., 1991). Cultural distance is one of the most researched factors in relation to cultural adjustment. According to Hofstede (1984), the creator of the cultural dimensions framework, countries are divided into different categories according to six dimensions of national culture. These dimensions are power distance, individualism, masculinity, uncertainty avoidance, long-term orientation and indulgence. The dimensions serve to clearly divide different countries from each other culturally, and help define a specific nation's norms, behavioural patterns and beliefs (Hofstede, 1984). Prior studies show that the greater the cultural distance between two respective countries, the more challenging the adjustment process of an expatriate is - cultural distance between countries seems to affect the process of expatriation both on an organizational level, as well as on a personal level (Johnson et al., 2006). Hofstede (1984) suggests that the values of an employee cannot be changed. Moreover, Hofstede argues that this is not even the point – rather, an employee should be taught to understand and respect the values of other cultures, which can exist alongside his own.

For example, a British expatriate to Finland will find less issues in adjusting to their new host culture, compared to another British candidate moving to Venezuela, due to the greater distance between the two countries' cultural dimensions. For this reason, cross-cultural training should always be specifically tailored to the circumstances of a respective situation, mostly depending on the distance between the two cultures. The training required by the people in the above examples would be different resulting from the variation in cultural distance of the host country, with the specific exercises changing accordingly (Hofstede, 2005). Waxin and Panaccio (2005) and Eschbach et al. (2001), for example, have found CCT to be more effective in cases where it has been specifically modified according to the particulars of a situation, rather than used more generally.

Interestingly, it seems that an organisation's decision to utilise an ethnocentric management approach creates additional challenges for the expatriate in adjusting to the host country, as the working culture remains similar to the culture at the home location (Johnson et al., 2006). As such, although a unified work culture is often seen as contributing positively to expatriation's success, it can in actuality serve to diminish the successfulness and pace of cultural adjustment.

Kraimer et al. (2001) argue that the perceived organizational support received either in the parent, or in the host, country had a positive relationship with cultural adjustment, which in turn positively affected expatriation's success. For these reasons, conducting more research into the impact of organisational support is extremely important. Kraimer et al. (2001) argue that cross-cultural training should be integrated effectively into the process of expatriation to ensure maximal success – in other words, CCT should be conducted continually throughout the expatriation process, or at least in both countries (an integrated approach). Eschbach et al. (2001) corroborate these findings, stating that CCT protocols which continue in the host country after being initiated in the home country can significantly improve an expatriate's adjustment process. Specifically, correctly organized training protocols will decrease the severity of culture shock, and shorten the time required by adjustment.

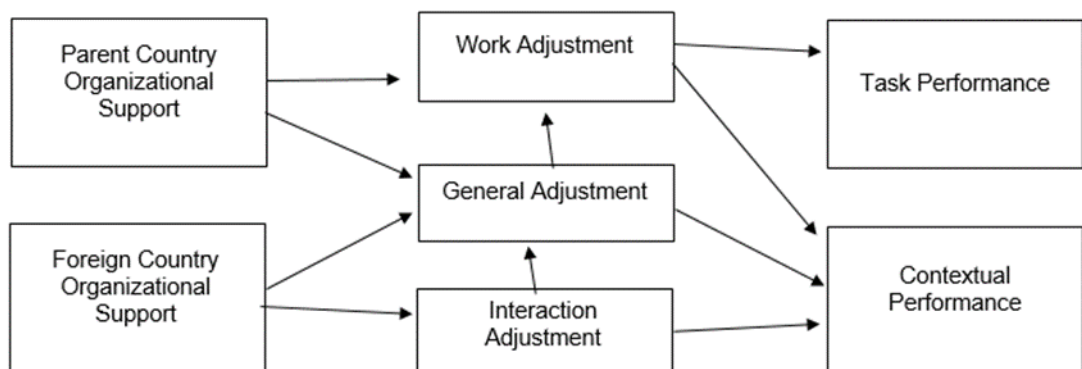


Figure 3. Impact of organization support on adjustment and performance (Kraimer et al., 2001)

In addition to integration, Kraimer et al. (2001) find that the organisational support provided in the parent country, compared to the host country, affects different elements of the cross-cultural adjustment process. As showcased in figure 3. above, organisational



support received in the parent country mostly affects work adjustment, and general adjustment. In contrast, organisational support received in the host country has an effect on interactional adjustment, and general adjustment. Work adjustment has a large impact on task performance and contextual performance, whereas general and interactional adjustment mostly had an effect on only an expatriate's contextual performance, without affecting work performance. Interactional adjustment has a significant influence on an expatriate's general adjustment, which directly contributes to their adaptation to their new workplace. As such, all of the different adjustment factors have many links between them, and can have drastic compounding effects on each other.

As discussed in the above paragraphs, a swift and effective adjustment process contributes greatly to a candidate's job performance, which in turn is one of the key aspects in determining an expatriation's failure and success. However, due to the high costs associated with this type of training, the cost-benefit ratio of CCT has been questioned by multiple firms (Selmer, 2001). Many scholars all over the globe have been studying its effectiveness, attempting to empirically prove a clear link between training and improved performance. The next chapter will present the findings related to the impact of cross-cultural training on the overall occurrence of expatriate failure or success.

## **5 Effectiveness of cross-cultural training on expatriate adjustment**

This chapter will look at the various studies researching the impact of cross-cultural training on expatriate adjustment. By analysing the available secondary data, this section aims to answer the main research questions identified in the first chapter: What are the effects of cross-cultural training on expatriate performance? Is there clear evidence of such relationship? This chapter will also discuss the critique cross-cultural training has received in an expatriation context.

Over the past few decades, cross-cultural training's impact on expatriation has been one of the key topics of discussion among researchers, MNCs and expats themselves. As such, cross-cultural training has attracted the most research out of all the topics surrounding expatriation, but the results are still conflicting (Morley et al., 2006). As many of the conducted studies have not been able to identify clear evidence of the benefits of training, some companies have decided not to invest in cross-cultural training to prepare their expatriates for international assignments (Mead, 2005). However, according to

GMAC's Global Relocation Survey (2003), 60% of companies offered formal cross-cultural training, from which 27% offered the training for the entire family. Out of all the companies providing cross-cultural training, 73% said the training had great or high value, and was important in terms of influencing the success of expatriation.

Black and Mendenhall (1990), as the scholars pioneering the research in regards expatriate cross-cultural training, claim that CCT has a positive impact on expatriation, provable by empirical research. They argue that CCT not only eases the process of adjustment into a new local culture, but also increases the overall level of job performance and an expatriate's job satisfaction. However, at the time of the study, they also noted that the amount of empirical evidence was limited, and thus the results would not be widely applicable across a variety of contexts.

More recent studies have also shown a positive relationship between cross-cultural-training and an expatriate's adjustment to a host location and general job performance. Wang and Tran (2012) conducted a survey for Vietnamese expatriates, evaluating the impact of CCT. The results of CCT in both the adjustment of the expatriate, and his or her job performance, were positive. Kassir et al. (2015) found similar results in their study, which identified the lack of cross-cultural training as the phenomenon most increasing the percentage of premature departures. Of the expatriates who did not receive cross-cultural training, 22% returned earlier as planned - whereas only 4,3% of expatriates who had received cross-cultural-training returned prematurely. According to their study, nearly 80% of the expatriates who had CCT would consider going on another foreign assignment, when in comparison only 22% of the assignees who did not receive the training could consider embarking on expatriation again (Kassar et al., 2015). As such, according to the results, CCT had a significant role in both the adjustment process, and the overall success of an assignment.

On the other hand, based on several studies (Okpara and Kabongo, 2010; Heirsmac et al., 2015), general cross-cultural training has proven to have a limited impact on expatriate adjustment. Okpara and Kabongo (2010) conducted a survey for 226 Western expat managers, who had been relocated to Nigeria for an assignment at the time of the study. The study focused on analysing the impact of different kinds of cross-cultural training schemes on expatriate adjustment. Based on the results, they concluded that, in general, cross-cultural training had a weak link to the adjustment process of an expat, whereas more specific training protocols, focusing on pre-determined scenarios and tasks, had a

significant positive link. The specific training protocols were more targeted to identify and find solutions to the cultural differences and issues that were specific to Nigeria, whereas the more general training was more about the common cultural adjustment challenges one encounters during a relocation process. Also, prior foreign experience, especially in terms of previous international assignments, had a positive relationship to the effectiveness of cross-cultural training and cultural adjustment (Okpara and Kabongo, 2010).

Besides the importance of prior expatriation experiences, Wu and Ang (2011) suggest that the innate cultural intelligence of an employee also significantly influences the effectiveness of CCT. The authors' research suggests that those in most need of cross-cultural training are also the ones with the least amount of innate cultural intelligence. In other words, the more culturally sensitive someone is by nature, the less CCT they will require - this corroborates the findings of Church (1982), who argued that an expatriate's personal attributes and background has a significant influence on the level of CCT they require.

In addition to the above-mentioned studies, there have been other research projects, which agree on CCT's positive effects on expatriate adjustment, job performance and the prevention of early returns. In general, although most studies find CCT to have significant benefits in terms of adjustment, many authors are wary to state its specific effects unequivocally, as there are a multitude of other factors influencing the adjustment process. In addition, many of the studies have had different limitations which might have skewed the results a certain way, but which the researchers have not considered properly. For example, research by Kassir et al. (2015) studying the effectiveness of cross-cultural training on preventing early returns, fails to take into account the fact of whether the expatriates were on a respective assignment alone, or accompanied by their spouse or family. Also, many of the studies include hundreds of samples from different companies, and different home and host countries; as there is no standard form of CCT, and all of the expatriates have potentially received different sorts of training at different levels of rigour, the results are almost impossible to compare with each other accurately.

In addition to the authors questioning the reliability of the analysis regarding cross-cultural training's impact on adjustment, some argue that CCT has no discernible impact on expatriate adjustment and performance in a host country. Puck et al. (2008), for example, in their research encompassing over 300 non-US expatriates' performance abroad find

that cross-cultural training had little to no impact on a candidate's performance and adjustment abroad.

Interestingly, Selmer (2002), studying expatriates from Western countries into China, finds that CCT had the potential to speed up the process of cultural adjustment, but that this had no impact on the actual work performance of a candidate. As such, according to Selmer, this would make extensive cross-cultural training seem almost useless in regards to improving performance, although it could be potentially helpful in preventing pre-mature departure. Considering all the other studies highlighting CCT's effectiveness on performance, however, this argument would need significantly more research to accept fully.

Selmer, in his later work (2005), finds there to be a "weak" link between CCT and improved work adjustment – his research does not find any correlation between CCT improving adjustment or performance on other fronts. As such, he sees CCT to have limited value in terms of expatriation success overall. Interestingly, Selmer argues that CCT can be effectively substituted by a candidate's overall attitude and positive feelings about a future host country – in other words, an employee's own excitement and positive feelings about their impending expatriation can serve to achieve the same results in terms of slightly speeding up adjustment than CCT does.

In conclusion, there seems to exist a great deal of variety in opinions (an even disagreement) regarding cross-cultural training's effectiveness – this variety in opinions can be found both in the realm of theoretical frameworks, and empirical analysis. This provides an answer for the research questions of: "What are the effects of cross-cultural training on expatriate performance?" and "Is there clear evidence of such relationship between the two elements?". All in all, almost all theoretical research and empirical study results (with minor dissenting voices) indicates CCT to have, at the bare minimum, a minor positive impact on improving an employee's adjustment process to a host culture. However, there seems to exist a great deal more of dissent on topic of CCT's capability in improving actual work performance. CCT's direct effect on premature departure is also poorly and inconclusively documented, as many of the studies fail to take into account some of the other phenomena which can influence an expatriate quitting an assignment early.

As one can surmise, there exists no clear, definite conclusions regarding CCT's importance in terms of expatriation, mainly due to (arguably) poor empirical research protocols and an overall lack of data. This is the reason for addressing the third and final research questions: "What are the challenges of trying to identify and analyse this relationship?" answered in detail in the following chapter.

## **6 Challenges**

As most of the research concerning cross-cultural training has been conducted in various different time periods, and utilising different methods and research criteria, there exists some inconsistencies and variations within the results. For example, over the years the definition of the term "expatriate" has changed and the training components associated with CCT have come to include more and more of different activities. Resulting from these issues, one can argue that the results of cultural adaptation research are not directly comparable with each other. This chapter will identify and explore the challenges associated with researching the effectiveness of cross-cultural training in cultural adaptation, and expatriation success.

As mentioned in Chapter 2, in the early studies concerning expatriation, the term "expatriate" was more widely used and encompassed, for example, international students, people who moved abroad but did not find employment, and people who moved abroad to find employment on their own accord, rather than through a firm-internal transfer (McNulty and Brewster, 2007). In its modern usage, the term expatriate only consists of individuals who move to a new host country for a job through an internal transfer within a company, and have a limited time-frame on their assignment (Harrison et al., 2004; McNulty and Brewster, 2017). In other words, expatriates are employees who transfer temporarily to another country to complete a specific assignment, after which they will return to their original parent country.

The above issue causes significant problems with one attempting to compare different research results with each other. Although they might share similar elements, the cultural adaptation process of a student on an exchange year and a mid-level manager of a company are different resulting from the drastically dissimilar demands their surroundings place on them. One can argue that it is inaccurate to compare the results of two surveys, for example, if one or both do not explain the context in which "expatriation" has occurred.

One of the other issues with defining the concepts associated with expatriation is the definition of the term “expatriate failure”. In early studies, expatriate failure was identified only as premature departure – the two terms were essentially used interchangeably with each other. As such, the studies did not focus on measuring performance, which has changed during the last few decades, and (quite sensibly) become one of the major focus points of the research regarding cultural adaptation and expatriation success. The current definition of the term expatriate failure is still under contest, and varies between different authors, but some of the most commonly used factors alongside premature return and poor job performance are, for example: repatriation turnover, improved company performance and return on investment (Bennett et al., 2000). In addition to researchers and scholars, expatriate failure can also mean different things for different companies – as such, the companies’ performance measuring metrics can vary, with some conducting no measuring at all (KPMG, 2016). This makes the gathering of comparable and accurate data difficult, as, once again, the terms of the results are not properly aligned.

Another challenge relates to the issue of spousal adjustment – as identified in Chapter 3, spousal adjustment and support is one of the most important factors regarding successful adaptation and performance of an expatriate. Therefore, the spousal situation of an expatriate should be taken into account when conducting research into expatriation, as it can have as much impact on the successfulness of an assignment than CCT or cultural distance (Takeuchi et al., 2002). Eschbach et al. (2001) and Anderson (2003) argue that as a spouse can have such a large influence on the success of expatriation, CCT is even more critical in their case, compared to the expatriates themselves. The employee will usually have some familiar touchstones surrounding him or her (such as a familiar work-culture and job tasks), but a spouse can experience the culture shocks associated with moving to a new country in a much greater degree, due to lacking any support structures around them.

As discussed in Chapters 4 and 5, individual factors, such as innate cultural sensibility and prior international experience, can have a major influence on the effectiveness of cross-cultural training, and/or can be seen as important additional factors alongside it. The challenge with some of the current research is its lack of accounting for a candidate’s previous international experience, and its potential effect on the success of their current

assignment. This raises another question regarding the comparability of the data surrounding expatriation. One cannot directly compare, for example, two groups of expatriates who have received the same level of CCT, but who have different degrees of prior international experience, as the results will not be accurate (Waxin and Panaccio, 2005). Overall, naturally acquired cultural sensitivity, empathy and relational ability are usually thought of as more important than the skills which are more technical in nature, such as language skills and cross-cultural training (Anderson, 2003; Morley et al., 2006; Martocchio, 2009). This makes quantitative research difficult, as accurate comparison between individuals requires extensive probing into their background and psychological constitution. Due to these difficulties, it is not surprising that the above factors are not accurately reflected in most studies, which makes their usefulness somewhat limited.

The issues identified in the previous paragraph leads one to conclude that a candidate's personal attributes and background has the potential to have a significant impact in his or her adjustment, even surpassing the importance of cross-cultural training. As such, one could argue that the first step of the expatriation process, selection of employees, is one of the most important facets of the successful completion of an assignment (Mullins and Gill, 2016). Different companies have different selection criteria, some focusing on technical skills, while others value empathy and cultural intelligence. Despite the varying opinions, the evidence seems to indicate that cultural intelligence and sensitivity trump technical knowledge in improving expatriate success (Eschbach et al., 2001; Morley et al. 2006).

The location and duration of an assignment can also have a large impact on the results of research into cultural adaptation and effectiveness of cross-cultural training (Morris and Robie, 2001). It can be argued that expatriates should receive uniquely tailored training depending on a multitude of different factors, such as the cultural distance between the home and host countries, the level of required interaction of their position, and the length of the assignment. However, as a company can have a large number of expatriates leaving for different locations all over the world, it is only in rare cases that they have the capability to provide individualised training to each of the candidates.

Interestingly, Gretchen (2004) notes that uniquely tailored, but poorly conducted, training might have even negative consequences, as it has the potential to increase the stereotypes a candidate might have regarding his or her future host culture. The author argues that in many cases CCT can do harm than good in terms of cultural adjustment.

Haslberger (2005) argues that the length of an assignment plays an important role in determining the pace and effectiveness of cultural adjustment. This is mostly due to expatriates' different attitudes regarding their future assignment – those who know their assignment will be longer have more motivation to adjust to their new host culture. However, some authors argue that the length of an assignment has almost no discernible influence on a candidate's cultural adjustment (Guðmundsdóttir, 2015). This is difficult to judge accurately, though, as almost all of the variables regarding adjustment are heavily interconnected, and they are difficult to complete separate from each other.

Besides the methods used for cross-cultural training, the level of rigour (as discussed in Chapters 4 and 5) also has a major impact on the effectiveness of respective protocols. All of the studies discussed in Chapter 5 fail to take into account the specific nuances of different training protocols, and pool all received training in the same category. This provides another wrinkle in the effective analysis of the results. The studies also do not take into account the level of training offered to spouses – even though the expats themselves might receive an extensive amount of CCT, the spouses might get only a basic briefing, which can cause issues in adaptation later on.

Another issue relates to the point of view used in the studies. As most of the research still judges expatriate success and failure on the basis of the expatriates themselves, the perspective of the company can be forgotten almost completely. This results in the research being skewed more towards the “soft” factors of performance, rather than the more traditional performance measurement tools, such as ROI and the achievement of the company's goals.

Besides the above, some studies also fail to account for the circumstances of when a survey was organised, which can radically influence an expatriate's answers. For example, a candidate in the middle of their culture shock phase might see the usefulness of their training in a decidedly negative light – in contrast, an expatriate interviewed a few years after their assignment has concluded, might have increasingly positive memories from their expatriation, resulting from the healing effects of time.

As one can tell from the previous paragraphs, the challenges surrounding research into expatriation are many. One can argue that the studies should be organised more thoroughly, should they be used for comparison purposes. It is difficult to unequivocally state



which factors have the most influence on the process of expatriation success. Thus, based on the existing research, one finds it impossible to unambiguously conclude that CCT has a clear positive effect on expatriation.

## **7 Recommendations**

Based on the reviewed literature and data, one can conclude that the studies regarding expatriation and cultural adaptation are lacking in many regards, and there are various aspects which should be improved in future research. The relationship between cross-cultural training and expatriate performance has many facets, which should be addressed accordingly – this requires rigorous academic standards, and an accurate definition of terms. If one wishes to conduct research which can be accurately compared globally, the relevant data needs to be analysed in greater detail; this could be achieved by creating clear categories around the different variables that are thought to have an impact on expatriate performance and adjustment.

The author sees value in creating a globally applicable study which would analyse the effectiveness of CCT. Perhaps the most important factor to take into account would be to divide the expatriates into different sub-divisions based on the cultural distance between their home and host countries. As cultural distance has been argued to be one of the major contributing factors regarding adaptation, high-distance countries should be clearly separated from the low-distance countries – this would allow the researchers to probe the possibility of proving a relationship between the two factors on empirical terms. If this were the case, the research results would clearly show a higher failure rate (in terms of either low performance or premature departure) in the group with higher cultural distance. This research setup would also allow for greater analysis into the training protocols companies have used for either group, which would showcase the possible variation in the chosen level of rigour – in other words, the researchers could establish whether companies mostly offer higher-intensity training to people who move to a country with a greater cultural distance.

Other factors that the study should take into account are the duration of the assignment, and the marital status and family situation of the expatriates – both have been shown to have a large impact on the successful completion of an expatriation. Assignment duration

and family information could be used to divide individuals into more detailed categories, which would provide more accurate and usable end results.

The survey should also be sent to the recipients at set times, which would be the same across the whole answer group – this would ensure that the results have identical standards in terms of candidates being in the same phase in their expatriation process. A questionnaire should also be sent to the recipients several times throughout the assignment, as this would allow the researchers to study the adjustment process in its different stages. This way the study would also effectively explore the potential benefits of the theoretically much lauded integrated training (where an expatriate receives CCT both at their home and host countries), compared to a more standard training protocol, where a candidate is solely trained at their home country.

As spouses' impact on expatriation success is so significant, another interesting aspect which should be studied is spouses' response to the different stressors moving abroad creates, and the effectiveness of cross-cultural training in mitigating them (if they were offered any). This would allow researchers and companies to better understand the specific adjustment problems an expatriate's spouse might face during an assignment – one could also compare the pace and effectiveness of adjustment between the spouses who received CCT, and those who did not. The study would also demonstrate the importance of a spouse having their own job in the new country, versus being unemployed, as this has been argued to be a major factor influencing an expatriate's partner's cultural adjustment. Overall, researching spousal adjustment could provide significant benefits to companies, as they could better tailor their training programs to maximise the chances of expatriation success.

In conclusion, although many of the factors mentioned above have been researched as separate, individual phenomena, they should be brought together in a single, empirical framework to provide a more comprehensive picture of the issues surrounding expatriate performance and adjustment. However, it is extremely important that the research divides the different expatriation experiences accurately into different categories, so that the results can be compared with each other. In addition, the different terms associated with expatriation research (such as expatriate and the concept of failure) should be clearly defined – it would perhaps serve researchers well to jointly agree upon a list of set definitions, which could be used across different studies.

All in all, arguably the most important aspect regarding the future of expatriation and cultural adaptation studies relates to the comparability of the results. In their current incarnations, most studies lack at least one important area or topic, which results in loss of accuracy when comparing it with other research results.

## **8 Conclusions**

After conducting a thorough literature review, one can conclude that the various factors influencing expatriation success and an expatriate's cultural adjustment are fairly complicated. Although the various authors researching the topic agree on most of the identified issues, due to the complex, interconnected nature of the factors surrounding expatriation, one finds it increasingly difficult to come to wholly accurate conclusions.

However, both theory and empirical evidence (in a variety of different research contexts) suggests that in addition to cross-cultural training having a major influence on expatriate success and cultural adjustment, various other factors have a major impact as well. Elements such as prior international experience, a candidate's personal attributes and innate cultural sensitivity, and the cultural distance between the home and host countries, can have a drastic effect on adjustment and performance. The amount of different variables makes it difficult to accurately determine cross-cultural training's specific impact on a respective expatriation scenario, if such an impact exists at all.

Overall, despite some conflicting opinions and evidence, it seems that CCT has a some impact on the pace of an expatriate's cultural adjustment, and the smoothing of the U-curve (essentially diminishing the severity of cultural shocks). The improved pace and smoothness of adjustment then, in turn, positively impacts an expatriate's work performance and overall enjoyment of an assignment, while decreasing the possibility of expatriate failure and premature departure.

However, the actual empirical research results regarding the factors mentioned in the previous paragraphs cannot be compared and analysed with each other directly, as most of them have significant limitations in terms of, for example, the definition of relevant concepts and taking into account the previous international experience of the expatriates. This causes substantial variations between the results of the different studies, and arguably makes them quite inaccurate in certain respects.

The aim of this thesis was to answer the question: "What is the impact of cross-cultural training on expatriate performance?". All in all, based on the current (limited) research, one can conclude that it is impossible to accurately state CCT to have a clear positive impact on preventing poor performance or early returns. Still, many theories and studies suggest that correctly conducted CCT can have a positive effect on expatriate adjustment, which in turn could positively influence performance.

Although some evidence exists stating CCT's capability in directly improving performance, one has to be wary of placing too much value on it, as many of the studies providing said evidence have significant flaws. As such, the third research question: "What are the challenges of identifying such a relationship?" was also answered within the thesis: in addition to poor definition of terms and not taking into account expatriates' backgrounds, some other issues are the lack of focus on spousal adjustment and the length of the assignment, and the improper division of the expatriates into different categories based on their personal attributes. Most research is also lacking in regards to accurately identifying the type and rigour level of the utilised cross-cultural training programs.

All in all, although the thesis has achieved its goal of providing answers to the research questions **based on the currently available data**, one can conclude that the research regarding expatriation, cross-cultural training and cultural adjustment is lacking in specificity and accuracy. As such, more expansive and thorough research into the different factors surrounding expatriation is required, in order for one to be able to analyse the effectiveness of CCT on expatriate performance on unequivocal terms.

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