Functional Area 04
Workplace Culture

GLOBAL PROFESSIONAL IN HUMAN RESOURCES (GPHR)

2021 EDITION

International Human Resource Certification Institute

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Global Professional in Human Resources (GPHR) Workbook

Module Four: Workplace Culture

2021 Edition

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Introduction

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This workbook is not a textbook. These materials include workbooks and practice exams are intended for use as an aid to preparation for the **GPHR** Certification Exam conducted by the HR Certification Institute. By using all of the preparation materials, you will be well-versed in the five key functional areas that make up the HR Certification Institute **GPHR** body of knowledge. Studying these materials does not guarantee, however, that you will pass the exam. These workbooks are not to be considered legal or professional advice.

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Part One: Cultural Differences and Dynamics

1. Nature of Culture

International business deals not only cross borders, they also cross cultures. Culture profoundly influences how people think, communicate, and behave. It also affects the kinds of transactions they make and the way they negotiate them.

Culture has a pervasive impact on the management of human resources. Culture influences how blue- and white-collar workers respond to pay and non- pay incentives, how international firms are organized, the success of multinational work teams, and even how executives compose and implement business strategies.

1.1. Definition

"Culture" refers to the complex collection of knowledge, folklore, language, rules, rituals, habits, lifestyles, attitudes, beliefs, and customs that link and give a common identity to a particular group of people at a specific point in time.

1.2. Characteristics of Culture

Culture is learned human behavior specific to a group in which values are shared and expressed through various practices. These practices depend very heavily (although not exclusively) on language.

All social units develop a culture. Even in two-person relationships, a culture develops over time. In friendship and romantic relationships, for example, partners develop their own history, shared experiences, language patterns, rituals, habits, and customs that give that relationship a special character—a character that differentiates it in various ways from other relationships. Examples might include special dates, places, songs, or events that come to have a unique and important symbolic meaning for two individuals.

Groups also develop cultures, composed of the collection of rules, rituals, customs, and other characteristics that give an identity to the social unit. For example, issues such as where a group traditionally meets, whether meetings begin on time or not, what topics are discussed, how decisions are made, and how the group socializes become defining and differentiating elements of the group's culture.

Organizations also have cultures, often apparent in particular patterns of dress, layout of workspaces, meeting styles and functions, ways of thinking about and talking about the nature and directions of the organization, leadership styles, and so on.

Cultures are created through communication; that is, communication is the means of human interaction through which cultural characteristics (customs, roles, rules, rituals, laws, or other patterns) are created and shared. Cultures are a natural by-product of social interaction. In a sense, cultures are the "residue" of social communication. Without communication and communication media, it would be impossible to preserve and pass along cultural characteristics from one place and time to another. One can say, therefore, that culture is created, shaped, transmitted, and learned through communication. The reverse is also the case; that is, communication practices are largely created, shaped, and transmitted by culture.

1.2.1. Cultures are subjective

There is a tendency to assume that the elements of one's own cultures are logical and make good sense. It follows that if other cultures—whether of relationships, groups, organizations, or societies—look different; those differences are often considered to be negative, illogical, and sometimes nonsensical. People who are used to informal meetings of a group might think that adherence to formal meeting rules is strange and stilted. Employees in an organization where suits are worn every day may react with cynicism and questioning when they enter an organization where casual attire is standard practice. With regard to culture, the tendency for many people is to equate "different" with "wrong", even though all cultural elements come about through essentially identical communication processes.

1.2.2. Cultures change over time

In fact, cultures are ever changing—though the change is sometimes very slow and imperceptible. Many forces influence cultural change. Since cultures are created through communication, it is also through communication between individuals that cultures change over time. Each person involved in a communication encounter brings the sum of his or her own experiences from other (past or present) culture memberships. In one sense, any encounter between individuals in new relationships, groups, organizations, or societies is an intercultural communication event, and these varying cultural encounters influence the individual and the cultures over time. Travel and communication technologies greatly accelerate the movement of messages from one cultural context to another, and in small and large ways, cultures come to influence one another through communication. Phrases such as "melting pot," "world community," and "global village" speak to the inevitability of intercultural influence and change.

1.2.3. Cultures are largely invisible

Much of what characterizes cultures of relationships, groups, organizations, or societies is invisible to its members. Language, of course, is visible, as are greeting conventions, special symbols, places, and spaces. However, the special and defining meanings that these symbols, greetings, places, and spaces have for individuals in a culture are far less visible. Consequently, opportunities to "see" culture and the dynamic relationship that exists between culture and communication are few. Two such opportunities do occur when there are violations of cultural conventions or when there is cross-cultural contact.

When someone violates an accepted cultural convention, ritual, or custom - for example, by speaking in a foreign language, standing closer than usual while conversing, or discussing topics that are typically not discussed openly the other members of the culture become aware that something inappropriate is occurring. When "normal" cultural practices are occurring, members of the culture think little of it, but when violations occur, the members are reminded of the pervasive role that culture has on daily life.

When visiting other groups, organizations, and, especially, other societies, people are often confronted by—and therefore become aware of— different customs, rituals, and conventions. These situations often are associated with some awkwardness, as the people strive to understand and sometimes to adapt to the characteristics of the new culture. In these circumstances, again, one gains a glimpse of "culture" and the processes by which people create and adapt to culture.

1.2.4. Cultures are influenced by media

All institutions within society facilitate communication, and in that way, they all contribute to the creation, spread, and evolution of culture. However, communication media such as television, film, radio, newspapers, compact discs, magazines, computers, and the Internet play a particularly important role. Because media extend human capacities for creating, duplicating, transmitting, and storing messages, they also extend and amplify culture-building activities. By means of such communication technology, messages are transmitted across time and space, stored, and later retrieved and used. Television programs, films, websites, video games, and compact discs are created through human activity—and therefore reflect and further extend the cultural perspectives of their creators. They come to take on a life of their own, quite distinct and separate from their creators, as they are transmitted and shared around the increasingly global community.

1.2.5. Cultures depend on communication

Understanding the nature of culture in relationship to communication is helpful in several ways. First, it helps to explain the origin of differences between the practices, beliefs, values, and customs of various groups and societies, and it provides a reminder of the communication process by which these differences came into being. This knowledge can and should heighten people's tolerance for cultural differences. Second, it helps to explain the process that individuals go through in adapting to new relationships, groups, organizations, and societies and the cultures of each. Third, it underscores the importance of communication as a bridge between cultures and as a force behind cultural change.

1.2.6. Cultures are shaped by communication

As communication increases between individuals, groups, and countries, does this mean that cultural differences and traditions will inevitably erode altogether? Will the cultures of individuals from groups, organizations, and societies that have great access to and control of communication media overpower those in cultures that have fewer resources and less access and control? Can knowledge be used to help individuals more comfortably and effectively adapt to new relationships, groups, organizations, and societies? The importance of these issues makes this area an important one for continued examination by scholars and practitioners.

We all communicate with others all the time -- in our homes, in our workplaces, in the groups we belong to, and in the community. No matter how well we think we understand each other, communication is hard. "Culture" is often at the root of communication challenges. Our culture influences how we approach problems, and how we participate in groups and in communities. When we participate in groups we are often surprised at how differently people approach their work together.

1.3. Type of Culture

1.3.1. National Cultures

National cultures comes a host of differences in assumptions, outlook, and rules that can challenge communication and comprehension.

1.3.2. Subcultures

There can be significant distances between subcultures within the same national culture. Subcultures may be defined by ethnicity, geographic region, race, religion, or class.

1.3.3. Organizational/Corporate Cultures

Organizational culture is defined by all of the life experiences, strengths, weaknesses, education, upbringing, and so forth of the employees. While executive leaders play a large role in defining organizational culture by their actions and leadership, all employees contribute to the organizational culture.

1.3.4. Industry Cultures

Industry cultures have shared assumptions based on technological and social histories of the industry.

1.3.5. Professional or Functional Cultures

Professional and functional cultures have shared assumptions based on specifics as they relate to a special function or occupation.

1.4. Layers of Culture

1.4.1. Level 1-Artefacts: Described as being the 'easiest' level to observe, called explicit culture

1.4.2. Level 2-Espoused Values: To better understand and to help decipher why the initial observations in Level 1 are taking place, one needs to ask 'insiders' of the organization to try and explain.

1.4.3. Level 3-Shared Tacit Assumptions: To help understand this 'deeper' level of culture, one needs to investigate the history of an organization.

1.5. Values in Culture

The word "value" means worth. It also refers to an ethical precept on which we base our behavior. Values are basic convictions that people have regarding what is right and wrong, good and bad, important or unimportant. Values are shaped by the culture in which we live and by our experiences. However, there are values that are held high by most cultures. These include fairness and justice, compassion and charity, duties and rights, human species survival and human well-being.

Organizational culture and values are closely related because organizations are generally founded with certain values in mind. These values tend to influence the organizational structure, but they may change over time as different people take on different roles in the organization and the overall culture changes. Organizational

culture and values, then, both affect each other over time and tend to change if a conflict exists between them.

2. National Culture

The values that distinguished countries (rather than individuals) from each other grouped themselves statistically into four clusters. They dealt with four anthropological problem areas that different national societies handle differently: ways of coping with inequality, ways of coping with uncertainty, the relationship of the individual with her or his primary group, and the emotional implications of having been born as a girl or as a boy. These became the Geert Hofstede dimensions of national culture: Power Distance, Uncertainty Avoidance, Individualism versus Collectivism, Masculinity versus Femininity, and Long-term orientation versus Short-term orientation.

Hofstede's Cultural Dimensions

Individualistic/Collectivistic	How personal needs and goals are prioritized vs. needs and goals of the group/clan/organization.
Masculine/Feminine	Masculine societies have different rules for men and women, less so in feminine culture.
Uncertainty Avoidance	How comfortable are people with changing the way they work or live (low UA) or prefer the known systems (high UA)
Power Distance	The degree people are comfortable with influencing upwards. Accept of inequality in distribution on power in society.
Time Perspective	Long-term perspective, planning for future, perseverance values vs. short time past and present oriented.
Indulgence/Restraint	Allowing gratification of basic drives related to enjoying life and having fun vs. regulating it through strict social norms.

2.1. Individualism vs. Collectivism

Individualism is the tendency of people to look after themselves and their immediate family only; Individualism is the preference of people to belong to a loosely knit society where importance is placed on the self and autonomy. In opposition,

collectivism is the tendency of people to belong to groups or collectives and to look after each other in exchange for loyalty. Collectivist structures place importance on interdependent social units such as the family, rather than on the self. In individualist societies, employees require the freedom to work independently and desire challenging work (which is more important than personal relationships) that will help them reach self-actualization. In collectivist cultures, unquestioned management structures are responsible for the organization of teams of employees and the cohesion of the collective.

2.2. Masculinity vs. Femininity

Masculinity is a culture in which the dominant values in society are success, money, and that score high on masculinity; masculinity represents cultures with distinct gender roles where men focus on success, competition and rewards while women focus on tender values such as quality of life and modesty. Femininity represents cultures where gender roles overlap. Femininity is a culture in which the dominant values in society are caring for others and quality of life scores high on femininity. In masculine cultures managers are defined as more assertive and decisive, whereas feminine cultures breed more intuitive managers who negotiate disputes and encourage participation in decisions.

2.3. Uncertainty Avoidance

Uncertainty avoidance is the degree to which members of a culture feel threatened or uncertain in unfamiliar situations. Thus in high uncertainty avoidance cultures, people prefer a structured environment with rules and policies in place. Hard work is embraced, and there is a greater sense of anxiety amongst the workforce. In contrast, in weak uncertainty avoidance cultures rules create discomfort, almost fear, and exist only where absolutely necessary. People tend to be more relaxed in these cultures, and work at a slower pace. High uncertainty avoidance favors precise rules, teachers who are always right and superiors who should be obeyed without question. Low uncertainty avoidance favors flexibility, discussion and delegation of decision making.

2.4. Power Distance

Power distance is the extent to which less powerful members of institutions and organizations accept that power is distributed unequally. In high power distance cultures, children are raised with a great emphasis on respecting elders, which is carried through to adulthood. Therefore organizations are more centralized, employees prefer a more autocratic leadership style where subordinates are expected to be told what to do and there are wide wage gaps in the hierarchical structure. On

the other hand, in low power distance cultures inequality is not desired, employees prefer to be consulted with regards to decision making and thus prefer a more resourceful and democratic leader.

2.5. Time Perspective

Following Hofstede, a subsequent study based on Chinese Confucian Theory revealed a fifth dimension referred to as long-term orientation. This describes the extent to which people have a dynamic, future-oriented perspective. It describes societies' time horizon. Long-term oriented societies attach more importance to the future. They foster pragmatic values oriented towards rewards, including persistence, saving and capacity for adaptation. In short term oriented societies, values promoted are related to the past and the present, including steadiness, respect for tradition, preservation of one's face, reciprocation and fulfilling social obligations.

2.6. Indulgence/Restraint

Indulgence societies tend to allow relatively free gratification of natural human desires related to enjoying life and having fun whereas Restraint societies are more likely to believe that such gratification needs to be curbed and regulated by strict norms. Indulgent cultures will tend to focus more on individual happiness and well-being, leisure time is more important and there is greater freedom and personal control. This is in contrast with restrained cultures where positive emotions are less freely expressed and happiness, freedom and leisure are not given the same importance.

3. Organization Culture

3.1. Definition

Organizational culture is influenced by the "surrounding society," "personal value priorities of organizational members," and "the nature of the organization's primary tasks." Organizations are embedded into societies, which can be defined by certain national culture values. Different tasks require different organization and execution of activities, that is, different strategies and structures. It seems obvious that a production company differs severely from a service provider, or a state agency from a private firm, not only with respect to final products but also with respect to their organizational culture. Simply put, organizational culture is the way we do things around here.

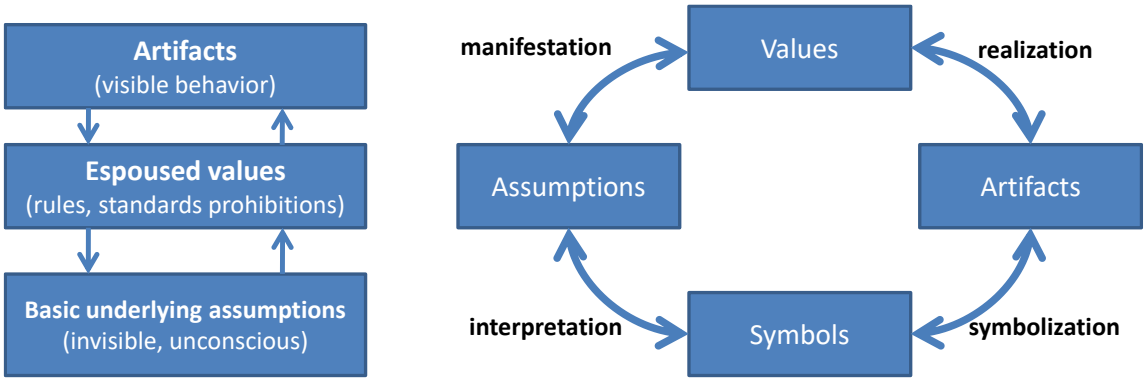
According to Edgar Schein, organizational culture mainly consists of three domains: (a) basic underlying assumptions (unconscious taken for granted beliefs and values: these are not visible), (b) espoused values (may appear through surveys), and (c) artifacts

(visible behavior).

Artifacts are the easiest to notice, but yet their meanings may remain elusive to outsiders. Through a process of realization, artifacts take on the symbolic meaning of the organization values. Only those that have been educated in the organization culture will know and understand the larger meaning behind the artifact.

Values form another integral part of organizational culture. When an organization faces a crisis, its leaders must formulate a plan to alleviate the danger posed. Successfully thwarting the crisis validates the plan and it becomes a shared value of the organization. When a similar crisis arises in the future, the organization will reuse the plan to avert catastrophe and right the ship. After repeated success, the value becomes an underlying assumption of the organization.

Mary Jo Hatch extended Schein's model by adding a fourth domain, called "symbols". She defines the processes that link each element of the organizational culture construct, which provides a somewhat better understanding of interdependencies between assumptions, values, artifacts, and symbols. Hatch assumes that there exist two possible ways how observable behavior emerges through underlying assumptions: (a) through "manifestation" into values and "realization" into artifacts or (b) through "interpretation" into symbols and through "symbolization" into artifacts.



Schein (1985) **Hatch (1993)**

Source: Dauber, D., Fink, G., & Yolles, M. (2012). A Configuration Model of Organizational Culture. Sage Open Journal.

These underlying assumptions form the basic core of all organizational culture. They are difficult to know and understand because they are rarely articulated. In order for one to determine the assumptions of an organization one must become immersed in the organization and its culture. Underlying assumptions manifest themselves through

the perceptions, thoughts, emotions, and behaviors of members of the organization. When an idea is posited that does not conform to the underlying assumptions of an organization then that idea is rejected outright without any thought or debate. Any challenges to these assumptions will result in defensive behavior from the members. Therefore organizational culture can explain the resistance, fear, and sometimes irrational behavior that one encounters in any organization, especially when trying to implement change.

3.2. Climate and Culture

At this juncture it is important to differentiate between climate and culture. Climate consists of the day to day feelings of the members of the organization and is highly susceptible to changes within the organization. The climate will be very good for a time if the staff receives raises or if the company is furnished with new equipment. Conversely, if budget cuts occur or the number of staff reduced the climate will suffer. These conditions are all temporary, whereas culture is more permanent and lasting. Culture can and does change, but at a much slower rate than climate. It is a powerful force that can encourage and support an individual effort or thwart them before they are started. Organizational culture can be used to both explain and create end results.

All companies have an organizational culture, which represents the intangible force that centers on a company's values and beliefs. Individuals typically work at a company with which their values match the most. One result of organizational culture is to develop a climate by which a company can measure successes attached to this intangible force. This starts the relationship between the organizational culture and climate. While organizational culture is often a naturally occurring phenomenon in organizations, the organizational climate often takes more work to implement.

A company's organizational culture and climate are not always static. As a company evolves, so does its culture. This often leads to changes in the organizational climate as managers and employees change, along with the values and beliefs in the business. The organizational climate must adjust as necessary to ensure the company measures the correct factors.

3.3. Organizational Culture, Strategy, Structure, and Operations

Following Schein, "organizational culture" represents underlying, unobservable assumptions, which constitute the basis for every organization. "Organizational strategy" provides rules, norms, and regulations, which are set into effect through organizational structures. Therefore, strategy belongs to an unobservable domain and can be allocated to "espoused values." "Organizational design, structure, and process"

as well as "organizational behavior and performance" are those elements of an organization that are visible to its members as well as the external environment; that is, they represent artifacts.

Strategies are commonly defined as the overall orientation of an organization for reaching preset goals and objectives, that is, a long-term plan for maximizing profits or covering costs, in case of nonprofit organizations. Furthermore, organizational strategy "is an organization process, in many ways inseparable from the structure, behavior and culture of the company in which it takes place". Strategies influence the interaction between structures and behavior and vice versa. Researchers argued that "espoused values" have an impact on "artifacts," which in turn influence "espoused values." As organizational structures as well as behavior were identified as elements of organizational artifacts, both are affected by strategy. Different strategies require different structures. In contrast, structures provide the frame of reference for future information processing and strategic decision making, commonly known as "reporting." Thus, it is also true that structures have an impact on future strategies.

Processes that turn organizational strategies into action, commonly known as "operationalization," "implementation of strategies," or "strategy doing," unfold through organizational structures and organizational activities. Strategies are put into effect through organizational structures and behavior.

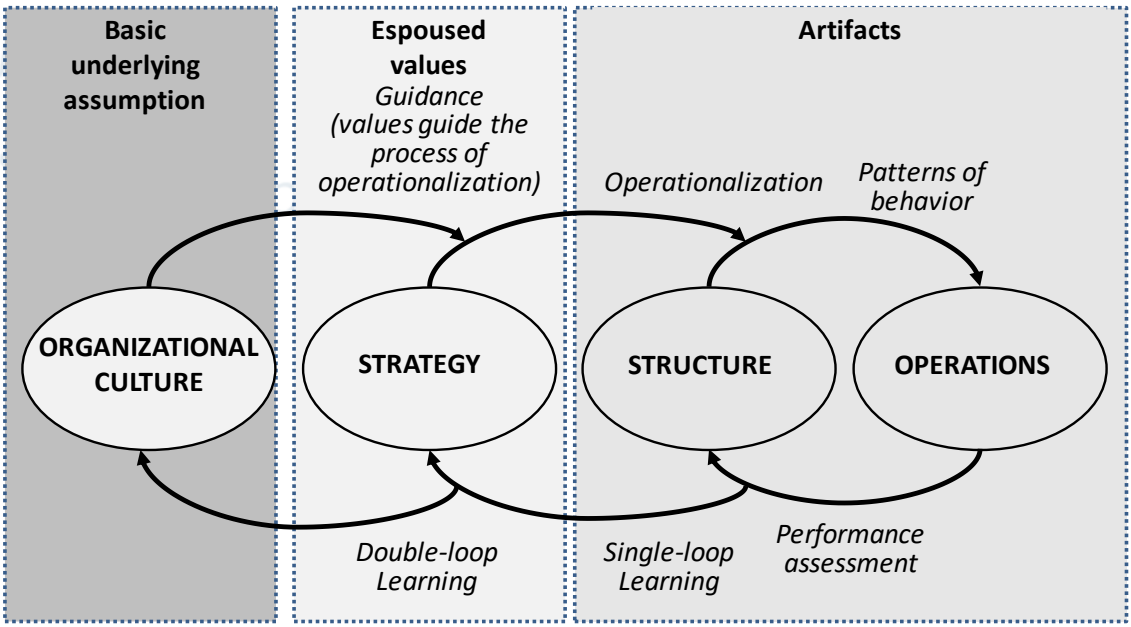
Organizational structures and behavior constitute the observable manifestation of organizational strategies (espoused values). Structures build the frame of reference for running organizational operations and guide or cushion behavior of members of an organization, which translate into certain "patterns of behavior" supported by organizational structures. At the same time, behavior is also reversely linked to structures. Considering that organizations might need to change over time, for example, due to extensive internationalization via mergers and acquisitions (M&A), it may become necessary to restructure certain or even all parts of an organization. Especially in M&A, this seems of particular importance to align organizational behavior of new employees in such a way that strategic goals can be accomplished efficiently and economically via organizational tasks. Thus, structures need to change if organizational behavior does not lead to the expected performance.

Through performance assessment (i.e., inward-oriented operations), changes in strategy and structure can be triggered, but learning processes rely on favorable organizational conditions such as open communication structures, which would allow organizations to learn. Assessing the efficiency of operations represents a binding condition for organizational learning that leads to changes in strategy. Single-loop

learning, as distinguished from double-loop learning, refers to the processes of detecting errors and adjusting existing strategies to meet new requirements.

Double loop learning, however, considers a more profound process of learning, where "underlying organizational policies and objectives.

Double-loop learning, questions existing underlying assumptions, that is, organizational culture, and may lead to more fundamental changes in strategies and their operationalization. Although single-loop learning is a precondition for double-loop learning, it would be wrong to assume that single-loop learning automatically effectuates double-loop learning. Many organizations are quite capable of single-loop learning, but fail to learn on a higher level, that is, double-loop learning.



Relationship between culture, strategy, structure, and operations

Source: Dauber, D., Fink, G., & Yolles, M. (2012). A Configuration Model of Organizational Culture. Sage Open Journal.

Understanding organizational processes = understanding organizational (culture) change = understanding organizational (culture) dynamics

In conclusion, (a) Operationalization has to stand in line with corporate values. (b) All domains—strategy, structure, and operations—are indirectly affected by culture. (c) Organizational values constitute the shared "ethics" of doing business. If the impact of organizational culture on operations unfolds through strategy (i.e., espoused values), which supports the idea of a "guiding" or moderating influence on organizations during operationalization. Organizational culture reflects internal processes of an organization, linking organizational culture, strategy, structure, and operations

systematically to each other.

4. Managing Cultural Differences

As discussed above, it's important to understand the differences between cultures, so that we can work with people more effectively, and prevent misunderstandings. Trompenaars and Hampden-Turner's Seven Dimensions of Culture help us do this. The Seven Dimensions of Culture were identified by management consultants Fons Trompenaars and Charles Hampden-Turner, and the model was published in their 1997 book, "Riding the Waves of Culture." According to Trompenaars, culture is a way a group of people act to solve problems.

From three basics which are the relationship with others, time and environment, Trompenaars identifies seven fundamental dimensions of culture. His definition of culture is a mix between organizational and national cultures.

4.1. Universalism vs. Particularism (Rules Versus Relationships)

Universalism implies that correct behavior can be defined and always applies, while particularism suggests that relationships are more important than abstract social codes. In universalistic cultures, people place a high importance on laws, rules, values, and obligations. They try to deal fairly with people based on these rules, but rules come before relationships. On the contrary, in a particularistic culture, People believe that each circumstance, and each relationship, dictates the rules that they live by. Their response to a situation may change, based on what's happening in the moment, and who's involved.

Typical universalistic cultures include the U.S., Canada, the U.K, the Netherlands, Germany, Scandinavia, New Zealand, Australia, and Switzerland. Typical particularistic cultures include Russia, Latin-America, and China.

4.2. Individualism vs. Communitarianism (The Individual Versus The Group)

Individualism refers to people as individuals; Communitarianism (Collectivism) refers to people regard themselves as part of a group. In individualistic cultures, People believe in personal freedom and achievement. They believe that you make your own decisions, and that you must take care of yourself. In the second case, people believe that the group is more important than the individual. The group provides help and safety, in exchange for loyalty. The group always comes before the individual.

Typical individualist cultures include the U.S., Canada, the U.K, Scandinavia, New Zealand, Australia, and Switzerland. Typical communitarian cultures include countries

in Latin-America, Africa, and Japan.

4.3. Neutral vs. Emotional (How People Express Emotions)

Neutral refers to culture in which emotions are not shown; Emotional refers to emotions are expressed openly and naturally. In neutral culture, people make a great effort to control their emotions. Reason influences their actions far more than their feelings. People don't reveal what they're thinking or how they're feeling. In emotional culture, people want to find ways to express their emotions, even spontaneously, at work. In these cultures, it's welcome and accepted to show emotion.

Typical neutral cultures include the U.K., Sweden, the Netherlands, Finland, and Germany. Typical emotional cultures include Italy, France, Spain, and countries in Latin-America.

4.4. Specific vs. Diffuse (How Far People Get Involved)

Specific refers to large public space shared with others and small private space guarded closely; Diffuse refers to public and private spaces similar size, public space guarded because shared with private space; people indirect and introverted, work/private life closely linked. In specific culture, people keep work and personal lives separate. As a result, they believe that relationships don't have much of an impact on work objectives, and, although good relationships are important, they believe that people can work together without having a good relationship. In diffuse culture, people see an overlap between their work and personal life. They believe that good relationships are vital to meeting business objectives, and that their relationships with others will be the same, whether they are at work or meeting socially. People spend time outside work hours with colleagues and clients.

Typical specific cultures include the U.S., the U.K., Switzerland, Germany, Scandinavia, and the Netherlands. Typical diffuse cultures include Argentina, Spain, Russia, India, and China.

4.5. Achievement vs. Ascription (How People View Status)

Achievement culture refers to people are accorded status based on how well perform functions; Ascription culture refers to status based on who or what person is. In achievement culture, people believe that you are what you do, and they base your worth accordingly. These cultures value performance, no matter who you are. In ascription culture, people believe that you should be valued for who you are. Power, title, and position matter in these cultures, and these roles define behavior.

Typical achievement cultures include the U.S., Canada, Australia, and Scandinavia. Typical ascription cultures include France, Italy, Japan, and Saudi Arabia.

4.6. Sequential Time vs. Synchronous Time (How People Manage Time)

Sequential refers to only one activity at a time; appointments kept strictly, follow plans as laid out; Synchronous refers to multi-task, appointments are approximate, schedules subordinate to relationships; Future more important in some countries, whereas present is more important in some countries. In sequential time oriented culture, people like events to happen in order. They place a high value on punctuality, planning (and sticking to your plans), and staying on schedule. In this culture, "time is money," and people don't appreciate it when their schedule is thrown off. In synchronous time oriented culture, people see the past, present, and future as interwoven periods. They often work on several projects at once, and view plans and commitments as flexible.

Typical sequential-time cultures include Germany, the U.K., and the U.S. Typical synchronous-time cultures include Japan, Argentina, and Mexico.

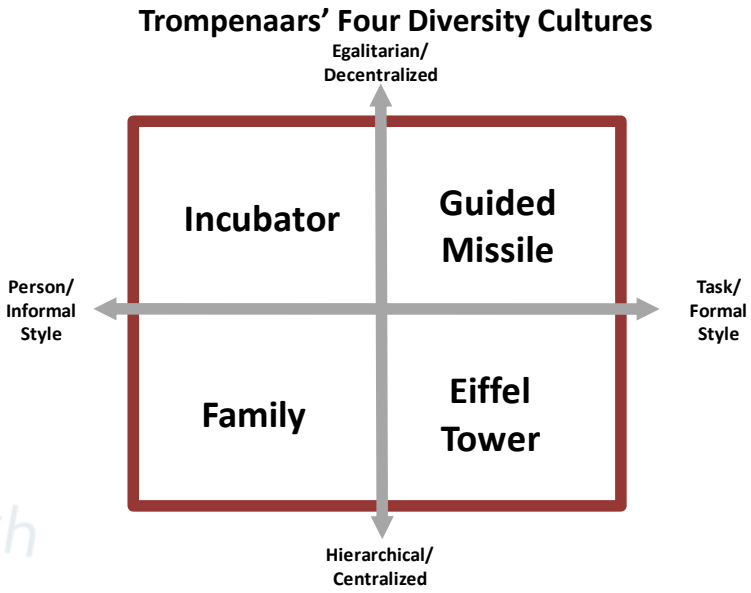
4.7. Inner-directed vs. Outer-directed (How People Relate to Their Environment)

Inner-directed refers to people believe in control of outcomes; Outer-directed refers to people believe in letting things take own course. In inner-directed culture, people believe that they can control nature or their environment to achieve goals. This includes how they work with teams and within organizations. In outer-directed culture, people believe that nature, or their environment controls them; they must work with their environment to achieve goals. At work or in relationships, they focus their actions on others, and they avoid conflict where possible. People often need reassurance that they're doing a good job.

5. Diversity Culture

If you have ever walked into an office and thought to yourself, “this feels really different,” you are familiar with the diversity of corporate cultures. Dr. Fons Trompenaars brought us a great model for quickly describing and categorizing these differences in his “Four Types of Corporate Culture” model.

As the figure shown below, Trompenaars model of culture is based on two axes: on the horizontal axis, is an assessment of whether a culture is person oriented, or task oriented; on the vertical axis, is assessment of whether a culture is hierarchical, or egalitarian. Combined, this model divides into four quadrants or typologies of organizational culture:



Trompenaars' Four Diversity Cultures

Source: Trompenaars, F. & Woolliams, P. (2004). Business Across Cultures. Capstone.

5.1. Family

The Family organizational culture is marked by a parent-child dynamic in which personal relationships and getting along together are extremely important. Power rests in key leaders, who guard it carefully. Success often depends on one's ability to manipulate and build on relationships. This culture occurs most frequently in countries like Japan, France, and Spain.

5.2. Eiffel Tower

The Eiffel Tower concept refers to a hierarchical structuring of relationships. Power and decision-making responsibility increase as one move toward the top of the organization. There may be elaborate rules, strictly respected job definitions and responsibilities, and a reliance on planning. These kinds of organizations are generally found in Germany, Denmark, and the Netherlands.

5.3. Incubator

The Incubator describes organizations that are relatively flat, in which individuals can exert power and gain recognition. The culture believes that rules inhibit invention. To an outsider (and certainly to someone from an Eiffel Tower organization), incubators

may seem chaotic or anarchic. From a national perspective, Sweden tends to produce Incubators; from an industrial perspective, Incubators are often software companies.

5.4. Guided Missile

The Guided Missile organization is highly focused on the achievement of specific objectives, often those that deliver value in a short time frame. Power is gained through expertise. Value to the organization is measured by results and is rewarded. This type of corporate culture characterizes many organizations in the United Kingdom, the United States, and Canada.

Some companies, including stereotypical Silicon Valley organizations are commonly referred to as being an incubator type of company culture. Engineering firms that focus on specific projects and tasks are known as guided missile cultures. The business of running the US armed forces with specific hierarchies, rules and procedures is the Eiffel tower type of culture. Finally, companies where power is concentrated in specific leaders, and the leader has deep concern for all employees, is thought of as a family culture.

Other than the four types of Trompenaars model of culture, organizations of "control culture" compare, observe, and decide to assure that day-to-day actions are consistent with established standards, and improve capacity utilization.

6. Intercultural Communication

Intercultural communication is necessary in business today and is a skill that will become increasingly required as businesses expand globally. Understanding a culture includes respecting it's customs, traditions and etiquette. An ideal intercultural communicator is able to recognize examples of cultural differences in both verbal and nonverbal behaviors, and use that information to better communicate with others.

It is possible to communicate effectively with people from different cultures but not without effort. To be an ideal intercultural communicator you must understand that there is not a "right way" for a culture to interact. This hub will focus on the differences between high context and low context communication, the degree to which the speaker relies on other factor than explicit speech to interpret meanings.

High-context culture and the contrasting low-context culture are terms presented by the anthropologist Edward T. Hall in his 1976 book "Beyond Culture". It refers to a culture's tendency to use high-context messages over low-context messages in routine communication. This choice of speaking styles translates into a culture that will cater to in-groups, an in-group being a group that has similar experiences and expectations,

from which inferences are drawn. In a higher-context culture, many things are left unsaid, letting the culture explain. Words and word choice become very important in higher-context communication, since a few words can communicate a complex message very effectively to an in-group (but less effectively outside that group), while in a low-context culture, the communicator needs to be much more explicit and the value of a single word is less important.

6.1. Low context culture

Low context refers to societies where people tend to have many connections but of shorter duration or for some specific reason. In these societies, cultural behavior and beliefs may need to be spelled out explicitly so that those coming into the cultural environment know how to behave.

6.2. High context culture

High context refers to societies or groups where people have close connections over a long period of time. Many aspects of cultural behavior are, not made explicit, because most members know what to do and what to think from years of interaction with each other. High context is more common in Eastern cultures than in Western cultures.

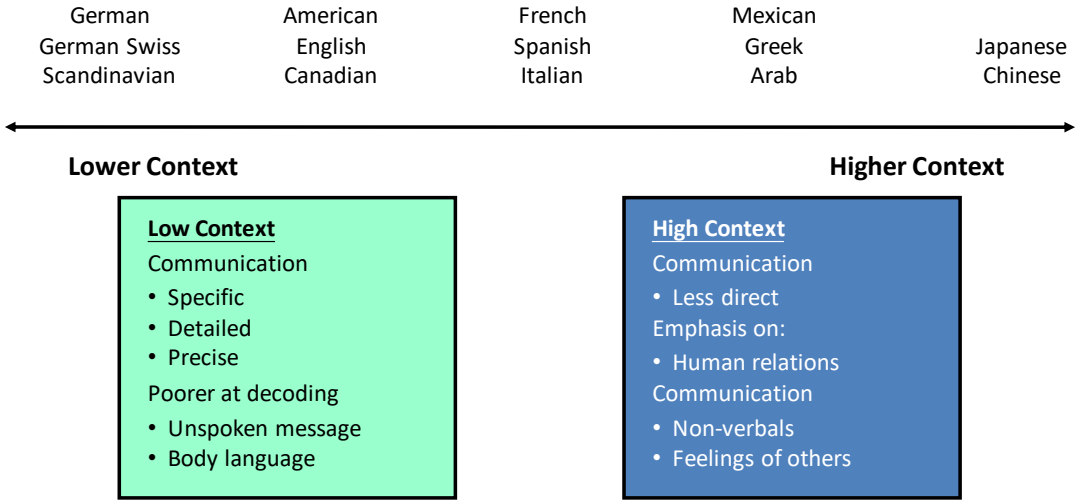


Figure: Hall's Theory of High and Low Context Culture

7. Merging Culture

When a merger or acquisition unexpectedly heads south, the costs are painfully clear. Morale drops. Synergies fail to materialize. Key people—those you planned to keep—start heading for the exits. But what's really going on? Why is the system suddenly

failing? A likely cause of the trouble is culture clash, according to Bain & Company. In a culture clash, the companies' fundamental ways of working are so different and so easily misinterpreted that people feel frustrated and anxious, leading to demoralization and defections. Productivity flags, and no one seems to know how to fix it.

Acquirers have well-developed toolkits for managing the financial and operational aspects of a deal; they track results closely and they hold executives accountable for hitting their targets on schedule. Merging two disparate cultures, by contrast, typically seems "soft"— both difficult to measure and almost impossible to manage directly. As a result, few organizations apply the same rigor to managing and steering cultural merging that they apply to a conventional, hard-dollar synergy.

To merge two cultures, savvy acquirers first define the cultural objective in broad terms. This is invariably a job for the chief executive —and the CEO has to be willing to sustain his or her commitment until the objective is realized. Setting the cultural agenda necessarily involves hard choices. What is the culture you want to see emerge from the combination of the two organizations? Even with substantially different cultures, two companies may form a workable union if they apply the appropriate merger strategy. The four main strategies for merging different corporate cultures are assimilation, deculturation, integration, and separation:

Strategies for merging different organizational culture

STRATEGY	DESCRIPTION	WORKS BEST WHEN
Assimilation	Acquired company embraces acquiring firm's culture.	Acquired firm has a weak culture.
Deculturation	Acquiring firm imposes its culture on unwilling acquired firm.	Rarely works may be necessary only when acquired firm's culture doesn't work but employees don't realize it.
Integration	Merging companies combine the two or more cultures into a new composite culture.	Existing cultures can be improved.
Separation	Merging companies remain distinct entities with minimal exchange of culture or organizational practices.	Firms operate successfully in different businesses requiring different culture.

Source: McShane, S.L. & Von Glinow, M.A. (2009). Organizational Behavior: Emerging

Knowledge, Global Reality. McGraw-Hill

7.1. Assimilation

Assimilation occurs when employees at the acquired company willingly embrace the cultural values of the acquiring organization. This tends to occur when the acquired company has a weak culture that is dysfunctional, whereas the acquiring company's culture is strong and focused on clearly defined values. Culture clash is rare with assimilation because the acquired firm's culture is weak and employees are looking for better cultural alternatives.

7.2. Deculturation

Assimilation is rare. Employees usually resist organizational change, particularly when they include throwing away personal and cultural values. Under these conditions, some acquiring companies apply a deculturation strategy by imposing their culture and business practices on the acquired organization. The acquiring firm strips away artifacts and reward systems that support the old culture. People who cannot adopt the acquiring company's culture are often terminated. Deculturation may be necessary when the acquired firm's culture doesn't work but employees aren't convinced of this. However, this strategy rarely works because it increases the risk of socio-emotional conflict. Employees from the acquired firm resist the cultural intrusions from the buying firm, thereby delaying or undermining the merger process.

7.3. Integration

A third strategy is to integrate the corporate cultures of both organizations. This involves combining two or more cultures into a new composite culture that preserves the best features of the previous cultures. Integration is most effective when the companies have relatively weak cultures or when their cultures include several overlapping values. Integration also works best when people realize that their existing cultures are ineffective and are therefore motivated to adopt a new set of dominant values. However, integration is slow and potentially risky, because there are many forces preserving the existing cultures.

7.4. Separation

A separation strategy occurs where the merging companies agree to remain distinct entities with minimal exchange of culture or organizational practices. Separation is most appropriate when the two merging companies are in unrelated industries because the most appropriate cultural values tend to differ by industry. Unfortunately, few acquired firms remain independent for long because executives in the acquiring

firm want to control corporate decisions. Therefore, it's not surprising that only 15 percent of acquisitions leave the purchased organization as a stand-alone unit.

Cultural merging isn't something that can wait until a deal is done. Sophisticated acquirers take stock of possible cultural clashes as part of their due diligence well in advance of a merger or acquisition, and they prioritize those cultural issues that might put synergy values at risk. Employees always watch for signals from the top of the organization, because they know that their own managers will be guided by those signals. But if the signs are positive—if the senior team seems truly committed to building a culture that excites employees about the future—then the strategies of cultural merging will help pave the way to deal success.

Whether merging two cultures or reshaping the firm's existing values, corporate leaders need to understand how to change and strengthen the organization's dominant culture. Indeed, some organizational scholars conclude that the only way to ensure any lasting change is to realign cultural values with those changes. In other words, changes "stick" when they become "the way we do things around here.

Corporate leaders need to make employees aware of the urgency for change. Then they need to "unfreeze" the existing culture by removing artifacts that represent that culture and "refreeze" the new culture by introducing artifacts that communicate and reinforce the new values. Artifacts communicate and reinforce the new corporate culture, but we also need to consider ways to further strengthen that culture. Five approaches commonly cited in the literature are the actions of founders and leaders, introducing culturally consistent rewards, maintaining a stable workforce, managing the cultural network, and selecting and socializing new employees.

Actions of founders and leaders. Founders establish an organization's culture. Founders develop the systems and structures that support their personal values. Founders are often visionaries whose energetic style provides a powerful role model for others to follow. The founder's cultural imprint often remains with the organization for decades. In spite of the founder's effect, subsequent leaders can break the organization away from the founder's values if they apply the transformational leadership. Transformational leaders strengthen organizational culture by communicating and enacting their vision of the future. Cultural values are particularly reinforced when leaders behave in ways that are consistent with the vision ("walking the talk").

Introducing culturally consistent rewards. Reward systems strengthen corporate culture when they are consistent with cultural values. Aggressive cultures might offer more performance-based individual incentives, whereas paternalistic cultures would

more likely offer employee assistance, programs, medical insurance, and other benefits that support employee wellbeing.

Maintaining a stable workforce. An organization's culture is embedded in the minds of its employees. Organizational stories are rarely written down; rituals and celebrations do not usually exist in procedure manuals; organizational metaphors are not found in corporate directories. Thus, organizations depend on a stable workforce to communicate and reinforce the dominant beliefs and values. The organization's culture can literally disintegrate during periods of high turnover and precipitous downsizing because the corporate memory leaves with these employees. Corporate culture also weakens during periods of rapid expansion or mergers because it takes time for incoming employees to learn about and accept the dominant corporate values and assumptions. For this reason, some organizations keep their culture intact by moderating employment growth and correcting turnover problems.

Managing the cultural network. Organization culture is learned, so an effective network of cultural transmission is necessary to strengthen the company's underlying assumptions, values, and beliefs. The cultural network exists through the organizational grapevine. It is also supported through frequent opportunities for interaction so that employees can share stories and reenact rituals. Senior executives must tap into the cultural network, sharing their own stories and creating new ceremonies and other opportunities to demonstrate shared meaning. Company magazines and other media can also strengthen organizational culture by communicating cultural values and beliefs more efficiently.

Selecting and socializing employees. A good fit of personal and organizational values makes it easier for employees to adopt the corporate culture. A good person-organization fit also improves job satisfaction and organizational loyalty because new hires with values compatible to the corporate culture adjust more quickly to the organization. Job applicants are also paying more attention to corporate culture during the hiring process. Job applicants ask corporate culture questions more than any other topic, aside from pay and benefits. They realize that as employees, they must feel comfortable with the company's values, not just the job duties and hours of work.

Along with selecting people with compatible values, companies maintain strong cultures through the effective socialization of new employees. Organizational socialization refers to the process by which individuals learn the values, expected behaviors, and social knowledge necessary to assume their roles in the organization. By communicating the company's dominant values, job candidates and new hires are

more likely to internalize these values quickly and deeply. HR should know that socialization partially includes the process of learning about the company's culture and adopting its set of values. This process begins long before the first day of work. People learn about the organization's culture through recruiting literature, advertising, and news media reports about the company. During the recruitment process, some companies provide information about "the way things are done around here." Even if this information is not forthcoming, applicants might learn from employees, customers, and others who regularly interact with the organization.

By the first day of work, newcomers have a fairly clear (although not necessarily accurate) perception about the company's culture. These perceptions are tested against everyday experiences. To some extent, newcomers align their values with the organizations to minimize conflict. Some employees eventually leave the organization when they realize how much their personal values differ from the organization's culture.

8. The Effect of Culture on Global HR

Throughout this chapter, we have learned that culture is pervasive and powerful. We highlight some important cultural issues for global HR in mind:

8.1. Ethnocentrism and parochialism

Ethnocentrism as meaning "our way is the best way and we are really not interested in other ways of reaching a goal." Parochialism takes this approach to the extreme by saying that "there is only one way to solve a problem or reach a goal." While both are limited world views, it is possible to alter ethnocentric views with time, experience, and training. Parochialism is such a rigid mindset that it may not easily be malleable.

8.2. Cultural Stereotypes

A particular culture's approach to time can be described without degenerating into judgmental phrases such as lazy, always late, or never dependable. It is also valuable to remember that cultural descriptive terms characterize group behaviors but not all individuals within that group necessarily conform to these norms.

8.3. Cultural Determinism

Global HR professionals will often hear from managers in other countries that something cannot be done because of the local culture. This may call for further discussion about the supposed obstacles. In some cases they may not exist, and in others the obstacles may not really be cultural resistance to the practice but to how

the practice is being implemented.

8.4. Cultural Relativism

Cultural relativism refers to the idea that the meaning, perceptions, behaviors, beliefs, values, actions, and organization of a group of people can be explained and understood only through that group's cultural lens. Cultural relativism is associated with a general tolerance and respect for difference, which refers to the idea that cultural context is critical to an understanding of people's values, beliefs and practices. In other words, there is no ultimate "right" or "wrong" loses the ability to make any judgments at all.

8.5. Cultural Differences

Cultural differences should not be a barrier to a globalization strategy but a factor that will shape localized practices to align with core standardized principles. Cultural awareness programs can be implemented across the global organization. Managing cultural differences will require, however, global HR professionals who are literate in cultural theory and differences and who understand what to do when faced with a cultural dilemma that threatens a global strategy.

This process of charting a course through cultural differences is referred to as dilemma reconciliation which has four steps:

- Recognize: create awareness of cultural diversity
- Respect: appreciate the value of diversity
- Reconcile: resolve differences and find a common path
- Realize and root: implement and reward actions to reconcile differences

Part Two: Cultural Adjustment and Learning

1. Cross-Cultural Differences

As people from different cultural groups take on the exciting challenge of working together, cultural values sometimes conflict. We can misunderstand each other, and react in ways that can hinder what are otherwise promising partnerships. Oftentimes, we aren't aware that culture is acting upon us. Sometimes, we are not even aware that we have cultural values or assumptions that are different from others'. Therefore we should be aware that cultural differences do exist and influence the way we communicate. There are Six Fundamental Patterns of Cultural Difference as explained below:

Six Fundamental Patterns of Cultural Difference

Source: Avruch, K. & Black, P. (1993). "Conflict Resolution in Intercultural Settings: Problems and Prospects," in Conflict Resolution Theory and Practice: Integration and Application edited by Dennis Sandole and Hugo van der Merwe. New York: St. Martin's Press, 1993.

1.1. Different Communication Styles

The way people communicate varies widely between, and even within, cultures. One aspect of communication style is language usage. Across cultures, some words and phrases are used in different ways. For example, even in countries that share the English language, the meaning of "yes" varies from "maybe, I'll consider it" to "definitely so," with many shades in between.

Another major aspect of communication style is the degree of importance given to non-verbal communication. Non-verbal communication includes not only facial expressions and gestures; it also involves seating arrangements, personal distance, and sense of time. In addition, different norms regarding the appropriate degree of assertiveness in communicating can add to cultural misunderstandings. For instance, some people typically consider raised voices to be a sign that a fight has begun, while others often feel that an increase in volume is a sign of an exciting conversation among friends. Thus, some may react with greater alarm to a loud discussion than others.

1.2. Different Attitudes Toward Conflict

Some cultures view conflict as a positive thing, while others view it as something to be avoided. In the U.S., conflict is not usually desirable; but people often are encouraged to deal directly with conflicts that do arise. In fact, face-to-face meetings customarily are recommended as the way to work through whatever problems exist. In contrast, in many Eastern countries, open conflict is experienced as embarrassing or demeaning; as a rule, differences are best worked out quietly. A written exchange might be the favored means to address the conflict.

1.3. Different Approaches to Completing Tasks

From culture to culture, there are different ways that people move toward completing tasks. Some reasons include different access to resources, different judgments of the rewards associated with task completion, different notions of time, and varied ideas about how relationship-building and task-oriented work should go together.

When it comes to working together effectively on a task, cultures differ with respect to the importance placed on establishing relationships early on in the collaboration. A case in point, Asian and Hispanic cultures tend to attach more value to developing relationships at the beginning of a shared project and more emphasis on task completion toward the end as compared with European-Americans. European-Americans tend to focus immediately on the task at hand, and let relationships develop as they work on the task. This does not mean that people from any one of these cultural backgrounds are more or less committed to accomplishing the task, or value relationships more or less; it means they may pursue them differently.

1.4. Different Decision-Making Styles

The roles individuals play in decision-making vary widely from culture to culture. For

example, in the U.S., decisions are frequently delegated -- that is, an official assigns responsibility for a particular matter to a subordinate. In many Southern European and Latin American countries, there is a strong value placed on holding decision-making responsibilities oneself. When decisions are made by groups of people, majority rule is a common approach in the U.S.; in Japan consensus is the preferred mode.

1.5. Different Attitudes Toward Disclosure

In some cultures, it is not appropriate to be frank about emotions, about the reasons behind a conflict or a misunderstanding, or about personal information. When you are dealing with a conflict, be mindful that people may differ in what they feel comfortable revealing. Questions that may seem natural to you -- What was the conflict about? What was your role in the conflict? What was the sequence of events? -may seem intrusive to others.

1.6. Different Approaches to Knowing

Notable differences occur among cultural groups when it comes to epistemologies -- that is, the ways people come to know things. European cultures tend to consider information acquired through cognitive means, such as counting and measuring, more valid than other ways of coming to know things. Compare that to African cultures' preference for affective ways of knowing, including symbolic imagery and rhythm. Asian cultures' epistemologies tend to emphasize the validity of knowledge gained through striving toward transcendence.

These different approaches to knowing could affect ways of analyzing a community problem or finding ways to resolve it. Some members of your group may want to do library research to understand a shared problem better and identify possible solutions. Others may prefer to visit places and people who have experienced challenges like the ones you are facing, and get a feeling for what has worked elsewhere.

2. Cross Culture Shock

The Oxford Dictionary defines culture shock as disorientation experienced when suddenly subjected to an unfamiliar culture or way of life. Culture shock can be characterized by periods of frustration, adjustment, and even depression. Nearly everyone, particularly expatriates, regardless of maturity, disposition, previous experience abroad, or knowledge of the country in which they will be living, experiences some degree of culture shock when

initially moving to a new country.

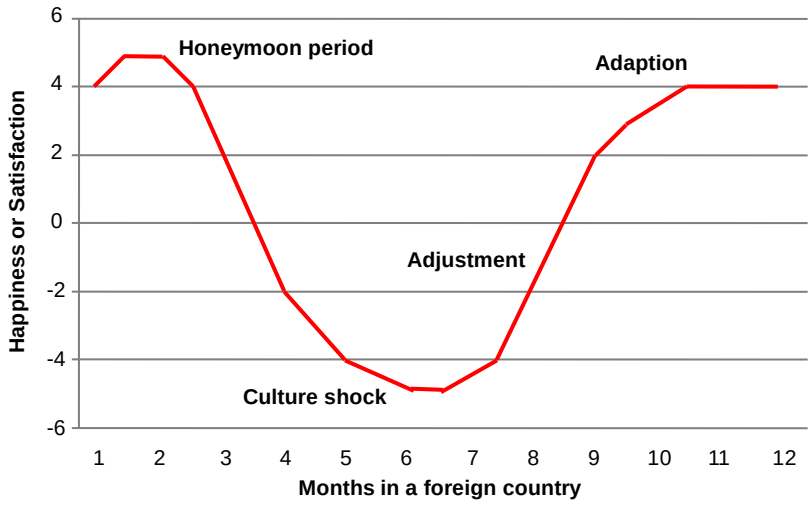
2.1. Symptoms of Culture Shock

Although "culture shock" is generally understood as a temporary shock felt when confronted by different cultural customs, ways of thinking and behavior patterns, it actually refers to a psychological state of depression caused by the experience of successive failures in unfamiliar social situations. Culture shock is temporary, and everybody goes through it to some extent in the process of cultural adaptation. General symptoms of culture shock include:

- irritation
- homesickness
- loneliness
- nervousness
- loss of appetite
- sleeplessness
- feeling tired
- extreme pride in one's home culture
- hypersensitivity or excitability
- confusion, etc.

2.2. Process of Culture Shock

As a result of culture shock, international assignees may lose their motivation to talk with people in host countries or to attend activities. Most of these psychological reactions are, again, very natural in the process of cultural adjustment. If they take time to cope with each single event in their life, they will be able to overcome these emotions sooner or later. The below figure illustrates the process of culture shock and cultural adjustment. This process differs for everyone, so do not worry if their experience is not identical to what is shown here.



The Process of Culture Shock and Cultural Adjustment

Source: Adler, P. (1975). The Transitional Experience: An Alternative View of Culture Shock. Journal of Humanistic Psychology, 15(4), 13-23.

2.2.1. Honeymoon Period

At first, they may have big hopes and high expectations. Everything seems strange and exotic, and they feel moved by your encounter with a new world. At this stage, they are nervous, excited, and possessed of a strong curiosity.

2.2.2. Culture Shock

They start reacting to the difficulty of communicating with people in the new culture. What they think of as common sense does not seem to apply, and they don't understand how to cope with certain situations. They are a grown person in their own country, but here they feel like a little child. Their identity is shaken. The shortcomings of the new culture weigh on their mind.

2.2.3. Adjustment

They lean by trial-and-error and by reflecting on various experiences. Through repeated encounters involving frustration, giving up, being receptive, feeling sympathy, etc., they begin to find their own place and to understand how they can exist here. This stage is a time of displacement, a kind of journey to find out who they are.

2.2.4. Adaptation

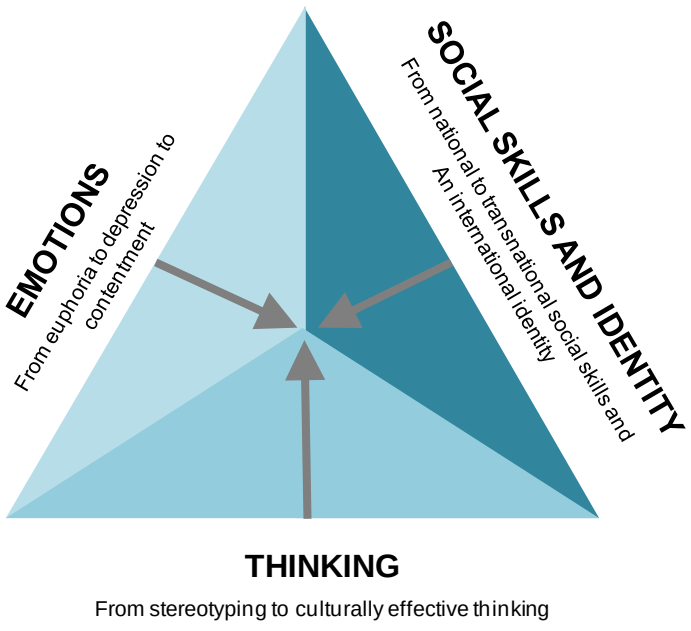
They have gained some objectivity and are able to enjoy themselves. They find life worth living. They become able to see differences in a positive light and to act in a way that is true to them.

2.3. Culture Shock Adjustment

It is important to stress that culture shock is entirely normal, usually unavoidable and not a sign that people have made a mistake or that they won't manage. In fact there are very positive aspects of culture shock. The experience can be a significant learning experience, making them more aware of aspects of their own culture as well as the new culture they have entered. It will give them valuable skills that will serve them in many ways now and in the future.

Psychologically, international managers have to deal with three levels of culture shock:

- The emotional side - coping with mood swings
- The thinking side - understanding foreign colleagues
- The social side - developing a social and professional network as well as effective social skills.



Culture Shock Adjustment

Source: Marx, E. (2001). Breaking Through Culture Shock: What You Need to Succeed in International Business. Nicholas Brealey Publishing.

2.3.1. Emotions

International assignees often report positive effects of their work on personality characteristics but also mention emotional reactions, such as worrying, feelings of isolation, anxiety and helplessness.

An extreme reaction was reported by a British manager in Shanghai:

'Culture shock -continuous feeling of being unwell due to two bouts of bad food poisoning, loneliness and, most prominent, the constant staring from the Chinese. This curiosity became very upsetting -everything in my hotel room was looked through, all drawers in my desk searched through. Also, telephone conversations were tapped; I could hear the click and the echo which does not happen now. This led to continuous paranoia. To resolve this, I eventually managed to relax and to take no notice; I pretended it did not happen and most importantly, every three to four weeks I left China to visit other countries such as Japan, Korea and Hawaii.'

Another culture shock was the physical adaptation to the pollution and the stinging eyes, the sheer noise of cars and people. 'I also felt helpless - I was deported once for not having a correct visa and had an overnight stay in a state-run guest house with a Government immigration official. So why am I here? Because it is a good career move (hopefully) for the future.'

Most people think of culture-shock as a 'short and sharp' disorienting experience in a foreign place. Few realize that the effect of culture shock can be much deeper and more prolonged, if it is not dealt with effectively. Psychologically, moving to a foreign country means stress for the individual. International assignments fall into the category of stress called 'life events'.

Such major life changes put the individual at risk of psychological difficulties, such as depression, anxiety, alcoholism or what laymen typically call 'nervous breakdown'. International assignees that move abroad experience several such life events: changing country, changing jobs, and changing house - consequently, there is a high risk to psychological well-being and hence a high risk of performance deficits at work and, ultimately, a risk for the company. Moreover, these changes affect the entire family.

2.3.2. Thinking

Living in a familiar, well-structured and predictable environment makes understanding easy. The meaning of expressions, gestures and cultural norms is clear. But moving to another, maybe remote, part of the same country changes the autopilot status. We cannot take things for granted; all of sudden, it takes an effort to understand what is going on. Most importantly, we must learn new things and develop and expand our thinking.

- The international assignees can decide how to treat the "foreign" situation and, can become:
- A colonialist - you do not react to the foreign culture.
- An imperialist - forcing your own value system and way of thinking onto the new culture - not adapting in interactions and not seeing the necessity to change perceptions and attitude.
- An internationalist/inter-culturalist - you are fully aware of the complexity and ambiguity of exchanges in foreign cultures and try to adapt by changing your thinking and attitudes and by trying to find a compromise between cultures. Ideally, we all want to achieve the third option.

Some international assignees mention 'the thinking effect' explicitly when asked about the effect of international experience on their personality:

"*International work makes you more aware and more knowledgeable. The result is being able to see things from many different angles; it is a very broadening experience," says one manager.* "The differences in attitudes were larger than I expected, but I have reached a better understanding of different attitudes towards work," says another. Challenging your own assumptions and values is not the only challenging that has to be done - challenging your own identity and social behavior is also part of building an effective international career.

2.3.3. Social Identity and Social Skills

This secure sense of self is disturbed by working in an "alien" environment. The familiar context in which your own behavior makes sense is not there. Behavior which is rewarded and valued at home may be negatively evaluated in the new culture. Directness and assertiveness may be positive attributes in the United States but would be seen as rude and inadequate in China. The unfamiliar influences can bring a risk to our self-identity: we are not as sure as before as to whom we are and feel insecure. We learn that there are different ways of living, working, and establishing

relationships and this threatens our well-formed notions on how to do things. We do not understand some of our own behavior and the emotional ups and downs we are going through as part of our adaptation. Our self-identify is shaken-up and, in a way, we have to re-negotiate or re-define our identity, by integrating our new experiences and reactions into our 'old self'. As soon as we interact more closely with a foreign culture, we experience a conflict between our own values and those of the host culture.

We experience a collision of values. As we get more and more involved, we normally develop alternative ways of behaving and this also influences our view of ourselves. Similar to what we have seen with understanding others, our sense of self has to be expanded and modified. This is part of the self-development most people go through during international assignments.

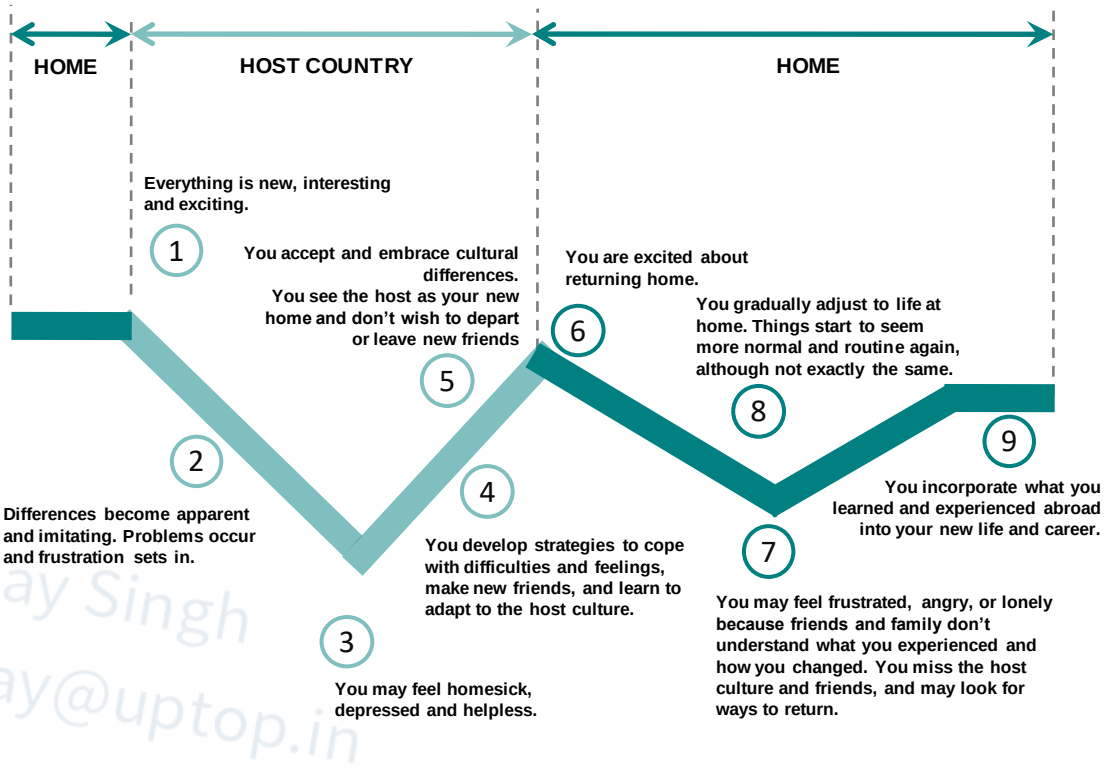
The positive effect of international work on self-development is illustrated in the following comment:

"*My most positive surprise was to realize that I was a born survivor and that I could deal with problems. It was very good for myself image and I learned that I had a lot of staying power.*"

3. Reverse Culture Shock

Reverse culture shock is experienced when returning to a place that one expects to be home but actually is no longer, is far more subtle, and therefore, more difficult to manage than outbound shock precisely because it is unexpected and unanticipated.

As the following graph shows, the "U-shaped" adjustment curve that roughly illustrates the adjustment to being overseas and culture shock (stage 1 to 5)can be modified to a "W," showing the transition process through reentry (stage 6 to 9). While the phases may be quite similar, the timing and duration of them is not. For example, the honeymoon phase overseas might last a matter of days or weeks (even months), but at home the elation of return can dissolve rather quickly. Returnees can find themselves slipping into deepening hostility or withdrawal in very short time. While the onset of culture shock abroad usually takes many weeks or even months, reverse culture shock can take hold within hours of arriving home. Like culture shock, reverse culture shock has a number of stages.



Culture Shock Cycle

Source: Hånberg, C. & Österdahl, G. (2009). Cross-Cultural Training of Expatriates. Nicholas Brealey Publishing.

3.1. The Honeymoon Stage

When you first arrive in a new culture, differences are intriguing and you may feel excited, stimulated and curious. Like any new experience, there's a feeling of euphoria when you first arrive and you're in awe of the differences you see and experience. You feel excited, stimulated, enriched. During this stage, you still feel close to everything familiar back home.

3.2. The Distress Stage (Reverse Culture Shock)

Everything you're experiencing no longer feels new; in fact, it's starting to get you down. You feel confused, isolated or inadequate and realize that your familiar support systems (e.g. family and friends) are not easily accessible. Similar to the period of cultural adjustment you went through after first arriving in your study abroad location, you might experience:

Boredom: After all the newness and stimulation of your time abroad, a return to family, friends, and old routines (however nice and comforting) can seem very dull. It is natural to miss the excitement and challenges which characterize study in a foreign country, but it is up to you to find ways to overcome such negative reactions - remember a bored person is also boring.

“No One Wants to Hear”: One thing you can count on upon your return: no one will be as interested in hearing about your adventures and triumphs as you will be in sharing those experiences. This is not a rejection of you or your achievements, but simply the fact that once they have heard the highlights, any further interest on your audiences’ part is probably unlikely. Be realistic in your expectations of how fascinating your journey is going to be for everyone else. Be brief.

You Can't Explain: Even when given a chance to explain all the sights you saw and feelings you had while studying abroad, it is likely to be at least a bit frustrating to relay them coherently. It is very difficult to convey this kind of experience to people who do not have similar frames of reference or travel backgrounds, no matter how sympathetic they are as listeners. You can tell people about your trip, but you may fail to make them understand exactly how or why you felt a particular way. It’s okay.

Reverse "Homesickness": Just as you probably missed home for a time after arriving overseas, it is just as natural to experience some reverse homesickness for the people, places, and things that you grew accustomed to as a student overseas. To an extent it can be reduced by writing letters, telephoning, and generally keeping in contact, but feelings of loss are an integral part of international sojourns and must be anticipated and accepted as a natural result of study abroad.

Relationships Have Changed: It is inevitable that when you return you will notice that some relationships with friends and family will have changed. Just as you have altered some of your ideas and attitudes while abroad, the people at home are likely to have experienced some changes. These changes may be positive or negative, but expecting that no change will have occurred is unrealistic. The best preparation is flexibility, openness, minimal preconceptions, and tempered optimism.

People See "Wrong" Changes: Sometimes people may concentrate on small alterations in your behavior or ideas and seem threatened or upset by them. Others may ascribe “bad” traits to the influence of your time abroad. These incidents may be motivated by jealousy, fear, or feelings of superiority or inferiority. To avoid or minimize them it is necessary to monitor yourself and be aware of the reactions of those around you, especially in the first few weeks following your return. This phase

normally passes quickly if you do nothing to confirm their stereotypes.

People Misunderstand: A few people will misinterpret your words or actions in such a way that communication is difficult. For example, what you may have come to think of as humor (particularly sarcasm, banter, etc.) and ways to show affection or establish conversation may not be seen as wit, but aggression or "showing off." Conversely, a silence that was seen as simply polite overseas might be interpreted at home, incorrectly, as signaling agreement or opposition. New clothing styles or mannerisms may be viewed as provocative, inappropriate, or as an affectation. Continually using references to foreign places or sprinkling foreign language expressions or words into an English conversation is often considered boasting. Be aware of how you may look to others and how your behavior is likely to be interpreted.

Feelings of Alienation: Sometimes the reality of being back "home" is not as natural or enjoyable as the place you had constructed as your mental image. When real daily life is less enjoyable or more demanding than you remembered, it is natural to feel some alienation. Many returnees develop "critical eyes", a tendency to see faults in the society you never noticed before. Some even become quite critical of everyone and everything for a time. This is no different than when you first left home. Mental comparisons are fine, but keep them to yourself until you regain both your cultural balance and a balanced perspective.

Inability to Apply New Knowledge and Skills: Many returnees are frustrated by the lack of opportunity to apply newly gained social, technical, linguistic, and practical coping skills that appear to be unnecessary or irrelevant at home. To avoid ongoing annoyance: adjust to reality as necessary, change what is possible, be creative, be patient, and above all use the cross-cultural adjustment skills you acquired abroad to assist your own reentry.

Loss/Compartmentalization of Experience (Shoe boxing): Being home, coupled with the pressures of job, family, and friends, often combine to make returnees worried that somehow they will "lose" the experience. Many fear that it will somehow become compartmentalized like souvenirs or photo albums kept in a box and only occasionally taken out and looked at. You do not have to let that happen: maintain your contacts abroad; seek out and talk to people who have had experiences similar to yours; practice your cross-cultural skills; continue language learning. Remember and honor both your hard work and the fun you had while abroad.

3.3. Re-integration Stage

During this stage, you start winging about your new home. You dislike the culture, the language, the food. You reject it as inferior. You may even develop some prejudices towards the new culture. You're angry, frustrated and even feel hostile to those around you. You wonder why you made the decision to change. You start to idealize life "back home" and compare your current culture to what is familiar. Don't worry. This is absolutely normal and a healthy reaction – it means you're adjusting. You are reconnecting with what you value about yourself and your own culture.

After that, sometimes called the emergence stage, when you start to come out of the 'fog' and finally begin to feel like yourself again. You start to accept the differences and feel like you can begin to live with them. You feel more confident and better able to cope with any problems that may arise based on your growing experience. You no longer feel isolated and instead you're able to look at the world around you and appreciate where you are.

3.4. Independence Stage

You are yourself again! You embrace the new culture and see everything in a new, yet realistic light. Things start to become enjoyable. You feel comfortable, confident, and able to make decisions based on your own preferences and values. You no longer feel alone and isolated. You understand and appreciate both the differences and similarities of both your own and the new culture. You start to feel at home.

Moreover, you incorporate what you learned and experienced abroad into your new life and career.

4. Develop Intercultural Sensitivity

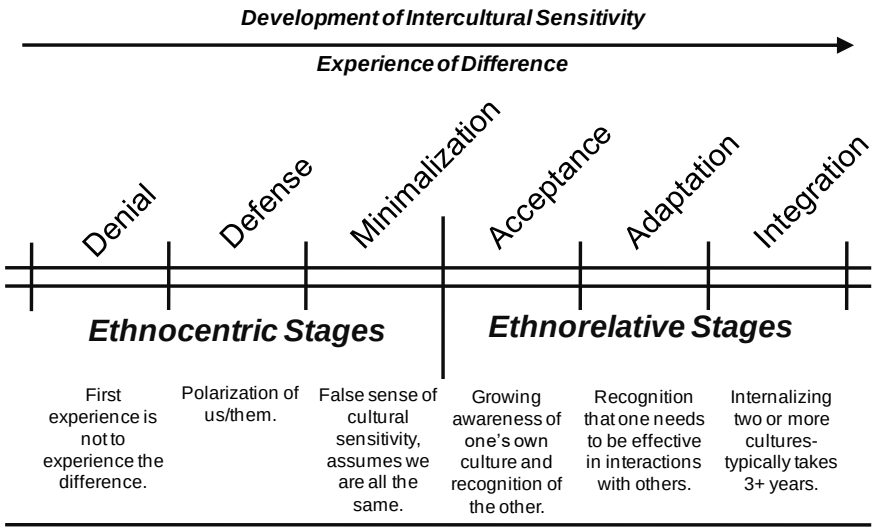
While the mindset and skill set of intercultural competence are necessary, they are insufficient to engender competence without intercultural sensitivity. This kind of sensitivity is not simply a positive attitude toward cultural difference or a desire to relate well to others. Rather, it is the ability to experience cultural difference. Such experience is not the natural outcome of cross-cultural contact.

The progression towards cultural understanding is vital. As a humanitarian entrepreneur observes, "It's very hard to just parachute into a developing country. There are so many cultural nuances and ethnic differences, so many things about a particular culture that wouldn't be readily apparent to someone who's not from there. Success or failure of

projects or enterprises rests on creating solutions that work within that cultural context. Culturally sensitive volunteering requires a willingness to learn as well as to give, but most of all, it requires the humility and ability to self-evaluate.

Overcoming ethnocentrism involves more than "getting used to" cultural differences. After having been raised in one culture, sudden immersion in a different culture can trigger a series of complex emotions and reactions. For some, it can come as a shock that their worldview isn't universal, but is instead just one of many equally valid worldviews. For others, fundamental differences among people from different backgrounds can be difficult to accept. Still others will immediately admire the "beautiful" and "exotic" characteristics of a foreign culture, and may even temporarily shun their own background. Regardless of the initial attitude towards cultural differences, it is important to develop genuine intercultural sensitivity in order to be an effective international assignee.

An intercultural development and communication expert has been recognized for his Developmental Model of Intercultural Sensitivity. The model describes, in a series of six stages, a continuum of attitudes toward cultural differences. The goal is to move from the ethnocentric stages of denial, defense, and minimization, to the ethnorelative stages of acceptance, adaptation and integration. Researchers describe ethnocentrism as an attitude or mindset which presumes the superiority of one's own worldview, sometimes without even acknowledging the existence of others. Ethnorelativism, on the other hand, assumes the equality and validity of all groups and does not judge others by the standards of one's own culture.



The Six Stages to Develop Intercultural Sensitivity

Source: Bennett, M. (1993). "A Developmental Model of Intercultural Sensitivity." Derived from: Bennett, Milton J. "Towards a Developmental Model of Intercultural Sensitivity" in R. Michael Paige, ed. Education for the Intercultural Experience. Yarmouth, ME: Intercultural Press.

Movement through the stages is one-way, for the most part, although sometimes people seem to retreat from later to earlier stages of ethnocentrism. Research on the model shows that people are predominantly in one stage (that is, they have a single predominant worldview orientation to cultural difference), even though they may not have completely resolved issues associated with earlier stages of development.

4.1. The Ethnocentric Stages

A simple way to conceive of the three stages of ethnocentrism is in terms of attitudes toward cultural differences: those in the denial stage deny the existence of cultural differences, those in the defense stage demonize them, and those in the minimization stage trivialize differences.

4.1.1. Denial:

In the first stage of Ethnocentrism, Denial, people have not yet constructed the category of "cultural difference." To them, the world is completely their current experience of it, and alternatives to that experience are literally unimaginable. People of other cultures, insofar as they are perceived at all, seem less human, lacking the "real" feelings and thoughts of one's own kind. Cultural strangers exist as simpler forms in the environment to be tolerated, exploited, or eliminated as necessary. This worldview state is the default condition of normal socialization.

People can stay in Denial their whole lives, as long as they don't have much contact with cultural difference. They can maintain this state by living in total isolation from people who are culturally different or, as is more common, by maintaining separation from difference through artificial means such as apartheid.

In most cases, the expression of Denial appears thoughtless, but benign, as in the statement "live and let live." Managers at this stage may appear extremely naive and make statements such as, "As long as we all speak the same language, there's no problem, "or" I never experience culture shock." (If someone travels with this person, the companion may add, "but everyone else around him does!) People may have difficulty differentiating cultures, leading them to lump all Asians, or all Moslems, together. And people at this stage are profoundly unaware of their own cultures. Any

inquiry into how their own cultural lenses influence perception is likely to be met with bewilderment. While it is usually benign, Denial can become virulent under some political conditions, where the active dehumanization of others is associated with genocide.

An organization characterized by Denial is basically ignorant about cultural issues, even though it may be quite sophisticated in its technical business. If any preparation for cross-cultural contact is offered at all, it is basic language training. Such organizations caught unawares by political or legal action around race, gender, and immigration issues. There probably is no systematic recruitment of a diverse workforce, and any cultural diversity that does exist is defined as a "problem." Needless to say, this kind of organization does not have access to cultural diversity as a resource, either internationally or domestically.

In general, people in the denial stage do not recognize the existence of cultural differences. They are completely ethnocentric in that they believe there is a correct type of living (theirs), and that those who behave differently simply don't know any better. In this phase, people are prone to imposing their value system upon others, believing that they are "right" and that others who are different are "confused." They are not threatened by cultural differences because they refuse to accept them. Generally, those who experience cultural denial have not had extensive contact with people different from themselves, and thus have no experiential basis for believing in other cultures. A key indicator of the denial stage is the belief that they know better than the locals.

4.1.2. Defense

In the second stage of Ethnocentrism, Defense, people have become more adept at perceiving cultural difference. Exposure to media images of other cultures, or the kind of casual contact that occurs in corporate settings may set the stage for this level of experience. Other people still seem less real (i.e., less human) than one's own kind, but they now exist in perception as stereotypes and so must be dealt with. Because one's own culture is still experienced as the only true reality, the existence of the other cultures is threatening to that reality. To counter the threat, the world is organized into "us and them" associated with the denigration of "them" and the superiority of "us." Occasionally, people at this stage may go into reversal, wherein they exalt an adopted culture and denigrate their own primary socialization ("going native," or "passing"). On the surface, this may appear to be more intercultural sensitive, but in terms of the dualistic perception characterizing this stage, it is an

equivalent kind of Defense.

People with a Defense worldview tend to polarize any discussion of cultural difference. An attempt to contrast cultures in a non-evaluative way may be met with defensive statements, such as "so what do you have against this country?" Jokes that denigrate other cultures and ethnic slurs are accepted as "normal," and a lot of attention may be given to the relative intelligence or ability of different cultural groups. Businesspeople at this stage may hold the unexamined view that their own culture's technology and way of doing business is superior to all others. They may also believe that people of other cultures are incapable of significant achievement on their own terms.

Organizations characterized by Defense may be overconfident or arrogant, leading to mistakes in product design and marketing. Cultural difference is seen as an obstacle to be avoided, and combativeness may damage valuable international partnerships.

To summarize those in the defense stage, assignees are no longer blissfully ignorant of other cultures; they recognize the existence of other cultures, but not their validity. They feel threatened by the presence of other ways of thinking, and thus denigrate them in an effort to assert the superiority of their own culture. Cultural differences are seen as problems to be overcome, and there is a dualistic "us vs. them" mentality. Whereas those in the denial stage are unthreatened by the presence of other cultural value systems (they don't believe in them, after all), those in the defense stage do feel threatened by "competing" cultures. People in the defense stage tend to surround themselves with members of their own culture, and avoid contact with members from other cultures.

4.1.3. Minimization

In the third and final stage of Ethnocentrism, Minimization, the threat of Defense has been resolved by assuming a basic similarity among all human beings. Differences that were threatening in Defense are subsumed into already-existing, familiar categories. These categories are of two types: physical universalism, wherein, for instance, all human beings have the same needs; and transcendent universalism wherein, for instance, everyone is subject to the same spiritual principles, whether they know it or not. People in Minimization recognize cultural variation in institutions and customs (objective culture) and may be quite interested in those kinds of differences. However, they hold mightily to the idea that beneath these differences beats the heart of a person pretty much like them. Because they are still lacking cultural self-awareness, people in Minimization cannot see that their

characterizations of similarity are usually based on their own culture.

People with a Minimization worldview are “nice.” They make statements such as “we are all one under the sun,” and they may be sincerely motivated to include people from other cultures into their activities. However, they cannot fathom why people of other cultures might not want to engage in the proffered activities. This stage is associated with various “melting pot” ideas, where a lot of emphasis may be placed on assimilation into the host culture. Politically oriented people at this stage may argue for universal human rights or world capitalism, without reference to how such a position might be perceived by others as a form of cultural imperialism. People of dominant ethnic groups may assume that all people have “equal opportunity” failing to perceive that institutions fashioned in their own culture’s image may offer them advantages while hindering the achievement of others who are culturally different.

Organizations characterized by Minimization may overstate their sensitivity to diversity issues, claiming to be “tolerant” and “colorblind.” This leads to poor retention of cultural diversity, since people from non-dominant cultural groups often interpret these claims as hypocritical. An extreme emphasis on corporate culture creates strong pressure for culture conformity, creating international antagonisms where the corporate culture clashes with the local culture.

In summary, people in the minimization stage are still threatened by cultural differences and try to minimize them by telling themselves that people are more similar than dissimilar. No longer do they see those from other cultures as being misguided, inferior, or unfortunate. They still have not developed cultural self-awareness and are insistent about getting along with everyone. Because they assume that all cultures are fundamentally similar, people in this stage fail to tailor their approaches to a cultural context.

4.2. The Ethnorelative Stages

4.2.1. Acceptance

In the first stage of Ethnorelativism, Acceptance, people have discovered their own cultural context, and therefore they can accept the existence of different cultural contexts. People at this stage can construct the culture-general frameworks that allow them to generate a range of relevant cultural contrasts among many cultures. Thus, they are not necessarily experts in one or more specific cultures (although they might also be that); rather, they are adept at identifying how cultural differences in general operate in a wide range of human interactions.

Acceptance does not mean agreement—some cultural difference may be judged negatively—but the judgment is not ethnocentric in the sense of withholding equal humanity. People at Acceptance first attain respect for behavioral differences, which involves only the more tangible aspects of subjective culture such as language use, nonverbal behavior, communication style, and cognitive style. Respect for value differences follows, wherein people experience their own values as but one good way of organizing the ethical dimension of reality. This is not the same as saying "anything goes," the common allegation lodged by antagonists of cultural relativity. The focus is on the context of behavior, not on the acceptance of all behavior as appropriate in all contexts.

People with an Acceptance worldview are able to see their own behavior in cultural context. Consequently, they tend to use self-referential statements such as "As a person with German background, I am inclined to believe that…" or "This may be mainly an American tendency, but…." They are likely to be curious about cultural differences, seeking out information about the subjective cultural behavior and values of other groups and initiating contrasts with their own cultures. In the early form of this stage, managers may overcompensate for their previous ethnocentrism and become overly tolerant of all "cultural" behaviors, even those that are unproductive or deviant in their home cultural contexts.

Organizations characterized by Acceptance are likely to recognize the value of diversity and to make active efforts to recruit and retain a diverse workforce. Marketing and training efforts may acknowledge the local cultural context, but appropriate action may be unclear. Managers are encouraged to recognize cultural difference, but they are not trained in intercultural skills.

Generally, people in this stage begin to recognize other cultures and accept them as viable alternatives to their own worldview. They know that people are genuinely different from them and accept the inevitability of other value systems and behavioral norms. They do not yet adapt their own behavior to the cultural context, but they no longer see other cultures as threatening, wrong, or inferior. People in the acceptance phase can be thought of as "culture-neutral," seeing differences as neither good nor bad, but rather as a fact of life.

4.2.2. Adaptation

In the second stage of Ethnorelativism, Adaptation, people are able to shift their cultural frames of reference; that is, they are able to look at the world "through different eyes" and intentionally change their behavior to communicate more

effectively in another culture. This is a conscious act, necessitating an awareness of one's own culture and a set of contrasts to the target culture. Shifting cultural frames of reference can be thought of as intercultural empathy, which involves temporarily setting aside one's own worldview assumptions and intentionally taking on a specific, different set of beliefs. The result of employing empathy in an intercultural event is to generate "natural" behavior that is appropriate to the target culture.

In other words, adaptive behavior emerges from successfully looking at the world from the other culture's perspective. Note that some culture-specific knowledge is necessary for the shift to occur. When people routinely shift frame of reference, they may become bicultural or (in the case of several cultures) multicultural. But not all biculturalism is culturally sensitive. In the case of "accidental biculturalism," people have simply received primary socialization into two cultures. Such people may be able to act appropriately in two different cultural contexts, but they cannot necessarily generalize that ability to a third culture.

People with an Adaptation worldview are able to interpret and evaluate situations from more than one cultural perspective. They are likely to initiate statements such as, "I think a Japanese view of this situation would be…" or "Let's imagine how a Moslem might react to…." Managers at this stage are often those who seek out contact with cultural difference, and they are notable in their ability to change behavior in different cultural contexts. For example, a manager's behavior may be more objective and detached from feelings in typical German contexts, while the same person may be more subjective and attached to feelings in typical Latin American contexts. Managers also may act as cultural liaisons between two cultural groups that they know well. They are perceived as belonging to both groups, which is generally positive, but people who are less intercultural sensitive may perceive dual cultural identity as somehow "disloyal."

Organizations characterized by Adaptation encourage education training for executives and managers in both the mindset and skill set of intercultural competence. A strong climate of respect for diversity leads to high retention of diversity in the workforce. Both domestic and international cultural differences are routinely used as resources in multicultural teams.

During the adaptation phase, people begin to view cultural differences as a valuable resource. Because differences are seen as positive, people consciously adapt their behaviors to the different cultural norms of their environment.

4.2.3. Integration

In the last stage of Ethnorelativism, Integration, people extend their ability to perceive events in cultural context to include their own definitions of identity. For these people, the process of shifting cultural perspective becomes a normal part of self, and so identity itself becomes a more fluid notion. One begins to see one's self as "moving around in cultures," no longer completely at the center of any one or combination of cultures – a "cultural marginal."

In some cases, people become stuck in the intersection between cultures; a condition that is termed encapsulated marginality. The alternative condition at this stage is constructive marginality, wherein people use the cultural intersection as a platform from which launch into different aspects of their multicultural identity. Integration is not necessarily better than Adaptation in most situations demanding intercultural competence, but it is descriptive of a substantial number of non-dominant minority group members, long-term expatriates, "global nomads," and other people who may see themselves as "citizens of the world."

People in the encapsulated marginality form of Integration are likely to appear self-centered, alienated, and unsure of their values, while at the same time exhibiting a high degree of knowledge and competence regarding other cultures. In constructive marginality, people are characterized by their positive attitude toward intercultural activities of all kinds. Constructive marginals are more likely to be sophisticated in intercultural ethics, to be inclined towards deep cross-cultural interpretation, and to be skilled in intercultural mediation. Whether encapsulated or constructive, people at this stage of development are very complex in their constructions of cultural difference and in their definitions of self. The question "Who are you?" is likely to elicit a very long story, filled with examples of intercultural experience.

Organizations characterized by Integration are truly global. Every policy, issue, and action is examined in its cultural context and assessed for its strengths and limits. There is little emphasis on the ethnic of national identity of the organization, although its cultural roots and influences are recognized.

Integration is the last stage in one's journey away from ethnocentrism. In this stage, people accept that their identity is not based in any single culture. Once integrated, people can effortlessly and even unconsciously shift between worldviews and cultural frames of reference. Though they maintain their own cultural identity, they naturally integrate aspects of other cultures into it.

It should be clear from this discussion that intercultural competence has come a long way from the old days of "sink or swim." The focus is now on developing the learning-to-learn and the mutual adaptation strategies that constitute intercultural competence for both individuals and organizations. The level of intercultural sensitivity of individuals and groups can be ascertained, and interventions can be tailored to the particular issues that need to be resolved. Programs that purport to develop individuals and groups can now be rigorously evaluated with a quantitative measure.

In sum, organizations can now be certain that there is a return on investment of resources expended on intercultural education. However, programs in intercultural competence still need to be carefully selected and coordinated to assure their value. For instance, programs should be sequenced so that culture-general information precedes culture-specific information. The intercultural mindset needs to be established before the skill set can be acquired. All programs need to take into account the development stage of prospective participants. Most importantly, the development of intercultural competence must be seen as complex undertaking that demands significant time and resources. The developmental model and methods now exist, but they need to be implemented by professionals with the appropriate expertise.

In other words, once it has progressed to an ethnorelativistic view of cultural differences, the assignees will in essence be bicultural. They will revel in cultural differences, and be able to effortlessly take on subtle characteristics of the local culture. Their intercultural sensitivity will also affect how others view and treat them. Being trusted and accepted by local people into a culture they have recently come to know and accept will be thrilling and fulfilling, and will allow them to be more effective performers.

5. Cross Culture Training (CCT)

Companies use a variety of methods to teach expatriates cross-cultural skills, aimed at facilitating interactions with a foreign culture. This section gives an introduction to the main methods, their focus, timing and activities used to convey the training. A summary of different training methods along with their attributes has been compiled and is presented in the below Table. The summary includes the training methods identified from the different academic sources presented in this section, as well as sequential training where different methods are combined. While some methods are more commonly used than others, they have all been included to give a comprehensive overview of the subject.

Cross Cultural Training Methods

Training	Focus	Timing	Activity
Didactic	Factual information, culture general and/or culture specific	Pre-departure and/or post-arrival	Lectures, informal briefings
Experiential	Practical learning, culture general and/or culture specific	Pre-departure and/or post-arrival	Look-see trips, workshops, simulations
Attribution	Learning to think and act as a host national, culture specific	Pre-departure	Cultural assimilator
Language	Facilitating specific intercultural communication	Pre-departure and/or post-arrival	Traditional teaching
Cultural Awareness	Understanding culture as a concept, culture general	Pre-departure	Role-plays, self-assessment exercises
Interaction	Learning from previous expatriates, culture specific	Pre-departure and/or post-arrival	Overlaps, on-the-job training
Cognitive Behavior Modification	Learning to focus on rewarding activities, culture general	Pre-departure	Counseling
Sequential	Synergies from combined training, culture general and culture specific	Pre-departure, post arrival, repatriation	Combining different training methods

Source: Hånberg, C. & Österdahl, G. (2009). Cross-Cultural Training of Expatriates. Nicholas Brealey Publishing.

5.1. Didactic Training

Didactic training is most often provided in informal briefings, which can be given in a classical lecture form or with less structured methods such as casual conversations with experts. It can also be provided with informational booklets, presenting facts on the host country. Didactic training is the most common form of CCT and more than two thirds of all multinational corporations offer didactic training in the form of informal briefings to their expatriates before deployment abroad. This type of training provides factual information regarding working and living conditions as well as

cultural aspects of the host country. The content of the cultural aspect does, however, mainly address practical issues, such as shopping and dress codes in the host country. It represents the traditional way of learning used in schools and universities, where information is transferred using one-way communication. The content in didactic training is often hard facts like requirements for the job, policies, travel arrangements etc., but it also contains aspects that help prepare expatriates to establish a framework for understanding and adapting to a new culture when they arrive in their host country and facilitate lifestyle adjustments. Besides pre-departure issues, it can also include information on repatriation issues. The didactic training can have more general culture content or it can be aimed towards understanding a specific culture.

Fact-oriented didactic training is based on the notion that knowledge will facilitate intercultural relationships. According to a researcher, this concept is contested by some authors, claiming that there is little evidence to support a positive effect. The researcher also argues that since cultural differences between two nations are numerous, didactic training should not try to convey all the knowledge that an expatriate will need during his or her stay. Because of this, didactic training should not be used as the only way of preparing expatriates for a foreign assignment, but should rather be combined with more experiential methods. Other two researchers also state that fact-oriented training on its own is not enough to prepare an expatriate.

5.2. Experiential Training

Experiential training is conveyed using a number of methods including, not only, practical exercises, workshops and simulations, but also more genuine concepts such as look-see visits to the host country. Look-see trips can provide a first real experience of the country for the expatriate and sometimes his or her family. They give the opportunity to meet people in the new country and get a view of the new environment and the workplace. To be effective they need to be well planned, which can make them costly. The problem can also be that since they are designed to give the expatriate a positive view, they may not show the true picture of the host country. A scholar argues that pre-departure programs have the most effect if they are held after a look-see trip to the host country, since the expatriates get many of his or her basic questions answered and can build a sense of the host location before entering the training program.

Experiential training aims at preparing the expatriate in a more direct way, building beyond the mere intellectual experience. The experiential training can also be either

culture general or aimed towards a specific culture. The training is based on the concept of learning by doing and is conveyed by using practical exercises. This prepares the expatriate intellectually and emotionally to adapt to the new culture and enables him or her to develop certain skills that can be used when confronted with the new culture. This is, according to scholars, one of the most promising training methods.

5.3. Attribution Training

Attribution training tries to give the expatriate skills in thinking and acting as a host national. It is aimed at giving the expatriate an insight into the cultural point of view in the host country. This enables the expatriate to explain and understand host national behavior. By teaching such skills, the aim is to make the expatriate's attributes more isomorphic to the new culture. Attribution training is closely connected, but not limited, to a teaching method called "cultural assimilator". This method consists of a series of intercultural short episodes, judged to be critical for the interactions between members of two cultures. In the episodes, encounters between members of two different cultures are used to practice interactions with a new culture.

5.4. Language Training

Language training involves teaching the expatriate the native language and/or the business language of the host country. While fluency can take months or even years to attain there are still benefits of using this training method. The method is often used in CCT and is an effective way of preparing an expatriate since lack of language skills can slow down an adjustment process. Even though fluency in the native language is not attained, the ability to enter informal discussions, use common courtesies and show cultural empathy can help to facilitate adaptation to the host culture. A researcher also concludes that some knowledge of the local language is important to send visible signals of politeness and to better understand the culture of the host country. Language barriers can prevent the expatriate from processing information posted in the local language, both privately and at a professional level, and this prevents integration.

Knowledge of the local language does, as mentioned, facilitates cultural adjustment, and mentions language skills as the dimension with the strongest effect on expatriate adjustment. In a study, respondents did not regard pre-departure language training as very important, but criticism from respondents partly included the short duration of most of the courses.

5.5. Cultural Awareness Training

The goal of Cultural Awareness training is to give the expatriate insight about the concept of culture and cultural differences, by teaching awareness about the home culture. Training activities include self-awareness building and value ranking charts, but the goals can also be reached with more culture-general approaches, such as simulation games and perceptual exercises. Other methods include role-plays and self-assessments and can be a good way of building self-awareness, which translates into acceptance of oneself and an ability to adapt to the host culture.

5.6. Interaction Training

The method of Interaction training is based on interactions between new expatriates and expatriates with more experience of the local culture. It can take place before departure with previous expatriates or at the arrival in the host country. Overlaps in expatriate placements are a sometimes-used training method, which can be very beneficial for the expatriate's adjustment process. Benefits with overlaps include the possibility to explain tasks, introduce contacts and otherwise coach in the management and operation of the workplace. Families can also benefit in a similar way from interactions with the outgoing family.

Although the benefits are clear with this model, most actors do not use it. The reasons are cost issues and doubts in its value. There are also problems with organizing since the development of expatriate placements are hard to predict, and often are the result of short notice. This makes overlaps hard to manage even for very skilled organizations.

5.7. Cognitive Behavior Modification

This method is among the less used training methods when training an expatriate. The expatriates get to name what activities they find rewarding or punishing in the home culture context. By making such distinctions, the expatriate can hopefully apply the same process in the host country and enable him or her to identify and focus on rewarding activities and feel positive about facing challenges of the host culture.

5.8. Sequential Training

The early ideas about CCT suggested that it should be carried out before the departure, and some researchers still think that pre-departure training helps the expatriate to form realistic expectations prior to arrival. Several researchers have,

however, suggested the training to be more efficient when parts of it are held after arrival in the new culture. One reason to concentrate much of the training to the post-arrival phase is the very short time span between selection and departure, in some cases less than a month. Another reason is that it may be difficult to understand, and later recall, abstract social behavior of the host culture if it is learned in a non-authentic environment.

Consensus as to whether CCT should be held pre-departure or post-arrival has not been reached, and a new model – Sequential training – has been developed to combine the benefits of both pre-departure and post-arrival training. This model is not a method in itself but constitutes a combination of different training methods applied at different times during the training process. It is based on the notion that the capacity for learning varies over time; thus the training methods applied should vary over time as well. Sequential training starts before departure and then progresses in steps through the post-arrival adjustment phases, during which different types of CCT is applied, and can extend all the way to repatriation issues. It can start a long or short period before the move and continue for months in the new country.

A scholar argued that joint sessions for sequential CCT together with other organizations operating in the same foreign culture can lead to synergistic effects; logistical problems will be reduced, and the expatriates can share experiences and learn from each other.

If the time for pre-departure training is limited, didactic training about the cultural adjustment process should be in focus, to get the expatriate to develop realistic expectations about the situation and become aware of the phases that will emerge after the culture shock. A fact-based training method may also teach tangible and understandable information about the certain characteristics and behaviors of the new culture that is important to know before, or just after, arrival. This may be delivered either before departure, after arrival in the host country, or both. If a cognitive-behavior modification approach is to be used, it can also be applied either pre-departure, post-arrival, or in both phases.

Both attribution training and cultural awareness training are best used before departure, but since attribution training is culture specific it is not applicable in a general training program. The cultural awareness training is very general in nature and can therefore be an effective part of a pre-departure training program that is directed at a group of expatriates that are going to very different regions.

Interactional learning is best used post-arrival, since the expatriate needs an authentic cultural context. Not until then will the expatriate realize many of the challenges he or she will be facing. These personal experiences and realizations about the cultural differences between home country and host country have two positive effects: they can be used effectively in the CCT, and they further motivate the expatriate to participate in the training.

A certain level of language skills is necessary to have directly after arrival in the new country, so that common courtesies and basic greetings are mastered. The amount of language skills needed is not defined, but a scholar state that the person's previous language skills and ability to learn new languages should be taken into account already during the selection process. The better the language skills are, the easier will the adjustment process be, since language has a very strong effect on expatriate adjustment.

The culture shock phase is the stage where the expatriate is the most susceptible to CCT. Both didactic and experiential training can be used, as well as explanations of observed behavior. The latter method is an effective way to develop appropriate behavior and learn how to learn more about the host culture.

The adjustment phase is characterized by a growing consciousness with the expatriate, who at this stage needs to learn how to behave as the host nationals do. CCT should include on-the-job practice, both structured and unstructured situations, for expatriate-host national interactions.

Interactions over cultural borders require skills that can be labeled as cultural intelligence. Cultural intelligence can be present individually or collectively in the organization. Extensive training is required for a person to acquire sufficient cross-cultural intelligence. The training can include learning positive and negative aspects of the host culture, which can increase the cultural intelligence. The concept of cultural intelligence can also be used as a tool in both the development process and the selection process of expatriates. Attributes connected to having cross-cultural intelligence are the ability to interpret verbal cues from persons of different cultures and to make correct social interferences during conversations. Another skill is the ability to reach social objectives through cultural negotiations, based on the own understanding and acceptance of the host culture.

There are several causes of expatriates failing to achieve the expected outcomes of a foreign assignment. Language problems may be one obvious reason, but also

problems with effective knowledge transfer between the expatriate and the host country. It may further be a lack of personality skills for the expatriate to understand the cross-cultural interactions, a lack of technical abilities for the work to be done, a lack of motivation for the foreign assignment, or the expatriate may have difficulties to understand and adapt to either the physical or the cultural differences in the environment. Even if the expatriate has adapted well to the new environment and experiences little or no problems with the assignment and general conditions, the situation for the accompanying spouse and/or other family members is just as important.

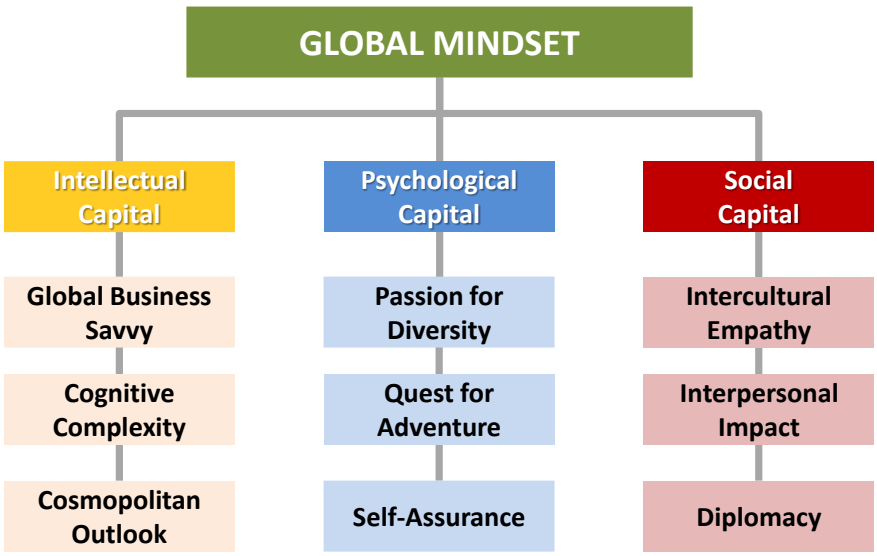
The reason why an early return is often seen as the ultimate sign of failure is because it is much easier to identify than measuring underlying factors, even though it merely constitutes the tip of the iceberg. Other indications of an unsuccessful assignment may be delayed productivity and start-up time, disruption of relationships between host and expatriate nationals, damage to company image, lost opportunities, negative impact on successors, and poor repatriation integration leading to high turnover.

Part Three: Cross-cultural Teams and Diversity

1. Global Mindset

A global mindset combines an openness to and awareness of diversity across cultures and markets with a propensity and ability to synthesize across this diversity. The central value of a global mindset lies in enabling the company to combine speed with accurate response. Global HR professionals can mindfully engage in activities designed to pull together employees from different cultures, countries, and business units for enhancing global mindset within the organization.

A global mindset is a mix of individual attributes that enable an international assignee/expat to successfully influence those who are different from him/her. It is clear that without it, it is most difficult, if not impossible, for an expat to succeed in the international assignment. Global mindset consists of three major components: intellectual capital, psychological capital, and social capital.



Global Mindset Elements

Source: Beechler, S. & Javidan, M. (2007). Leading with a Global Mindset." In 'Advances in International Management. Vol. 19, The Global Mindset edited by M. Javidan, M.A. Hitt, and R.M. Steers, 131-170. Oxford, UK: Elsevier.

1.1. Intellectual Capital

Intellectual capital refers to knowledge, skills, understanding, and cognitive complexity.

From interviews for a research about global mindset, it indicated that there is an important body of knowledge—the employee's subject matter expertise that expats must have to be successful in their tasks. It also tells us that successful expats think differently than their less successful counterparts—they have a bigger capacity to take differing viewpoints into consideration to understand and address complex issues.

2.1.1. Global Business Savvy

According to research, it is clear that successful expats have a high stock of intellectual capital; with a strong set of cognitive skills and a solid base of knowledge. Intellectual capital translates into understanding the global business and industry; knowing how competition works in the global industry and what it means to the expat's company. As one executive's input: "Expats are chosen because they are supposed to bring knowledge and experience to the company that they don't have locally… that provides a level of respect."

Intellectual capital also involves the ability to build global networks, and being cognizant of the role that interdependencies play in global success. Today's global corporations are highly integrated global networks of supply chain partners who are working together to satisfy the needs of their global customers. Expats must understand the importance of such networks and how they work; what actions and processes create success or lead to malfunctions in global networks.

2.1.2. Cognitive Complexity

Every expat faces conflicting demands from their local stakeholders and from their corporate headquarters, so managing the natural tensions between corporate and local priorities and requirements is also a part of the intellectual capital. The corporate headquarters is, obviously, going to be most interested in economies of scale and scope, in maximizing efficiencies, and standardizing everything across the global enterprise. In contrast, regional responsiveness requires understanding and adapting to unique local needs and demands. The balancing act required in managing these two forces is a decisive success factor for expats.

2.1.3. Cosmopolitan Outlook

Finally, and perhaps most importantly, intellectual capital requires the ability to manage complex cultural issues and understand cultural histories and similarities.

By the nature of their jobs, expats are very likely to face such issues as they try to

influence others toward their company's goals. It is essential that the individual creating the bridge between the corporate culture and the local host country culture is one who can intuit the cultural underpinnings of his or her host society, learn about how things are done in different cultures and why, and manage the potential tension between his or her culture and the host culture in an effective and sustainable manner. As another one executive's put: "*We have to understand the culture and the way of the people in the country we are in. Sometimes, the Western way of doing things will not work at all*."

1.2. Psychological Capital

Having a solid base of knowledge and a good understanding of global issues is just one of the factors necessary for expat success. The second component of global mindset is psychological capital. Psychological capital is a set of psychological attributes that enable the expat to function successfully in the host country and leads to the expat having a strong willingness and motivation to have the experience in, and to succeed in, international settings.

1.2.1. Passion for Diversity

Passion for diversity refers to curiosity about people who are different. As one interviewee in the research stated, "*One thing that all successful global executives share is a genuine respect for other cultures… that is the beginning, the middle, and the end*." Another executive noted "*… the most successful people are those who put in their mind that they are actually the guests in the [host] country. They accept that people are different and have different values*."

Openness to cultural diversity—having a non-judgmental attitude toward those from other cultures—also was stated as an important factor to succeed which was confirmed when the interviewees was asked specifically about the ability to suspend judgment. Said one executive: "A successful expat acts with humility, is an excellent listener, is patient, and is cognizant of how he is perceived." Another interviewee summed it up this way: *"A successful expat is open, listens a lot, is interested in how people in different countries approach problems, and is prepared to learn*."

1.2.2. Quest for Adventure

Quest for adventure refers to willingness to try new things that is a psychological fortitude—such qualities as adaptability and flexibility. According to one senior executive: "*Expats who fail tend to be emotionally very tight. They can't let go of the*

things they know and don't try to absorb the things they don't know. They don't have that flexibility and adaptability. They want everything to be like it was at home." Another executive pointed out: *"Adaptability and willingness to change, and not being set in your own ways, is a critical requirement. If you're very structured and expect things to go 1-2-3, you're going to have a lot of difficulty in an overseas environment*."

1.2.3. Self-Assurance

Self-assurance refers to not feeling threaten by others who are different. Self-confidence is another important feature of psychological fortitude. One senior executive made this observation: "*Self-confidence helps you walk the talk. It energizes other people*." Still another said: "*Expats are expected to operate on their own and need to handle unknown circumstances. That is very hard to do without self-confidence*."

The other important elements of psychological fortitude are optimism and resiliency. One of our senior executives expressed it this way: "*You need a very positive attitude. [The expat gets] into situations that may look like they will never resolve. Without optimism and resiliency, you can't survive. You need to look at every challenge as a learning opportunity*."

1.3. Social Capital

Social capital is the third and final piece of the global mindset, and refers to the expat's ability to build trusting relationships with local stakeholders, whether they are his/her employees, supply chain partners, or customers.

1.3.1. Intercultural Empathy

Intercultural empathy- willing to understand others will help expatriates to build trusting relationship with different stakeholders. In the various interviews of the research, trust emerged as a significant issue. Many global executives said that building trusting relationships with those who are different from them is essential to the expat's sustainable success.

1.3.2. Interpersonal Impact

Interpersonal impact refers to building networks, develop, consensus. Referring back to the need to effectively influence those around them, senior executives pointed

out that the expat cannot influence unless he or she builds trusting relationships. Successful expats generate positive energy and excitement among their local stakeholders and connect with them on a personal level. Stated one executive: "*It is about bringing the best out of everyone… the ability to draw out each individual land build on their strength to move the process forward*."

1.3.3. Diplomacy

Diplomacy refers to ability to relate to others with tact, also called collaborativeness. Collaborativeness is an important part of social capital—having the flexibility to address needs not only for yourself, but for other people. It was noted that the ability to be collaborative leads to a team environment in which trust flourishes. Expats who generate positive energy, collaborate, and connect with other people are more likely to build sustainable trusting relationships.

A global mindset and its three crucial components—intellectual capital, psychological capital, and social capital—is critical information for both expats and their companies. A research revealed that in the compressed "climate" of a short-term assignment, expats have less of a chance to learn as they go and need to be prepared before they arrive.

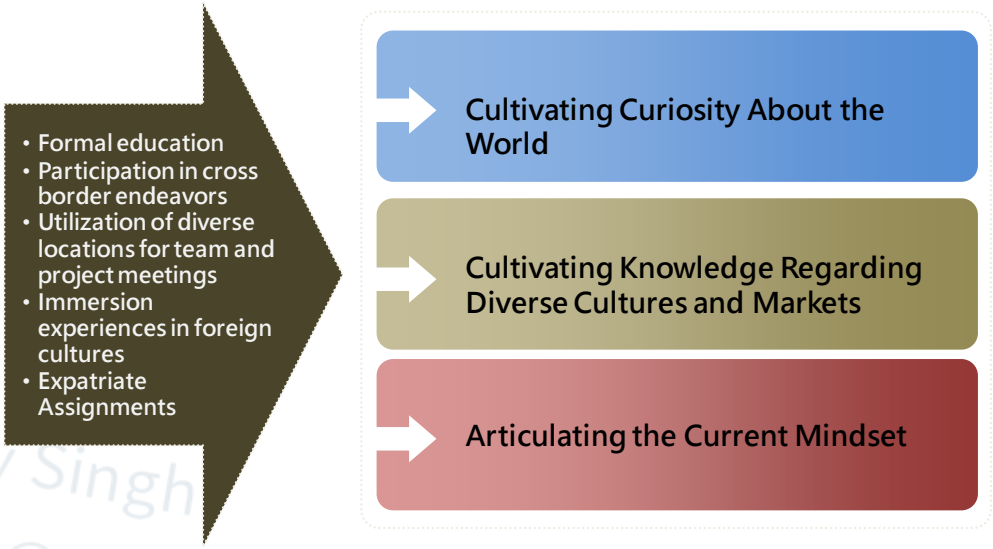
Therefore, it is essential to ensure that the screening process for expats includes an assessment of their global mindset. Traditionally, companies have relied on technical skills as the main criteria for choosing expat assignments, but we now know that assessing global mindset is at least as important.

1.4. Cultivate a Global Mindset

In thinking about how to achieve a global mindset, it is critical to remember that the key word is cultivation and that the quest for a global mindset is a ceaseless journey. Living in a complex and dynamic world as we do, the extent to which one could continue to explore the world's diversity as well as the linkages across this diversity has no upper limit.

Building on ideas from cognitive psychology and organization theory regarding development of knowledge, we would contend that the speed with which any individual or organization can cultivate a global mindset is driven by four factors: (1) curiosity about the world and a commitment to becoming smarter about how the world works, (2) an explicit and self-conscious articulation of current mindsets, (3) exposure to diversity and novelty, and (4) a disciplined attempt to develop an

integrated perspective that weaves together diverse strands of knowle dge about cultures and markets.



Factors to Cultivate a Global Mindset

Source: Gupta, A.K. & Govindarajan, V. (2002). Cultivating a global mindset. Academy of Management Executive, 16(1), 116-125.

1.4.1. Cultivating Curiosity About the World

Curiosity and openness about how the world works reflect an attitude, an element of the individual's personality makeup. Like other elements of personality, it is shaped heavily by early childhood experiences and becomes more resistant to change with age. Thus, while a company does have some maneuvering room in further cultivating curiosity among its existing employees, its greatest degrees of freedom lie at the point of employee selection and in managing the company's demographic makeup.

In situations where a company has the luxury of hiring a younger workforce, where the average age across the entire company is around, it may be able to develop an inherent corporate advantage in the degree to which its employees will strive to develop a global mindset. In any case, every company has a good deal of discretion in hiring people who are curious about diverse cultures and markets and in promoting those who have shown this desired curiosity.

Promoting people to senior executive levels who place high value on global experience and global mindsets sends strong signals regarding the importance of

openness to diverse cultures and markets.

1.4.2. Articulating the Current Mindset

Mindsets evolve through a process of interaction between people and the environment. Our current mindsets shape our interpretations of the world around us; in turn, these interpretations affect whether or not our mindsets change or remain unaltered. Unless this iterative process allows for new learning, it is easy to get trapped in one's own mental web. A powerful way to reduce the likelihood of this entrapment is to cultivate self-consciousness about one's mindset. Doing so requires accepting the possibility that our view of the world is just one of many alternative interpretations of reality. Accepting this possibility significantly enhances the likelihood of new learning.

How might an individual manager or team of managers cultivate self-consciousness regarding their current mindsets? In our experience, two approaches work best. The first approach is to ask managers or teams to articulate their beliefs about the subject domain. In contrast, the second approach is to conduct a comparative analysis of how different people or companies appear to interpret the same reality. Since the comparative analysis approach rests on the premise that any particular mindset is just one of several possibilities, our experience has been that it is the more effective of the two approaches for helping a manager, a team, or a company to uncover their often deeply buried current mindsets.

Consider, for example, the experience of one company where we succeeded in persuading the CEO that, at least once every quarter, the agenda for the board meeting must include a strategic review of why a different competitor behaves the way that it does. After a year of this relatively simple exercise, the quality of discussions in the board meetings changed dramatically. It became clear that the company's own perspective on the market potential of different countries and on whether or not joint ventures were a sensible entry mode in this particular industry were not necessarily shared by some of the industry's key players. As a byproduct, board deliberations on action issues facing the company became more comprehensive and even led to the abandonment of what the CEO had earlier believed to be some of the seemingly "obvious" rules of this industry. In fact, this comparative-analysis approach resulted in the CEO becoming a proponent rather than an opponent of strategic alliances in this industry.

1.4.3. Cultivating Knowledge Regarding Diverse Cultures and Markets

Companies can cultivate exposure to and increase knowledge of diverse cultures and markets in two ways: (1) facilitate such knowledge building at the level of individuals, and (2) build diversity in the composition of the people making up the company. These approaches complement each other: the former focuses on building cognitive diversity inside the mindsets of individuals, and the latter focuses on assembling a diverse knowledge base across the organization's members. Both approaches are essential for every multinational company. Cultivating a global mindset at the level of individuals is a slow process that can take years of learning through experience in multiple cultures; thus, relying exclusively on the globalization of individual mindsets would be woefully inadequate vis-a-vis industry and competitive imperatives.

Building on the widely accepted idea that people learn through both formal education and on-the job experience, we describe and illustrate below several mechanisms that companies can use to cultivate literacy about and enthusiasm for diverse cultures and markets at the individual level:

Formal Education

Formal education (language skills and knowledge building regarding diverse cultures and markets) can take place through self-study courses, university-based education, or in-company seminars and/or management development programs. For example, at its Global Management Development Institute, South Korea's Samsung Group has routinely offered substantive courses in international business management; country histories, cultures, and economies; and foreign languages. In-company programs have the added advantage that the learning occurs at multiple levels—not only in the classroom but through interactions with colleagues from other locations around the world as well.

Participation in Cross-Border Endeavors

Companies can participate in cross-border business teams and projects. Consider, for example, a leading U.S. bank creating a "Euro" team to coordinate the company's response to the introduction of the new European currency. Should such a team be composed only of selected managers from the company's European units, or should the team also include a very small number of Americans from the company's U.S. operations? The latter approach, in our view, can be extremely effective in building in-depth knowledge regarding diverse cultures and markets—in addition to the obvious benefits of byproducts such as development of interpersonal ties.

Utilization of Diverse Locations for Team and Project Meetings

This approach has been used successfully by VeriFone, a global market leader in the automation and delivery of secure payment and payment related transactions. In the late 1990s, the company had nearly 3000 employees based at more than 30 facilities around the world. As one of several mechanisms to become more attuned to the global environment, the company's top-management team instituted a policy of meeting for five days every six weeks at a different location around the globe. This generic approach can be implemented easily at any level of the corporate hierarchy, from the board of directors to a multinational R&D team within one of the business units.

Immersion Experiences in Foreign Cultures

Immersion experiences can range from two- to three-month training assignments to more extensive cultural learning programs. Standard Chartered, a London-based global bank, has used the former approach, sending trainees recruited in London to Singapore and those recruited in Singapore to London. The Overseas Area Specialist Course, initiated by South Korea's Samsung Group in 1991, is an example of an extensive program. Every year, over 200 carefully screened trainees selected one country of interest, underwent three months of language and cross-cultural training, and then spent a year in the chosen country devoted solely to understanding it. Trainees had no specific job assignment and were forbidden to make contact with the local Samsung office. While abroad, they were even encouraged to use modes of travel other than airlines, to achieve a deeper immersion in the local culture. At the end of the immersion period, trainees returned to headquarters in Seoul and reported on their experiences during a two-month debriefing period.

Expatriate Assignments

Multi-year expatriate assignments are by far the most intensive mechanism through which employees can learn about another culture and market. However, this mechanism can be the most expensive for cultivating a global mindset—for the company and, given the increasing preponderance of dual-career marriages, often for the individual. Accordingly, companies need to target expatriate assignments toward high-potential managers (as distinct from the common practice of selecting people that you don't want to see too much of) and also to ensure that their stay abroad fosters cultural learning rather than cultural isolation.

2. Cross Culture Management

Researchers found that people from different cultures aren't just randomly different from one another; they differ in very specific, even predictable, ways. This is because each culture has its own way of thinking, its own values and beliefs, and different preferences placed on a variety of different factors. They concluded that what distinguishes people from one culture compared with another is where these preferences fall in one of the following seven dimensions:

Cross Culture Issues

Source: Trompenaars, F. & Turner, C.H. (2004). Managing People Across Cultures. Capstone.

2.1. Universalism Versus Particularism

This cultural dimension describes the rule versus relationship. In universalistic cultures, people place a high importance on laws, rules, values, and obligations. They try to deal fairly with people based on these rules, but rules come before relationships. Strategies to manage people in this culture should be:

- Help people understand how their work ties into their values and beliefs.
- Provide clear instructions, processes, and procedures.
- Keep promises and be consistent.
- Give people time to make decisions.
- Use an objective process to make decisions yourself, and explain your decisions if others are involved.

In particularistic cultures, people believe that each circumstance, and each relationship, dictates the rules that they live by. Their response to a situation may change, based on what's happening in the moment, and who's involved. Strategies to manage people in this culture should be:

- Give people autonomy to make their own decisions.
- Respect others' needs when you make decisions.
- Be flexible in how you make decisions.
- Take time to build relationships and get to know people so that you can better understand their needs.
- Highlight important rules and policies that need to be followed.

Typical universalistic cultures include the U.S., Canada, the U.K, the Netherlands, Germany, Scandinavia, New Zealand, Australia, and Switzerland. Typical particularistic cultures include Russia, Latin-America, and China.

2.2. Individualism Versus Collectivism

This cultural dimension describes the individual versus the group. In principally individualistic cultures, people believe in personal freedom and achievement. They believe that you make your own decisions, and that you must take care of yourself. Strategies to manage people in this culture should be:

- Praise and reward individual performance.
- Give people autonomy to make their own decisions and to use their initiative.
- Link people's needs with those of the group or organization.
- Allow people to be creative and to learn from their mistakes.

In collectivistic cultures, people believe that the group is more important than the individual. The group provides help and safety, in exchange for loyalty. The group always comes before the individual. Strategies to manage people in this culture should be:

- Praise and reward group performance.
- Don't praise individuals publically.
- Allow people to involve others in decision making.
- Avoid showing favoritism.

Typical individualist cultures include the U.S., Canada, the U.K, Scandinavia, New Zealand, Australia, and Switzerland. Typical collectivistic cultures include countries in Latin-America, Africa, and Japan.

2.3. Neutral Versus Emotional

This cultural dimension describes how people express emotions. In neutral cultures, people make a great effort to control their emotions. Reason influences their actions far more than their feelings. People don't reveal what they're thinking or how they're feeling. Strategies to manage people in this culture should be:

- Manage your emotions effectively.
- Watch that your body language doesn't convey negative emotions.
- "Stick to the point" in meetings and interactions.
- Watch people's reactions carefully, as they may be reluctant to show their true emotions.

In emotional cultures, people want to find ways to express their emotions, even spontaneously, at work. In these cultures, it's welcome and accepted to show emotion. Strategies to manage people in this culture should be:

- Open up to people to build trust and rapport.
- Use emotion to communicate your objectives.
- Learn to manage conflict effectively, before it becomes personal.
- Use positive body language.

- Have a positive attitude.

Typical neutral cultures include the U.K., Sweden, the Netherlands, Finland, and Germany. Typical emotional cultures include Italy, France, Spain, and countries in Latin-America.

2.4. Specific Versus Diffuse

This cultural dimension describes how far people get involved. In specific cultures, people keep work and personal lives separate. As a result, they believe that relationships don't have much of an impact on work objectives, and, although good relationships are important, they believe that people can work together without having a good relationship. Strategies to manage people in this culture should be:

- Be direct and to the point.
- Focus on people's objectives before you focus on strengthening relationships.
- Provide clear instructions, processes, and procedures.
- Allow people to keep their work and home lives separate.

In diffuse cultures, people see an overlap between their work and personal life. They believe that good relationships are vital to meeting business objectives, and that their relationships with others will be the same, whether they are at work or meeting socially. People spend time outside work hours with colleagues and clients. Strategies to manage people in this culture should be:

- Focus on building a good relationship before you focus on business objectives.
- Find out as much as you can about the people that you work with and the organizations that you do business with.
- Be prepared to discuss business on social occasions, and to have personal discussions at work.
- Try to avoid turning down invitations to social functions.

Typical specific cultures include the U.S., the U.K., Switzerland, Germany, Scandinavia, and the Netherlands. Typical diffuse cultures include Argentina, Spain, Russia, India, and China.

2.5. Achievement Versus Ascription

This cultural dimension describes how people view status. In achievement cultures, people believe that you are what you do, and they base your worth accordingly. These cultures value performance, no matter who you are. Strategies to manage people in this culture should be:

- Reward and recognize good performance appropriately.
- Use titles only when relevant.
- Be a good role model.

In ascription cultures, People believe that you should be valued for who you are. Power, title, and position matter in these cultures, and these roles define behavior. Strategies to manage people in this culture should be:

- Use titles, especially when these clarify people's status in an organization.
- Show respect to people in authority, especially when challenging decisions.
- Don't "show up" people in authority.
- Don't let your authority prevent you from performing well in your role.

Typical achievement cultures include the U.S., Canada, Australia, and Scandinavia. Typical ascription cultures include France, Italy, Japan, and Saudi Arabia.

2.6. Sequential Versus Synchronous

This cultural dimension describes how people manage time. In sequential-time cultures, people like events to happen in order. They place a high value on punctuality, planning (and sticking to your plans), and staying on schedule. In this culture, "time is money," and people don't appreciate it when their schedule is thrown off. Strategies to manage people in this culture should be:

- Focus on one activity or project at a time.
- Be punctual.
- Keep to deadlines.
- Set clear deadlines.

In synchronous-time cultures, people see the past, present, and future as interwoven periods. They often work on several projects at once, and view plans and commitments as flexible. Strategies to manage people in this culture should be:

- Be flexible in how you approach work.
- Allow people to be flexible on tasks and projects, where possible.
- Highlight the importance of punctuality and deadlines if these are key to meeting objectives.

Typical sequential-time cultures include Germany, the U.K., and the U.S. Typical synchronous-time cultures include Japan, Argentina, and Mexico.

2.7. Internal Control Versus External Control

This cultural dimension describes how people relate to their environment. In internal control (direction) cultures, people believe that they can control nature or their environment to achieve goals. This includes how they work with teams and within organizations. Strategies to manage people in this culture should be:

- Allow people to develop their skills and take control of their learning.
- Set clear objectives that people agree with.
- Be open about conflict and disagreement, and allow people to engage in constructive conflict.

In external control (direction) cultures, people believe that nature, or their environments, controls them; they must work with their environment to achieve goals. At work or in relationships, they focus their actions on others, and they avoid conflict where possible. People often need reassurance that they're doing a good job. Strategies to manage people in this culture should be:

Provide people with the right resources to do their jobs effectively.

- Give people direction and regular feedback, so that they know how their actions are affecting their environment.
- Reassure people that they're doing a good job.
- Manage conflict quickly and quietly.
- Do whatever you can to boost people's confidence.

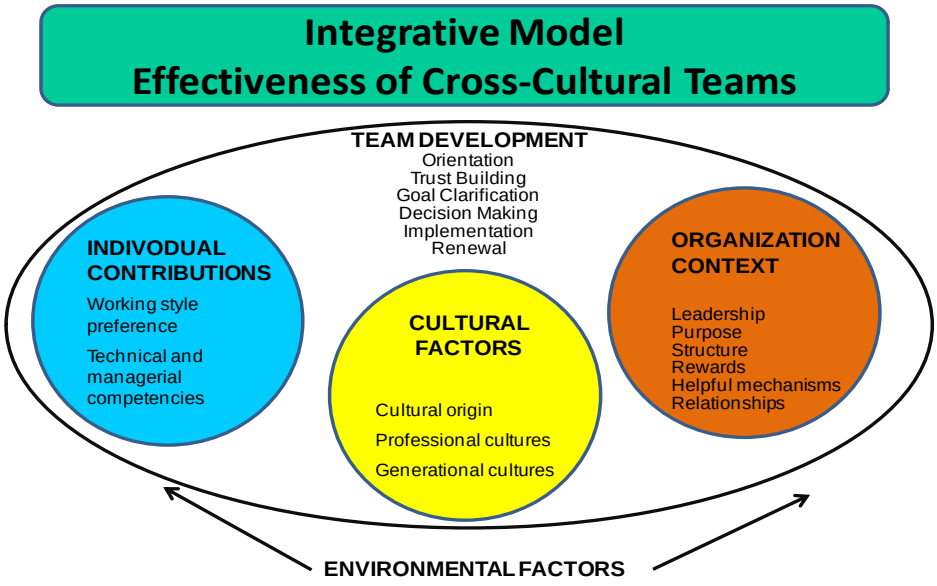
- Balance negative and positive feedback.
- Encourage people to take responsibility for their work.

Typical internal-direction cultures include Israel, the U.S., Australia, New Zealand, and the U.K. Typical outer-direction cultures include China, Russia, and Saudi Arabia.

The seven dilemmas help managers better understand the 'other side' e.g. when trying to make trans-national projects or mergers work. Better understanding reduces the number of cultural driven misunderstandings and conflicts thereby reducing coordination costs. The model helps marketers understand how consumers in different countries behave differently towards the same product.

3. Cross Culture Team

The goal of developing and implementing a team-building program is to improve overall organizational performance at a time of restructuring. The program has been designed to help participants visualize the interrelation of the main components of a team-performance improvement process, namely the phases of team development and the four factors influencing team performance: individual differences, cultural factors, organizational context and environmental factors as showed in the figure.



Four Factors Influencing Team Performance

Source: Bing, J. & and Gardelliano, S. (2014). Team Building at the United Nations Industrial

Development Organization. ITAP International.

3.1. Team Development

One of the main components to consider while creating and sustaining high performance teams is the team development process. The six basic phases we utilize were identified and are always present in a team; however, each of them comes into focus at a particular stage. A team that resolves the questions of each phase and builds the next phase over the last one is better prepared for a higher level of performance. Unresolved questions in each phase will diminish the level of team performance, making the team increasingly ineffective. A brief description of each phase follows.

3.1.1. Orientation

In this phase a certain ambiguity exists in the minds of the team members as to the purpose of their coming together. They need a clear answer to why they are there. If this question is unsolved, team processes will lead to disorientation, uncertainty and fear which is not the appropriate condition from which to enter into the next phase.

3.1.2. Trust building

During the second phase, members are engaged in sharing their expectations, competences and hopes with other participants, thus building the basic trust and rapport needed for effective communication.

3.1.3. Goal clarification

Phase three emphasizes discussion of team and individual priorities among members. Additionally, members' roles are clarified and the task to be undertaken is identified.

3.1.4. Decision making

At this phase decisions are taken by participants as to how the team will be managing resources, time, work processes, constraints, etc.

3.1.5. Implementation

During phase five, the members actually begin to sequence their work according to a

time schedule and a shared vision. If the team was able to resolve the key questions of the preceding stages, a higher level of performance can be expected.

3.1.6. Renewal

This is the final stage, in which the team members look back and reflect on what they have achieved, work on their shortcomings and prepare themselves for the future.

Each of these phases of team development is an essential part of the integrative model of team performance and is influenced by the organizational context, cultural factors and individual differences. Now we will examine each of these main areas of influence separately.

3.2. Organizational Context

What outside factors influence the capability of the team to achieve goals? This short question makes relevant the need to analyze how the organizational context affects team performance. The following factors are considered:

3.2.1. Leadership

The type of leadership and its effectiveness needs to be examined, which includes leadership within the team and within the organization and leadership styles which contribute to effective or ineffective management practices. Consideration was also given to situational and principle-centered leadership and its relationship with followership and strengths and weaknesses of the organization's leadership norms.

3.2.2. Purpose

Every team needs a clear mission. Determination of the purpose of the organization or division results from the negotiation process between 'What we want to do' and 'What we have to do'. Goals of the team and purpose of the organization or organizational units could also require some adjustment.

3.2.3. Structure

It is important to analyze the organizational structure and its impact on group work and team performance. Structure is supposed to solve division of labor problems, not create them. Three main ways to organize are by

- function;

- product, program or project; or
- a mixture of both.

An assessment should be carried out to determine the fit of team members' roles within the organizational structure.

3.2.4. Rewards

Formal reward systems are no guarantee that staff will act in the way the system is attempting to prompt them. Formal or informal rewards should satisfy team members' needs, i.e. professional growth, esteem, acceptance, safety. Motivational or hygienic factors should also be considered, such as achievement, responsibility, team recognition, and working climate. The strengths and weaknesses of the reward systems should be evaluated to determine if the system properly reinforces team goals and behaviors.

3.2.5. Helpful Mechanisms

Mechanisms are needed to help people in working together more effectively. Mechanisms are helpful when they assist in the coordination or integration of work or assist people in keeping track of whether things are going well or badly. Examples include management informational systems, performance appraisals, weekly problem-solving meetings and ad hoc brainstorming sessions.

2.2.6. Relationships

This analysis is centered in the relationships:

(a) among people, peers or manager-subordinates;

(b) between organizational units and tasks performed; and

(c) between people, systems and technology.

It is important to explore how these relationships affect team performance. The quality of relationships and their interdependence are highlighted. (This area dovetails with the analysis in the section on cultural factors.) The relation with the external environment of the organization is also explored.

3.3. Cultural Factors

Increased awareness about the nature and effects of cultural differences can overcome barriers to adjustment and peak performance within the team. The participants analyze their own cultural profile using the following dimensions. This analysis focuses on cultural factors rather than professional or other issues.

3.3.1. Relationships with people

Participants explore ways in which they relate to each other. For example, some may feel that friendship has special obligations and should come first in working relationships, while others may give more emphasis to following rules first and less importance to helping friends.

3.3.2. Attitudes towards time

Individual team members may have differences relating to how strongly they are orientated to the influence of the past (for example, the importance of precedence and history), the present (for example, current organizational politics and concerns) and the future (for example, a vision for future development).

3.3.3. Attitudes towards nature

Some people view the environment, fate and current circumstances as acting powerfully on individuals and will seek to live in harmony with these factors. Others may want to manipulate, control and even exploit the environment. These views may lead to very different ways of analyzing the feasibility and importance of projects. These attitudes are also highly important in anticipating reactions to field projects.

The analysis of culture differences using a cultural profile questionnaire first helps participants understand how they may be perceived by others and, second, helps them to modify and expand their understanding of the behaviors of others. Cultural differences can either inhibit or augment the effectiveness of teams, depending in part on the awareness that each member brings to the team regarding these differences. If members view such differences as annoyances or barriers, then the team's effectiveness will be inhibited. If, on the other hand, members see these differences as representing alternative ways of both understanding and implementing the work of the team, the capacity of the team will be enhanced. Since there are within all cultures both effective and difficult (counterproductive) people, it is not the presence of individuals from multiple cultural backgrounds that causes problems but

rather the presence of those who are either unwilling or unable to carry out the work of the group. This is an important distinction, since it is often assumed that the cultures themselves may inhibit the work of the team. Recent research has suggested that although diverse teams take more time to complete tasks in the short run, in the long run they find more creative solutions.

3.4. Individual Differences

In the analysis of individual differences, participants explore their personality type and reflect upon their working styles and management preferences. With the help of the Myers-Briggs Type Indicator (MBTI), participants gain a perspective on how they are energized, acquire information, make decisions and relate to their fellow workers. Within the context of these four scales they are helped to understand themselves and their behaviors and appreciate others, so as to make constructive use of individual differences. By knowing their own preferences and learning about those of others, they come to know their special strengths and how people with different preferences can relate to each other and become valuable within teams.

Additionally, using the Myers-Briggs Type Indicator, the weighting of types within the team as a whole is analyzed and discussed with participants, with regard to the impact on the team as a whole and on the larger organization. In the present format of this team-building workshop, the individual differences resulting from technical competences or knowledge and experience levels are not analyzed. However, we believe that in the initial formation of teams, professional competences and complementary expertise should also be taken into consideration.

4. Performance in Different Cultures

The increasing number of international companies and the cooling global economy coincide to highlight the popular topic of cultural differences and their impact on the measurement of business unit performance. Just as a "rising tide lifts all boats," an expanding global economy helps almost every company. But as the growth fueled by economic expansion decreases, the need for reliable measures of performance becomes more apparent. In the decade since the Balanced Scorecard was first written about, its use has become widespread. This performance measurement technique depends heavily on nonfinancial measures and leading indicators that drive performance.

Along with a growing recognition that effective measures of business unit performance must include more widely applicable strategic measures than those offered by historical financial performance is the recognition that nonfinancial measures often include

behavioral metrics that are affected by culture. A sizable body of research attempts to pinpoint differences in cultural attitudes and provide guidance on how managers may avoid a cultural bias in performance measurements.

A famous scholar's ambitious examination of cultural differences and their impact on business studied employees in more than 50 nations and has served as a basis for many additional studies. One of the appealing characteristics of the research is the intuitive collaboration most readers can offer from experience. The scholar eventually identified five cultural dimensions:

Effects of Cultural Differences on Business

	Low	High
Power distance	Delegation, Leadership, Programmatic employment relations, Open communication	Position is power, formalized roles, Authoritative leadership
Uncertainty avoidance	More innovation, Little loyalty, Strategic oriented	Less innovation, Strong loyalty, Operational oriented.
Collectivism (vs. Individualism)	Individual performance and incentive, Transactional employment relation	Group performance and incentive, Family employment relation
Masculinity (vs. Femininity)	Quality of Life, The gender roles tend to overlap, Non-competitive	Work is the focus of life, Only male characteristics., Competitive
Long-term (vs. Short-term) orientation	Focus on short-term results	Focus on long-term results

Lair Sale , M (2004). Performance Appraisal Along Cultural Dimensions: Truth or Consequences . *International Journal of Strategic Cost Management*, Spring, 3-9.

4.1. Power Distance

Power distance is the degree to which less powerful members of a culture will accept the unequal distribution of power. In the work environment, decentralized authority with a relatively flat organizational structure and a small percentage of supervisory personnel characterizes low power distance cultures. Inequality of roles is viewed as

the result of convenience.

The ideal boss is seen as resourceful, practical, orderly, and democratic; the ideal boss depends on personal experience and the counsel of subordinates. The boss-employee relationship is pragmatic. Information flows freely between levels. Institutionalized grievance channels are established to handle possible abuse of power. Subordinates respond to bargaining or reason, and management by objective is likely to be successful. The salary range between managers and workers is relatively narrow, and there are relatively few status symbols and privileges for managers. Managers tend to be satisfied with their careers, including the level of compensation. In low power distance cultures, job satisfaction, high performance, and increased productivity result from employee participation in management decisions.

On the other hand, in high power distance cultures, authority is concentrated at the top of a vertical organizational structure. There are relatively more supervisory personnel, and the resulting differences in power are an accepted inequality between higher-level and lower-level individuals. Managers rely on formalized roles in which authority is vested and workers expect to be told what to do without consultation. Close supervision and authoritative leadership are expected to lead to job satisfaction, higher performance, and increased productivity.

In addition, communications between the superior and the subordinate tend to proceed from the top-down, and are less likely to proceed from the bottom-up in high power-distance cultures. It is considered inappropriate for people in inferior positions (subordinates in the workplace) to express opinions counter to those of people in superior positions – especially when the status quo prescribes that the former should remain supportive and subservient to the latter. Because open and direct communication in high power-distance societies is restrained or implicitly discouraged, it is plausible to expect negative reactions to performance appraisal from employees and managers. A researcher noted that communication patterns in individualistic cultures, such as the United States, tend to be relatively direct and clear, while those in collectivist cultures, such as Taiwan and Singapore, tend to be less direct and more implicit.

4.2. Uncertainty Avoidance

Uncertainty avoidance is defined by the scholar as the degree that members of a culture fear the unknown or feel stressed by change and ambiguity. Cultures with a low degree of uncertainty avoidance do not feel stressed and threatened when faced

with change and ambiguity. Low uncertainty avoidance cultures have a relatively short average duration of employment with each employer and feel little loyalty to the employer. Although self-employment is uncommon, they prefer to work for smaller organizations.

The power of superiors depends on their position and relationships. Innovators feel independent of the rules, and renegades are championed. A relatively high number of trademarks are granted and, although innovation is encouraged, it is not necessarily taken seriously. Precision and punctuality must be learned and managed, but there is little demand for flexible working hours. There is a general skepticism toward technological solutions and rather than relying on expertise and specialists, confidence is placed on generalists and common sense. Activities are oriented toward relationships rather than tasks, and managers feel confident in the ambition and leadership ability of their employees. Top managers tend to concentrate on strategy.

In high uncertainty avoidance cultures, there is a strong loyalty to one's employer, and job tenure is relatively high. A relatively high number of individuals are self-employed, but those who are not tend to prefer larger organizations. The power of managers depends on their ability to control uncertainty. Innovators feel constrained by the rules, and radical ideas are avoided in favor of the rational solution. There is a strong reliance on technical solutions, specialists, and expertise. Few trademarks are granted, and innovation is resisted. An innovation, once accepted, becomes the norm and is applied consistently. Precision and punctuality come naturally, and flexible working hours are popular. Managers do not have confidence in the ambition and leadership abilities of subordinates, and top management is deeply involved in operations.

In addition, people expect that there is an absolute and correct way of perceiving and carrying out duties at work in high uncertainty-avoidance cultures. Employees assume that the superior is the one with the knowledge ('in-the-know'). Bosses are expected to give clear and unambiguous instructions to their subordinates. In contrast, in low uncertainty-avoidance cultures, the process of performance appraisal allows subordinates to engage in discussions with their superiors about issues that arise from the appraisal. Subordinates are even encouraged to explore the validity of their appraisals with their superiors.

4.3. Individualism versus Collectivism

Individualism and collectivism are opposites. It is explained that, in an individualist society, ties between individuals are loose and people are expected to look after

themselves. In a collectivist society people integrate into strong, cohesive groups and tend to do what is best for the group. In a high individualist society, ties between individuals are loose, and people are expected to watch out for themselves. Employees are expected to act in their own economic best interest, and employee-employer relationships are seen as transactions in a labor market. However, employee commitment to the organization is high, and poor performance is reason for dismissal. Family relationships have a negative impact on hiring decisions, and special treatment for family or friends is unethical.

Training is most effective when focused at the individual level. More people report working individually and there is a great deal of reliance on individual decisions. Employees work longer hours, but maintain more control over job and working conditions. The composition of work groups is based on the individual criteria of the member without regard for any personal associations or characteristics the members share and relationships with coworkers are not based on their group identity. In business relationships, task and company prevail over personal relationships. The preferred reward allocation is based on what is equitable for the individual, and incentives are preferred for individuals. Direct appraisal of performance leads to higher productivity. The prevailing attitude is that open communication about how one feels about others aids productivity.

In high collectivism cultures, employees are expected to act in the best interest of their own "in-group." Employee-employer relationships are seen as a personal commitment akin to family relationships. However, employee commitment to the organization is low, and poor performance is addressed by assigning other tasks. Family relationships are given priority in hiring decisions, and special treatment for family and friends is expected. Training is most effective when focused on the group; more people report working and making decisions in teams. Employees work fewer hours, and maintain less control over job and working conditions. The composition of work groups is based on group criteria, such as ethnicity, and the relationship with coworkers is cordial within the group but hostile to those outside.

In business relationships, personal relationships prevail over company and task. The preferred reward allocation is based on what is equitable between groups but equal to individuals within the group. Group incentives are preferred over those for individuals. It is believed that direct appraisal of performance is a threat to harmony and that open communication about how one feels about others will spoil cooperation.

On the one hand, people in collective societies, like those in China, should be less amenable to performance appraisal because the Chinese draw on inter-dependence as the basis of their self-identities. The collective Chinese culture implicitly socializes people to evaluate behaviors in terms of situations and contexts. They are more willing to accept appraisals that take into account factors unrelated to work performance, or factors that fall outside the work context. In other words, one's behavior is never examined or assessed in a vacuum (detached from its environment), or without taking into account the influence of the context or influences from multiple sources. A researcher noted that Chinese rated both off-the-job and on-the job behavior as equally important. Researchers also reported that HK managers were more likely to include personality as a performance criterion than UK managers were. This is consistent with the findings that show Asian managers have different cognitive models of performance, compared with their UK counterparts. Generally, people in collectivist cultures view performance appraisal as more appropriate for developmental than for administrative purposes. On the other hand, ample evidence supports the notion that people in HK and the China will welcome the application of performance appraisal in work settings. People in both regions are governed under a special administrative (economic) scheme where capitalism is confined within China's socialistic regime. People in these regions are encouraged to be self-reliant, and rewards based on individual initiative are highly encouraged. As long as interpersonal harmony is maintained, competition is encouraged.

4.4. Masculinity versus Femininity

Masculinity and femininity are opposites. According to the scholar, in masculine societies the norm is for men to be assertive and focused on material, while the norm is for women to be tender, modest, and concerned with the quality of life. In contrast, gender roles overlap in feminine societies. In masculine societies, the norm is for men to be assertive and focused on the material, while women are expected to be tender, modest, and concerned about the quality of life. In feminine societies, the gender roles tend to overlap, and both men and women are expected to be tender, modest, and concerned about quality of life.

In more masculine societies, work is the focus of life. The expectation is that work should not only offer security and compensation, but should also be interesting. Managers are expected to be decisive, firm, assertive, competitive, and just. Successful managers are seen as folk heroes with solely male characteristics. Men are expected to be more competitive than women in attaining career goals, and members of either gender who want success expect to inconvenience their families to attain

success at work. The compensation gap is wider between the genders, and fewer women hold management positions. There is higher job stress and burnout in healthy employees, but lower absenteeism due to sickness. Conflicts are resolved through denial or fighting it out until the best "man" wins. Managers prefer larger companies and higher pay in lieu of leisure time, and they have ambitious career aspirations.

In feminine cultures, work is seen not as the focus of life but as a way to support the more important things in life. The focus of work life is on relationships and working conditions. Managers are expected to be intuitive and sensitive to the needs and counsel of others. Successful managers are seen as employees who are just doing their jobs and who possess both male and female characteristics. Neither men nor women are expected to be competitive in attaining career goals, and members of either gender are less likely to inconvenience their families for career success. The compensation gap between the genders narrows and more women are in management. There is lower job stress and burnout in healthy employees, but there is higher absenteeism because of sickness. Conflicts are resolved through problem solving, compromise, and negotiations. Managers prefer smaller companies and fewer hours worked in lieu of high pay, and they have more modest career ambitions.

4.5. Short-Term Orientation versus Long-Term Orientation

Long-term versus short-term orientation is concerned with whether people focus on the future or the present. Cultures with a long-term orientation focus on future rewards, perseverance, and thrift. In contrast, cultures with a short term orientation value respect for tradition and fulfilling social responsibilities. Cultures with a short-term orientation value respect for tradition, saving face, and fulfilling social responsibilities. In the work environment, cultures that are low in long-term orientation tend to focus on short-term results, such as the immediate impact on the bottom line. They tend to keep family and business spheres separate and condone work for mothers of young children. Additionally, the level a person attains both socially and economically reflects ability.

On the other hand, cultures high in long-term orientation focus on building business relationships, market share, and future rewards, particularly perseverance and thrift. There is a vertical and horizontal coordination of work and family life, with many relationships sharing both realms. It is thought that young children of working mothers suffer from the fact that their mothers work. In general, it is believed that all people should live more or less equally.

Other than above effects, we would mention about Confucian dynamism (CD). CD correlates positively with power distance. People living in societies that score high in CD believe that perseverance is a path to overcome hardships. This reliance on effort, personal qualities, and self-determination is consistent with the belief that one's success or triumph is the result of internal attributes that arise from individual effort. Hence, we expect that employees will attribute their work performance to internal factors, and they will prefer their appraisals to be weighted more on effort than on actual work outcomes/performance.

People living in societies that score high in CD expect that interpersonal relations are arranged in a hierarchical order, and that one should observe this order of relationship by status. This is also related to the dimension of power distance, in that in the appraisal process, the subordinate may not express views that could jeopardize the order of relations between him or her and the superior.

Finally, we expect that the people oriented towards the future will see a positive effect of performance appraisal on the achievement of long-term organizational goals. At the other end of the continuum, we expect that one who is concerned about maintaining (or saving) face and who prefers steadiness and stability will probably have reservations about the utility of performance appraisal. With these considerations in mind, we expect that people in societies that score high in CD (such as HK) are likely to welcome feedback that is direct and frank, and they are also likely to welcome the introduction of performance appraisal in general.

5. Global Diversity

Managing diversity has been challenging employers for decades, but in the past 20 years companies have begun to realize that differences in gender, race, ethnicity, sexual orientation, religion, age and other factors can be leveraged to the advantage of an organization, not just managed to avoid lawsuits. In fact, forty years after the civil rights movement led to the development of a complex framework of antidiscrimination legislation in the United States or other advanced countries, leading companies have gone far beyond the nondiscrimination requirements mandated by law to try to leverage the differences among their employees to recruit and retain the top talent available regardless of difference. Recent attention to the economic benefits that can be derived from diversity has moved the discussion from companies taking a moral stance on diversity (doing it is "the right thing to do") to a business case approach to the issue. The fact of ever-increasing diversity in the workforce, through immigration and demographic shifts, has

made it a top priority of leading companies around the world.

The phenomenon of globalization has added another layer of complexity to workforce management, and has moved diversity to the forefront of issues faced by global as well as American and European companies. Whether managing multicultural teams, ensuring effective cross-cultural communications, developing and retaining a global cadre of leaders, or merely trying to comply with myriad local workforce laws and regulations, human resources professionals are increasingly dealing with issues that fall under the heading of global diversity.

For some companies, turning diversity initiatives into global programs enhances the cache of the efforts. While local domestic diversity initiatives in the parent country can sometimes face resistance (sometimes referred to as "diversity fatigue") because of perceptions that these initiatives are only for women and minorities, global programs can often get the attention of senior leaders and a wider range of employees that understand the challenges of globalization. Currently many companies with multinational operations have begun to consider diversity as a global initiative, have developed a global business case, and have extended some programs outside the parent country. They often have a dedicated global diversity staff that provides assistance worldwide. But while there is clearly increased focus on diversity outside the parent country, for many companies it is less apparent how to approach the challenge, and many organizations struggle with how to expand their ongoing domestic efforts outside the parent country.

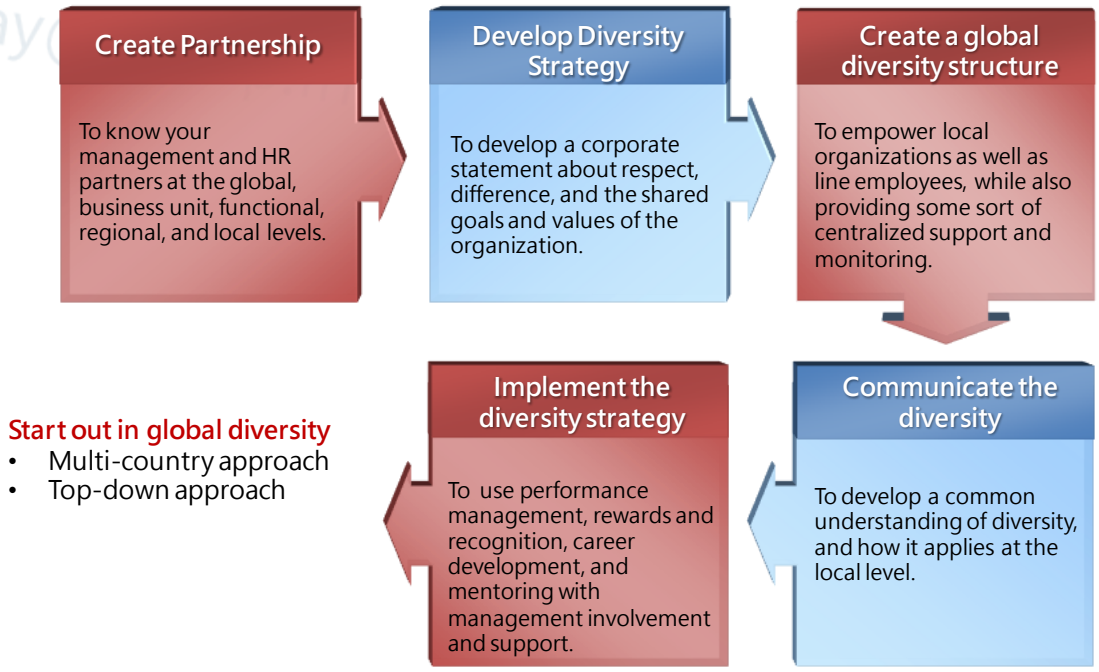
Why global diversity?— The main drivers There are many drivers for this trend, not least of which is the trend towards globalization that is affecting every aspect of business and human resources management. In addition, laws prohibiting discrimination and harassment were once considered a US phenomenon, but are now in place throughout Europe and many other parts of the world. In fact, prohibitions against sexual harassment are being implemented in Asian countries as women begin break into the workforce in larger numbers and, with higher levels of education than ever before, they are beginning to climb to higher levels within organizations. Accompanying the new antidiscrimination legislation, and possibly more important, is a growing awareness of rights of employees around the world. Similar to the effects of the civil rights and women's movements in the US, the growing awareness of rights is empowering many women and ethnic minorities in the workforce around the world, and increasing expectations of equality and opportunity in the workplace.

Simultaneously, nongovernmental organizations (NGOs) are pressuring companies to do more for women, minorities, socially and economically disadvantaged groups, and people

with disabilities, as part of corporate social responsibility efforts. And last, but certainly not least, the "business case" for global diversity is being driven by labor shortages and a global war for talent, global markets requiring multicultural awareness and understanding, and the productivity and innovation benefits derived from diverse teams.

5.1. Create Partnership

The first principle of any diversity strategy, global or otherwise, should be that it is created in partnership with representatives of key stakeholders throughout the organization. The first step is to create partnerships by getting to know your management and HR partners at the global, business unit, functional, regional, and local levels. Creating Key Partnerships: Work with your partners to:



Principle of diversity strategy

Source: MacGillivray, E.D. & Golden, D. (2007). Global Diversity: Managing and Leveraging Diversity in a Global Workforce. International HR Journal, Summber, 38-46.

- Understand local values and figure out how those might intersect—or come into conflict with—those of other units or with the company's stated global values.
- Learn about the political, economic, social, and legal environment in each

country.

- Identify the types of diversity that are significant in each location or unit (e.g., religious, ethnic, tribal, professional discipline —"any difference that makes a difference" in how employees see each other and work together).
- Articulate the motivations and concerns for stakeholders (customers, suppliers, employees, community, etc.) at each level.
- Analyze organizational effectiveness in each location or unit through a diversity lens (i.e., what are we good at, what obstacles exist, and how might diversity issues contribute to the current state).

5.2. Develop Diversity Strategy

The second step in creating a global diversity strategy is to develop a corporate statement about respect, difference, and the shared goals and values of the organization. Terminology can be difficult, and an initial hurdle is often how to explain the concept and strategies in a way that translates outside the parent country. In a study of Fortune 500 companies, nine out of ten said that their experiences in discussing diversity or affirmative action with non-U.S. parts of the organization revealed the significantly different manner in which gender and especially race are viewed in other social cultures. One participant described it this way:

Changing the message to one more palatable to non-parent country employees, such as inclusion, can help bridge the cultural gap to some extent. However, for companies whose culture is still not truly global, their efforts to address parent country - based affirmative action requirements and the issues of historically disadvantaged groups will continue to face resistance.

5.3. Create a global diversity structure

The next step is to create a global diversity structure, and there are many ways to do this. One key aspect of any structure is to empower local organizations as well as line employees, while also providing some sort of centralized support and monitoring. Structure of the Global Diversity Organization: Every global diversity structure should:

- Give ownership of the initiative to line people at all levels of the organization.
- Involve senior leadership.
- Delegate responsibility and authority to the local level while simultaneously

driving corporate-wide initiatives.

- Provide channels through which to coordinate activities and share lessons learned globally (such as reporting mechanisms, in-person and virtual meetings, knowledge management tools and practices)
- Build in some kind of central review system to ensure that attention remains focused on global diversity (e.g., periodic progress reports to senior leaders by each business unit or region)
- Address how corporate-wide and local activities will be funded, including whether and under what circumstances affinity groups will be funded

The compliance aspect of global diversity is often a distinct function, even if handled by the same individual. Typically compliance objectives and goals are different from diversity goals, and some companies structure the diversity function to reflect this. In others, however, the global diversity and compliance functions are combined.

Because a successful global diversity program requires that local partners are accessible, the structure set up should provide access to these partners. There are a number of different models for doing this. Some companies have dedicated diversity professionals at various levels in the organization. Some rely on virtual teams that bring expertise from various parts of the organization to work together on diversity-related tasks. For example, diversity communications might be handled by a global diversity communications team consisting of representatives from public relations, marketing, employee communications, and staffing, augmented by local teams of a similar make up. Other companies work through diversity councils at the global, regional, local, and/or business unit levels. Others rely on teams of volunteers facilitated by diversity or HR professionals.

Key attributes of the global diversity structure:

- Ownership of the initiative by line people at all levels of the organization.
- Involvement of senior leadership.
- Delegation of responsibility and authority to the local level while simultaneously driving corporate-wide initiatives
- Channels through which to coordinate activities and share lessons learned globally (e.g., reporting mechanisms, in-person and virtual meetings, knowledge management tools and practices)

- Some type of central review system to ensure that attention remains focused on diversity (e.g., periodic progress reports to top management by each business unit or region)
- Definition of how global and local activities will be funded, including whether and under what circumstances employee networks will be subsidized.

5.4. Communicate the diversity

There are also differences between developed and developing nations: developed countries tend to perceive fundamental rights as civil and political rights such as freedom of speech and religion and freedom from discrimination, and believe them to be of primary importance. In developing nations, however, economic and social rights, such as food, shelter and education, are often higher priorities. Consequently, a key challenge for any organization is to develop a common understanding of diversity, and how it applies at the local level. This process is critical and may well be time consuming. However, once it is achieved, through research and dialogue with employees in local areas, goals can be set that match local needs and that fit in to the overall organization framework of values that the organization has defined. For example in some locations, increasing the number of women in management might be the main goal, while in others, the objective might be to increase opportunities of people from lower castes, or to address a bullying problem. Other key steps include communicating the organization's approach to diversity across the organization and ensuring that it is reinforced repeatedly at all levels.

Corporate-wide, business unit, and local diversity goals will be based on what you and your partners have learned about:

What strengths does the company already have—in the marketplace, in its management practices, in its workforce profile—that could be further capitalized on?

- Which groups seem to be excluded or lack full access to opportunity?
- What barriers to full contribution by all employees have been identified?
- Around which issues is there enthusiasm for change among employees?
- Where can you have an immediate impact?

5.5. Implement the diversity strategy

Depending on the changes that need to be made in order to achieve the goals set, an

action plan can be created to implement the strategy devised. There are different levels to consider: individual behavior or what individual employees do, intentionally or unintentionally, that would help the organization reach its goals or that might interfere with reaching those goals. Training is the most often employed vehicle for encouraging desirable behaviors, but best practice companies also use performance management, rewards and recognition, career development, and mentoring. Beyond the individual level, it is critical in global organizations to ensure that multicultural work teams be made as effective as possible. This might entail process redesign, or individuals on a team might need to develop skills in areas such as conflict management, cross-cultural communications, listening, and processing complex information. A further level of implementation requires manager involvement and support. Many companies require managers to meet diversity goals. While top global companies provide enough flexibility in the goal setting process to permit each manager to decide what is important and achievable in his or her situation or region, there also must be some kind of oversight and accountability for those decisions.

5.6. Two Approaches

For companies starting out in global diversity, there are two possible approaches to take, which will depend on the organization's structure and culture.

5.6.1. Multi-country approach

One approach is a multi-country approach, where programs and initiatives are developed and implemented by people in various locales. This model is typically used by very decentralized companies, and can be beneficial because local leaders take ownership of the initiatives. And these leaders and councils tend to have detailed local knowledge of customs, laws and cultural issues that need to be addressed. Local commitment tends to be higher using this approach. On the downside, however, the lack of overarching corporate guidance can mean inconsistent levels of work across regions. And typically companies using this model do not have dedicated global diversity staff, but rather personnel that are working on diversity in their spare time.

5.6.2. Top-down approach

A second approach to global diversity that is more appropriate for more centralized organizations is a top-down approach where diversity is hard-wired into all business units from the corporate level. Companies using this approach can ensure consistency in message and offer assistance with development and implementation of programs. However, care must be taken to ensure that local commitment is developed and that

programs are not viewed as “HQ imports”.

6. Corporate Social Responsibility (CSR)

6.1. Corporate social responsibility (CSR)

Corporate social responsibility (CSR), according to the World Business Council for Sustainable Development, is “the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the work force and their families as well as the local community and society at large”. So, CSR is a strategy that seeks to systematically integrate the economic, environmental and social impact of business into the management of business, with the vision to make the future better or at least sustain it at the present prevailing condition.

6.2. Sustainable Development Goals (SDGs)

Considering the growing importance of focusing on sustainable development, on September 25, 2015, 193 countries, including Nepal, agreed and adopted a set of goals as part of the new global sustainable development agenda. The Sustainable Development Goals (SDGs) provide a powerful framework for businesses to engage in CSR, and define global priorities for 2030 and represent an opportunity to put the world on a sustainable path. The SDGs focus to end poverty, protect the planet and ensure prosperity for all, as part of a new sustainable development agenda. A total of 17 goals and 169 targets are set to be achieved by 2030 and the realization of the same calls for a collective effort from the government, the corporates and the civil society organizations.

6.3. Environmental, Social, and Governance (ESG)

Environmental, Social, and Governance (ESG) criteria are a set of standards for CSR which are used by socially conscious investors to screen investments. integrating ESG as a remunerative facet of business models—and as a risk management strategy. Employees, potential hires, customers, and consumers are reacting positively to ESG efforts by companies. And among many stakeholders, financial performance is no longer considered a tradeoff to ESG initiatives. Government and investors have been paying increasing attention to ESG issues, and attempting to develop ESG factors into quantifiable, reliable indicators of a company’s long-term viability (often referenced under the broad definition of sustainability and/or Corporate Social Responsibility (“CSR”)). CSR represents a company’s efforts to have a positive impact on its employees, consumers, the environment and wider community. It’s a form of self-regulation that

most large companies report on annually. ESG, on the other hand, measures these activities to arrive at a more precise assessment of a company's actions. In particular, ESG looks at how businesses:

- How companies respond to climate change;
- How appropriately they manage water supplies;
- How they implement safety policies;
- How they manage supply chains; and,
- Their commitment to transparency and diversity.

6.4. Social Return on Investment (SROI)

Social Return on Investment (SROI) is an outcomes-based measurement tool that helps organizations to understand and quantify the social, environmental and economic value they are creating that are not traditionally reflected in financial statements. SROI analysis produces a narrative of how an organization creates and destroys value in the course of making change in the world, and a ratio that states how much social value is created for every of investment.

6.5. HR and CSR/SDGs/ESG/SROI

HR, especially for Chief human resource officers (CHROs) typically play a significant role in working with the CEO to cultivate culture, the company's employee brand (e.g., through employee engagement and strategies to reinforce and improve the employee experience), as well as serving as a company business leader and the company conscience. Thus, it is not surprising that CHROs are closely involved in developing ESG and CSR policy at their companies.

More than ever before, shareholders expect ESG reporting that is transparent, accessible, and forward-looking. CEOs now cite social impact as their top concern and management priority. This means that conceiving and supporting the pillars of ESG strategy fall squarely within the purview of HR executives. HR can help with CSR/ESG reporting by starting with the following areas:

6.5.1. Implement and encourage green practices

Implement green practices to assist in environmental waste reduction, while promoting and encouraging stewardship growth, better corporate ethics and long-lasting practices that promote both personal and corporate accountability.

The value inherent in embracing green aspects of corporate responsibility is clearly understood, given the direct impact that rising energy and utility costs have on employees' pocketbooks. Conservation has become an accepted means of making our planet healthier. Reducing each employee's carbon footprint is a great way of getting energy conservation and recycling waste initiatives off the ground.

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- Recycle paper, cans, and bottles in the office; recognize departmental efforts.
- Collect food, and especially donations, for victims of floods, hurricanes and other natural disasters around the globe.
- Encourage reduced energy consumption; subsidize transit passes, make it easy for employees to carpool, encourage staggered staffing to allow after rush hour transit.

- Permit telecommuting and allow employees working remotely to the degree possible.
- Encourage shutting off lights, computers, and printers after work hours and on weekends for further energy reductions.
- Work with IT to switch to laptops over desktop computers. (Laptops consume up to 90% less power.)
- Increase the use of teleconferencing, rather than on-site meetings and trips.
- Promote brown-bagging in the office to help employees reduce fat and calories to live healthier lives and reduce packaging waste, too.

6.5.2. Foster a culture of social responsibility

Creating a culture of change and responsibility starts with HR. Getting the younger employees, who are already environmentally conscious, excited about fresh Corporate Social Responsibility initiatives is a great way to begin. A committed set of employees who infuse enthusiasm for such programs would enable friendly competition and recognition programs.

All too often, employees and employers at all levels, who competed for advancement and recognition in harsh workplaces, were forced to accept corporate misconduct and waste as "business as usual."

Employer brands are being eroded and the once sacred trust that employees had with stable pensions, defined benefits, and lifelong jobs, are being replaced with pay for performance and adjustment to new learning goals. In this environment,

Corporate Social Responsibility can go a long way in rehabilitating the employer brand with potential new hires and society at large. It can help defeat the image that corporate objectives are rooted in single-minded profit at the expense of society and the environment.

Social and community connections that are encouraged by employers give employees permission to involve their companies in meaningful ways with the community. Share and communicate the value of corporate social responsibility to employees and the community.

Celebrating success is important to sustain the momentum of any CSR program. Involving company leaders, and praising the success of these initiatives, gives the program real meaning.

In the rapidly expanding global workplace, the celebration of these successes not only drives the implementation of Corporate Social Responsibility initiatives but also allows sound corporate HR practices to enable them.

Additionally, the publicity about these successes creates a mutual understanding of the cultures within each region that the company serves. The local population knows that, in addition to providing jobs, the company takes an active interest in, and participates in local issues.

6.5.3. Three Key Areas of CSR

Focusing on three key areas of Corporate Social Responsibility can help create a cohesive map for the present and future:

Community Relations

Encouraging Community Relations through your HR team includes implementing reward programs, charitable contributions and encouraging community involvement and practices. Examples of these programs include sending emails and company newsletters to staff members that highlight employees and managers involved in community relations or creating monthly reward programs to recognize efforts by individuals within the company.

Training and Development

Training and Development programs that explain the connection between the company's core products or services and the society at large and their value to the local community. They must also identify ways in which employees can get involved in appropriate CSR projects would sustain and direct these initiatives.

Human Resource Information System (HRIS)

Global Corporate Social Responsibility policy, centrally managed, is important to acknowledge successes and measurements according to accepted standards. Central to measuring and communicating these results is the use of a Web-based Human Resources Information System (HRIS) that is available globally to employees and managers with any Web browser.

In order to encourage and maintain a clear and cohesive global workplace, it is critical for the entire global workforce of a company to be on a single, multi-functioning HR platform, which allows for distributing a sound corporate responsibility plan.

Having a global HR solution that offers companies flexibility, ease of use and the right mix of tools is essential to the success of both employees and employers alike, as they manage and maintain work-life balance and thrive in a changing environment that includes taking on social responsibility.

The success of your Corporate Social Responsibility plan is possible with an HRIS that provides the capability to effectively plan, control and manage your goals, achieve efficiency and quality, and improve employee and manager communications.

The flexibility of your HRIS system is critical to tracking and pursuing a sound Corporate Social Responsibility plan and a Web-based system provides an unparalleled level of both scalability and accessibility to implement your Corporate Social Responsibility plan at a global level.

6.5.4. Linking CSR and Sustainability

Sustainability is responsibility for the impact that the organization exerts on its surroundings, in business, environmental and social terms. Conscious management of the impact translates into lower costs, improved external relations and better managed risks.

Sustainability is skilled positioning of the organization in the economic reality, taking account of the social and economic challenges, environmental opportunities and threats. The awareness that the organization functions within a broader framework, amid complex interrelations with many stakeholder groups, allows it to get ready and make use of the opportunities linked with sustainability.

Sustainability is awareness that each entity is surrounded by stakeholders. Building and cultivating good relations with stakeholders based on engagement and dialogue is crucial, because it not only affects the possibilities to manage risks, but also supports development and gives the organization a competitive edge.

Sustainability is transformation and development of the organization as well as creation of its long-term value based on innovation as well as intellectual and relation capital.

It is very easy to notice that Business Sustainability talks a lot about the future, forward thinking plans to sustain a business and improve targets, for instance, waste reduction and innovative brand development are examples of business sustainability projects, while CSR involves deeds that have been done in the past to support one community project or the other like building a library to support literacy in a community, or

providing a health care center for a community.

Many businesses carry out their CSR initiatives by identifying an issue in the community, and providing something to help ease the issue. But these initiatives don't always align with the strategy of the business. This increases the risk of the initiative being perceived as greenwashing, or as short-term with no long lasting positive implications.

When companies carry out CSR, more often than not, they aim it at external stakeholders. For example, it would be odd to hear an organization call an improved employee welfare system or a replacement plan for energy saving bulbs a CSR project. Most times, CSR projects are targeted at specific demographics and groups of people. Business sustainability, on the other hand, also incorporates a business' internal stakeholders as well as the way the company actually conducts its business.

Both concepts of CSR and Business Sustainability are beneficial and highly necessary for any company regardless of their size or peculiarity in business operations. We have seen that the underlying factor in both concepts is Impact – because how a business' decision, process and project affects people, the planet and their profit is very critical for both present and future generations. So, no matter which a business chooses in order to make an impact, whether CSR or Business Sustainability, it would require changes in the way they do business.

HR managers can play a stronger role building organizational insights in this area and aligning incentive compensation with strategic sustainability objectives. A value-added HR professional will support the organization to anticipate and manage these profound labor market and societal shifts to foster business and social success. HR managers must find ways to bring CSR and sustainability into scope when sourcing and optimizing talent. This helps achieve organizational outcomes to realize CSR's power as a top driver of employee engagement and retention.

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