

A Review of Cultural Awareness
Trainings Impacts Upon the
Success Rates of International Assignments

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Introduction

Globalization has created opportunities around the world for firms and individual professionals alike, as firms expand to pursue new markets, and professionals seek to advance their careers by accepting foreign assignments. Although, the truth of the matter is that not all individuals are good candidates for the large financial investment required to make these assignments happen, let alone prepared for the alien environment that awaits them. The purpose of this paper is twofold, the first being as a review of publications which have sought to investigate the causes of foreign assignment failure, and secondly, a showcase for a proposed training protocol for potential expatriates to the country of South Korea in order to increase the likelihood of assignment success.

Foreign Assignment Challenges

The rate at which industries and individual firms have felt the need to globalize has been increasing at unprecedented breakneck speed since the 90's, fueled in part by the powerful connecting force of the internet. As part of this trend, the lure of foreign markets and competitive pressures have added to a great number of firms perceived need to go abroad. These pressures have caused firms to send professionals abroad, and this movement can be seen in multiple studies and surveys. For instance, according to Kwintessential.com, "nearly 80% of mid-to-large size companies currently send professionals abroad— with 45% of those planning to increase the number they have on assignment" (Xie, 2014).

With companies sending so many individuals on foreign assignments, the cost is something that has to be considered and unfortunately, "on average expatriates cost two to three times more" (Black & Gregersen, 1999) than what the same position would cost a firm for a domestic employee in the United States. For example, a standard incentive package for expatriates typically includes moving and travel expenses, allowances for living and healthcare, education expenses for any children, and added bonuses. These compensation packages can cost a company "anywhere from \$300,000 to \$1 million" (Black & Gregersen, 1999), and with such a high cost, sending a manager or executive on assignment abroad can

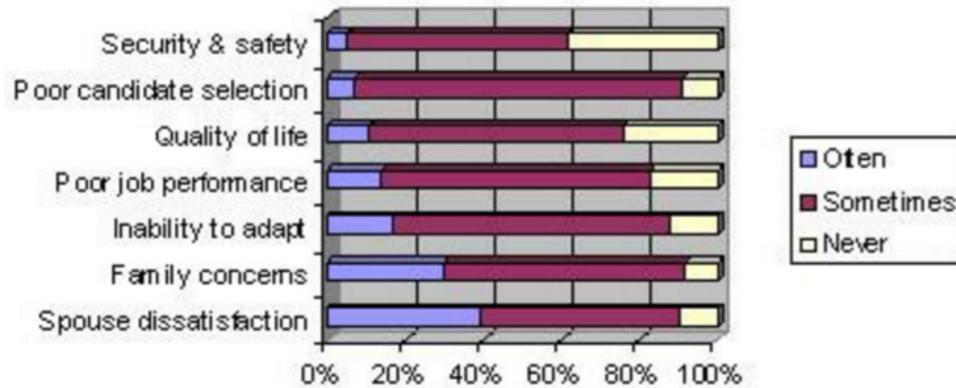
easily be the, “largest cost... [a company] will take on for any one individual except for the CEO” (Black & Gregersen, 1999).

Assignment Failure Rates

These figures highlight the need for the individuals engaged in these assignments to be successful and yet, despite the need for these individuals to be successful, organizations are finding that the success rate is not what they hoped for. According to the 202 CEOs and senior HR professionals surveyed by the workforce solutions provider, Right Management, it was “found that as many as two in five managers fail when they’re sent abroad, [and] only 58 percent of overseas assignments are judged successful” (Maurer, 2013) This means that there is a 42% assignment failure rate for employees who either leave their assignments early or are removed from their position, and as many as $\frac{1}{3}$ fail to meet their superiors expectations.” This is damaging not only to the success of the firms, but to the careers of the expatriates as well, and evidence of this can be seen in the reality that “twenty-five percent leave within a year, [which is] double the proportion of departures by those who never go abroad” (Abueva, 2000).

With such a high failure rate for expatriate assignments, it is important that organizations to find solutions to the problems causing this failure rate, and with some research it becomes clear that one of the reasons for this lack of success is that many executives and managers sent abroad are chosen for their skills and accomplishments within their native country, and “technical skill is frequently the main reason that people are selected for open posts” (Earley & Mosakowski, 2016). There is a common assumption that technical skills in the native country will logically predict success abroad, but as many many firms have already learned too late, research suggests technical skills alone will not determine success on foreign assignments because there is substantial effect from cross-cultural differences, and lack of knowledge about the culture and new environment often causes misunderstandings and renders skills inept in that environment. With this reality in mind, organizations need to take steps to help those sent on foreign assignments to understand and be able to acclimate to their new environment and one of the most effective ways companies can do this is to provide cross-cultural Training.

Figure 1.



Displayed in figure 1. are a few of the many issues that play a role in assignment failure. Among these, there are causes that we have already discussed such as poor candidate selection, and poor job performance, but additionally I would like to highlight two other important categories we have not yet touched being that of an inability to adapt and the number one most frequently occurring reason being spouse dissatisfaction. As you can imagine, it can be easy to give much time and attention in preparing the assignment candidate, but they often take a family with them which can complicate matters which highlights the importance of cross-cultural training not only for the candidates, but their families as well, as to help ease the entire family unit into the foreign environment, and equipping them with the tools necessary nor only to reduce culture shock, but also better manage it.

Proposed Solution: cross-cultural Awareness Training

In order to investigate the possible importance cross-cultural training may have on those who may find themselves abroad for extended periods, I surveyed a group of students who had all studied abroad. When asked if studying the culture of the foreign country they visited before journeying there would have helped them, 93% answered affirmatively. Taking into consideration the costly nature of failed international assignments for both expats and their families, and the organizations that sponsor them, cross-cultural training appears to be a good move to reduce the risks of foreign assignment failure. In order to demonstrate, what a cross-cultural training session could look like and what it would contain, I have put together a training protocol for a popular foreign assignment destination for American expatriates, being the nation of South Korea.

A good training program should both drill down and explain to candidates what the basis of culture is, and educate them about the origins of the country's culture, but also give them practical advice and information in a way that they can use it. As you can see from the table of contents, we will cover all of these aspects by first giving a drill down, and then moving on to providing relevant and practical advice that the candidates can use.

The training protocol I have designed contains three sections, the first being specifically about culture, what it is, what are the different aspects of culture, and how an individual can make use of their knowledge of culture, specifically Korean culture when working in South Korea. The second section is designed to inform the candidate about Korean etiquette in a variety of situations in order to prepare them for everyday interactions in which they will be likely to find themselves. Lastly, the presentation finishes with the third and final section containing general tips and advice.

The first section discussing culture is one of the most important topics in the protocol for a potential expatriate. The reason for this being that “Koreans often presume that foreigners with a Western appearance are Americans who do not know about Korean culture” (Xie, 2014). But if a foreigner shows that they have some understanding of Korea, especially of the nation's language or customs, they will have an advantage when it comes to building networks with Koreans. As part of preparing a foreign candidate for their foreign assignment, the trainer starts out with asking a candidate what is culture? Some define culture as a patterned way of thinking, feeling, and reacting. In Figure 2, we can see this represented by attitudes, customs, and behaviors.

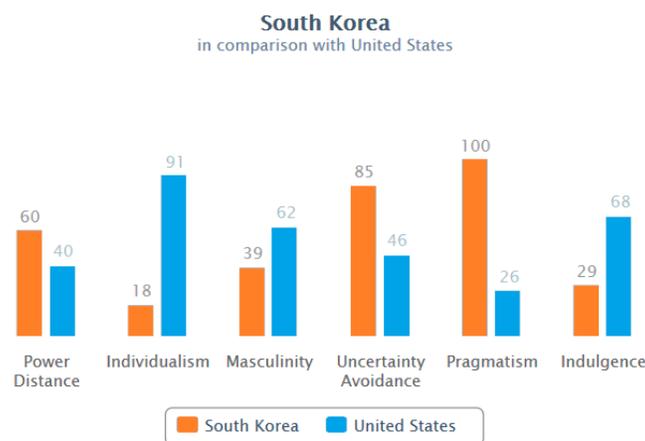
Figure 2.



Also culture is transmitted mainly by symbols, such as “ rituals, food, and the arts. But at it’s core, culture is made up of ideas and their values such as religion, beliefs and can even be reflected in language” (Xie, 2014). Once that we know why we should study Korean culture, and have an idea of what culture is, we must ask ourselves what do we do with our knowledge of Korean culture? Firstly our immediate goal is to avoid culture clash that could make a foreign assignment in Korea difficult, or even damage an expatriates career. Achieving this can make a candidate stand out as a good fit for integrating into Korean workplace, thus paving the way to opportunity by building important relationships and removing barriers that would have otherwise prevented them from achieving their goal. Yet while one of most important first steps in avoiding culture clash is firstly being aware of both the similarities and differences between one's own culture, and that of a foreign culture such as Korea’s.

In line with this thinking, Hofstede proposed five dimensions of national culture being indulgence, pragmatism, uncertainty avoidance, masculinity, individualism, and power distance. Some of which vary greatly between Korea and the U.S., but for time purposes the first section of this training will focus on uncertainty avoidance, individualism, and power distance.

Figure 3.



<https://geert-hofstede.com/south-korea.html>

One of the main differences a candidate will encounter while working in Korea is the different level of power distance, and its manifestations in society. Power distance is defined as, “the extent to which the less powerful members of institutions and organizations accept that power is distributed unequally” (Geert-hofstede.com, 2016). With a Power distance indicator score of 60, and ranking as 27th of the 50 countries with highest PDI scores, Korea is considered to have a high power distance between leaders and subordinates. This could potentially be difficult for an American who is use to the U.S.A.’s standard PDI of 40, as this much larger power gap may take some getting use to. Subordinates have little authority, or autonomy, which is related to the view that “a boss should know be a benevolent autocrat, thus assuming responsibility for the group”(Xie, 2014). Although, to better understand Korean power distance and its role in society we must discuss the basis for Korean social structure, being Confucianism.

Confucianism is primarily a philosophy that originates from ancient China, and was the major philosophy of the Joseon Dynasty. Confucian values have deeply penetrated Korean moral standards, lifestyles and even the legal system. At its core Confucianism values harmony, hierarchy, and seniority in that order. It is believed that “harmony can be achieved when everyone behaves properly, therefore all members of society are responsible to have and keep a comfortable state of mind of the community” (Xie, 2014). The principle of harmony can be seen in how Koreans seek consensus when in groups. An example of this as a worker in Korea, an assignment candidate “may find it hard at times for the group to move forward if the candidate has a difference of opinion and voices it” (Xie, 2014). Additionally studies by Hofstede have shown that “Koreans prefer to leave work-related problems requiring solutions to more powerful individuals” (geert-hofstede.com, 2016). This means that differences in opinions are not usually expressed in public. As such workers may not be expected to find their own solutions to problems in the workplace. Another key Confucian concept to understand when working in Korean is hierarchy. If you were to represent the hierarchy structure in Korea, it would be a steep pyramid with a broad base. Meaning that “there are few people in charge, with highly centralized power, and many followers” (Geert-hofstede.com, 2016). But when working in this hierarchal structure it is vital to respect your seniors. This is meant both in “seniority of age, and position” (Xie, 2014). Although Koreans have in

interesting distinction in their centralized power structure in that there is simultaneous equality and inequality within the hierarchy. This is manifested in the way that “in exchange for respect seniors take on the responsibility to look after the juniors” (Xie, 2014).

After covering culture in section one, the training protocol moves on to give the trainee some practical training in Korean etiquette that they could use in an everyday setting. As typically all first encounters begin with a greeting, training in traditional Korean bows can be useful in impressing Koreans. With the bow, “The lower status person should bow further than the higher status person, and in a first meeting encounter, the initiator will say “maneseo pangap seumnida” which translates in English to “pleased to meet you” (Xie, 2014). Although in a blend of east and west, handshakes can and often will be exchanged either in place or after the traditional bow. In an effort to show respect hold your right forearm with your left hand as you shake as seen in figure 4.

Figure 4.



<http://news.bbc.co.uk/2/hi/asia-pacific/788500.stm>

It is important though to keep in mind not to shake with a hard squeeze, and don't be surprised if women only give a slight nod instead of a handshake. Also in keeping cultural differences in mind, it is important to remember to never wave towards a more senior person, as this gesture is usually only used to call for children or dogs. Also, it is likely that an expatriate will find themselves dining with Koreans at some point. When dining in Korea there are certain rules that are not common place in the United States. One

such rule being that as a guest you should wait to be seated. This is a strict protocol, and while your host may give understand that you are a foreigner unfamiliar with the rules, it is important to stick with protocol. In fact “as a guest you may even be seated facing the door which is traditionally a place of honor. It is considered polite to protest slightly to such an honor, but accept it graciously” (Xie, 2014). After dining protocol, one additional etiquette that while being a small detail, is still important to know is that of appropriate work attire. Dressing for business in Korea is not terribly different than in the United States, but there are nuances to keep in mind. “Business attire should be conservative for both men and women. Men should wear dark colored suits with white shirts, while avoiding jewelry other than a wedding ring or watch. With women also following the same rule of thumb in wearing subdued colors” (Xie, 2014).

Lastly for the final section of the training protocol, the candidate is introduced to a variety of tips and advice for success in South Korea. Topics include gifts; giving and receiving, business card etiquette, and how to approach the Korean War. Gift giving in Korea is important, and is used to promote and maintain relationships. As such choosing gifts careful, and always take a gift to your host when invited is advisable. Also when exchanging gifts one should “allow the host to present their gift first, and receive yours with both hands. Though you should not open your gift in front of the giver or others as it is seen as impolite to do so” (Xie, 2014). Examples of appropriate gifts are fruit, flowers, alcohol, rice, candy, or cookies. Also, The exchange of business cards in South Korea is Highly ritualized. As such it is important to be mindful that how you treat someone's business card has a direct relationship with how you will treat them. When exchanging business cards follow these four steps. Receive cards with both hands and inspect cards carefully before placing into card holder. Do not write on business cards in someone's presence. Finally, Present your card with both hands. Lastly, It is a good idea to be mindful when discussing the Korean war. Americans have been known to assume that they were the great saviors that came to the South Koreans' aid during the war, and that Koreans' are eternally grateful to Americans. This is not true. Most Koreans in fact see the war as ,”a proxy war between the Soviet Union and the United States, with the inhabitants of the peninsula as the victims” (Xie, 2014).

Conclusion

While globalization has created opportunities around the world for firms and individual professionals alike, in terms of new markets for firms, and career opportunities for professionals, not all foreign assignment candidates are naturally equipped with the skills needed to work in a different culture. Although, it has been the purpose of this paper to present a possible solution to this issue by proposing a training protocol for potential expatriates journeying to South Korea. The protocol is not meant to be exhaustive nor the definitive standard, but rather a general outline to the reader as to the bare necessities for such a training program for any country in the world. For such training, it is suggested that much emphasis be placed upon understanding what culture is, what it is comprised of, and especially understanding the historical roots of a nation's culture, so that one may better understand the actions, behaviors, and thought patterns of others in a foreign nation, and at times even anticipate them. This combined with general preparation for etiquettes and events that an individual may encounter on a daily basis, can help candidates and their families deal with culture shock, as spousal dissatisfaction is the number one attributed cause for foreign assignment failure.

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