

Learning in a Global Cross-Cultural Work Environment – The Expatriate Experience

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Abstract

Globalization is creating new cross-cultural work environments. As a result, employees today no longer work in the comforts of their national cultures but also work across cultures around the globe. There is a growing body of literature in management on the globalization phenomenon and highlights the growing need to plan for such cross-cultural work environments. An example of one of the most intense cross-culture experiences is the foreign work assignments, namely the ‘expatriate experience’. The objective of this paper is to study how expatriate adaptation occurs using the lens of experiential learning in a cross cultural environment. This study presents the case of expatriates working in an American firm’s fully owned subsidiary located in India. The results of the research go beyond the initial research lens and bring forward interesting insights for the field of organizational learning and knowledge management.

Keywords: knowledge management, experiential learning, expatriate adaptation, cross-cultural work environment, global workplaces

1. Introduction

As the world is moving towards globalization, employees will no longer work solely in the comforts of their own national cultures but will be motivated to learn to work across cultures. There is a growing body of literature in management on the globalization phenomenon that highlights the global corporations’ need to plan for such cross-cultural work environments. These cross-cultural experiences can occur in various forms. For example, it could be encounters with individuals of different cultures, overseas travel to customers or suppliers, or short visits to international divisions. The long-term immersion experience in a new host culture has somewhat become expected and a required capability for management success (Adler, 2001; Mintzberg and Gosling, 2002).

One of the most intense cross-culture experiences can be in the form of the expatriate experience (Yamazaki and Kayes, 2004). Oxford dictionary defines an expatriate as ‘a person who lives outside their native country’. During such cross-national work exposures or experiences, expatriates are likely to learn a variety of new skills, which can further facilitate success in a new host culture. These skills can help transform their home culture and even facilitate knowledge transfer across the different cultures (McCall, Lombardo and Morrison, 1988; Spreitzer, McCall and Mahoney, 1997). The learning that happens in such situations is mostly informal in nature and does not come under the purview of a formal education system. Therefore, cross-cultural learning is usually categorized under the more general class of experiential learning (Boyatzis & Kolb, 1991; Kolb, 1984; Kolb, Wolfe, & Collaborators, 1981). The interaction between the home and host cultures implies that specific learning methodologies might be necessary for expatriates to face cross-cultural situations. A growing stream of research literature supports the view that successful expatriate adaptation is likely to depend on how well an employee was able to learn from an overseas/foreign assignment experience (Porter & Tansky, 1999; Ratiu, 1983; Spreitzer, McCall, & Mahoney, 1997).

This study is exploratory and it investigates the concepts of expatriate adaptation and learning in an Asian environment. It adapts the view of Yamazaki and Kayes (2004) and uses their ‘Experiential Model of cross-cultural Expatriate Learning’ as an initial lens for the study. The objective of this paper is to study how expatriate adaptation occurs using experiential learning in a cross cultural environment. The findings of the case study are interesting and lead to the development of a modified model for studying expatriate learning and adaptation. The paper posits the following **research question**: *How does expatriate adaptation and learning occur in a cross-cultural environment?*

The paper is organized as follows. The second section presents the review of existing research literature on expatriation and experiential learning. The third section, explains the choice of methodology for collecting and analyzing data. The fourth section, discusses the results. Lastly, the contributions and directions for future research are discussed.

2. Literature Review

2.1 Expatriate Experience

The forces of globalization are creating a new cross-cultural work environment. This wave is evident not only in the practitioner community but also in the researcher community. Expatriate job experience requires adaptation into multiple environments (Lee, 2005). The results of Lee's research highlights that expatriates who are able to socialize better in the foreign host country are more likely to adjust effectively. Also, by maximizing the job satisfaction there is an increased likelihood of expatriates becoming more cooperative and willing to help in the firm's success.

There have been comprehensive reviews in literature that describe in detail the skills necessary for expatriate and cross-cultural success (Benson, 1978; David, 1972; Dinges & Baldwin, 1996). These reviews have helped in organizing the multitude of essential skills proposed for successful job performance in the case of expatriates (Leibra- O'Sullivan, 1999). Despite these extensive reviews, there are several gaps in our understanding of cross-cultural learning in such work environments (Lee, 2005). Dinges and Baldwin (1996) have suggested that research on expatriates' learning remains subdued mainly due to "its insularity from the social sciences and the lack of interdisciplinary perspective in design, measurement, and interpretation of results".

2.2 Experiential Learning Theory

The learning that happens in the case of expatriates is mostly informal in nature and does not come under the purview of a formal education system. As a result, cross-cultural learning fits naturally under the purview of experiential learning literature. Kolb's (1984) experiential learning theory (ELT) is one of the most widely cited theories in literature on *how managers learn from experience* (Kayes, 2002; Yuen & Lee, 1994). There are numerous evidences in literature that highlight the theory's influence in numerous areas like psychology, general management, education, nursing, computer science, medicine, accounting, and law (Kolb & Kolb, 2004).

Experiential learning focuses on '*how individuals draw on direct experiences with the world*' in order to make sense of everyday events, to solve problems, and to further create new knowledge. Kolb explains that experiential learning encompasses the entire human learning process. In this experience is considered as the foundation for the four modes of learning, i.e. *feeling, reflecting, thinking, and acting*. In an orderly fashion these four modes characterize a four-phase learning cycle. This learning cycle helps in explaining how **concrete experiences (CE)** can serve as the basis for **observation and reflection (OR)**. This experience is then assimilated into **abstract conceptualization (AC)**, which then results into **active experimentation (AE)** with the outside world. Active experimentation not only completes the cycle of learning but also ensures that it begins afresh by assisting in the creation of new concrete experiences.

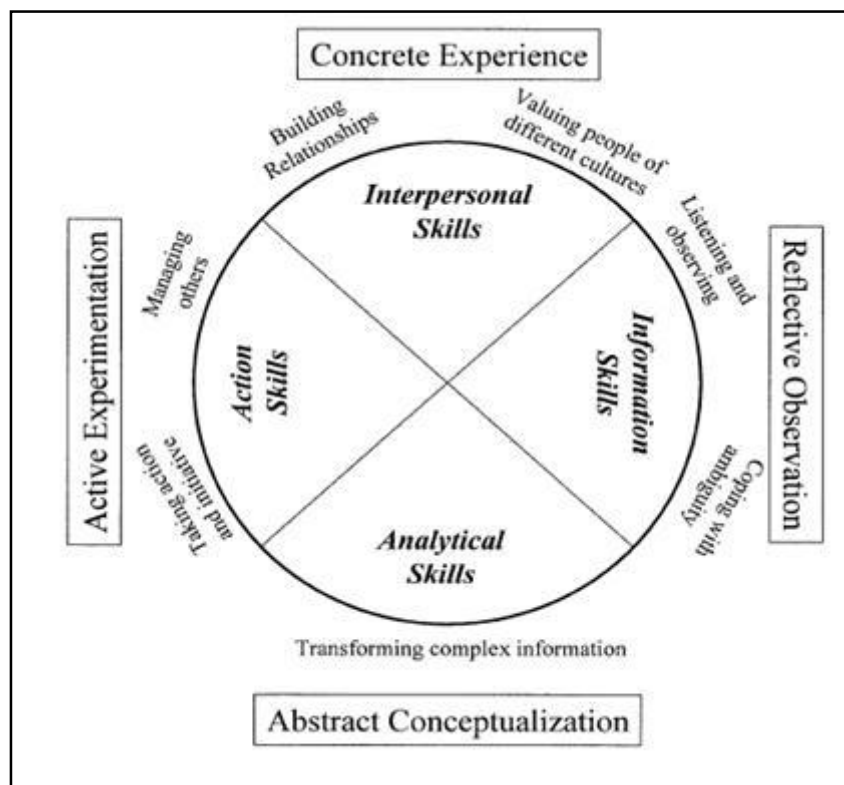
It is important to note that each of these four learning abilities relate to specific learning skills. For instance, the concrete experience ability covers *interpersonal skills*, such as relationship building, leadership, helping others and understanding people. The observation and reflection ability relates to *perceptual skills*, such as sense making, information gathering, and information analysis. The abstract conceptualization ability covers *information integration and technology skills*. Finally, the active experimentation ability relates to *behavioral skills* such as goal setting, action, and initiative taking.

2.3 Experiential Model of Expatriate Cross-Cultural Learning

Yamazaki and Kayes (2004) have developed a classification of cross-cultural competencies. They have modeled seven competencies with respect to the four skills of experiential learning cycle (see Figure 1). Competency can be described as the characteristic which helps attain success at a job or a given task. Competency can exist at several levels, for example in traits, motives, self-image, social roles, skills, specific actions or behaviors, and environmental factors (Boyatzis, 1982). The usage of competency as a potential success factor makes it an appropriate concept for classifying cross-cultural learning factors (Yamazaki and Kayes, 2004).

We use Yamazaki and Kayes' 'Experiential Model of cross-cultural Expatriate Learning' as an initial lens to study the expatriate learning experience. The descriptions of the seven competencies and their relationship with the four learning skill dimensions of Experiential Learning (EL) theory are discussed in the following section.

Figure 1: Experiential Model of Cross-Cultural Expatriate Learning



Source: Yamazaki and Kayes, 2004

i. Interpersonal Skills: Interpersonal Skills competency relates to the CE mode of Kolbe's EL Theory.

- Building Relationships With Others

This skill covers competencies related to nurturing and developing human relationships. The behavioral indicator to measure this competency is "interacts with others regularly, particularly members of the host culture."

- Valuing People of Different Culture

Past literature suggests that an important constituent of intercultural learning includes caring, respecting and understanding people from different cultures. The behavioral indicator to measure this competency is "expresses interest and respect for host culture, including its history, customs, beliefs, and politics".

ii. Information Skills: Information Skills competency relates to the RO mode of Kolbe's EL Theory.

- Listening and Observation

The RO learning mode suggests that there is a need for understanding the meaning of ideas and situations by carefully listening and watching (Yamazaki and Kayes, 2004). Kolb's (1984) study reports a significant correlation between listening skills and the RO mode. The behavioral indicator to measure this competency is "spends time reading, observing and studying host culture, particularly with locals".

- Coping with Ambiguity

This competency skill covers competencies related to RO abilities, such as, dealing with ambiguity and making sense of unstructured / unpredicted situations that require patience, impartiality, and thoughtful judgment. It requires the ability to reflect and observe large amounts of new and apparently unrelated data (Yamazaki and Kayes, 2004). The behavioral indicator to measure this competency is "maintains work habits in the face of unexpected events, new experiences, or unfamiliar situations".

iii. **Analytical Skills:** Analytical Skills competency relates to the AC mode of Kolbe's EL Theory.

- Translating complex information

Translating complex information into another culture is theoretically related to the AC mode of learning because it was considered as a language competency (Kayes, 2002). The behavioral indicator to measure this competency is "translates personal thoughts into language of host culture".

iv. **Action Skills:** Action Skills competency relates to the AE mode of Kolbe's EL Theory.

- Taking action and initiative

Literature reports AE learning mode to be significantly associated individually with initiative and action skills (Boyatzis & Kolb, 1991; Mainemelis, Boyatzis, & Kolb, 2002). The behavioral indicator to measure this competency is "takes action when appropriate, even when outcome is uncertain".

- Managing others

Gypen (1980) reports an empirical relationship between AE mode of learning and management skills (managing others). The behavioral indicator to measure this competency is "takes responsibility for accomplishing tasks related to the organizational goals

3. Research Methodology

This research is exploratory in nature and uses the *Experiential Model of cross-cultural Expatriate Learning* as an initial lens to guide the study of expatriate learning experience in an Asian environment. Data for the study was collected from expatriates working in a fully owned subsidiary of an American company located in the capital of India. The name of the company is withheld for confidentiality reasons.

Since the intent of this research is to carry out an exploratory study in a real life context, the case study research method was considered as an appropriate methodology for this study. Case study has been a common and widely accepted research strategy in psychology, sociology, political science, social work (Gilgun 1994) and business studies (Ghauri and Gronhaug 2002; Yin 2003). Yin defines case study as an empirical inquiry to investigate a contemporary phenomenon within its real life context.

Data was collected during site visits of the company office. Informal interviews with senior managers and mid-level managers were carried out. The respondents were mainly expatriates but additional data was also collected from the Indian staff members. The questions of these interviews were based upon the competencies identified in the Expatriate Experiential Learning Model. Data was also collected using non-participant observation method and field notes were taken.

The author was given access to the operations floors and cafeteria region of the company. This provided an opportunity to view the expatriate interactions in a formal work floor setting as well as in an informal cafeteria setting. Additionally, secondary data from the company and public sources, such as, magazines and the Internet was also used to gather information. The triangulation of various data collection methods resulted in a rich data set.

4. Case Study

ABC corporation- Managing Global Work and Workforce

ABC corporation provided three types of outsourcing services: Contact Centre Services, IT Services and BPO Services in the travel domain (see Figure 2 and Figure 3). The Contact Centre Services included customer facing (pre and post sales) services. Customer support was provided via email and phone in the caller's native language, e.g., calls from Germany would be routed to the agent handling German calls. IT Services included web design development and maintenance. BPO Services covered back office administrative services and financial services. ABC Corporation called itself a 'Fusion' outsourcing services firm that provides seamless integration of all these three services. Thus providing end-to-end travel domain specialized services which would help in achieving higher revenues and savings.

Figure 2: ABC Corporation- Fact Sheet

<p><i>Operational facilities (New Delhi, India)</i></p> <ul style="list-style-type: none">• Facility 1 - 250 seats• Facility 2 - 500 seats scalable to 750 <p><i>Services offered</i></p> <ul style="list-style-type: none">• Contact Centre Services• Business Process Outsourcing Services• Information Technology Services <p><i>Service languages</i></p> <ul style="list-style-type: none">• English, Spanish, French, German, Finnish, Norwegian, Swiss, Dutch, Swedish
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Figure 3: Details of Services Provided

<p>Contact Centre Services</p> <ul style="list-style-type: none">• Call and Response Center Services - Inbound and Outbound: Telesales, Telemarketing, Customer Service/Support, Collections, Activations, Product Support, Lead Generations/Qualification, Database Updation, Loyalty Programme Administration.• Email Management: Email Support, Email Sales• Web Chat: 24x7 Web Chat Support• Technical Helpdesks <p>IT services</p> <ul style="list-style-type: none">• Design, implementation, integration, and management of e-business and web solutions and strategy development.• Internet Marketing including Search engine Optimization• Application software development• E-enablement of legacy applications• Application Support and Maintenance• Software Services around Enterprise Application Integration• Business solutions in Travel and Hospitality domain• Knowledge and enterprise portal design and integration <p>BPO Services</p> <ul style="list-style-type: none">• Back office Administrative Services<ul style="list-style-type: none">○ Data Processing - Data Entry/ Digitization, Product/ Package Details Entry, Content Entry/Creation○ Rules based Processing - Claims Processing, Underwriting○ Online Processing - Online Sales Processing, Online Transaction Processing Reservation and Ticketing○ Forms and Related Handling Services - Invoice Generation, Order Form Generation• Finance and Accounting<ul style="list-style-type: none">○ Supplier Reconciliation○ Bank Reconciliation(Accounts Payable, Accounts Receivable)
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ABC corporation pioneered in offering ‘Multilingual’ Offshore Business Process Outsourcing (BPO) Services and had developed a multi-lingual support model to service voice and non-voice processes. By 2011, it serviced clients across 11 countries in 9 different languages (English, French, German, Swiss, Dutch, Finnish, Norwegian, Swedish and Spanish). The processes that were handled by its multi-cultural staff include contact center services (voice calls, e-mail, web chat, transaction processing etc.) to IT services (application development and maintenance).

The workforce included foreign employees mixed with foreign language speaking Indian staff. There were around 100 expatriates out of the 1000 competent workforce in 2010. These expatriate positions were for entry and mid-level management. The expatriate staff had knowledge of their native countries which was important from the travel industry perspective.

This overcome a lot of constraints, as these expatriates possessed superior knowledge about their native country's geography, culture and socio-political conditions as compared to the Indian counterparts. This global staff was recruited and trained from European countries and they serviced their native markets from India. The expatriate and Indian staff worked together on the various travel processes.

The company's fusion philosophy enveloped not only services but also its people. It offered a unique opportunity to the Indian as well as expatriate staff to indulge in cross-cultural knowledge sharing. The expatriate staff was recruited and trained by ABC corporation's headquarter in the US and from their offices in different countries through advertisements posted on websites and employee referrals.

The Business Development manager of the Indian subsidiary called this *fusion* work culture as "a unique example of 'globalization' where different *cultures* and *processes* 'fuse' to release energy in terms of worker enthusiasm and higher revenues".

5. Discussion of the Findings and Conclusion

The results of the research are interesting and go beyond the initial lens of the '*Experiential Model of cross-cultural Expatriate Learning*'. The summary of the research findings are delineated in this section.

ABC corporation was a niche player and the domain focus enabled it to deliver high end solutions in the travel vertical. Experiential learning occurred in this cross-cultural environment as demonstrated by Kolbe's EL Theory. The learning was formal (task related) as well as informal (cultural) in nature. Some expatriates gave more significance to *Action*, *Analytical* and *Information* skills and less significance to *Interpersonal* skills. They felt that building formal work relationships happens naturally but building informal relationships is a matter of choice. Further, spending time and learning the host language and culture was also found to be a matter of individual preference. They also added that there was less impact of informal relationships and learning the host country's language on work output. There were some who considered *Interpersonal* skills and their competencies also equally important.

The results were not conclusive on the strength of the skills and the competencies but they did point towards the presence of all four skills and seven competencies underlying them. It can also be inferred that since the travel services vertical offered the expatriate staff to work for their home countries in their native language, it was not a task related requirement for them to pick up the host country's language. Additionally, being in the travel vertical the Indian staff was well conversant in English as well as other foreign languages which are more likely to create a familiar work environment for the expatriate staff.

Through secondary data sources and observation it was further confirmed that all the four skills (*Action*, *Analytical*, *Interpersonal* and *Information*) were more likely to be present in most of the expatriates which helped them in adapting to a foreign environment. Some of the expatriates had extended their stay in India due to greater work and personal satisfaction. There were also reported incidences of marriages between the Indian and the European staff which highlights that all the four skills were likely to be present to drive a person to find life partners in a foreign land. It can also be attributed to the fact that applying to work in a foreign country illustrates their innate flexible and adaptive human nature.

The Business Development manager explained this expatriate cross-cultural learning and adaptation as a global phenomenon:

"We live in a global village and the outsourcing industry is one of the global and customer-centric industries of the world. So, one has to be 100% adaptive to the client's culture/work styles to be successful. All the systems and technologies as well trainings are geared to make this cultural adaptation a success. Now as far as cultural adaptation goes, people who have left their home countries to work in a foreign locale are obviously more culturally flexible, and hence by default adaptive."

The most interesting analysis of the finding is that apart from the experiential learning that occurs using the skills and competencies outlined by the Experiential Model of cross-cultural Expatriate Learning, there was another *enabling force* that is more likely to have resulted in greater level of expatriate learning and adaptation. This was the **enabling 'ba'** of ABC corporation. The concept of *ba* was originally proposed by the Japanese philosopher Kitaro Nishida. Nonaka and Konno (1998) describe *ba* as "*a shared space that serves as a foundation of knowledge creation*".

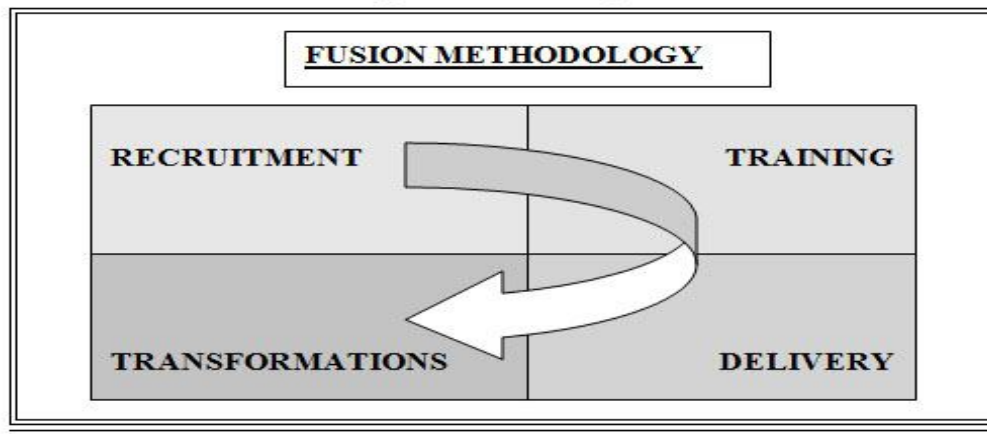
This space can be physical (office space), virtual (email, teleconferencing), mental (shared experiences, ideas, ideals), or any combination of them. The business development manager elucidates this by saying,

“Also helping them (expatriate staff) are ABC corporation’s administrative processes as we give them comfortable and secure guesthouses, a helpline that answers their basic needs (health, travel, transportation, security). Over a period of time they form friendships with local co-workers, or Indians in their residential/recreation areas. This also adds to their support infrastructure. All -in- all they succeed in adapting because of a mix of flexible attitude, increasingly global/friendly attitude of Indians (especially in metros), global work methodologies/technologies and the desire to succeed; as it’s a great career highpoint to be successful in an international work assignment.”

ABC corporation defines this knowledge sharing and learning in a cross-cultural environment as the **‘Workforce Fusion Methodology’** (see Figure 4). This fusion methodology of the company is an upward spiral consisting of the following stages: *recruitment - training – delivery – transformations.*

- **Recruitment** phase involves:
 - Assessment of expatriate staffing requirements
 - Recruitment of expatriate employees from client bases in native countries
 - Sourcing them through advertisements posted on websites and employee referrals
 - Expatriate employee contract signed for a minimum period of one year
- **Training** phase involves:
 - Training of expatriate staff at client side
 - Expatriates are employed at entry level and mid-management positions
 - Appropriate training at appropriate levels is provided
 - India familiarization is a part of the training

Figure 4: Workforce Fusion Methodology



- **Delivery** phase involves:
 - Providing the expatriate staff with free and secure fully furnished accommodation with care taker
 - Free global travel
 - Free local transportation
 - Subsidized meals and health cover
 - Dedicated travel desk for expatriates and special leave structure allowing them to explore India
- **Transformation** phase involves:
 - ✓ Formal and informal knowledge sharing in a multi-cultural environment between the expatriate and Indian staff
 - ✓ International work exposure for expatriates as well as for the Indian staff as Indian high performers are also given the opportunity to work in European bases
 - ✓ Cross-cultural competence development through ongoing team and individual support.

The research findings extend the existing body of knowledge on expatriate learning and adaptation. The results highlight the importance of “Ba” as an enabling force of an organization. In this case the enabling ‘Ba’ is created due to the workforce *Fusion Methodology*.

This is likely to acts as a **moderating environmental variable** to the Experiential Model of Expatriate Learning which would lead to Expatriate learning and adaptation. Therefore the research model can be modified as follows to incorporate the moderating influence of *Ba* in expatriate learning (see Figure 5).

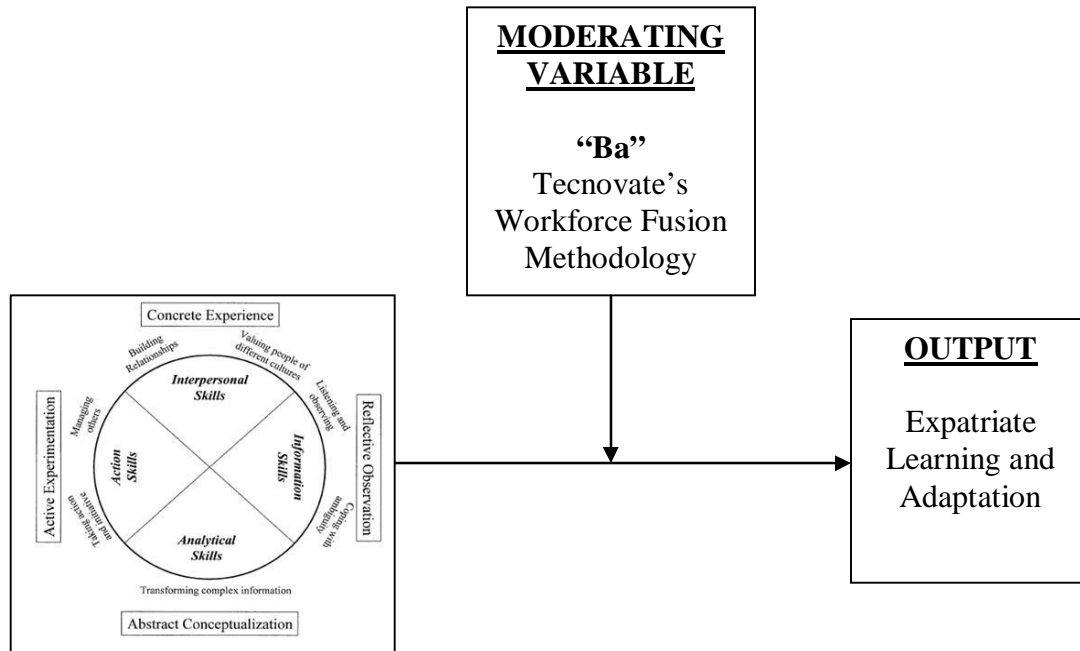


Figure 5: Modified Model of Expatriate Learning and Adaptation

To conclude, globalization has become a present day reality and expatriation will become a common phenomenon in years to come. Therefore, this area has high potential for future research. The modified framework proposed in this paper can be used to further carry out empirical research from the expatriate perspective in other countries and organizations.

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