Cultural awareness

How cultural differences impact
international assignments

♥aetna™

Every organisation's success is highly dependent on its people. This article examines the role of culture in the success and longevity of international assignments and organisations, investigates the potential pitfalls of bringing together people from differing cultures without sufficient education and planning, and offers up four international cultural integration strategies to help avoid them and ensure overseas assignment success.

When it was announced in 1998, the merger of Daimler-Benz and Chrysler was heralded as the biggest cross-border industrial merger in history. Within a decade, however, the marriage had fallen apart, largely due to cultural incompatibility.[1]

Here's how one German DaimlerChrysler board member later described the problems he'd observed: "German and American commonalities such as work ethic… a linear approach to tasks and time, punctuality, following agendas, results-orientation… created a potential modus operandi, but two different mindsets led to irritation and misunderstanding on both sides. The German drive towards conformity clashed with American invention, innovation and opportunism. Germans adhered to old traditions and well-tried procedures; Americans preferred a DIY ambience. Germans who stayed on sought deep friendships, not segmented ones like the Americans (tennis friend, bridge friend, drinking friend, etc.)."[2]
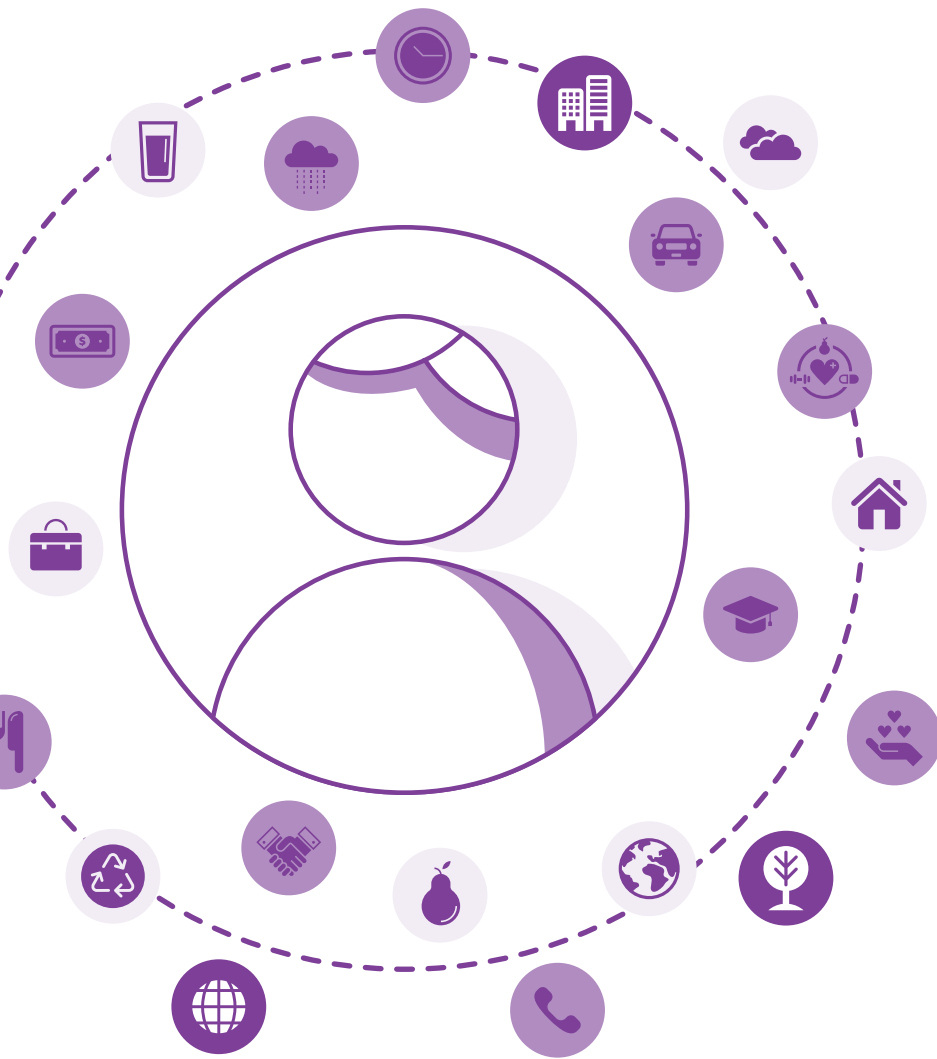
Ironically, the person with whom that board member shared his perspective was cross-cultural communications specialist Richard D. Lewis. The British consultant had been engaged in 1998 to plan a six-month programme of cross-cultural training – a programme DaimlerChrysler executives never put into place. As Lewis noted in a case study on the merger, "It took years to achieve any measure of integration of two different ways of working. Neither side had been given time or training to study the other's mindset."[3]

Culture clashes don't always lead to such spectacular implosions as the DaimlerChrysler situation, but culture always has a role to play, both at a corporate and an individual level.

"For many companies, particularly multinational or international organisations, international assignments are an important way of bringing their values and corporate culture into regional offices. They help to transfer knowledge and skills and build trust between office locations," says **Pamela Berger, Director of Health and Wellness, Aetna International.**

A study of corporate executives found that the top threats to smooth cross-border relationships were differences in cultural traditions (51 percent) and workplace norms (49 percent).[4] On the positive

are more likely than women (88 percent versus 75 percent) to say that challenges relating to settling into a new job have a negative impact on their well-being. In addition, **21 percent** of respondents said that the new corporate culture had reduced their well-being (seven times the positive impact of corporate culture on well-being) while new working practises negatively impacted well-being for **13 percent** of respondents.[6]

Dr Lori Stetz, Senior Medical Director, Aetna International says "Stress relating to stepping into the unknown and being faced with significantly different working practises and corporate culture can weigh heavily on an international assignee. The high rate of international assignment failure – with only 58 percent of international assignments deemed to be a success – points to this."[7]

| Defining culture

Organisations that employ international workers clearly benefit from addressing cultural issues. But that begs the question of just what culture is.

Consultancy Hofstede Insights defines it as "the collective mental programming of the human mind which distinguishes one group of people from another" and notes that it "influences patterns of thinking which are reflected in the meaning people attach to various aspects of life and which become crystallised in the institutions of a society."[8]

In fact, culture is so crystallised into societal institutions that we don't think about it until we encounter differences. "A good analogy is language," says **Dr Lori Stetz, Senior Medical Director, Aetna International.** "We only notice people's accents when we hear someone from another region or country using our language.

"Prepping international assignees for cultural differences they'll encounter in their new country can be more important than preparing them for

side, an Accenture study found that cross-cultural training programmes increase productivity by an average of 26 percent. As one Accenture global executive noted, "Post-training feedback from the last couple of years suggests that long-term savings of both time and money are clearly possible if cross-cultural communication issues are identified – and resolved – at an early stage. There are also related benefits for companies, which include improved employee morale and reduced attrition rates."[5]

A recent Aetna International survey of expatriate employees found that relocating internationally and adapting to new corporate cultures as well as new local circumstances can have a negative impact on employee well-being – and by association, impact their happiness and productivity. So, it's worth organisations investing in strategies that minimise the potential impact. The survey found that men

changes in corporate culture. Having said that, comprehensive induction and continued support for employees as they settle into a new job and corporate culture is still essential to mitigate the risk of challenges impacting well-being while fostering a healthy, productive workforce."

> ## Culture always has a role to play, both at a corporate and an individual level

To tease out elements of culture, which is a vital part of planning the successful integration of peoples from different backgrounds, Hofstede Insights looks at six dimensions of national culture – power distance, individualism vs. collectivism, masculinity vs. femininity, uncertainty avoidance, long-term vs. short-term orientation and indulgency vs. restraint – each of which can be scored on a continuum between two extremes. As the organisation notes, "The cultural dimensions represent independent preferences for one state of affairs over another that distinguish countries (rather than individuals) from each other."[9]

Another perspective, that of a U.S. group called Diversity Resources, identifies seven essentials of cultural competence: beliefs and worldview, communication styles, formality, hierarchy, perceptions of time, values and priorities and uniqueness – a reminder that "every person is as unique as their singular fingerprints."[10]

Hult International Business School say it's critical for international workers to understand cultural nuances in three areas: communication (e.g., whether to be direct and brief or indirect and nuanced), workplace etiquette (e.g., whether to call people by their titles or their first names) and organisational hierarchy (e.g., what level of respect those with status and seniority expect).[11] Jean Vanhoegaerden, Professor of Leadership Practice, says, "I'm not implying that culture is the most important part of doing business, but very often, it's the most ignored part."[12]

Also ignored is the fact that cultural tendencies can vary greatly among regions, industries and, as Diversity Resources points out, individuals. It is easy – perhaps too easy – to paint with

a broad brush when describing other cultures. **Bradley Honnor, Founder, Global Eloquence**, says, "The danger of using models that provide cultural comparisons is that we can be at risk of using sweeping statements about a country's culture. Cultural differences are evident in geographical locations – the same company's culture differs between geographic office locations.[13]

"Ultimately, we all have entrenched world views and thinking, which drive our behaviours and feelings. People tend to view 'new' or 'different' from one of five categories in our proprietary HUMAN continuum model. These range from the Hidden position, in which cultural change and engagement is often ignored through to Navigation, where the mindset of adaptability and acceptance of change are embraced. When it comes to organisational mergers, for example, both companies' social constructs and cultures only exist through documentation and in the minds of those within each company. In my view, successfully creating a new and hybrid culture can be brought about by bringing people together and helping them to change their thinking, behaviours, individual interpretation, world views and mindsets. Together, they can define what the desired cultural state they're aiming for looks and feels like and build it as a collective. The same goes with helping individuals settle into a new culture. By helping them to shift their cultural perspective in an authentic and culturally appropriate way, it helps develop a greater understanding of deeply rooted beliefs and practises. Where there's understanding, there's a common base to build on."

Years ago, Bhaskar Pant, Executive Director, MIT Professional Education, learned first-hand how cultural norms can vary even within small geographic areas. At the time, he was working for a large U.S. electronics company and needed to demonstrate a new product to separate groups of Flemish-speaking and French-speaking Belgian broadcasters. The Flemish group arrived en masse at the appointed hour; the French group trickled in 15 minutes late. The Flemish group was interested in how the product would improve time efficiency; the French group was interested in how it would enhance team synergy and creativity. As Pant noted in a *Harvard Business Review* article, "These two Belgian cultures clearly had differing views toward time. One was highly guided by it; the other approached it loosely, giving more weight to personal interactions and relationships." Fortunately, he understood the cultures well enough to temper his expectations and adapt his presentation.[14,15]

Similarities and differences

Besides understanding how cultural norms diverge, it's also important to understand how they overlap. Jean Vanhoegaerden says that he has been

asked by organisations in dozens of countries to teach them about cultural differences but has never been asked to teach about cultural similarities.[16]

To identify cultural similarities, international workers must understand their own cultures – as well as their ability to adapt to an unfamiliar environment. **Bradley Honnor** says, "Some people are better at adapting than others, and that is the key. It's about getting to know the individual who's moving and their individual experience that causes them to perceive, understand, communicate and behave in a particular way. Then look at the environment in which they're going to be moving to – adding in the social norms and social constructs as some broad guardrails."[17]

"While one might hope that every worker would adapt to working in an unfamiliar culture, the fact is that some people are far more adaptable than others," says **Pamela Berger, Health and Well-being Director, Aetna International.** "Employers need to think carefully about how they match people with overseas placements and then apply it to how they prepare those individuals for that placement."

Social determinants can affect how quickly global workers begin feeling comfortable in a new culture. For example, Aetna International's Expat Social Determinants Report 2019 found that **46 percent** of respondents said it took them up to six months to do things like try the local cuisine. The sooner employers can help workers feel part of a community

and achieve "firsts" the better. From experiencing a local dish to making their first local or expat friend, the quicker these experiences happen, the greater the chance of an employee feeling a sense of belonging in their host country, finding a sense of normality and experiencing greater well-being in the long run.[18]

Preparing and supporting international workers

Preparing employees to work effectively in another culture is a critical part of pre-deployment training. In fact, nearly **90 percent** of corporate executives believe it would lead to improved profit, revenue and market share, although nearly half say their companies don't do enough in this area.[19] Cross-cultural training can range from strictly informational programs that cover business practices and etiquette to immersive programmes that feature roleplaying and simulations.[20]

As important as it is, pre-deployment training is not enough. Once workers take up their new assignments, they need to be prompted to deepen their understanding and interaction with the host country – rather than waiting six months to try the local cuisine.

When it comes to international assignments or hiring expats on a local contract, it's important to create lasting and authentic intercultural interactions with colleagues and clients to meet business goals. It's also important not to underestimate the size and

importance of the task. As Nancy J. Adler, chair in management at McGill University, points out, "There is the false assumption that just because we can reach anyone in the world so easily through email or Skype, we are, therefore, all the same."[21]

In *Remembrance of Things Past*, French author Marcel Proust wrote that "the only true voyage of discovery, the only fountain of Eternal Youth, would be not to visit strange lands but to possess other eyes, to behold the universe through the eyes of another."[22] Cross-cultural training provides that new perspective for workers who venture to new countries and cultures.

66 **Every organisation's success is highly dependent on its people. If employees and assignees – and their families – are happy and healthy, they'll be much more likely to try to reach their own potential and to contribute to their organisation's success, wherever they are in the world** 99

Richard di Benedetto
President, Aetna International

Four international cultural integration strategies to help smooth overseas assignments:

1 Screening and assessment.
Evaluate the employee's personality including their adaptability to change, ability to cope with the stress of international relocation and a new role and responsibilities. Put this in the context of their cultural background. Do they come from an action-oriented risk-taking culture with a drive to achieve? What does that mean in the context of sending them to a region or office environment dominated by a process-oriented culture that is driven to avoid mistakes, make careful decisions and is risk averse? The likelihood is that a personalised training and cultural education programme will be the most effective means of setting the individual or team up for success.

2 Training and support.
Never underestimate the value of pre-trip planning. Preparing the relocating staff around what to expect and providing support networks in a business and social context are just as important as providing support with managing everyday life administration. For example, understanding the new health care system – particularly for those managing a condition – or tax system, finding accommodation, childcare or education options for their children. Creating a thorough induction process, including organisational and technical inductions as well as team cohesion training to smooth interpersonal relationships and manage potential stress and conflict arising out of change.

3 Culture: Research, support and guidance.
Research is essential and many people benefit from an advance trip – especially those taking family (trailing dependents) as it helps make the destination, and what it holds, less of an 'unknown' for children and spouses or partners. It's vitally important to look after the families of those who undertake international assignments. Both the individual and the family must be adequately supported in their new location to give the assignment the best chance of success.

Many individuals and families try to immerse themselves in the culture before they move, by reading up about the local history and even watching news from that area of the world via YouTube. Even experimenting with food from a new destination can make an important aspect of relocation a bit easier.

What's more, helping employees develop an awareness of the culture in their host country will help smooth the transition into new business and social circles, and settle into a new way of life. For example, having an understanding of non-verbal communication, cultural sensitivities, language skills and business etiquette will help assignees feel prepared and confident in new situations. Understanding how to navigate the new health care, financial, education and housing systems in their host country will also help individuals settle in and thrive more quickly.

4 Ongoing care and support.
With the pressures of running an international business, many executives are forced to be reactive, but regular staff appraisals, including indicators of well-being are essential to ensuring the ongoing well-being of individuals and the continued success of an organisation. As well as check-ins, employers can make workshops and training available to staff and build mechanisms for receiving support from home (annual leave, phone calls home, internet access).

Some organisations offer manager assistance services to help their employees tackle work-related situations before they become an issue or result in assignment failure. Dealing with a personality an individual perceives to be 'difficult' or a culture that individual struggles to relate to can leave people feeling frustrated, angry and helpless. When moving internationally and integrating with a new culture, it's important that employees have someone impartial they can turn to in confidence, whether it's to resolve issues between themselves and another employee, motivating teams, developing communication styles, or understanding business etiquette.

For more information

Read or download the Employer's Guide to Successful International Assignments. This free comprehensive guide will help businesses develop and support healthy, happy and productive overseas employees by providing guidance on duty of care, risk assessment, pre-trip planning, wellness solutions and more. The Guide to Expat Life provides a snapshot of the logistical considerations of moving abroad, while our Destination Guides give far more detail around understanding how the health care system works, how to find accommodation, the quality of life and business etiquette in a multitude of countries around the world.

Businesses can contact Aetna International to help create a bespoke plan for their employees. If you're an employer who would like to see how Aetna International can support your employees while they're on international assignment, get in touch with one of our sales specialists today. Click here to find a specialist in your region.

Sources

1   https://www.theguardian.com/business/2007/may/14/motoring.lifeandhealth
2   https://www.crossculture.com/cross-cultural-issues-at-the-daimlerchrysler-merge-case-study/
3   https://www.crossculture.com/cross-cultural-issues-at-the-daimlerchrysler-merge-case-study/
4   https://eiuperspectives.economist.com/sites/default/files/Competing%20across%20borders.pdf
5   https://newsroom.accenture.com/subjects/research-surveys/improved-cross-cultural-communication-increases-global-sourcing-productivity-accenture-study-finds.htm
6   Aetna International's International Workforce Well-Being Survey 2019
7   https://www.communicaid.com/cross-cultural-training/blog/reducing-risk-international-assignment-failure/
8   https://www.hofstede-insights.com/product/compare-countries/
9   https://www.hofstede-insights.com/models/national-culture/
10 https://www.diversityresources.com/workplace-cultural-competence/
11 https://www.hult.edu/blog/cultural-differences-impact-international-business/
12 https://www.youtube.com/watch?v=BIjk3Jr49vI
13 Bradley Honnor, Global Eloquence, in conversation with Aetna International, June 2019.
14 https://mapfight.appspot.com/be-vs-england/belgium-england-size-comparison
15 https://hbr.org/2016/05/different-cultures-see-deadlines-differently
16 https://www.youtube.com/watch?v=BIjk3Jr49vI
17 Bradley Honnor, Global Eloquence, in conversation with Aetna International, June 2019.
18 Aetna International's Expat Social Determinants Report 2019
19 https://eiuperspectives.economist.com/sites/default/files/Competing%20across%20borders.pdf
20 https://www.sirva.com/en-us/insights-and-publications/detail/importance-of-cross-cultural-awareness
21 https://eiuperspectives.economist.com/sites/default/files/Competing%20across%20borders.pdf
22 https://clearingcustoms.net/2013/12/17/what-marcel-proust-really-said-about-seeing-with-new-eyes/

♥aetna™