

# **Transitioning Abroad – The Impact of Culture on International Relocation Assignments**

by Julia Gaspar-Bates

As the world continues to shrink with more and more people relocating to subsidiary offices in other countries, there is often the assumption that we are becoming more homogenized—at least in our approaches to business. After all, whether we work for the same company, be it in the U.S., Italy or Japan, we still have to get the job done at the end of the day. With American business practices dominating the global sphere, many companies believe that there is a clear understanding of the expectations when relocating their employees.

Not so, according to the Global Relocation Trends 2003/2004 Survey findings. This annual survey co-sponsored by GMAC Global Relocation Services, National Foreign Trade Council, and SHRM Global Forum, discovered that the United States has become one of the most challenging destinations for expatriate assignments. While most of these challenges result from newly implemented security measures in a post-9/11 world that create more barriers for incoming expatriates, cultural factors cannot be ignored.

Companies making the decision to relocate their employees to the U.S. or to hire American employees locally should consider the benefits in providing cross-cultural training to their staff. While each organization has its corporate values to which employees must adhere, the interpretation of these values can vary considerably across cultures. Similarly, employees collaborating virtually on projects from different offices around the world often encounter problems. Although the end goal may be the same, the different paths that individuals take to complete their task can lead to miscommunication and frustration at best, while failed projects and lost time become more dominant factors, ultimately affecting the bottom line.

For employees who are relocating overseas, be it for short or long-term assignments, cross-cultural training will ease their transition to their new environment considerably. Too often, companies focus on the professional competency of an individual, without considering how his or her style may be perceived abroad. For example, a relocating manager who is used to a more autocratic style of management where tasks are delegated to staff may encounter resistance in a culture where the power distance between bosses and subordinates is smaller. In this new environment, common in the U.S. for example, the norm may be for employees to take initiative and even to challenge a manager's approach to a situation by suggesting a different tactic. For a new manager who expects respect from his staff, this may be perceived as an affront to his authority and cause communication breakdowns and conflict. With better preparation into the customs and norms of his new culture prior to undertaking the

assignment, he would be more skilled at realigning his expectations and adapting his style used in his home country to meet the local standards.

In the Global Relocation Trends Survey, 60% of the of the 134 Human Resource professionals who responded to the survey indicated that their companies provided formal cross-cultural training before relocation assignments occurred and 73% remarked that the trainings were of great or high value in preparing their candidates for their move overseas. From a cultural standpoint, the primary challenges they encountered with the relocation process included finding employees with strong intercultural understanding (55%) who could adjust to their new environment (42%). The main factors that caused assignment failure were partner dissatisfaction, concerns, inability to adapt, and poor job performance.

The psychological factors that affect an international relocation are enormous. While there may be initial excitement about the adventure of living overseas and the professional opportunities the move presents, without adequate cultural preparation, this can wear off quickly as the relocated expatriate and his/her family encounter isolation in their new home if they have not developed the skills necessary to adapt to their new environment. This can cause severe stress and may lead to depression in extreme circumstances, both of which may impede the employee's performance at work.

With this in mind, when selecting a viable candidate to relocate overseas, companies should assess both the professional attributes as well as the cultural adaptability. Will the candidate's work style and communication patterns be well-suited to the new environment? What works at home may not necessarily be the case abroad and these are important considerations prior to making a final decision. Additionally, providing adequate training to cope with the culture shock one typically encounters when living and working in a new environment and to provide strategies for assimilation into the new culture are crucial to ensuring a successful assignment. Likewise, training is recommended for any employees who will be working either face-to-face or virtually with foreign colleagues to provide a deeper understanding of how culture impacts work styles and to gain more perspective into their own values, beliefs, and assumptions of how things should be done. The more companies are able to acknowledge the effects culture has on our day-to-day work environment and to address the challenges posed by these cultural differences, the more competent they will become in the global marketplace.

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