

## Not Just for Expats Anymore

As companies diversify their workforces and expand internationally, they're offering more cross-cultural training and using online tools to do it.

By **Michelle V. Rafter**

To understand how tightly woven into the fabric of corporate life cross-cultural training has become at some companies, consider Air Products & Chemicals.

Like many other businesses, the \$10 billion Lehigh Valley, Pennsylvania, maker of industrial gases and materials puts executives bound for overseas assignments through multipart, one-on-one training and offers group classes to their families. But that's just the beginning. A global leadership development program for high-potential managers run by the company's People College includes three days of intense cultural sensitivity training. On a broader level, the company's global workforce of 22,000 can tap into a vendor's Web-based database of information on 110 countries. Employees also have access to more in-depth online classes on 12 countries where Air Products has extensive operations or business partners.

Cultural training even extends to acquisitions. When Air Products bought a Polish industrial gas supplier in 2007, the company used a consultant periodically over a nine-month span to help the existing Polish management team adapt to their new owner's corporate culture. The consultant also helped the new U.S. management team navigate business and cultural issues in Poland.

When 50 percent of your employees work outside the U.S. and communicating with co-workers, suppliers and customers half a world away happens on a daily basis, cross-cultural training isn't just window dressing, it's a necessity, says Becky Bechtel, manager of Air Product's People College, the internal training department that oversees much of the instruction.

At Air Products, that mind-set has paid off. Anecdotal evidence shows that expatriate managers who have gone through the cultural training get up to speed in their new jobs faster, which translates to higher productivity, Bechtel says. For every dollar the company has spent on cultural training in its leadership development program, it has gotten back \$2 in higher productivity, she says.

Those results are getting recognized. Cultural training projects, including the Polish acquisition transition project, have taken first prize in an internal Air Products competition for the best diversity or inclusion program for the past two consecutive years. Other cultural training groups have placed in the top 10, Bechtel says. People "are using what they are learning," she says.

Air Products' experiences exemplify two trends happening simultaneously in cross-cultural training: It's not just for expats anymore, and Web-based courses are becoming bigger players.

### Training the entire workforce

As workforces become more diversified and business more global, companies are offering cross-cultural training to make sure an engineer or sales rep doesn't do or say something that could potentially offend a cubicle mate from Pakistan or a customer in Dubai. Consultants providing cross-cultural training

are seeing the change. At Berlitz's cultural consulting division, for example, non-expat training now represents close to 10 percent of total business, up from 2 percent just a few years ago, says Diane McGreal, director of the division. "It represents a big direction companies are going in," McGreal says.

Although companies still use a variety of training methods, online classes and Web-based materials are becoming more popular. Yes, people might learn more if they sat through a class, but nobody has time for that anymore, says Charlene Solomon, executive vice president at Culture Wizard, a New York-based cultural training company whose clientele includes Fortune 100 companies. Online training programs let people log on to learn when and where they want to. An added benefit: Learners can go back to reference materials when they need them. The approach of learning in phases "is how people learn best," Solomon says.

Historically, cultural training included imparting basic data on a country as well as practical information on daily life and workplace norms, according to training consultants. As it becomes more widespread, training is evolving to cover even more business subjects, such as how management, communication and meeting styles differ from country to country, consultants say.

As cross-cultural training becomes more widely used, HR personnel who may have worked strictly with expats in the past are being asked to share what they know at a higher level, says Scott Sullivan, senior vice president at GMAC Global Relocation Services, a major relocation outsourcer. "They're seen as subject-matter experts on cross-cultural matters. They're being brought into the conversation," Sullivan says.

Expats are still the most likely candidates for any type of cross-cultural training, and even then, not all companies make it mandatory. Of 154 U.S. and international companies participating in an April 2008 GMAC Global Relocation Services survey, 84 percent said they offered some type of cross-cultural preparation for executives headed to international assignments, but only 23 percent required it. In addition, 57 percent offered classes for expat families. In the GMAC report, companies cited cultural training as the third most important benchmark for measuring the success of an expat assignment.

While use of Web-based and other online training is growing, it's still not widespread at the expat level. Only a quarter of the companies in the GMAC survey used Web-based or other interactive training. Of the companies that did, 56 percent rated it as a good value.

In-person training may still rule the day for high-level expats, but online training is becoming de rigueur for the corporate rank and file. As methods change, established cross-cultural training companies are taking steps not to get left behind. Berlitz, for example, acquired the online cultural training company Training Management Corp. in April 2008 for an undisclosed sum to beef up its Web offerings.

### **Low cost adds to the appeal of Web-based tools**

Web-based programs are catching on because they offer easy access to a breadth of knowledge no single instructor could possess. That's important, as employees are being asked to be conversant in multiple countries and cultures.

"As one client said, we could be sitting in South San Francisco on a conference call with someone from Brazil, the Philippines and India. The whole world is on the phone," says Solomon, the Culture Wizard executive.

There's another reason Web-based training is catching on: cost. One-on-one training for an overseas-bound executive can cost \$1,000 to \$1,500 a day or \$2,000 to \$2,500 for a family of four, not including separate hourly fees for language lessons, according to Sullivan, the GMAC relocation division vice president. By contrast, Berlitz sells a one-year enterprise license for Training Management Corp.'s Cultural Navigator Web-based culture database for \$20,000 to \$40,000, a fee that covers an unlimited number of users.

In the 2008 fiscal year ended September 2008, Air Products spent \$262,000 on cross-cultural training initiatives, including an enterprise-wide license for the Cultural Navigator plus additional fees for

customized reports created by Training Management Corp. on 12 countries where the company has strong business ties. Those expenses don't include additional funds the company's relocation department spent on training for expats, according to Bechtel.

So far this year, 3,700 Air Products employees have used the Cultural Navigator, accessing it through the company's intranet or through Training Management Corp.'s own Web site, according to Bechtel. Air Products has used the online culture training database for six years, and Bechtel likes the fact that the company continually updates information on specific countries.

"It's always very current, and if it's not we hear about it. Our employees aren't shy," she says.

Air Products added cultural training to its long-standing leadership development program four years ago when the program's focus shifted away from diversity per se to address managing culturally diverse virtual teams. In the program, executives are taught how to adapt their management and communication styles to different cultures while still meeting business objectives. The program has shown significant ROI and managers who go through it "are better at what they do than they were before," Bechtel says.

Depending on the company, cultural training vendors could end up working with personnel in international relocation, mobility, HR or, as is the case at Air Products, in-house universities or training programs. Vendors are starting to see more requests from HR staff responsible for diversity training and talent management functions. Even within a group of U.S.-born employees, people have different attitudes and behaviors when it comes to things like talking in a group or being on time, and cultural training can be used to identify and adjust to those differences, says Solomon, the Culture Wizard executive. "People are starting to see learning culture and cultural awareness as a core business skill."

As more companies focus on cultural awareness, vendors are acting to accommodate them. GMAC, for example, airs free one-hour training webinars on specific countries once a month on its Web site that are open to customers or anyone else who finds out about them. Typically 100 to 150 people dial in to the PowerPoint presentations, which are narrated by a country expert and include a Q&A at the end.

"A lot of HR folks we work with have distributed this to their global sales and supply chain departments," says Sullivan, the GMAC vice president. "We get a great crowd of people from all areas of a company."

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