Training concepts for industrial service staff in an intercultural context

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Industrial services have always been an important part of companies’ value chains and thus subject to many strategic decisions. They are also one of the differentiation possibilities now when markets are saturated and customers base their decisions mainly on intangible aspects of what companies offer. Carefully designed trainings are a basis not only for outstanding service delivery but also for keeping employees’ motivational levels and experiencing perks on both micro (organizational) and macro (economy) levels. After successful growth in the domestic markets, expanding the customer base and generating more revenue is only possible if companies shift their business to other markets, which triggers a need for a new skill set - intercultural competence. Intercultural sensitivity facilitates communication and interactions with people from diverse cultural backgrounds and represents an incremental part of any training concept and its delivery. According to the ESIC (European Service Innovation Centre) report, the Upper Austrian region is characterized by a strong manufacturing sector where service innovation driven transformation represents an inevitable step forward and is thus used as a large-scale demonstrator for the dynamic and broad impact of service innovation. As the Austrian region with the highest export rates and a broad international business presence, this paper focuses on companies in Upper Austria when elaborating on different trainings necessary for industrial service staff. Moreover, the paper emphasizes competences that should be acquired by trainings and intercultural differences that need to be taken into account when setting up trainings. The research is based on a literature meta-analysis.

1 Introduction

Upper Austria is the best export region in Austria with more than one quarter of its all export. Its most fruitful products come from the production sector (machines, mechanical devices, steel and iron, engines and automotive products), while Germany, USA, Italy and CEE markets act as the biggest export markets (Land Upper Austria, n.d.). Due to globalization and corporate mobility many manufacturing companies are “going downstream” (following products to after-sale markets and offering additional services so the whole solution is provided instead of only core product) and thus providing highly-integrated systems (Davies 2003). Industry representatives in Upper Austria are looking towards services as one of the ways of sustaining competitive advantage and regional economic growth. The required service innovation on both business and economy levels requires united efforts that finally lead to fertile ground for successful transformation and development (European Commission 2016).

Industrial services do not only have higher margins than products (Anderson et al. 1997) and are a more reliable source of revenue due to their invulnerability to economic cycles (Quinn 1992), but they are also seen as a way of strengthening relationships with customers by making a customer a central focus of an organization (Bowen et al. 1989). Services are a great opportunity to fight against the accelerating global competition, shorter product cycles and rapid growth of imitators since they
are much more difficult to imitate (Visnjic et al. 2013). All of this implies the importance of services as an integral part of any product offering. However, in order to motivate a customer to participate in its co-production, all parties need to understand the concept of one offering, including the company’s employees (Braxx 2005).

Many foreign companies are well off due to service centres in Upper Austria that offer support and training facilities for their international employees (Land Upper Austria 2016), which cannot be said for Austrian companies operating abroad. Therefore trainings for international service staff working in Upper Austrian subsidiaries abroad are the responsibility of their Austrian headquarters and their design has to be carefully constructed.

2 Training benefits

In a global economy companies are competing on the basis of the skills and knowledge of their employees more than ever before. Training as a systematic approach emerged as a necessity in the competitive world when it comes to both the learning of new employees and the development of the already existing ones. Training benefits lie not only on organizational level, but also on macro level where countries around the world introduce national policies aimed to enhance human capital by supporting development and delivery of training programs (Aguinis and Kraiger 2009). The United Kingdom, for instance, supports employers, trade unions and other bodies that provide frameworks for achieving success through people (Lee 2004).

Trainings have also proved to have a positive impact on organizational performance measures, such as productivity, sales and revenue and overall profitability (Aguinis and Kraiger 2009). Although there is a big gap in literature examining impact of trainings on companies’ performance, research done by Aragon-Sanchez et al. (2003) and Ubeda Garcia (2005) show a positive relationship between on-the-job training and trainings carried by internal trainers on the one side and effectiveness of employees, stakeholder satisfaction and key performance indicators on the other.

Not only have relationships between companies and customers changed dramatically, but so too have employer-employee ones, where employees’ loyalty to a single company lies in the opportunities one company offers them – namely the ones that increase their ability to keep up with growing knowledge and skills requirements (Garger, 1999). Besides enhancing employees’ commitment, trainings can improve career satisfaction and interdepartmental collaboration (Geet and Deshpande 2008, cited in Martin et al. 2013).

Arthur et al. (2003) ascertained that when compared to no-training, training has a positive impact on job performance and job-related behaviour. Although trainings positively influence the performance of employees and organizations (Arthur et al. 2013; Aguinis and Kraiger 2009; Aragon-Sanchez et al. 2003; Ubeda Garcia 2005), their effectiveness is dependent on the training delivery method and the skill being trained (Arthur et al 2003). The most effective training programs proved to be the ones that include both cognitive and interpersonal skills (Aguinis and Kraiger 2009).

While on-the job trainings lead to improved tacit skills and greater innovativeness (Barber 2004), behaviour modelling trainings are proven to be fundamental for improving technical skills (David and Yi 2004). Tacit skills are acquired through informal learning and represent an intuitive feel when preforming a complex set of actions (Barber 2004). Behaviour modelling trainings change trainees’ knowledge structures by improving their declarative knowledge (David and Yi 2004) and task performance, or procedural knowledge (Taylor et al. 2005). While declarative knowledge deal with “what”, procedural knowledge is the knowledge that deals with “how” something is done (Aguinis 2009).

In very stressful situations with a high level of novelty, stress training helps to maintain performance consistency (Frayne and Geringer 2000) where trainees are developing their strategic knowledge, a skill of knowing when to apply a specific knowledge (Kraiger et al. 1993). Frayner and Geringer (2000) administrated self-management training using a field experiment in the life insurance
industry. Sales people who participated in the training demonstrated higher objective (number of new policies sold) and subjective outcome (self-efficacy, outcome expectancy, subjective job performance). In a global economy cross-cultural trainings are gaining more importance, where expatriation assignments tend to boost not only the market performance of one company, but also the networks with stakeholders. While some authors argue that traditional trainings serve as a way of acquiring information whereas cross-cultural trainings focus on changes in attitudes and thus acceptance of cultural differences (Bhagat and Prien 1996), there is no doubt cross-cultural trainings are a necessity when preparing an individual psychologically for the life in another country (Bhawuk and Brislin 2000). Research has also proved the effectiveness of cross-cultural trainings when it comes to expatriate’s success on assignments abroad (Littrell et al. 2006). Trainings can also positively influence variables that act as antecedents to job performance. Such trainings are for instance leadership trainings that improve motivation, morality and empowerment (Dvir et al. 2002) and team-based trainings which improve team performance (Edkins 2002) and declarative knowledge (Ellis et al. 2005), and are especially important for fields such as medical care and aviation where errors are often the result of poor team coordination (Morey et al. 2002).

3 Training methods

Many people when thinking about trainings think of something reactive that is created as a response to a market need. This approach, however, is not enough in today’s knowledge-based economy. Organizations are shifting their focus towards providing an environment in which employees can acquire and apply certain knowledge and skill instead of simply providing them with information packs. They are focusing their attention on creating learners, by distinguishing between having information, knowledge and wisdom (Garger 1999).

In order to do so, special attention is given to training design and delivery methods. Not only do methods matter when it comes to retention levels of participants (Linou and Kontogiannis 2004), but they also influence employees’ performance (Heimbeck et al. 2003) and the quality of decision making (DeRouin et al. 2004).

The training method is a set of systematic procedures designed to convey knowledge, abilities, skills or attitudes to the participants in order to enhance their job performance (Martin et al. 2013, p. 2). There is no single method to deliver training due to ever-changing technologies and advances in learning theory, but one has to keep in mind that trainings have to go hand-in hand with their goals. Based on seven criteria: learning modality (seeing, hearing or doing), training environment (natural or real work environment or contrived), trainer presence (training delivery through a trainer or other source, such as computer), proximity (face-to-face or remote), interaction level, costs (low, moderate, high), time demands (time commitment required of the trainees), Martin et al. (2013, p. 5) identify 13 core training methods: case studies, games-based training, internship, job rotation, job shadowing, lecture, mentoring and apprenticeship, programme instruction, role-modelling, role play, simulation, stimulus-based training and team-training.

Case studies, as one of the training methods, develop skills by presenting a problem with a solution as an example of how to solve the problem, or without it so the participants can solve it themselves (Bruner et al. 1999). As a low-cost training method applicable to a large number of participants, the method is suited for the situations where participants have some knowledge, but benefit from the applied nature of the training (Martin et al. 2013) by enhancing decision-making, analytical, communication and interpersonal skills (Shivakumar 2012).

Games-based trainings are trainings in which trainees compete in a decision-making task, allowing them to explore a variety of strategic alternatives and explore consequences without the risk of anyone being harmed (Martin et al. 2013). Internships, as a learning by doing method, are suitable for situations in which learners have extensive knowledge enabling them to overcome the unsupportive and inconsistent nature of this
training method and where the employer has limited financial resources at his or her disposal (Martin et al. 2013).

Job rotation is a training method that widens employees’ horizons by allowing them to work on different positions at time frames dependent on their already existing knowledge, skills and capabilities (Gomez et al. 2004). Research has shown the positive relationship between job rotation and job satisfaction, which increases commitment to organizational goals and enhances job performance (Saravani and Abbasi 2013). By boosting knowledge transfer, employees acquire various skills and enhance their flexibility making them more valuable for the company (Tyler 2008). Job shadowing authorizes trainees to observe someone performing a specific job supporting them in learning first hand about the challenges associated with the job, without the risk and costs associated with job rotation (Tyler 2008; Martin et al. 2013).

Lectures are very well suited for simple training content with desired standardized learning (Martin et al. 2013). Many can argue for and against this training method, however, classroom-style training has always been an inevitable part of any learning. It provides interpersonal contact and it brings the most effect when combined with other training techniques (Garger 1999). Failure to acquire the target knowledge is a downside of this method (Martin et al. 2013).

Mentoring and apprenticeship involve a partnership between a novice and a senior employee by which a new employee gets support and guidance in job skills acquisition (Martin et al. 2013).

Programmed instruction is a training method that involves an electronic device with the help of which trainee gets feedback. Participants’ learning depends on the feedback type (“correct/wrong”, knowledge of correct response, elaboration feedback, delayed feedback) (Jaehnig and Miller 2007).

Role-modelling consists of live presentations of a certain skill to trainees, without an ongoing interaction. Very similar to job shadowing, training participants are learning by seeing from the others (Martin et al. 2013).

Role plays are a very popular training method which allows participants to apply the content of the training to a simulated situation by using various scenarios and thus decreases the chances of failure on the job (Martin et al. 2013).

In situations where trainings conducted in real-life environments are dangerous and / or costly, simulations provide effective practice opportunities that are safe, engaging and structured (Rosen et al. 2012). Simulations are becoming more affordable and thus used in a wider range of industries, but are a necessity in those where failure at work has major consequences (Martinet al. 2013). Thanks to video streaming and realistic, highly active computer based simulations, computer-based trainings offer a solid basis for acquiring soft-skills, which was not possible before. Those realistic conversational pathways bring it down to learning by doing, which many think is the most effective learning method (Garger 1999). Moreover, virtual reality is a three dimensional computer based simulation allowing human interaction in real time and is equivalent to work activity by granting a detailed exploration of virtual objects. Augmented reality, on the other hand, is the augmentation of the real world by a virtual one. Both realities have proved to outperform the 2D drawings offered by conventional approaches of studying. When it comes to manufacturing, virtual reality has indicated better outcomes due to free object manipulation and is more flexible than augmented reality (Boud, et al. 1999). Technology-based learning provides an environment in which participants both acquire and practice certain skillsets before entering a classroom, which sets up a basis for a more efficient and effective classroom learning (Garger 1999).
Trainings that use a certain stimuli (music, narratives, works of art) by eliciting certain emotions in the participants and thus inducing a state of being in order to achieve learning (Martin et al. 2013) have proved to be effective, although negative emotions that are easily triggered should not be neglected.

When employees need to work together on some tasks or projects, developing their skills and knowledge in a team has certain benefits. Not only do those trained together in team trainings recall more from the training and make fewer on-job errors (Liang, Moreland and Argote 1995), but they also develop a certain set of social skills influenced by the group dynamics (Moreland and Myaskovsky 2000).

4 Training concept

Before any development of a training concept, evaluation measures have to be defined. Although many different models and approaches to training evaluation have been developed over time, it seems that Kirkpatrick’s (1976) four-level model of training evaluation still has the widest use (Arthur et al. 2003). The model examines training effectiveness from four points of view – the reaction of participants measured by self-reports, learning criteria measurable through different tests, behavioral criteria that are very closely related to on-the-job performance and results criteria measured on a more macro level such as different profitability indicators. Once the evaluation criteria have been determined, a company proceeds with the needs assessment, process of determining whether and to which extent one training can contribute to the organization’s needs, problems and objectives. Within this context, this is a process that consists of three analyses – organizational (company’s goals), task (skills needed for certain job position) and person (individuals needing training) (Arthur et al. 2003). Since the needs assessment specifies skills and tasks to be learned, practitioners have control only over the choice of training delivery method. This is especially to be considered in an intercultural setting, where not only the delivery method plays a role in effectiveness of skills and task acquisition (Wexley and Latham 2002), but group dynamics and rapport building could also be hindered. Therefore, the following chapter will focus mostly on training methods when dealing with intercultural adaptation of the training concept.

5 Intercultural adaptation of the training concept

Research has shown that customers in different cultures evaluate offered services differently and are thus differ in their sensitivity towards to compensations and apologies from the companies whose services did not match customer’s expectations. Moreover, it has also been proved that cultural dimensions defined by Hofstede influence reshaping customers’ repurchase decision. Having stated this, compensation as one service recovery action seems to have a greater influence on low power distance and highly individualistic cultures, while collectivistic Asian cultures prefer cultivating trust over compensation in customer retention (Wong 2004). That would mean that services provided by the same company worldwide have to match standards of different national cultures rather than the organizational ones and training methods have to be adjusted accordingly due to different approaches and attitudes to learning.

One widely used framework in understanding cultural differences is developed by Hofstede’s study of 53 cultures in 72 countries. He identified power distance, individualism versus collectivism, masculinity versus femininity, uncertainty avoidance and long versus short term orientation as dimensions where cultures are likely to differ.

High power distance deals with an unequal power distribution in one society, such as Malaysia,
Indonesia, Singapore (Hofstede 2001), where senior-level people make decisions on their own and junior-level people do not intervene at all and neither do they contribute with their own ideas. Furthermore, subordinates are expected to do what they have been told to (Hofstede 2005). Since lectures provide a high amount of one-way information for training participants (Martin et al. 2013; Garger 1999), high-power distance cultures feel most comfortable with this training method, where participants could learn from their superiors the best (Haller 2013).

Individually oriented cultures embrace values such as personal achievement, freedom and self-reliance while collectivistic countries nourish integration into strong cohesive in-groups, harmony (which is maintained by avoiding direct confrontation) and use high-context communication style. One culture which is highly-contextual, as for instance Japan (Hofstede 2005), brings many challenges in trainings where participants’ feedback reshapes their direction. The Japanese language is full of ambiguity and thus when a Japanese person says “Yes”, it does not mean a person agrees, but that he or she in the best case understood what a trainer wanted to say (Haller 2013). On the other side individualistic cultures prefer vivid and rough discussions and competition (Haller 2013) with which games and case studies seem to be a suitable choice for training methods.

Masculinity and femininity deal with different values in a society – competition, status and achievement on the one hand in masculine cultures and relationships, consensus and equality on the other hand in feminine cultures (Hofstede 2005). Having in mind the fact that in some cultures women are not expected to be in leading positions (such as Arabic countries) (Hofstede 2005), the gender of a trainer can be a big issue – female trainers could have difficulties in establishing trust among participants (Haller 2013).

Uncertainty avoidance deals with society’s tolerance for ambiguity and uncertainty, indicating to what extent members of one culture feel (un)comfortable in unstructured situations. Uncertainty avoiding cultures would place a strong focus on laws and rules that would minimize the possibility of such novel, unknown or surprising situations; they believe in experts and technical solutions and are rather xenophobic (Hofstede 2005), which leads to the necessity of having a patient trainer – someone who would invest a lot of time in being trusted and accepted in one group (Haller 2013). If anxiety in uncertainty avoiding cultures is successfully managed, its members can feel comfortable being in a different environment and in the event of training taking place somewhere else than at the places they are used to (Gudykunst 1998). Uncertainty avoiding cultures are also rather sceptical towards new technologies (Hofstede 2005) which means virtual reality and its advances should be carefully considered. In cultures characterized by low risk avoidance, trainers are not expected to know everything (Hofstede 2005), rendering role plays and case studies appropriate training methods as these are training methods with a not strictly defined solution.

Short-term oriented cultures respect traditions and believe that efforts should produce quick results (focus is on bottom line), whereas long-term oriented cultures think on a long-term basis (investments, savings) and perseverance. Members of long-term oriented cultures are allegedly good in applied and concrete sciences, preferring also teaching modes that would make them think rather than providing them with a huge flow of information. Short-term oriented cultures, on the other hand, get along better with abstract and theoretical sciences and are thus prefer lectures as one of the previously defined training methods (Hofstede 2005; Haller 2013).

Differences in values previously described by power distance, individualism, masculinity, uncertainty avoidance and time orientation often affect relationships among training participants or between trainers and participants in intercultural setting (Hofstede 2015).

Furthermore, the language of instruction plays a significant role. Trainers have more power over the learning if they teach in the student’s language than the other way around, and training participants are very often more prone to participate in intellectual discussion when speaking in their native language (Hofstede 2015). Cultures with pictorial languages such as Korea, Japan and China are used to pictures and prefer graphical presentations of ideas rather than simple lists and written descriptions (Haller 2013). Pattern recognition by children is developed through the nature of the script, which imposes an urge for rote learning (Hofstede 2005). Besides different expectations
concerning the educational process and the roles of various bodies in it, some countries praise teachers/trainers (China, Germany and Japan), while in other the status of teachers is rather low (Britain) (Hofstede 2015).

When it comes to training evaluation, it is important to note that different cultures place an emphasis on different aspects of training. Bearing this in mind, French people favour design over real substance. The Swiss, as an environmental friendly culture, stress optimal resource allocation. Germans care for final results and usability of trainings. The Japanese want to see increased performance and functionality as a result of training (Haller 2013).

6 Conclusion

It is more than evident that globalization alongside many advantages and opportunities, brings many challenges that may hinder international business. When dealing with people from other cultures it is important to understand their cultural “backpack” in order to grasp their way of thinking and acting. Having intercultural competence opens an entirely new world where country borders become just meaningless lines on a world map and world population a potential customer base.

Trainings as a way of developing people’s skills will always be subject of discussion. New training methods arise with every technological advancement as well as necessary skill sets to compete in a highly competitive environment. How companies will approach new challenges that come along is yet to be seen. After all, to see effects on a macro level, government and organizations have to start with individuals and their ever-changing needs and desires rooted in various cultures they belong to.

7 Limitation and further research

This paper has dealt with one part of the training concept and its intercultural adaptation for companies that need to train their service staff coming from other cultures, mainly training methods. It did not, however, examine the learning process as such and method implications on cognitive, associative and autonomous phases and thus provides room for further research (Fitts and Posner 1967). Individual differences in skill learning, changes in behavior, reactions or results do not have to be taken into account, neither do the personality types that may affect any of the evaluation levels (Kirkpatrick 1976). Furthermore, the paper focused only on one set of cultural dimensions, examining them separately. This implies the need for a more comprehensive overview of intercultural models and a more detailed analysis of the necessary adaptation of training methods. The Delphi method, conducted with nine Upper Austrian manufacturing companies in 2014 and 2015, clearly demonstrated the need for educating service staff working on different locations around the globe in stress prevention, product and sales training with the focus on cross-cultural aspects. Having stated this it is clear that employees working in service departments lack both hard and soft skills that may hinder the success of companies and negatively influence the Austrian export rates, which are already weakened by many internal and external factors (CIA 2016). Having carried out the needs analysis, it is clear that different training methods can be manipulated in order to achieve the desired level of skill acquisition. Whether intercultural aspect would prevail over defined skills that need to be trained is something requiring further examination.

New technologies have shaped the world of training and it looks as if HR managers will focus their attention on areas such as self-directed learning, distance learning and strategic classroom learning, making the ever-growing variety of training methods reflect the technological progress. A question that arises lies in the extent to which technology can be suited to develop any needed skill and if so, what is the effectiveness of those trainings on both macro and micro levels?
Appendix: Table 1: An overview of training methods, based on the seven criteria

Source: Martin et al. (2013, p. 8)

Literatúra/List of References


Školiace koncepty pre obslužný personál v priemysle v medzikultúrnom kontexte

Priemyselné služby boli vždy dôležitou súčasťou hodnotového reťazca podnikov a teda na nich závisia aj mnohé zo strategických rozhodnutí. Sú tiež jednou z možností diferenciácie, hlavne teraz, keď sú trhy nasýtené a zákazníci sa rozhodujú prebojovšteklým na základe nehmotných aspektov toho, čo ponúkajú firmy. Starostlivo konštruované tréningy sú základom nielen pre vynikajúce poskytovanie služieb, ale aj pre udržanie motivačnej úrovne zamestnancov a aplikovanie výhod ako na mikroúrovni (organizačnej), tak aj makroúrovní (ekonomickej).

Po úspešnom raste na domácich trhoch je možné rozšíriť zákaznícku základňu a generovať viac príjmov len vtedy, ak spoločnosti presunú svoju činnosť na iné trhy, čo vyvoláva potrebu nových zručností – interkultúrne kompetencie. Interkultúrna citlivosť uľahčuje komunikáciu a interakcie s ľuďmi z rôznych kultúrnych prostredí a predstavuje súčasť akéhokoľvek vzdelávacieho konceptu a jeho aplikácie.

Podľa správy ESIC (European Service Innovation Centre), sa Hornorakúsky región vyznačuje silnou výrobou, kde transformácia riadená inovačnými službami predstavuje nevyhnutný krok vpred a je preto používaná vo velkom meradle ako demonštrátor pre dynamický a široký dopad inovácie služieb. Ako rakúska región s najvyššou hodnotou vývozu a širokou medzinárodnou obchodnou pôsobnosťou, sa tento článok zameriava na spoločnosti v Hornom Rakúsku vypracúvajúce rôzne školenia potrebné pre obslužný personál v priemysle. Okrem toho, článok zdôrazňuje kompetencie, ktoré by mali byť nadobudnuté školneniami a interkultúrne rozdiely, ktoré je potrebné vziať do úvahy pri nastavovaní tréningov. Výsledok je založený na základe meta analýzy literatúry.

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