Expatriate Performance in the Host Country: How to Maximize the Cultural Adjustments?

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Abstract
In today’s era of globalization, companies from different nationalities are trying to capture new markets and proving their presence all over the globe the value of expatriates increase substantially. Every global organization is trying to maintain a department of cosmopolitan managers that can be used to achieve the required degree of globalization. However, the history evident that the success ration of expatriates is very low and lot of efforts had been done on this area to incorporate new ideas and dimensions to minimize the failure of expatriates. The significant impediment of expatriate’s success in the host country is the cultural adjustment. This paper specifically proposes a model to increase the probability of expatriate’s cultural adjustments in the host country. After reviewing different previous studies on this topic, we propose that three variables are very important for the adjustment of expatriates. These variables are cultural training, international experience and cultural distance.

Keywords Expatriate, Culture, Cultural Training, Experience, Host Culture, Cultural Adjustment

1. INTRODUCTION
In today business the value of expatriates are increasing day by day. All over the world, the corporations are continuously expanding their operations to capture the international markets. In this connection the primary focus of the companies are to enter in the foreign markets as soon as possible to get the advantage of First Movers. In resent times the flow of these companies is changing and these companies are considering different untapped markets which were not considered in previous times. The new markets are mostly from
Asian region and some other developing countries. This change creates a problem for these companies as they are entering in the markets which are culturally diversified and highly different from their home culture. Previously, these companies focus on developed markets like American or European markets which are not very much different from each other but starting business in developing or under developed countries are totally different from the last experiences. The main issue is the variation in the culture of the host country that impact seriously on the performance or progress of these global companies. This issue creates a significant importance for the need of expatriate that easily adjust themselves in these culturally diverse markets. Expatriate managers always have to cope up with different cultures in order to perform well whenever they are on task in foreign countries. A major issue for these expatriate managers is the cultural adjustment. There is an ample research that has been conducted to address the problem on sojourner adjustment (Church 1982; Furnham 1988). So in order to fully understand and to cope up with the challenges faced by the substantial globalized workforce, more research is needed to be conducted in this area. The construct of culture shock is extensively reviewed in the literature of IHRM, which define the term Multi-nationality from three diverse dimensions. First of all the different nation states, as described by the Hofstede (1980, 1991, 1998) that the culture of different countries are always different from each other. Second, in the shape of different perception about the working and others things related to the output of the organization that help us to make comparison. Third, in terms of problems that encounter by the transnational organizations in the area of human resource management and corporate environment (Dowling and Welch, 2004) is the cultural distance. This study proposes the impact of home country culture which impact on the adjustment of expatriate when they are working in other countries. It becomes more problematic for the organizations when the new country culture where they are going to enter is extensively different in term of culture from the home country. In such situation expatriates need to bear more emotional labor to adjust in a country where the culture is too much different from their home culture.

2. LITERATURE REVIEW

Due to its international dimension, the management texts attach complication to “cultural shock” which was found to be diverse, unidentified, understudied and even astonishing by the researchers (Welch and Dowling, 2004). This is the reason that cultural shock is assumed to be inter-cultural with respect to its international dimensions. In general, there are lot of studies according to which nation states are associated with cultural variations and cultural variations with the individual behaviors (Schein 1985, 1989, 1999; Hofstede 1980, 1991, 1998; Schein and Conference Board. 2001; Trompenaars 1993, 1994; Trompenaars and WooUlliams 2000; Trompenaars and Hampden-Turner 2004). In the area of IHRM, cultural shock is very important due to its strong impact for the success of expatriates and in the selection process of expatriates that includes: selection of an employee as an expatriates on the basis of its functional and technical skills (Tung 1981, 1988; Mendenhall 1987); training (Oddou 1998; Tarique and Caligiuri 2004); repositioning; compensation; contractual conditions and repatriation (Naumann 1992). Conventionally from multinational and managerial perspective, cultural shock is referred as an observable fact that is conflictual, challenging and complicated. This is the reason that GMKI complex management systems are needed to be shaped that assures flexibility, motivation, resistance to refusal, commitment, devotion, performance, offset the potential of failure and diminish the high costs that implies for the efficient management of international growth of organizations. Some recent researches took a different dimension of this phenomenon according to which cultural complexity and cultural shock are not identical to each other (Peltonen 1998).

2.1 SOCIO-CULTURAL ADJUSTMENT

Previously the extent of cross-cultural adjustment was considered as a unitary event (Oberg, 1960; Gullahorn 1962) while now days it is considered as a multi-faceted concept (Black et al., 1991). According to international adjustment model, three dimensions of in-country adjustment are taken into account: (1) adjustment to work; (2) adjustment to communicating with host nationals; and (3) adjustment to the common non-work setting (Black et al., 1991). A number of studies had been conducted on American expatriates and their spouses who supported this theoretical structure of international adjustment that covers a wide range of socio-cultural aspects of adjustment (McEvoy and Parker 1995; Black and Stephens 1989; Black and Gregersen 1990, 1991a, b).
2.1.1 PSYCHOLOGICAL ADJUSTMENT

Relative to work and work environment characteristics, the theoretical model of subjective welfare equivalent to the psychological aspects of global adjustment, has been well developed, (cf. Kornhauser 1965; Caplan et al. 1975; Karasek 1979). The concept of subjective well-being has been functionalizing in numerous instances with respect to the expatriate business managers adjustment. In an extensive, longitudinal study of international Swedish expatriates, both medical and psychological outcomes of living and functioning in a foreign country, the subjective wellbeing of the expatriates was measured (Arnetz and Anderzen 1992). Likewise, a similar study was conducted to see the difference between the work related and non-work related well being among the Japanese employees working in United Kingdom (Nicholson and Imaizumi 1993). A relevant large-scale, longitudinal research was also being conducted on expatriate management in UK based companies where the wellbeing of the expatriate managers during international assignments was examined (Forster 1997).

2.2 CULTURAL DISTANCE

Simply we can say that the culture is a complex programming of mind by which a person of a culture or society can be different from the person of other society. A consensus is being made by the researchers that culture is the prime factor that distinguish one human group from another. Despite of the fact that formulating a complex, indefinable perception (Boyardjililer et al., 1996) and then measuring the cultural differences among entities, proved extremely alluring, this standardized measure was found to be based on a sequence of unsupported assumptions. E.g. symmetry, i.e. apart from of the path of cultural flow, cultural differences were considered to be of the same degree and impact (Shenkar, 2001) representing the degree to which the culture of the home country of the expatriate differs from the country of assignment. The difference in the culture of both home country and host country is referred to as cultural gap. Several researchers demonstrated the inverse relationship between the level of cultural distance and completion of expatriate assignments (Church, 1982; Aryee et al., 1996; Tung, 1998). Cultural distance is found to be associated negatively with adjustment and intention to continue assignment (Black and Stephens, 1989). To adjust in a culture where there is a huge cultural gap, the expatriate face lot of adjustment problems and has to learn an extensive set of new behaviors i.e. greater is the cultural distance, more problems would be there for expatriates adjustment, thus effect the performance adversely and vice-versa. People are found to show more willingness in moving towards homogeneous cultures and communities instead of heterogeneous one (Noe and Barber 1993). In a research by Aryee et al. (1996) it is argued that the employees of a country is reluctant to accept the foreign assignment in country that is very much different from their home country while they easily accept the foreign assignment in country that is very much similar to their home country. If the culture of the host country is too different from the culture of home country, that make it more difficult to adopt the things that are prevailing in the new culture. If the culture of the host country is quite similar with the home country the adjustment in the new culture is quite easy and the person or foreigner does not feel difficulty to absorb the differences in the new culture. Although the countries are different from each other on the variable of culture but there are many cultures which shares the common values and norms. For a global company that is a favorable factor that if the culture of new country is the same as their local culture. These cultural similarities provide a comfortable environment for the adjustment of expatriates.

2.3 EXPERIENCE

Cross-cultural interaction arises a lot in the recent years as a result of the greater frequency of expatriate assignments. The expatriates are considered as burdens for the organization that are strange with the cultural realities of the host country and are often unhappy living in a foreign country. Work performance declines due to the International assignments and adjustment problems to a foreign culture. Other harms include substance abuse, work holism, psychological and faithlessness problems, which can weaken the capability of an expatriate who earlier exhibited reliable career concert and a thriving family and social living. Expatriate managers face huge difficulties to gain knowledge about the new business concepts, to administer subordinates belonging to a different culture, to deal with the family replacement issues and most importantly adjusting oneself in a new culture. Technical expertise is considered as the principle criteria in the selection of expatriates for international assignments. Besides technical competence,
relational abilities are also an important factor that enhances the possibility of success to a greater extent. In fact, international experiences of the expatriates have greatly modified their sense of potential, recognition with the globe of work, motivation and they become more conscious about the variety of careers than before they are exposed to the international assignments. They also anticipate affirmative career implications and also expect that their organization is giving due worth towards their expansion. Researchers are stressing a lot to study the role of expectations in the repatriation process (Stroh et al. 1998; Welch 1998; Suutari and Brewster 2003).

For international managers, “boundryless careers” are becoming the pattern (Arthur and Rousseau 1996, Stahl and Cerdin 2004, Tung 1998). There is a little empirical evidence that focuses the internal career issues of the people working on international assignments (Dickmann and Harris 2005; Suutari and Taka 2004; Yan et al. 2002). Though, it is documented that individual’s identity (Kohonen 2005) and future career aspirations are strongly influenced by the international assignments. International assignments are mostly accepted by the managers keeping in view the monetary compensations, to seek out new experiences, possibility of further learning personal concern in international experience, and career development (Miller and Cheng 1978; Tung 1988; Suutari and Brewster 2000; Stahl et al. 2002). A study was conducted which reported the experiences of those expatriate managers having long standing international careers (Suutari 2003). Besides being a demanding and risky environment, managers were very contented with their job in the global business environment. The international experiences of the expatriates had obviously influenced the career aspirations and they have shown strong commitment to their global careers.

2.4 CULTURAL TRAINING
The intention behind the cultural training to the expatriates are to develop a understanding to positively interact when they are exposed to new cultures, and to persuade them to adjust themselves in their new type of positions (Mendenhall and Oddou, 1991; Brislin and Petersen, 1986). This model was further enhanced by adding some situational variables such as cultural and communicational rigidity (Tung, 1987); personal learning objectives (Ronen, 1989); designed length of expatriation (Mendenhall and Oddou, 1986); responsibility of the manager (Black et al., 1992) and the extent of dynamic involvement (Black et al., 1992). What type of training method should be adopted depends on two major factors: the extent of cultural homogeneity and the culture of the host country i.e. the cultural gap and secondly the extent of interpersonal communications between the expatriate manager and the subordinates in the host country (Tung 1981) which strongly effects the overall performance of the expatriate manager (Black et al. 1992). In a nutshell, on the basis of three prime variables, different cross-cultural training models are constructed: the cultural gap prevailing between the home country and the host country, the manager’s degree of mixing with his/her new culture and the expatriation duration.

Research conducted on managers having three months experience indicates that cross-cultural training had a positive effect on cultural adjustment as well as on the executive performance of the expatriates (Earley 1987). Similar results were also reported by the American managers expatriated in Japan (Hammer and Martin 1992). However, another study reveals that interpersonal methods play a prime role in creating an attitudinal change towards an international culture (Pruegger and Rogers (1994). Resultantly, the researches conducted in the fields of cross-cultural psychology and management sciences indicate that cross-cultural training and expatriates’ cross-cultural adjustment are positively associated.

3. Theoretical Model
After reviewing the existing data we are going to check the impact of local culture of the expatriate for the adjustment of him/her in the host country. It is hypothesize that the strength of the home country culture affects the adjustment in a negative way. Orientation to different cultures due to the experience of working in different countries and working in diverse cultures affects the adjustment of expatriate in a positive way. Training of expatriates can also enhance the probability of adjustment. Training means the special training that focus more on the cultural aspect.
4. DISCUSSION AND CONCLUSION

In this era of globalization, business expatriates on assignments meet unique cultural surroundings which they need to cope up with in order to function effectively as managers. Managing this cultural shock and timely cultural adjustment is a big challenge for the expatriates which they have to deal with on daily basis in order to accomplish their international tasks successfully. If the expatriates failed to adjust themselves in the new culture it creates hurdles for doing their work and achieving their objectives in the host country.

This paper focuses on the various adjustments that expatriates have to make in order to maximize their work performance. This study reveals various results. First, the conclusion of the findings is that for expatriates in order to be successful must have enough flexibility to adjust themselves in the new cultures.

In this regard, cultural gap is always taken into account. Those managers who are displaced to the countries having less cultural gap between their home country and host country are found to be adjusted more rapidly than their counterparts who face huge cultural gaps i.e., a negative relationship is found between cultural adjustment and cultural gap. So the countries that are similar to the home country qualified to taken into consideration for international expansion first. However, if the organization feels that entering in a country that is culturally different from their home country is necessary then it will not taken as simple as for the countries that are having less heterogeneity. As far as socio-cultural adjustment is concerned, those managers who have more communication skills to interact with the host inhabitants than their counterparts have more adaptiveness to the new culture in terms of their general as well as work adjustment and resultantly they are found to perform better. For managing the cultural shock, psychological adjustment is far more important. Expatriates who live and function properly in a varied culture are found to have a more medical and psychological well-being as compared to those who are underrated in terms of their psychological well-being. Thus, a positive relationship exists between the cultural adjustment and psychological adjustment. Organizations provide an opportunity to the expatriates to gain experiences through international assignments, so that they can gain knowledge about the new business practices which help them to focus more on their careers. Expatriates feel more committed to their organization as they
perceive that their organization values their goals and show a concern towards their career development. So this study figured out a positive relationship between cultural adjustment and international experiences. In this way the organization needs to develop a department of employees that are having experience of different cultures. As the experience of these employees increase they become more valuable for the organization. The organization effectively used these managers when they feel to expand globally.

Finally, the cultural training is the prime factor that assists an expatriate to adjust in a brand new culture. Training should be given to the employee so that one could easily interact with the subordinates that belong to a different culture. In this context the method of training matters a lot and it depends upon the type of international assignments. Hence, in this regard positive relationship exists between cultural adjustment and cultural training. Training also covers the both factors discussed above for the success of expatriates. With the help of training the cultural distance of the host country and home country can be reduced by the understanding of the trainees that the cultures of different countries are different. Training also effective for the employees, that are not having the international experience but they can gain different information about the working styles and environments of different countries.

5. MANAGERIAL IMPLICATION

Substantial workforce is being globalized now days. So it is imperative for the organizations to address the issues which are primarily related to expatriate management. Organizations, therefore, should now focus to train their employees so that would be able to cope up with these cultural shocks. This is due to the fact without the effective strategy to manage these cultural shocks, an expatriate would never be able to face these challenges and ultimately get failed in a new culture. This will minimize their ability to learn the new business practices that are being experienced globally. The performance of the expatriate declines which results in deteriorating the organizational performance as well. If the expatriate get succeeded in adjusting him/her in the culture of the country that can enhance the performance of the expatriate and ultimately the performance of the company increase. That is much important in a way that the replacement of the expatriate is not an easy task as replacing an employee in the home country. So the decision for the selection of an expatriate is more complex and worth while as compare to the selection of employee in the home country. Accordingly after selection training should be given to the employees before sending them to the host country.

6. FUTURE AVENUES FOR RESEARCH

This research is qualitative and exploratory in nature. In which we try to hypothesize that the success of expatriates are more important and this can be assure with the help of the variables specifically discussed in the theory, but there is a need to conduct an empirical study with a substantial sample size to prove the relationship between discussed variables. This empirical study is necessary to check the validity of the proposed model and give more insights in this area.

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