

## The Work Adjustment of Taiwanese Expatriates

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### ABSTRACT

The purpose of this study is to explore the work adjustment factors that influence the Taiwanese expatriates when they work in the U.S. Questionnaires were mailed to HR Department in 93 subsidiaries which were all selected from TSEC (Taiwan Stock Exchange Corporation) Market in Taiwan. A total of 186 subjects were asked to respond to the questionnaire. The results indicated that language, support, relationship, role novelty, role ambiguity, role conflict and role discretion were related to expatriates' adjustment to the work. However, previous experience was not related to work adjustment. Family support and satisfactory work adjustment were related to intent to stay in the overseas assignment. Equally important, support, role conflict, and role ambiguity are the most influential on expatriate work adjustment.

Key Words: Expatriates, Taiwanese Expatriate, Work Adjustment

### INTRODUCTION

It is important to develop and retain expatriates who possess global knowledge and experience in international business. Organizations have used several methods to help expatriates acquire global knowledge and experience. One of the methods is to have expatriates live and work in multicultural groups where members have diverse cultural backgrounds (Adler, 1984). However, the failure rate commonly fell in the 20% - 40% range for expatriates' transfers because of poor performance or the inability of the employee or the family to ineffectively adjust to the foreign work environment (Tung, 1981; Black, 1988; Mendehall & Oddou, 1985). Moreover, there are few key studies in Taiwan on the overseas adaptation of Taiwanese expatriates working at Taiwanese subsidiary companies in the U.S. Therefore, understanding the consequences for the adjustment might help organizations find a way to reduce the failure of the international assignment by improving the adjustment process for expatriates.

### PURPOSE OF THE STUDY

The study explores the interplay of the individual factors, social factors and work factors as they affect the Taiwanese expatriate's work adjustment in the U.S. The study on expatriate adjustment has contributed to business to understanding and management of the problems contributing to their failure and in creasing management's knowledge of practices and of employee behaviors in different countries. The results of this study provide information for the expatriate, and promote the corporate competitiveness of Taiwan.

### LITERATURE REVIEW

Work adjustment is the degree of fit between the expatriates and the work environment, both socio-culture and work (Aycan, 1997). Work adjustment is marked by both reduced conflict and increased effectiveness in working. However, expatriate failures in foreign work assignments are caused by the inability to adjust to foreign social relationship and working conditions. Expatriate work adjustment is identified in social support and in work domains. Social support refers to an expatriate progress in becoming fully effective in the society and his/her ability to handle problems in establishing relationship situations (Aycan, 1997). Work adjustment includes demonstration of behaviors that result in effective accomplishment of an expatriate's required task, and the expression of positive attitudes towards the new work role (Aycan, 1997). Those adjustments emphasized the individual factors, social support factors and work factors.

#### Individual factors

Individual factors have been found substantial and criterion-related validity for predicting job performance in its various dimensions ( Church, 1982). In 1991, Black et al. examined the perceived importance of personal and situational variables for overseas adjustment and success.

*Family situation.* Birdseye and Hill (1995) pointed out that families were the second set of individual related elements in expatriate overseas adjustment. Chi and Yeh found (2006) that family and family support is an

important and positive factor in an expatriate's oversea assignment. Spouse or family inability to adjust to the new environment affects the expatriate's international assignment. Spouse/family adjustment had been found to be significant to expatriate adjustment (Black et al. 1991; Mendenhall & Oddou, 1985; Church, 1982; Black & Stephens, 1989).

*Host language.* Knowledge of the language of the host country is vital to success in living and working in that country (Ashamalla, 1998). Knowing the host language will also help an expatriate feel less isolated and build the kind of teamwork needed to succeed overseas (Dolainski, 1997). Host language skills will reduce the misunderstanding and miscommunications. It helps in understanding the world perspective of the people with whom one is working and living (Ashamalla, 1998).

*Previous experience.* Previous knowledge of the host culture and experience are considered to be another important individual factor that leads to successful adjustment (Black, 1988; Tung, 1988). Caligiuri et al. (2001) stated that the more expatriates know about the host culture and experience, the more accurate their expectations and the better their adjustment to the host country. Previous foreign experience and work experience are positively related to success in a foreign assignment (Black, 1988). Black (1988) proposed that previous work experience could provide the expatriates with information about work transition, thereby reducing uncertainty and increasing the predictability, which results in an increase in the individual's familiarity with the transition. Studies clearly demonstrate that previous work experience knowledge is a great source of support in work performance and adjustment.

#### Social factors

*Social support.* During the expatriation assignment, social support might help expatriates act out his/her work role and personal life within the new culture and the new organization. Harvey et al. (1999) believes that a large portion of the failure rate in expatriate posting is directly related to a lack of effective social support. Social support provides the expatriate with assistance in making sense of the new role and work environment. Social support from host country co-worker is important to expatriates' adjustment or several reasons: (1) host country co-workers understand the work environment (Black & Gregersen, 1991a), (2) host country co-workers provide information of the work situation (Black, et al. 1991; Harvey, et al., 1999), (3) host country nationals provide feedback on the appropriateness of behaviors (Harvey, et al., 1999; Black, et al., 1991), and (4) this type of information and their cues serve collectively to reduce uncertainty regarding the general culture, work, and facilitate an expatriate's adjustment (Black, et al., 1991). Harvey, et al (1999) found that social support from the host country co-worker is positively associated with the degree of work adjustment.

*Relationship development.* The ability to develop friendships with host-nationals is an important factor in a successful overseas adjustment (Abe & Wiseman, 1983). Church (1982) suggested that the relationship development results from the interactions between expatriates and the host nationals. Mendenhall and Oddou (1985) pointed out that a trusted mentor could provide feedback that will aid expatriates in understand work expectations and attitudes in the new culture.

Developing a relationship with host nationals helps expatriates act in an appropriate manner (Harvey, et al., 1999; Black et al., 1991, Black, 1990), and helps expatriates to understand work expectations and attitudes in the new culture (Mendenhall & Oddou, 1985). Expatriates who frequently interact with host nationals are less surprised, and experience less cultural shock (Bell & Harrison, 1996). Therefore, establishing a relationship with host-nationals is positively related to work adjustment.

#### Work factors

Work adjustment of an expatriate is characterized by both good performance and positive attitudes towards the new work role. Several work factors have been found to increase the uncertainty, unfamiliarity, unpredictability, or uncontrollability of the new work role, and as a result inhibit the necessary adjustment to role novelty, role ambiguity, and role conflict (Black, 1988). In contrast, job factors that reduce uncertainty, such as role discretion facilitate adjustment (Black, 1988). It is useful to gain an understanding of how the work role transitions are made and what factors influence their success and failure.

*Role novelty.* Role novelty is "the difference between the past role and the new one" (Black, 1988, p. 280). Role novelty increases the degree of uncertainty in the new role and causes stressful experiences (Aryee & Stone, 1996; Black, 1988). Role novelty has its largest impact when an expatriate is on foreign assignment. For example, if

an expatriate is assigned to totally different work field, the expatriate's perceived role novelty is likely to be the high. The work role expected in a foreign assignment is unlike the work role in the parent companies (Black, 1988). This resulted in an increase in the lack of familiarity in the new role. The expatriates now face both uncertainty and stress. Nicholson and Imaizumi (1993) found that there is a negative relationship between role novelty and work adjustment. Black (1988) pointed out that when there is a high degree of novelty in job demands, work adjustment is negatively affected.

*Role ambiguity.* Role ambiguity is the most frequently discussed subject in expatriate adjustment literature. Aryee and Stone (1996) define role ambiguity as the "lack of clarity or the level of uncertainty surrounding expectations about a single role and specific task" (p. 152). Black (1988) and Nicholson (1984) stated that role ambiguity increased the uncertainty associated in a work situation, and is therefore an influence on work adjustment. Lack of clarification of the new work role not only increases the uncertainties on arrival, but also leads to misunderstandings between the parent company and the local company (Aycan, 1997). Role ambiguity occurs when an expatriate experiences doubt in his work requirements, resulting in inappropriate actions and behaviors. Such ambiguity occurs from both the parent company's expatriations as well as the local company's expectations.

Role ambiguity not only increases the amount of uncertainty associated with the work situation (Black, 1988; Nicholson, 1984), but it is also a source of stress (Aryee & Stone, 1996), and also effects job satisfaction (Gregersen & Black, 1992). Several studies have found that the work adjustment is more difficult when the role ambiguity is associated with the job (Pinder & Schroeder, 1987; Black, 1988; Gregersen & Black, 1992). Thus, the greater the role ambiguity, the less the degree of adjustment is to the specific job responsibilities.

*Role conflict.* When the parent and local organizations have different expectations, demands, and objectives, the expatriate has to negotiate these differences, or he will experience role conflict (Black & Gregersen, 1991b). As a result, expatriates in new roles experience or receive conflicting signals about what is expected of them. When an expatriate experiences or receives conflicting messages on expected behaviors, he or she is less able to determine which messages to ignore and which to follow, causing doubt as to the appropriate actions to take (Black et al., 1991). When expatriates in a new work environment have to face conflicting signals, they have to learn how to cope and adjust the role conflict. Expatriates feel less responsible for outcomes and less committed to either organization when the role conflict is greater. (Black & Gregersen, 1991b). Therefore, role conflict is negatively associated with international adjustment, especially work adjustment (Black, et al., 1991).

*Role discretion.* Role discretion is "the amount of leeway an individual has in performing his or her job responsibilities, or the authority and the decision latitude in one's job" (Aryee & Stone, 1996, p. 152). Black and Gregersen (1991b) pointed out that role discretion is the freedom to decide what needs to be done, and how and when it should be done. Role discretion gives the expatriate flexibility on the job. It also enhances a sense of responsibility and commitment (Black, et al., 1991). Nicholson (1984) pointed out that greater role discretion results in better adjustment, because it allows expatriates to adapt their work setting to themselves, rather than changing themselves to fit into the new work setting. For this reason, role discretion makes it possible for expatriates to utilize previous successful behavior patterns which, in turn, reduces uncertainty in the new situation and facilitates adjustment (Black, 1988; Black & Gregersen, 1991b).

## METHODOLOGY

### Sample

Questionnaires were mailed to HR Department in 93 subsidiaries which were all selected from TSEC Market (Taiwan Stock Exchange Corporation) ([www.tse.com.tw/market/company/listed.htm](http://www.tse.com.tw/market/company/listed.htm)) in Taiwan. The HR manager was then asked to select two employees who have been expatriated from Taiwan to U.S.A. This convenience sample was the limitation of non random selection. A total of 186 subjects were asked to respond to the questionnaire. The response rate is 25.26%.

### Hypotheses

The hypotheses in this study seek to answer how and why expatriates have difficulty with adjustment to overseas assignments.

H<sub>1</sub>: Expatriates' proficiency in the host language is positively related to work adjustment.

H<sub>2</sub>: Expatriates' previous foreign experience is positively related to work adjustment.

H<sub>3a</sub>: The family support is positively related to work adjustment.

H<sub>3b</sub>: The family support is positively related to expatriates' intentions to stay overseas.

- H<sub>4</sub>: Social support from the host country is positively related to work adjustment.
- H<sub>5</sub>: Establishing relationships with host nationals is positively related to work adjustment.
- H<sub>6</sub>: There is a statistically significant relationship between the role of novelty and work adjustment.
- H<sub>7</sub>: There is a statistically significant relationship between the role of ambiguity and work adjustment.
- H<sub>8</sub>: There is a statistically significant relationship between the role of conflict and work adjustment.
- H<sub>9</sub>: There is a statistically significant relationship between the role of discretion and work adjustment.
- H<sub>10</sub>: Satisfactory work adjustment is positively related with intent to stay overseas assignment.

## Measure

The questionnaire was organized into two parts. The first part was demographics. The second part was expatriate adjustment: work adjustment, and intent to stay overseas. 6 Likert-type scales were used to measure the variable. Cronbach's alpha was used to measure the internal consistency of the instruments in this study. The total reliability coefficient alpha is 0.7953. The correlated variables exhibited a significant ( $P < 0.05$ , 2-tailed), and correlated relationship with work adjustment. The regression stepwise technique was used to analyze relationship between the dependent variables and independent variables. A 95% confidence level was utilized.

## Analysis

In this study, 18 respondents (40%) were 51 years old and above, and 37.8% were in the age group of 41-50 years; only 2 respondents (4.4%) were in the age group of 20-30. Also, 91.1% of the respondents were male; 8.9% were female. The largest group of job level was manager, which was 62.2% of the total respondents.

Five (5) respondents (11.1%) were technician. A large number of the participants, 62.2%, had been in country of assignment for two years. Only 4 respondents (8.9%) were under one year. Additionally, 37.8 % of the participants responded that no children came with expatriates. Twenty-five (25) respondents, 55.6% of the total respondents, had taken training program before they came to the U.S.

As shown in Table 1, the result of correlation coefficient among work adjustment were in language  $r = .375$ , with a significance level of .029 ; in previous experience  $r = .089$ ,  $P = .0562$ ; in family  $r = .335$ ,  $P = .025$ ; in social support  $r = .327$ ,  $P = .028$ ; in relationship  $r = .329$ ,  $P = .027$ ; in role novelty  $r = .314$ ,  $P = .036$ ; in role ambiguity  $r = .430$ ,  $P = .003$ ; in role conflict  $r = .348$ ,  $P = .019$ ; in role discretion  $r = .311$ ,  $P = .038$  (see Table1). The result of correlation coefficient between family support and intentions to stay in the overseas ( $r = .360$ ,  $P = .015$ ) did support H<sub>3b</sub> hypothesis. But only the result of correlation between previous foreign experience and work adjustment did not support the hypothesis. The alternative hypothesis H<sub>2</sub> must be rejected.

As shown in Table 2, the multiple regression equation of work adjustment was highly significant model 1  $F(1, 43) = 9.750$ ,  $p = .003$ ; model 2  $F(1,42)=8.375$ ,  $P=.006$ ; model 3  $F(1,41)=5.743$ ,  $P=.021$ . Model 1 the R square=.185, the adjusted R square=.166, the  $\beta$  coefficients=.403 on ambiguity ( $t=3.123$ ,  $P=.003$  Tolerance=1.000); Model 2 the R square=.320, the adjusted R square=.288, the  $\beta$  coefficients=.447 on ambiguity ( $t=3.509$ ,  $P=.002$ , Tolerance=.998) and .369 on conflict ( $t=2.984$ ,  $P=.002$ , Tolerance=.998); Model 3 the R square=.404, the adjusted R square=.360, the  $\beta$  coefficients=.465 on ambiguity ( $t=3.846$ ,  $P=.000$ , Tolerance=.994) and .308 on conflict ( $t=2.496$ ,  $P=.017$ , Tolerance=.956) and .296 on support ( $t=2.396$ ,  $P=.021$ , Tolerance=.953). The equation is  $Y = .512X_{ambiguity} + .460X_{conflict} + .380X_{support} - 1.415$ .

TABLE 1: Correlations among Work Adjustment

	Mean	SD	1	2	3	4	5	6	7	8	9	10
1. Work Adj.	4.98	.723	1									
2. Language Sig. (2-tailed)	5.6	.539	.375*	1								
3. Experience Sig. (2-tailed)	4.87	.661	.089	.102	1							
4. Family Sig. (2-tailed)	5.16	.673	.335*	.363*	-.003	1						
5. support Sig. (2-tailed)	4.84	.562	.327*	.165	.310*	-.055	1					
6. Relationship Sig. (2-tailed)	5.07	.580	.329*	.305*	.202	.148	.381**	1				
7. Role Novelty Sig. (2-tailed)	4.42	.543	.314*	.047	.097	.127	.369	.342*	1			
8. Role Ambiguity Sig. (2-tailed)	4.98	.657	.430**	.231	-.164	.317	-.071	.243	.346	1		
9. Role Conflict Sig. (2-tailed)	4.36	.484	.348*	-.139	.294	-.034	.208	-.005	.108	-.046	1	
10. Role Discretion Sig. (2-tailed)	4.67	.674	.311*	.438**	.102	.468**	.040	.349*	-.041	.204	.023	1
			.038	.003	.505	.001	.794	.019	.787	.113	.880	

\* Correlation is significant at the 0.05 level (2-tailed).  
\*\* Correlation is significant at the 0.01 level (2-tailed).

TABLE 2: Summary of Multiple Regression Analysis for Work Adjustment

	R Square	Adjusted R Square	Standardized Coefficients $\beta$	t	Tolerance	VIF	F	Sig.
Work Adjustment Model 1	.185	.166	.403	3.123	1.000	1.000	9.750	.003
Ambiguity Model 2	.320	.288	.447	3.509	.998	1.002	8.375	.006
Conflict Model 3	.404	.360	.369	2.894	.998	1.002	5.743	.021
Ambiguity			.465	3.846	.994	1.006		.000
Conflict			.308	2.496	.956	1.046		.017
Support			.296	2.369	.953	1.049		.021

## RESULT

The data reveals that individual factors, social factors, and work factors appear to impact the expatriate's adjustment process. When Taiwanese are expatriated their first consideration was family because Taiwanese enjoyed family life. Therefore, family support and well adjustment were an important and positive influenced in work adjustment and an expatriate's intention to stay in the overseas assignment. However, previous knowledge and foreign experience did not correlated with work adjustment. It may infer that expatriates though they already knew the hot culture and work environment. They were ready for expatriate.

When the expatriate face lack of clarity or the level of uncertainty surrounding expectations about a single role, they feel a greater role of ambiguity, the degree of work adjustment to the specific job responsibilities will be less. When an expatriate experiences conflicting messages from the parent and local organizations, creating different expectations, demands, and objectives, the expatriate is less able to determine which message to ignore and which to follow, or execute the appropriate behaviors. These are effective factors for ensuring potential success in work adjustment; support and dealing with role conflict, and role ambiguity. These are, therefore, very important elements in determining whether the expatriate will succeed in his or her work adjustment.

## RECOMMENDATION

The findings suggest that the expatriate adjustment is an interaction of many issues involved in work adjustment at the overseas assignment. Individual factors found substantial criterion-related validity for work adjustment and intent to stay in oversea. Social factors are significantly related to expatriate work adjustment. These results suggest that firms may be well advised to implement policies and practices that provide host support and encouragement to transferees on the job and off the job.

With intentions of keeping expatriates well adjusted, support services are encourage providing appropriate introductions to the work environment regarding activities that are of interest to the expatriate. Equally important, is the establishment of relationships with the host colleagues. These are effective factors for ensuring potential success in work adjustment. Organizations need to consider not only the employee's capabilities to perform his/her work tasks, but also they need to assess his/her knowledge of the host country and their language proficiency. In addition, an expatriate's establishing relationship with host colleagues and family support should be taken into account.

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