Expatriate perceptions of the Role of Host Country Nationals in the Expatriate Adjustment Process

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Abbreviations

CCT	Cross-Cultural Training
HCN	Host Country National
HCW	Host Country Workforce
HRM	Human Resources Management
IHRM	International Human Resources Management
MNE	Multi National Enterprise
MNC	Multi National Corporation
OCB	Organizational Citizenship Behaviours
POS	Perceived Organizational Support
RD	Relative Deprivation
SEM	Structural Equation Modeling
SFE	Self-Initiated Foreign Work Experience
SIT	Social Identity Theory

Abstract

The research in this thesis builds on the framework of expatriate adjustment as developed by Black, Mendenhall and Oddou in 1991. In particular, it examines the perceived role of host country nationals in the expatriate adjustment process in a Thai context. Although Black et al.'s (1991) model of international adjustment has been established and validated in literature for over two decades, new variables from the social identity literature such as social categorization, cultural orientation and social citizenship behaviours have been found to affect social relationships and the adjustment process that expatriates experience. The Black et al. (1991) framework therefore now appears to be incomplete. The research uses a sequential mixed model research approach with a quantitative study being conducted first followed by qualitative research. In the quantitative phase a conceptual model was tested through structural equation modeling. In the qualitative phase the quantitative findings were elaborated through an interpretive interactionism perspective. The findings contribute to theory by identifying (1) a relationship between Organizational Citizenship Behaviours, social categorization and adjustment, (2) identifying relationships between contextual variables (e.g. salary discrepancies), social categorization and expatriate adjustment, (3) allocating a role in expatriate adjustment to organizational identification, experienced justice, organizational support, value dissimilarities and ethnocentrism. The findings demonstrate the relevance of the perceived role of host country nationals in expatriate adjustment. As well, they argue for the inclusion of Social Identity Theory into models of expatriate adjustment and suggest significant potential for improvement of the expatriate adjustment process.

“I declare that this thesis does not incorporate without acknowledgement any material previously submitted for a degree or diploma in any university and that to the best of my knowledge it does not contain any materials previously published or written by another person except where due reference is made in the text”.

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Chapter 1

Introduction

Although expatriation has been studied for over four decades now, the challenge of the management of expatriates seems more urgent and important than ever before because of the wide array of issues brought with globalization and international expansion (Baruch & Altman, 2002). The one element that distinguishes expatriate jobs from other jobs with high complexity and high responsibility is the added complexity of the intercultural environment which causes adjustment issues for both expatriate and family. In this study the expatriate is then defined as 'employees of business and government organizations who are sent by their organization to a related unit in a country which is different from their own, to accomplish a job or organization-related goal for a pre-designated temporary time period of usually more than six months and less than five years in one term' (Aycan & Kanungo, 1997, p.250).

The failure rate of expatriates on assignment has remained high over the last few decades and is a significant financial cost for Multi National Corporations (MNCs). Costs of expatriate failure have been estimated to vary between $55,000 and $250,000 per instance but more extreme figures such as $1,000,000 as costs for the early termination of just one expatriate have been noted as well (Shaffer & Harrison, 1999). Overall, financial costs of failed expatriate assignments have been estimated between $2 and $2.5 billion (Jun, Gentry & Hyun, 2001).

Estimates of failure rates vary, but a recent literature review noted that more than 30% of US and 28% of UK corporate overseas assignments fail (Baruch & Altman, 2002). Baruch and Altman note that these figures are not caused by a lack of funding or market experience. Failure rates may be related to the perceived 'difficulty of adjustment' in a geographic region.

For instance, recent research suggests that the failure rate for China could be twice that of other countries (Erbacher, D'Netto & Espana, 2006).

As well as direct financial costs, indirect, non-quantifiable costs such as damage to expatriates' careers and reputation and loss of good will, relations and business opportunities can all accrue with premature return from expatriate assignments (Bell & Harrison, 1996).

It is possible that premature return is only part of the story about costs. A more insidious form of failure could exist with expatriates who remain on the job but who also withdraw psychologically and thus contribute significant damage to organizations by not working to their fullest potential and as required. As well, the loss of valuable personnel has also been found to occur after repatriation (Black & Mendenhall, 1989). Baruch & Altman (2002) found that about 50% of personnel left a financial services company within a few years following the return to their home country. The increasing internationalization of business through joint ventures, strategic alliances and international subsidiaries resulted in increasing numbers of expatriates (Gregersen, Morrison & Black, 1998). Both financial and non-quantifiable costs of failure and increasing numbers of expatriate suggest attention to expatriate adjustment remains appropriate and necessary.

Many of the variables that impact upon the expatriate adjustment process have received considerable scholarly attention. However, it has been noted in recent literature that the role of host country nationals (HCNs) in expatriate adjustment continues to be neglected in the literature on expatriation (Toh, Varma & DeNisi, 2004). The HCN is defined as an organizational member who originates from the host country (in the context of the current research a co-worker or subordinate). Toh et al. (2004) observed that HCNs may consciously or subconsciously discriminate against expatriates by withholding vital information, keeping their distance, resisting suggestions from the expatriate, and, less frequently, even engaging in hostile behaviour towards expatriates. On the other hand, studies have also consistently

found significant positive effects of co-worker and local mentoring relationships on both expatriate adjustment and adjustment outcomes (Caligiuri, 2000; Feldman & Bolino, 1999; Kraimer, Wayne & Jaworski, 2001). Taken together, both these sets of findings emphasize the likely importance of the perceived role of HCNs in intercultural interaction and in expatriate adjustment. Toh et al. (2004) particularly emphasized the role of self categorization processes in expatriate adjustment and Organizational Citizenship Behaviours. Social support and provision of role information was suggested to play a role in expatriate adjustment as well. Both variables allocate a role to host country nationals in expatriate adjustment.

However, typically there seems to be little perceived importance of the role of host country nationals in expatriate adjustment. Baruch and Altman (2002) for instance state that successful expatriation assignments rely on four elements: the selection of the candidates, pre-arrival preparation for both expatriate and family, the provided support and possibility to keep in touch with the home organization while on an expatriate assignment, and the repatriation arrangements after completion of the assignment. The core character of these four elements may be found in the expatriates themselves. Any consideration of variables that lie outside of the expatriate's control seems absent.

In light of the absence of attention to the role of HCNs in expatriate adjustment and the continuing problem of expatriate maladjustment, this thesis focused on expatriate perceptions of the role of host country nationals in the expatriate adjustment process. The context was Thailand. There is limited literature available on research on expatriation in Thai contexts. Literature suggests the Thai context is appropriate in that (a) different perceptions of deadlines exist, (b) perceptions of loyalty are different from Western viewpoints, (c) perceptions of legitimate use of power are unique and (d) management practices such as delegation, accountability, motivation, teamwork, rewards and performance evaluation are interpreted different from western perspectives (Holmes & Tangtongtavy, 1996).

. The perceived role of HCNs was viewed from perspectives such as Organizational Citizenship Behaviours, social support, cultural orientation, value and pay discrepancies between expatriates and HCNs, ethnocentric attitudes, experienced justice and perceived organizational support. The findings contribute to a better understanding of expatriate adjustment and confirm the relevance of the perceived role of host country nationals in expatriate adjustment.

Comprehensive knowledge about the role of HCNs in expatriate adjustment has the potential to contribute to a better understanding of variables which affect costly employee turnover as well as improve organizational performance in the continually expanding field of international business. Aside from the above practical benefits, this research contributes to theory building by adding to the established framework of expatriate adjustment as developed by Black et al. (1991). A central goal in this research is to attain theoretical clarity regarding the proposed role of host country nationals in expatriate adjustment.

The next section briefly introduces expatriation as well as the array of variables related to expatriate adjustment. A more extensive review of the literature will be presented in Chapter 2.

1.1 International Work Assignments and Expatriation: An Introduction

Although there was some initial research in the late 1970s, in the last decade the expatriate adjustment process has become the focus of extensive research interest and this is reflected in a growing body of literature on International Human Resources Management. The need for a framework in the field and systematic data was recognized by Brewster (1991, p.108). He concluded that most of the literature on expatriate acculturation and adjustment focuses on the adjustment process which expatriates, their spouses and children experience

after relocating to a different country. Although adjustment is a key factor to the experience that the expatriate gains in foreign assignments, Brewster stressed that 'there is little general, cohesive data on the overall process.' However, one framework on international adjustment (Black et al., 1991; see Figure 1) has been researched extensively and consistently in the last decade and has been validated by meta-analytic studies (e.g. see Bhaskar-Shrinivas, Harrison, Shaffer & Luk., 2004).

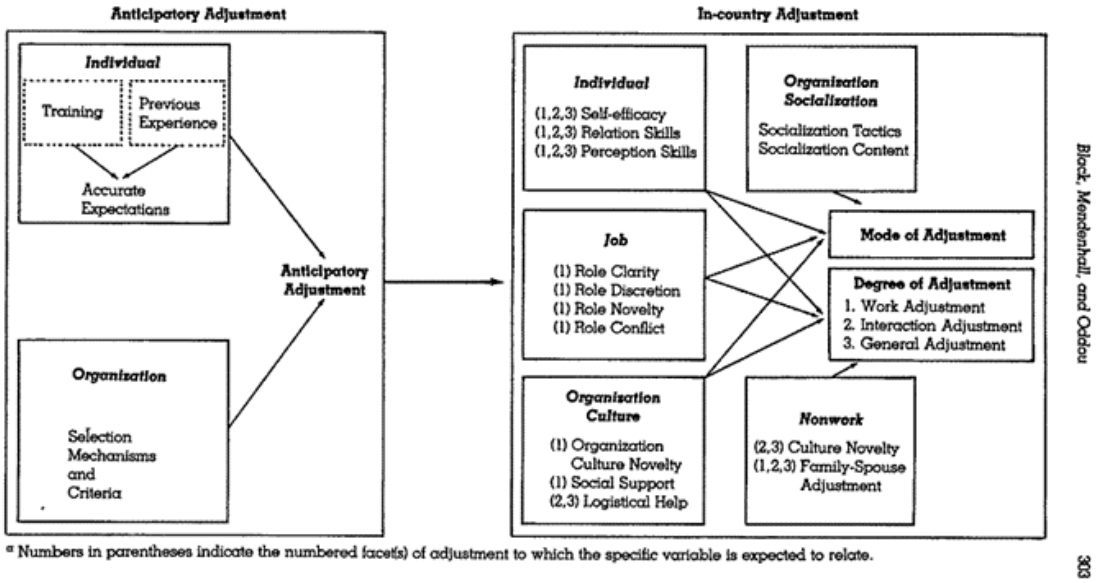


Figure 1: Framework of International Adjustment. (Black et al., 1991, p. 301)

The framework for international adjustment developed by Black et al., (1991) uses integrated multiple theoretical perspectives. Although Black et al. (1991) found early indicators of the unique role that host country nationals can play in the expatriate adjustment process, they did not use these indicators in their framework of international adjustment. They were, however, among the first to examine expatriate work adjustment while providing a link with domestic work adjustment. Previously these strands had been considered separately.

Black et al. (1991) noted five dimensions in research on cross-cultural adjustment in their literature review: (1) pre-departure training, (2) previous overseas experience, (3) organizational selection procedures, (4) individual skills, and lastly (5) non-work factors. Aside from the above-mentioned link to domestic work adjustment, the following themes were observed:

(1) Pre-departure training. There was a positive relationship between adjustment and training.

(2) Previous overseas experience. The role of previous overseas experience was not clear, and the nature and relationship of factors interacting in relation to previous experience had not been determined at that time.

(3) Organizational selection procedures. Until the late 1980s the key selection criterion for expatriates was the quality of technical skills that potential expatriate staff possessed. The possession of cross-cultural skills was found to be relevant only by 5% of companies (Tung, 1981 in Black et al., 1991).

(4) Individual skills. Individual skills in the model encompass relationship skills and a perception dimension. The perception dimension is concerned with expatriates' abilities to correctly perceive the host country environment and players in this field. This perspective only puts emphasis on the expatriate's perception of how to interpret host country national actions. That host country nationals might actively affect expatriate evaluation of events remained essentially unconsidered.

(5) Non work factors. The two major non-work factors were the novelty of the culture and the adjustment of spouse and family of the expatriate. Black et al. (1991) further categorized these into pre-departure and post-arrival variables.

The domestic workplace adjustment literature embraces different themes to those just described for expatriate adjustment. It has drawn on the socialization and sensemaking literatures (e.g. Glanz, Williams & Hoeksema, 2001) which emphasized anticipatory

adjustment arrangements, thus highlighting the role of expectations in adjustment. As well, the work role transition literature and relocation literature emphasized the importance of job-related variables, and organizational socialization tactics had further been found as antecedents to mode of adjustment.

The common denominator in both domestic and international adjustment research is that individuals leave a known environment for an unknown environment. Black et al.'s (1991) major framework of cross-cultural adjustment (see Figure 1), added the organizational socialization processes to the expatriate adjustment process. Together with individual characteristics, indicators were established in the expatriate adjustment process for the role of others than the expatriates themselves. However, it took a number of years before the role of HCNs in the expatriate adjustment process received any attention (Florkowski & Fogel, 1999).

This thesis is a contribution in this area. The purpose of the following section is to outline how the Black et al. (1991) model has been used as a basis for an extended model of expatriate adjustment which allocates a role to HCNs in this adjustment.

1.2 The Research Question and an Extended Model of Expatriate Adjustment

The research question builds on the importance of HCN related factors in the expatriate acculturation process. The impact of the role of the host culture on expatriates has been neglected in literature and deserves further investigation (Ward & Kennedy, 1993). The aim to attain theoretical clarity regarding this proposed role in which various psychological domains interact is a key factor in this research. For instance, social identity and intergroup relations have been mostly overlooked as being significant factors in predicting behaviour, attitudes, and perceptions among HCNs and expatriates (Toh & DeNisi, 2003). Accordingly,

the central research question: ‘How do expatriate perceptions of the role of HCNs affect their adjustment process?’ was developed. The verification of a conceptual model developed in this thesis research forms the basis of an extension of Black et al.’s (1991) model of international adjustment and aims to inform the central research question.

After consideration of the literature, the research question was approached in two ways. The first was to propose a modified model of expatriate adjustment which included scales relating to the perceived role of HCNs and domains such as Social Identity Theory and to test this new model’s validity quantitatively. The second approach to the general question of the perceived role of HCNs in expatriate adjustment was to interview expatriates specifically about the perceived role of HCNs in their adjustment experiences. The interview data was treated qualitatively to provide themes relating to the perceived role of HCNs in expatriate adjustment.

Figure 2 presents the conceptual model which emanated from the extensive review of the perceived role of HCNs in the expatriate adjustment process as presented in the next chapter. This model draws on the already presented (see Figure 1) Black, Mendenhall and Oddou comprehensive model of (in-country) international adjustment. However, in addition it incorporates variables specifically relating to the perceived role of HCNs in the expatriate adjustment process.

In the model, the various independent variables that relate to the dependent variable ‘expatriate adjustment’ are listed on the left side. These are identified in sections 2.3 and 2.4 and include personal characteristics, interpersonal interaction, outgroup categorization, cultural orientation, organizational identification, experienced justice, role conflict, general adjustment, ethnocentrism, value dissimilarity, work role discretion, intent to finish the expatriate assignment, organizational socialization, salary discrepancies, perceived organizational support and Organizational Citizenship Behaviours.

The development of the hypotheses (H1 – H11b in Figure 2) in regard to model components that led to the development of this preliminary proposed model of expatriate adjustment is presented in full in Chapter 3 (Conceptual framework of a revised expatriate adjustment/acculturation model).

As with all research, there are limitations to the interpretation of results that need to be considered. A key limitation in research may exist in common methods bias. Common methods bias occurs when the measurement technique affects the observations that are being gathered and is observed in both quantitative and qualitative studies. However, the use of mixed methods in this thesis research may help drawing more valid conclusions from the data (Doty and Glick, 1998). A limitation of scope of the thesis was that it focused on expatriate perceptions and did not include data sourcing from HCNs.

The next section (Section 1.3) outlines the thesis structure and content.

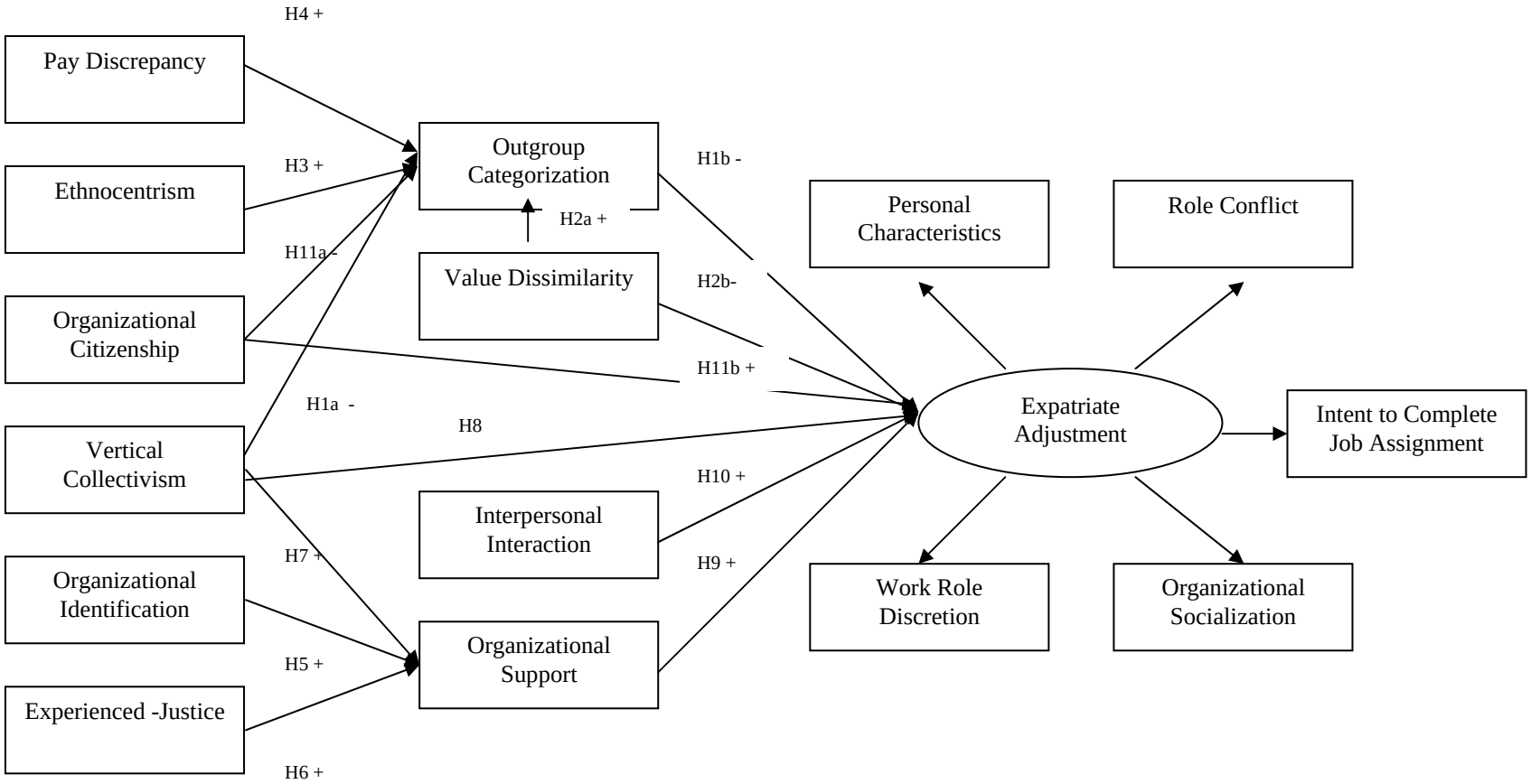


Figure 2: Proposed Model Linking Social and Psychological Variables to the Expatriate Adjustment Construc

1.3 Thesis Outline

The thesis has seven chapters. The structure of the thesis is outlined in Figure 3.

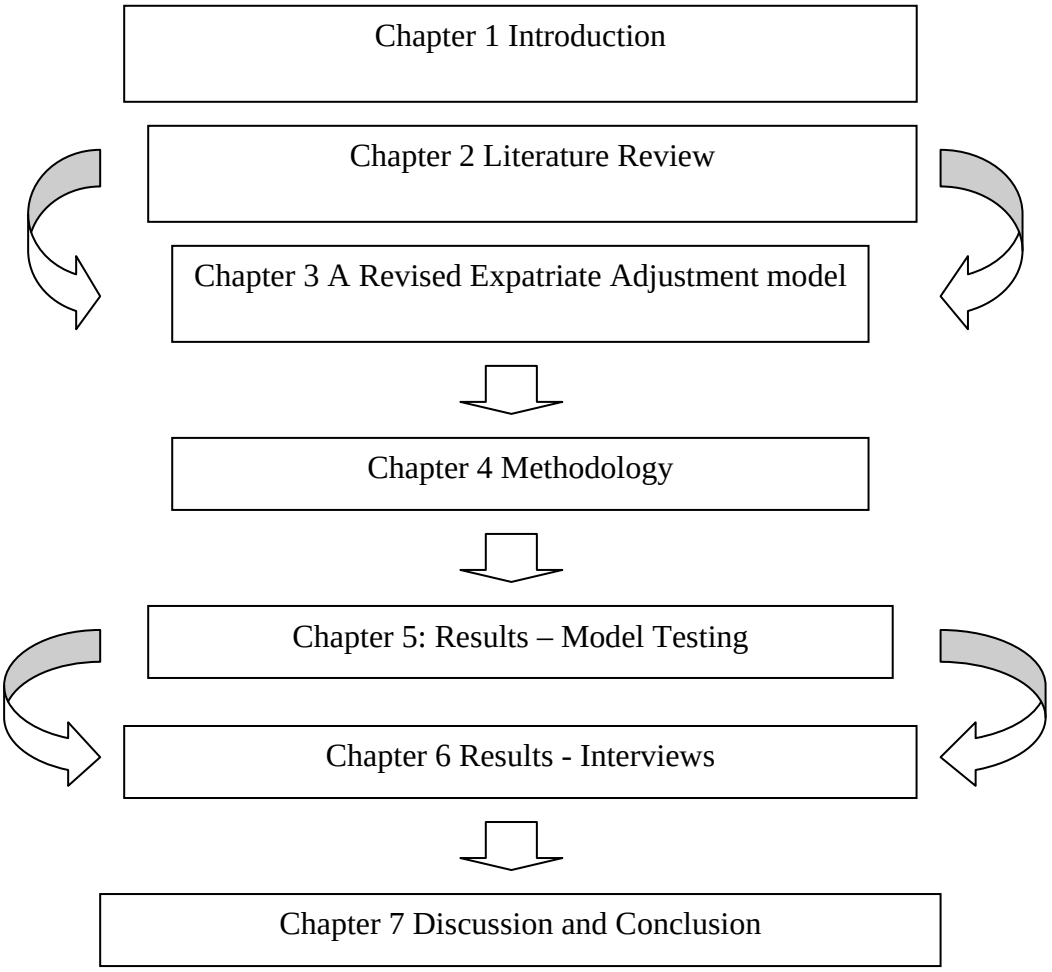


Figure 3: Thesis Outline

This chapter, Chapter 1, provides a brief introduction to the research. The profound problem of expatriate maladjustment is identified. Within the overall adjustment field, an argument is made for a particular research focus on the role of HCNs in expatriate adjustment. This is an area that has been described as a 'missing link' in the literature (Lueke & Svyantek, 2000)

Chapter 2 reviews the literature on expatriation and expatriate adjustment and, additionally, it reviews literature on social identity processes (e.g. Social Categorization Theory), which allocates a role to host country nationals in the expatriate adjustment process. The main argument put forward in Chapter 2 is that psychological processes that relate to Social Identity Theory are relevant in expatriate adjustment. Understanding social interactions between actors from different cultural backgrounds may lead to improved knowledge of the expatriate adjustment process. As well, a rationale for the selection of Black et al.'s (1991) model of international adjustment as the foundation of this research is presented.

Chapter 3 describes the development of a conceptual framework for expatriate adjustment. The conceptual framework links social and psychological variables to the construct of expatriate adjustment. In particular, links are proposed between vertical collectivism traits of expatriates and their adjustment, outgroup categorization, value dissimilarity, perceived host ethnocentrism, pay discrepancies and expatriate adjustment. As well, it is hypothesized that perceived organizational support and Organizational Citizenship Behaviours are linked to expatriate adjustment.

Chapter 4 explains the methodological approaches that were used. A justification for pragmatic knowledge claims and sequential mixed model research design is initially provided followed by a justification of data analysis choices and methods. As well, the procedures for data collection and development of the questionnaire instrument and qualitative content analysis are described.

Chapter 5 presents the evaluation of the measurement instruments and the results of model tests. Structural model parameters are presented and a rationale for alterations to the conceptual model is provided. Finally, a model is presented that allocates a role to host

country nationals in the expatriate adjustment process. This final model provides an indication of how HCNs affect the adjustment process of expatriates.

Chapter 6 presents the results of the qualitative data analyses and identifies the particular significance of the role of value dissimilarities, ethnocentrism, salary discrepancies and social interaction in expatriate adjustment.

Chapter 7 discusses findings with respect to new knowledge derived from this research and addresses limitations. As well, it presents suggestions for further research. Contributions include the extension of Black et al.'s (1991) model of international adjustment by (1) identifying an interaction between social categorization and adjustment, (2) proposing interaction between contextual variables (e.g. salary discrepancies), social categorization and expatriate adjustment, (3) proposing an interaction between Organizational Citizenship Behaviours, social categorization processes and expatriate adjustment and (4) by identifying variables that affect interpersonal interaction and, hence, also expatriate adjustment. Suggestions for further research refer in particular to the role of value dissimilarities, training, social categorization and expatriates' cultural traits on expatriate adjustment.

1.4 Conclusion

This chapter has identified the need for a research focus on the role of HCNs in the expatriate adjustment process. The intention to build on an existing adjustment framework is signalled. An outline of the contributions of a better understanding of this topic to theory and practice is also provided. The thesis structure is briefly described. The next chapter provides a literature background for the research undertaken.

Chapter 2

Literature Review

In this chapter the adequacy of traditionally established variables of relevance to expatriate success in international work assignments is critically reviewed. Both newer and established perspectives on the variables affecting expatriate adjustment are described and evaluated. This process culminates in the presentation of a proposed framework of international adjustment which forms the basis of the research agenda for this thesis.

2.1 International Work Assignments and Expatriation: An Introduction

This section defines expatriation and various recent variations on the traditional perception of expatriation.

Expatriation is generally defined as international assignments with significant duration (Suutari & Brewster, 2001), which is the operating definition of expatriation in this thesis research. Similarly, Mendenhall and Wiley (1994) define an expatriate as an individual who leaves one's country of birth to take up residence in another country. Traditionally expatriates would be sent by an overseas company, however, increasingly there are many expatriates who are termed SFEs ('self initiated foreign work experience,' Fu, Shaffer, & Harrison, 2005). Fu et al. (2005) suggest that these self-initiated foreign workers (SFEs) are generally not employees of multinational enterprises. Instead of being assigned a position abroad, they pursue overseas career goals on their own initiative. This initiative results often in having to pay one's own relocation expenses and receiving a lower salary, as well as having no traditional career path to look forward to. Although this category of foreign worker does not fall within the traditional definition of the expatriate, it has become a reality that part of every sample of expatriates will consist of those who self-initiate their foreign work

experience. As well, the duration of expatriation may have important implications for expatriate commitment and adjustment. A short-term assignee may not find it necessary to adjust, learn the local language, whereas a long-term assignee should put in more effort in order to make the long-term stay enjoyable.

With continuing globalization, companies are increasingly likely to send employees on overseas work assignments (Bolino & Feldman, 2000; Andreason, 2003).

From a company perspective, there are various reasons why expatriation may be desirable. These reasons are:

- The view that international experiences are a prerequisite for higher-level management positions in international companies (Suutari & Burch, 2001; Andreason, 2003).
- A real or perceived lack of available local management talent and skills in the target country (Edstrom & Galbraith, 1977).
- The control objective, where expatriates are perceived to stand closer to the organization than employed local staff (Suutari & Brewster, 2001; Andreason, 2003; Edstrom & Galbraith, 1977).
- Representational purposes as well as management development purposes (Suutari & Brewster, 2001, p. 555).
- Management and organization development goals (Vance & Paik, 2005; Andreason, 2003; Edstrom & Galbraith, 1977).
- Ethnocentric perspectives in the organization's human resource management (Fish, 1999).

From an expatriate perspective there are other motivators for engaging in expatriate service. Expatriates cited personal growth, higher compensation packages and the cross-

cultural adventure as main influences on their decision to accept an overseas assignment (Paik, Segaud, & Malinowski, 2002). Although the deployment of HCNs in foreign operations has increased, an increase in sending parent country nationals as expatriates abroad has been noted as well (Paik et al., 2002).

Expatriates tend to be predominantly male, although the numbers of female expatriates is increasing gradually (Glanz, van der Sluis, 2001; GMAC, 2005). Linehan & Scullion (2001) cite figures for female participation in expatriate assignments ranging from 2% to 14%. BGRS (2009) cite in their 2009 survey report female participation of 20% against a historical average of 16%.

Working in a foreign culture involves not only adjusting to cross-cultural differences at work but also adjusting to the international experience outside of work (Black et al., 1991). Black et al. (1991) were among the first to establish a multifaceted picture of the expatriate adjustment process. The bulk of this chapter is devoted to dealing with the variables at play in expatriate adjustment. The following sections build on the adjustment process and provides an introduction to expatriate failure, success and adjustment.

2.1.1 Expatriate Failure

Expatriate failure is defined in the literature in a variety of ways encompassing intentions to leave caused by a variety of reasons, e.g. cultural adjustment, poor management and productivity, coping with stress and relational capabilities (Black, 1988, Tung, 1987). Bhaskar-Shrinivas et al. (2005, p.273) related performance and adjustment to withdrawal decisions and concluded in their meta-analytic study of 8,474 expatriates in 66 studies that cultural adjustment is “perhaps the strongest determinant of disengagement and withdrawal decisions.” They established a clear relationship between levels of adjustment and overall

performance. Low levels of adjustment could indicate culture shock, which may be caused by the loss of familiar signs and symbols of social intercourse (Oberg, 1960). Culture shock has been found to impact negatively on expatriates' satisfaction and performance (Black et al., 1991). See section 2.1.6 for a more extensive discussion on culture shock.

Failure in expatriate appointments can be very costly for the organization and for the individual as well (see Chapter 1 for estimates). Personal effects include for example reduced self-esteem, willingness to support other expatriates, ego and reputation which may affect careers (Takeuchi, Tesluk, Yun, & Lepak, 2005). It has also been observed that employees who fail in an overseas assignment have more difficulty in adjusting to corporate structures when back at home (Cavusgill, Yavas & Bykowicz, 1992 in Yavas & Bodur, 1999).

Ineffective expatriate performance and premature returns are linked to maladjustment, rather than a lack of technical competence (Shaffer, Harrison, Gregersen, Black & Ferzandi, 2006). This provides a strong argument to reconsider the relevance of technical expertise in expatriate performance. However, it should be noted that neither practitioners nor scholars have been consistent in their definitions of expatriate effectiveness (Harrison, Shaffer & Bhaskar, 2004; Ones & Viswesvaran, 1997, in Shaffer et al., 2006). According to a recent review by Mendenhall et al. (2001: 156, in Liu & Shaffer, 2005) past studies of expatriate effectiveness have focused largely on four broad theoretical areas: (1) learning, (2) stress-coping, (3) developmental and (4) personality-based theories. The lack of cultural empathy or sensitivity (categorized under 4), which refers to the ability to project an interest in others and to accurately reflect others' thoughts and feelings, has been recognized as an important input to maladjustment and failure.

2.1.2 Expatriate Success

The notion of success for expatriates in early nineties literature was related to successful completion of the assignment. After completion and repatriation, it was not considered relevant whether the expatriate soon left the organisation (Holopainen & Björkman, 2005). Success and effectiveness were often intertwined in early research. In terms of effectiveness, Black et al. (1991) proposed that self, relationship, and perceptual dimensions are important.

Jordan and Cartwright (1998) define success as successful cultural adjustment that leads to personal growth as well as observable high performance at work. As well, they suggest that adjustment is both subjective and linked to psychological processes and thus relates to changes in individuals that they may actively desire or passively accept. The acceptance of changes is ideally aimed at achieving some kind of satisfaction with themselves.

Gabel, Dolan & Cerdin. (2005) provided a broad perspective and considered four different success indicators at the individual level: (1) cross-cultural adjustment, (2) performance evaluation, (3) complete full term of the assignment and 4) life satisfaction. Harrison and Shaffer (2005) conceptualize expatriate performance in terms of task completion, relationship building and overall performance. These three dimensions are moderated by various features of effort regulation, personal resources and behaviours that the expatriate exhibits that constitute his or her position. Noteworthy in terms of this research is the notion that relationship building provides a link with HCNs and, at the same time, is linked to expatriate performance.

Expatriate effectiveness has also been explored from a social interaction perspective, particularly in regard to HCNs (Caligiuri, 1997, 2000; Shaffer & Harrison, 2001; Varma & Stroh, 2001). However, the question how expatriates interact with HCNs in particular socio-

cultural structures and how these cross-cultural interactions affect expatriate adjustment and performance has been largely ignored. Liu and Shaffer (2005) note the absence of systematic efforts to understand the influence of social interactions on expatriate success. Indications of proposed relevance have been noted. For instance, Fisher and Härtel (2003) looked at relationships between HCNs and expatriates and found that poor performance of expatriates disrupts relationships between western and local staff. They were among the first to relate poor expatriate performance to a HCN context. As well, a failure to develop and maintain good relationships with HCN colleagues was noted by Harrison and Shaffer (2005). They suggest maladjustment as a prime cause for this phenomenon. Maladjustment is said to take the form of withdrawing psychologically from the assignment, or from the job, or taking longer to become competent at work.

Andreason's (2003b) definition of successful expatriate managers also relates to HCNs. Successful managers have, according to Andreason: (1) a willingness to communicate with local people, (2) a broad sociability in terms of establishing ties with host country nationals, (3) cultural flexibility, (4) a cosmopolitan orientation and (5) a collaborative negotiation style. The notion of cross-cultural sociability as well as ability and motivation for cross-cultural communication may hold implications for expatriate selection processes. It emphasizes the notion that HCNs play a central role in the success of expatriates.

Another perspective on expatriate success comes from the social capital literature (Liu & Shaffer, 2005; see Figure 4). The concept of social capital is based on relationships and personal networks between social actors, including in expatriation, HCNs.

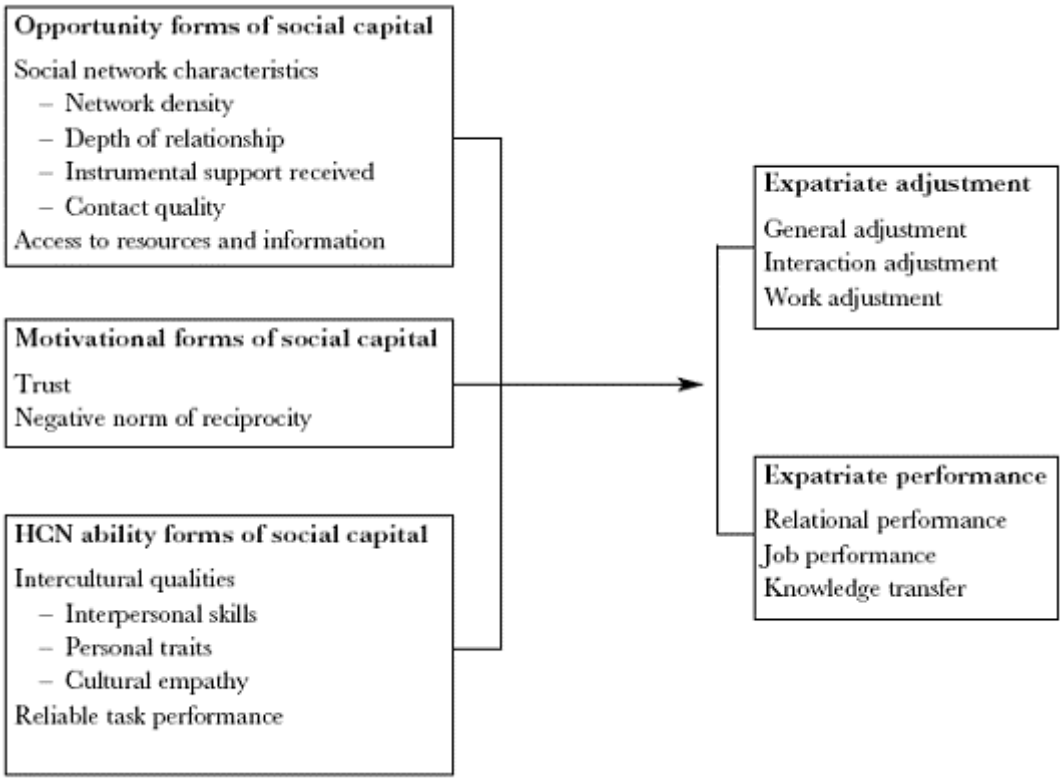


Figure 4: A Social Capital Model of Expatriate Adjustment and Performance (Liu & Shaffer, 2005, p. 238).

The model predicts that access to various forms of social capital, such as social networks, information and resources, trust and norms of reciprocity (motivation) and HCNs' intercultural competencies, task performance as well as reliability of performance, will directly affect expatriate adjustment and performance (Liu & Shaffer, 2005). Liu and Shaffer build on Caligiuri's (1997) definition of expatriate performance in their model and conceptualize expatriate performance in terms of relations, job and knowledge transfer (Caligiuri, 1997; Harrison & Shaffer, 2001).

Liu and Shaffer were the first scholars to explicitly list HCN related factors and intercultural qualities in a framework. By doing so they created a new perspective for expatriate effectiveness. Nevertheless, the social capital variables were relatively weak for adjustment (but strong predictors of expatriate performance). Two aspects of HCN ability,

HCN interpersonal skills and HCN cultural empathy, were strong inputs to expatriate effectiveness.

Additional indicators of expatriate success also appear to exist. Andreason (2003b), for instance, lists the inability of the spouse to adjust as the most frequent reason for premature expatriate return. As well, Jassawalla Truglia & Garvey (2004) regard outcomes of poor cross-cultural adjustment such as uncertainty and frustration as a main reason for the premature return of expatriates, whilst the importance of communication ability was identified by Holopainen and Björkman (2005). Harrison and Shaffer (2005) assess effort in terms of withdrawal cognitions, passive task neglect and active task avoidance, time to proficiency and leader-team exchanges. Proposing that effort regulation would be a function of three forms of adjustment (cultural, interaction and work) – links effort to expatriate adjustment. The recognition of linkages between adjustment, effort and performance dimensions therefore seems an important part of any consideration of what constitutes expatriate performance.

In summary, there are wide ranging perspectives on what constitutes expatriate success and successful adjustment. Several variables have been found to affect it, in particular the expatriate adjustment process. As well, recent research points towards the important role of HCNs in expatriate adjustment and success. The next section provides an introduction to expatriate adjustment and reviews the literature on work adjustment.

2.1.3 Theory of Work Adjustment: An Overview

The prime concern in this thesis is the adjustment that expatriates experience when working across geographical and cultural boundaries, and therefore the treatment of the domestic work adjustment literature that is provided here plays an introductory but important

role. The common and underlying denominator in literature on domestic and international adjustment is that individuals enter unfamiliar settings and undergo a transition process.

Work adjustment theory has evolved over the last three decades but is essentially based on the idea of a 'fit' between an individual and his or her environment (Davis & Lofquist, 1984). It is relevant to expatriate adjustment because expatriates need to make ongoing adjustments between themselves and the work environment. Adjustment from this perspective is not a finished process but one that evolves over time.

Although a 'fit' between an individual and the work environment has been linked to general work adjustment, the concept of fit between individual and environment is applicable to expatriate assignments as well. This was recognized by Black et al. (1991) who observed that literature on socialization and work role adjustment generally focussed on the mode of adjustment as an outcome of interest, whereas the sensemaking literature focused more on the degree of adjustment. The sensemaking perspective suggests that individuals make anticipatory adjustments before actually encountering a new situation. That is, the expectations of individuals before they enter new situations are a vital aspect of this sensemaking perspective. Black et al. (1991) also included the role of expectations in their model (see Figure 5) which links expectations to after-entry adjustment.

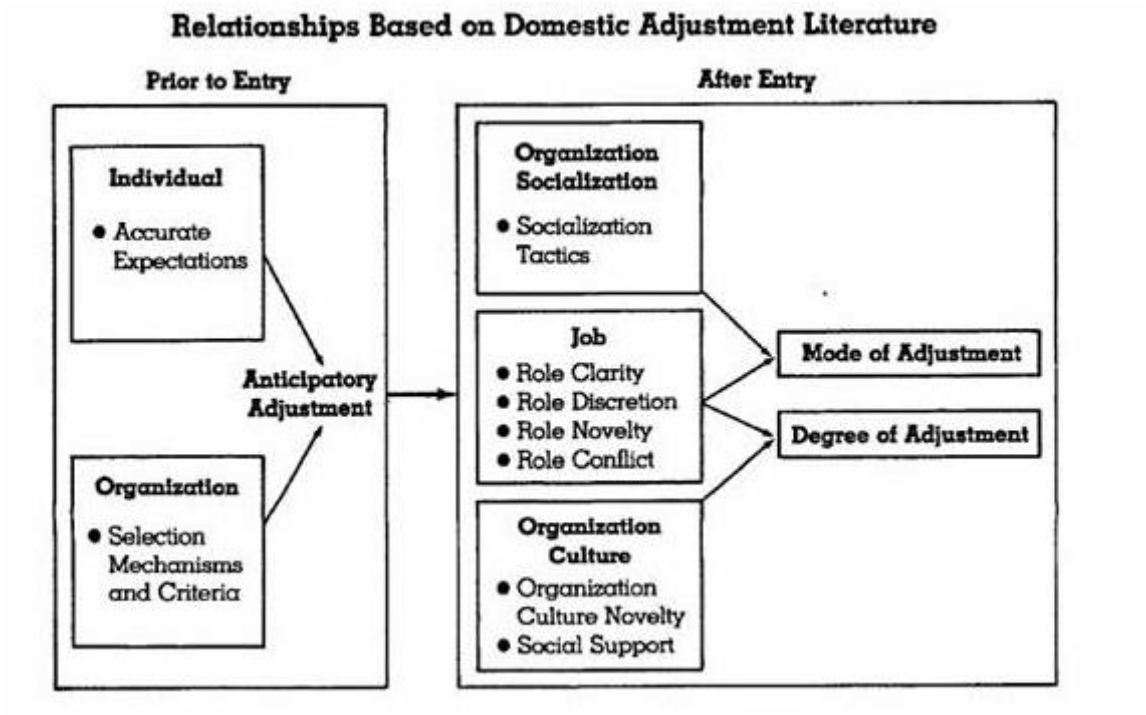


Figure 5: Relationships based on Domestic Adjustment Literature (Black et al., 1991, p.302).

In the model, expectations prior to starting a new expatriate role are included at the top left. Expectations, of course, may not be entirely accurate and, therefore, there is the likelihood of mismatches with reality. The model also indicates socialization tactics as a means to accommodate adjustment. Various job-related variables (that will be presented in more detail in later sections) emphasize for instance the 'control' that individuals may have in a new position as well as other aspects such as the degree of difference between new and previous positions. The outcome of adjustment is specified as mode and degree of adjustment.

General work role adjustment has been related to job variables. For instance, Feldman and Bolino (2000) emphasize the role of skill utilization in transition of work roles to new environments. The attached meaning of skill utilizations reflects the degree of match or congruence between an individual's skills as well as the opportunity to use these skills in a work role.

Although the transition of work roles to new environments is a major link between research on expatriation and domestic literature on work adjustment, the recent literature continues to differentiate between literature on domestic Human Resource Management and International Human Resource Management.

The next section (Section 2.1.4) reviews the adjustment challenges faced by expatriates.

2.1.4 Expatriate Work Adjustment

This section begins with a consideration of the early literature on expatriate adjustment and demonstrates the development of the current multidimensional concept of expatriate adjustment. This multidimensionality ultimately leads to the conceptual framework of expatriate adjustment that forms the foundation of this research.

Various terms have been used for expatriate adjustment. For instance, it has also been termed acculturation (Mendenhall & Oddou, 1995), adaptation (Stening & Hammer, 1992), adaptation and adjustment (Black, 1990; Black and Gregersen, 1991; Black and Stephens, 1989; Feldman and Tompson, 1993). All of these conceptual interpretations are related to cross-cultural adjustment. As well, 'general adjustment' has been used as being synonymous to cross-cultural adjustment of the expatriate and 'involves the gradual development of familiarity, comfort, and proficiency regarding expected behaviour and the values and assumptions inherent in the new culture' (Black & Mendenhall, 1990, p.118).

Over time it has emerged that expatriate adjustment is a multi faceted construct. In particular, different perspectives on the role of psychological variables in expatriate adjustment have emerged, and since the late 1980s researchers have defined expatriate adjustment in terms of psychological (dis)comfort and conceptualized it as having three fundamental dimensions: work, general and interaction adjustment (Black, 1988).

Early conceptual acculturation models invariably brought up discrete aspects such as culture shock, role shock, culture fatigue as well as the 'subjective adjustment model' (Mendenhall & Oddou, 1986; Black et al., 1991; Jordan & Cartwright, 1998). Nowadays attention is more focused on behaviour that hinders acculturation. Mendenhall and Oddou (1986), building on their previous work, conceptualize cross-cultural adjustment as the degree of psychological adjustment that an individual experiences and the level of comfortableness felt in the new environment. They categorize individual skills into three dimensions (see Figure 6 below): (1) The self dimension, which holds skills that enable the expatriate to maintain his/her psychological wellbeing, mental health, self efficacy and effective stress management. (2) The relationship dimension, which encompasses skills necessary for maintaining effective relationships with host country nationals. (3) The perception dimension, which describes the expatriate's ability to perceive the host country environment and its actors not too subjectively.

A Three Dimensional Approach to Understanding Expatriate Acculturation

Factor 1 SELF-ORIENTATION	Factor 2 OTHERS-ORIENTATION	Factor 3 PERCEPTUAL-ORIENTATION
Stress Reduction	Relationship Skills	Flexible Attributions
Reinforcement Substitution	Willingness to Communicate	Broad Category Width
Physical Mobility	Non-verbal Communication	High Tolerance for Ambiguity
Technical Competence	Respect for Others	Being Non-judgmental
Dealing with Alienation	Empathy for Others	Being Open-Minded
Dealing with Isolation		Field-Independence
Realistic Expectations prior to departure		

Note: For a more in-depth discussion of these variables, see Mendenhall & Oddou, (1985); Oddou & Mendenhall (1984).

Figure 6: A Three Dimensional Approach to Understanding Expatriate Acculturation (Mendenhall & Oddou, 1985, p. 74).

The inclusion of various psychological variables in this model presented a new perspective on expatriate adjustment in the mid eighties. However, knowledge on work role

transitions in domestic adjustment literature was also found to be adaptable (see section 2.1.2) to the expatriate adjustment literature. This is reflected in conceptual models of expatriate adjustment such as Black et al.'s (1991) model of international adjustment.

Black (1988) suggested that there may be at least three facets of expatriate adjustment: (1) adjustment to work, (2) adjustment to interaction with HCNs, and (3) adjustment to the general environment. Black's factor analyses and observed mean differences confirmed that expatriate adjustment was not a unitary construct as had been previously thought. Harrison & Gilley (1999) in Shaffer & Joplin (2001) confirmed expatriate adjustment as being a three-dimensional construct, which refers to adjustment to the culture in general, to work, and interacting with host country nationals. Black's multiple component model continued to receive scholarly attention, and expatriate adjustment models were modified and new components added. Notably, Black et al. (1991, p. 239) found five dimensions as components of the expatriate acculturation process: '(1) pre departure training, (2) previous overseas experience, (3) organizational selection mechanisms, (4) individual skills and (5) non work factors.' The first three dimensions are relevant before expatriates leave their home country, and the last two become relevant when expatriates arrive at their foreign destination. Several individual level characteristics are further believed to affect cross-cultural adaptation (Yavas & Bodur, 1999). Among those most often cited (Yavas & Bodur, 1999) are a tolerance for ambiguity and stress (Stening & Hammer, 1992), non-ethnocentrism (Glanz, 2003; Stahl & Caligiuri, 2005), communication and interpersonal skills (Bolino & Feldman, 2000), language proficiency (Mendenhall & Oddou, 1985; Shaffer & Harrison, 2001), spousal support (Glanz & van der Sluis, 2001; Shaffer & Harrison, 2001; Shaffer, Harrison & Gilley l., 2001), prior experience in different cultures than one's own (Jun & Gentry, 2005; Zakaria, 2000; Bhaskar-Shrinivas, et al., 2004), predeparture knowledge (Takeuchi, Yun, & Russel., 2002; Black, 1988), marital status, education and age

(Florkowski & Fogel, 1999; Shaffer et al., 2006; Jordan & Cartwright, 1998). In summary, it is clear that expatriate adjustment is a multidimensional construct rather than a unitary one.

2.1.5 Individual Factors, the Personal Fit Perspective and Sensemaking

It is highly likely that expatriates will react in diverse ways when confronted with circumstances that are unusual for them (Fish, 2005). Andreason (2003) noted that some researchers question whether models of expatriate adjustment apply equally well to all expatriates, regardless of individual circumstances. Several individual factors appear to affect the adjustment process of expatriates as well as the way expatriates 'fit' in their new environment. For instance, Caligiuri (2000) found that the personality factors of extraversion, agreeableness and emotional stability were negatively related to the expatriates' desire to terminate their assignment, but that supervisory ratings of conscientiousness were positively related to the expatriates' performance. Various individual factors link to psychological and socio-cultural adjustment. Although Shaffer & Harrison (2001) support Black and Gregersen's (1991a, p.498) definition of overall adjustment as 'the degree of a person's psychological comfort,' it is clear that adjustment and being comfortable may be two different issues. This is reflected in the literature where there is differentiation between sociocultural and psychological adjustment (Selmer, 2005). Psychological adjustment is a subjective concept and refers to an individual's well-being in a new cultural environment, whereas sociocultural adjustment (intercultural interaction) relates to the ability to fit in (See Selmer, 2005, for more discussion). A 'fit' with the new environment then may result in easier adjustment.

The personal fit perspective suggests that the individual's unique response to a new cultural environment determines successful cultural adjustment. This perspective suggests

that the cultural similarity between home and host country may not be that relevant. Decisive is the individual's ability to fit into the host culture, as this results in successful adaptation (Jun & Gentry, 2005). How an individual fits into a new host culture may depend on how the individual perceives this new environment and reacts to it. Ward, Leong & Low et al. (2004) found no support for their cultural fit proposition, cultural congruence between HCN personality traits and sojourner was not related to psychological wellbeing in collectivist research settings (see Section 2.3.9 for a discussion on collectivist organizational culture).

Recent research (Glanz, 2003) investigated the latter from a sensemaking perspective. Glanz (2003) uses Weick's (1995) seven characteristics of sensemaking as a tool for framing expatriate stories in a sensemaking context. Sensemaking is generally referred to as the process whereby humans use conscious rational though to bring order in a complex and sometimes chaotic world. This concept seems to provide a workable framework to reduce uncertainty in perceived unstable international environments. Weick (1995) has developed his own concept by drawing together a number of social-psychological and sociological factors. His seven properties of sensemaking are a set of ideas with explanatory purpose: (1) identity construction, sensemaking as (2) retrospective, (3) enactive, (4) social and (5) ongoing; reliant on (6) extracted cues; and driven by (7) plausibility. Each of these properties is part of a whole framework, which must be considered as an entity, and individual properties are separable only for the purpose of exploration and explanation. The 'value' or 'weight' of each property does not seem entirely clear and it may vary across situations. Ellemers, Spears and Doosje (2002) analysed how social identity relates to identity threats. Sensemaking results in a behavioural response and is dependent upon the interaction with social context and which aspects of the self-identity are secure of threatened. New in this context is that the 'self' is involved, affect and action are relevant under conditions in which the self is threatened.

Although by adopting sensemaking Glanz (2003) explores new avenues in research on expatriation, further research on the role of sensemaking is warranted, not only in storytelling, but in organizational contexts related to expatriate adjustment as well.

Apart from individual factors, several job/task characteristics and organizational variables are also believed to also affect the expatriate acculturation process. Variables often cited include general training, role ambiguity, role discretion, role conflict, role overload and role novelty, organizational culture and size (see literature review in Yavas & Bodur, 1999). Yavas and Bodur further confirm the notion that well adjusted managers were more likely to have previous expatriate experiences, which fits with the noted relevance of individual factors for the expatriate adjustment process. An argument therefore could be made to base the selection of expatriates on individual characteristics that could possibly facilitate their adjustment process. Appropriate selection of expatriates may enable easier adjustment for expatriates to the foreign environment (the selection process of expatriates is reviewed in Section 2.3.1).

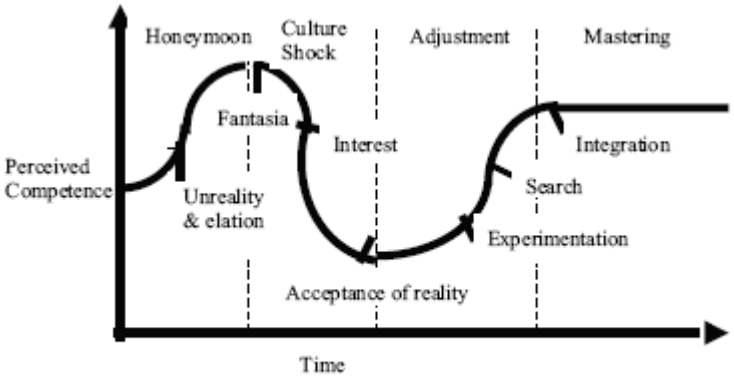
2.1.6 Adjustment as a Sequential Process

It is commonly suggested that adjustment unfolds over time and can be graphically depicted in a U shaped curve. The U-Curve hypothesis (as developed by Torbiron, 1982 and adopted by Black and Mendenhall, 1991, p.226) suggests that the expatriate adjustment process unfolds through four sequential stages. These four distinct phases in this U shaped curve consist of a Honeymoon stage, Disillusionment or culture shock stage, Adjustment stage and Mastery stage. This U-Curve is technically a time-series graph and relates

sequential stages of an expatriate's stay to functioning in the host country's culture. Black and Mendenhall (1991) describe these stages as follows:

Honeymoon stage: '*…individuals are fascinated by the new culture and are excited about all the new and interesting "sights and sounds*".'
Disillusionment or culture shock stage: '*….the individual must seriously cope with living in the new culture on a day-to-day basis*'.
Adjustment stage: '*… gradual adaptation to the new culture and learning how to behave appropriately according to the cultural norms of the host country*'.
Mastery stage: '*…. small incremental increases in the individual's ability to function effectively in the new culture*' (All quotes from Black and Mendenhall, 1991, p.226).

A recent working paper suggested that this U shaped curve of expatriate adjustment has been tested with no clear results achieved to date (Mohr and Klein, 2002). However, Bhaskar-Shrinivas (2004) supported the validity of the U-Curve hypothesis but observed that relatively little empirical research has looked into expatriate adjustment in terms of it being a sequential process. Bhaskar-Shrinivas (2004) added some nuances to the U-Curve hypothesis. It was found that the honeymoon period ended not after roughly two months as in previous research (Black & Mendenhall, 1991) but after having spent twelve months on assignment. Also, the U-Curve reached its deepest point after around three years on an expatriate assignment and then built until approximately a little over four years, which translates to the adjustment stage. Pires, Stanton and Ostenfeld (2006) provide an alternative view with their relocation transition curve by identifying seven key points in the expatriate adjustment process (unreality and elation, fantasia, interest, acceptance of reality, experimentation, search and integration). Figure 7 integrates the traditional and most recent view of the curve.



Source: by the authors drawing from the literature reviewed

Figure 7: U-curve and Integrated Relocation Transition Curve (Pires, Stanton & Ostenfeld, 2006, p. 159).

The U-curve and more recent cyclical depictions of the expatriate adjustment process are more a description of expatriate experiences than explanatory of what exactly causes these transitions.

It is suggested by Zakaria (2000) that previous expatriate experience may aid in the adjustment process. Adjustment further depends on expatriates' responsiveness to the environment and cycle. The concept of a 'cycle' translates again to the perception of adjustment being a staged process. The host environment plays a critical role in this cycle, and its characteristics may affect the duration of sequential stages in the expatriate adjustment process. The next section introduces the role of the host country nationals in the expatriate adjustment process.

2.1.7 The Perceived Role of Host Country Nationals

There is a degree of consensus now that adjustment problems are not 'owned' by expatriates (Florkowski & Fogel, 1999). This was earlier identified by Black et al. (1991) who found that HCNs played an essential role in the adjustment process of expatriates as sources of information regarding work, culture and organization. This role has been noted to

start in preparation phases for expatriate assignments. Harris and Brewster (1999, p. 226) observed that two-thirds of European organizations use informal arrangements for expatriates to meet HCNs as a preparation for expatriate assignments. Although this proposed role for cross-cultural interaction was considered important, it has been described as difficult. Adjustment to cross-cultural interaction with host country nationals is *'generally the most difficult of the three adjustment dimensions'* (Black et al., 1992, p.119). Florkowski and Fogel (1991) stress the importance of considering the attitudes and treatment by host country nationals in the expatriate adjustment process. They noted perceived host-country ethnocentrism, perceptions of persecution from the host environment, host units' unwillingness to accept foreign managers, host opposition and resistance towards expatriates (Florkowski & Fogel, 1991, p. 784). Jordan and Cartwright (1998) noted outright HCN hostility to outgroup members in their literature review but did not bridge this to social identity processes. For example, when expatriates could be perceived as being part of an ingroup instead of an outgroup, possible negative reactions could be avoided. The literature makes it reasonable to suggest links between expatriate adjustment and both social categorization and social identity processes. Both processes emphasize the role of a second party (in this case HCNs) in cross-cultural interaction.

Toh and DeNiSi (2007) were the first to publish a conceptual model that includes antecedents and consequences of socializing HCN behaviours. Their model allocates a role to salience of national identity and outgroup categorization of expatriates by HCNs. In particular, Toh and DeNisi (2007) propose that various situational factors could affect the HCNs' motivation to help incoming expatriates. These situational factors are suggested to moderate the relationship between outgroup categorization and the display of socializing behaviours. The adjustment construct in Toh & DeNisi's (2007) model focuses on Black's (1988) work and includes adjustment to three facets: (1) work; (2) interaction, and (3)

general. Toh and DeNisi's (2007) conceptual model centers around socializing behaviours on the parts of HCNs, This is a different approach from that adopted in this thesis research in which the focus is on expatriate perceptions of the potential role of HCNs in expatriate adjustment

The role of HCNs in expatriate adjustment has been recognized as under researched (Toh et al., 2004). The focus of this research on the perceived role of HCNs in expatriate adjustment is thus timely and also appropriate because it focuses on the most challenging aspect of intercultural interaction (Black et al., 1992, p.119).

To this point, an overview of current models of expatriate adjustment and their relevance to our understanding of expatriate adjustment processes has been provided. The observation that few scholars have explored variables related to the behaviours and attitudes of host country nationals in regard to expatriate adjustment is key to the focus of this thesis research. The next section explains the choice of Black et al.'s (1991) international adjustment model, despite its shortcomings, as the basis for the research undertaken in this thesis.

2.2 Rationale for the Selection of Black et al.'s (1991) Adjustment Model

The section explains the motivation for choosing Black et al.'s (1991) adjustment model as a foundation for this research. The selection is based on the established validity of the model.

Black et al.'s (1991) social/cultural adjustment model, which suggests that cross-cultural adjustment should be viewed as a multidimensional construct rather than a unitary phenomenon, has now become generally accepted among scholars in international HRM.

Three dimensions are often used: (1) social-cultural adjustment, the degree one engages in harmonious interpersonal relations with host country nationals; (2) work adjustment, the degree one fits into the local organization and its policies, procedures and work requirements, and (3) general adjustment to the daily environment, which refers to adjustments to daily living issues such as transportation, entertainment and food (Gabel et al., 2005).

A recent literature review suggests that Black et al.'s cross-cultural adjustment model (Figure 8) is the best known published theoretical model of expatriate adjustment (Suutari & Burch, (2001). Shaffer et al. (1999, in Andreason, 2003a) tested Black et al.'s (1991) model and focused on the following: (1) job factors, (2) organizational factors, (3) positional factors (4) non-work factors, and (5) individual factors. Shaffer et al.'s study provided convincing support, and empirical clarification of the Black et al. (1991) model of expatriate adjustment. Their factor analysis confirmed, first, that adjustment to international assignment has three major dimensions[1], and second, that a significantly improved fit was established when work-related factors were allowed to influence general adjustment. Shaffer et al. (1999) further confirmed that all antecedents proposed by Black et al. (1991) emerged as either significant or interactive on expatriate adjustment. Spouse adjustment was found the most important factor related to expatriate adjustment while role clarity, cultural novelty, language proficiency and previous overseas experience were all significantly related with expatriate adjustment. Of interest to the current research is the significant relationship of co-worker social support and expatriates' interaction adjustment, thus allocating a role for HCNs in expatriate adjustment (Shaffer et al., 1999).

More recent research (Bhaskar-Shrinivas et al., 2005) has also strongly supported Black, Mendenhall and Oddou's (1991) model of international adjustment. Bhaskar-Shrinivas et al. conducted meta-analyses of over 50 determinants using data from 8,474 expatriates in

[1] See Figure 8; the non work factors were initially not included by Black et al (1991) in their proposed model of international adjustment.

66 studies. The results emphasized the centrality, criticality and complexity of adjustment, in terms of it being a multidimensional construct, and strongly supported Black et al.'s model. Bhaskar-Shrinivas et al. (2004) found 51 studies partly based on the model and 15 that were not, emphasizing the accepted use of the model. Harrison and Shaffer (2005) confirmed the multi-dimensional nature of expatriate adjustment (i.e. general, interaction and work adjustment) and identified a variety of determinants, such as role variables, family experiences and organizational support, and noted that much of their research supported Black et al.'s (1991) theory of international adjustment (e.g. Shaffer et al., 1999).

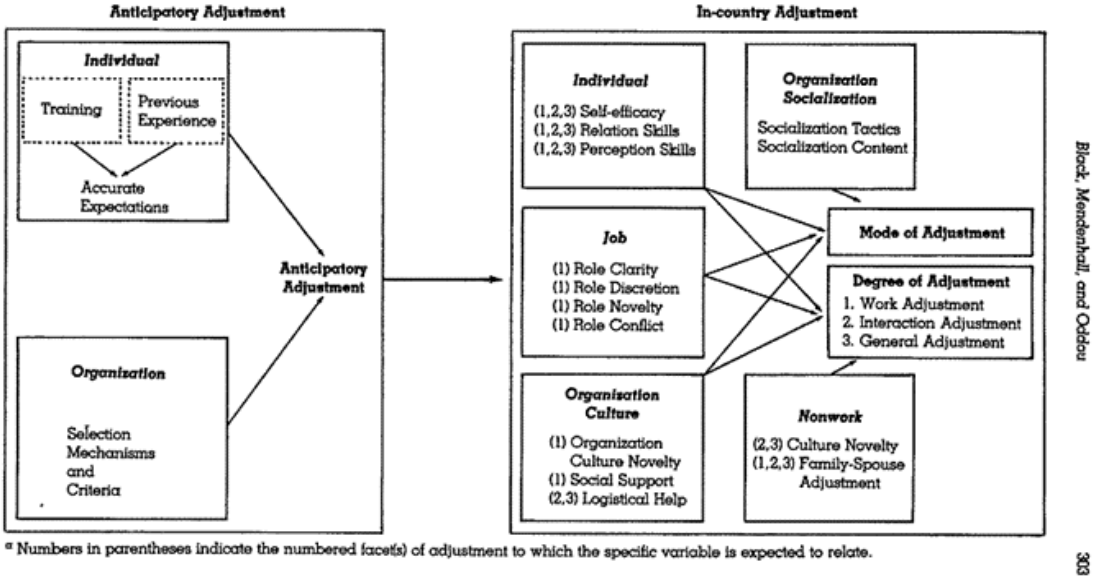


Figure 8: Framework of International Adjustment (Black et al., 1991, p. 301).

Based on the established validity of Black, Mendenhall and Oddou's (1991) model of international adjustment, this study uses it as a stepping stone for proposed additions as described in Chapter 3. Although the model may function as a theoretical foundation, its focus on individual level variables (see Baruch & Altman, 2002) provides a limited organizational perspective and hence the author argues that there is, therefore, likely to be

scope for improvement based on findings made since the model's promulgation in the early 1990s.

Having argued for the use of the Black et al. (1991) model as a platform for the research in this thesis attention in the following sections will turne to a more detailed consideration of what is known about individual factors that comprise the major building blocks of the model. There is also apparent relevance of variables to the expatriate adjustment process that originate from other disciplines. Variables from the literature on socialization processes, social categorization and social identity with a proposed role in expatriate adjustment will be introduced. Finally, this review leads to a proposed modification of the theoretical framework (see Chapter 3) which will underlie the research undertaken in this thesis.

2.3 Success Factors in Foreign Assignments

This section reviews individual factors linked to expatriate success and effectiveness.

2.3.1 Expatriate Selection

Expatriate selection was among the first variables to draw scholarly attention. Original selection approaches did not consider the need for adjustment. For example, Mendenhall and Oddou (1985) describe the 'domestic equals overseas performance' notion which reflects the traditional assumption that good local performers would be equally successful in an overseas context. Likewise, Black et al. (1991) found a supportive trend of unidimensional selection practices, focusing on technical job-related experience and technical job skills, first delineated in the early 1970s and which continued through the 1980s. Technical competence and domestic track record were, until the early nineties, the two most

dominant expatriate selection factors (Mendenhall & Oddou, 1985). During the last decade views regarding selection criteria changed slowly. For instance, Boyatzis, Goleman & Rhee (2000) and Cooper and Sawaf (1997) in Gabel et al. (2005) found that senior executives considered technical skills to be less important than the ability to control emotions.

Although initial expatriate selection criteria paid little attention to the expatriates' ability to adjust to different cultures and environments, evidence has gradually emerged that adjustment related variables were indeed important. For instance, Yavas and Bodur (1999) suggest that expatriate positions require more skills than the domestic ones and that expatriate selection needs to be adjusted accordingly. However, Jordan and Cartwright (1998**)** argue that the selection of expatriate managers has been hindered by a lack of clearly defined traits and competencies that could be used as predictors of success in expatriate assignments. They suggest four specific competencies (relational ability, cultural sensitivity, linguistic skills, and the ability to handle stress) that relate to cross-cultural issues. These competencies are additional to those traditionally used for domestic selection purposes (such as leadership, technical ability, successful track record and intellectual stature) and may be complemented with selection criteria not related to the individual skills such as family suitability.

Further, they distinguished between personality factors that seem stable and core behavioural competencies. They identified three personality traits (low neuroticism, moderate extroversion, and a high openness to new experiences) and four core expatriate competencies (intergroup relational ability, cultural sensitivity, linguistic skills and an ability to deal positively with stress) as essential selection criteria that are typically not considered in traditional domestic selection decisions (Jordan & Cartwright, 1998). Noteworthy is that the description of intergroup relational ability differs from the relation skills in Black et al.'s (1991) framework of international adjustment. The idea that group relationships play a central role in expatriate adjustment is a key element in this thesis.

Previous expatriate experience may pay off in new assignments. Selmer (2005) points out that the selection of individuals with recent positive experiences of the host country and work tasks may deliver an additional advantage to the organization. They suggest that previous international experience could be viewed as a substitute for cross-cultural training, and that it is likely that premature departure rates will be lower for those expatriates with first-hand experience of living in a particular foreign country. Recommendations such as basing selection on individual differences resulting from bi-cultural life experiences that individuals may bring with them to expatriate assignments have also been noted in the literature (Bell & Harrison, 1996). Bell and Harrison integrate bi-cultural experiences in a framework for expatriate effectiveness based on knowledge, skills, abilities, and other requirements.

Finally, emotional intelligence has been identified as relevant to expatriation. Recent research (Avril & Magnini, 2007; Gabel et al., 2005) suggests that selecting expatriate managers with high emotional intelligence may be beneficial for the organization in terms of relationship management. Gable et al. (2005) were the first scholars to use emotional intelligence scores to predict cultural adjustment and subsequent success for expatriate managers. Their approach posits the construct of emotional intelligence as a critical predictor for cross-cultural adjustment and success in expatriate assignments.

Various expatriate selection criteria have been reviewed in this section (e.g. intergroup relational ability, linguistic skills, cultural sensitivity and previous experience) that illustrate the different viewpoints in literature. However, clear guidelines for the selection process of expatriates remain inconclusive. The next section builds upon another variable in Black et al.'s (1991) model of international adjustment, cross-cultural training.

2.3.2 Cross-cultural Training

This section reviews current literature on cross cultural training (CCT) with special focus on the sparse findings on the role of host country nationals in both cross cultural training and expatriate adjustment.

Cross-cultural training was defined in early literature as any procedure used to increase an individual's ability to cope with and perform well in a new cultural environment (Tung, 1982). Black and Mendenhall (1990, p. 120) found strong supportive evidence for a positive relationship between cross-cultural training and expatriate adjustment. Cross-cultural training has long been the prime tool used for facilitating effective cross-cultural communication and interaction (Zakaria, 2000).

Zakaria (2000) saw cross-cultural training as enabling the transition from a home based management mode towards a more culturally appropriate mode. Amongst other things, it strives to ease dealing with unexpected events and culture shock in new environments. It should reduce the uncertainty in cross-cultural interactions and enhances the expatriates' coping ability by reducing stress levels.

Mendenhall and Oddou (1986) provide a useful first approach in conceptual modelling of cross cultural training requirements. Their evaluation of cross cultural training needs is based on a three dimensional approach to understanding expatriate acculturation. These dimensions are self-orientation, others-orientation and perceptual-orientation of the expatriate. They developed a taxonomy of expatriate acculturation profiles using these dimensions in varying degrees. They recommended trainees should have access to the evaluations of their strengths and weaknesses in acculturation-related skills in order to focus training on skills that need development. Their cultural training approach is classified in three

approaches: (1) impression, (2) affective and (3) information approaches, which are related to the length and rigour of training, as well as degree of integration and length of stay.

More recently, Andreason (2003, b) also refers to length of training as related to assignment duration in a much more recent era. Despite the importance attached to training and the length of training, very few scholars have researched the competencies of cross cultural trainers. Mendenhall and Oddou's (1986) reference to teacher qualification in the delivery of pre-expatriate assignment training is therefore noteworthy.

A contribution in this area was made by Kupka and Kennan (2003) who identified five relevant factors influencing the selection of intercultural training methodology: (1) degree of training rigour or 'cognitive involvement', (2) cultural novelty (similarity between the individual's native culture and the new culture; also described in the literature as cultural distance, culture barriers, or cultural toughness (e.g. Mendenhall & Oddou, 1985); (3) degree of interaction required in the host culture; (4) available training methods and (5) duration of intercultural training relative to the degree of interaction and culture novelty. For the most part, host country nationals are not considered as a target for intercultural training and, in general, the paradigm for cross cultural training adjustment is still that it is only the expatriate's characteristics that affect the adjustment process.

There is, however, growing recognition of the role of HCNs. Vance and Paik (2002) argued that traditional expatriate pre-departure training has been overly general and neglects the potential valuable input of the host country employees in identifying specific work interaction demands. Their input could have been put to use to optimize expatriate management performance. Jassawalla et al. (2004) also suggested the training of the host country nationals on home country cultural beliefs and workplace norms. Underlying these recommendations is the implication that HCNs may play a significant role in the expatriate adjustment process. They even suggested training of HCNs.

Further, Vance and Paik (2005) found that it was possible to effectively use host country workforce knowledge to identify perceived positive and negative managerial behaviour for inclusion in expatriate training. They also found that cross-cultural training of host country nationals may affect expatriate adjustment positively.

As well, Shen (2005, p.656) also provided support for considering the role of HCNs and concluded that 'in order to succeed in a globally competitive environment MNEs need to effectively train expatriates and their spouses, host-country nationals and third-country nationals as well and develop and nurture a truly global management team.'

Although there may be increasing recognition of the importance of cross-cultural training, there is also some literature that challenges its adequacy and even its efficacy. Waxin and Pannacio (2005, p.51) posited that the 'cross-cultural training provided by most multinationals is insufficient, incomplete or simply non-existent'. They argue that evaluating the effectiveness of such training is difficult because of the qualitative character of cross-cultural training. Shen (2005) adds to this observation and states that one of the common reasons why Western multinational enterprises neglect preparatory training for international assignments (Welch, 1994; Tung, 1982; Baumgarten, 1995) is that such training is supposedly ineffective or there is a lack of evidence supporting effectiveness.

Similarly, Black and Gregersen (1991) reported negative validity for cross cultural training in predicting job performance. Pires et al. (2006) added to this stating that technical training and current cross-cultural training programmes do not seem to address expatriate failure. The observed efficiency issues in literature on cross cultural training has led to various new approaches that intend to improve the effectiveness of overall cross cultural training as well as the expatriate adjustment process.

One way forward was suggested by Selmer (2005) who noted the potential importance of different organizational contexts in assessing the effect of cross-cultural training. The concept of context in the expatriate acculturation process has generally received very little attention in literature on expatriate acculturation. It follows that there may be benefit in incorporating the impact of organizational contingency variables in a conceptual framework for expatriate acculturation.

In contrast to the view of detractors, Zakaria (2000, p.492) suggested that cross-cultural training was becoming an accepted training methodology in the world of international business. Her research focuses on the effectiveness of cross-cultural training in facilitating the adjustment process and on 'developing the culture-specific and culture-general skills needed to increase the socio-cultural and psychological adjustments of sojourners and expatriates when they encounter a foreign culture' (Zakaria, 2000, p.492). Zakaria merges adjustment and training effectiveness models into a new cross-cultural training model, which suggests that expatriates may effectively modify general and specific cross-cultural skills by attending two different types of training program prior to the start of their expatriate assignment. By attending training, expatriates are expected to achieve a higher degree of socio-cultural and psychological adjustment because both affective and behavioural responses are involved. According to Zakaria, these are the prime elements of intercultural effectiveness skills, and therefore enhance psychological adjustment. Cognitive training on the other hand relates to expatriates providing cognitive responses, in particular cultural awareness and interpersonal skills, and enhances sociocultural adjustment.

Zakaria's recommendation to deliver the training one to two weeks prior to the start of the expatriate assignment seems untested, but Selmer (2000) suggests that cross-cultural training may be timed and linked with individuals' motivation to learn and hence, that a 'just-in-time' approach may be worth consideration. His suggestion is that post-arrival training

may be more effective as compared to the more traditional, pre-departure training because it will be seen as relevant and hence motivation to learn will be higher. Selmer's suggestion is based on a study of Swedish expatriates in Hong Kong in which preference for both kinds of training, pre-departure or post-arrival, was assessed. Although the results were not conclusive, it was noted that the type of international experience may be more relevant than the variety of past expatriate experience. The general conclusion was that the longer that expatriates have been working abroad, the more they tend to prefer post-arrival cross cultural training over pre-departure cross cultural training.

The role of expectations in anticipatory adjustment in Black et al.'s 1991 model of international adjustment (see Figure 8) as related to cross cultural training has been studied. Caligiuri, Philips, Lazarova, Tarique and Burgi et al. (2001) tested two hypotheses to determine whether the formation of expectations (prior to an overseas assignment) would affect expatriates' adjustment. All the expatriates received pre-departure cross-cultural training, but the perceived individual relevance of this training varied due to individual past experiences. The expatriates worked either in countries where they could speak their native language (e.g. Americans in the UK), or in countries where they could not speak their mother tongue (e.g. Americans in France). The mediated regression analysis showed that the relevance of pre-departure cross-cultural training strongly correlated with met or exceeded expectations. Analyses suggest that both cross-cultural training and the language spoken in the host country affect the accuracy of expatriates' expectations prior to the assignment. Having accurate expectations was further shown to be positively related to cross-cultural adjustment. Hence Caligiuri et al. (2001) suggested that the development of realistic expectations prior to global assignments is highly important and was likely to be facilitated by appropriate cross-cultural training. In particular, stereotyping may be prevented by developing realistic expectations. Caligiuri et al. (2001) suggested that stereotyping may have

negative effects as it may lead to over-generalizations about host country nationals. For instance, individual traits may be inappropriately assessed because of stereotyping and this obviously has consequences for cross-cultural interaction. The authors recommended tailoring cross-cultural training programs explicitly to the individual expatriate's situation in order to provide the maximum relevance.

In summary, the value, the best timing and the best approach to cross-cultural training is an area of some dispute in current research. The role of host country nationals supporting the expatriate adjustment and training process has increasingly become recognised as important and is of particular interest to this thesis research.

The next section investigates the role of spouse and family considerations in expatriate adjustment, one of the two main variables categorized by Black et al.'s (1991) as 'non-work' factors. Despite the fact that expatriation is focussed on work issues, these 'non-work' factors appear to be able to 'make or break' an expatriate assignment.

2.3.3 Spouse and Family Considerations

The Global Relocation Trends 2005 survey report (GMAC, 2005) found that for 67% of respondents, family concerns were the dominant cause of premature return from an expatriate assignment and that spouse/partner dissatisfaction was the number one reason for assignment failure. Similarly, Arthur and Bennet (1995) in Shaffer et al. (1999) noted that the spouse/partner and children situation was considered by expatriates as the most important factor in successful international assignments. Other literature identifies various family related variables that may impact upon an expatriate's career. For instance, Andreason (2003b) cites possible disruptions of the children's education, aging or invalid parents who require care, custody issues when having divorced parents, alcohol or drug use and potential

disruption when dealing with a dual-career spouse as major problems which affect expatriates' performance. As long ago as 1982, spousal inability to adjust was found the main reason for expatriates' premature exit among U.S. and European firms (Tung, 1982). More recently, Bhaskar-Shrinivas et al. (2004) argued that spouse adjustment was a strong predictor of the overseas adjustment of the expatriate. Their analysis illustrates that, for married expatriates, the adjustment of the spouse was the single most critical variable capable of predicting all dimensions of expatriate adjustment, 'regardless of the use of dual versus single sources of data' (Bhaskar-Shrinivas et al., 2004, p.5). These results are supported by Hechanova, Beehr & Christiansen. (2003), who found that family support consistently predicted all three types of adjustment in their meta-analytic study. Likewise, Stephens and Black (1991, p.462 in Fish & Wood, 1997) stated that between 16% and 40% of expatriate failure had been linked to the spouse of partner's failure to adjust. Considering recent research quoting spousal resistance and children's education as 'the most critical family challenges' in reasons for early return, more preparatory attention to the family seems justifiable (GMAC, 2005, p.14). In similar vein, Fish and Wood (1997) advised Australian organizations to develop more anticipatory and in-country adjustment initiatives for accompanying spouses/partners. Among their five suggestions, two are particularly interesting: (1) developing beneficial friendships with host country nationals and (2) absorbing oneself into the new culture at a more professional level. Dual career couples and trailing spouses will experience differing effects on adjustment, attention and help directed to the accompanying spouse/partner may be beneficial to adjustment.

However, family involvement in not necessarily straight forward as it may be seen as intrusive. Stephens and Black (1991) attribute the lack of company attention to the spouse to the hesitancy of management to intrude in the private life of the expatriate.

While not all expatriates have spouses, many do. Exact figures are difficult to locate in the literature but Shaffer et al. (2001) quote a figure of 80% of expatriates as being accompanied by spouse, children or both. In particular, local language fluency, which may be important for expatriate adjustment, was likewise important for spouse adjustment.

Takeuchi, Yun & Tesluk's (2002) research emphasized the reciprocal (i.e., nonrecursive) relationships between spousal and expatriate crosscultural adjustment across both work and nonwork domains (see Figure 9). This reciprocity may indicate that expatriate adjustment should not be regarded as a standalone variable. Spillover and multiplier effects as well as negative spirals have been used to describe the effect of spouses on their expatriate husbands (Takeuchie et al., 2002). Takeuchi et al.'s research underscored the critical role of spouses' cross-cultural adjustment during international assignments. It follows that there is a need for companies to pay closer attention to these issues when selecting and preparing to send expatriates with spouses overseas.

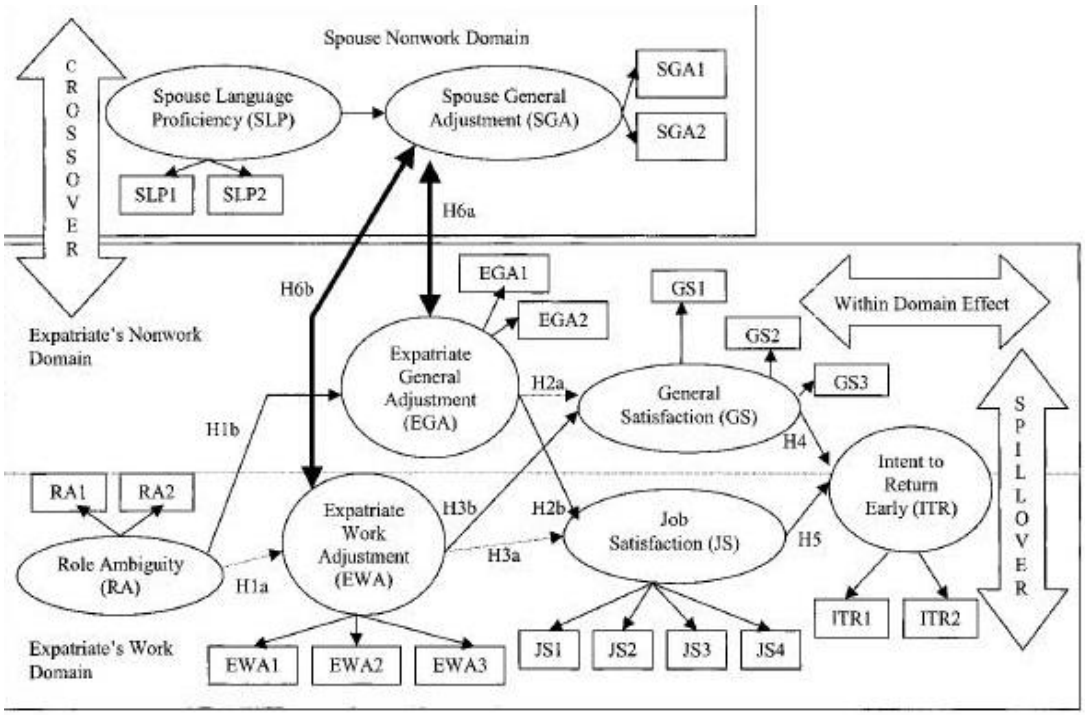


Figure 9: A Spillover and Reciprocal Crossover Model of Expatriates' Cross-Cultural Adjustment (Takeuchi et al., 2002, p 656).

In summary, reciprocal relationships between expatriates and spouses were found to have implications for both negative and positive synergy between spouses and expatriates in terms of the cross-cultural adjustment process. If one person in a couple is not adjusting well to the new foreign culture, it may negatively affect the adjustment of the other individual. For instance, providing assistance with finding new housing or general cultural transition programs for both expatriates and spouses may be highly beneficial in the adjustment process of both. Although further research is appropriate, preliminary findings provide strong support for the role of spouse and family in relation to expatriate failure rates.

The role that HCNs play in the spouse and family adjustment process is of particular interest to this thesis and is a potential area of significant contribution because this role is not explicit in Black et al.'s (1991) model of international adjustment. Evidence of a potential role of HCNs in this process has been provided by Shaffer and Harrison (2001) who interviewed spouses. It was suggested that relationships with families and others (which include host-country nationals) were essential to spouse adjustment.

Most literature on expatriate careers seems to focus on male careers solely. Linehan and Scullion (2001) for instance noted an absence of empirical research outlining the role and career moves of female expatriate managers. Expatriate success rates are also affected by the career aspirations of spouses. Glanz and van der Sluis (2001) and Gabel et al. (2005) observed that spouse careers have been noted as major impediments to expatriate mobility for both genders. Very few organizations appear to help with spouse employment and career development. Glanz and van der Sluis (2001) stated that this is a rarely reviewed issue in the field of expatriate compensation and benefits.

Riusala and Suutari (2000) noted that a large proportion of marriages and partnerships today are dual-career partnerships with both partners being psychologically committed to an upwardly mobile career. They found that 67% of respondents felt that their spouse's

reluctance to sacrifice their own career for the betterment of the expatriate's career was a major constraint on their acceptance of international work assignments. They also noted that dual-career support does not seem commonly available although it was again seen as necessary. So in summary, it seems clear that dual-career issues are important for intentions to leave, or even to undertake expatriate assignments.

This section has overviewed the considerable importance of spouse, partner and family adjustment as well as the importance of dual-career considerations on expatriation. The next section examines the role of previous international working experience on expatriate adjustment. Previous international experience has already been mentioned (see section 2.3.2) in regard to the need, or otherwise, for cross-cultural training and is logically a factor that might influence expatriate success.

2.3.4 Previous International Working Experience

Black et al. (1991) suggested that previous overseas work experience is positively related to work adjustment for expatriates, although it was not exactly known how this happens or which factors impact the adjustment process. More recently, Tung (1998) and Yavas and Bodur (1999) have confirmed that well adjusted managers were more likely to have had previous expatriate experiences. However, opinions and research findings on this topic are somewhat contradictory. Kupka and Kennan (2003) suggested that the quality of overseas experience could be more important than the 'amount,' whereas Black et al. (1991) found that the quantity of previous expatriate experience does not necessarily relate to current overseas adjustment and that this may negate the relevance of previous international working experience. Gregersen and Black (1992) quoted older research (Louis, 1980) and suggested that the more experience expatriates have had, the greater the likelihood of their holding

accurate expectations concerning their current international assignment. Shaffer et al. (1999) found two proposed individual factors (previous international work experience and host country linguistic skills) and three positional factors (hierarchical level, functional area, and assignment vector) that were significant moderators of various relationships involving all three dimensions of adjustment.

There is a classification of international experience in literature which broadly differentiates between ‘quantity’ and ‘quality’ of international experience. In terms of quality, Takeuchi et al. (2005) distinguished among prior international experience using two dimensions: (1) domain and (2) cultural specificity. They suggested that most, but not all, studies have shown a positive but non-significant relationship between prior international work experience and adjustment. In terms of quantity, Yavas and Bodur (1999) related positive adjustment to previous expatriate experience whereas Shaffer et al. (1999) found prior experience to be positively related to interaction adjustment but not to general adjustment.

In summary, the quantity and nature (quality) of previous expatriate experience may be important for adjustment. There is a need for more research to clarify when and why influences may exist. It is possible that the topic of the next section, cultural novelty, is an important determinant of the importance of prior experience.

2.3.5 Cultural Novelty

Cultural novelty, often described as the perceived distance between host and home cultures, has been found to affect adjustment outside work settings (Shaffer et al., 1999). The logic to cultural novelty is that what seems different from familiar settings may well be difficult to adjust to and what appears familiar should not take that long to get used to. In

addition, the cultural similarity hypothesis suggests that the more different a host culture is for an expatriate as compared to the home country, the more difficult it will be to adapt to the host culture (Jun & Gentry, 2005).

The concept 'culture shock' (first used by Oberg in 1954) is often described in combination with cultural novelty and there appears to be a relationship between culture shock and cultural novelty. Culture shock is the expatriates' reaction to a new and highly uncertain environment and may be related to the level of cultural novelty. Culture shock has an overall negative meaning and describes feelings of anxiety and confusion when people move to a different cultural environment. The cause of this anxiety is, according to Oberg (1960), the loss of familiar signs and symbols of social intercourse. The higher the level of cultural novelty, the more likely that culture shock will occur. A recent literature review (Pires et al., 2006) listed the following symptoms of expatriates in culture shock: excessive concerns with minor issues; preoccupation with the cleanliness of drinking water; food and surroundings; fear of being robbed; cheated or injured; feeling depressed; feelings of helplessness; anger over delays; reluctance and even unwillingness to learn the host language; dependence on long term home country residents and lack of awareness about behaving dysfunctionally.

Cross-cultural training, and in particular that provided in a predeparture training format (see Section 2.3.3), may affect cultural novelty perceptions as well as prevent culture shock from being too severe. Fish (2005) expands on 'cultural distance' and found that in countries with a larger cultural distance, expatriates tend to find it more difficult to come up with appropriate behavioural strategies. Hechanova et al. (2003) found that greater cultural novelty was associated with less interactional adjustment.

Selmer (2006) investigated the traditional assumption that the higher the cultural novelty level of the host country, the more difficult adjustment is. Selmer chose socio-

cultural adjustment variables that relate to established expatriate adjustment frameworks such as Black et al.'s framework of international adjustment (1991), the framework that also underlies this particular research. In this framework, three socio-cultural adjustment variables were the topic of investigation: general-, interaction- and work-adjustment variables. The results of Selmer's hierarchical multiple regression analysis showed that there was no significant relationship between cultural novelty and the three adjustment variables.

Accordingly, Selmer suggested that it may be equally difficult for expatriates to adjust to a similar culture as to a dissimilar culture. There appears to be some existing evidence in favour of this position. Brewster (1995) in Selmer (2006) argued that the adjustment of expatriates sent to a similar culture could be similar in nature to, but could also be more difficult than, adjustment to a totally different culture.

Other findings from Selmer (2006) also appear relevant to research undertaken in this thesis. He suggested that the greater the dissimilarity between expatriates and HCNs, the greater the likelihood that expatriates will perceive HCN models as less attractive and therefore pay less attention to HCN behaviours. This may mean that it is less likely that the expatriate will acquire and retain new behaviours appropriate for interacting with the host culture. The likelihood of exhibiting behaviours that are inappropriate to the HCN culture may then increase (Black & Mendenhall, 1991). Selmer's descriptions of Hong Kong managers who failed to adapt their managerial style to local expectations may not be that uncommon in expatriate circles. As well as insisting that subordinates adopt parent country standards and behaviours, which typically resulted in frustration for the expatriate manager, these Hong Kong managers avoided socializing with HCNs and sought social interaction almost entirely with other parent-country nationals (Selmer, 2006).

Of significance for the current research is that interaction with HCNs repeatedly is seen as having a large effect on expatriate adjustment even though research specifically on their role is in its infancy.

The next section explores how intercultural effectiveness relates to expatriate adjustment. Intercultural effectiveness relates to variables in Black et al.'s (1991) model of international adjustment such as relation and perception skills.

2.3.6 Intercultural Effectiveness

Cultural differences may be observed in familiar situations such as in home countries as well as abroad. However, overseas cross-cultural interaction generally creates more problems as variables such as culture, time, language, geography, food and climate collectively constitute barriers that push individuals out of their comfort zone. People's beliefs, values and norms, perceptions and background add further contributing factors to complexity in interactions (Zakaria, 2000). A lack of knowledge of what is 'normal' may affect the cross-cultural interaction as well as the expatriate adjustment process. An often quoted example is the interpretation of punctuality. Whereas punctuality is extremely important in Germanic cultures, Eastern European and SE Asian cultures often expect a certain 'lateness' in appointments. Adhering to local 'norms' may then be more effective in countries where this behaviour is indeed the norm.

Intercultural effectiveness has been defined as the ability (or competency) of a person within an intercultural environment (Fisher & Härtel, 2003). Three factors are said to contribute to this intercultural effectiveness: (1) the ability to communicate effectively, (2) the ability to establish cross-cultural interpersonal relationships, and lastly (3), the ability to cope with psychological stress. Although interpersonal relationships would require some

knowledge of the host country culture, Fisher and Härtel (2003) note that there seems to be a dearth of research on the role of culture in assessing the cross-cultural effectiveness of expatriates in business interactions. Further, the role and possible impact of host country nationals on the effectiveness of interactions between expatriates and clients is rarely examined. Fisher and Härtel's (2003) extensive listing of variables in expatriate effectiveness seems much the same as those variables provided in literature on expatriate adjustment, and hence expatriate effectiveness and expatriate adjustment would seem likely to be closely related. Fisher and Härtel's list is as follows: '(a) cultural setting (culture toughness, ethnocentrism, homogeneity–heterogeneity); (b) age; (c) gender; (d) ethnicity/nationality (ethnic background, stereotype, prejudice, and self perception); (e) religion; (f) linguistic ability; (g) education; (h) intercultural experience, and (i) role (expected role, enacted role, role status, role in terms of economic and social benefit' (Fisher & Härtel, 2003, p. 9). One recent observation in the literature links both concepts. Shaffer et al. (2006) suggested that the underlying assumption that poor adjustment will 'spill over' to poor observable performance drives much of the expatriate literature (Shaffer & Harrison, 1998).

2.3.6.1 Language skills

The effects of host country language skills on both intercultural interaction and expatriate adjustment have long been a main topic of concern in research on expatriation, particularly in the past. For instance, Peace Corps volunteers spent typically 325 hours in pre-departure language training and language learning capacity plays a decisive role in their final selection (Henry, 1965 in Jordan and Cartwright, 1998, p. 5). Fish (2005) provided support for the potential impact of HCN language skills and likewise Taylor and Napier (1996, p. 78) in Haslberger (2005) found language skills and age to be the 'most important personal attributes for successful adjustment.' Similarly, Suutari and Brewster (1996, p. 93) stated that

a lack of knowledge of the local language may lead to '...problems in creating contacts with local people and getting integrated.' The need for language knowledge in coping with daily tasks, such as shopping or taking the children to the doctor, would further make local language knowledge necessary.

However, the case for language importance is not clear cut. In a review of the literature Jordan and Cartwright (1998) noted that failure on expatriate assignments was not reported as linked to language deficiencies. As well, Bhaskar-Shrivinas et al. (2002, 2004) found that host country language ability was not linked to work adjustment.

In summary, language ability is a contentious variable in both intercultural effectiveness and expatriate adjustment. Of particular interest to this thesis research is Shaffer et al.'s (1999) finding that all of the immediate antecedents proposed by Black et al. (1991) emerged as either significant or interactive on adjustment. Additionally, they found host country language fluency a noteworthy moderator of various relationships involving all three dimensions of adjustment, a finding which linked both Black et al.'s (1991) model of international adjustment and host country language ability.

2.3.6.2 Relation skills

Relation skills (see Figure 8) is a wide concept that has been linked to cross-cultural effectiveness. Ones and Viswesvaran's (1999, in Shaffer et al., 2006) found that agreeableness was perceived to be the second most important predictor of interpersonal relations with HCNs and the third most influential predictor of adjustment and performance.

Developing good interpersonal relations may also offer additional benefits. Black and Gregersen (1991, p.466) noted that a stable social network of HCNs may provide general information and feedback on the appropriateness of behaviours as well as help in understanding host cultures, which may be influential in expatriate effectiveness. It seems

apparent that expatriates may need assistance in developing appropriate behaviours in local context as reviewed in Section 2.3.2. However, most relevant for this research is the notion that knowledge of HCNs' beliefs and values as well as a positive (non-judgemental) attitude toward host country nationals may be considered as a key success factor for intercultural effectiveness (Bell & Harrison, 1996). Bell and Harrison point towards the importance of non-verbal communication skills in this respect.

Links have been established in this section on intercultural effectiveness (e.g. with Section 2.3.2 Cross-cultural Training and with Section 2.1.4 Expatriate Adjustment). Clearly there are interdependent relationships among variables related to expatriate adjustment. Key variables are cross-cultural communication skills and personal characteristics in dealing with host country nationals. Noteworthy is that the relational ability of expatriates in regard to host country nationals has been found to support both interaction among expatriate and host country nationals and expatriate effectiveness. A goal of the current research is to contribute to a better understanding of the perceived role of HCNs in the expatriate adjustment process.

The following section examines organizational variables that play a role in the adjustment process that expatriates experience. These variables are part of Black et al.'s model of international adjustment (1991, see Figure 1) on which this thesis research builds. The relevance of the interaction with host country national co-workers in expatriate adjustment is again a key factor.

2.3.7 Organizational Factors

In Black et al.'s model (1991) organizational culture factors consist of organizational culture novelty, social support from co-workers and superiors and logistic support. Andreason (2003a) noted that existing literature does not seem to distinguish organizational culture novelty from cultural novelty. This may make it difficult to isolate its effects as

novelty may occur from many sources. As well, role novelty may impact on expatriate adjustment.

Black et al. (1991) defined role novelty as the degree to which the current role is different from past roles and found that novelty, in terms of job characteristics, impacts the degree of adjustment in in-country models of adjustment. Role novelty was found to be important to expatriate job satisfaction by Morgan, Nie and Young (2004). New roles require new skills and behaviours and adjustment is vital to performance

From a training perspective, Andreason (2003a) suggested that organizations therefore should manage role novelty by training expatriate managers in duties that will be expected from them in their expatriate assignments. A possible match between the new work role and individual behaviours and attitudes may further accommodate perceived adjustment. Fu, Shaffer and Harrison (2005) found evidence of perceptions of adjustment to work as matching the requirements of the new job with one's own work attitudes and behaviours. However, the relevance of role novelty in expatriate adjustment is not totally clear. Shaffer et al. (1999), in their comprehensive test model, noted the inconsistency of evidence that role novelty is related to work adjustment. This makes it difficult to argue for general recommendations for best practice.

Perhaps the most important operational factor affecting expatriate adjustment is the support that an expatriate receives from the organization. This factor is dealt with only briefly here but is treated more fully in Section 2.3.10. Socialization practices assist employees when they relocate in their recalibrating or fit to both the organization and the new community (Fu et al., 2005). Likewise, Andreason (2003b) found positive effects of organizational support on expatriate and spousal adjustment. In summary, there appears to be a relationship between contextual variables to expatriates' work experience, satisfaction and adjustment process.

Apart from cultural and job novelty, various other job-related variables have been found to play a role in organizational settings. The next section discusses role clarity, role discretion and role conflict as variables of interest. These variables are the main 'job related' variables in Black et al.'s model (1991).

2.3.7.1 Role Clarity, Role Discretion and Role Conflict

Role clarity provides the expatriate manager with a clearly defined set of expected behaviours. In other words, the expatriate knows what is expected. Role discretion allows expatriates to adapt their work role (and settings) on personal initiative rather than adapting themselves to the work situation (Andreason, 2003a). In addition to role clarity, the communication of realistic performance indicators to expatriates that have started a new, often stressful (e.g. culture shock) overseas assignment has been found relevant. For example, Andreason (2003a) noted that many Japanese firms employ performance expectations in the first couple of years that are much lower than in more advanced stages of the expatriate assignment. This allows expatriates to gradually adapt to a different environment and at the same time provides scope for growth at the job in terms of targets to be achieved.

There have been attempts to allocate importance weightings to positional factors in relationship to role clarity, role discretion and role conflict. Shaffer et al. (1999) found three positional factors (hierarchical level, functional area, and assignment vector) as noteworthy moderators of various relationships involving all three dimensions of adjustment. This finding provides an argument to take these positional variables into account in the expatriate adjustment process. Two variables in particular are important, these being role conflict,

defined as the incompatibility of two sets of expectations from persons or groups (Bell & Harrison, 1996), and role discretion.

Role discretion relates to an individual's discretion as to what work gets done, how the work gets done and by whom. The greater an individual's role discretion, the greater the empowering sense of responsibility individuals feel for work-related decisions (Stewart, 1982). Gregersen and Black (1992) pointed towards the relevance of role discretion for expatriates, as they may often experience a high degree of independence when operating far away from headquarters.

Further, role discretion may affect the expatriates' commitment to the organization. The theoretical rationale for the relationship between the reviewed job characteristics and organizational commitment is the degree to which a sense of 'felt responsibility' in staff members is created. The stronger this sense of felt responsibility, the stronger the commitment to the organization may be. Role discretion then will likely increase felt responsibility and therefore may be positively related to organizational commitment (Gregersen & Black, 1992).

Role conflict makes it more difficult for individuals to feel responsibility and relates to organizational commitment. Gregersen and Black (1992) found that high tenure in a parent firm, low role conflict, extensive pre-departure training, and low general adjustment to the assigned country were associated with high commitment to parent firms. High role discretion and high general adjustment in contrast were associated with high commitment to foreign operation (instead of parent organization).

In conclusion, role clarity, role discretion and role conflict interrelate in the expatriate adjustment process. The relationship between role discretion and organizational commitment may possibly impact intentions to leave and therefore the overall expatriate success rate.

2.3.8 Social Support

Social support has been mostly reviewed in organizational contexts without due acknowledgement of the role of host country nationals and complications related to cross cultural issues. However, the support that expatriates receive in overseas operations will mostly depend on host country nationals. Taking into account the role of host country nationals then seems a prerequisite in expatriate adjustment research. This specific role of host country nationals in socialization processes is reviewed later in Section 2.3.12. The following section outlines the relevance of general social support for the adjustment process of expatriates. As a component of Black et al.'s model of international adjustment (1991) it is relevant for this thesis research.

Social support provided in the expatriate organization as well as outside the organizational settings has been found to be a significant positive predictor of expatriate adjustment (Shaffer et al., 1999). Caligiuri, Joshi and Lazarova (1999) found that even perceived organizational support positively affected performance on the job. Andreason (2003a) also found the supporting role of host country nationals in the acculturation process relevant but provided no indications of how to incorporate this into the expatriate training process. Additionally, Toh et al. (2004) expanded on the role of HCNs and suggested that managing the impressions of HCNs well in multinational organizations may have significant benefits for the organization. They also suggested that it is important for organizations to encourage HCNs to provide social support to expatriates as this support can have a significant impact on the expatriates' overall work, interaction, and general adjustment. When HCNs practice social categorization to a lesser extent, higher levels of information sharing are likely to be observed.

It can be argued that HCNs could be an excellent source of support for expatriates, as they may have first-hand knowledge of solutions for all kind of problems that expatriates

encounter in their new environment. An important proposition in the research in this thesis is that this support would affect the expatriate adjustment process positively.

A common form of social support in expatriation is mentoring. Feldman and Bolino (1999) noted an emphasis in the expatriation literature on the importance of back-home mentors and their instrumentality for future career advancement. They, however, focused on the importance of on-site mentors for the effective socialization of expatriates into their current overseas assignments. Using a sample of 179 expatriates located in nineteen countries, they examined the relationships among mentoring received, expatriate socialization and socialization outcomes using structural equation modeling. The amount of mentoring received positively impacted on expatriate socialization. Expatriate socialization was in turn found to positively influence job attitudes as well as intention to finish the expatriate assignment. The researchers suggested that the international context of the overseas assignment affects how much on-site mentoring expatriates receive. Specifically, expatriates have been found more likely to receive mentoring in situations of small power distance, weak uncertainty avoidance and individualistic cultures. Apart from this, however, there is little literature on the effects of culture on mentoring processes.

In summary, although social support has been found to have a positive effect on the adjustment process of expatriates, the role of host country nationals seems to be inconclusive and unclear. Of particular interest to this thesis research is whether host country nationals are perceived to withhold social support based on various attitudes, e.g. ethnocentrism, outgroup categorization. These links will be explored in more detail in Sections 2.4.1 and 2.4.5. The next section will review the socialization process of expatriates in the new organization. This variable has been found to affect social support positively (Feldman and Bolino, 1999).

2.3.9 Socialization as a Factor in Expatriate Adjustment

Chao, O'Leary-Kelly, Wolf, Klein.and Gardner (1994) define socialization as the process by which an individual fits in or becomes adjusted to a new role in the organization and learns the content of information necessary for adjustment to this new role. Chao et al. (1994) also describe socialization in terms of content areas of the socialization domain in order to establish relationships between the learning of particular features of a job and the process and outcomes of socialization.

The socialization process of expatriates into their host country organizational culture has been largely ignored in the expatriate literature. It seems that socialization tactics of the organization and the information-seeking process of the individual have been overlooked as factors in the success of expatriates (Lueke & Svyantek, 2000). As well, expatriates will also experience socialization in the host country national culture. This distinction between socialization in organization and HCN culture is essential. Because incoming expatriates are new organizational members, it is likely that boundaries between organizational and national culture will not always be recognized as such.

Socialization is essentially a learning process and has been described as an expatriate coping strategy (Stahl and Caligiuri, 2005). Lueke and Svyantek (2000) distinguished six socialization dimensions: politics, performance proficiency, language, people, history and organizational goals/values. They proposed that combining knowledge gained through research on both socialization and information seeking processes is essential in gaining a theoretical understanding of expatriate turnover. Their overview on models of socialization is particularly noteworthy and the referral to Van Maanen and Schein (1979) almost obligatory. Van Maanen and Schein's (1979) model of socialization consists of a process in which newcomers are taught organizational roles including six organizational tactics. These tactics

are collective vs individual, formal vs informal, sequential vs random, fixed vs variable, serial vs disjunctive, and investiture vs. divestiture. Van Maanen and Schein (1979) posited that the use of these socialization tactics would affect job satisfaction and commitment to the organization. Post-entry socialization experiences then may affect expatriates' experience of fit and value in the new organization. Consistent with the general nature of socialization described above, Florkowski and Fogel (1999) link perceived acceptance of expatriates in the new organization to host socialization efforts.

Socialization can be considered as a phenomenon which is dependent on two players, the HCNs and the expatriates themselves. Discordant behaviour by either party can disrupt the socialization process. It appears that expatriates at times display behaviours that are unhelpful to their own adjustment process. A common phenomenon is that some expatriates tend to socialize solely in expatriate circles. Lee and Larwood (1983) found that American expatriates who attempted to avoid resocialization (socializing to a new environment) may experience conflicting internal and external demands. They may also be unable to communicate effectively with HCNs and may be less satisfied with their situation. Compared to Korean expatriates Americans tended to hold on to their own attitudes more strongly and appeared unwilling to drop them.

Fu et al. (2005) provided interesting new insights on socialization and suggested that socialization practices can assist relocating staff members in achieving their new fit to both the organization and a new community. With motivated expatriates it may be possible to reduce expatriate turnover. Their research focused on Self Initiated Foreign Worker (see Section 2.1). Self Initiated Foreign Workers are generally not employed at multi national corporations. Instead of following the traditional expatriate career path they pursue overseas career goals on their own initiative. This often leads to local salary packages without relocation allowances as well as having no career path prepared by a 'parent' company. It,

therefore, may be expected that Self Initiated Foreign Workers may be intrinsically motivated to get the most out of socialization practices as they have neither a home return contract nor other safety nets to rely on.

Fu et al. (2005) discussed information seeking, feedback seeing, relationship building, negotiation of job changes and positive framing as suitable tactics for proactive socialization. Positive framing, which in contrast with the other techniques does not involve interactions with others, is a personal technique whereby individuals change their understanding of a situation by explicitly controlling the cognitive frame they put on the situation. Relationship building and positive framing were found to have positive effects on Self Initiated Foreign Worker adjustment. Although positive framing and relationship building are applicable to standard expatriates, it should be noted that Self Initiated Foreign Workers do not have the possibility to return to the organizational home base location, which constitutes an essential difference from sent expatriates.

Findings in literature suggest that one size fits all approaches to socialization may not be effective. In order to benefit from the possible positive outcomes related to diversity at the workplace, McMillan-Capehart (2004) recommended that organizations should individualize their socialization tactics within collectivistic organizational cultures. The referral to a collectivistic organizational culture is highly relevant in the context of this research as most Asian cultures tend to score high on the Hofstede (1980) as well as Triandis (1984) collectivism dimensions. Hofstede (1980) stated that collectivistic cultures tend to favour ingroups and behave according to values and norms within these ingroups. Organizational culture was defined as the ‘underlying values, beliefs, and principles that serve as a foundation for the organization’s management system, as well as the set of management practices and behaviours that both exemplify and reinforce those principles’ (Denison, 1990, p. 2 in McMillan-Capehart 2004). This definition emphasizes the role of unique

organizational context in socialization processes. Individualized socialization tactics therefore may provide tailored solutions for the individual, which may also increase the efficiency of the learning process as it would build on established skills and knowledge. The unique role of culture in socialization is further relevant in this thesis research as it is proposed in Chapter 3 that a possible match between an individual's cultural traits and collectivistic traits would accommodate the adjustment process.

Selmer (2001) examined pre-knowledge and socialization tactics in use by Swedish expatriates and their immediate Hong Kong subordinates in learning how to interact effectively. He found that pre-knowledge had no significant association with how soon Swedish managers were getting along with their subordinates. This is noteworthy as pre-knowledge would allow expatriates to prepare themselves for new situations. Selmer further touched on the commonness of ethnocentric staffing policies and recommended expatriates to be more flexible and accommodating towards immediate host country national subordinates, thus avoiding the stereotypical expatriate reclusiveness (Selmer, 2001, p.916).

In summary, deliberate socialization is clearly related to expatriate adjustment and turnover although the role of the host country nationals in the socialization process is under researched. The next section provides linkage between expatriate adjustment and social identity concepts.

2.4 Connecting Expatriate Adjustment to Social Identity Dimensions

It has been observed before in this literature review that the multifaceted character of expatriate adjustment results in interrelationships between variables of interest. One of these variables is social categorization which will be reviewed in the next section. Emphasizing the importance of interrelationships between variables, this section reviews the role of 'groups' in socialization processes.

Brickson (2000, p.91) indicated that stereotyping may occur when minority individuals are part of organizational outgroups with possible behavioural reactions being 'powerful and negative'. This finding may have implications for expatriates working in a HCN context. Likewise, Gaertner, Dovidio, Anastasio, Bachman and Rust (1993) observed that substantial evidence exists to suggest that intergroup cooperation reduces bias. They suggest that intergroup bias frequently takes the form of in-group enhancement rather than out-group devaluation. Intergroup cooperation then may prevent negative intergroup interactions.

If HCNs regard expatriates new to their organizational setting as members of their same group, they may be more inclined to help out with information if the need arises. At this point, cultural orientations, categorization and social identity processes may play a defined role in a complex maze of social relationships.

The next section discusses how theory related to social categorization may interact with expatriate adjustment. Social categorization is not included in Black et al.'s framework of international adjustment, but is clearly relevant to the research proposed in this thesis.

2.4.1 Social Identity and Social Categorization

Tajfel introduced the concept of social identity in 1972 (p. 292) as 'the individual's knowledge that he belongs to certain social groups together with some emotional and value significance to him of this group membership.' Categorization may be defined as the 'ordering or arrangement of objects into groups or sets on the basis of their observable or inferred relationships' (Sokal, 1974, p. 1116 in Pierik, 2004). Social categorization refers to people organizing social information by categorizing individuals into groups. This enables them to focus on collective properties that are relevant to the situation (Ellemers et al., 2004). Each individual is a member of many different groups or social categories. So, for example,

while national categorization is relevant, people may further categorize themselves in terms of gender, age, ethnicity, race or sexual orientation. Language and membership in political, religious and professional associations constitutes other important parts of our self-concept. Tajfel and Turner (1979, p.38) have posited 'that the mere perception of belonging to two distinct groups – that is social categorization per se – is sufficient to trigger intergroup discrimination favouring the ingroup'. Categorization processes then can affect the way we think and feel about ourselves and other people and may influence our behaviour (Simon, Hastedt & Aufderheide, 1997). Early Social Categorization Theory research has found that members of ingroups are treated more favourably than outgroup members (Tajfel & Turner, 1979).

In settings with a dominant national culture, categorization processes may become more particularly apparent. Ellemers et al. (2004) posited that the social categorization process leads to self-stereotyping which is associated with depersonalisation of self-perception. A central hypothesis for group behaviour in their research is that as shared social identity becomes salient, individual self-perception becomes depersonalised due to the dominance of distinctive group norms (Ellemers et al., 2004). In Thai settings it may be that collectivistic traits contribute to this process as group norms are traditionally placed above individual norms. The value of Ellemers' et al. (2004) study for this thesis research lies in its focus on the role of collective identification and work motivation.

Social comparisons may also result in strong reactions. Tajfel (1978) suggested that the cognitive tool of social categorization and the evaluative implications of social comparison processes can elicit a person's emotional involvement with a particular social group. When operating across cross-cultural boundaries, and these are mostly international boundaries in the case of expatriates, social comparison may elicit stronger responses than in a within-culture context.

Sumner (1906) in Duckit and Parra (2004) originally used the term *ethnocentrism* as an expression of a broader combination of in-group attachment and out-group hostility, which he believed was a salient, inevitable and universal consequence of the existence of social groups. Social Identity Theory is similar and suggests that identification with an in-group activates a motivated desire to positively differentiate that group from out-groups (Tajfel & Turner, 1979). Various inconsistent findings led the attempts to explain found variance. Hinkle and Brown (1990) suggested that the relationship between group identification and tendency to favour in-groups over out-groups might depend on the degree to which groups have had a collectivist orientation to the group and a relational or comparative orientation to out-groups. This observation is particularly important in this thesis research as the sample relates to a Thai context with high values for the collectivism dimension (Hofstede, 2006). It is for this reason that in the research undertaken in this thesis, the collectivistic orientations and expatriates' perceptions of outgroup categorization processes and host ethnocentric attitudes were collected as data.

A key idea, based on the Social Identity Theory, is that individuals recognize that memberships of various groups get incorporated into the self-concept and that these social identifications have important consequences for behaviour. Toh et al. (2004) examined how ingroup-outgroup categorization influences host country nationals' willingness to help expatriates in their socialization process. It was found that group categorization was negatively related to providing social support. This is consistent with theory. However, not all consequences of group categorization processes are negative. Brown, Vivian and Hewstone (1999) suggested that one of the most enduring ideas in the study of intergroup relations is the hypothesis that interaction between members of different groups can reduce the hostility and prejudice between them. HCN intermediaries may then minimize the effect of outgroup categorization.

Clearly ideas from Social Categorization Theory are relevant to the expression of social support which, as described above, is regarded as important to the expatriate adjustment process. On this basis, it is suggested that hence the role of HCNs may be more pivotal in the expatriate adjustment process than previously acknowledged.

The next section describes how social identity relates to self categorization processes. Social Identity Theory, like Social Categorization Theory, was not included in Black et al.'s (1991) framework of international adjustment. An argument is provided for its inclusion in models of expatriate adjustment.

2.4.2 Self Categorization

Perceived social identity relates to intergroup social comparisons that seek to confirm or to establish distinctiveness between ingroups and outgroups. Such typologies function as a means to reduce uncertainty. According to Hogg and Terry (2000), a critical feature is that they maximize similarities within and differences between groups. 'Black sheep' studies, for instance, focus on negative deviants, that is, ingroup members who are inclined towards outgroup types. Positive deviants, on the other hand, are persons that perform better than the average worker but may be dysfunctional for groups when solidarity and consensus prototypically are considered important (Hogg & Terry, 2000). The minimal group paradigm suggests that when people see themselves as belonging to different groups, this may produce intergroup bias. The idea that individuals experience a need for a positive social identity is implicit in this theory. This leads toward the basic model of Social Identity Theory in which social categorization leads to social identity formation, which is, in turn, associated with social comparison.

Doise (1988) refers to Turner's (1979) self-categorization theory and observes three levels of categorization which have varying degrees of generality: the subordinate level of the particular individual, the intermediate level of groups and the subordinate level of the self as a human being. These levels define one's personal social and human identity.

Hierarchical types of classification received attention in the early nineties. For example, Early (1993) found that the relationship between an individual and the group's leader determines the individual's group membership status. Ingroup members typically have interests and characteristics that are very similar to those of the group leader. It does not surprise that these ingroup members are then part of the leader's communication and support network.

National identity may play a role in social identity formation as it can be used as a dimension by which HCNs identify themselves relative to the expatriates (Toh & DeNisi, 2007). A national identity may relate to a degree of homogeneity in the national population, which is linked to a common culture, language, history, religion or descent. Toh and DeNisi (2007) hypothesize that the greater the salience of national identities, the more likely it will be that expatriates are viewed as outgroups by HCNs (it should be noted that Toh and DeNisi's model has never been empirically tested).

Although Social Identity Theory and Social Categorization Theory have intrinsic differences, most approaches incorporate elements of both. Kohonen (2005) viewed expatriates on assignment from an identity construction perspective in order to build an interdisciplinary framework. After having observed that not much is known about identity construction or how managers develop personally during international assignments, he suggested that the use of narratives may be a promising methodology to examine the process of identity construction during expatriation (for further discussion on the use of narratives in

literature on expatriation, see Glanz, 2003). Open-ended interview questions were used in the current research to elicit expatriate narratives.

2.4.2.1 Identity confusion, anxiety and stereotyping

There are links between identity and categorization. For instance, Richards (1996) placed identity confusion as central to intercultural discomfort. In his phenomenological investigation of expatriate adjustment, he found that expatriates do not all adapt equally well to new conditions and that this may have consequences for their mental and physical health. Many expatriates experience anxieties and mild to serious paranoia and believe that host country nationals are plotting against them and purposely making life difficult for them. Richards posited that these beliefs are partly rational responses to the perceived threats which the host culture may pose to the identity of expatriates. Richards was one of the first scholars to broach mental adjustment problems and paranoia among expatriates. Noteworthy is his emphasis on an individual approach to expatriate adjustment, and further research of this kind is needed.

Stephen and Stephan (1985) in Greenland and Brown (1999) also noted the existence of anxieties as well and suggested the term `intergroup anxiety' to describe the anxiety that an individual may feel when anticipating or experiencing contact with someone from another group. The authors suggested that generic anxiety is associated with increased stereotyping and that there is clear evidence of a relationship between intergroup anxiety and intergroup categorization.

Social Identity Theory and Social Categorization Theory may contribute to effective expatriate adjustment, as both theories model reality and make it understandable. Being aware of processes and by applying appropriate strategies in dealing with group and

individuals, more optimal relationships may be developed. For instance, Gaertner et al. (1990) suggested that substantial evidence exists that intergroup cooperative interaction reduces bias. Intergroup bias frequently takes the form of in-group enhancement rather than out-group devaluation. They predicted that reduction in bias, which is mediated by changes in members' representations, occurs primarily because attitudes toward former outgroup members become more positive. The stronger an aggregate was regarded as group, the more highly out-group members were evaluated. This observation could have positive consequences for expatriates once considered members of a group. The potential for bias to develop between expatriates and host country nationals in a Thai context is worthy of investigation. The next section focuses on bias among groups.

2.4.3 Intergroup Bias

Intergroup bias is a systematic tendency to view the group that one feels closest to (the in-group or membership group) and its members more favourably than a non-membership group (the out-group) and its members (Hewstone, Rubin & Willis, 2002). Bias may include behaviour (e.g. discrimination), attitude (e.g. prejudice) and cognition (e.g. stereotyping) (Wilder & Simon 2001). Trusting ingroup members, evaluating them positively, cooperating with them and feeling empathy to these members but not to out-group members, could be considered a form of discrimination, which relates to in-group favouritism. This should be distinguished from another kind of bias that produces signs of aggression and treatment of out-group members that is similar to derogation (Brewer, 2000). According to Social Identity Theory (Tajfel & Turner, 1979), positive effects of intergroup bias include the creation and protection of relatively high in-group status. Intergroup bias therefore provides a positive social identity for in-group members and satisfies a possible need for positive self-esteem. Hogg and Abrams (1990) expanded on this concept of self-

esteem and hypothesized that: (1) successful intergroup bias enhances self-esteem and (2) depressed or threatened self-esteem motivates (and causes) intergroup bias. Knowing to what group one wants to belong, then, seems essential. Optimal distinctiveness theory is about identifying a group that fulfils personal identity objectives. Developed by Brewer (1991), optimal distinctiveness theory proposes that social identity entails a struggle between two opposing needs: a need for differentiation and a need for assimilation. People tend to identify with groups that provide a specific balance between these two opposing needs; whether these decisions are made fully consciously or not is a factor that could be of interest in the expatriate adjustment processes.

A positive social identity which benefits the individual also relates to self categorization theory. Mullin and Hogg (1999) regard the value of self-categorization as being in uncertainty reduction through social identification, which helps explain the following phenomena:

1. Positive social identity and ethnocentrism. Because the ingroup reduces an individual's uncertainty, it is valued highly and positively and is evaluated more favourably than the outgroup.

2. Self-esteem as a group member. As self is a depersonalized component of the ingroup, self-evaluation leads to ingroup evaluation based on uncertainty reduction.

3. Group membership based on social attraction among group members. Other members of the group are then depersonalized components of the ingroup. Ingroup evaluation based on uncertainty reduction, therefore, embraces the evaluation of others (Hogg, 1992, 1993).

Although a positive social identity and ethnocentric beliefs could be used as an explanation of why self categorization reduces uncertainty through social identification, cultural pressures and conformity issues may also point towards a more forced clinging on to a reference group.

Collectivistic societies with low values for individualism do not seem to leave much room for developing identities that deviate from national cultural characteristics.

An important variable of the social context that has been shown to influence self-categorization processes is the size of the relative ingroup. In general, literature shows that minority members are more likely to self-categorize than majority members. A typical explanation for this finding is that membership of minority groups, because of its numerical distinctiveness, is automatically noticeable and thus becomes salient in the perception of self and others (Simon et al., 1997). The fit in minority/majority groups and the translation to ingroup/outgroup is also important here, as it provides meaning to individuals. Any observation of social categorization into ingroups and outgroups will be meaningless and have no influence on how people view themselves unless this certain fit is given. The fit into a given social context provides us with a meaningful map of the relevant social world, which helps us to identify our own (individual and/or collective) place therein (Tajfel, 1978, p. 63). A 'misfit' will likely affect the expatriate's adjustment process as well as the psychological wellbeing of expatriates.

In summary, group membership and social identity perceptions could create gaps between ingroups and outgroups (which may also be related to cultural traits of the host culture). Understanding how these processes work is then vital for understanding social interactions between actors from different cultural backgrounds and may lead to a better comprehension of the expatriate adjustment process. The research in this thesis proposes that perceptions of belonging to a particular outgroup affect the adjustment process of expatriates (see Chapter 3). The various negative consequences related to intergroup behaviour fall back on social identity and categorization processes. Both Social Identity and Self Categorization Theory therefore hold potential to affect expatriate adjustment and are part of the researcher's agenda.

The next section reviews the role of salary discrepancies and national identity among host country nationals.

2.4.4 Implications of Pay and National Identity among Host Country Nationals

Pay discrepancy between HCNs and expatriates is a common phenomenon. Expatriate packages generally include education allowances for dependent children, relocation and housing allowances, home leave and, in some cases, tax-free status. [2] These substantial differences in incentives clearly separate expatriates from HCNs. In doing so, they may emphasize group identities and may create perceptions that nationality may be a differentiating factor in pay outcome. In traditional contexts, Folger and Konosky (1989) found that experienced and procedural justice linked to pay raise decisions had a wide range of consequences. It was, for instance, found to affect organizational commitment and trust. Rawls (1971, p.586) observed that 'among other things, respect for persons is shown by treating them in ways that they can see to be justified.' Considering that HCNs are often trained in the same institutions as expatriates, show increasingly improved fluency in English and also understand local culture better than their expatriate counterparts, it is understandable that HCNs are more likely to perceive unjust treatment by MNCs if they perceive that their efforts are not being compensated at the same rate as those of the expatriate (DeNisi, Toh & Connelly, 2006). Under such circumstances large wage discrepancies may understandably become unacceptable to HCNs. A HCN may experience relative deprivation and perceive injustice.

Toh and DeNisi (2003) suggest that characteristics of the host unit act as forces that may cause national identities to heighten and direct social behaviours consistent with social groups' memberships. They also draw on the relative deprivation theory to predict potential

[2] http://www.aon.com/about/publications/issues/2001_01forum_globalcomp.jsp

cognitive, psychological, and behavioural implications of the suggested social comparison between two different groups. Relative deprivation occurs when an individual feels entitled to a certain amount of goods but is unable to obtain this entitled amount. The term relative deprivation has been extensively used in sociology, social psychology and other social science settings for almost sixty years to describe feelings or measures of economic, political or social deprivation that are relative rather than absolute. This may explain why people in different situations feel less satisfied, as their satisfaction is often related to their subjective comparisons. Relative deprivation may relate to the salience of national identity when host country nationals perceive that their remuneration package is solely linked to their national identity. Brickson (2000) provided supportive evidence and presented a preliminary model of how reward structures affect the activation of members' personal and collective identity orientations. The authors suggest that this relational identity activation may inhibit disadvantages. This is of particular interest to this thesis research, as the proposed importance of pay discrepancies has been linked to expatriate adjustment in the conceptual model presented in Chapter 3. It is understandable that pay discrepancies may create ill feelings among HCNs. For instance, it has been observed that HCNs have withheld information from expatriate management and even purposely sabotaged directions given from expatriates (Fontaine, 1997). Illustrative is Bolino and Feldman's (2000) observation:

> 'The HCNs meet all my suggestions and contributions with resentment and suspicion. The locals are reticent about revealing details of the work to the foreign expert who is supposed to be improving operations. Forward planning is often lacking, meetings cancelled, and we are not told or warned that the situation has changed. . . .The HCNs lack a commitment to democracy and are unwilling to trust and communicate with others, especially foreigners' (Bolino & Feldman, 2000, p. 375).

Hostile conduct of HCNs is not conducive to intercultural interaction and could affect the adjustment process of expatriates (Atiyyah, 1996; Toh et al., 2004).

Toh (2003) linked perceptions of value dissimilarities leading to outgroup categorization within the HCN workforce to the salience of different national identities. In the context of this thesis research it is important to note that the observed influence of national identities on expatriate adjustment and cross-cultural interaction may have far reaching consequences and affect operational efficiency as well.

The following section deals with the literature on value dissimilarities and in particular on ethnocentrism. Value dissimilarity is a variable which emphasizes dissimilarities between host country nationals and expatriates that could heighten salience of nationality. It is not included in Black et al.'s model on international adjustment (1991) although it is included in the conceptual model (see Figure 9) of this thesis.

2.4.5 Value Dissimilarities and Ethnocentrism

Value dissimilarities have been noted as a distinctive feature of different cultures (Hofstede, 1980). Triandis (1994) expressed the extent of difference between cultural values as 'cultural distance'. Cultural distance may hinder intercultural communication and even provide wrong impressions of intentions. As already described, perceptions of value dissimilarities may lead to outgroup categorization within the HCN workforce because it may contribute to the salience of national identities and even reinforce perceptions of an individual's own nationality. As well, value differences may be expressed in behaviours which then could lead to outgroup categorizations.

Differences in the magnitude of conflict are further often considered as caused by cultural distance (Makino & Beamish, 1998). The larger the cultural distance, the more likely that the outgroup categorization will develop as an expression of salience of national identity (e.g. Toh, 2003). Value differences may contribute toward ethnocentric attitudes among both

host country nationals and expatriates. Therefore, ethnocentrism has been included in the conceptual framework of this thesis research (see figure 9 in Chapter 3) as a proposed variable related to the adjustment process of expatriates.

Sumner (1906) in Duckit and Parra (2004) originally used the term *ethnocentrism* to describe this phenomenon as an expression of a broader combination of in-group attachment and out-group hostility, which he believed was an inevitable and universal consequence of the existence of social groups. Zeira (1979, p.66) noted in early research on ethnocentrism in host-country organizations that ethnocentric attitudes of expatriate managers and host-country employees in all types of MNCs are 'dysfunctional to their mutual relationships'.

Although conceptually established in early research, ethnocentrism did not find acceptance into models of international adjustment, and it is only recently that ethnocentrism has been linked to expatriates' work adjustment. Florkowski and Fogel (1999) tested the hypotheses that perceived host ethnocentrism will impact negatively on expatriates' work adjustment, host commitment and parent commitment as well as increase the desire to return early from overseas assignments. Hierarchical regression analyses on a wide range of personal, organizational and locational characteristics showed, as predicted, that perceptions of local ethnocentrism had a negative effect on work adjustment and commitment to the host unit (particularly when cultural distance was low). Another finding was that European expatriates were more likely to react negatively to perceptions of host ethnocentrism than their American counterparts. A relationship between perceived host ethnocentrism and parent-form commitment or the desire to return early was not confirmed. The starting point for Florkowski and Fogel (1999) was the assumption that successful cross-cultural adaptation may be hindered by resistance of cultural responses from the host population. In this regard it was observed that host subsidiaries' unwillingness to accept foreign managers may be an important deterrent to a successful international career within multinational enterprises

(Barham and Devine, 1990). Florkowski and Fogel (1999) further report some generalized, xenophobic reactions to MNEs in local settings. Expatriates of Chinese ethnicity observed that they do not possess the same authority in China as Western managers because of envy or resentment from local employees (Florkowski & Fogel, 1999). Perceived ethnocentrism may generate feelings that equal those generally associated with employment discrimination, which may make it more difficult for expatriates to cope with their situation in their new work location. From an extreme perspective, host xenophobia possibly could preclude positive social exchanges with outsiders who have home cultures that are quite similar to the local culture. In addition, there may be a discrepancy between negative perceptions of expatriates between lower and higher level staff (Watanabe & Yamaguchi, 1995).

Rivalry over career-advancement opportunities within the host unit may explain why high-status locals (e.g. managers and professionals) perceive resident expatriates more negatively than do lower-level HCNs. It has been observed that the unwillingness to defer to or accept foreigners may stem from the concern that they create communication problems in the workplace which hinder HCNs from pursuing and achieving organizational goals (Watanabe & Yamaguchi, 1995).

Duckit, Callaghan and Wagner (2005) refer to the functionalist tradition as a foundation for the ethnocentrism hypothesis (which was originally proposed by Sumner in 1906). Sumner argued that groups were inherently competitive, so that ingroup attachment or cohesion and outgroup hostility would be universal and directly correlated with each other. Adorno, Frenkel-Brunswick, Levinson and Sanford (1950, in Duckit et al., 2005) extended this concept from the group level to individual differences and suggested that individuals characterized by intense and uncritical devotion to their national groups would be more hostile to outgroups. The underlying assumption is that outgroup members are not members of national groups. Group identification therefore seems a key concept in ethnocentrism.

Hinkle and Brown (1990) suggested that group identification might only be related to intergroup bias when ingroup members had a collectivist orientation to their ingroup and a relational or comparative orientation to outgroup.

In summary, ethnocentric behaviour has been observed to appear even on the basis of apparently small differences between group members. Moghaddam & Stringer (2001) noticed that a minimal basis for social categorization can become a powerful determining factor in the minimal group experimental context because it evoked strong and consistent in-group bias. Host ethnocentrism relates to a variety of constructs that are relevant in research on expatriation. Because of noted bias against outgroups (Hinkle & Brown, 1990) and noted negative effects on expatriate adjustment caused by perceived host ethnocentrism (Florkowski & Fogel, 1999), it is proposed in Chapter 3 that perceived host county national ethnocentrism is negatively related to expatriate cross-cultural adjustment. The following section (Section 2.4.6) argues why justice perceptions also contribute to salience of nationality for both host country national and expatriates.

2.4.6 Distributive and Procedural Justice

Justice perceptions play a proposed role in expatriate adjustment and this section links it to previous theories covered. Konovsky (2000) uses the concepts of justice and fairness interchangeably and noted that the last published review on procedural justice was in 1990 by Greenberg in the *Journal of Management* (see Greenberg, 1990). Further, there seems to be little research dealing with procedural justice in organizational contexts. However, Konovsky (2000) built upon Greenberg (1990) and perceived justice as a core value to organizations which affects the extent of organizational identification. Fair treatment would make it easier for individuals to accept authority. Procedural fairness has also been found to relate to negative employee behaviours. In particular, when fairness is perceived, it has been linked to

the prevention of unwanted employee behaviours such as theft. Procedural fairness then may have positive effects for the organization. Justice as a broad category generally entails distributive and procedural justice. Distributive justice refers to the perceived fairness of the compensation received by employees, whereas procedural justice refers to the perceived fairness of the procedures used to determine the exact amounts of compensation (Folger & Konovsky, 1989). In reactions to pay raise decisions, experienced justice has had a wide range of consequences and particularly for procedural justice ((Folger & Konovsky, 1989). It was found, for instance, to affect organizational commitment and trust. If host country nationals perceived wage differences to be justified on acceptable grounds then they would be less likely to be frustrated, which could possibly affect interaction between host country nationals and expatriates. It is, therefore likely that experienced justice may affect the interaction between host country nationals and expatriates.

The next section (Section 2.4.7) relates to how the organizational identification of employees may provide a more helpful atmosphere which not only affects the willingness to contribute to the wellbeing of the organization, but also affects employee turnover rates. In Chapter 3 it is proposed that the organizational identification of expatriates is linked to expatriate adjustment via social support.

2.4.7 Perceptions of Organizational Identification

Smidts, Pruyn and van Riel (2001) found that employees who identify strongly with the organization are more likely to show a positive and supportive attitude to the organization and consider organizational objectives in their decision-making process.

Organizational identification concerns the perception of ‘being at one’ with the organization. It has been shown to be enhanced by various factors including organizational prestige (Smidts et al., 2001). Perceived external prestige reflects how an employee thinks

outsiders view his or her organization (and this employee as a member of the organization). Van Dick, Christ, Stellmacher, Wagner, Ahlswede, Grubba, Hauptmeier, Hoehfeld, Moltzen and Tissington (2004) linked employee organizational identification (e.g. strong organizational identification relates to low intentions to leave) with Social Identity and Self-categorization Theories. Identification is regarded as the more general perception of shared fate between employee and organization. Van Dick et al. (2004) proposed that the relationship between organizational identification and turnover is mediated by job satisfaction and regard the latter as an evaluation of one's task and working conditions. How expatriates identify themselves with the organization as well as how their HCN counterparts identity themselves may then affect turnover intentions. It also could be argued that organizational identification could affect job performance, given that employees who intend to leave may not be working with full motivation and effort. Organizational identification therefore holds the potential to affect expatriate effectiveness and turnover rates.

The next section reviews perceived organizational support and outlines some of the processes by which an individual possibly could achieve a higher commitment to the organization. A higher commitment to the organization results in lower intentions to leave which has been commonly used as a determinant for expatriate adjustment (Yavas & Bodur, 1999; Bhaskar-Shrinivas et al., 2005; Takeuchi et al., 2002).

2.4.8 Perceived Organizational Support

Organizational support refers to the relationship between an organization's treatment of its employees and the employees' attitudes and behaviour towards their jobs and organization. Perceived organizational support refers to employees' 'global beliefs

concerning the extent to which the organization values their contributions and cares about their well-being' (Eisenberger, Huntington, Hutchinson & Sowa, 1986, p. 501). The concept of perceived organizational support was substantiated in the 1980s, however, organizational support has been investigated for nearly seventy years (Zagenczyk, 2006). Research consistently reveals that employees with high levels of perceived organizational support are more committed to the organizations they work for and more show less intentions to leave the organization (Rhoades & Eisenberger, 2002). Employees who are satisfied with their perceived organizational support are less likely to be tardy or absent, or even resign (Eisenberger et al., 1986).

Zagenczyk (2006) noted that current research pursues the concept that employees independently evaluate the treatment they receive from the organization. However, social networks seem to shape advice, friendship and role model relationships on employees' perceived organizational support. Zagenczyk (2006) particularly focused on the role of social networks in his doctoral dissertation. Social network approaches are commonly used to explore the influences of social influence in organizations and are of particular interest to this research as they relate to the role of the influence of HCNs in the expatriate adjustment process.

Various dimensions in the perceived organizational support construct have been identified. Antecedents of perceived organisational support have been classified into three main categories: (1) fairness of treatment, (2) support from organizational representatives, and (3) human resource practices (Rhoades & Eisenberger, 2002). Both procedural and distributive justice have been found to relate positively to perceived organizational support because fair policies and procedures strengthen employee beliefs that they will be rewarded for their efforts to help the organization (procedural justice), while receiving benefits from

the organization would signal to an employee that s/he is valued (distributive justice) (Zagenczyk, 2006).

Overall, perceived fair treatment and fairness of human resources practices positively relate to perceived organizational support. The observed link between perceived organizational support and employee's performance on the task is noteworthy and is likely related to beliefs that increased efforts on the task will be rewarded by the organization. Orphen (1994) was among the first to not only observe but also confirm this relationship. As one of the causes of expatriate maladjustment is underperformance, a possible link between perceived organizational support and expatriate adjustment might exist. Due to this possibility, it is proposed in Chapter 3 that employees with higher perceived organizational support will also show higher perceived cross-cultural adjustment.

Contrary to the perspective of perceived organizational support as a perception which forms only as a result of an employee's relationship with the organization or key organizational representatives, such as supervisors, Zagenczyk (2006) indicated that an employee's perceived organizational support may also be influenced by coworkers' beliefs regarding the support that they are provided by the organization. This is particularly the case when these coworkers are regarded as role models by the employee. It is further noteworthy that employees tended to have similar perceived organizational support as did their strong role model in the organization (Zagenczyk, 2006). When reciprocity was not necessary for the development of ties between employees, only strong friend-advice-role model ties were related to similarity in perceived organizational support. This suggests that two-way information sharing and strong ties are likely to lead to similarity in beliefs about perceived organizational support. It seems likely, therefore, that the nature of the relationships between expatriates and host country nationals may moderate perceived organizational support. Of particular interest to the current research is whether perceived organizational support and

Organizational Citizenship Behaviours in settings with more host country nationals than foreign employees would be perceived as similar to more familiar settings in home countries.

The next section (Section 2.4.9) reviews Organizational Citizenship Behaviours. These are behaviours that may directly benefit expatriates in their adjustment process, as they are in plain words 'helping' behaviours. The construct of Organizational Citizenship Behaviours post dates Black et al.'s (1991) framework of international adjustment and hence is not included in it. However, the apparent relevance of Organizational Citizenship Behaviours argues for inclusion in the conceptual framework presented in Chapter 3.

2.4.9 Organizational Citizenship Behaviours

Voci (2006) uses the term Organizational Citizenship Behaviours as a construct for behaviours that are not formally required of employees, but which are useful for the organization (Organ, 1988). These behaviours are discretionary, not directly or explicitly recognized by the organization and therefore not rewarded explicitly. It is therefore difficult, if not impossible, to punish employees for not performing them. Organizational Citizenship Behaviour is, like expatriate adjustment, a multi-dimensional construct. Organ (1988) identified five dimensions: altruism, courtesy, civic virtue, conscientiousness and sportsmanship. Other dimensions have also been put forward (Konovsky & Pugh, 1994; Voci, 2006). Voci (2006) focused particularly on the tendency to practise helping behaviours toward co-workers and argues that this meaning is relatively close to the concept of intra-group cooperation. A link to depersonalization according to self-categorization theory may be observed here. Depersonalization relates to self-categorization at the group level which causes individuals to join groups. As a result, individuals behave as group members and not as independent individuals (Voci, 2006). Depersonalization may result in lesser tendencies to

provide a helping hand to co-workers. People derive part of their identity and perception of self from the organizations or workgroups to which they belong. A key idea of Hogg and Terry's (2000) work on social identity and self-categorization processes is that groups are internally structured in terms of perceived or actual group prototypicality of members. Thus it might be argued that if host country nationals view incoming expatriates as members of their same group (the organisation), they may be more inclined to help out with information if the need arises.

Although Organizational Citizenship Behaviours have received attention since early research in the nineties, their antecedents are not well established. Organ (1997) urged a research focus on the predictors of Organizational Citizenship Behaviours and suggested that employee motives may provide an empirical explanation of employee decisions on whether or not to extend Organizational Citizenship Behaviours to those in need of them. After almost two decades of research, job satisfaction remains the best predictor of these behaviours. Recent research particularly emphasizes the role of motivation in Organizational Citizenship Behaviours. The five most common sources of motivation measured include intrinsic processes, instrumental, self-concept-external, self-concept-internal, and goal internalization motivations (see Barbuto & Scholl, 1998, for detailed descriptions).

Recent fine-tuning of Organizational Citizenship Behaviours by the creator of the construct led to two different forms, differentiated according to the intended target of the activity (e.g., Organ & Ryan, 1995). The term OCBI comprises behaviours that are directed at individuals or groups in the organization, whereas OCBO refers to helping behaviour that targets the organization. Examples of each include, for instance, assisting others with work-related problems (OCBI) and offering ideas to improve the functioning of the organization (OCBO).

Lievens and Anseel (2004) noted in their literature review that a three-factor model of Organizational Citizenship Behaviours has received acceptance in the literature. This conceptualization removes Conscientiousness from the construct and Altruism and Courtesy are combined with Cheerleading which creates a single Organizational Citizenship Behaviour dimension, called 'Helping Behaviour'. This ultimately results in a three-factor Organizational Citizenship Behaviours construct (i.e. Helping Behaviour, Civic Virtue, and Sportsmanship). With regards to the research undertaken, it is suggested that Organizational Citizenship Behaviours are a potentially useful tool in assisting expatriates in their transition to a new environment.

However, the potential role of host country nationals related to Organizational Citizenship Behaviours has only very recently received attention in scholarly research (Toh & DeNisi, 2007). It is suggested here that expatriates who perceive Organizational Citizenship Behaviours to be extended to them assess their own adjustment higher than expatriates who do not perceive such extension. However, it should be noted that self-perception of adjustment does not imply performance effectiveness.

In many of the previous sections the role of HCNs has been deliberately noted, despite the limited availability of literature which reviews the role of HCNs in expatriate adjustment. In the following section, much of this previously mentioned material is aggregated and an argument made to incorporate the role of HCNs in the expatriate adjustment framework.

2.4.10 The Role of HCNs in regard to Expatriate Adjustment

Until recently the role of HCNs in the expatriate adjustment process has not been tested empirically and very few studies had specifically researched the role of HCNs in the

expatriate adjustment process (Florkowski & Fogel, 1999). This is a little surprising given the issue was recognised by Zeira (1979). The underlying assumption that adjustment problems are 'owned' by expatriates is a reoccurring theme in literature. Maruyama (1992), for instance, suggests that adjustment failure can be attributed to the cultural insensitivity and indifference of American expatriates.

Toh (2003) was among the first to find that social support provided by HCNs was significantly related to HCNs' perceptions of their expatriate co-worker's adjustment. However, it could be argued that perceptions of HCNs about the adjustment of a third party may not necessarily correspond to an accurate description of the adjustment that expatriates experience. A different approach involves HCNs in measuring skill utilization of expatriates. Bolino and Feldman's study (2002) links effective skill utilization of expatriates with the selection and training of expatriates themselves. As well, they also emphasize the relevance of teamwork and the skill levels among host country nationals and the quality of support provided by the parent multi-national company. Expatriate research participants in Bolino and Feldman's study (2002) reported a variety of behaviour that hindered effective work operations. For instance, host country nationals were purposely silent in communicating details about the work to a foreign expert who was supposed to be improving operations. Due to the previously noted resentment and suspicion (see Section 2.4.4), the anti helpful behaviour of host country nationals may be perceived as being intentional. Negative expatriate perceptions of HCNs culminated in the observation that they lacked a commitment to democracy and seemed unwilling to trust and communicate with third parties (in particular foreigners). However, HCNs may assess the situation completely differently. Recent research also suggests that HCNs often perceive expatriates as lacking necessary skills and failing to communicate knowledge to local staff (Toh & DeNisi, 2003).

The acceptance of collectivism principles (Hofstede, 1980, see Section 2.4.11) in societies may also affect the way those higher up in hierarchies are approached. In high power distance societies, lower status employees are less likely to make comparisons with higher status workers, as status dissimilarity is perceived to be 'natural.' Toh and DeNisi take this concept one step further when they propose that lower status employees are less likely to compare pay packages with expatriates in high power distance society. It therefore can be suggested that national culture plays a pivotal role in perceptions of relative deprivation with regard to salary discrepancies.

Another common way of approaching this relative deprivation is to frame it in terms of distributive and procedural justice (see Section 2.4.6). The way in which HCNs perceive distributive and procedural justice may affect their interaction with expatriates. Folger and Konovsky (1989) in their study of reactions to pay rise decisions found that experienced justice had a wide range of consequences, particularly when related to procedural justice. It was, for instance, found to affect organizational commitment and trust (Folger & Konovsky, 1989, p.125). If HCNs perceived wage differences to be justified, they would seemingly be less likely to have feelings of frustration, which could possibly affect interaction between them and expatriates. The extent that discrepancies can be justified is open to question.

HCNs are increasingly equipped with unique skills that expatriates traditionally brought to the job (DeNisi et al., 2006). HCNS are often trained in the same institutions as expatriates and found to be increasingly fluent in English and also understand local culture better than their expatriate counterparts. Not surprisingly, large wage discrepancies are anomalous to HCNs who, as a consequence, experience relative deprivation and perceive injustice. HCNs are more likely to perceive unjust treatment by Multi National Corporations if they perceive that their inputs are not being compensated at the same rate as those of the expatriate. It is suggested that perceived justice is an important predictor of Organizational

Citizenship Behaviours. DeNisi et al. (2006) further argued that HCNs develop a strong 'us vs. them' attitude due to perceived injustice. Examples of HCNs willingly letting things run out of hand are noteworthy (DeNisi et al., 2006, p.14).

As already described, intercultural communication between HCNs and expatriates seems an essential factor in expatriate success. However, there appears to be conflicting evidence on the importance of the role of HCNs in this context. Feldman and Thomas (1992) reported that although expatriates experienced success and satisfaction when they linked their assignment with career development, they allocated no significance to the role of HCNs in this process and believed that HCNs could be of little assistance (Feldman & Thomas, 1992, in Crocitto, Sullivan, & Carraher, 2005). This was explained by the assumption that expatriates may be so busy adjusting to many new factors that they may not be motivated to develop meaningful mentoring relationships with host country nationals. However, it is proposed in Section 3.1 that HCNs may actually play a larger role than previously anticipated. A helpful attitude of HCNs may provide support in various ways for expatriates, which in turn may support their adjustment process.

It has even been reported that expatriate paranoia may occur due to the dynamics of exclusion (Glanz et al., 2001). The basis of the paranoia is that expatriates may feel (and indeed are) excluded from interaction with the host community, and this exclusion may contribute to the development of mild or serious paranoid patterns of behaviour.

Further indication of the important role of HCNs in expatriate adjustment is that the frequency of interaction with host nationals consistently predicted all three types of adjustment (general adjustment, work adjustment and interaction adjustment) in a meta-analytic study (Hechanova et al., 2003). As well, Hinkle and Brown (1990) observed bias against outgroups whereas Florkowski and Fogel (1999) noted that negative effects on expatriate adjustment were found to be caused by perceived host ethnocentrism. Considering

the found linkages between the proposed role of host country nationals and expatriate adjustment, there is a strong case for its inclusion in research on expatriate adjustment.

The next sections review the Thai research context and the two dominant cultural traits that play a role in settings where western employees interact with Asian employees. Both traits relate to individual and group behaviour patterns which make them particularly relevant to the settings in which this thesis research takes place.

2.4.11 The Thai Research Context

It is appropriate to describe the specific context in which this research takes place by providing a general discussion of Thai culture.

Hofstede (1991) observed high power distance in Thai culture with considerable dependence on subordination to bosses and where 'subordinates respond by either preferring such dependence (in the form of an autocratic or paternalistic boss), or rejecting it entirely' (Hofstede, 1991, p. 27-28). Subordinates are unlikely to contradict their bosses directly and prefer to maintain surface harmony (Rohitrana, 1998, Hendon, 1999). Niratpattanasai (2004) found that due to the 'humble nature of Thais' the majority of Thais practice 'silent denial'. This silent denial is hard to notice, employees nod their heads at meetings, smile while listening to suggestions and during work-breaks gossip about this bad idea.

Authoritarian decisions by managers in Thai organizations are generally accepted by the workforce (Holmes & Tangtongtavy, 1995). The high power distance is reflected in tall organizational structures for most Thai organization (Thanasankit & Corbitt, 1999) with only those at the top allowed to make important decisions (Rohitrana, 1998). In Thai society, a person's power is directly related to his/her title, rank and status in organization and society (Komin, 1990). Group and social interests are central to Thai society constructs and decision-making, management and performance are based on group performance (Hofstede, 1991). It

is, therefore, important for incoming western expatriates to be aware of the relevance of group interests among the Thai workforce. As well, values are central to culture and understanding the values of the host country may aid in the adjustment process. Mallet (1999) suggests that most of what people call 'Asian values' actually refer to the conditions and values in pre-industrial societies. However, the current Thai society is heavily affected by globalization and changes in traditional Thai values occur rapidly. Previous 'core' values change as management practices modernize, changes may appear more dramatically than in developed countries because of the developmental status of Thailand. The following paragraphs present some of the most common Thai cultural traits which affect expatriates work settings in Thailand. The presentation of research findings in Chapter 6, and in particular Section 6.2.1 on value dissimilarities, will elaborate on the impact of values on expatriate-HCN work relationships.

A number of observed values and traits in Thai contexts relate to maintaining harmonious relationships. For instance, 'Kreng-Jai' is defined by Sriussadaporn-Charoenngam and Jablin (1999) as "an extreme reluctance to impose on anyone or disturb another's personal equilibrium by refusing requests, accepting assistance, showing disagreement, giving direct criticism, challenging knowledge or authority or confronting in a conflict situation". Out of Kreng-Jai, Thai HCNs will generally hesitate or refuse to contradict a foreign superior when assignments are discussed. Thai HCNs will also not ask any questions if they do not understand, but will try to perform the job to the best of their abilities. Niratpattanasai (2004) describes a case where a non performing group member is allowed to continue out of Kreng-Jai, which resulted in project delay. Interestingly, not one single team member addressed the observed problem with the executive in charge. Patterson and Smith (2001) state that loyalty from the Thais is that strong that it enables them to put up with inconveniences or even bad services better than their counterparts in the West ever

could. This loyalty may then be viewed as a contributing factor to the Kreng-Jai trait. Other Thai traits relate to acceptance of situations. For instance, Sabai Jai may be translated as 'laidback, take it easy'. The western cultural concept of maintaining tight deadlines is often met with incomprehension from Thais. Thai HCNs perceive tight deadlines as unnecessarily complicating life and do not associate a deadline with a necessity to meet that deadline culture (Niratpattanasai, 2004). 'Mai Pen Rai' means 'it doesn't matter', or 'it's ok.' It's one of the most heard phrases in a Thai context. This is an often frustrating phrase for expatriates as it appears that the Thais accept situations as they are instead of trying to affect the outcomes of processes by actively engaging themselves in the process.

Niratpattanasai (2004) points towards the Thai concept of 'kai nah,' (being embarrassed, losing face) to speak out in front of other people for reasons of:

- Not wanting to look 'stupid' in front of peers.
- Being afraid that management will look down on employees when wrong answers are given.
- "It's nice to be passive."
- "I never learned to speak out in front of other people" (Niratpattanasai, 2004)

Choosing the right words may play an important role in avoiding potential conflicts (Holmes, 2004). For example, the word for 'analysis' (in Thai 'wikraw') for instance has no negative connections and is rather neutral. 'Critical' however ('wijjaan') has strong negative connections for Thai listeners, using culturally sensitive words may lead to higher rates of agreement (Holmes, 2004).

Although of limited scope, the brief overview presented alludes to some of the cultural issues that may affect the work of expatriates in a Thai context. As well, this

overview clarifies the context in which the current research takes place. The next section identifies two cultural traits out of Hofstede's (1980) framework that are of particular relevance to this thesis research.

2.4.12 Collectivistic versus Individualistic Values

People are moulded by their cultural upbringing. This is often not realized directly, but when individuals encounter situations in which choices need to be made, differences between their own choices and the choices of people in those new locations appear to be more obvious. Hofstede (1980) developed four cultural dimensions and later added one more to the framework that forms the basis of many cross-cultural studies (Hofstede & Bond, 1998). Although the specific interest in this thesis research is with the individualism-collectivism interaction, it is recognized that the complete Hofstede framework includes the dimensions of masculinity-femininity, uncertainty avoidance, power distance and short term - long term orientation. Interactions among all these dimensions take place, they are relevant and important, but the focus in this section is on the individualism-collectivism dimension given that this dimension may be particularly important in cross-cultural interaction in the context of the research undertaken.

Earley (1989) examined the effect of individual values of the individualism-collectivism dimension on social loafing in organizational settings. He proposed a causal relationship between collectivistic beliefs and social loafing. Forty-eight managerial trainees each from the US and the PRC worked on an assignment. Trainees were differentiated on accountability and shared responsibility. The results of the regression analyses showed that collectivistic beliefs moderated social loafing. Earley related this to social responsibility and to performance in work groups.

In a later study, Earley (1993) suggested that the people's cultural beliefs of individualism or collectivism could predict the effectiveness of many management practices. The relation of individualists and collectivists to members of their ingroup and outgroups play a central role in this construct. It was, for instance, found that collectivists in outgroups had a lower performance than collectivists in ingroups. Similarly, individualists in group memberships showed lower performance as well (Earley, 1993).

That the cultural orientation of expatriates and HCNs would have practical implications for performance in organizations is a relatively novel approach to expatriate adjustment. However, in many ways expatriates cannot avoid bringing their own cultural 'luggage' with them to their overseas assignments. Their identity and position in ingroups and outgroups is determined in part by their cultural upbringing and is also likely to affect their performance in overseas settings.

Triandis, Bontemp and Villareal (1988) analysed individualism and collectivism constructs and linked them theoretically to the hypothesized consequences of social behaviours and health indices. They showed that individualism is reflected in the United States in (a) self-reliance with competition, (b) low concern for ingroups, and (c) distance from ingroups. The results of a higher order factor analysis further suggested that the tendency to treat ingroup goals as less relevant than personal goals may be the most important aspect of individualism in U.S. settings. That is, one's own intrinsic motives, or as described in business literature, the agency effect, takes precedence over ingroup goals. Clearly individualism is at conflict with collectivist approaches and, therefore, this discrepancy may constitute a barrier for incoming western expatriates to much of Asia.

Triandis (1994) describes collectivism in later work as interdependence, ingroup embeddedness, perceptions of duty, ingroup harmony and personalized relationships. The ingroup concept depends, according to Triandis, on context and culture, and is variable.

Individual ingroup members generally include family members, relatives, members of political and religious groups and co-workers. The noted linkage between cultural traits and Social Categorization Theory is indicative of the multifaceted complexity of the construct of expatriate adjustment.

Collectivistic cultures tend to favour ingroups over outgroups and behave according to values and norms within these ingroups (Hofstede, 1980). It is likely, then, that helping each other in ingroups is viewed as part of one's normal role within these ingroups. If organizations could be viewed as a particular ingroup, expatriates may benefit from the social support of HCNs, who would see this as part of their normal role. McMillan-Capehart (2004) suggests that employees in organizations with collectivistic cultures will exhibit more cooperative behaviours than employees in individualistic cultures. This would likely show in higher perceived support from HCNs in Thailand by expatriates, which may positively affect the expatriate adjustment process. However, the cultural orientation of expatriates may also have consequences for their perceptions of received social support and observations of Organizational Citizenship Behaviours (See Section 2.4.9).

In the last decade, the constructs of individualism and collectivism have been refined. Triandis and Gelfand (1998) point out that individualism and collectivism are polythetic constructs. This means that both constructs may be defined by different attributes; Korean and Japanese collectivism, for instance, can be defined by different attributes than can be observed in Thai settings. Triandis (1995) argued that the four central attributes of individualism and collectivism are (a) the definition of the self, which emphasizes personal or collective aspects and may be independent or interdependent; (b) personal goals that may have priority over in-group goals or vice versa; (c) the emphasis on exchange rather than communal relationships or the emphasis on rationality rather than relatedness and (d) the importance of attitudes and norms as determinants of social behaviour. Triandis and Gelfand

(1998) therefore provide a strong argument of not assuming equivalence in individualistic/collectivistic settings.

Triandis and Gelfand (1995) argued strongly that both individualism and collectivism may be horizontal (and thus emphasizing equality) or vertical (emphasizing hierarchy). Horizontal patterns generally assume that one individual is more or less the same as every other individual. However, vertical patterns consist of hierarchies, and every individual holds different positions in this hierarchy. The ways in which these relative emphases combine with individualism and collectivism were proposed to produce four distinct patterns: HI, VI, HC and VC (see Table 1)

Table 1: Relation of Horizontal and Vertical Individualism and Collectivism to other Typologies (Triandis & Gelfand, 1998, p. 119)

Relation of Horizontal and Vertical Individualism and Collectivism to Other Typologies

Dimension	Collectivism	Individualism
Vertical self	Self different from others	Self different from others
Fiske (1992)	Communal sharing	Market pricing
	Authority ranking	Authority ranking
Rokeach (1973)	Low freedom	High freedom
	Low equality	Low equality
	Communalism (e.g., China)	Market democracy (e.g., France)
Horizontal self	Self same as others	Self same as others
Fiske (1992)	Communal sharing	Market pricing
	Equality matching	Equality matching
Rokeach (1973)	Low freedom	High freedom
	High equality	High equality
	Communal living (e.g., kibbutz)	Democratic socialism (e.g., Norway)

This thesis uses these four distinct patterns and investigates whether relationships may be established between these patterns and the expatriate adjustment process. Of particular interest is the question of whether better adjustment would be predicted by the fact that an individual could be classified according to a particular individualism/collectivism pattern corresponding to a similar pattern in the host environment. Examples of items used by Triandis and Gelfand (1998) to measure these four distinct patterns of individualism and collectivism can be found in Table 2 which also lists the factor loadings.

Table 2: Factor Loadings for Horizontal and Vertical Individualism and Collectivism (Triandis & Gelfand, 1998, p. 120)

Table 2
Factor Loadings for Horizontal and Vertical Individualism and Collectivism

Item	Factor loading
Horizontal individualism	
1. I'd rather depend on myself than others.	.68
2. I rely on myself most of the time; I rarely rely on others.	.66
3. I often do "my own thing."	.55
4. My personal identity, independent of others, is very important to me.	.40
Vertical individualism	
1. It is important that I do my job better than others.	.59
2. Winning is everything.	.56
3. Competition is the law of nature.	.53
4. When another person does better than I do, I get tense and aroused.	.45
Horizontal collectivism	
1. If a coworker gets a prize, I would feel proud.	.67
2. The well-being of my coworkers is important to me.	.64
3. To me, pleasure is spending time with others.	.61
4. I feel good when I cooperate with others.	.49
Vertical collectivism	
1. Parents and children must stay together as much as possible.	.61
2. It is my duty to take care of my family, even when I have to sacrifice what I want.	.60
3. Family members should stick together, no matter what sacrifices are required.	.52
4. It is important to me that I respect the decisions made by my groups.	.45

The results of Triandis and Gelfand's study showed that those individuals who emphasized vertical collectivism scored especially high on family integrity and sociability and low on emotional distance from in-groups, while those who emphasized horizontal individualism were not competitive but scored high on self-reliance. The finding that vertical collectivism and horizontal individualism are related because both emphasize sociability but are distinct in terms of their emphasis on interdependence is of interest to expatriate adjustment. The horizontal individualists were found to stress self-reliance on competition (which resulted in creativity and high effort). Triandis and Gelfand found the horizontal individualism pattern more likely to lead to social support and sociability. The vertical collectivism pattern may allow in-groups to produce more than individuals could produce on their own. This cultural pattern provides protection and security and therefore reduces the need for personal decisions.

These four distinct patterns will be measured in this research, and based on these four dimensions on individualism and collectivism, it is proposed that expatriates with a more vertical collectivism orientation will adjust better to their Thai environments (which will result in greater positive self assessed adjustment).

2.5 Summary of Expatriate Adjustment

The term ‘expatriate adjustment’ has been used interchangeably with acculturation (Mendenhall & Oddou, 1995), adaptation (Stening & Hammer, 1992) and adaptation and adjustment (Black, 1990), and it relates to cross-cultural adjustment in every one of these conceptual interpretations. Shaffer & Harrison define it as ‘the degree of a person's psychological comfort’, and follow the original research of Black and Gregersen (1991a, p.498) who coined this definition. New interpretations relate to differences between sociocultural and psychological adjustment (Selmer, 2005). In the research undertaken in this thesis, there is an emphasis on sociocultural adjustment with the role of host country nationals being a central focus in the expatriate adjustment. Among the strategies provided to accommodate expatriate adjustment are pre- and post- departure cross-cultural training, mentoring relationships, provision of organizational support and acquisition of host country language skills. The role of host country nationals has been emphasized in the current chapter. In the following chapter possible links to the expatriate adjustment process are made explicit in a proposed model of expatriation. This model is then tested empirically.

Chapter 3

A Revised Expatriate Adjustment Model

As has already been indicated, a comprehensive model of international adjustment was developed by Black et al. (1991) who observed that while the literature on domestic adjustment focuses primarily on factors related to the job and organization, the focus of the literature on international adjustment is on factors outside the workplace that pertain to the expatriate's relational and perceptual skills. In particular, cultural adjustment was found to be central to international adjustment.

In the previous chapter, a variety of variables were identified as important for expatriate adjustment. However, there appears to be little research providing linkages between the cultural orientation of expatriates, Social Categorization Theory, ethnocentrism, social citizenship behaviours and experienced justice and the adjustment process of expatriates. In the model proposed in Figure 10, these variables have been built onto the Black et al. framework. A central factor in this conceptual model is the proposed role that host country nationals play in these hypothesized relationships. The conceptual model presented is selective and does not include constructs that are, although relevant for expatriate adjustment, out of scope for this thesis research. .

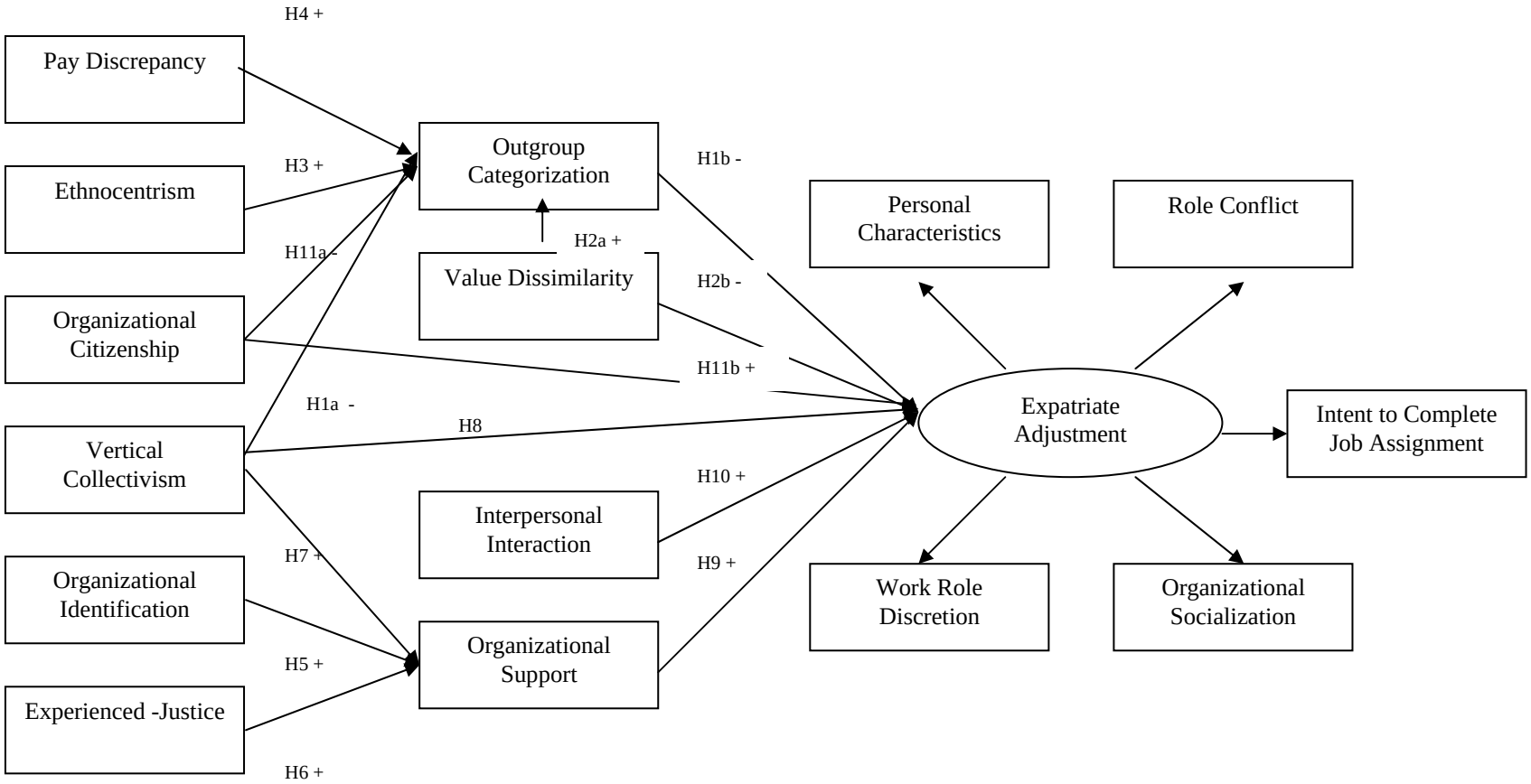


Figure 10 Proposed Model Linking Social and Psychological Variables to the Construct of Expatriate Adjustment

The model depicts proposed relationships which are presented in the next section in the form of hypotheses. The proposed conceptual model of expatriate adjustment is not meant to be viewed as a static model. For instance, anticipatory adjustment may affect in-country adjustment; however, it falls outside the focus of this research. Anticipatory adjustment variables that play a role prior to entering a foreign country have therefore not been included in this conceptual framework, as they fall outside the area of 'in country' adjustment. Bhaskar-Shrinivas et al.'s (2004, p.2) three consequences of adjustment that post date the Black et al. (1991) model namely: (1) job satisfaction; (2) withdrawal intentions and (3) performance, complement the model, as these are an essential measurement device of the outcome of expatriate adjustment. In terms of the focus of this thesis research, only *intention to leave* will be considered as an outcome of expatriate adjustment. The following section describes the main predictions made in the proposed model.

3.1 Hypotheses

Key to understanding the train of thought behind the development of the proposed relationships is Social Identity Theory. The social identity concept was introduced by Tajfel (1972) and refers to the individual's knowledge that he/she belongs to a particular social group and also attaches emotional value and significance to this group membership. Individuals are further capable of distinguishing between various social groups using the tool of 'social categorization.' Due to the fact that expatriates are working in an international environment, which is likely to be unfamiliar in cultural and national characteristics, observed differences may elicit stronger responses than one would expect in one's home environment (Tajfel, 1978). As described in Chapter 2, Social Categorization Theory has consistently found that members of ingroups are treated more favourably than members of

outgroups. This has also been described in terms of discrimination favouring the ingroup (Tajfel, Turner 1979). Sumner (1906) in Duckit and Parra (2004) coined the term ethnocentrism for a more extreme form of attachment to the ingroup and downright hostility to outgroup members. Brickson (2000) linked stereotyping to minority individuals in organizational outgroups. Negative perceptions are allocated to outgroup members by ingroup members. A key proposition is that memberships of various social groups such as in- and outgroups have implications for behaviour. The knowledge that one belongs to a different social group may then be perceivable as, for instance, the lack of extension of social support.

In this thesis it was decided to focus on variables that emphasize the perceived role of HCNs. An apparent difference between expatriates and HCNs may be their cultural background. However, various other variables may emphasize differences. Simon et al. (1997) suggested that variables such as nationality, gender, race or sexual orientation, as well as membership of religious and political associations, are an important part of our self-concept. Toh and DeNisi (2003) posited that the characteristics of the host unit context could cause the relevance of national identities to intensify and create social behaviours that are consistent with the membership of a particular social group. It could be argued that expatriates with a similar cultural predisposition as HCNs, for example in the context of the current research an inclination towards vertical collectivism, would experience less outgroup categorization as they would be perceived as being similar to HCNs. In other words, a correlation would be expected between (vertical) collectivism values of expatriates and outgroup categorization.

Hypothesis 1a: The extent to which expatriates conform to the vertical collectivism dimension is related to their perceptions of being from an outgroup.

The experienced discrimination or 'less favourable' treatment of outgroup members by ingroup members (e.g. see Section 2.4.10) would not be likely to be received positively by outgroup 'recipients.' It would, therefore, seem probable that the stronger an individual experiences that he/she belongs to an outgroup, the lower that individual would rate his or her own adjustment. This would suggest that the 'fit' of an individual within a social context is related to the perceptions of being adjusted to that social context. It should be noted that institutionalized discrimination, which refers to unequal treatment that is entrenched in the social and legal institutions, could contribute to perceptions of belonging to an outgroup.

Hypothesis 1b: Strong perceptions of outgroup categorization among expatriates relate to lower perceived expatriate adjustment.

A core concept in cultures is the weight attached to values. An argument could be made that the more dissimilar values appear, the stronger the salience of cultural identity and the stronger in/outgroup categorization would be perceived. The extent to which values differ have also been described as 'cultural distance' (Triandis, 1994) and as a distinctive feature of different cultures (Hofstede, 1980). Toh (2003) proposed that the larger the cultural distance would appear, the more likely outgroup categorization would develop. In the context of this thesis, it is proposed that the value dissimilarities perceived by expatriates are positively correlated to their perceptions of outgroup categorization. In addition to this proposition, if value dissimilarities contribute to outgroup categorization it also would be likely that it would affect the adjustment process of expatriates as they would perceive more strongly that they are different from the host community.

Hypothesis 2a: Expatriate perceptions of value dissimilarities between HCNs and expatriates are positively correlated to the extent of outgroup categorization.

Hypothesis 2b: Expatriate perceptions of value dissimilarities between HCNs and expatriates are negatively related to their overall adjustment.

The manner in which an individual interprets value dissimilarities may depend on his/her tendency to adopt an ethnocentric attitude (see Section 2.4.5 for a discussion on HCNs' ethnocentric attitudes towards expatriates). Prior research has found that perceived host ethnocentrism impacts negatively on expatriate work adjustment (e.g. Florkowski & Fogel, 1999). Identification to a group is an essential concept in ethnocentrism. According to Hinkle and Brown (1990), group identification may only cause intergroup bias when ingroup members have a collectivist orientation to their ingroup and a relational or comparative orientation to outgroup. The literature review, in particular the review related to horizontal and vertical collectivism (see Section 2.4.12), showed that comparative orientations to outgroups depend on culture status and culture orientations. Thailand, the location of this thesis research, has been classified as a collectivist culture:

'Thailand's lowest Dimension is Individualism (IDV) at 20. A low score, as Thailand has, indicates the society is Collectivist as compared to Individualist. This is manifest in a close long-term commitment to the member 'group', is that a family, extended family, or extended relationships. Loyalty in a collectivist culture is paramount, and over-rides most other societal rules and regulations. The society fosters strong relationships where everyone takes responsibility for fellow members of their group.' (Hofstede, 2006)

Because of its collectivist nature it is probable that intergroup bias will exist against expatriates in Thailand. Because of previously noted bias against outgroups (Hinkle & Brown, 1990) and the observed negative effects on expatriate adjustment caused by perceived

host ethnocentrism (Florkowski & Fogel, 1999), it is proposed that perceived host county national ethnocentrism is negatively related to both outgroup categorization and expatriate cross-cultural adjustment. In this context it is important to distinguish ethnocentrism from (institutionalized and HCN) discrimination. Institutionalized discrimination operates independently from prejudices of individuals and is incorporated in social, political and economic institutions. It may provoke similar perceptions of outgroup categorization as host ethnocentrism. Ward and Kennedy (1993, p.242) suggest that it is 'generally acknowledged that host-culture's perceptions of and reactions to foreign residents are likely to affect the cross-cultural adjustment process.'

Hypothesis 3: Expatriate perceptions of host ethnocentric attitudes increase the extent of perceived outgroup categorization and lead to lower perceived adjustment.

It also could be argued that expatriates who themselves posses ethnocentric attitudes could also have more difficulties in interacting with HCNs at the workplace. Considering the effects of HCN ethnocentric attitudes noted in the literature (e.g. Section 2.4.5 in Chapter 2), it may be likely that ethnocentric traits in HCN individuals/groups and expatriates affect outgroup categorization and therefore the expatriate adjustment process (e.g. Takeuchi et al., 2002; Shaffer et al., 2006).

The expatriate package, regardless of its content, may emphasize intergroup differences and identities and may possibly contribute to the perception that nationality is a decisive factor in remuneration. Perks provided to expatriates are often not available to HCNs (Beamish, 1998) and HCNs may form subjective evaluations about the expatriate's pay (Toh & DeNisi, 2003). The relationship between national identity and pay is therefore emphasized (Delisle & Chin, 1997).

A preliminary link between reward structures and the activation of group members' personal and collective identity orientation has been described by Brickson (2000). She notes that this relational identity activation may inhibit disadvantages. Earlier research from Folger and Konosky (1989) linked experienced justice on pay raise decisions to decreasing organizational commitment and trust. It is, therefore, likely that perceptions of pay discrepancies activate social group members' identity orientations and that these perceptions are linked towards status and respective group categorization.

Hypothesis 4: Expatriate perceptions of pay discrepancies emphasize intergroup differences and salience of nationality, and thus the extent of perceived outgroup categorization.

In addition to the discussion on perceived organizational support in Section 2.4.8., it could be argued that perceived organizational support would affect the extent to which expatriates identify themselves with the organization. If the organization does not provide sufficient support needed to function in a new environment it would seem likely that an expatriate's identification with the company would be less than ideal. It is also likely that expatriates will need all the company support they can get when transitioning to a new international work environment, a transition which has consequences for all aspects of both work and family life. The provision of social support will be essential for the expatriates' adjustment and likely related to their identification with the organization. A low level of organizational identification may, therefore, be related to low levels of social support.

Hypothesis 5: The extent to which expatriates identify themselves with the organization is related to perceived social support.

The care and concern of the organization for the expatriate has a new scope when working in a foreign environment. Social support and perceived support would to a large extent be likely to be extended by HCNs. The particular attitude of HCNs to expatriates would therefore likely affect their perceptions of experienced justice. It is therefore proposed that:

Hypothesis 6: Expatriates who experience justice are more likely to have positive impressions of extended social support from HCNs.

In Chapter 2 an overview of cultural frameworks, such as the one developed by Hofstede (1980), was provided. Of particular interest to this research is Triandis et al.'s (1988) attempt to link social behaviours to individualistic and collectivistic attitudes. Hofstede (1980) suggested that collectivistic cultures, such as Thailand's, favour ingroups over outgroups. However, as noted above, nationality as a variable may have a specific role in social categorization. The likelihood that an Asian expatriate manager will be treated differently than a western expatriate manager seems not unimaginable, as Asian cultural backgrounds in this example may be perceived to be somewhat similar. Although Ward and Kennedy (1993) established a link between cultural distance and predicted socio-cultural adaptation, the focus in this hypothesis is directed to the cultural orientation of expatriates and its relationship with social support. It is proposed that similarity in cultural background is positively related to the extension of social support. A cultural disposition more oriented towards collectivism would then likely be correlated to the extension of social support.

Hypothesis 7: The decision to provide social support is related to the cultural orientation of expatriates.

Expatriates tend to find it more difficult to adjust to social interactions in new countries when the 'cultural distance' between their home country and their assigned country is large (Fish, 2005). When basic characteristics of a new culture are similar to one's own culture, the adjustment will be to fewer variables that differ from home settings. Therefore, it could be assumed that the adjustment process may well be perceived as less demanding. Ward & Chang (1997) proposed the cultural fit hypothesis and suggested that it is the cultural fit between the acculturating individual and host-culture norms that relates to cross-cultural adjustment. A study in 2004 found no support for this proposition (Ward et al., 2004). It should be noted that the data for the collectivist sample was collected in Singapore. Triandis and Gelfand (1998) distinguish the collectivism (and individualism) dimension according to vertical and horizontal levels, resulting in four cultural dimensions. Each of these four dimensions has its strengths and weaknesses. Vertical societies are, according to Triandis and Gelfand (1998), those whose members tolerate hierarchical relations. Expatriates working in supervisory positions in a Thai organizational context would, therefore, likely be tolerated. Aside from this consideration, it would also seem likely that expatriates with cultural traits more like those of the host culture would experience fewer difficulties in their adjustment process.

Hypothesis 8: Expatriates with a cultural orientation which leans more towards collectivism will experience fewer difficulties when adjusting to a collectivistic society.

The support received from the organization could often be even more relevant in day to day business than support received at home. Perceived organizational support from HCNs could help expatriates adjust to their new environment and help them with questions and concerns. However, due to intercultural communication complexities and the noted

consequences of categorization processes, this support may not be forthcoming in all situations. The support from the organization then remains essential for the expatriate. It is therefore proposed that:

Hypothesis 9 - Perceived organizational support by expatriates is a positive predictor of higher levels of expatriate adjustment.

Shaffer et al. (2006) noted that expatriates who are unwilling to communicate experience difficulties in becoming comfortable with their social interactions at work. As discussed more extensively in Chapter 2, social interactions and support have been found to be positively related to expatriate adjustment and inversely related to intentions to leave the organization (Rhoades & Eisenberger, 2002; Eisenberger et al., 1986). When these two variables are linked together, it would follow that a willingness to communicate may be related to expatriate adjustment. Furnham and Bochner (1986) suggest that deeper relationships between HCNs and expatriates may help bridge the gap between two cultures. It is proposed, therefore, that the willingness to communicate and participate in interaction with HCNs is directly related to expatriate adjustment.

Hypothesis 10 - The willingness to participate in communication with host country nationals is positively related to expatriate adjustment.

Organizational Citizenship Behaviours were reviewed in Section 2.4.9 and are a kind of work behaviour which provides a helping function at the workplace. These behaviours are individual and discretionary, with individuals providing these helping behaviours on their own initiative. Because of the relevance of the context, it seems uncertain whether these

behaviours will be provided to those who need them. In particular, expatriates as incoming and 'new' members to the overseas organization may need help. However, as discussed previously, due to the relevance of various social processes (e.g. social identity, social categorization), it remains uncertain whether these Organizational Citizenship Behaviours will be extended to expatriates or not. If expatriates have a positive indication of the extension of Organizational Citizenship Behaviours among HCNs at the workplace, they may feel more positive about the existence of a helping attitude in the organization. The mere fact of knowing that employees help other employees in need could then positively reflect on the adjustment process of expatriates. On the other hand, if expatriates perceive themselves to be an outgroup, it would be unlikely that help would be extended to them.

Hypothesis 11 – Perceived HCN Organizational Citizenship Behaviours are positively related to expatriate adjustment and inversely related to perceived outgroup categorization.

3. 2 Summary of all Hypotheses

This section lists all hypotheses used in the conceptual model provided in Figure 9.

Hypothesis 1a: The extent to which expatriates conform to the vertical collectivism dimension is related to their perceptions of being from an outgroup.

Hypothesis 1b: Strong perceptions of outgroup categorization among expatriates relate to lower perceived expatriate adjustment.

Hypothesis 2a: Expatriate perceptions of value dissimilarities between HCNs and expatriates are positively correlated to the extent of outgroup categorization.

Hypothesis 2b: Expatriate perceptions of value dissimilarities between HCNs and expatriates are negatively related to their overall adjustment.

Hypothesis 3: Expatriate perceptions of host ethnocentric attitudes increase the extent of perceived outgroup categorization and lead to lower perceived adjustment.

Hypothesis 4: Expatriate perceptions of pay discrepancies emphasize intergroup differences and salience of nationality, and thus the extent of perceived outgroup categorization.

Hypothesis 5: The extent to which expatriates identify themselves with the organization is related to perceived social support.

Hypothesis 6: Expatriates who experience justice are more likely to have positive impressions of extended social support from HCNs.

Hypothesis 7: The decision to provide social support is related to the cultural orientation of expatriates.

Hypothesis 8: Expatriates with a cultural orientation which leans more towards collectivism will experience fewer difficulties when adjusting to a collectivistic society.

Hypothesis 9 - Perceived organizational support by expatriates is a positive predictor of higher levels of expatriate adjustment.

Hypothesis 10 - The willingness to participate in communication with host country nationals is positively related to expatriate adjustment.

Hypothesis 11 – Perceived HCN Organizational Citizenship Behaviours are positively related to expatriate adjustment and inversely related to perceived outgroup categorization.

The following chapter presents the sequential mixed model methodology used in this research.

Chapter 4

Methodology

4.1 Introduction

This chapter explains the research methodology used to describe the influence of HCNs on expatriate adjustment. A mixed methods approach (a combination of quantitative and qualitative research methodologies and data analyses in one study) was used. This chapter outlines the steps undertaken to design and plan the research with regard to both quantitative and qualitative research phases. It includes the procedures for data collection, the measures for the variables used in the conceptual model and the analytical methods used to test the hypotheses.

The research began with quantitative model testing which, upon analysis, informed the qualitative approach. The qualitative approach allowed expansion and elaboration of the initial findings so the understanding attained was more holistic.

4.2 Pragmatic Knowledge Claims

The research paradigm adopted might be best described as that of pragmatism (Tashakkori & Teddlie, 1998). Pragmatists are non-committal to any system of philosophy and reality. Pragmatism allows practical solutions and is essentially a pluralistic approach. Knowledge claims develop out of situational contexts and actions of participants rather than antecedent conditions. Pragmatists agree with positivists and post-positivists that the reality is external; as well, they deny the existence of an absolute truth (Tashakkori & Teddlie, 1998). Pragmatists do not view the world as a unified system and, therefore, may use various

approaches in collecting and analyzing data rather than subscribing to a particular approach. Thus such researchers draw from both quantitative and qualitative assumptions while designing their research (Creswell, 2003, p11). As well, they view the whole as more than the sum of two parts. Combined knowledge derived from mixed methods may provide greater insights than knowledge derived from individual parts when findings are connected.

The pragmatic paradigm works best in a real world situation and applies well to the context in which this research took place. Knowledge is clearly socially constructed in research on expatriation. Personal, cultural, political and historical experiences shape interactions among individuals. The researcher in this study relied as much as possible on the research participants' views on the topic of investigation.

The next section describes the methodological approach in this pragmatic context.

4.2.1 Sequential Mixed Model Design

Mixed methods have found acceptance in pragmatism (Tashakkori & Teddlie, 1998). Mixed methods are a methodology with methods that compare quantitative and qualitative data (Jones, 2004). Creswell (2003) suggested that pragmatist mixed methods researchers need to establish clear objectives for mixing research methods. With particular reference to this research, since research always occurs in social, historical and political contexts, the use of mixed methods was appropriate, because a broad picture of the topic of expatriate adjustment was required and also the freedom to expand on topics when further inquiry was necessary.

Tashakkori and Teddie (1998) pointed out that mixing methods extends beyond the methods used in the research. A mixed methods approach might mean several things. In this research the 'mixing' of methods was essentially sequential with regard to data collection.

The research started with a quantitative model testing phase after which data analyses took place. Then, on the basis of these analyses, the design of the qualitative research phase was established. Final inferences relate to the results of both research phases. The sequential mixed model research used in this thesis therefore is intrinsically different from that employed in concurrent or transformative mixed methods research, in which quantitative and qualitative approaches are mixed within or across the stages of the research process. In a concurrent approach (in which quantitative and qualitative data are joined by the researcher), data is collected simultaneously during the research. The transformative approach could involve both sequential and concurrent approaches and is conducted with the aim of promoting change (Mertens, 2003). The second phase of this study was conducted to confirm/disconfirm findings established in the quantitative study and to provide explanations for unexpected findings (Tashakkori & Teddlie, 2003).

The next section provides a brief overview of the research design after which detailed explanations follow in subsequent sections of the stages in the research design.

4.3 The Research Design

In order to answer the research question, 'How do expatriate perceptions of the role of HCNs affect their adjustment process?', a comprehensive literature review was undertaken in Chapter 2. The identification of variables of interest, in particular out of Social Identity Theory, contributed to the development of a conceptual model (see Figure 2) which was presented in Chapter 3. The verification of this conceptual model involved a sequential mixed model approach. The data were collected at two points of time. The quantitative research phase data collection was completed in the first half of 2007 while the data collection of the qualitative research phase was collected from October 2007 until January 2008 (see Section

4.9.1). The separate sections below sequentially describe the sampling and data analysis procedures used.

4.4 Phase I – Quantitative Data Collection and Analysis

The member database of the German Thai Chamber of Commerce, Bangkok, Thailand served as the main sampling frame for the questionnaire**.** Permission to use this publicly available member data base had been obtained prior to the clearance of the University of South Australia ethics protocol. Membership of the Thai German Chamber of commerce is not limited to German companies. Ultimately, the acceptable response rate achieved was probably aided, but not biased for research purposes, by the student researcher having spent six years employed in two companies registered with the German Thai Chamber of Commerce in Bangkok. Section 5.1 provides descriptive demographics for the sample.

A self administered questionnaire was used to collect data. Questionnaires were sent out to 255 expatriates and 77 usable responses were obtained. This was an effective response rate of 30.2%. Responses were separated from identifying material on receipt. Apart from initial questions regarding the background of the respondents, the questionnaire contained items relating to 18 constructs. The detailed development of the questionnaire instrument is outlined in Section 4.6.

4.5 Pilot Study Quantitative Phase

A small pilot study was conducted (n=15) with the main aim being to gain feedback on survey items. As the main objective of the pilot study was gaining feedback on survey items, convenience sampling was used.

Briefly, it was indicated that the questionnaire was long and that there appeared to be redundancy among items such that answering the 'same' question three or four times was required. Revisions were made but the questionnaire remained long with more than one hundred items. Confidentiality was an issue for some respondents who indicated that questions were of a rather 'private' nature. A further comment was that some questions only applied to those expatriates that were sent on assignment by their home country organization. Changes to questionnaire items made after the pilot study are presented in Section 4.6.1. The final questionnaire can be viewed in Appendix III.

4.6 The Questionnaire

The questionnaire approach enabled measuring the reactions of a sizeable number of people to a bounded set of questions. This allowed for comparison and statistical aggregation of the data. A number of researchers have used a survey approach in their research on expatriation (for example, Florkowski & Fogel, 1999; Shaffer et al., 2006; Liu & Shaffer, 2005). For the current research, it was found that no single pre-existing survey instrument was appropriate. A new composite questionnaire, which drew heavily on a range of pre-existing scales was, therefore developed.

Throughout the questionnaire, 7-point Likert response scales ranging from 'strongly disagree' to 'strongly agree' were used. The prime criterion for selecting scales was the established validity and reliability in previous research as well as the retention of the capacity of completing the questionnaire in less than 30 minutes. Some of the original measures had an extensive number of items, which had to be reduced due to practical reasons. The standard method for reducing long instruments is factor analysis. The items which are loaded most highly are taken from each factor. Fortunately, a number of studies provided this information. In these, Cronbach's alpha was used to measure the internal consistency reliability

coefficient. Alpha equals 1.0 when all questionnaire items measure only what one wants to measure, the true score, and there is no error component present. Cronbach's alpha is usually interpreted by means of cut-off criteria: a cut-off of α = .60 is more appropriate for exploratory research whereas cut-offs of α = .70 or higher indicate a 'better' scale.

With regard to the instrument developed, some measures had a small number of items (e.g. 4), and it was initially feared that Cronbach alpha scores would not reach levels comparable to those in larger item scales and that this might affect the interpretability of quoted Cronbach alpha scores. However, it is important to note that Cronbach's alpha does increase with a larger number of items (Peterson, 1994). In the end, the reliability of all but one scale ranged from moderate to very strong. The next section will describe the measures used in this research and report the scale reliability of individual measures.

4.6.1 Measures Used

This section describes the actual measures used. The complete questionnaire can be viewed in Appendix III. Table 3 provides a basic overview of measures used in this thesis research to measure the respective variables of interest.

Table 3: Variables of Interest and Sourcing of Items

Variables of interest	Measures
Outgroup categorization	adapted Greenland & Brown (1999) measures of outgroup categorization
Value dissimilarities	Toh's (2003) 1 item measure of value dissimilarity
Ethnocentric attitudes	6 items adapted from from Zeira (1997) & Florkowsku & Fogel's (1999) 3-item scale
Pay discrepancy	3-item measure

Organizational Identification	Smidts et al.'s (2003) measures of organizational identification
Experienced Justice	Folger & Konovsky's (1989) measures for procedural and distributive justice
Cultural orientation	Singelis and Triandis (1995) selected items out of the INDCOL scale
Interpersonal interaction	Brown et al.'s (1999) 5-item scale of quantity and quality of contact with outgroup members combined with individual items from Greenland & Brown's (1999) measures on intergroup relations. 2 items from Duckit and Para (2004) which measure ethnocultural involvement
Perceived Organizational Support	Lynch, Eisenberger and Armeli's (1999) 3-item scale
Organizational identification	Smidts et al.'s (2001) measures of organizational identification
Procedural and distributive justice	Folger and Konovsky's (1989) measures for procedural and distributive justice
Organizational Citizenship Behaviours	6 items from Smith, Organ and Near (1983).

Descriptions of measures of expatriate adjustment used are provided in the following sub-sections. These measures were not included in Table 3 as they relate to Black et al.'s (1991) model of international adjustment and are not direct variables of interest in this research. The one exception is the measure that was used to measure the intent to finish the expatriate assignment, which is not part of Black et al.'s framework of international adjustment.

Intent to finish the expatriate assignment

This one-item measure 'I fully intend to see my current job through to its conclusion' was adopted from Feldman and Thomas (1992). This item has been used to measure a potential outcome of expatriate adjustment that was not addressed by Black et al. (1991).

Individual characteristics

Individual characteristics that inform about pre-knowledge regarding the expatriate assignment were adopted from Florkowski and Fogel (1999) who examined the role of host unit treatment. Florkowski and Fogel used existing research, in particular that of Black (1988), to develop their items. The reported internal consistency was $a = .94$. Sample items are: 'My parent company accurately informed me about working conditions in this overseas assignment prior to my departure' and 'Before this assignment began, how knowledgeable were you of the (a) local language; (b) local business customs?' The original item 'A home country mentor is looking after my best interests' was changed to 'I have an organizational mentor in my parent company who is looking out for my best interests there while I am overseas'. The internal consistency rating for this scale was $a = .654$.

Work role discretion

Work role discretion refers to the flexibility that an individual has in completing allocated tasks and was measured by an adaptation of Stewart's (1982) work. A similar scale (8 items) achieved internal consistency of $a = .82$ (Black & Gregersen, 1991b). Sample items are: 'I have discretion as to what work gets done' and 'I have discretion as to how work gets done.' Although developed in 1982, Stewart's work remains relevant in the field of expatriation and is consistently cited by leading scholars on expatriate adjustment (Gregersen & Black, 1991; Stroh et al., 1998; Minbaeva & Michailova, 2004). The internal consistency rating for this scale was very strong $(a = .802)$.

Role conflict

Role conflict was measured on a seven-point scale, with four items adopted from Rizzo and colleagues (1974). The reported internal reliability was $\alpha = .79$. This scale has been

extensively used in research on expatriate adjustment (Gregersen & Black, 1992; Naumann, 1993; Kraimer & Wayne, 2004). Sample items are 'I have to do things that should be done differently' and 'I receive incompatible requests from two or more people'. The coefficient alpha was very strong *(*α = .792).

Organizational Socialization

Organizational Socialization was measured on a six-point scale adopted from Chao et al. (1994). The original measure had 34 items and the second phase study in Chao et al. (1994) showed Cronbach coefficient alpha equal and above α = .78. Sample items are: 'I do have a good understanding of the politics in my organization' and 'I would be a good resource in describing the background of my work group/department'. Cronbach alpha was moderate *(*α = .673).

General Adjustment

General adjustment was measured on a five-item scale developed by Black (1988). This scale recorded an alpha of α = .83 in Florkowski and Fogel (1999).This index of general adjustment was selected because of known links to dependent variables relevant to this research. Examples of measure items are: 'I would return to my parent company right away if that could be arranged without organizational stigma' and 'Overall, how adjusted are you to (a) interacting with local people in general; (b) the cost of living in the host country?'

This measure relates especially to two dimensions in Black et al.'s (1991) proposed model of in-country adjustment: (1) adjustment to work, (2) adjustment to interacting with host nationals. The alpha coefficient was strong with α = .737.

The remainder of this section will present the measures used to measure the variables of interest in this research that present a link with the proposed role of host country nationals in the expatriate adjustment process.

Ethnocentric attitudes

Six items that measure expatriates' perceptions of HCNs' ethnocentric attitudes towards expatriates were selected from Zeira's (1979) 7-item scale for measuring ethnocentric beliefs. Examples of items are: 'Expatriate managers should be of West European ethnic origin' and 'HQ trust parent-country managers more than host-country managers, and therefore delegates more authority to expatriate managers'. No internal reliability estimates were provided by Zeira (1979). Respondents also completed Florkowski and Fogel's (1999) ethnocentrism towards the host culture measure that consists of three items (α = *.72)*. An example of this scale is: 'Local managers and employees feel that much could be learned from individuals from other countries'. This item was modified from the original 'Specify the extent to which you perceive that local managers and employees feel that much could be learned from individuals from other countries' in order to optimize the consistent use of Likert scale anchors. The internal consistency rating for both scales was moderate *(*α = .585).

Outgroup categorization

Greenland & Brown's (1999) measures for outgroup categorization were adapted to fit the context and selected items related to interpersonal interaction were used as well for the measurement of interpersonal interaction. The internal reliability for the original interpersonal categorization scale was α = .59. Slight changes were made to two items in which reference was made to host country nationals. For instance, the item 'To what extent do you feel that HCNs think of you as belonging to a different group as them?' was modified to 'Thais

think of you as belonging to a different group as themselves' in order to ease understanding. The Cronbach's alpha estimate for the internal reliability of the scale was $\alpha = .544$.

Interpersonal interaction

Brown et al.'s (1999) measure of the quality and quantity of contact with outgroup members was adapted to measure interpersonal interaction. This five-item scale asked respondents to indicate the extent that they viewed relationships as formal, if they worked closely with HCNs, spent much time with HCNs at work and saw each other outside work. The reported internal reliability was $\alpha = .60$.

Two items from Duckit and Para (2004) were also used to measure ethnocultural involvement: 'I tend to avoid attending functions involving customs or rituals typical of my culture or ethnic group' and 'I feel most comfortable among people of my culture or ethnic group'. The reported alphas varied between $\alpha = .68$ and $\alpha = .85$ depending on the ethnocultural sample used. Coefficient alpha in the expatriate sample of the current research was moderate with $\alpha F = .620$.

Value dissimilarity

Toh's (2003) one-item measure of value dissimilarity was applied to expatriate respondents. Expatriates indicated whether they perceive themselves to be similar to HCNs in their organization with regards to personal values.

Salary dissimilarity

Participants indicated on a 3-item scale whether they perceived that salary differences were justified and whether this impacted communication or interaction between expatriates and HCNs. The scale reliability was very weak and the lowest of all scales ($a = .385$). Given

the weakness of this scale, the variable salary dissimilarities was a deliberate target of enquiry in the qualitative research phase.

Procedural and distributive justice

Folger and Konovsky's (1989) measures for procedural and distributive justice were adapted to measure the effect of justice on interpersonal interaction. All multiitem scales' reliabilities exceeded the .70 value. Item examples are: 'HCNs are honest and ethical in dealing with you' and 'HCNs use consistent standard in evaluating your performance'. The internal consistency rating for this measure was very strong with $a = .811$.

Organizational identification

Smidts et al. (2001) researched the effects of prestige, among other variables, on organizational identification. Confirmatory factor analysis showed that the measure was unidimensional and reliable ($a = .84$). For the purpose of this research their organizational identification measures were adopted. An item example is, 'I feel strong ties with my organization until my departure'. Cronbach alpha was extremely strong ($\alpha = .898$).

Cultural orientation

Measuring collectivism and individualism constructs is a difficult process, which has often produced controversial results (Sinha and Tripathi, 1994). Hofstede's work (1980) on cultural differences is still used and quoted extensively in literature. However, because the criticism that the process used to measure dimensions is tautologically flawed (McSweeney, 2002) has not been countered effectively by Hofstede (2002), the decision was made to follow Singelis and Triandis' INDCOL scale (1995) in measuring collectivistic/individualistic aspects of cultural perceptions. This scale measured aspects of

collectivism that directly relate to expatriate-HCN interaction. Of particular interest was the measurement of four distinct patterns in individualism and collectivism. These 'horizontal' and 'vertical' patterns (Horizontal Individualism, Vertical Individualism, Horizontal Collectivism and Vertical Collectivism) provide indications of assumptions of equality and hierarchy. The Vertical Collectivism is the variable of interest in this thesis research as it corresponds to the dominant collectivism trait in Thailand (Hofstede, 2006). Singelis and Triandis (1995) noted that measuring broad concepts often result in low coefficients of internal reliability. As well, abstract variables such as individualism and collectivism will due to the wide scope yield low alphas. Their data analysis confirmed that the distinction between horizontal and vertical collectivism provides advantages as the alphas of broader collectivist categories reached lows of $\alpha = .38$.

Item reduction was achieved by choosing the five items with the highest factor loading. The VC internal reliability coefficient was moderate *(*$\alpha = .556$).

Organizational Citizenship Behaviours

A modified six-item version of Smith et al.'s (1983) Organizational Citizenship Behaviour instrument was used which originally had 16 items. Versions of this instrument are commonly used in literature on Organizational Citizenship Behaviours and results have been consistently reliable ($\alpha = .69$ in Schappe, 1998). Three items in this scale measure Organizational Citizenship Behaviour at the individual level and three items measure Organizational Citizenship Behaviours at the organizational level. The six questions related to the host country national in the organization that the expatriate knows best. Example items are, '(This person) helps others who have heavy workloads' and (This Person) takes extra breaks while at work'. Questions 2, 3 and 6 were reverse-scored in the data analyses. The internal reliability of the scale was very strong with Cronbach alpha at $\alpha = .833$.

Perceived Organizational Support

Lynch et al.'s (1999) measure for perceived organizational support was used. The scale was reduced after the trialling phase, and three items were selected that not only had high factor loadings but could also be applied to individuals in cross-sectional organizations. The original measure had 8 items which showed high internal reliability Cronbach's α = .90. The resulting measure showed high internal reliability (α = .887).

4.7 Justification for the Quantitative Methodology

The literature review in Chapter 2 culminated in the proposed conceptual model (see Figure 2 in Section 1.2) and led to the development of the hypotheses presented in Chapter 3. Examining the perceived role of the host country related variables of interest was aimed at providing insight into the adequacy of the conceptual model that links these variables to the construct of expatriate adjustment. Testing a model's adequacy involves measuring model fit as well as fit of individual parameters (Byrne, 1994). The technique of path analysis, an extension of the regression model (Garson, 2007), was selected for the data analysis, as it can test the fit of (causal) relationships between two or more variables. The use of path analyses and at the same time the need for multifactorial analyses led to the identification of Structural Equation Modeling as a means to determine whether patterns of data variances will be consistent with the specified proposed structural model.

Structural equation modelling (SEM) is often viewed as being more confirmatory in character, than exploratory, and has a strong focus on path analysis (Garson, 2007). However, it is also used in an exploratory fashion in theory development (Uhlman, 2001). This approach requires repeated testing of data in order to discover potential relationships between either latent or observed variables.

SEM is a powerful multivariate analysis technique which includes specialized versions of a number of other analysis methods and is nowadays used by researchers from a variety of disciplines. It, for instance, takes into account the modelling of interactions, nonlinearities, measurement error, correlated error terms and time series analysis. Recent attention to SEM largely relates to the availability of specialized SEM programs (e.g., AMOS, EQS, LISREL, Mplus, MX, RAMONA, SEPATH) (Hershberger, Marcoulides & Parramore, 2003), although the statistical theory that underlies the techniques appeared decades ago. SEM is based on a theoretical model, which transforms throughout the procedure into a path diagram. A hybrid technique, it includes aspects of confirmatory factor analysis, path analysis and regression. SEM allows researchers to analyse latent variables (independent and dependent) in regression analyses and is capable of accommodating multiple interrelated dependence relationships in a single model (MacKenzie, 2001).

A major advantage of SEM compared to multiple regression is that it can accommodate flexible assumptions. The use of confirmatory factor analysis further reduces measurement error by having multiple indicators per latent variable, and it also allows for validating a multifactorial model and may determine group effects on the factors (Garson, 2005).

SEM has been used previously in research with variables related to expatriate adjustment (Hechanova et al., 2003). Feldman and Bolino (1999) saw that a main advantage in using SEM was the possibility of investigating several hypothesized relationships at the same time. This was the goal in regard to the proposed structural model in this thesis research. Measurement error prohibits significant findings by simple chance. Feldman and Bolino (1999) also address causality and although they assert that SEM does not provide proof of this causality, they suggest that it permits stronger conclusions about the plausibility of a proposed model than do other statistical approaches.

4.8 Data Analysis Quantitative Phase: A Model Development Approach

Proposed relationships can be tested in SEM using empirical data, and this testing is commonly referred to as the 'confirmatory' character of SEM (Hershberger et al., 2003). The confirmatory approach in this thesis research aimed to validate the specified relationships between variables and therefore validate the structural model. However, the likelihood that the proposed model would be supported was initially difficult to estimate. SEM modification indices suggested alternative models which led to the development of new models. This model development approach is one of the most common approaches in literature (Bollen, 1989). The qualitative analyses in the second research stage (see Chapter 6) provided additional support for relationships identified through SEM but were also used to gain clarification on unexpected findings.

The data were analyzed with the Amos (Analysis of Moment Structures) package. Its graphical interface enabled the construction and testing of proposed paths. Its add-on functions further enabled testing of normality and missing data as a pre-preparation in SPSS before attaching the file to AMOS in order to run the model. In accordance with current practices, item parcels (composites of items) were used to measure relevant constructs. The approach was motivated by the impossibility of using an overly large number of items in computer aided SEM programs as well as the finding that item parcelling provides better SEM model fit with smaller sample sizes (Landis, Beal, and Tesluk, 2000). The next section describes the procedures utilized in the data analysis.

4.8.1 Analyses

The first step was to remove responses that could not be used for the data analyses. The standard method of dealing with missing or incomplete data is to delete any observation

where data is missing (Hair, Tatham, Anderson & Black, 1998). However, if sample sizes are small this method may not be the optimum method, and it was not appropriate in the current case. For this reason a procedure called 'pairwise deletion' was employed. Pairwise deletion consists of calculating each sample moment separately. In other words, observations were only excluded from the analysis when they were missing a value that was needed for the analysis of that particular moment (Arbuckle & Wothke, 1999). The item analyses investigated sample characteristics, item means and item to total correlations. Then the reliability of items were assessed by using Cronbach alpha, which required reverse scoring and removal of some items in order to improve the reliability of scales. Correlations between variables of interest were reported and showed whether certain variables have a more (or less) pronounced effect in the context. Finally path analyses (also known as simultaneous equations) of structural relationships in the proposed multiple group model were conducted to obtain the path values for the proposed model as well as the overall model fit.

4.9 Phase II - Qualitative Data Collection and Analysis

Although the quantitative data analysis confirmed the role of, for instance, social categorization, interpersonal interaction, pay discrepancies and Organizational Citizenship Behaviours in expatriate adjustment, it raised as many questions as it provided answers. Of particular interest were findings that not only contradicted findings found in the literature but also appeared to diverge from what seemed logical to expect. For instance, value dissimilarity was not found to be positively correlated to the extent of outgroup categorization and also negatively related to expatriate adjustment. In order to gain a better understanding of what was happening in this and with other findings, it was decided that a qualitative approach would be useful, for reasons outlined below. This section reviews the approach taken.

4.9.1 Qualitative Research and the Research Process undertaken

Denzin and Lincoln (1998, p. 3) described that 'qualitative researchers study things in their natural settings, attempting to make sense of, or interpret phenomena in terms of the meanings people bring to them'. There has been extensive research on the nature of knowledge and how it relates to concepts such as reliability, truth and objective reality (Baceley, 2004). The main purpose of this qualitative research phase was to elicit descriptions of the complex psychological processes that relate to the subjective reality of expatriates. These psychological processes were recorded in the form of conversations and were all based on individual perceptions of reality. The verification of the results obtained from the quantitative research phase as well as clarification of issues of concern were two main reasons for the selection of interviews as a data-gathering method. Interviews were considered an appropriate way to collect data because they allow an interactional role for the researcher which enables eliciting meaning out of complex contextual situations while simultaneously allowing for locating experiences within the individual settings of research participants.

An interview framework was developed that allowed for creating structure in the interviews and coding the responses accordingly. The results of the previous quantitative research phase formed the basis for the development of the interview structure. The interviews were semi structured and various opportunities for diversion were used to exploit unexpected avenues. Questions therefore addressed both confirmed (e.g. relevance of social categorization theory) and disconfirmed variables of interest (e.g. the relevance of value dissimilarities for expatriate adjustment). Direct quotations from the interview transcripts have been used extensively in Chapter 6. These quotations help to explain and illustrate the subjective reality of responses and to highlight relevant themes (Miles & Hubermann, 1994).

All interviews were digitally recorded. An outline of the interviewer's preparation is attached as Appendix II.

After data collection, the responsibility of the researcher is to interpret what has been said. Thus there is a subscription to an interpretive perspective for this phase. Subscription to an interpretative perspective is appropriate when the aim is to understand and interpret individuals' reasons for social action and assigning meaning to social events. An interpretative approach recognizes that nothing is value free and that tacit knowledge may not be made explicit (Denzin, 2001). Denzin (2001) further implied that matters of difference are socially organized. He indicated that a researcher should find meaning and identity through interaction in a complex web of relations that define the situation. It is assumed that the researcher plays an essential role in the data collection process and will only find meaning through the acting of this role. The perspective created will, therefore, reflect an insider's perspective in complex interactions in which the researcher plays a role in order to elicit this social data.

4.9.2 Interview Sample and Data Collection Procedures

Research participants in the initial quantitative research phase could indicate their willingness to participate in interviews in research phase 2. All those (apart from one participant who passed away) who indicated that they would be willing to participate were contacted and interviews were scheduled in December 2007 and January 2008. Separately, invitations to participate in the interview session were sent out to foreign company representatives listed in the member database of the German Thai Chamber of Commerce, Bangkok. Permission to use this publicly available member data base had been obtained prior to the start of the data collection. The final sample comprised 23 expatriates. The statistics

summarizing this study's demographics can be found in Appendix V. The sample used in the qualitative research phase largely mirrors the sample in the quantitative research phase.

The primary reason for collecting data in Bangkok was the desire to understand human behaviour in the environment as close as possible to where the behaviour was expressed. This is consistent with Czarniawska (1998, p.4): 'It is impossible to understand human intentions by ignoring the settings in which they make sense'. The environment in which research participants were interviewed generally consisted of office workspace or office recreational areas. The procedures used in the content analyses are described in the following section.

4.9.3 Data Analysis Qualitative Phase: Content Analysis

Content analysis relates to the coding of documents and transcripts as well as audio files and is aimed at creating a conceptual picture of a social contextual web. Due to the efficiency of the automated content analyses it offered, the decision was made to use NVivo to analyze the interview data gathered. 'In vivo' stands for naming categories after research participants' own words (Bringer, Brackenridge & Johnston, 2003). Transcripts in MS Word were produced as soon as possible after the conduct of the interviews by the researcher. It was possible in these to also include notes relating to the researcher's impressions that would not be available by merely listening to the tape, e.g. visual communication and/or body language.

Content analyses were conducted with the goal to explain why convergence and divergence of patterns occurred. Template analysis, an approach developed by King (1998) for thematically analyzing qualitative data, aided the content analysis. A main characteristic of this approach is the development of a 'coding template'. When reading through the data of

the first five transcripts, themes were identified that were relevant to the variables under investigation. New themes appeared later and were added to the initial template. NVivo allowed for adding nodes to tree nodes which reflected emerging themes and contributed to adjusting the initial themes template. The initial template was then applied to the complete data set and modified until a final version emerged (see Appendix V). Once this final version was defined it served as the foundation of the writing- up of findings based on an interpretive perspective.

4.9.4 Validity and Reliability

Data in both quantitative and qualitative research phases were collected in field settings. Brewer (2000) asserted that research conducted in field settings is associated with greater external validity, causing findings to be more robust, representative and relevant. As well, several steps were put in place during the qualitative research phase with the aim of increasing the validity and reliability of findings. First of all, the interview transcripts were double-checked to ensure accuracy of the transcripts (quotations used are verbatim and may include language mistakes). Secondly, the data was coded using template analysis (King, 1998) which enhanced the researcher's understanding of the subject matter. Thirdly, conclusions were drawn out of the data within the nodes (Miles & Huberman, 1994). As a final step in the data analyses, the findings out of the quantitative and qualitative research phase were triangulated, which allowed for a better approximation of subjective reality.

4.10 Summary

This chapter outlined the sequential mixed models approach used in this research. It is argued that the approaches used were appropriate because research on expatriation always occurs in social, historical and political contexts. Because of this noted complexity of social phenomena, mixed methods are deemed especially appropriate in social science (Creswell, 2003). As well, the need of a broad picture of the topic of expatriate adjustment required the use of mixed methods, as this offered the opportunity to expand on topics when further inquiry was deemed necessary.

The literature review presented in Chapter 2 as well as the development of the conceptual framework in Chapter 3 helped design the methodology, since it provided clear research directions. The next chapter (Chapter 5) reviews the tests conducted on the data obtained in the quantitative research phase and the analyses with subsequent conclusions. Chapter 6 presents the data analyses of the qualitative research phase and extends on findings obtained in the qualitative research phase.

Chapter 5

Results – Model Testing

The main objective of the current study was to investigate the role of various social psychological variables linked to the perceived role of HCNs in expatriate adjustment and expatriate job-related outcomes. In line with this, structural equation modeling procedures (using the AMOS program) were conducted on the data.

Evaluation of a model's adequacy involves several criteria, some of which concern the model as a whole and some of which relate to the fit of the individual parameters (Byrne, 1994). Accordingly, in assessing the fit of the models, criteria that bear on the adequacy of the models as a whole and the models' individual parameters are reported. Several goodness-of-fit indices were reported to assess overall model fit (Hu & Bentler, 1995; Hu & Bentler, 1999). In addition to evaluating the model as a whole, the fit of the individual parameters was assessed. First, the parameters of the measurement model were assessed. Specifically, the magnitude and direction of the standardized path coefficients from the latent construct to its respective indicator variables were checked to see if they were consistent with prior literature findings. Second, the parameters of the structural model were also evaluated. In particular, the magnitude and direction of the standardized path coefficients were checked to see if they were consistent with the hypotheses. The statistical significance ($p < .05$) of each of the parameters was assessed and reported (Byrne, 1994). In the section that follows, a description of the study sample as well as the study's variables is presented. The reliability of the various subscales used will also be described. Following that section, the results of several model tests will be presented.

5.1 Description of Sample and Variables

Description of Sample

The statistics summarizing the study's demographics are shown in Tables 4 and 5. As can be gleaned from Table 4, more than a third of the respondents were in their forties (37.2%). The majority of the expatriate respondents were male (87.2%). Although more than half of the sample (56.4%) did not respond to the marital status question (see appendix III for questionnaire and location of marital status question on page 1), of those who responded, there was about an equal number of married and unmarried persons.

Table 4: Frequencies for Demographic Variables Part I

Variable	Frequency	Percentage
Age		
Under 30	4	5.1
30 to 39	19	24.4
40 to 49	29	37.2
50 to 59	19	24.4
Over 60	6	7.7
Gender		
Male	68	87.2
Female	8	10.3
Marital status		
Married	23	29.5
Unmarried	21	26.9

The findings in Table 5 show that about a fifth (21.8%) of the expatriates in the sample had been in their current assignment for more than 10 years with a similar proportion

(21.8%) being between 3 to 4 years. Almost half (46.2%) of the sample consisted of expatriates who had top management positions.

Table 5: Frequencies for Demographic Variables Part II

Variable	Frequency	Percentage
Years spent in current assignment		
Less than 1 year	8	10.3
1 to 2	14	17.9
3 to 4	17	21.8
5 to 6	10	12.8
7 to 10	10	12.8
More than 10	17	21.8
Type of job		
Non-managerial	17	21.8
Lower management	8	10.3
Middle management	16	20.5
Top management	36	46.2

5.2 Reliability of Measures

The internal coefficient alphas for scales and subscales used in the study are presented in Table 6 below. The Expatriate Adjustment indicator variable measures were moderately reliable. Coefficient alphas ranged from $\alpha = .654$ to $\alpha = .802$. Although the Personal Characteristics measure initially had 5 items, a single item (#2) was deleted to increase the scale's reliability from $\alpha = .523$ to $\alpha = .654$. Similarly, a single item was deleted (#13) in order to increase the Overall Adjustment scale's reliability from $\alpha = .672$ to $\alpha = .737$.

Table 6: Coefficient Alphas for Measures

Subscale/Scale	Item N	Case N	Alpha
Expatriate adjustment indicators			
Personal characteristics	4	70	.654
Role conflict	4	76	.792
Work role discretion	5	77	.802
Organizational socialization	6	75	.673
Overall adjustment	4	73	.737
Hypothesized mediators			
Outgroup categorization	6	75	.544
Organizational support	3	77	.887
Independent variables			
Interpersonal interaction	12	73	.620
Ethnocentrism	8	69	.585
Pay differences	2	77	.385
Organizational citizenship	6	74	.833
Organizational identification	5	77	.898
Experienced justice	6	74	.811
Vertical collectivism	5	73	.556

The coefficient alphas for the hypothesized mediator variables ranged from low to high. Initially, the scale measuring Outgroup Categorization had 8 items but Cronbach's alpha for this 8-item scale was very low (α = .390). Accordingly, two items (82 and 83) were removed and alpha increased to a moderate α = .544. The Organizational Support measure, however, was internally consistent (α = .887).

Reliability indices for the independent variables ranged from low (α = .385) to high (α = .898). Initially, the Ethnocentrism measure had 9 items, but a single item (#52) was deleted in order to increase the scale's coefficient alpha from α = .540 to α = .585. The Pay Differences scale consisted of 2 items only and it had very low reliability (α = .385).

5.3 Description of Variables

The statistics describing the study's main variables are presented in Table 7 while the correlations between each of the study variables are presented in Tables 8 and 9. As can be observed from Table 7, two of the variables, the Overall Adjustment Scale and the Organizational Socialization Scale, were negatively skewed. Accordingly, these variables were transformed using a power transformation and skewness was reduced to acceptable values of -.716 and -.484. The transformed variables were then used for subsequent analyses.

Table 7: Descriptive Statistics for Independent and Dependent Variables (N = 77)

Variable	Mean	SD	Skewness
Intent to finish assignment	5.61	1.52	-1.09
Expatriate adjustment indicators			
Personal characteristics	16.73	5.97	.45
Role conflict	16.05	5.89	-.12
Work role discretion	25.73	6.08	-.97
Organizational socialization	32.27	5.02	-1.42
Overall adjustment	23.03	3.85	-1.77
Hypothesized mediators			
Outgroup categorization	31.27	4.73	-.34
Organizational support	12.17	4.48	-.51
Independent variables			
Value support	3.81	1.83	-.02
Interpersonal interaction	60.99	8.64	-.10
Ethnocentrism	35.47	6.70	-.47
Pay differences	8.77	2.66	-.15
Organizational citizenship	28.05	7.77	-.30
Organizational identification	25.16	6.76	-.81
Experienced justice	25.86	6.93	-.16
Vertical collectivism	17.42	4.72	.02

Table 8: Correlations between Variables

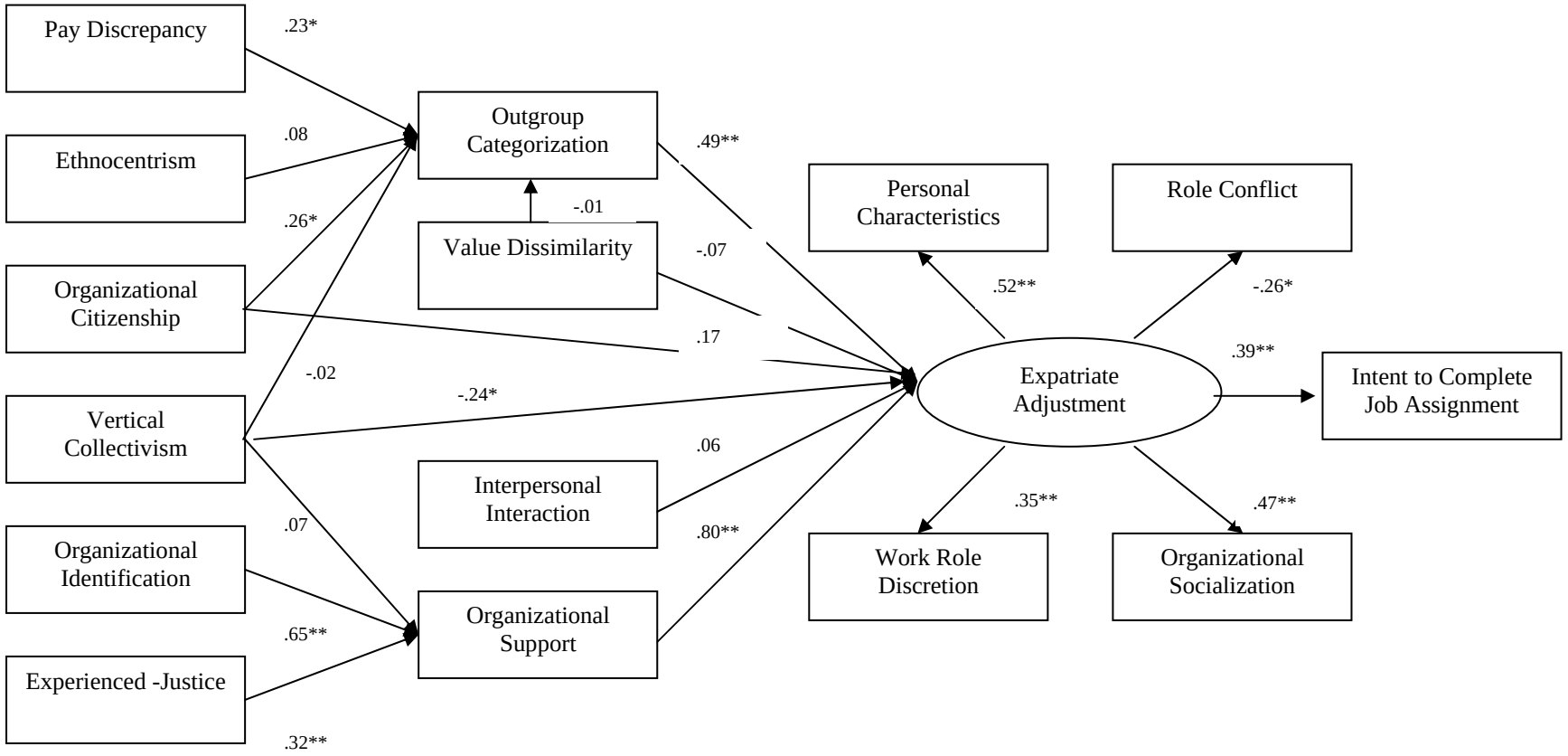
Measure	V1	V2	V3	V4	V5	V6	V7	V8	V9	V10	V11	V12	V13	V14	V15
Intent to finish assignment (V1)															
Personal characteristics (V2)	.14														
Role conflict (V3)	-.09	.36**													
Work role discretion (V4)	.10	.10	-.23*												
Organizational socialization (V5)	.48**	.42**	-.07	.15											
Overall adjustment (V6)	.28*	.46**	-.18	.18	.62**										
Outgroup categorization (V7)	.20	.38**	-.01	-.03	.49**	.57**									
Organizational support (V8)	.39**	.46**	-.28*	.47**	.25*	.25*	.08								
Value dissimilarities (V9)	.10	.03	-.04	.03	.13	.16	.05	.17							
Interpersonal interaction (V10)	.22	.14	-.18	.15	.36**	.41**	.33**	.25*	.23*						
Ethnocentrism (V11)	.33**	.22	-.11	.02	.31**	.29*	.57**	.27*	.37**	.34**					
Pay differences (V12)	.19	.11	-.08	.20	.24*	.21	.24*	.12	-.13	.23*	.10				
Organizational citizenship (V13)	.18	.22	-.24*	.18	.28*	.27*	.28*	.23*	.28*	.29**	.22	-.01			
Organizational identification (V14)	.33**	.31**	-.29*	.50**	.19	.12	-.03	.72**	.15	.08	.15	.18	.20		
Experienced justice (V15)	.20	.35**	-.23*	.37**	.30**	.36**	.18	.51**	.32**	.28*	.31**	-.06	.52**	.36**	
Vertical collectivism (V16)	.02	-.01	.10	-.01	-.22*	-.14	-.06	.17	.04	-.17	.03	-.07	-.12	.17	-.01

* Significant at .05 level (two-tailed) ** Significant at .01 level (two-tailed)

5.4 Results of Model Tests

Proposed Model

Overall model fit. The results of the model test are presented in Figure 11. A model linking several variables to the latent construct of expatriate adjustment was first tested. This model did not fit the data very well: $\chi 2 = 191.915$ (df = 88), p = .000, CFI = .563, IFI = .615, and RMSEA = .124. The goodness-of-fit indices were below the acceptable benchmark of .90 and the RMSEA was above the acceptable cut-off value of .06 (Hu & Bentler, 1999).



* Significant at .05
** Significant at .01

Figure 11 Preliminary Model Linking Social and Psychological Variables to the Construct of Expatriate Adjustment

5.5 Measurement Model Parameters.

As the findings in Figure 11 show, all the indicators for the latent construct, expatriate adjustment, were significantly related to it. As expected, personal characteristics, work role discretion, and organizational socialization were all positively related to expatriate adjustment while role conflict was negatively related to expatriate adjustment.

Table 9: Standardized Path Coefficients for the Structural Model

Hypothesis	Standardized Coefficient	T-value	Sig.
Collectivism on categorization (H1a)	-.02	-.163	.871
Categorization on adjustment (H1b)	.49	3.557	.000
Value dissim. on categorization (H2a)	-.01	-.096	.923
Value dissimilarity on adjustment (H2b)	-.07	-.595	.552
Ethnocentrism on categorization (H3)	.08	.788	.431
Pay discrepancy on categorization (H4)	.23	2.155	.031
Identification on support (H5)	.65	8.232	.000
Justice on support (H6)	.32	4.051	.000
V. Collectivism on support (H7)	.07	.931	.352
V. Collectivism on adjustment (H8)	-.24	-2.067	.039
Support on adjustment (H9)	.80	4.888	.000
Interaction on adjustment (H10)	.06	.528	.598
OCB on categorization (H11a)	.26	2.452	.014
OCB on adjustment (H11b)	.17	1.451	.147

5.6 Structural Model Parameters

The standardized path coefficients relating to the structural model are presented in Table 9 above. As can be observed, some of the hypotheses were supported while others were not supported. The hypothesis (H1a) that collectivism beliefs of expatriates would be correlated to expatriates' outgroup categorization was not supported ($r = -.02$; $p = .871$). As well, the hypothesis (H1b) that strong perceptions of outgroup categorization (i.e. higher categorization scores) would lead to lower levels of expatriate adjustment (i.e. lower

adjustment scores) was not supported. Although the regression coefficient was statistically significant (r = .49; p = .000), the sign of the coefficient was positive and not negative, as predicted.

The hypothesis that value dissimilarity would be positively correlated to the extent of outgroup categorization (H2a) was not supported (r = -.01; p = .923) and neither was the hypothesis (H2b) that value dissimilarity would be negatively related to expatriate adjustment (r = -.07; p =.552). Similarly, the hypothesis that ethnocentrism would be positively correlated with outgroup categorization (H3) was not supported (r = .08; p = .431), although the relationship between outgroup categorization and adjustment was statistically significant (see H1b). However, the hypothesis that pay discrepancy would be positively correlated to outgroup categorization was supported (r = .23; p = .031). In addition, the hypothesis (H5) that expatriate identification with the organization would be positively correlated with organizational support was strongly supported (r = .65; p = .000). Further, the hypothesis (H6) that experienced justice would be positively related to organizational support was also strongly supported (r = .32; p = .000).

The hypothesis (H7) that vertical collectivism would be positively related to organizational support was not supported (r = .07; p = .352). Interestingly, all cultural dimensions were found to be not significantly related to organizational support. However, the hypothesis (H8) that vertical collectivism would be related to expatriate adjustment was supported (r = -.24; p = .039). The negative sign suggests that the lower the vertical collectivism score, the more adjusted the expatriate was.

The hypothesis (H9) that organization support would be positively correlated to expatriate adjustment was strongly supported (r = .80; p = .000). However, the hypothesis (H10) that interpersonal interaction would be positively correlated to expatriate adjustment was not supported (r = .06; p = .598).

Finally, the hypotheses that Organizational Citizenship Behaviours would be inversely related to outgroup categorization (H11a) and positively related to expatriate adjustment (H11b) were not supported. Although the path coefficient between Organizational Citizenship Behaviours and categorization was statistically significant (r = .26; p = .014), it was positive, and not negative as predicted. The path coefficient (r = .17; p = .147) between Organizational Citizenship Behaviours and expatriate adjustment was not statistically significant.

5.7 Model with Adjustment as a Variable

Overall model fit. A second model, using overall adjustment as the variable measure for expatriate adjustment, was tested. This second model did not fit the data very well either: $\chi 2 = 123.803$ (df = 52), p = .000, CFI = .586, IFI = .640, and RMSEA = .134. The goodness-of-fit indices were below the acceptable benchmark of .90 and the RMSEA was above the acceptable cut-off value of .06 (Hu & Bentler, 1999).

Structural model parameters. The standardized path coefficients pertaining to the structural model are presented in Table 10. As can be observed from the table, some of the hypotheses were supported while others were not. Because the path coefficients generated for this model were similar to that of the previous model, the findings will not be described in detail. Only the findings that varied from the initial model's findings will be described.

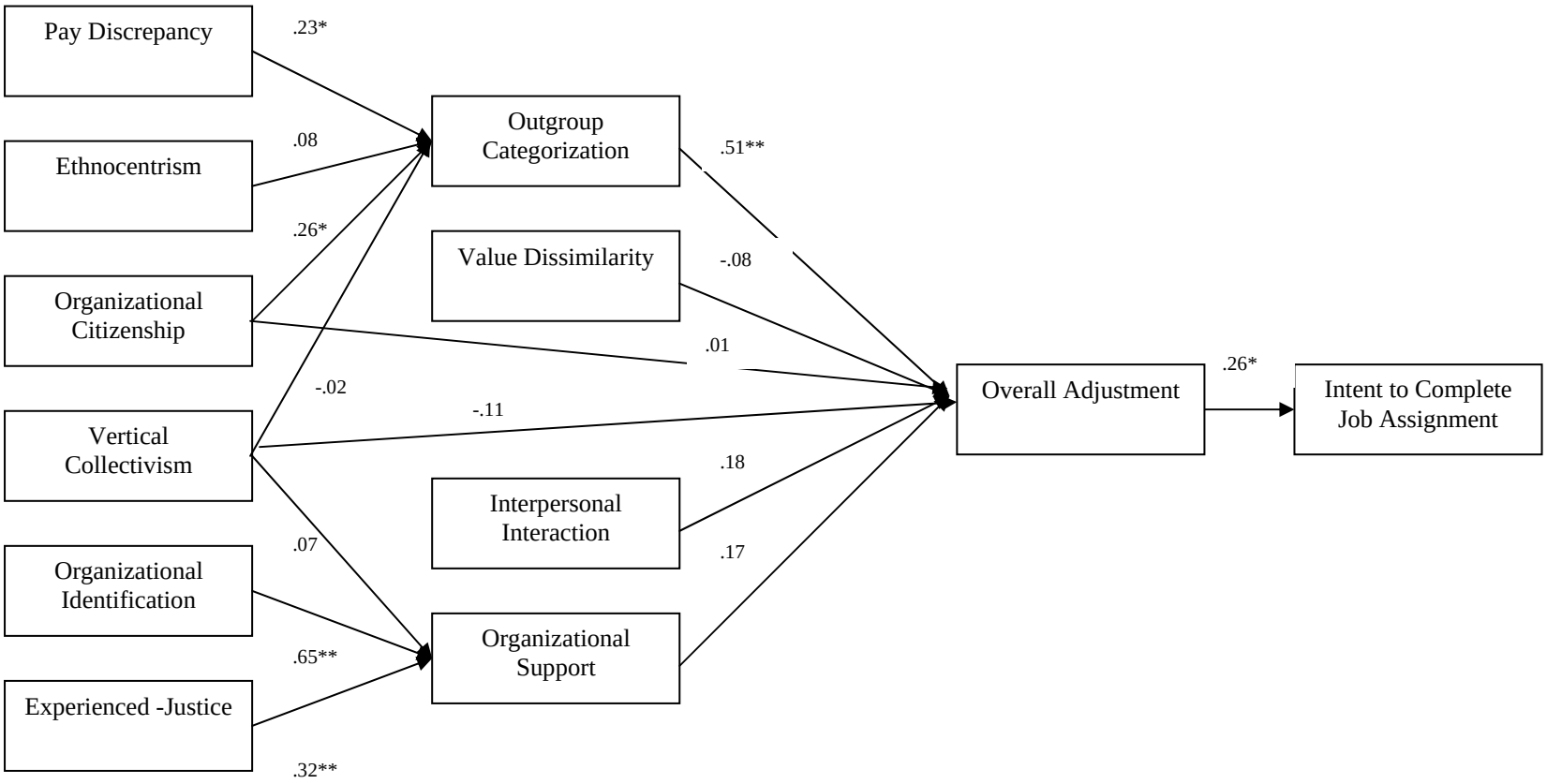


Figure 12: Model Linking Social and Psychological Variables to the Variable of Overall Adjustment

Table 10: Standardized Path Coefficients for the Structural Model

Hypothesis	Standardized Coefficient	T-value	Sig.
Collectivism on categorization (H1a)	-.02	-.163	.871
Categorization on adjustment (H1b)	.51	5.347	.000
Value dissimilarity on adjustment (H2)	.08	.809	.419
Ethnocentrism on categorization (H3)	.08	.788	.431
Pay discrepancy on categorization (H4)	.23	2.155	.031
Identification on support (H5)	.65	8.232	.000
Justice on support (H6)	.32	4.051	.000
Collectivism on support (H7)	.07	.931	.352
Collectivism on adjustment (H8)	-.11	-1.222	.222
Support on adjustment (H9)	.17	1.791	.073
Interaction on adjustment (H10)	.18	1.987	.047
OCB on categorization (H11a)	.26	2.452	.014
OCB on adjustment (H11b)	.01	.103	.918

Three findings from the current model vary from that of the first model. First, the hypothesis that vertical collectivism would be related to overall adjustment (H8) was not supported this time ($r = -.11$; $p = .222$) and neither was the hypothesis (H9) that organizational support would be positively related to overall adjustment ($r = .17$; $p = .073$).

However, in contrast to Model 1, the hypothesis that interpersonal interaction would be positively related to overall adjustment (H10) was supported this time (r = .18; p = .047).

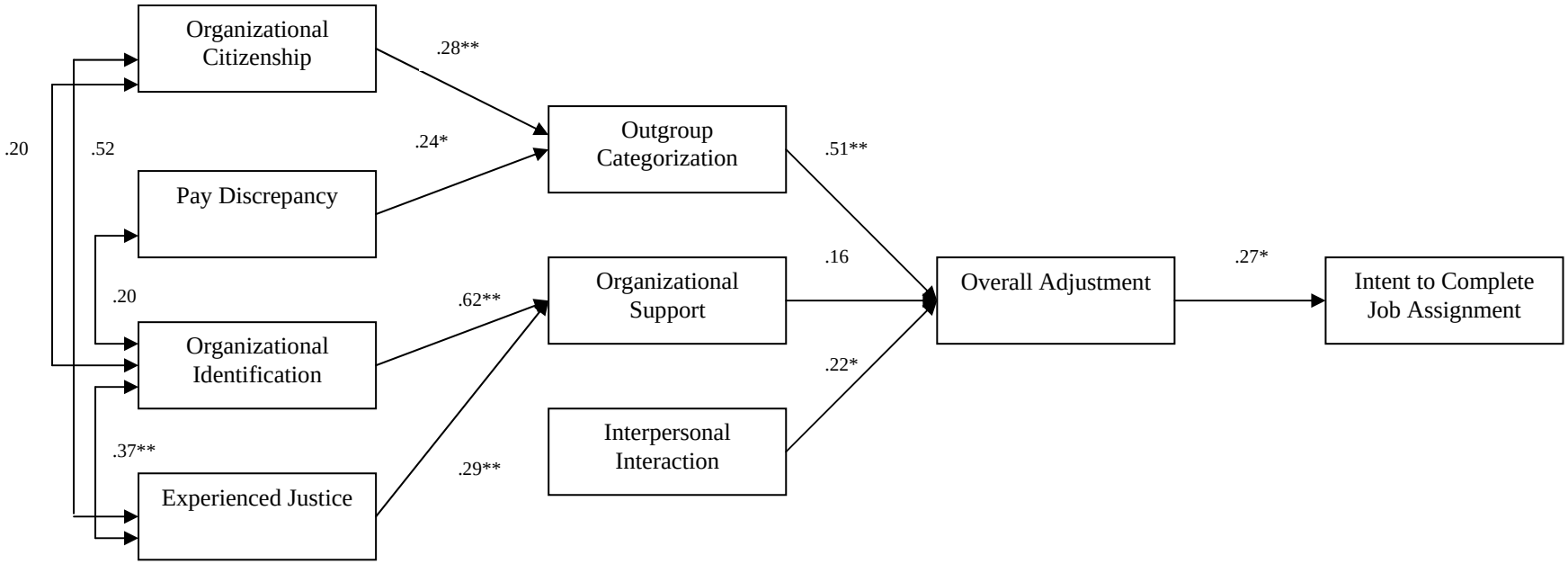
5.8 Final Model

Overall model fit. A third model (see Figure 13 below) that included only the variables that were significantly related to the mediating variables was tested. This model fits the data well: $\chi 2$ = 40.839 (df = 24), p = .017, CFI = .893, IFI = .906, and RMSEA = .095. The goodness-of-fit indices were close to or above the acceptable benchmark of .90 but the RMSEA was slightly above the acceptable cut-off value of .06 (Hu & Bentler, 1999).

Structural model. Except for the path coefficient between organizational support and overall adjustment, all other coefficients were statistically significant. All coefficients were in the predicted direction except for the direction of the coefficient for the relationship between outgroup categorization and overall adjustment.

Table 11: Standardized Path Coefficients for the Structural Model

Relationship	Standardized Coefficient	T-value	Sig.
OCB and categorization	.28	2.636	.008
Pay discrepancy and categorization	.24	2.234	.025
Identification on support	.62	7.822	.000
Justice on support	.29	3.673	.000
Categorization on adjustment	.51	5.490	.000
Support on adjustment	.16	1.751	.080
Interaction on adjustment	.22	2.425	.015
Adjustment on intent to finish assignment	.27	2.363	.018



* Significant at .05
** Significant at .01

Figure 13: Model Linking the Statistically Significant Social and Psychological Variables to the Variable of Overall Adjustment

5.9 Indirect effects

Because of the possibility of indirect effects in the final model a test was conducted to determine whether outgroup categorization could play a mediating role in the model. A necessary component of mediation is a statistically and practically significant indirect effect (Preacher & Hayes, 2004). The definition of Baron and Kenny (1986) was used to detect simple mediation effects: (I) establish correlation between X (= predictor) and Y (= outcome); (II) establish correlation between X and M (= mediator); (III) Show that the mediator affects the outcome variable (while controlling for X). Because of non-significant correlations between organizational support, pay discrepancy and overall adjustment (see table 8) indirect effects were only tested for organizational citizenship (X), outgroup categorization (M) and overall adjustment (Y). The confidence interval (95%) of the size of the indirect effect is based on the assumption that the sampling distribution of the effect is normal. Bootstrapping has been used to circumvent power problems associated with forms of nonnormality in the sampling distribution. An additional advantage of bootstrapping is that it is not based on large-sample theory, therefore it can be applied to small samples with confidence. The below table 12 shows a similar bootstrapped estimate of the indirect effects to the point estimate computed from the conventional regression analysis. The rows of output in table 12 are interpreted as follows: b(YX) is the total effect of independent variable OCB on the dependent variable overall adjustment. This effect is statistically different from zero. The next row of output b(MX) is the effect of the independent variable on the proposed mediator M, which is also statistically different from zero. The third row of output b(YM.X) is the effect of the mediator on the dependent variable, controlling for the independent variable. B(YX.M) is the direct effect of the independent variable OCB on the dependent variable overall adjustment, controlling for the mediator. This effect is not statistically

different from zero. Therefore, all of Baron and Kenny's criteria for mediation have been established and outgroup categorization completely mediates the effect of OCB on adjustment. Baron and Kenny (1986) state that if the path between independent and dependent variable becomes nonsignificant after controlling for the mediating variable, perfect mediation occurs.

Table 12 Direct and indirect effects

Direct and total effects (sample size 77)

	Coefficient	s.e.	T-value	Sig(two)
b (YX)	.1463	.0547	2.6761	.0091
b (MX)	.1701	.0674	2.5216	.0138
b (YM.X)	.4119	.0812	5.0737	.0000
b (YX.M)	.0763	.0494	1.5446	.1267

Indirect effect and significance using normal distribution

	Value	s.e.	LL 95 CI	UL 95 CI	Z	Sig (two)
Effect	.0700	.0315	.0083	.1318	2.2237	.0262

Bootstrap results for indirect effect

	Data	Mean	s.e.	LL 95 CI	UL 95 CI	LL 99 CI	UL 99 CI
Effect	.0700	.0677	.0311	.0099	.1315	-.0076	.1521

Variables in Preacher and Hayes (2004) mediation model

Y Adjust
X OCB
M Outgroup

Number of Bootstrap resamples 5000

5.10 Conclusion

The findings in this chapter confirm the relevance of the perceived impact of host country nationals on expatriate adjustment and answered the central research question, 'How do expatriate perceptions of the role of HCNs affect their adjustment process? by providing an extension to Black et al.'s (1991) model of international adjustment. The perceived role of host country nationals in expatriate adjustment is linked to social and psychological variables. Contextual variables, such as salary discrepancies, have been found to be linked to categorization processes and impact on expatriate adjustment.

As well as having contributed to answering the research question about the perceived involvement of HCNs in expatriate adjustment, this chapter raises several questions. For instance, the hypothesis (H7) that vertical collectivism would be positively related to organizational support was not supported ($r = .07$; $p = .352$). Although it seemed intuitively logical to assume that organizational support would be more easily extended to group members who exhibit similar cultural traits as the host culture, the data analysis did not confirm this.

Additionally, all cultural dimensions were found not significantly related to organizational support (see Figure 10), thus questioning the relevance of cultural traits for the extension of organizational support. However, the hypothesis (H8) that vertical collectivism was related to expatriate adjustment was supported: ($r = -.24$; $p = .039$). Likewise, value dissimilarities and ethnocentrism were not found to be significantly related to outgroup categorization where a logical link would have been expected. As long ago as 1979, Tajfel and Turner suggested that only the 'perception' of belonging to a distinct group would be sufficient to observe behaviour favouring the ingroup (Tajfel & Turner 1979, p.38). It would be desirable in future research to obtain perceptions of expatriates from their host national peers. Indeed, a 360 degree approach such as used in domains such as leadership and

performance assessment could be usefully applied. Expatriates may be more accepted (or less accepted) than they perceive themselves to be. Self perceptions of outgroup categorization, could thus be relatively synonymous with adjustment. This may offer an explanation for the high correlation between these two variables of .57.

Two counter-intuitive results require further attention. (1) OCB were found to be positively related to outgroup categorization. A possible explanation is that Thai HCNs do not regard expatriates as an outgroup. Alternatively, OCB could have been performed regardless of the expatriate. There is literature that supports this latter suggestion. McMillan-Capehart (2004) suggests that employees working in a collectivistic organizational culture exhibit more cooperative behaviours than employees working in individualistic organizational cultures. Traditional support for those in higher ranks in collectivist countries then may also provide a plausible explanation for the relationship between OCB and outgroup categorization. (2) Outgroup categorization was found to be positively related to adjustment. It is possible that expatriates in this study categorized Thais as their outgroup. This would make HCNs passive players to long-term expatriates who made HCNs their outgroup. Both of the above described counter intuitive findings were explored in the interviews presented in the following chapter. It is also appropriate to note that the relatively weak alpha of outgroup categorization could explain unexpected findings and lack of support for some hypotheses.

The next chapter presents the data analysis of the qualitative research phase and expands on both expected and unexpected findings in the current chapter.

Chapter 6

Results - Interviews

6.1 Introduction

This chapter provides data relevant to both the expected and unexpected findings already described. In particular, the relevance of social categorization, ethnocentrism, salary discrepancies and language for expatriate adjustment are examined. The final template developed from the themes that emerged during the interviews can be found in Appendix V. This template served as the foundation for the analysis of the interview data and the findings of the quantitative data analysis contributed to the structuring of the interviews. The demographics of the qualitative study can be found in Appendix VI.

Quotes were selected that were considered representative, non-representative quotes are identified as such in the below accounts. The variation in responses of expatriates is likely linked to the potential influence of nationality and ethnicity (Selmer, 2006, Pires, Stanton & Ostenfeld, 2006). As well, the length of interaction with HCNs affects the relationships with expatriates. In line with recent research on expatriate adjustment (Toh & DeNisi, 2007), the student researcher could not specifically hypothesize about the role of the length of the interaction, because of the varying effects on the various hypothesized relationships in the conceptual model. However, research suggests that interpersonal interaction with outgroup members may lead to personalization or increased interactions with the expatriate (Brickson & Brewer, 2001). Length of interaction, therefore, is relevant as it may alter relationships. Where appropriate, specific background information about the length of stay of the anonymized research participants has been provided in the accounts in this chapter. The frequency of cited themes (see Appendix VII) provides a broad indication of the relevance of cited themes.

Although the central focus in this thesis research is the potential role that host country nationals play in expatriate adjustment, the examples provided in this introductory section are indicative of the broad and multifaceted nature of expatriate adjustment. That is, there are undoubtedly issues which are important to adjustment but beyond the detailed scope of the current research, some of which surfaced in interviews and hence deserve some mention.

First of all, location seemed to make a difference in the adjustment process of expatriates. The population in the rural areas was quoted as being friendlier and more accommodating to foreigners than host country nationals in Bangkok. Adjustment appeared to be easier in these rural areas for three participants. Secondly, personal characteristics such as attitude, expectations and openness to new experiences were mentioned by five participants as accommodating factors for easier adjustment. The ethnocentric tendency of having expectations that things will run the same way as in one's home country was cited by a number of participants as a potential reason for failure in the expatriate assignment. Expectations were listed by a total of 13 participants as a variable of concern that could cause maladjustment. The possibility that HCNs may misinterpret expatriates and vice versa was noted.

Various psychological variables such as tolerance for or acceptance of inequality appeared to affect the adjustment process of expatriates (see Hofstede, 1991, for a discussion of the Power Distance dimension). Participants expanded on this variable and noted various issues that may have long-term impacts on their wellbeing. For instance, although environmental awareness is not only accepted but also considered a good value in the west, in Thailand little attention is paid to preserving nature and natural resources. Three participants mentioned that the overall disrespect for a clean environment and disinterest for sustainable development frustrated them. This may suggest that it is ethnocentrism on the part of the

expatriate that leads to social categorization, and, in turn, to the notion that the general acceptance of inequality and poverty could affect the adjustment of expatriates:

If people haven't lived in sort of developing countries sometimes the poverty I think gets to people, you know, markets on the streets, food on the streets, ehm that sort of stuff if they have grown up in a very sort of affluent country you know..(Interviewee 13).

In particular, the question whether to play an active role in making the host country a better place was a concern discussed by three participants. Interviewee 4 spent 30 years in Bangkok and noted that by complaining and not acting, only negativity would be added to the problem. Interviewee 17 described the dilemma between playing an active role and not partaking.

If I were to stay here long term I would need to become involved in some sort of social justice work. Eh, in order to keep my self-respect. Eh.. but again, who am I as the outsider? That's a difficult line, you know, where are you being insensitive by criticizing the way things are and where are you doing what you need to do as a human being to pay rent on the planet? (Interviewee 17).

Finally, having a social network and acceptance of the family back home were quoted as being essential for the adjustment of several research participants. Communication technology, e-mail and Skype were noted as accommodating contact with overseas family and the prime mode of communication with relatives back home. A 25-year-old UK expatriate with three years of experience in Bangkok provided the following:

Because I know that my parents worry about me and I try and tell them I'm fine, I have everything I need, I can get most everything here, usually cheaper than I can get over there but still I know they worry about me because I am not there and I am in a foreign country and I think being able to reassure your family that you are ok in this foreign country is important to your adjustment as well because if they're ok then you are more likely to be happier being here and you are less likely to cut and run in the middle of your contract (Interviewee 16).

The following sections examine the proposed role of HCNs in expatriate adjustment. Section 6.2 introduces social categorization and the weight participants allocate to this variable in their adjustment process.

6.2 Social Categorization

The hypothesis that strong perceptions of outgroup categorization would lead to lower levels of expatriate adjustment was not supported in the quantitative research phase, and this variable was of special interest in the qualitative research phase. A dominant theme in all interviews was, therefore, the participants' experiences in regard to social categorization. The knowledge that others are in the same social group has been found sufficient to elicit a common identity, which may result in category-consistent perceptions which hold potential to affect both attitudes and behaviours (Brewer & Gardner, 1996). Cultural characteristics of workplaces in a Thai environment seemed to correspond to this finding. All research participants referred to 'farang' as the Thai word for foreigner when indicating their position in Thai society. In the following section an initial account will be provided of how expatriates actually perceive this categorization process and then its effect on adjustment will be explored.

Interviewee 13 was one of five participants who attempted to articulate an explanation for this categorization process.

Ehm you know it's a way to preserve their culture, their heritage and I think maybe it's a way to sort of.. somewhat..maybe keep the group, the inside group in and keep the outside group separate. And also like, I mean, obvious a lot of these Asian countries were not founded on immigration movements whereas a lot of our countries, at least in North America, we were founded from a number of groups coming in so these groups in… you know.. have been insular and have been somewhat isolated for longer so they are not so keen to…(Interviewee 13)

All participants indicated that foreigners will always be classified as farang in Thailand, even when born in Thailand and having the ability to speak Thai. Marrying into a Thai family was not considered to be an argument for not being considered a foreigner by one interviewee. A Singaporean expatriate describes this:

I think it takes a long, long time. Shall we say.. I know of some notable cases ehh of businessmen who have spent many, many years here and have settled here and married locals and decided to make Thailand their home. I think they will have a very close circle of

friends and perhaps in that circle of friends they would be at some point of time be treated as locals but in the larger society they are still foreigners (Interviewee 20).

It is notable that participants had different viewpoints on being categorized as a foreigner and the knowledge that this stigma would accompany them the entire length of their stay in Thailand. Seven participants said that being white would mean a better treatment by Thai nationals, whereas Interviewee 22 suggested that HCNs degrade their own culture by emphasizing white colour as superior over a darker colour. The in-country discrimination of those with a darker skin colour was also described by Interviewee 16.

The white, over here, which I really dislike, the whiter you are supposedly, the better you are. So the Thai people who have very, very light skin are considered by other Thai people to be better than the people who have darker skin. Which I really don't like and I keep trying to tell them this, it's not the way you look.. It's very real here, that perspective (Interviewee 16).

Interviewee 17 articulated positive aspects of the categorization process in different terms:

Well, you know, it gives us a little insight to what's, what's it's like to be part of a visual minority like anywhere else. I think it is practically a mandatory experience for white Americans, he, he, he, you know, I think that many of the problems in my country would be solved if everyone would have this experience. You know, what it's like to not be the dominant culture (Interviewee 17).

Aside from two participants, the overall consensus seemed to be that although expatriates will not be able to fit into local culture, the prevalent discrimination seemed to work in the advantage of most expatriates. Although unanticipated, this finding may provide an alternative perspective on the quantitative data analysis which showed that outgroup categorization was positively related to adjustment.

I'll never be a Thai and that's ok. It's, it can go both ways. It can benefit us, I think, they are often people that are very interested in talking to you and show you many things and going out of their way in being friendly and will forgive ehh cultural faux pas because they know that we're not part of their culture. Sometimes it can cut the other way and they see a foreigner and want to, you know, you'll be charged extra that's just part of, part of living in another country (Interviewee 19).

In addition to these factors, various high status factors linked to expatriates appear to work to the advantage of expatriates. Most expatriates described their experience in Bangkok very positively without necessarily perceiving a huge impact on themselves.

..they are racist, they are very colour conscious within themselves and ehh you can never blend in as a foreigner. You can never blend in and ehh you get used to the regular gauging but it is in reality on such a low level. Why worry about it? But because it's a pyramidal society you're seen as, in my case, many of the positive characters. They don't, Thais don't fit within their, I mean, foreigners don't fit well within their structure because I have Thai family here I've made a certain degree of effort and ehh pointing out things I'm tall, I'm male, I'm older, they presume I'm rich. All of these things are high status things..(Interviewee 5).

The themes of categorization and salary discrepancies overlap in the account below (by the same Interviewee):

We build very large systems here, gas pipelines, gas plants, things like that. They are basically scared of that. That's been my version for thirty years. They really wish they didn't have to keep us here. They are appalled by what they have to pay for us because compared to the Thais we get multiples compared with their salaries… (Interviewee 5).

Of particular interest to this thesis research is the question whether the categorization process affected the adjustment of participants. From the above accounts it can be concluded that various distinctive factors appeared to work to the advantage of expatriates: being white, being accorded high status, being supposedly rich, having a driver. A small number of participants (3) were able to articulate psychological impacts which appeared to suggest that their psychological wellbeing was affected negatively by this categorization process:

In Malaysia they didn't have this you know stand off-, not exactly stand offish but a tendency of that they weren't sure of what they were dealing with they would stay back and stay away that's what the Thais do. (……) The one similarity with the Malaysians is really they don't want us here. But they have to because of the expertise. As somebody else pointed out once, they still buy our airplanes (Interviewee 3).

Negative affects included feeling insecure because one did not know whether one was lied to (Interviewee 9), feeling one was not wanted (Interviewee 3), being perceived as a 'stranger' (Interviewee 11), being called farang (noted by all participants but some participants perceived this as being negative treatment), being perceived as a 'cash cow'

(Interviewee 21), not being allowed to work in certain professions (Interviewee 23) and having to deal with legal discrimination based on being western (Interviewees 1, 2 11, 15, 23). Long term implications of this categorization process were noted as bothersome, again with referral to legal implications such as visa issues and property ownership (Interviewee 6). These findings are confirmative of findings reported in the quantitative research phase that social categorization appears to have wide ranging effects on the wellbeing of expatriates.

Self categorization processes occurred as well, with four participants indicating they felt like 'outsiders' in Thai culture. It is assumed that this self categorization is not related to positive values such as wishing to achieve some degree of uniqueness or distinctiveness (Brewer, 1991), but more based on individual differences with others (Turner, Hogg, Oakes, Reicher & Wetherell, 1987), as participants seemed to take it lightly. Perhaps because most of the participants were on limited duration contracts, adverse effects were not noted or considered to be part of being in a foreign country.

Well, you can ignore it, easily ignore it (Interviewee 5).

I think westerners are usually held in respect because of their achievements. Western technology, ehh western advancement you know. So westerners usually, usually have quite a respect and Europeans for that matter …..They like us very much, they are sometimes a little bit confused why Germans are not doing much more in Thailand because they are really open for us, they are really waiting, hope that we are doing much more business here in Thailand (Interviewee 15).

The above quotation from Interviewee 5 captures an important behaviour, if expatriates can ignore the categorization process it may not affect adjustment adversely. This implies that even if categorization processes take place, it may not affect adjustment negatively.

The next section on value dissimilarities is linked to outgroup categorization. Value dissimilarities may contribute to the extent to which expatriates are categorized as an outgroup.

6.2.1 Value Dissimilarities

Both value similarities and dissimilarities with HCNs were perceived. Among the shared variables mentioned were humanity values, values placed on relationships, respect for parents and honesty. One of the most striking dissimilarities is the western valuing of punctuality and keeping to deadlines. Niratpattanasai (2004) stated that the inability of the Thais to meet deadlines was considered as a major annoyance in working with a Thai workforce. A former Asia Pacific president of a German MNC would concur:

In Thailand it is similar compared to other Asian countries. Let's say except Singapore and Hong Kong that you have to follow the old Lenin word, 'Trust is good, control is better.' This means in business life if you provide deadlines and if you have expectations of Thai people, please check always in the process before the deadline expires and the expectations are met one of these days. Please check whether they really understand the issues (Interviewee 15).

The theme 'time' partially overlaps with the 'interaction' theme in the account below from a Finnish expatriate.

Thai people don't look at the time at the same way as we do, for them they don't in that sense, waste time. Like for us if we have to wait for something, it's a waste of time. For them, sitting in the traffic and waiting for the traffic light to change, they, most of them don't feel it as a waste of time. So the scale of time is different, somehow. So a quick solution is maybe not always necessary, it is more necessary to take care of the relationship (Interviewee 12).

Because of the value that western companies attach to timeliness in contract execution it may become the source of conflict at the workplace. How to deal with these conflicts was noted by three participants as not only difficult, but with the potential to lead to further conflict:

We are very deadline sensitive and when you discuss deadlines with subcontractors in Thailand and then you raise your voice because they don't meet deadlines. It may happen to you that they run away from you. They use all sorts of excuses to run away …. because to some extent, especially with small and medium scale industry they have a different attitude towards deadlines as we have (Interviewee 15).

This account is supported by a Singaporean expatriate, who, although Asian, experienced adjustment issues and had to adjust his behaviour in order to work efficiently:

The Thais have a particular cultural behaviour in relation to conflict and ehh when you are trying to eh correct someone eh who is on the wrong track eh either because he or she is not doing the work according to what you want or it could be they are missing deadlines, etc. In many other countries it is acceptable to show some unhappiness on your part as an employer, as a boss, but in Thailand they will take great upfront at any show of any public show of anger or unhappiness and the reaction is, eh is eh lack of respect for foreigners and they shut down. They do not respond to aggression the way that many other cultures, particularly western cultures would. They avoid conflict therefore if you engender conflict, they feel very uncomfortable and this is something that must be learned very quickly in living in Bangkok otherwise you will not be able to operate effectively, whether in the workplace or at home (Interviewee 20).

A different perspective on responsibility was noted by four participants, whereas hesitancy or refusal to accept responsibility appeared as a challenge to three participants. The lack of emphasis placed on following rules was a source of frustration for three participants. One respondent even noted that the person in charge who issues rules appeared to be more important than the rules themselves:

..the rules are not that important as the ruler, the person in charge, whereas the western model in particular is that the rules are what's important. The ruler, the person in charge or the person enforcing the rules come and go...(Interviewee 19).

This observation may relate to Thailand having higher values for Hofstede's Power Distance Dimension than Central European countries (Hofstede, 2001). Subordinates in high power distance countries acknowledge power of those in hierarchical position and accept that relations are more autocratic.

A Singaporean expatriate (Interviewee 20) referred to low and high context cultures and emphasized the importance attached to relationships in Thai workplace contexts. The quality of these relationships were said to be more important than the actual rules in place:

W*ell, coming from an American company is, ehh it's very difficult, dealing with the Thais, the, their, I guess in America there's a tendency for people who want to take full responsibility for what they're doing. Learn more, expand their roles. You don't see that as much here. You tend to see people who want to limit their roles and especially their responsibilities. They are worried about responsibility. And so we tend to, even our best engineers, it's very difficult to get them to look at projects from more than just the technical aspect (Interviewee 5).*

A Swiss expatriate who spent three years in Bangkok struggled with the perceived tendency of HCNs to not tell the truth when problems arise:

We had a maid, she left us and said her father was very sick and he had an accident when he was jogging and a car run into him and we knew or we knew afterwards it wasn't true because she went to Sukhumvit to a Japanese family where she earned more money but we didn't know, we would have given her more money. I expected her to tell us what was wrong, that she wanted more money or something like that. Just to be honest, we could talk and help her and she just lied and lied is maybe the wrong expression. In her way of thinking ..but in my way of thinking it was a lie and ehh that I can't understand. So she went away and a week later we knew she was in a Japanese family and her father wasn't sick at all (Interviewee 8).

Evasion of direct truth was mentioned by almost half of those interviewed. Eleven participants (47.8%) in total noted that HCNs will not communicate problems directly and that it was difficult to find out the truth when something went wrong in the organization. A Hong Kong expatriate (UK citizen, Interviewee 10) and a Singaporean expatriate (Interviewee 20) noted the unwillingness to complain and explained that appreciation for authority contributed to this phenomenon.

A Finnish expatriate (Interviewee 12) explained that he needed to adjust his expectations over the course of four years in Thailand:

You have to work with the office and you want to know what is really happening, you have to learn to read between the lines and listen to what people say after a few drinks. They won't say it straight but you get the hint what they actually think because they will never tell you straight in your face. Never, or it's extremely rare at least (Interviewee 12).

The account below is consistent with those above and also implicates categorization as common:

It's very, very hard and I don't know that we are always being told the truth and I suppose that creates a divide cause, although you try to understand, even if they are unhappy with something that they are doing. Even if we ask them directly we are not always sure we get a truthful answer so I think that that creates a division amongst the staff. You see that at the Christmas party, you see that at social events. Sticking to one's own kind (Interviewee 7)

The use of a third party in problematic communication was related by three participants:

Partly it's like this sort of relating to people when there is sort of tension and conflict. I think Thais really avoid that and whereas I'm much more sort of like, if there's a conflict I am going to tell you about it whereas Thais won't do that. They'll kind of talk around and they won't talk directly to you but they talk to someone who might then be able to talk to you. So it's never sort of direct one on one, it's a third or fourth party that will come to meet you. So that's definitely, I am much more straightforward in terms of my values and in terms of conflict… (Interviewee 13).

Four participants noted that HCNs had the tendency not to speak at all in mixed staff meetings. Interviewee 10 attributed this observation to staff preferring ideas coming from managers as well as a possible avoidance of conflict strategy. He observed that meetings could appear confusing for expatriate managers, as host country nationals appear not to be forthcoming with their opinion and comments.

A more relaxed attitude to problems encountered on the work floor was a source of frustration for a Finnish expatriate (Interviewee 12). The Thai 'mai pen rai' is loosely translated as 'it doesn't matter' (Niratpattanasai, 2004). Two participants noted that they perceived that adopting a little bit of this 'mai pen rai' attitude was one of the good things they learned in Thailand. Interviewee 12 disagreed:

Mai pen rai is something that I feel is affecting my work. Too often mistakes. Basically mistakes are..people basically say mai pen rai and they never learn, so I don't mean you have to think of or point at anything else but I think that mai pen rai is one thing that I realize is affecting... (…..) but I think mai pen rai is the one I hate. I hate the worst (Interviewee 12).

Although Thailand is known as the land of smiles, the cultural perspective behind smiles is completely different from what western individuals perceive it to be. The next account demonstrates the existence of value dissimilarities and potential implications of misinterpreting these value dissimilarities:

O*ne of the things that you will find is perhaps a little bit more subtle, when the Thais are embarrassed one of the typical reactions is that they laugh. They laugh eh and eh a westerner or any other Asian who is not familiar with this trait may take offence because of shall we say, I'll give you a scenario where something has gone wrong in the household. You have made an agreement that something needs to be done by a particular time and your domestic help has forgotten and you are not happy. Their reaction because they are embarrassed is that they laugh, they laugh at the matter and if you're not familiar with this trait you would think that they take it lightly. Which is not their intent, they are merely showing that they are*

embarrassed and you need to interpret this physical signal otherwise there will be a problem from your reaction and there will be a very problematic outcome (Interviewee 20).

Interviewee 9 adapted HCN behaviour over the course of one and a half years in order to be more effective: *I do the smile thing even when I'm angry*. Other noted value dissimilarities were a worship of status, disrespect for those lower in status and universal acceptance of inequality:

I think probably the most difficult thing for me is the universal acceptance of poverty. Eh, the universal acceptance of hierarchical social roles, ehm, you know, seeing the way women are treated in this society ehm seeing the way that workers are treated in this society. You know, going on the bus and have seen families living in shacks, you know, that's really hard. Ehm but I don't know, I don't know whether eh that's a difficulty, whether you should be motivated by your western values to do something about it or whether you should develop an acceptance of it (Interviewee 17).

In summary, value dissimilarities may contribute to individuals being categorized as belonging to different in- and outgroups and may affect the adjustment process of expatriates. Behaviours of HCNs may no be particularly geared towards expatriates as HCNs will likely behave as prescribed by their culture. Value differences are made explicit by HCN and expatriate behaviours, and these may lead to categorizations. However, there are indications that by ignoring the categorization process, adjustment is not affected adversely. The majority of respondents indicated that physical appearance was the decisive factor in categorization as 'farang'.

6.3. Ethnocentrism

A recurrent theme was perceived ethnocentrism. The hypothesis that ethnocentrism would be positively correlated with outgroup categorization was not supported in the earlier described quantitative research phase, although the relationship between outgroup categorization and adjustment was statistically significant. The theme 'ethnocentrism'

overlaps with outgroup categorization and demonstrates the entanglement of variables under investigation. An important observation is the distinction made by research participants that institutionalized discrimination is related to both perceived ethnocentrism and perceptions of belonging to an outgroup. How the expatriate is affected by both individual and institutionalized discrimination varies, and will depend upon the perceived relevance of the observed discrimination and the expatriate's ability to deal with this phenomenon. One research participant, a former Asia Pacific president of a German Multinational with over 30 years of experience in SE Asia reported:

If you have an accident in Thailand often the police and the courts in Thailand they don't favour foreigners but they favour their own national people even though they are at fault and not the foreigners. And that is an issue which has been taken up many, many times in the last twenty years with the respective Thai governments. Or with the Thai government that a foreigner in case something happens, he has bad cards, means he will lose in the courts amongst…. (Interviewer: In other words, there will be some kind of institutionalized discrimination against foreigners?) Absolutely and that is a unique thing in Thailand, more unique than in other countries of SE Asia. For example Malaysia, Singapore or other countries. India for that matter. (Interviewee 15)

Although concerns such as described above have been noted in business circles, adopting an appropriate response is problematic because confrontation is considered not an appropriate strategy in Thailand:

..and you read also about these things but of course very mildly and softly because often times they don't want to confront Thailand you know. But these are… let's say.. daily cases which happen and if you are involved, I think you won't forget them during the whole period of stay (Interviewee 15)

Various participants noted a strong determination to limit the role of foreign nationals in business. A Finnish expatriate (Interviewee 12) observed different rules in place for foreigners and Thai nationals and a Singaporean expatriate (Interviewee 20) noted that:

They are very protectionist in that sense and the government enshrines this in all of their laws. I think it comes from the mindset that they have to be very careful. So they realize today, in the modern world, the domination may not necessarily come from military might. They can come from economics. So it is one of the few countries left in Asia where businesses cannot be more than 50% owned by foreigners. It is a very sore point that whenever a business is sold to a foreigner, the latest led to the ousting of PM Thaksin, he sold his

business to a foreign power. So it is a very, very sensitive issue and it shows up in all aspects of their life (Interviewee 20).

A more extreme point of view was presented by Interviewee 15:

You know the farang is something like eh.. well, I put it possibly a little bit too extreme and bluntly, is like a disease you know. So you have to control it, to some extent the disease (Interviewee 15)

Although a number of participants linked ethnocentrism to racial classifications, it only appeared to affect the wellbeing of five expatriates.

Finally, although perceived host ethnocentrism was the focus of this section, it should be noted that expatriates who exhibit ethnocentric traits may experience greater difficulty in social interactions at work (Shaffer, Harrison, Gregersen, Black, & Ferzandi, 2006). Because HCNs and expatriates have to work with each other and because it is commonly believed that HCNs are deviating from the norm, instead of the new incoming expatriate (Webb & Wright, 1996), it is important to show empathy and cultural sensitivity. The theme of perceived ethnocentrism overlapped with the theme of categorization and seems a powerful indicator of intergroup differences.

6.4 The Role of Salary Discrepancies

Although the proposed role of remuneration in expatriate adjustment was a topic of discussion in the interview schedule, it was frequently brought up by the research participants as a main factor affecting the interaction between local staff and expatriates before it was possible for the researcher to introduce this topic. The role of salary discrepancies is related to the self categorization processes and most accounts in this section allocate relevance to both the categorization process and the context of salary discrepancies. One participant was initially not aware of the fact that nationality was a determining factor in the salary employees received:

If I were one of the Thai staff I think I could easily feel resentful. As a westerner I feel hideously naïve for not having realized that that thing was happening until it was brought really out, you know (Interviewee 17).

A female expatriate observed resentment which she related to salary discrepancies:

What is really set up here so there's a divide between salaries received for expats and Thai salaries and the government fosters this separation you know and they do charge different prices for foreigners and locals and unless you can read Thai in writing and Thai numericals, numerical signs then you won't know. So they set it up so there is a simmering resentment that keeps…, there is a push to keep people apart. That's my experience (Interviewee 2).

Interviewee 5, who spent twelve years in Thailand, regarded the salary gap as a constant source of resentment and acknowledged that there is not much that an expatriate can do about it. He acknowledged that the salaries that expatriates receive contribute to their motivation in being sent on overseas assignments:

I occasionally get more or less veiled comments about how much more an expat makes compared to a Thai and I'm very pleased to point out that in terms of efficiency, I way outperform. And it's not, not necessarily because I've been around a long time and I've seen a lot of things, which helps, but in terms of performance ehh and producing a finished product that's ready to go to somebody else and not a half assed like here's kind of what I've got. You know, it needs to be worked over by somebody else and just the volume of work that I put out. Ehh, you know, that's the reason I'm here and that's the reason why I'm paid a lot of money (Interviewee 5).

The account of Interviewee 15 (below) suggests a common experience but it adds the role of the expatriate to it. It expresses in particular how the behaviour of a new expatriate may contribute to the development of resentment among HCNs. The themes categorization and salary discrepancies overlap:

The resentment towards a foreigner in Thailand stems partly from the fact that a farang is seen usually as somebody who has a higher income more purchasing power and that, that provides distance between Thais and farangs. And even some people, stupid people, young people who are, let's say, entrepreneurs who come to Thailand who are not prepared for this country, they play this card, these so called colonial cards, they demonstrate their strengths by showing off in terms of money, in terms of efforts and that is isolating them and that is providing a tremendous distance with them to the Thai people right from the beginning (Interviewee 15).

Interviewee 9 provided an example in which the theme salary discrepancies overlapped with the themes socialization and interaction. Both themes will be reviewed in the next section (Section 7.6). A Thai colleague was invited for a night out and the person in

question admitted at a later point of time that she was afraid to accept the invitation because of the financial implications it could have. In the words of her expatriate colleague:

They are gonna go to some fancy restaurant and you know, and I am going to have to pay because I look like an idiot if I don't but that's actually a huge chunk of my, my sa.., not savings but my disposable income if I come and spend 2000 baht at a restaurant (Interviewee 9).

Salary discrepancies can thus play an important role in both categorization and socialization processes. Perks, incentives and 'hardship' allowances are premiums for accepting overseas assignments. The affects of these generally quite high premiums constitute a great advantage for expatriates; on the other hand, they accentuate the differences with local level packages (Toh et al., 2003), and it was observed that this could create tension and resentment.

6.5 Socialization and Interaction

It was unexpected that four expatriates acknowledged that socialization and interaction was not important for their adjustment (the quantitative research findings showed a positive relationship between OCBs and outgroup categorization). The notion that one was living in an expat bubble, an expat community with foreign friends was sufficient for the wellbeing of these expatriates. Fifteen expatriates found social interaction with HCNs important for their adjustment although by various accounts they had very little interaction:

There is also, they still segregate, that's a problem. Most of them, still during lunch they have their own lunch. So there is still segregation. You don't really interact. Well, although we try (Interviewee 22).

In organizations where the workforce was comprised of multiple nationalities participants observed that people 'stick to their own kind'. Other respondents seemed either not to be clear about the importance of interaction or separated work interaction from private interaction. Most interaction at the workplace seemed to take place between expatriates themselves. All expatriates had few local friends. Cases where expatriates had a higher number of local friends seemed related to the fact that these friends were spouses/husbands of expatriate colleagues.

The only time really when I would be interacting with Thai nationals would be you know, with friends, or a taxi driver, restaurant, you know where you go and buy things. I mean I guess you could theoretically not interact at all with Thai nationals (Interviewee 13).

A Danish expatriate was bitterly selective in socializing with HCNs and indicated that only communication at work was relevant. She found it difficult to deal with the cognitive consistency that may be part of Thai culture and exhibited ethnocentric traits. These expatriate ethnocentric traits testify of subjective reality and expatriate categorization processes.

Some eh Thais, I don't want to socialize with because I think I don't like to be around people who say a lot of thing they are going to do that and that and you believe what they say and it's not true at all. It's just fantasy. And that eh… I am not used to that now, so I cannot be around people like that because I get angry or I get disappointed (Interviewee 3)

The lack of interaction between this expatriate and HCNs raises an interesting point, perhaps it could be a function of the expatriate's ethnocentric views. Having ethnocentric traits then may drive categorization and, as evidenced by Interviewee 3, evoke unpleasant feelings. Interviewee 2 acknowledged the importance of social interaction for the adjustment process of expatriates but noted that one complicating matter was the limited duration of friendships in overseas assignments:

But the number of transient expats has increased. You know, I think, that's where it's difficult to maybe connect… you know? (Interviewee 2)

On a more positive note, Interviewee 4 observed that it was possible to live without any explicit conflict in Thailand:

When I forget about the business and (…) 99% of my contacts are probably local Thais, especially because it's so easy. You can live here, one way or the other, not at all but maybe a bit black and white, live your life and work without any conflict at all. Free of conflict! (Interviewee 4).

Interviewee 13 separated interaction and socialization in work and home spheres:

Oh it makes it so much easier. And I feel safer too because I know if there was like some serious problem I could call these people and say 'I need some help' and they would do it and being Thai nationals they would be able to do it properly without making anyone angry so.. oh yeah, they're so helpful

Interviewee 16 observed that the only thing one would have in common would basically be work:

Sometimes you just really do not want to talk about work (Interviewee 16).

A helpful attitude of HCNs (see Section 2.4.9 on Organizational Citizenship Behaviours) was perceived as 'nice' but not essential for the adjustment process by participants (*It's beneficial, I don't think it's essential, Interviewee 16).* This finding is supported by literature. Bhaskar-Shrinivas, Harrison, Shaffer, & Luk, (2005) and Black, Mendenhall & Oddou, (1991) found that.social support benefited expatriate adjustment. Osland (1995), however, suggested that the friendship provided by HCNs may differentiate between successful and unsuccessful expatriates although findings to this effect were not evident here.

6.5.1 The Role of Language

Feely and Harzing (2004) described communicating across a language barrier as one of the most severe operational problems that existed in expatriate life. Throughout the interviews the controversial character of language and its relevance for expatriate adjustment appeared regularly. Fifteen participants saw language as a main barrier for successful adjustment, but all interviewed expatriates provided reasons why they did not persevere in Thai language studies. The most common 'excuse' being that one could get by without speaking any Thai at all. Participants mentioned the need to communicate slowly in English, use simple vocabulary, let discussion partners repeat every sentence and make sure they understand the sentence, but it also became evident that a command of the local language was not important at work. Interviewee 5 had spent the last 12 years in an expatriate assignment in Thailand but his professional experience in Thailand started 25 years ago:

It's only because I spent a modest amount of time in the country-side, on my own, not job related. Job related the language is not important (……We have people who lived here for years and years who speak virtually no Thai. In fact, I spoke only very modest amount, just hello, goodbye, how to get a taxi to go around, what prices, money, were you know? And food, which of course is important, and that's really about all I knew (Interviewee 5).

Although participants acknowledged that speaking some Thai makes life easier, differences between having learned languages in previous overseas assignments became apparent.

..Because in reality we can eh.. get around Bangkok in English very, very well and we've traveled, we've rented a car. We traveled all around in Isarn and wherever we go, you know, you can find somebody who can speaks English but I find it embarrassing. I've lived here now, a year and a half, I know I am going to live here for two more years and after that if I leave here with no more Thai than I have now, I'd be very disappointed (Interviewee 9).

Four participants observed that 'taxi Thai' was all they needed. The overall perceived better ability in English of HCNs than in countries where expatriates previously worked (in particular China, Taiwan, Korea and Japan) decreased their motivation to learn Thai.

I came in August and by September I enrolled myself in a Thai course and I did it intensively with one teacher and then there were three of us students. And that was helpful at the beginning and I find like, I learned a lot in that class and I studied it at the time for a lot, a lot for but after the class finished I didn't continue studying and I find it like my environment is so English. I can get around in a taxi just fine because that's where I need Thai and I can get around in a grocery store, but in terms of sort of daily communication like.. you know all my friends speak English at work, they all speak English (Interviewee 13).

The account below suggests that the perception of getting around well in English may not be shared by all interviewees:

Actually, there are many, many issues ehh.. yes, language is definitely an issue too because mastery of English is rare, even in the service industry where knowledge of English would certainly help. The level of English is very low because the enforcement of educational standards in the schools is also lacking so when someone, ehh.., graduates from school with supposedly having learned how to speak English, in fact their standard of English is perhaps not acceptable in other countries so we need to be aware that a little bit of Thai is useful. At least survival Thai (Interviewee 20).

Interviewee 17 provided two factors that complicated learning the local language:

Language ability is critical and I am falling down on the job there. He, he, Just, this is a much harder language for me than picking any other previous language has been. Usually if I were in a country this long, I'd be able to do much better than I am doing now because I can't read the writing, I am not picking anything visually yet. Because I am not used to a tonal system I can pick up very little orally (Interviewee 17).

Finally, although the vast majority of participants saw language as a barrier for successful adjustment, only two participants appeared to speak Thai at an advanced level. They indicated that although they could engage in communication with HCNs, they were still considered farang and part of an outgroup. Other participants quoted language-related reasons for the delay in learning the language or observed no need for learning the language, which seems to contradict the previous described important role of language in social interaction:

Another difference I could speak Chinese so that made it that I was able to enjoy quite a bit. I enjoy Thailand as well but I haven't learned the language nearly as well. Ehm and I find that in Thailand, at least in Bangkok, you don't really need to learn the language to get around and function. So I haven't really had to (Interviewee 19).

In summary, the importance of language to adjustment is ambiguous. Although local language skills have been recognized as being important in social interaction and adjustment, very few expatriates have actually made the effort to learn Thai. This apparent contradiction is also reflected in recent research. For example, Bhaskar-Shrivinas et al. (2004) found that host country language ability does not appear to be linked to work adjustment although Taylor and Napier (1996b, p. 78, in Haslberger, 2005) found language skills (and age) to be essential for successful cross-cultural adjustment.

6.6 Similarity in Culture

The notion that similarity in culture may accommodate easier adjustment was explored. Although three participants noted that common cultural elements in Asian culture (e.g. Buddhist background, striving towards harmonious relationships) may benefit Asian expatriates in terms of experiencing less adjustment difficulty when starting work in Thailand, a significant number of participants observed resentment or even hostility to other

Asian nationals in Thailand. In other words, the themes 'similarity in culture' and 'ethnocentrism' appear to be intertwined.

There's even resentment or a certain degree of hostility to some of the other Asian nations in Thailand. For example, the Indians. You know there is a saying in Thailand. If you meet an Indian and a poisonous snake, kill the Indian (Interviewee 15).

…..all the Asian countries are similar, since they are Chinese variants, well, not the Japanese, but the Thais, the Vietnamese, Singapore and you know, the Chinese element in Malaysia. They're all Chinese based and they carry a lot of common cultural elements. So someone who has been in one of these countries would not have that many problems in moving between them (Interviewee 14).

However, a Hong Kong expatriate experienced no major cultural issues in the transition from Hong Kong to Thailand and also observed that this was shared by other expatriates from Hong Kong. Several Western European expatriates also asserted that similarity in culture may have some benefits. The account below provides an argument for the advantage of being a western expatriate over an Asian expatriate:

I don't know but in my opinion eh… it's fairly easy for westerners because we look different and we do sort of have a certain established status. There's enough of us to form a cohesive community and people don't assume that we're Thai and perhaps folks from other countries. It may be more difficult because people, people at least assume that they're Thai and try to talk to them in their language and they may get a lot more of the negatives of being a foreigner without getting some of the positives (Interviewee 8).

A Singaporean expatriate observed that although he was initially treated as Thai due to physical appearance, once his status as foreigner was established, a difference in behaviour was observed that was not necessarily negative in character.

In summary, although the literature on expatriate adjustment suggests that the cultural dissimilarity may increase adjustment difficulties (Black et al., 1991; Mendenhall and Oddou, 1985) this was not confirmed. Various observations refer to in-country discrimination, not only of Thai nationals, but also of foreign individuals that are accorded status based on their nationality. However, accounts also show that similarity in religious rites and Buddhist

practices do appear to result in easier acceptance from Asian expatriates who are familiar with these traits.

6.7 Adaptation

One key factor in adjustment is that individuals would need to show adaptation in their behaviour to a new environment (Bhaskar-Shrinivas et al., 2004, Shaffer et al, 1999). It became evident that Bangkok did not match the expectations that participants with less than two years of experience had of the city prior to moving to Thailand. In particular the quality of life that participants expected turned out to be different in reality. Interviewees frequently mentioned the climate, unexpected pollution and developing health issues such as sinus infections as a result of this pollution as main factors affecting their adjustment in Bangkok, Thailand as evidenced by interviewee 7:

I really wasn't prepared to live in such a polluted city, I guess. Yeah, it feels like so heavy the air, it's just so heavy here and I know, I, I've been to Bangkok already but I just hadn't.. I don't know.. I didn't really recognize that ehmm..(Interviewee 7).

Several adjustments were mentioned by the expatriates in this study. First, it became apparent that a different approach to time was a main feature of living and working in Bangkok (from 9 participants). A second and related adjustment was that of learning to have more patience (seven participants). The following quotation reveals irritation with the slow pace adopted by locals. Although this experience may not be shared by all participants, it testifies of the subjective reality that expatriates experience:

It's so frustrating sometimes when I'm thinking, 'ok all you have to do is walk in a straight line and I will come around you,' but the minute I try to go left out of a sudden they are drifting left. So I said be conscious of that, it seems like a silly thing to mention but you are walking a lot in Bangkok and it gets annoying sometimes (Interviewee 16).

Thirdly, and also related, flexibility was (three interviewees) essential for adjustment to work and life in Bangkok. The themes flexibility and time partly overlapped and their

relationship was noted by nine participants. Being inflexible regarding the amount of time needed to do business, or time spent in traffic, could add to frustrations. Participants suggested that a change of attitude was essential for coping with time related issues. It was further noted that the expatriate was the one who needed to adapt, as little adaptation could be expected from the HCNs:

W*ell, the biggest thing is your own attitude. If you're willing to be flexible and pretty much, you're in their country, they're not gonna change. There are certainly a lot of things that could be changed and they are free enough to admit that they are probably not quite the best as it is but.. eh..it's so ingrained with their whole society that a lot of things are difficult to change and have a lot of ramifications (Interviewee 14).*

It then becomes apparent that a number of variables affect the wellbeing and adjustment of expatriates in Bangkok. Some of these variables might be perceived as relatively inconsequential to those living at a distance from them. However, in Bangkok these issues are not isolated events but everyday occurrences. Their frequency and multiplicity have a seemingly cumulative effect. Inability to adapt has been found synonymous to intentions to leave.

Being inflexible and having expectations that things run in an identical way as in one's home country, were linked to unsuccessful adjustment by three participants. One CEO with over thirty years of experience in Asia noted that it had been the reason for replacement of company managers. Interviewee 14 noted that flexibility was difficult to test prior to moving to a different country (or perhaps it was a home country reluctance to accept that flexibility was a key ability), and that the end result of a wrong appointment could cause operational difficulties.

…and you get people out here where, right away, it's a big mistake, you know, and you've invested a lot of money in it and basically wait till the end of their term and send them back. We've had some people who were quite uncomfortable here (Interviewee 14).

…they have to adjust their expectations yeah and also realize that you cant put the United States expectations or the country where you're from, you can't put your expectations on how things are gonna work here. It's totally different (Interviewee 21).

A main cause for the need to adjust behaviour is related to value dissimilarities as reviewed in Section 7.3.1. Participants noted that their normal approach to problem solving was not successful on assignment, and all accounts seemed to demonstrate that participants had learned this out of their own experience. No account showed that cross cultural problem-solving skills had been acquired prior to starting the overseas assignment. The extent of adjustment of their behaviour, or efforts to adjust, showed some variation:

Well I started reflecting upon what it was that I am so direct and like, yeah, I did question why that is my approach. I don't think I changed my approach, I might just, have stated to people like this before saying something like this is my style, so it's not because any of you, it's this is how I happen to function and before I would have thought that was the norm and here it's not. I explicitly state this is how I am….(Interviewee 16)

You absolutely cannot show any form of anger or displeasure or to scold them, particularly in front of their colleagues. If behaviour is easily corrected your message will be very subtle, it may even have to be delivered through another colleague. And under no circumstances are you to embarrass the person who needs to be corrected (Interviewee 9).

In another case, a Hong Kong expatriate (Interviewee 10) deliberately conversed only in Thai and was one out of two participants who made a conscious effort to speak Thai at the workplace:

Yes, (Thai is) the only language I use in the office. So the most difficult is how to make myself understood, what I mean. Yes, sometimes I have maybe made a model, for example say, the forms, model letters. I have to make in English, to understand the language for them (Interviewee 10).

Interviewee 4 altered his behaviour to the extent that he did not walk with female office staff in Bangkok because these local staff were likely to feel unconformable. Even for short distances he will take a taxi:

The money it's worth it. ….I have a twenty year old daughter and I walk on the street. She doesn't really look like me but she really is my daughter. I know that everyone looks at us, there walks an old … from Holland. I am almost sixty and she is twenty and the people do not see that she is my daughter. My daughter finds that annoying,… When I walk with a guide who looks good because she has gotten a tan because of the guide work, in general being tanned means that you are from the countryside in this culture. …. but I do know that she will feel, a bit embarrassed, you walk with a foreigner and not because it's a foreigner but almost

everyone thinks 'it is a prostitute'. That's all very much black and white thinking but that's why they often do not want to walk with a foreigner (Interviewee 4).

In company meetings, Interviewee 4 made a point of paying special attention to every individual to avoid people feeling left out. For example, speaking of meeting with twenty staff he said: *When I look at eighteen (individuals) and forget two (individuals), then I will know the consequences for three hours. That's how sensitive they are.*

A different adjustment was reported by Interviewee 2.

It's gonna sound terrible but you know people with maids, right, there's an expectation here that if you are from, if you are the boss of whatever, you have to be a bit mean, otherwise you lose all the respect. If you are too nice, too accommodating, then they don't respect you anymore (Interviewee 2).

A common observation by seven participants was the need to structure work for HCNs. This was a personal learning experience by all participants and not something they had been prepared for. A Finnish expatriate expressed it the following way:

Especially in Scandinavian culture we are very free. Again everything, people prefer to be free, education and work. You just give people a target and let them head to the target and they're free to choose the way whatever way they want to go. But here I feel that people feel lost if you just tell them the target is this. Please do it the way you want. It has to be much more effectively that if you tell people in small steps, do this, do this, do this. Give them a list, A,B,C,D or whatever …. In Scandinavia most people would hate.. I'm an idiot boss, tells them everything they have to do. But here people respect it, they like it.
(Interviewee 12.)

In the same vein:

You have to be fairly clear about what you want and willing to check it all yourself or do over a necessary, so it's not that they are obstruct you although there are some people think that's what it is (Interviewee 5).

In summary, self reporting well-adjusted expatriates showed behavioural changes and were also capable of articulating the background of these changes. In particular, the structuring of work assignments and implementing of checks along the way appeared to be a preferred strategy to enhance operational effectiveness. On a personal level, findings showed consensus on the need for expatriates to adapt to a foreign country. Little adaptation apparently could be expected from the HCNs. The inability to adapt behavior was found to be

related to maladjustment and intentions to leave. Findings in this qualitative research phase indicate that personal variables such as flexibility and tolerance for ambiguity are vital for the adjustment process of expatriates. This immediately suggests that the selection process for expatriates may include assessment of these variables in order to avoid costly ineffective expatriate assignments.

6.8 Discussion

A significant and largely unexpected finding was the 'resentment' of HCNs towards expatriates, which was found to interact with both categorization and social interaction processes. Perhaps this has received little coverage because it is somewhat a taboo topic. This resentment was linked to pay discrepancies, a finding consistent with that of Grainger and Nankervis (2001). In the literature, noted resentment has been linked to the imposition of western ways on HCNs and to encroachment on HCNs' time, personal life, good will and job expertise (Mendenhall & Oddou, 1986), as well as to HCNs taking orders from outsiders (being subservient in their own country) (Jassawalla et al., 1994). Because participants actually suggested that pay was a big motivator in the decision to accept overseas assignments, it seems difficult to remove this variable from the multifaceted picture of expatriate adjustment. Various respondents indicated that how one dealt with expatriate status could affect his/her standing in the community. A modest and respectful approach in interaction with HCNs was seen as more appropriate than showing off.

Participants easily identified with categorization concepts, and findings in this regard support those from the quantitative phase. The expatriate 'bubble' was referred to frequently and indicates the option to live one's life independent from HCN interaction. This bubble is indicative for social categorization processes and amongst others relates to memberships of exclusive clubs (e.g. British club, polo club). This may suggest that some expatriates

categorize and seek ingroup safety. To what extent the above noted HCN resentment is a function of expatriates socializing in ingroup environment is unclear.

Although the literature suggests that spending more time with other expatriates whenever possible could be considered as some kind of maladjustment (Stahl & Caligiuri, 2005), participants did not seem to consider this as maladjustment. However, memberships of social groups have been found to influence intergroup dynamics and social interaction. The process of social categorization in intergroup social psychology has been found to relate to group based phenomena such as ingroup favouritism, prejudice and stereotyping (Hewstone et al., 2002). It is assumed that individuals normally strive for a positive self image, and in situations where the ingroup-outgroup comparison is perceived as relevant, positive attitudes toward the ingroup are likely to develop (Voci, 2006). By emphasizing intergroup differences that also appear to have status value, group memberships become salient and in- and outgroups emphasized. Social interaction tends to be limited and based on memberships of ingroups.

An approach where the effects of social categorization could be minimized would strive for minimizing intergroup differences. It would counteract a depersonalization of the expatriate in which the expatriate would not be seen as a unique individual but more as the embodiment of a relevant prototype. Social interaction may benefit from intergroup relations where individuals are viewed as individuals and not as prototypes. However, it was found that other variables such as salary discrepancies also contribute to social categorization processes. While striving towards better intergroup relations on an individual basis may hold potential for improved social interaction, essential institutional ‘dividers’ that are in place between social groups will continue to emphasize intergroup differences. As well, ethnocentrism can be damaging to an expatriate assignment. Proper expatriate selection could possibly aid in avoiding conflict in social interactions by a focus on the selection of

expatriates who demonstrate non-ethnocentric traits. The provision of awareness training in this area could further assist in improving social interaction.

6.9 Conclusion

The qualitative research confirmed the importance of the perceived role of host country nationals in the expatriate adjustment process. In particular, social categorization was found to be a determining factor in the interaction between expatriates and HCNs. Social categorization was linked to a variety of issues. For instance, it was found to interact with ethnocentrism, pay dissimilarity, nationality and collectivistic traits. More important, social categorization processes were found to actively affect intergroup relations and pronounced effects such as 'resentment' were noted by research participants. Therefore, social identity seems to be an underlying common denominator in intergroup relations and, consequently, expatriate adjustment.

The findings suggest that a practical agenda for improving the adjustment process of expatriates might well involve minimizing negative effects of social categorization processes while focusing on behaviour that supports a social identity which is shared with others at work. Although a statistical relationship between social citizenship behaviours and social categorization was noted in the quantitative research phase (see Section 5.8), this finding was not confirmed in the qualitative research, as research participants considered a helping hand 'nice but not essential' for their adjustment. However, the literature strongly suggests that intergroup cooperation affects intergroup bias and may alter social categorization representations (Gaertner et al., 1990). Hewstone et al. (2002) also noted causal relationships between social categorization and ingroup favouritism, stereotyping and prejudice. It follows that a more inclusive approach to intergroup relations and minimizing categorization effects that emphasize intergroup differences may affect the expatriate adjustment process positively.

The noted ‘expatriate bubble’, in which expatriates separate themselves from the daily social environment, may not enhance improved intergroup relations and may be indicative for some of the HCNs’ perceptions of expatriates. Moving towards more collective identities may have important consequences for behaviour as it is a compromise between two opposing needs, the need for differentiation and the need for assimilation (Hewstone et al., 2002).

In conclusion, the results of this research provide sustained support for the notion that HCNs play an important role in expatriate adjustment. More broadly, the observations emphasize that expatriate adjustment cannot be seen as a process that takes place in a vacuum. Contextual variables play a paramount role in expatriate adjustment and results of studies show that social perceptions are not absolutes, but can be altered (see Voci, 2006). The inclusion of concepts from Social Identity Theories (e.g. Social Categorization Theory) into models of expatriate adjustment, therefore, seems appropriate.

Chapter 7

Discussion and Conclusion

7.1 Introduction

The primary purpose of this chapter is to consider the contributions of this thesis research to the body of knowledge on expatriate adjustment. As well, future research directions, implications for policy and practice, and strengths and limitations of the current research are presented. The central research question posed was: 'How do expatriate perceptions of the role of HCNs affect their adjustment process?' In order to answer this question, a conceptual model was developed on the basis of the literature, including the considerable amount of new literature that has appeared since Black et al.'s seminal (1991) model was first promulgated. This conceptual model was presented in Chapter 3 (see Figure 10) and a modified model empirically validated in Chapter 5.

The importance of the influence of the perceived role of HCNs was clear from the data. Black et al. (1991) suggested that international adjustment may not be a unitary construct, and this research strongly supports the notion of it being multi-dimensional. In particular, a key finding was that social categorization processes and social interaction play an important role in the adjustment process of expatriates. This finding is a significant advance in the understanding of how the role of HCN related contextual variables affect the expatriate adjustment process. This has enabled an extension of Black et al.'s (1991) model of international adjustment by:

- proposing an interaction between social categorization and adjustment
- proposing interaction between contextual variables (e.g. salary discrepancies), social categorization and expatriate adjustment

- proposing an interaction between Organizational Citizenship Behaviours, social categorization processes and expatriate adjustment
- identifying variables that affect interpersonal interaction, which in turn affects expatriate adjustment.

The Black et al. (1991) model of international adjustment is one of the most cited and supported international adjustment models in literature on expatriate adjustment. Bhaskar-Shrinivas et al.'s (2005) meta-analyses of over 50 determinants in 66 studies strongly supported Black et al.'s (1991) model. However, in spite of the contribution and clarity the model provides to the issues of expatriate adjustment, it has not, in a period of more than fifteen years, allowed a resolution of issues related to expatriate failure and sub-optimisation (Bhaskar-Shrinivas et al., 2005). On the basis of the research undertaken it is suggested that the model fails to allocate sufficient relevance to the role of host country nationals in expatriate adjustment. This thesis research advanced research on expatriate adjustment in that it does not focus on the characteristics of the expatriates or of organizations. By incorporating a perceived and real role of HCNs in expatriate adjustment, a new perspective is added which leads to more complete theoretical models of expatriate adjustment.

The next section reviews research findings and in particular explains how they relate to the research question.

7.2 The Contribution of the Perceived Role of HCNs to Expatriate Adjustment

The focus of this thesis research was on the perceived role of HCNs in the expatriate adjustment process. Chapter 2 reviewed existing and recent literature relating to expatriate adjustment and theory focusing on social identity, social citizenship behaviours and social

categorization processes. The literature from these last domains provided theoretical links for a potential role of these psychological perspectives in expatriate adjustment. A conceptual model incorporating the perceived role of HCNs in expatriate adjustment was developed. After development of the methodology utilized in this research, data was collected and analysed. Although initial models turned out to be rather weak in terms of statistical model testing power, a final model was developed that confirmed the role of the following variables on expatriate adjustment: social categorization, social citizenship behaviours, pay discrepancy, organizational identification, experienced justice, organizational support and social interaction. The qualitative data analysis not only supported the relevance of these variables, but also allocated relevance to value dissimilarities and ethnocentrism in the expatriate adjustment process. Understanding expatriate perceptions of the role of HCNs in their adjustment process shifts the focus of expatriate adjustment to a variable that lies out of the direct control range of expatriates. This new approach contributes to understanding the multifaceted process of expatriate adjustment. Paying due attention to the role that HCNs could play as socializing agents could help minimizing expatriate maladjustment and, therefore, expatriate failure rates.

The following sections are devoted to highlighting the contribution of the above variables.

7.2.1 Organizational Citizenship Behaviours and Experienced Justice

Organizational Citizenship Behaviours hold potential to benefit the adjustment process of expatriates due to the perceived link with social categorization and the help provided to incoming expatriates in a new and foreign environment. They were found, as expected, to be linked to social categorisation processes, which in turn were significantly related to expatriate adjustment. The qualitative research phase suggested that Organizational

Citizenship Behaviours were seen as ‘nice’ but not essential for the adjustment process of expatriates. By definition, Organizational Citizenship Behaviours need to be initiated by HCNs. It, therefore, could be argued that the extension of Organizational Citizenship Behaviours would be more likely in intergroup environments where intergroup differences are less pronounced. HCNs, therefore, may not regard expatriates as outgroup-members or alternatively, provide Organizational Citizenship Behaviours regardless of the expatriate’s status.

Organizational Citizenship Behaviours were linked to experienced justice in the model developed for this research (see Figure 12). It is reasonable to conclude that HCNs who experience perceived justice will be more inclined to extend Organizational Citizenship Behaviours to the benefit of expatriates. Due to the noted ‘resentment’ (see Section 6.9) and pay dissimilarities, which serve to institutionalize and emphasize intergroup differences, it seems likely that the social environment of expatriates plays an important role in the adjustment process of the expatriate and in social interaction as well. Thus, in contrast to the findings of a non-significant role of HCNs in the adjustment process of expatriates (expatriates are too busy adjusting to that many variables that little motivation is present to develop beneficial relationships with HCNs, Feldman and Thomas, 1992, in Crocitto et al., 2005), the current research demonstrates the value of these relationships. Although some expatriates found these relationships not absolutely essential, they also found them beneficial (see also Section 6.5). The established relationship between Organizational Citizenship Behaviours and Social Categorization Theory is noteworthy because both constructs are significantly related to expatriate adjustment. The recognition of both variables in models of expatriate adjustment, therefore, seems appropriate. The contribution of the social categorization process to expatriate adjustment will be presented in the next section.

7.2.2 Social Categorization Theory

The addition of social categorization processes to Black et al.'s model of international adjustment (1991) constitutes a major paradigm shift (previous models of expatriate adjustment have not included Social Categorization Theory) and allocates a role to a process that is relevant to intergroup social relations. This addition was initially on the basis of a proposed theoretical contribution but was confirmed in both the quantitative and qualitative research components of the research undertaken. However, the qualitative research phase confirmed positive as well a negative affects of the social categorization process, which offered a partial explanation for the initially unexpected positive relationship between social categorization and adjustment in the quantitative research phase. Future research utilizing a stronger measure for social categorization may yield different results.

The distinction between individuals on the basis of category membership has been linked to phenomena such as ingroup favouritism, stereotyping and prejudice (Hewstone et al., 2002). Because social categorization 'creates and defines an individual's own place in society' (Tajfel, 1972, p.293), inclusion of social and self categorization theory as the cognitive basis of group behaviour in models of expatriate adjustment holds potential for greater understanding of the interaction between social interaction and adjustment processes. This research has shown that social categorization can be activated by contextual variables (such as pay discrepancies).

7.2.3 Value Dissimilarities and Ethnocentrism

Although value dissimilarities could not be fitted to a model in the quantitative phase of the research, they were found relevant in later interviews. In hindsight, the scale used in the quantitative research phase indicated only one particular type of value dissimilarity

(personal values), whereas the qualitative data analyses revealed a wider variety of value dissimilarities. Future research with appropriate measures may provide new perspectives on a model which includes value dissimilarities.

A second unexpected finding in the quantitative research phase was that ethnocentrism was not found to be significantly related to social categorization. However, comments made in interviews made it clear that ethnocentrism was relevant. By way of explanation, it is possible that the combined scale that was used in the quantitative phase may not have adequately captured this construct. The scale validity was only moderate (Coefficient alpha of α = .585). The theoretical link between ethnocentrism and social categorization processes in the specific context of research on expatriate adjustment, therefore, may require further research in order to fully understand the complexity of the variables involved.

Recent research has identified two patterns in in-group and out-group relations. Ethnocentric patterns were found where in-group positivity is related to out-group negativity, while a 'multi-cultural' pattern associated in-group positivity with out-group positivity (Duckit & Parra, 2004). Fostering and promoting positive group identities might then hold potential to counter minority disadvantage (Duckit & Parra, 2004) and provide a link between policy and practice. The extent to which expatriates display ethnocentric attitudes may affect their ability to foster positive group identities and demonstrates the link with self- and social categorization processes.

7.2.4. Perceived Organizational Support

Although perceived organizational support was substantiated in the 1980s (see Eisenberger et al., 1986), few scholars in expatriation studies have linked it to expatriate adjustment. Often the concept was interchangeably used with social support (e.g. see Shaffer

et al., 1999). Caligiuri et al. (1999) found a positive effect of POS on expatriate adjustment. Findings that employees who perceive organizational support show less intentions to leave the organization (Rhoades & Eisenberger, 2002) were confirmed in this research. In particular, participants showed appreciation for official company support in the early stages of their expatriate career when culture shock was apparent. Findings in this research show that organizational identification is significantly related to organizational support. Employees who identified strongly with the organization were more likely to be positive about the amount of support received from the organization. The finding that HCN dissatisfaction with pay packages (termed 'resentment' in the qualitative data analysis) affected organizational identification does not seem surprising. However, it may have important implications. The willingness of HCNs to help expatriates in their new work environment beyond 'official' work requirements is voluntary behaviour and may be affected by the contextual variable 'pay discrepancy', which has been found to affect Organizational Citizenship Behaviours and outgroup categorization and thus the expatriate adjustment process. As noted in Chapter 1, expatriate failure rates remain high and come with significant costs for multi national corporations (Baruch & Altman, 2002). Organizational support has the potential to affect expatriates' intentions to leave but noted interrelationships with variables such as pay discrepancies and organizational identification argue for the consideration of contextual variables in assessing organizational support.

7.2.5 Contributions to Research Practice

To appreciate the quantitative findings described in this research, it is necessary that the data fit of the models presented in this thesis research are compared to the data fit of models in similar contexts. A common finding in testing structural relationships, and likewise in the research reported in this thesis, is that the proposed conceptual model will be far from

perfect. After the model fit indices were evaluated, the original model was modified in accordance with the conclusions from the previous model as well as from theory. However, fit indices are very much linked to progress in the field of structural equation modelling. Although rules of thumb exist for acceptable model fit (e.g. that CFI should be at least .90; see Hu & Bentler, 1995; Hu & Bentler, 1999), they have been revised continually over the last decade. Bollen (1989) stated that these cut-offs are arbitrarily made. A more appropriate criterion could be to compare the fit of a certain model to the fit of other, prior models of the same phenomenon. An improved CFI for a model in a certain field could then be regarded as progress (Garson, 2007). Due to the recentness of the topic under investigation, there still is very little research available that links the identified variables of interest to a model on expatriate adjustment. Validation of specified models in future research would add to progress in the field of expatriate adjustment and aid understanding on the role of specified variables in said construct.

The mixed methods approach (a combination of quantitative and qualitative research methodologies and data analyses in one study) constitutes a novel approach in research on expatriate adjustment. This current study provided insights that could not have been obtained by using a single method study. Therefore, future use of mixed methods in research on expatriation will likely increase the quality of research and allow a more comprehensive understanding of expatriate adjustment.

7.3 Strengths and Limitations

Like all research, the procedures and findings offered in this thesis have their limitations. Some limitations are generic and relate to the overall research approach used. Other limitations may relate to issues such as sampling and analyses. The conceptual model presented is deliberately selective and does not include all constructs relevant for expatriate

adjustment. For example, spouse and family adjustment and also training are relevant but fall outside the scope of the research intended. Because of the breadth of factors involved in expatriate adjustment, a degree of selectivity is almost always present in research in the field. The choice of what to include and what not to is essentially a breadth versus depth dilemma and inherently any decision has both strength in terms of focus and limitations associated with inclusivity.This limitation seems inherent to research on expatriate adjustment.

The section begins with identifying strengths and limitations related to using quantitative and qualitative research methodologies and then continues to consider limitations related to sample and statistical issues. As well, aside from reviewing strengths and limitations, the researcher's approach in minimizing limitations is presented.

7.3.1 Strengths and Limitations of Quantitative and Qualitative Research

The combination of a quantitative study with a qualitative study effectively allowed for investigating variables of interest from a wide perspective. Findings that initially appeared confusing and unexpected received special attention in the qualitative research phase. The literature reviewed in Chapter 2 showed that very few studies on expatriate adjustment used (1) structural equation modelling and path analysis and (2) qualitative research methodologies. No study used a combination of both quantitative and qualitative methodologies. The deliberate decision to use a sequential mixed model approach was appropriate to the research question being asked. Shortfalls of either approach were likely to be mitigated by the other. However, both quantitative and qualitative methodologies also present limitations.

Hathaway (1995, p.554) evaluated limitations of quantitative and qualitative research and stated that empirical-analytical (quantitative) research systematically overlooks critical features of human phenomena, meaning that research results could then be of limited value. Equally, although qualitative research may not exhibit the same disadvantages, it may be more fraught with subjectivism. In particular the use of self-assessment of expatriate adjustment might have led to biases. This limitation would apply to all quantitative data, and the approach utilized in this thesis research therefore does not constitute a difference from existing research practices. The variety in ethnicity of respondents may further affect the generalizability of findings.

Fears that researchers may distance themselves too much from the data when using content analysis software have also been noted in the literature (Bringer et al., 2003). However, in this research every part of the research from planning, through collection and analysis was undertaken by the researcher himself. The researcher was thus intimate with the data, due to the time spent with it, rather than distanced from it.

Common methods bias is present in organizational research and applies to both quantitative and qualitative studies (Doty & Glick, 1998). Common methods bias occurs when the measurement technique affects the observations that are being gathered. An important conclusion from the research of Doty and Glick is that common methods bias was not sufficient to challenge theoretical interpretations of relationships in meta-analytic studies. Doty and Glick (1998, p.401) state that the use of multiple methods, even 'minimally dissimilar methods,' helps in the drawing of more valid conclusions from data. On the basis that the current research adopted a mixed methods approach some confidence can be had that it is unlikely that common methods bias was sufficient large to invalidate the research conclusions.

The next section reviews limitations and strengths related to the data collection in this research.

7.3.2 Data Collection

Cavana, Delahaye and Sekaran (2001) discussed three important issues for cross-cultural data collection, (1) response equivalence, (2) timing of data and (3) the status of the individual collecting the data. This research adopted uniform data collection procedures in order to ensure response equivalence in different cultures. The data collection was completed within acceptable timeframes so that the effects of a potential time lag could be excluded. However, due to its timeframe, this study does not allow to assess the strength and directions of relationships longitudinally. The status of the individual could particularly play a role in interview situations, and special care was taken in interviewing techniques since: 'individuals put in an interview context are not just "truth tellers" or "informants" but 'use their language to do things, to order and request, persuade and accuse' (Potter & Wheterell, 1987, p.32 in Alvesson & Deetz, 2000). By adding nodes to the template analysis it was possible to supplement individual data with group data. The effects of individual data have therefore been linked towards group context.

One of the most common issues cross-cultural researchers experience when interpreting data is imposing their 'cultural frame' on the data. Although this bias may be present, it seems not possible to identify or separate it from the research. A second critique is the possibility of a non-response bias when using mailed questionnaires. This bias may have affected the generalizability of research findings to the whole population and seems inherent to research using mailed questionnaires. The use of self-report methodologies could further

raise concerns about the validity of findings because of systematic response bias. However, self-report methodologies seem inherent to research on expatriation.

A further limitation may lie in this study being cross-sectional. Although the data was all collected at the same time, causal inferences on the hypothesized relationships should be made with caution. Due to the nature of expatriate studies, which involves working with samples in which participants occupy a variety of occupations as well as being from a variety of countries, this limitation may be inherent to expatriate studies (e.g. Bhasker-Shrinivas et al., 2005; Shaffer et al., 2006; Liu & Shaffer, 2006). Lastly, a limitation of scope of the thesis was that it focused on expatriate perceptions and did not include data sourcing from HCNs.

The next section reviews the sample size and data analysis with regard to potential limitations.

7.3.3 Sample and Data Analysis

In terms of size, the quantitative sample at an n of 77 was arguably smaller than desirable. However, Nevitt and Hancock (2004) noted that researchers with samples of less than 100 can effectively model their data and accurately create global data-model fit using SEM techniques, even with severely non-normal data. Acceptable performance has been achieved with samples as low as fifty.

In terms of representativeness, the sampling rate of 30.2% achieved in the quantitative study was on par with comparable research studies. A meta-analytic study of 231 studies involving senior management from 1992 to 2003 found a mean overall response rate of 32% (Cycyota & Harrison, 2006). Although Cycyota and Harrison (2006) looked into various methods to increase the response rate used in other populations, they found none to be effective for executives.

In the quantitative research undertaken 13% of participants were female and in the qualitative phase it was somewhat higher at 39%. The gender inbalance in the sample was consistent with figures found in literature although it was male dominated. Caligiuri and Tung (1999) suggested that the concern that female expatriates may be negatively stereotyped by host nationals has driven expatriate recruitment in the past. This value judgement may also relate to the general view of women as professionals in particular countries (Caligiuri & Cascio, 1998). The finding that male expatriates dominate the sample used in this thesis research may then be consistent with Caligiuri and Tung's explanations for this phenomenon. It is also consistent with findings of Linehan and Scullion (2001), who cite figures for female participation in expatriate assignments ranging from 2% to 14%.

The variable internal consistency estimates of the measurement instruments are a cause of concern as well as the exclusive use of self-report in both the quantitative and qualitative study. The few low alpha scores may offer a partial explanation for unexpected findings, however, they also warrant replication with different measures. With regard to self-report, questionnaires have often been used in research on expatriation as the primary instrument of data collection. There is some evidence that the limitations of self-report methods are overstated (Crampton & Wagner, 1994). However, the development of more objective measurement instruments in future research could minimize this potential limitation.

Finally, in terms of sampling and generalizability of the findings, because the studies in this thesis research were conducted in a Thai environment, it is important to recognize that the findings derived from analyses on the sample are shaped by the cultural characteristics of Bangkok and Thailand. Unique characteristics of, for instance, social categorization processes may or may not produce a similar outcome in other parts of the world. Further, the observed variation in responses may relate to the potential influence of nationality and

ethnicity, topics which have received too little attention in expatriate research. They are, however, relevant for this research as they may affect the generalizability of the findings.

7.4 Future Research Directions

The mixed method approach, a combination of quantitative research followed by a qualitative research phase, provided an unusual perspective on the literature on expatriation because little of the literature on expatriate adjustment is qualitative in nature, the narrative approach of Glanz (2001, 2003) being a notable exception. By using both quantitative and qualitative methodologies the perceived role of HCNs in expatriate adjustment became more transparent. As well, it aided in identifying future research directions. The approach in this thesis reinforces the value of using dual methodologies.

This study was undertaken to address gaps identified in the literature by specifying a theoretically grounded conceptual basis. The main identified gap related to the absence of a pronounced role of host country nationals in expatriate adjustment. Previously it had been assumed that adjustment problems were 'owned' by expatriates as they were the only individuals with the capacity to influence their adjustment process (Florkowski & Fogel, 1999). This viewpoint has been found to be incorrect. The section below expands on this finding and provides directions for further research.

The notion of the potential diverse role of HCNs in literature on expatriate adjustment has received little and mostly only recent attention. For instance, Fu et al.'s (2005) view of expatriate adjustment, which includes two forms of fit (organizational and community), was an example of a new approach to adjustment that took the community into account. Toh and DeNisi (2003) examined HCNs reactions to remuneration policies and the same scholars used a social identity approach to explain the role of HCNs in expatriate adjustment (Toh &

DeNisi, 2007). This study incorporated the impact of organizational contingency variables in a conceptual framework for expatriate adjustment. It added the perceived role of host country nationals to the adjustment process (and implied intergroup social psychological issues) that expatriates experience. That it does this, also highlights the transitory stage research on expatriate adjustment is in. The inclusion of social identity variables in the expatriate adjustment process argues for a new direction in research on cross-cultural adjustment. The findings in this thesis research not only add to the Black et al. (1991) model of expatriate adjustment, but enable deeper understanding of the multifaceted phenomena of expatriate adjustment and allocate relevance to the perceived role of HCNs in the expatriate adjustment process. A research agenda which would include variables that were not included in the conceptual model in this thesis research (such as training and spouse adjustment) provides a different research scope and may lead to new findings.

That social categorization occurs in the expatriate context has important implications. In particular, the notion of 'control' that expatriates have over their own adjustment process is somewhat negated once one considers the outcomes of social categorization processes that expatriates experience. In the current research, the role of categorization processes may have been contextually influenced and, therefore, may apply differentially to expatriates working in non-Thai contexts. However, the strong observed role of social categorization on expatriate adjustment is clearly related to group interactions. These are inevitable and occur in diverse settings. The addition of social categorization processes as a variable to Black et al.'s model of international adjustment (1991) contributes to theory development. However, since findings are preliminary and supportive research recent, further research is necessary to explore potential implications of the added role of social categorization.

Further, the multidimensionality created by this inclusion suggests that additional research might examine interrelationships between self- and social categorization,

Organizational Citizenship Behaviours, experienced justice, social interaction and expatriate adjustment. As well, the acceptance of an important role of HCNs in expatriate adjustment provides scope for increased research relating to intergroup social psychology. In particular, the question of whether minimized intergroup differences would contribute to better expatriate adjustment seems to be both relevant for theory development and practice.

The research also suggests that the selection of expatriates could be vital for the adjustment process that expatriates experience. The vertical collectivism trait of expatriates was found to be significantly related to expatriate adjustment in the first model tested (see Section 5.6). Further research on cultural traits of expatriates in relationship to their (mal)adjustment may be necessary to fully understand its relevance for the adjustment process of expatriates. As well, the potential relationship and interaction between personality traits and social categorization processes may predetermine how social interaction processes develop. Examination of these variables therefore holds potential to deepen understanding of not only cross-cultural and intergroup interaction but expatriate adjustment as well.

The unique role that value dissimilarities play was reviewed extensively in Section 6.2.1, but in this study a role was not initially confirmed in the quantitative data analyses. However, expatriates showed appreciation of the role of value dissimilarities in the qualitative research phase. Because of its relevance in both self and social categorization processes and in social interactions, further exploration into potential interrelationships may contribute to a better understanding of expatriate adjustment.

The literature review in Chapter 2 showed that training provided to expatriates may affect the cultural adaptation process. However, it was found that expatriates learn social problem solving skills on the job, which may indicate a need for better preparation. Selmer (2005), however, claims that there is still inconclusive evidence of the effectiveness of training. The impact of training may be related to contingency circumstances at the host

location, such as the organizational context of the foreign assignment or the extent of localized ethnocentrism. Selmer further suggests that this relationship is seldom studied but is worthy of attention.

Finally, the tendency to treat expatriates as a homogenous group seems inappropriate as people from different cultures and backgrounds may adjust differently (MacDonald & Arthur, 2005). Suutari and Brewster (2000) observed that one third of their sample did not consist of expatriates that were sent abroad by their home country. An independent decision to seek overseas employment may impact on the motivation and adjustment of expatriates. Further research aimed at examining the possibility of a different adjustment process for self-initiated expatriates in contrast to traditional expatriates is necessary.

Finally, observed mediation effect suggest a need for further investigation. While not the topic of investigation, the quantitative data analysis and subsequent modelling led to the discovery of mediating effects. Tests for indirect effects showed that outgroup categorization fully mediates the effect of OCB on adjustment. Future research utilizing different approaches than the Baron and Kenny (1986) methodology could provide new insights about the mediating role of outgroup categorization. The discrepancy between proposed moderation effects of outgroup categorization in Toh and DeNisi (2007) and the observed mediating effect of outgroup categorization in this study warrant further investigation..

7.5 Implications for Policy and Practice

This section will review implications for policy and practice. The finding that the vertical collectivism cultural trait of expatriates was significantly related to their adjustment may be important for practice. There is little literature available that investigates personal characteristics and identifies cultural traits as essential for expatriate adjustment (Stahl & Caligiuri, 2005). Although expatriate selection was discussed briefly in Chapter 2, the

personal mismatch of some expatriate selections was clearly identified in interviews. This strongly suggests that selection processes could be improved in order to avoid costly expatriate assignments that seem doomed to fail from a very early stage onward. In this regard, the empirically established linkage between vertical collectivism and the adjustment process of expatriates may be a useful comparison to be included in selection considerations. A possible match, or even prior knowledge of a mismatch, between an expatriate's cultural traits and the dominant host country's cultural traits may enable easier adjustment and, in case of a mismatch, may prevent expatriate failure. The inclusion of such considerations would be novel in expatriate selection. Traditionally the tendency has been to describe host cultures' traits and not to provide any linkage to the respective cultural traits of expatriates sent out on overseas assignments (Hofstede, 1980). A noteworthy exception is Vance and Paik's (2002) study in which cultural traits such as 'power distance' (Hofstede, 1980) were used as means to look at expatriate effectiveness. Vance and Paik (2002) concluded that the 'one size fits all' approach to expatriate training may not be the right strategy, while recognizing the effects of personal cultural traits on both expatriate adjustment and effectiveness. Examining the effects of possible matches between personal cultural traits and the cultural traits of the host community may, therefore, provide valuable new directions in research on expatriate adjustment and aid in the selection of future expatriates. In this sense, it is an important contribution to practice. Further, it may aid in focusing training efforts which could make training more effective. Of course, research aimed at determining the efficacy of any such approach is also warranted.

Also, given that one of the important findings was that host country nationals play an essential role in the adjustment process of expatriates, more emphasis on the role of HCNs in expatriate training/interaction seems warranted. The data analysis in the qualitative research phase showed appreciation for social interaction although the majority of expatriates

indicated that social interaction was very limited. Improving interaction between expatriates and HCNs then may be beneficial to expatriates in a variety of ways. HCNs play a major role in providing local information, having access to local networks and being instrumental in mentoring relationships. Examples of negative outcomes, such as silent resistance, or worse, HCNs purposely sabotaging intergroup relationships have long been noted in the literature (Mendenhall & Oddou, 1986). The role of social interaction at the workplace has been found to be crucial for the expatriate adjustment process. Appropriate attention to strategies that enhance positive interaction at the workplace therefore seems desirable.

The following section reviews strengths and limitations of the research undertaken in this thesis.

7.6 Conclusion

This research focused on 'How and to what extent do host country nationals affect the adjustment process of expatriates?' This topic is an extension to Black et al.'s (1991) model of international adjustment. In particular, interactions between social categorization processes and expatriate adjustment were identified which allocate a role to Social Identity Theory in expatriate adjustment, whilst confirming the perceived role of host country nationals in expatriate adjustment. As well, contextual variables, such as salary discrepancies, turned out to be potent in emphasizing intergroup differences while impacting on expatriate adjustment. Although organizational socialization in the host country has been largely ignored in the literature on expatriate adjustment (Lueke & Syvantek, 2000), socialization strategies have proven relevance in domestic settings. The findings in this thesis argue for the relevance of social interactions in the expatriate adjustment process. As well, these findings have implications for policy and practice in international human resources management and offer potential for improvement of the expatriate adjustment process.

The observed effects of social categorization processes on expatriate adjustment (which are theoretically linked to ingroup and outgroup context) are a relevant argument for why good intergroup relations are not only important, but are essential for the expatriate adjustment process. Expatriates who interact predominantly with HCNs will find relationship building and positive framing 'essential for fitting into the organization' (Fu et. al, 2005, p.5). Noted resentment (see Section 6.4) and observations in the qualitative data analysis such as '*a high degree of distrust also on the part of the Thai national*', '*subtle racism*' and '*domination….can come from economics*' argue for a sensitive approach to improving intergroup relations. If both in and outgroups could transform their members' categorized representation of one another, more constructive and cooperative intergroup relations could be encouraged (Gaertner et al., 1991). Gaining more knowledge about the other group therefore holds potential for improved intergroup relations.

As well as training for expatriates, training of HCNs could possibly prevent some of the adverse reactions noted in Section 2.4.10 (e.g. resentment, suspicion, being purposely not helpful). Several participants in the qualitative research phase indicated this need for mutual adaptation. However, the literature on cross-cultural training (Section 2.3.3) and the findings in the qualitative research confirm that training, if offered at all, is almost exclusively offered to expatriates. More knowledge about 'western ways' may potentially aid HCN cultural understanding which in turn could benefit cross cultural social interaction.

In summary, the effect of social interactions on expatriate adjustment and success have long been recognized (Florkowsky & Fogel, 1999) but have been largely ignored. The findings presented in this research are an important step towards better comprehension of the expatriate adjustment process. However, although this research has aided in understanding the role of HCNs in social interaction and expatriate adjustment, the current state of knowledge seems far from complete. Further research is much needed and suggestions as to

its directions, therefore, have been presented in this chapter. In particular, the diverse linkages with social categorization processes and intergroup relationships dynamics provide scope for further research and policy improvements. Further, the findings strongly argue for the inclusion of the perceived role of host country nationals in the expatriate adjustment process. Expatriates do not act in a vacuum; the interaction in a social web strongly impacts on their adjustment and wellbeing. The perceived role of HCNs in the complex human interactions that shape expatriate adjustment is important and deserving of greater recognition than in the past.

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Appendix I Introductory letter

Questionnaire for Expatriates

Research on Expatriate Adjustment

This questionnaire is part of my research studies in a PhD program in Business and Management conducted at the International Graduate School of Business, the University of South Australia. The general purpose of the research is to better understand what expatriates, who interact with host country nationals at the workplace, think and feel about their jobs and how those thoughts and feelings are related to various attitudes and behaviours. *You are being asked to participate by completing the enclosed questionnaire form which will take approximately 15-20 minutes to complete*. Please return the questionnaire directly to me by saving your responses directly in the questionnaire document and emailing the file back to me at:
Bernardus.VanDenAnker@postgrads.unisa.edu.au. *Your participation in the research is important for the overall success of the project, and I greatly appreciate your help!*

The researcher will take every care to remove responses from any identifying material as early as possible. All records containing personal information will remain confidential and no information which could lead to identification of any individual will be released. The data will be stored in a durable format at the School Office of the University of South Australia for a minimum of 7 years. Access to data is appropriately restricted and only the principal researcher and supervisor will have access to this data. However, the researcher cannot guarantee the confidentiality or anonymity of material transferred by email or the internet.

Your participation is vital to the success of the project, and I very much appreciate your help. Please read the instructions carefully and be as honest and open as possible. If you have any questions, please feel free to call me at 65 64633937 or email me at Bernardus.VanDenAnker@postgrads.unisa.edu.au. My supervisor Dr. A. Preston may be contacted at arthurpreston@optushome.com.au.

This project has been approved by the University of South Australia's Human Research Ethics Committee. If you have any ethical concerns about the project or questions about your rights as a participant please contact the Executive Officer of this Committee, Tel: +61 8 8302 3118; Email: Vicki.allen@unisa.edu.au.

Should you be interested in receiving a copy of the final results or dissertation or should you be interested in participating in a short interview, please contact the researcher by e-mail.

Thank you very much for your help!

Appendix II Consent Form

CONSENT FORM

Project Title: Research on Expatriate Adjustment

Researcher's name: Ben van den Anker
Supervisor's name: Dr. Arthur Preston

• I have read the Participant Information Sheet, and the nature and the purpose of the research project has been explained to me. I understand and agree to take part.

• I understand that I may not directly benefit from taking part in the project.

• I understand that I can withdraw from the study at any stage and that this will not affect my status now or in the future.

• I confirm that I am over 18 years of age.

• I understand that I will be audiotaped during the study

• I understand that the tape will be stored in a durable format at the School Office of the University of South Australia for a minimum of 7 years. Access to data is appropriately restricted and only the principal researcher and supervisor will have access to this data.

• I understand that the University shall not be required to make any payment to me arising out of its exercise of this right.

Name of participant …….

Signed ……..

Dated ……..

I have explained the study to subject and consider that he/she understands what is involved.

Researcher's signature and date ……

Appendix III Questionnaire

Questionnaire for Expatriates

Research on Expatriate Adjustment

This questionnaire is part of my research studies in a PhD program in Business and Management conducted at the International Graduate School of Business, the University of South Australia. The general purpose of the research is to better understand what expatriates, who interact with host country nationals at the workplace, think and feel about their jobs and how those thoughts and feelings are related to various attitudes and behaviours. *You are being asked to participate by completing the enclosed questionnaire form.* Please return the questionnaire directly to me by saving your responses directly in the questionnaire document and emailing the file back to me at: Bernardus.VanDenAnker@postgrads.unisa.edu.au. *Your participation in the research is important for the overall success of the project, and I greatly appreciate your help!*

The researcher will take every care to remove responses from any identifying material as early as possible. Likewise individuals' responses will be kept confidential by the researcher and will not be identifiable in the reporting of the research. However the researcher cannot guarantee the confidentiality or anonymity of material transferred by email or the internet.

Your participation is vital to the success of the project, and I very much appreciate your help. Please read the instructions carefully and be as honest and open as possible. If you have any questions, please feel free to call me at 65 64633937 or email me at Bernardus.VanDenAnker@postgrads.unisa.edu.au.
The Executive Officer of UniSA HREC will be available to discuss any ethical concerns you may have about the project or answer questions about the rights of participants. The UNISA HREC Executive Officer Ms Vicki Allen may be contacted at +61 8 83023118.

Thank you very much for your help!

Section 1

Please complete the following sections by putting a 'x' in the box that you consider the closest

I am:

Male	
Female	
Married	
Unmarried	

Age:

Under 30	
30-39	
40-49	
50-59	
0ver 60	

Time in assignment:

0-1 year	
1-2 years	
3-4 years	
5-6 years	
7-10 years	
> 10years	

Job characteristics:

Nonmanagerial	
Lower management	
Middle management	
Top management	

Section 2

Please indicate, using the scale below, the extent to which you agree with the following statements**:**

1 Strongly Disagree **2** Disagree **3** Somewhat Disagree **4** Neither Agree/Disagree **5** Somewhat Agree **6** Agree **7** Strongly Agree

	1	2	3	4	5	6	7
1 My parent company accurately informed me about working conditions in this overseas assignment prior to my departure							
2. My present standard of living at least equals the one I had before this assignment.							
3. I have an organizational mentor in my parent company who is looking out for my best interests there while I am overseas							
4. I have to do things that should be done differently							
5. I receive incompatible requests from two or more people							
6. I work under vague directions or orders							
7. There is a lack of policies and guidelines to help me							
8. I have discretion as to what work gets done							
9. I have discretion as to how work gets done							
10. I have authority to decide what tasks to delegate							
11. I have authority to decide what work gets shared							
12. I have discretion as to what I am responsible for.							
13. I would return to my parent company right away if that could be arranged without organizational stigma							

14. I tend to avoid attending functions involving customs or rituals typical of my culture or ethnic group of my culture or ethnic group

15. I feel most comfortable among people of my culture or ethnic group

16. One should live one's life independently of others

17. I like my privacy

18. I enjoy being unique and different from others in many ways

19. I often do my own thing

20. When I succeed it is usually because of my abilities

Please indicate, using the scale below, the extent to which you agree with the following statements:

1	**2**	**3**	**4**	**5**	**6**	**7**
Strongly Disagree	Disagree	Somewhat Disagree	Neither Agree/Disagree	Somewhat Agree	Agree	Strongly Agree

	1	2	3	4	5	6	7
21. It is important for me to maintain harmony within my group							
22. The well-being of my c-workers or classmates is important to me							
23. I like sharing little things with my neighbors							
24. To me, Pleasure is spending time with others							
25. My happiness depends very much on the happiness of those around me							
26. It is important to me that I do my job better than others							
27. I enjoy working in situations involving competition with others							

28. Competition is the law of nature

29. Some people emphasize winning; I am not one of them

30. When another person does better than I do, I get tense and aroused

31. I hate to disagree with others in my group

32. I would sacrifice an activity I enjoy very much if my family did not approve of it

33. I usually sacrifice my self-interest for the benefit of my group

34. I would do what would please my family, even if I detested that activity

35. Children should be taught to place duty before pleasure

36. I feel strong ties with my organization until my departure

37. I experience a strong sense of belonging to my organization

38. I feel proud to work for my organization

39. I am sufficiently acknowledged in my organization

40. I am glad to be a member of my organization.

41. Local co-workers are honest and ethical in dealing with me

42. Local co-workers give me an opportunity to express my view

43. Local co-workers use consistent standards in evaluating my performance

1 Strongly Disagree **2** Disagree **3** Somewhat Disagree **4** Neither Agree/Disagree **5** Somewhat Agree **6** Agree **7** Strongly Agree

1	2	3	4	5	6	7
44. Local co-workers are completely candid and frank with me						

45. Local co-workers show a real interest in trying to be fair

46. Local co-workers ask for my ideas on what could be done to improve company performance

47. Headquarters trust parent-country managers more than host-country managers, and therefore delegates more authority to expatriate managers

48. Headquarters makes it impossible for host-country managers to take part in critical MNC-wide decisions, whereas parent-country managers are convened to take part in policy making

49. All top managers of foreign subsidiaries should be host-country nationals

50. Expatriate managers should be thoroughly familiar with the culture of the host country

51. Expatriate managers should be thoroughly familiar with the history of the host country

52. Expatriate managers should be of West European ethnic origin

53 I fully intend to see my current job through to its conclusion

54 I would be a good resource in describing the background of my work group/department

55 I understand the specific meanings of words and jargon in my trade/profession

56 I do have a good understanding of the politics in my organization

57 Within my work group, I am easily identified as 'one of the gang'

58 I am a good example of an employee who represents my organization's values.

59 I have learned how to successfully perform my job in an efficient manner

60. Salary discrepancies impact interaction between expatriates and host country nationals

61. My organization strongly considers my goals and values

62. My organization really cares about my well-being

63. My organization shows a great deal of concern for me

Section 3

Please indicate, using the scale below, the extent to which you agree with the following statements:
The questions relate to the Host Country National in your organization that you know best.

1 Strongly Disagree 2 Disagree 3 Somewhat Disagree 4 Neither Agree/Disagree 5 Somewhat Agree 6 Agree 7 Strongly Agree

	1	2	3	4	5	6	7
64. (This Person) helps others who have been absent.							
65. (This Person) misses work often							
66. (This Person) performs only required tasks							
67. (This Person) misses work only when necessary							
68. (This Person) helps others who have heavy workloads							
69. (This Person) takes extra breaks while at work							

Section 4

Please indicate, using the scale below, the extent to which you agree with the following statements
1 = not at all knowledgeable, 4 = neither knowledgeable/not knowledgeable, 7 = extremely knowledgeable

	1	2	3	4	5	6	7
70. Before this assignment began, how knowledgeable were you of the local language?							
71. Before this assignment began, how knowledgeable were you of the local business customs?							

Section 5

Please indicate, using the scale below, the extent to which you agree with the following statements
1 = not at all adjusted 4 = Neither adjusted/not adjusted 7 = extremely adjusted

	1	2	3	4	5	6	7
72. Overall, how adjusted are you to interacting with local people in general?							
73. Overall, how adjusted are you to the cost of living in the host country?							
74. Overall, how adjusted are you to your new job & work responsibilities?							
75. Overall, how adjusted are you supervising local subordinates?							

Section 6

	1	2	3	4	5	6	7
76. Indicate the degree to which your relationship with the person from Thailand that you know best could be characterized as a casual acquaintance (1) vs close friendship (7)							
77. Indicate the degree to which your relationship with the person from Thailand that you know best could be characterized as a unfriendly (1) vs friendly (7)							
78. Indicate the degree to which your relationship with the person from Thailand that you know best could be characterized as a formal (1) vs informal (7)							
79. Assess the degree to which your relationship with this person is cooperative (1) or competitive (7)							
80. How often do you make references to one another's country/nationality in your encounters with this person? (1 = hardly ever, 7= usually)							
81. Indicate the degree to which this person could be considered `typical' of his/her national group. (1 = not at all typical, 7 = extremely typical)							

Section 7

Rate your agreement with

1 Strongly Disagree **2** Disagree **3** Somewhat Disagree **4** Neither Agree/Disagree **5** Somewhat Agree **6** Agree **7** Strongly Agree

1	2	3	4	5	6	7
82. Thais think of you as belonging to a different group as themselves.						
83. Thais think people of your nationality are different from Thai people						
84. I am aware of individual personalities among Thais						
85. I am aware of nationalities and culture						
86. I am aware of wider categories among Thai people						
87. I am competent in the Thai language						
88. I get bored talking to Thai nationals						
89. I am glad I am a third country national						
90. Indicate the number of people you know from this country (from none to seven or more)						
91. How often you do you interact with the one person from this country that you know best (from never, 1, to daily, 7).						
92. Do you choose to meet with Thais. i.e. is it involuntary or voluntary? (involuntary 1 to voluntary ,7)						
94. Do you consider them to be close personal friends or just acquaintances? (from personal friends, 1 to acquaintances, 7)						

Please indicate, using the scale below, the extent to which you agree with the following statements

1	**2**	**3**	**4**	**5**	**6**	**7**
Strongly Disagree	Disagree	Somewhat Disagree	Neither Agree/Disagree	Somewhat Agree	Agree	Strongly Agree

95. Salary discrepancies between you and Thai staff are justified

96. Thai nationals perceive these salary discrepancies are justified

97. Thai managers and employees feel that that much could be learned from individuals from other countries

98. Thai managers and employees like to work with individuals from other countries

99. Thai managers and employees accept cultural differences which arise in cross-cultural exchanges

100. I perceive myself to be similar to Thai nationals in my organization in terms of personal values

Thank you for taking the time to fill out this questionnaire!

Appendix IV Researcher's Interview Outline

INTERVIEW QUESTIONS – (Outline for researcher, not provided to research participants).

Part A: Demographic – Background information
1. What is your nationality and age?
2. What is your profession?
3. Can you briefly describe your work experience to date?
4. How many years have you worked on projects in Thailand? Name type(s) of project(s), role played, and duration.
5. How many years have you worked on projects outside your home country? State country(s), type(s) of project(s), role played, and duration.
……

Part B: Main Interview body – Major issues pertaining to expatriate adjustment
1. Are you as a foreigner, conscious of having adjustment issues to living and working in Thailand?
* Personal (e.g. family related variables)
* Work related (e.g. work role discretion, role conflict, org. socialization, org. support.)
* Cultural (e.g. language, beliefs, personal cultural disposition, ethnocentrism)
Local business practices (holidays, timeliness, bureaucratic red tape, material supply and delivery), etc.

What advice would you give to a new expatriate arriving in Thailand in terms of adjustment?

What have been the main factors affecting your adjustment to Thailand?

Are the issues you have experienced the same for other expatriates?

What is/has been your strategy or approach to adjustment issues?

Do you think that the nature of interpersonal interaction you have had is important for your adjustment? If so, how and in what ways does this manifest itself?

Is your experience one shared by other expats?

2. Can you describe how the extent of interpersonal interaction has impacted on your adjustment? (E.g. meeting deadlines, personnel behaviour and expectations).

3. Do you think Thai locals treat you differently? In what ways? Why? Do you perceive that the impact of categorization processes *(*E.g. classification as 'farang,' other examples?) could affect the adjustment of expatriates? Do you perceive this process appears to be stronger in Thailand than in other countries you have worked in? (Role of salary discrepancies?) Does having a similar cultural background as the Thais affect the way they perceive you as a farang?

Do you think that ethnocentrism plays a role in how Thai nationals interact with foreigners?

4. What barriers to effective work practices have you experienced that you think have a cross-cultural basis? (e.g. language, cultural beliefs, stereotype, ethnocentrism)

5. Do you think that the cultural orientation of expatriates would affect their adjustment process in Thailand? (Examples?)

6 Do you perceive that experienced justice (with provided explanation to research participants) could affect the adjustment process that an expatriate experiences?

7. What strategies did you employ in your project(s) to overcome these and other barriers to effective cross-cultural adjustment? (State nature of barriers) How effective were these strategies?

8 How could you have been better prepared for this assignment in Thailand? E.g. appropriate staff selection and recruitment, training and debriefing (before, during, and after), etc.

9. Over time here, have you changed the way you need to work and communicate in order to be organizationally effective in Thailand?

10. Do you share values with HCNs? (General or work related)

11. Could you provide some examples of value dissimilarities that play a role in the work place (and possibly in expatriate adjustment?)

12. Do value dissimilarities contribute to being categorized as farang?

13. Do these value dissimilarities affect your adjustment?

14. Do you perceive that helping behaviors (OCBs) from staff at the workplace are extended to any person, regardless of nationality?

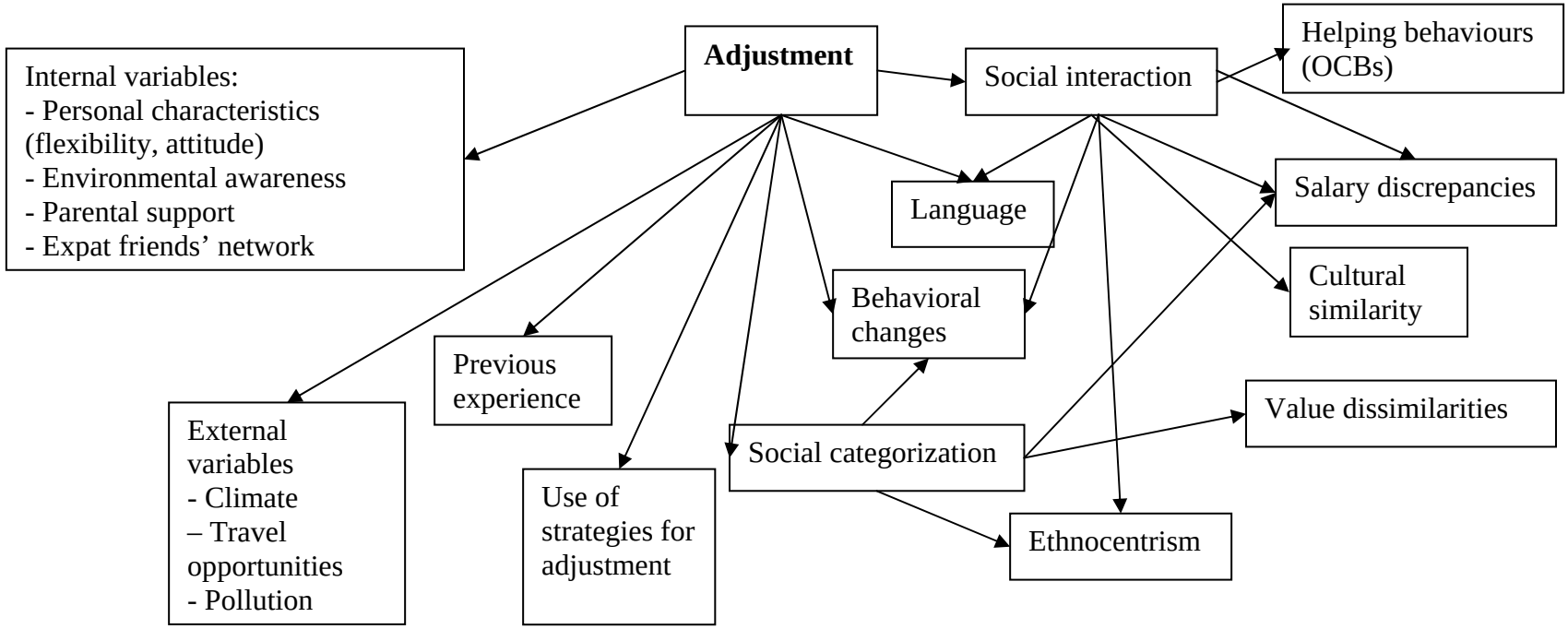
15. Does having a similar cultural predisposition be beneficial for foreigners, in other words, if Thai nationals perceive that you display similar cultural characteristics, would they be more inclined to help you?

Is a helpful attitude of local individuals with whom you interact essential for your adjustment?

16. Are there other factors not yet mentioned deemed as having major impact on successful cross-cultural adjustment in Thai settings?

Your participation is greatly appreciated. Thank you very much.

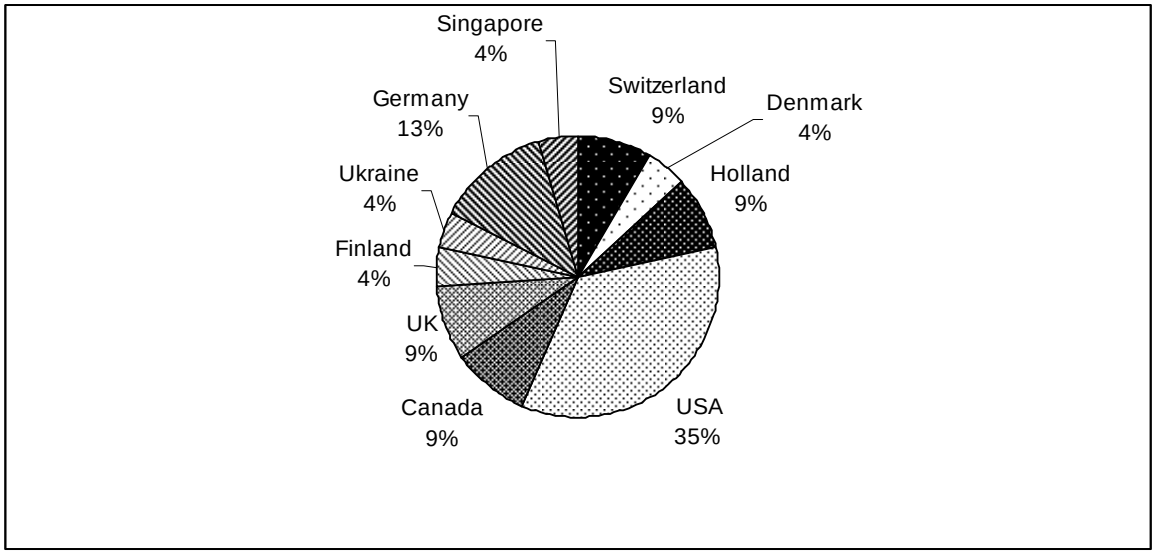
Appendix V Themes Relating to the Role of HCNs in Expatriate Adjustment



Appendix VI Demographic Tables and Charts

Variable	Frequency	Percentage
Age		
Under 30	2	8.7
30 to 39	8	34.8
40 to 49	8	34.8
50 to 59	5	21.7
Over 60	0	0
Gender		
Male	14	60.9
Female	9	39.1
Marital status		
Married	12	52.2
Unmarried	11	47.8

Variable	Frequency	Percentage
Years spent in current assignment		
Less than 1 year	4	17.4
1 to 2	6	26.1
3 to 4	5	21.7
5 to 6	2	8.7
7 to 10	2	8.7
More than 10	4	17.4
Type of job		
Non-managerial	5	21.7
Lower management	4	17.4
Middle management	4	17.4
Top management	10	43.8



Appendix VII Frequency of cited themes

QSR NVivo Version 7.0.247.0 SP2		
Name	Sources	References
Advice	9	21
Categorization	20	76
Change behaviour	17	57
Cultural characteristics to accommodate adjustment	21	90
Effect on adjustment of similarity of culture	5	7
Ethnocentrism	8	20
HCN training	2	2
Helping behaviour	11	19
Interaction	14	45
Intercultural communication	5	10
International adjustment determinants	10	32
Justice	2	3
Language	14	34
Main factors affecting adjustment	16	63
Previous experience	4	4
Prior preparation	16	25
Salary differences	16	36
Similar culture easier adjustment	8	12
Socializing	8	32
Stages in adjustment and difficulties	7	16
Strategies for adjustment	9	34
Value dissimilarities	17	47