

# THE IMPORTANCE OF JOB, FAMILY AND ENVIRONMENTAL FACTORS IN EXPATRIATE ADJUSTMENT: A META-ANALYSIS

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*A meta-analytic review of 42 empirical studies was made on the correlates of expatriates' adjustment to general living conditions, interactions with host nationals and work assignments. Respondents to these studies estimated to be 5,210 were expatriates of different nationalities and assigned to various countries. The majority of them were male managers in their forties. Correlates of expatriate adjustment were classified into work, environment and family-related factors. Family-related variables, specifically spousal adjustment, were the strongest correlate of adjustment to general living conditions. Frequency of interaction with host-nationals was the strongest correlate of adjustment to interactional adjustment, whereas job characteristics such as role conflict, ambiguity and discretion were also strongly correlated with work adjustment.*

The increase in globalization has seen a rise in the deployment of employees to overseas assignments. Called “expatriates,” these employees play vital roles in starting and troubleshooting for foreign subsidiaries and foreign ventures. On average, organizations spend over two and a half times more money to send an employee on an expatriate assignment than they would if they hired locally (McGoldrick 1997). In addition to being costly, however, utilizing expatriates can also be risky for organizations. Research on repatriated managers has found that more than 20 percent leave the company within a year of returning to their nation of origin, limiting any further return on the organization’s investment. Worse, some firms lose their repatriates to competitors that know how to use their skills better (Cook 1997). Expatriate failure can also cause damage to a company’s important constituents — local national employees, host government officials, local suppliers, customers and communities (Black, Gregersen, and Mendenhall 1992).

Given such costs, it is not surprising that research on expatriates has focused on the characteristics of successful expatriates in order to help organizations find the “right” person for an assignment. Although ensuring person-job fit is certainly a sound practice, it is not sufficient because an expatriate assignment is different from a change of assignment or even a job relocation. Expatriate assignments typically require greater responsibility and autonomy and are often marred by policy and procedural conflicts between the parent company and its foreign operations (Black and Gregersen 1992). Aside from meeting the challenge of new job responsibilities, expatriates also typically need to adjust to a different climate, a new culture and various other barriers. Finally, expatriate assignments often involve either uprooting families for the move to the new country or making the expatriates live away from their families – both of which put a strain on the expatriates and their families. There is a need to look beyond individual influences and to consider the job, environment, and family-related factors that would affect expatriate success.

For the past two decades, research has examined a variety of correlates for the performance problems and dissatisfaction associated with foreign assignments. Much of the research has focused on expatriate adjustment and has generally dealt with three specific facets: general, interaction, and

work adjustment. General adjustment refers to the degree of comfort made possible by the general living conditions, such as climate, food, housing, cost of living, transportation, health facilities. Interaction adjustment refers to the degree of socializing and interacting with host nationals. Finally, work adjustment pertains to specific job responsibilities, performance standards and expectations, and supervisory responsibilities (Black 1988; Black and Stephens 1989). The present study aimed at meta-analysis of the individual, job, environment, and family-related predictors of these three facets of expatriate adjustment.

## METHODS

A literature search was conducted using both published and unpublished studies. Three criteria were used in deciding which studies. First, only studies that utilized expatriates (defined as employees who were sent by their companies on a cross-cultural assignment) were included. Second, in studies that utilized the same population (as determined by identical sample characteristics), effect sizes were cited only once. Third, only predictor-criterion relations cited in at least two studies were cited in the meta-analytic summary. The final sample consisted of 42 empirical studies, nine of which were unpublished dissertations or theses. Respondents to these studies were expatriates of different nationalities assigned to various countries. The majority of expatriates were male managers in their 40s. Counting only independent studies, the total number of respondents was estimated to be 5,210. The sample size, sample characteristics, and methodology of the studies are summarized in the Appendix.

Study characteristics, including sample size, type of predictor, reliability of scales used to measure predictors, type of criterion, reliability of scale used to measure criterion, and effect size of the predictor-criterion relationship (e.g. a correlation coefficient) were documented. Using formulae obtained from Hunter and Schmidt (1990), average correlation coefficients ( $r$ ) weighted by sample size were computed for each predictor. The average correlation coefficient corrected for the reliabilities of the measures ( $r_c$ ) was likewise computed for each predictor-outcome relationship. Since not all studies reported the reliability of their scales, the average reliabilities across reported scales were used. Statistical significance was not reported because of the use of such effect size. Instead, credibility intervals for average corrected correlations (95 percent) were computed.

## RESULTS

### General Adjustment

As seen in Table 1, the strongest predictor to adjustment to living conditions was spouse's general adjustment ( $r_c = .64$ ) and interaction adjustment ( $r_c = .42$ ). Frequency of interaction with host nationals was also moderately correlated with general adjustment ( $r_c = .24$ ). The longer the expatriate had been on the assignment, the more adjusted s/he was to general living conditions ( $r_c = .14$ ). Interestingly, work-related variables such as role conflict ( $r_c = -.20$ ) and role ambiguity ( $r_c = -.16$ ) were also related to general adjustment. An unexpected finding was that cross-cultural training was negatively, rather than positively, correlated to general adjustment ( $r_c = -.14$ ).

**Table 1**  
*Meta-analysis of Correlates of General Adjustment ( $a_{Ave} = .84$ )*

Total Factor	$a_{Ave}$	No. of coefficients	Sample Size	$r$	$r_c$	95% credibility interval	
						Lower boundary	Upper boundary
<u>Work-Related</u>							
Months on assignment		8	1792	0.13	0.14	0.13	0.18

Outcome expectancy	0.82	4	534	0.05	0.06	0.05	0.07
Role ambiguity	0.80	4	639	-0.13	-0.16	-0.17	-0.16
Role discretion	0.84	4	639	0.08	0.10	0.09	0.10
Role conflict	0.81	4	639	-0.17	-0.20	-0.21	-0.20
Cross-Cultural Training		6	1021	-0.12	-0.14	-0.15	-0.14
<u>Environmental</u>							
Culture novelty	0.70	6	1119	-0.08	-0.11	-0.12	0.00
Frequency interaction - host		5	820	0.22	0.24	0.23	0.25
Frequency interaction - home3		432	0.05	0.05	0.04	0.13	
<u>Family-Related</u>							
Spouse interaction adjustment	0.86	2	324	0.36	0.42	0.41	0.42
Spouse general adjustment	0.91	3	355	0.55	0.64	0.63	0.64

**Note.**  $a_{av}$  is the average internal consistency reliability coefficients,  $r$  is the sample-weighted average,  $r_c$  is the sample weighted average correcting for unreliability of measurement. Credibility intervals were computed from weighted average corrected for unreliability of measurement  
Gender was coded 0 male, 1 female

### Interaction Adjustment

Frequency of interaction with host nationals was the strongest correlate of adjustment to interaction adjustment ( $r_c = .49$ ). Spouse's interaction ( $r_c = .36$ ) and general adjustment ( $r_c = .32$ ) were also moderately predictive of expatriate adjustment to interactions with host nationals (Table 2). Expatriates who were in cultures vastly different from their own reported more difficulty in interacting with host nationals ( $r_c = -.23$ ). Work-related factors such as role ambiguity ( $r_c = -.17$ ) and role discretion ( $r_c = .19$ ) were also moderately correlated with interactional adjustment.

### WORK ADJUSTMENT

Not surprisingly, job characteristics such as role ambiguity ( $r_c = -.41$ ), role discretion ( $r_c = .43$ ) and role conflict ( $r_c = -.46$ ) were the strongest correlates of expatriate work adjustment (see Table 3). Months on assignment ( $r_c = .15$ ) was slightly associated with work adjustment, as was outcome expectancy, i.e. individuals who believed their assignment would benefit their career ( $r_c = .14$ ). Although interaction with both host and co-nationals appeared beneficial to the expatriate, the correlation of work adjustment was higher when the interaction was with host nationals ( $r_c = .28$ ) than when the interaction was with co-nationals ( $r_c = .19$ ).

### DISCUSSION

Among the three types of factors examined, family-related variables had the strongest correlation with expatriate adjustment, indicating that adjustment is not a unitary phenomenon (Black 1988). Expatriate assignments, in fact, affect the family as a whole and geographic relocations cause tremendous disruption in the lives of all family members (Guzzo, Noonan, and Elron 1994). Spillover theory suggests that the relationship between affective responses in one's work and family life is reciprocal; hence, family difficulties can affect a worker's performance (Caliguiri, Hyland, Joshi, and Bross 1998). There are many reasons why spouses have an even more difficult time than expatriates do during an assignment: most spouses are not considered during selection of expatriates and as a consequence, do not receive any pre-departure training (Tung 1981). In addition, relocation for an expatriate assignment represents a career interruption for many spouses, leading to dissatisfaction, and can spill over and have a negative impact on the satisfaction of expatriates (Torbiorn, 1982). Finally, whereas expatriates have some form of social network at work, spouses are often isolated and have to cope with interactions with host nationals without any form of support or assistance (Harvey 1985).

Aside from family-related factors, environmental factors also influenced expatriate general and interaction adjustment. Specifically, interactions with host nationals were positively correlated with all three facets of adjustment. Although work adjustment was also correlated to interactions with co-nationals, the results reveal better adjustment when expatriates interacted more with host nationals than when they interacted exclusively with their countrymen. Unfortunately, sojourners generally prefer to seek the company of fellow nationals. Although this reality makes it important to facilitate interaction among students of the same culture, too much reliance on fellow nationals for interaction and support may work against expatriates' best interests.

Culture novelty, or the extent to which an expatriate's home and host environment are vastly different from his/her own, was moderately correlated with interaction adjustment. Culture novelty is important because it determines the degree of comfort an individual feels in interacting in the new environment. If the differences are perceived to be large, expatriates are more likely to be uncertain about how to behave and interact in the host environment (Aycan 1997).

Not surprisingly, work-related factors had the strongest relationship to work adjustment. Expatriate assignments typically require a lot more responsibility and autonomy and are often marred by policy and procedural conflicts that occur between the parent company and its foreign operations (Black and Gregersen 1992). Indeed, it makes sense that the amount of ambiguity, discretion and conflict will influence the ability of an expatriate to adjust to his/her new work assignment.

An unexpected finding was that cross-cultural training was unrelated, even negatively correlated, to adjustment. This runs contrary to previous research that cross-cultural training is positively correlated to adjustment and performance (Black and Mendenhall 1990). A meta-analysis of 21 studies revealed that cross-cultural training accounts for 21 percent of the variance in adjustment and 34 percent of the variance in performance of expatriate managers (Deshpande and Wiswesvaran 1992). It is possible, however, that the lack of any significant effect of training may be due to great variation in how cross-cultural training is implemented in organizations. Research has revealed that most cross-cultural training for expatriates is generally superficial, incomplete or nonexistent (Naumann 1993).

## STUDY LIMITATIONS AND IMPLICATIONS FOR FURTHER RESEARCH

One limitation of this study was the relatively low number of studies that focus on expatriates. This reflects the difficulty of collecting data for international research. As the research in the area accumulates, a more stable and robust meta-analysis may be conducted.

Another weakness of the studies on expatriates is the excessive reliance on cross-sectional rather than longitudinal designs. Only three of the 37 studies reviewed utilized longitudinal designs (Caligiuri et al. 1998; Fisher and Shaw 1994; Ruben and Kealey 1979). Longitudinal designs are important because the salience of certain predictors may vary in time and some factors may be more important at the onset of an assignment than later in the adjustment process.

Many questions also remain unanswered with regard to expatriation and its outcomes. Are the relationships between the predictors and expatriate adjustment moderated by variables such as expatriate's nationality or nature of assignment? Unfortunately, majority of the studies examined used mixed samples of expatriates and locations, making it difficult to differentiate the impact of nationality and country characteristics. Another area for further research is to see how different the adjustment of expatriates is from those who are relocated within the same country. This is especially salient in a geographically dispersed country like the Philippines where cultures and language can also differ from region to region.

## IMPLICATIONS FOR PRACTICE

This meta-analysis examined the work, environmental and family-related variables that predict expatriate adjustment. The results provide empirical support for the importance of factors such as

family adjustment, frequency of interaction with host nationals, culture novelty, and role discretion, ambiguity and conflict in the development of expatriate adjustment.

The results provide many implications on how organizations can better manage their expatriates. Implications on selection are one. For example, companies have traditionally relied on technical skills as the basis for choosing expatriates (Schell and Solomon 1996). This review underscores the importance of factors, such as family, other than technical abilities.

The results also highlight the importance of providing adequate assistance and support to expatriates and their families. Given the importance of family and spouse adjustment to expatriate adjustment, organizations should treat the expatriate's spouse as part of a team and provide families with adequate support in issues related to relocation such as the relocation itself, spouse's job search, housing and health care.

Expatriates often face policy and procedural conflicts that occur between the parent company and its foreign operations (Black and Gregersen, 1992). Organizations should take a look at job design, particularly characteristics such as role conflict and ambiguity. Allowing expatriates to harness their discretionary powers and providing them the opportunity to clarify expectations so as to reduce conflicting job demands are ways by which organizations can facilitate expatriates' adjustment to their work assignments.

The results also reveal the importance of frequent interactions with host nationals in facilitating adjustment. Organizations can foster interaction between expatriates and host nationals in many ways. Companies may, for example, provide expatriates with a sponsor, a host national who can help the expatriate network with host country nationals. Organizations can also facilitate such interaction by encouraging expatriates to live outside expatriate communities or through job designs that would require regular interactions with host nationals.

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