

# International Organizations and Expatriates: Implications for Supporting the Successful Cultural Adjustment

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doi:10.56397/FMS.2022.12.04

## Abstract

Globalization is a phenomenon of 21<sup>st</sup> century, leading to the fact that many international organizations has accelerated the pace of overseas market expansion. Under such circumstances, expatriates come into a critical position, in which play the role of completing international assignments and developing foreign affiliates. However, cultural adjustment is the primary challenge that expatriates inevitably encounter. In order to enhance competitiveness in the fierce business environment, international organizations have to help their expatriates with cultural adjustment to the greatest extent possible. The paper provides useful implications for supporting successful adjustment from human resource management perspective, based on literature summary and case study, contributing to the innovation of cross-cultural research.

**Keywords:** cultural adjustment, expatriate, international management, human resource management, cultural intelligence

## 1. Introduction

With economic globalization and industrial development, more and more organizations establish their markets overseas. There are various reasons why they choose international expansion. Firstly, the saturation of the domestic market leads to overseas investment (Alexander, 1990). When no more new customers can be found locally, motivated by greater profits, it is possible for an organization to promote products and services in other nations. Secondly, some countries possess lower production costs, such as labour force and raw materials. In order to reduce costs, organizations may build factories directly in less-developed countries (Caves, 1971). Thirdly, the goal of learning experience and technology of foreign countries also contributes to the development of the overseas market. However, no matter what the reason is, the international operation of enterprises is basically to seek a competitive edge.

The result of overseas dispatch not only determines the outcome of overseas assignments, but also affects parent companies and subsidiaries. Therefore, if an organization wants to flourish, it has to pay attention to employees sent to work abroad. If an expatriate wants to succeed, he/she has to adjust to cross-cultures (Caligiuri, 1997). This paper focuses on expatriate experience, aiming at providing international organizations with valuable strategies about how to support the cultural adjustment of employees abroad. The analytical framework session will explain some specific expressions related to cultural adjustment in detail, such as expatriate success and emotional intelligence, by critically reviewing abundant literature. The cultural challenges that expatriate may suffer from during overseas assignments are also concluded in this part, to lay a foundation for the following discussions. In the integration of theory and practice, the article will present Google, Apple, SAMSUNG and HUAWEI as concrete examples to respond to international management methods from different angles of human resource management.

## 2. Analytical Framework

## 2.1 Type of Overseas Assignment

In the context of the international environment, exist different types of overseas assignments: business travel, permanent relocation, short-term assignment, long-term assignment and so on. Business travel generally indicates that employees go abroad with a particular objective, such as negotiating a project investment or signing a trade contract (Hovhannisyan & Keller, 2015). Permanent relocation is more inclined to move the whole business from one country to another, which has extremely high requirements for both corporations and employees. A short-term assignment is decided by the length, usually lasting between one and twelve months, while a long-term assignment sustains more than one year (Tahvanainen & et al., 2005).

## 2.2 Expatriate Success

With the surge in the number of overseas assignments, achieving expatriate success faces enormous pressure. There are different points of view about expatriate success. Expatriate adjustment is generally viewed as criteria of expatriate success (Black & et al., 1991). From a survey based on 67 answers, Black (1988) concluded that expatriate adjustment is indispensable from the overseas workplace, the communication with foreign country and environment. However, one major drawback of this conclusion is that he only concentrated on external factors but ignored internal factors. Only by taking consideration of expatriates' cognition, behaviour and affect could more authentic feel of their experience be accessed (Haslberger & et al., 2013). In addition, besides expatriate adjustment, there are also other elements that should be studied to measure the expatriate results. For example, returning home before the completion of task is recognized as an indicator of expatriate failure (Wang & Varma, 2019). In their study, they interviewed 126 Taiwanese transnational enterprises, and showed that excellent performance management functions in the improvement of the relationship between cultural gaps and premature returns. Nevertheless, Avril and Magnini (2007) presented doubt towards the idea. They used a hypothesis that one expatriate may secede because he/she have already contributed the key point to the assignment. From this perspective, does this situation belong to a assignment failure? On contrast, although one expatriate persists until the task is finished, he/she works along with a negative attitude (Avril and Magnini, 2007). Then is it an expatriate success? Therefore, premature return is not an accurate way in the assessment system. In fact, it is impossible to conceptualize expatriate success in a universal way (Hemmasi & et al., 2010). The expatriate outcome relies on various aspects instead of a single part, such as the goal of the assignment, the contribution of employees, the advancement of environment and so on.

## 2.3 Cultural Adjustment

Based on the responses of 129 expatriate managers in host countries, it demonstrates that an expatriate merely with talented capabilities, such as strong academic background, rich working experience and excellent technical skills, may not be able to adapt to overseas totally. Hence, cultural adjustment plays an indispensable role in overseas assignments. An open-minded attitude toward cross-cultures is necessary (Templer, 2010).

### 2.3.1 Cultural Similarity

Cultural similarity means cultural connection and closeness among different countries. There is an opinion that cultural similarity facilitates cultural adjustment (Peltokorpi, 2008). The more similarities between domestic and host countries, the easier it is for expatriates to adjust to their work. Besides, in 1993, Parker and McEvoy conducted a survey involving 169 expatriates in 12 nations and drew a conclusion that unfamiliar and novel parts of the host culture are not conducive to interaction and adaptability. When the two cultures have little overlap, expatriates tend to show anxiety as well as worry. For example, a kind of new language may inhibit their frequent communication with natives because of fluency and comprehension. However, the main drawback of this viewpoint is that it exaggerates the functions of cultural similarity. Indeed, cultural similarity has a positive impact on living adjustment, but has a limited role in work (Koveshnikov & et al., 2014). In their study, the respondents are 269 French expatriates in 133 nations, with a wide survey scope. These expatriates need to confront continually changing and unpredictably complex situations, and interact with various clients, departments, professional fields and so on, which has a high demand for their interaction ability and adaptability, so cultural similarity basically does not work in the workplace. What's more, cultural similarity alone is not enough for acculturation. In 2013, Vromans, Engen and Mol compared Dutch expatriates in Belgium which has a similar culture and in China which has a disparate culture. Because it did not meet expatriates' expectation toward adjustment struggle in Belgium, their affects were negatively influenced, which established obstacles during the process of adjustment. As for China, although it had a huge cultural distance, it satisfied expatriates' affection need. Therefore, a perfect cultural adjustment requires both affective and intercultural improvement (Vromans & et al., 2013).

### 2.3.2 Emotional Intelligence

Emotional intelligence refers to the ability to perceive, feel and manage emotions. It is a tool for cultural adjustment and job performance (Singh & et al., 2017). More concretely, an expatriate with higher emotional

intelligence adjusts to a new culture more quickly, then will perform better on the work. Besides, the relationship between emotional intelligence and cultural adjustment is like cause and effect (Karroubi & et al., 2014). When expatriates are able to sensitively recognize the changes of emotion, such as peaks and troughs, they could adjust the corresponding behaviour or state to respond in time. Consequently, a more comprehensive reflection of cultural adjustment will be obtained. But in this examination, the samples are all outgoing tour leaders, emphasizing a single career and a single character, which exhibits inaccuracy to some extent. Another debate is that emotional intelligence has no link with cross-cultural adjustment (Lii & Wong, 2008). This survey collected 152 questionnaires of Taiwanese who currently work in China Mainland, and the result revealed that job characteristics, rather than emotional intelligence, influence cultural adjustment. A career often connects with numerous assignments, and it demands an expatriate to deal with challenges which consist in culture shock; while emotional intelligence guides the development of positive emotions of expatriates, inducing an extended stay in the company. However, Kai Liao and his team members (2021) held a different belief that emotional intelligence could actively affect the adjustment to a novel environment. As an advantage, it deserves to be considered for adoption in human resource management. For example, when selecting employees for an international assignment, HR could incorporate emotional intelligence into the assessment system to improve efficiency.

#### *2.4 Cultural Challenges*

When expatriates go abroad, they will definitely face a numerous of cultural challenges. Firstly, it is communication problems. Not merely the language or translation difference, intercultural communication also signifies some accustomed ways of interaction and behaviour that had already existed before expatriates arrived (Leung & Morris, 2015). Shah and Barker (2017) interviewed 47 Indian IT expatriates in Australia. Based on their responses, they found six communication distinctions between Indian expatriates and Australian employees: convey discord, reject a requirement, ask for help, provide feedback, join in the team and socialize. Hence, communication is a tremendous challenge for expatriates. Secondly, a family issue also plays an influential role during assignments (Starr & Currie, 2009). It is an element that is always ignored by many researchers. In fact, after expatriates leave from home, without the company of family, they often suffer from homesickness, lack of relocation support, culture shock, and even isolation towards the unfamiliar environment (Sterle & et al., 2018). Additionally, being away from family members for a long time may also lead to an imbalance between life and work, thus bringing family quarrels and conflicts. All these negative factors prevent expatriates from concentrating on work, carrying confrontation to adaptation. Thirdly, how to manage free time outside work is a challenge. Recreational activities determine the willingness and acceptance of global assignments by an expatriate (Konopaske & et al., 2009). If an expatriate has nothing to do after work, he/she may experience loneliness, and may want to return early, which will cause a high turnover rate. In order to improve the outcome of overseas assignments, organizations have to help expatriates deal with cultural challenges.

### **3. Integration of Theory and Practice**

Personal adaptability is associated with the identification of the culture of host country, then indirectly influences cultural adjustment (Hua & et al., 2019). In other words, an expatriate with a powerful cross-culture ability is more likely to adapt to the host country and achieve goals at work (M. Chen, 2019). Then how can international organizations support the cultural adjustment of expatriates?

#### *3.1 Selection*

As mentioned before, only an expatriate equipped with both excellent working ability and cultural adjustment competence can adapt to a new workplace as soon as possible. Google is a perfect example to illustrate organizations' efforts during the process of selection. When choosing employees who are going to be sent abroad, based on regular work performance and holistic capacity, it also pays attention to individual ability to acculturation. Because poor cultural adjustment links with bad work performance (Okpara, 2016), selecting one expatriate with high cultural adjustment will contribute to the efficiency of overseas assignments. Besides, as an international corporation, Google encourages a working environment with diverse cultures. It means that the company respects candidates from different backgrounds and allows different thinking as well as the manner of working (Tran, 2017). By establishing a diverse atmosphere, it is easy to develop the cultural intelligence of expatriates. Under such circumstances, expatriates are able to adapt to novelty quickly.

In addition, emotional intelligence also displays importance in international human resource management (Konanahalli & Oyedele, 2016). Taking late CEO Steve Jobs of Apple company as an example, his success was inseparable from his emotional intelligence and leadership (Walter & et al., 2012). Influenced by him, Apple prefers to select managers with high emotion recognition capacity for global tasks. Emotional intelligence is beneficial to cultural adjustment (Kai Liao & et al., 2021), which then affects the advancement of leadership, especially in the context of an international situation. By drawing concentration on emotional intelligence while making decisions on candidates for overseas assignments, Apple obtains its competitive advantage.

### 3.2 Training

Communication is a significant problem that expatriates worry about, leading to cultural barriers (Zhu & et al., 2016). However, SAMSUNG, as the top company in South Korea, solves this difficulty correctly. Putting human development first is always the belief of SAMSUNG (Kun-hee, 2010). SAMSUNG sets up its own training centre. Once the expatriate is admitted by this centre, SAMSUNG will invest abundant money as well as energy in individual development. Besides, the corporation also possesses a complete training system, and there are various courses specializing in management, accounting, sales, technology and so on. Before dispatch, SAMSUNG will provide training last for 16 days, including local culture introduction, interaction methods, foreign language and overseas economic trends. In this way, it helps expatriates reduce many communication dilemmas and support them adjusting to the host countries.

Contrary to cultural similarity, cultural distance represents the distinct degree of cultural forms, such as law, ideology, value, rule, etc. It is said that cultural distance could ease the relationship between cultural intelligence and adaptability for expatriates (Zhang, 2013). However, a study on Indian and Chinese in the workplace shows an opposite conclusion. Indians prefer to exaggerate while the Chinese are much modest and conservative; Indians consider communication a way to build cooperation, while the Chinese view it as knowledge share (Bhasin, 2007). All these differences actually extend the cultural gap between them. When Indian work in China, or when Chinese work in India, expatriates have to bear a high level of pressure to deal with adaptation, which in fact aggravates the relationship between the two. But there is a solution. When training expatriates, on the one hand, organizations should intentionally seek the similarities between home culture and host culture to moderate their attitude and build their interest initially. On the other hand, instead of absolutely following the style of the parent company, it is advisable to incorporate the training regulation of the host country into the subsidiary (Sokro & Moeti-Lysson, 2018). The practice facilitates the acquirement of assistance from the host country, resulting in a better cultural adjustment of expatriates.

### 3.3 Incentive System

As described in analytical framework, there is not a conceptualized method to measure expatriate success, and premature return is also not an accurate criterion (Hemmasi & et al., 2010). Hence, organizations should evaluate the assignments based on purpose, devotions and cultural adaptability. From this perspective, an incentive system is necessary for organizations to support expatriates seizing success. HUAWEI is a multinational high-tech company in China. Through three approaches: position promotion, salary design and organizational atmosphere, it helps expatriates take root overseas. For expatriates who work in relatively difficult areas, HUAWEI gives priority to the promotion and opportunity to them. Besides, it creates an overseas subsidy mechanism to make up expatriates for being away from home, such as relocation support, chances of visiting relatives, family allowance and so on. HUAWEI also adheres to a striver-oriented policy to encourage expatriates to make progress. Such strategic human resource management improves the expatriates' performance, and contributes to the success of HUAWEI (X. Chen, 2019). Moreover, without family members by the side, expatriates often feel lonely, especially after work hours. To solve the problem, international corporations could organize team activities, such as a weekly meetup and a visit to local attractions, which aid expatriates integrating into work teams and the local environment.

## 4. Conclusion

Summing up, economic globalization accelerates the internationalization of enterprises. When expatriates become a common phenomenon in an international organization, it is inevitable for them to meet cultural challenges during overseas assignments. There are different types of assignments abroad, including business travel, permanent relocation, short-term assignment and long-term assignment. Besides, expatriate success involves not only the completion of task, but also the performance, adaptability, objective and etc. If an expatriate desires success, he/she has to know the importance of cultural adjustment during assignments (Lee & et al., 2018). It is affected by two factors: cultural similarity and emotional intelligence. Cultural similarity functions a lot in living adjustment, which contributes to a perfect cultural adjustment along with affective factors. Emotional intelligence has a causal connection with cultural adjustment, which should be evaluated in human resource management (Apple as an example).

As for the methods about cultural adjustment support, firstly, in the selection process, it is recommended to choose employees with high cultural adaptability competence for a global assignment. Besides, a diverse workplace also helps expatriates adjust more easily (Google as an example). Secondly, in the training process, organizations have to solve communication problems and cultural distance problems. Language teaching in advance, normative training system (SAMSUNG as an example) and combination of host country's culture and domestic culture are useful methods. Thirdly, in the incentive system management, organizational atmosphere, financial subsidy and job promotion could encourage expatriates to perform better overseas.

However, there are some limitations on literature. Most literature about cross-culture adjustment in international management areas focuses on one region. However, toward a specific organization, there are few academic articles. Therefore, the main source of integration of practice and theory is from social media, forums, newspapers and company's brochures online without a systematic analysis. Future studies should take a concrete organization into consideration from interview to analysis. Another limitation is that most conclusions from the literature are based on questionnaires, which signify a short-term observation. If researchers could conduct surveys over a longer period, it would be more persuasive and authoritative.

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