

# Expatriatism and Cross Cultural Adjustment in Global Business World: A Case Study of Indian Expatriates in Japan

Rupinder Bir Kaur

Assistant Professor, University Business School, P.U. Chandigarh (India)

---

## ARTICLE DETAILS

### Article History

Published Online: 10 December 2018

### Keywords

Expatriates, MNCs, Cross cultural adjustment.

---

## ABSTRACT

The integration of the world markets and the phenomenal growth of multinational business have led work organizations to rely heavily on managerial international assignments to synergize in the global marketplace. The international experience has gained increasing significance and is widely recognized as vital for multinational companies and also for individuals. Japan is a highly developed and technologically advanced country with plethora of avenues for Indian professionals. This has led to an increasing number of Indians expatriates going on work assignments to Japan. Most studies on cross cultural adjustment thus far have been done on Indian expatriates in western countries as samples whereas studies on Indian expatriates' adjustment in Japan are limited. The purpose of this paper is to examine crucial antecedents of cross-cultural adjustment of Indian expatriates working in Japan. Specifically, the study focuses on the work related cross cultural adjustment which included five independent variables, namely Job Satisfaction, Family support, Experiential learning orientation, organization socialization, cross cultural training and the dependent variable is cross cultural adjustment. Certain psycho- demographic variables that were taken for study included age of the expatriates, gender, language proficiency, marital status, work experience in general and work experience as expatriate in Japan. A self administered questionnaire was used for the primary survey to collect data from 114 Indian expatriates working in MNCs and privately owned organizations in Japan. The sample was selected using snow-ball sampling method. The findings revealed that job satisfaction is the strongest predictor of cross-cultural adjustment of Indian expatriates followed by family support. Organizations employing Indian expatriates in Japan need to have effective human resource policies and practices for socialization and should take the satisfaction of family and dependents of employee into consideration. This will ensure smoother adjustment and successful completion of the assignment on the part of these expatriates. Among demographic variables, age, marital status, gender and language proficiency had significant relationship with cross cultural adjustment of Indian expatriates in Japan.

---

## 1. Introduction

Due to globalization of the world market, companies need to manage an increasingly diverse workforce and use expatriation as a way to succeed. Managing international assignments represents a critical challenge for multinational corporations (MNC's). These assignments promote the internal development of global competencies by immersing expatriates in environments conducive to the acquisition of the critical knowledge, skills, and abilities necessary for global assignments (Shay & Baack, 2006). Expatriates stand for a potential competitive advantage for multinational corporations in the international market. Empirical studies evidence the failure of expatriate in the international assignment. In order to reach successfully this goal, firms should support expatriates (Haug, Chi, & Lawler, 2005).

Consequently, international work experiences have gained increasing significance and are widely recognized as a vital asset for multinational companies and also for individuals. The competitive advantage for firms is competing in the global marketplace and for expatriates is developing their careers; international assignments constitute an important set of work experiences. Nowadays, there are increasing numbers of expatriates working around the world and firms spend considerable amount of money on them. As a result the issue how expatriates perform and adjust in a foreign country is becoming an important topic.

## 2. Global Competition – Expatriation: Key to

### Organization's Success

Global Competition highlights the importance of flexibility, responsiveness and cooperativeness for long term organizational success. Organizations seek new areas for sustainable competitive advantage. Human resources are the most crucial factor to create advantage that cannot be duplicated by rivals and are specific for each organization. As a necessity, organizations have become more dependent on employees who are willing to contribute towards effective organizational functioning regardless of their formal role requirements.

In a global market where competition is constantly growing, organizations need to staff employees from the home country company in the subsidiaries abroad in order to create a local presence and sustain the international competition which is referred to as **expatriation**. The expatriation process requires immense planning and training before departure and adaptation when in place and also re-adaptation of oneself when coming back to the home country. Problems that occur during the international assignment might lead to expatriate failure which is termination of the assignment prematurely.

Globalization has led to an increase in number of expatriates being sent to foreign locales to tap opportunities thrown up by the changing business environment. However, the increase in the number of different kinds of locations is also

increasing the complexity of expatriate management. It is not just management-related aspects that need due consideration, but a number of other issues, which normally do not come under the purview of Human Resource Professionals.

Each expatriate assignment proves to be 3-5 times the cost of remunerating the person while working in the home country. The cost of such an assignment can be further increased if the assignment does not turn out to be as per the expectation of organization or if the expatriate fails in his assignment due to one reason or the other. Relocating to a foreign location can prove to be stressful for the person for several reasons. Culture shock and adaptation are some of the reasons. Those who are in dual career situations often decline offers of overseas assignment due to the spouse's career concerns. Hence it is not the individual who has to mobilize and be motivated to relocate, but his entire family, which, in turn, implies assisting the spouse to make the transition to a new career in the new location and taking care of the children's educational requirements. All these aspects increase the number of different cost components that add up to a sizeable compensation and benefits package for the expatriate.

### 3. Expatriate

An expatriate is an employee who is sent by a multinational parent company on a work assignment to a foreign nation (Aycan & Kanungo, 1997). However, due to cultural differences and barriers, it may be even more difficult for expatriates to rely on current organizational members and native citizens in making sense of their new environment.

### 4. Cross-Cultural Adjustment

Cross-cultural adjustment is generally defined as the process of adaptation to living and working in a foreign culture. It is the perceived degree of psychological comfort and familiarity a person has with the new host culture (Black, Mendenhall, & Oddou, 1991).

In the academic literature, there is a long debate if adjustment is a unitary or multi-faceted phenomenon. (Lysgaard (1955) is the first researcher examining cross cultural adjustment. Ruben Kealey (1979) considers adjustment to be a unitary phenomenon and focus mainly on an individual's adjustment to the general environment or culture. In more recent studies adjustment is seen as a multi-faceted phenomenon with three major dimensions that are addressed and empirically tested; adjustment to the general environment, adjustment to the work situation, adjustment to interacting with host nationals. Following this multi-faceted approach it appears that some expatriates may be well adjusted to one dimension but at the same time poorly adjusted to another. For example they may adapt themselves to their new work situation in a foreign country but feel uncomfortable to interact with locals. Consequently, different causes, forms and consequences have to be considered.

### 5. Review of Literature

Expatriatism presents a highly different climate and culture and demands for a different lifestyle and set of experiences for the expatriates. This poses numerous challenges and calls for necessary adjustments in order to survive working and living in a foreign country. The changes that are encountered during

cross cultural shifts might appear to be stressful. It requires patience and interest of the expatriates to make adjustments a success. In a study Aycan (1997) found out that expatriates find it challenging to live in foreign country and adjustment is an important factor in reconsidering assignments in the same country. Different countries face different cultures and different individuals encounter different kind of problems in comprehending these cultures leading to varied levels of behavior. This may lead to culture clash (Elashmawi And Harris, 1993). Aycan (1997) emphasized that there are three aspects of adjustments, namely psychological, socio-cultural and work adjustments.

In addition to adjust in unfamiliar surroundings, expatriates have to cope with a state of dual loyalty: to the HQ and to the subsidiary in which they work. At times, there could be some conflicts between the two, especially when there are fundamental disagreements over certain issues between the parent company and the foreign subsidiary.

The expatriates have to cope with such conflicts and deal with them appropriately. In their interviews with expatriate managers, Black et al. (1999) found that the most common source of conflict for those expatriates who had high commitment to both the parent company and subsidiary was conflicting expectations, demands or objectives between the parent and the foreign operation. Although it was clear what was expected of the expatriates, the expectations of the organizations were different. In this connection they identify four types of expatriates, depending on the stand they take with respect to their loyalty.

1. Expatriates who 'go native' are those who have higher loyalty to the subsidiary than they do to the parent company and usually form a strong identification with and attachment to the larger cultural context in which they work, including its business practices and values.
2. Expatriates who 'leave their hearts at home' are those who have higher loyalty to the parent company than to the subsidiary and its wider business and cultural context.
3. Expatriates who see themselves as 'dual citizens' are those who have high allegiance to both parent company and the local subsidiary.
4. Expatriates who see themselves as 'free agents' are those who have a low level of commitment to the parent firm and the subsidiary in which they work. These free agents are primarily committed to their own career and move from one firm to another and from one country to another.

Kraimer and Wayne (2004) studied three dimensions of organizational support that are found to be relevant to expatriate success viz.

1. Helping expatriates and their families adapt to the new environment i.e. adjustment support
2. Offering career related guidance i.e. Career Support
3. Required monetary assistance i.e. financial support

According to them, the perception regarding these three dimensions was most important factor leading to expatriate success and continuity.

Some researchers like Fish and Wood (1996) stated that an understanding of differences in cross cultural settings is

very crucial and this understanding plays a very important role in expatriate adjustment. Based on this Caliguiri (2000) adds the significance of cross cultural training (CCT). According to him, CCT is important in order to improve functional skills and to minimize cultural shock among expatriates during their international assignments. Richardson and McKenna (2002) further confirm that support in the form of CCT is important for overseas appointment otherwise the expatriate managers would repatriate prematurely.

Numerous researchers have evidenced that with time, adjustment level increases. Some have given a bell shaped sequence of cross cultural adjustment and other have shown that with experience adjustment factor becomes more strong. Tung (1998) in a study of 409 expatriates on assignments to 51 countries around the world, majority of the expatriates take six to twelve months to feel comfortable living in a new cultural setting.

As far as factors affecting cross cultural adjustment are concerned Ching-Hsiang Liu, Hung-Wen Lee examined the relationship between job satisfaction, family support, learning orientation, organizational socialization and cross-cultural training and cross-cultural adjustment in their proposed model. This study found that cross cultural management practices played an important role in the proposed model of expatriate adjustment in an international assignment. Also, the role of organization socialization was found to be of an immense importance.

Thus, the literature shows various studies done in the aspect of cross cultural adjustment of expatriates including the need and the factors that affect the dimension. There are various studies that are done on specific country to country factors that can help making Expatriatism easier. However, Studies done on Indian expatriates in Japan are few and has a huge scope for research as well.

## 6. Need and Scope of Study

Expatriatism involves huge costs for any organization. As far as Indian employees are concerned a mixed response is reported in various studies with regard to their cross cultural adjustment. The factors that influence cross cultural adjustment of Indians in Japan have a huge significance. First of all Japan is an industrially developed nation and is a home to many large MNCs. Secondly lot of Japanese companies have their branches in India and thus the need for Expatriatism is obvious. Thirdly, there is lesser similarity between the cultures of Japan and India and thus are enormous chances of cultural non-adjustment of Indians who have to stay in Japan for some years. Finally very few studies are done on Indian expatriate adjustment in Japan whereas a lot of literature can be found for adjustment of Indian expatriates in America and other western countries. Thus, the paper attempts to give an insight to the factors that might be taken care of by the companies to reduce the redundant cost that arises due to the failure of expatriate to adjust in the country.

## 7. The objectives of the study

The purpose of this paper is to examine crucial antecedents of cross-cultural adjustment of Indian expatriates working in Japan. The specific objectives of the study are divided into two parts:

### Work related adjustment

1. To study the relationship between Job satisfaction and Cross cultural adjustment of Indian expatriates in Japan.
2. To study the relationship between Organization socialization and Cross cultural adjustment of Indian expatriates in Japan.
3. To study the Cross Cultural training and Cross cultural adjustment of Indian expatriates in Japan.

### Non-Work Related adjustment.

1. To study the support of family and cross cultural adjustment of Indian expatriates in Japan.
2. To study the relationship between learning orientation of expatriate and his/her cross cultural adjustment of Indian expatriates in Japan.
3. To study the relationship between psycho demographic variables and Cross cultural adjustment of Indian expatriates in Japan.

## 8. Hypotheses of the study

Following Null hypotheses have been stated for various objectives of the study:

1. There is no significant relationship between Job Satisfaction and Cross cultural adjustment of Indian expatriates in Japan
2. There is no significant relationship between Organizational socialization and Cross cultural adjustment of Indian expatriates in Japan
3. There is no significant relationship between Cross cultural training and Cross cultural adjustment of Indian expatriates in Japan
4. There is no significant relationship between support of family and Cross cultural adjustment of Indian expatriates in Japan
5. There is no significant relationship between Experiential learning orientation and Cross cultural adjustment of Indian expatriates in Japan
6. There is no significant relationship between psycho-demographic variables and Cross cultural adjustment of Indian expatriates in Japan

### Sampling:

The study was based on both secondary and primary data survey. The population consisted of Indian expatriates who are currently working in Japan for some specific term assignment. Convenience sampling along with snow-ball sampling technique is used. Few expatriates were contacted and then they further referred others in their contacts. Emails of the required respondents were attained and thus the expatriates were sent the questionnaire through Google forms and data was thus accumulated. Data from total of 114 expatriates was sought within three month period and analysis was done on that.

### Research instruments:

A Self administered questionnaire with 56 items scale was developed and was sent to the sample selected through Google forms using snowball sampling technique. The questionnaire was divided into two sections. Section A

consisted of psycho-demographic variables and section B consisted of all the other variables taken for study. The reliability of questionnaire was checked by pilot testing on 20 expatriates and the Cronbach alpha value was 0.73 which was sufficient to select the questionnaire for study.

### 9. Data analysis and results:

Chi square analysis was applied to find out the various relationships in the study. It was found that almost all the variables that were hypothesized in the study had significant relationship with cross cultural adjustment of Indian expatriates in Japan except organizational socialization (See Table 1). This shows that for cross cultural adjustment both work related and non-work related factors play an important role. The organizations that are engaged in hiring expatriates should take care of all the factors to make Expatriatism a success in their respective organizations and thus this would reduce the huge costs incurred on this. Organizational socialization includes the various social and ceremonial ways with an expatriate is welcomed and greeted at the time of arrival. This was not found to have a significant relationship with cross cultural adjustment.

**Table 1**  
**Relationship between various variables and Cross cultural adjustment of Indian expatriates working in Japan**

Sr. No.	Variable	Chi square value
1.	Job Satisfaction	10.559*
2.	Organizational Socialization	8.167
3.	Cross cultural training	15.076**
4.	Family support	22.81**
5.	Learning Orientation	32.85**
6.	Age	4.153
7.	Gender	2.407
8.	Work Experience overall	3.106
9.	Work Experience in Japan	17.983**
10.	Language proficiency	17.934**
11.	Marital Status	16.712**

\*\*Significant at 1% level \*Significant at 5% level

Degrees of freedom (in case of Age)=6, (in case of Gender and marital status)=2

Degrees of freedom (in all other cases)= 4

The findings showed a significant relationship with work related factors such as Job Satisfaction and cross cultural training with cross cultural training. Among non-work related factors both family support and an experiential learning

orientation were found to have significant relationship with cross cultural adjustment.

Various psycho demographic variables were also studied and it was found that age, gender and work experience in general were not significantly related to cross cultural adjustment. Marital status was significantly related and those who were not married had higher cross cultural adjustment. This shows that there is a serious need to take care of the spouse adjustment of the Indian expatriates by the Japanese organizations. It has been studied and proved that in case of Expatriatism organizations need to intervene into the family issues also to the extent it can prevent culture shock. Those who have earlier work experience in Japan and Language proficiency in Japanese are also found to be significant factors affecting cross cultural adjustment of Indian expatriates in Japan.

### 10. Conclusion and future scope of the study:

The literature evidences the importance of Expatriatism in the world. A number of organizations are demanding expatriates and are sending their employees on foreign work assignments. Literature also shows that since the inception of this arrangement expatriates have been facing various challenges especially of cross cultural adjustment and even culture shock. This leads to expatriate failures and huge costs for the organizations involved. Various factors that were earlier studied in different studies on different samples were taken and their relationship was studied with cross cultural adjustment of Indian expatriates. Self administered questionnaire was sent through snow ball technique to various expatriates and a total of 114 responses were received. The study shows a significant relationship between Job Satisfaction, Cross cultural training, Family support and experiential learning orientation. Among Psycho demographic variables, Marital status, work experience in Japan and Language proficiency were found to be the significant variables to facilitate cross cultural adjustment. A number of more factors can be taken in future including the ones studied in the present paper as the cross cultural adjustment is a pertinent issue and has proved to be a complex one with various emerging factors in different samples. The study is conducted for Indians working in Japan because Japan is culturally different country and here the adjustment level might have been different and multifaceted. The data analysis evidences this fact and calls for further research dimensions with wider coverage of factors.

### References

1. Buss, D.M. Evolutionary personality psychology. In M.R. Rosenzweig & L.W. Porter (Eds.), Annual Reviews Inc, Vol. 42, pp.459-492, 1991.
2. Caligiuri P.M. Assessing expatriate success: Beyond just "being there." In Saunders DM, Aycan Z (Eds.), New approaches to employee management, Greenwich, CT: JAI Press, Vol. 4, pp. 117-140, 1997.
3. Deller, J. Expatriate selection: Possibilities and limitations of using personality scales. In Z. Aycan (Ed.), New approaches to employee management: Expatriate management: Theory and research. Stamford, CT: JAI Press, Vol. 4, pp. 93-116, 1997.
4. Huang, T.J., Chi, S.C. and Lawler, J.J. The relationship between expatriate's personality traits and their adjustment to international assignments. International Journal of Human Resource Management, Vol.16, pp.1656-1670, 2005.
5. Kraimer, M.L., Wayne, S.J. and Jaworski, R.A. Sources of support and expatriate performance: The mediating role of expatriate adjustment. Personnel Psychology, Vol.54, pp.71-99, 2001.
6. Laursen, B., Pulkkinen, L. and Adams, R. The antecedents and correlates of agreeableness in adulthood mediating role of expatriate adjustment. Developmental Psychology, Vol.38, pp.591-603, 2002.

7. Borman, W. C., White, L. A., Pulakos, E. D. and Oppler, S. H. Models of supervisory job performance ratings. *Journal of Applied Psychology*, Vol.76, pp.863-872, 1991.
8. Shay, J. P., &Baack, S. (2006). An empirical investigation of the relationships between modes and degree of expatriate

adjustment and multiple measures of performance. International Journal of Cross-cultural Management, Volume 6, Issue 3: 275-294.