

Job Satisfaction Affecting Cross-Cultural Adjustment in Taiwanese Expatriates

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Abstract

By means of the increasing global competition and internationalization of world markets, international expatriates assignments are more and more essential to successful worldwide development for many multinational corporations. Therefore, international expatriates are imperative to the survival of globe enterprises in the twenty-first century. Expatriates can become an important human resource to international enterprises or multinational operations. Also, for the past two decades, research has examined a variety of correlates for the performance problems and dissatisfaction associated with global assignment. To facilitate business expatriates adjust to an overseas environment and work effectively, Multinational Corporations (MNCs) need to recognise the expatriates' job satisfaction factor to affect cross-cultural adjustment. The main purpose of this study is utilising previous researcher Lee's (2002) questionnaire to investigate the relationship between the job satisfaction and cross-cultural adjustment of Taiwanese Banks' expatriates assigned to America, and this study employed same questionnaire to examine the relationship between the job satisfaction and cross-cultural adjustment of Taiwanese expatriates in several different industries assigned to Mainland China. Also, the empirical outcomes were compared between Taiwanese expatriates located in Mainland China and United States.

In examining the significant degree of Taiwanese expatriates assigned to Mainland China, the instrument was a questionnaire survey conducted to this study. The variables of interest were measured using items Likert-type questions, and those items are divided into seven categories. Data collected from 353 participants who have experience of a posting to Mainland China for international assignments. Multiple regression and correlation were employed to analyse data.

The statistical results of this study were compared Lee's (2002) research that associated with Taiwanese banking expatriates in United States. Both studies indicated that the expatriates' job satisfaction factor to affect cross-cultural adjustment without doubt. This thesis concludes with suggestions for both international enterprises or MNCs and individual expatriate who operate overseas journey in their normal path of business.

Introduction

In the current climate of rapid globalisation, expatriation has been an important element of international business operations. Parent companies often send expatriates abroad as corporate representatives and

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ambassadors (Gregersen *et al.*, 1996). Usually, moving people out of the parent company to work in a foreign subsidiary appears to serve three main purposes: filling staff vacancies, management development and organisational development (Edstrom and Galbraith, 1997; Tung, 1982; Ondrack, 1985). For these strategic reasons, despite the problems and costs (eg. Kobrin, 1998;

Boyacigiller, 1990), and suggestions of reduced dependence on expatriates (Adler and Bartholomew, 1992; Kobrin, 1998; Schuler, Fulkerson and Dowling, 1991), expatriation is likely to continue.

Much of the expatriate management literature on this topic has focused on the management of cross-cultural adjustment (eg. Harris and Moran, 1989; Berry, Kim and Boski, 1988; Black and Gregerson, 1991). This is because expatriates possibly working in an overseas environment with extremely dissimilar political, cultural and economic conditions often face both job-related and personal problems (Birdseye and Hills, 1995). If ignored, these problems bring about stress and dissatisfaction inside and outside of an expatriate's professional life and may lead to staff turnover. Indeed, failure rates of staying among expatriates, measured as those who return prematurely, can reach staggering proportions and be quite costly (Arthur and Bennett, 1995; Cavusgil *et al.*, 1992; Harvey, 1985; Oddou, 1991) not only to the international organisations which transfer the employee and his/her family abroad but also to the expatriates themselves. Furthermore, expatriates who cannot adjust but nevertheless remain on the assignment and perform poorly can be even more damaging to the international organisations than those who return prematurely (Harzing, 1995; Forster, 1997).

Since 1987 an open door policy under the Chinese government has allowed more investment to flow into Mainland China from Taiwan, to the benefit of both countries. At the same time, Taiwan's government deregulated control over foreign exchange and this led to a rapid increase in outward investment by Taiwan's enterprises. Economic relations between Taiwan and China have developed rapidly. In earlier days, only a few people wanted to be assigned to work in Mainland China. But nowadays, following the increasing investment, many more people volunteer to develop their careers in Mainland China for a longer period. Due to the high costs associated with failures and poor overseas performance, MNCs need to ensure that the executives they post to foreign assignments have successful experiences. In order to reach the successful goal, MNCs need to comprehend the correlates and consequences of expatriate's job satisfaction. With this in mind, the purpose of the study reported here was to examine the relationships, this study investigate the effect of job satisfaction on cross-cultural adjustment by using a sample of expatriates in Mainland China.

Literature Review

Job Satisfaction

Job satisfaction is the extent an employee feels negatively or positively about his/her job (Odom *et al.*, 1990). Black *et al.* (1991) pointed to the importance of job factors for both degree and mode of adjustment. Job satisfaction is one of the predicted outcomes of cross-cultural adjustment; it can be defined as the positive emotional state resulting from the overall evaluation of one's job (Shaffer and Harrison, 1998).

In a study on relocation attitudes and work adjustment, Fisher and Shaw (1994) demonstrated that satisfaction was an outcome of expatriates' adjustment. Feldman and Tompson (1993) determined that various corporate career development programs contributed significantly to several aspects of employee satisfaction. One such practice was ensuring that the expatriate assignment fitted in with the employee's overall career plan. Furthermore, providing mentors as well as opportunities for employees to develop new skills, was significant to expatriate satisfaction.

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, 1988; Mendenhall and oddou, 1987). Several researchers have highlighted factors affecting the process of adjustment. For example, Black, Mendenhall and Oddou (1991) identified anticipatory (before-leaving) and in-country (post-arrival) factors. In addition, they noted work, interactions and general adjustment as three levels of adjustment. Feldman and Tompson (1993)

identified six sets of factors: demographic variables; the extent of 'internationalness' of the job change; job characteristics variables; amount of organisation support vis a vis assistance and career development; degree of difference between successive job assignments; and types of individual coping strategies. It is possible to classify factors affecting cross-cultural adjustment into two broad types; extrinsic (those relating to the organisation and environment) and intrinsic factors (those relating to the characteristics, psychological and physical, of the individual). Many studies have found that the crucial problem for the expatriate is that adaptation to the unfamiliar culture than with their professional expertise (eg. Aahad and Osman-Gani, 2000; Dowling et al., 1999; McEnery and DesHarnais, 1990; Osland, 1995). Successful adaptation and cultural adjustment not only directly influence expatriates performance but also lead to corporate success in the international stage.

Methodology

In order to investigate the job satisfaction of Taiwanese expatriates adjustment in Mainland China, the study was adopted quantitative research approach, where the quantitative research approach will then be employed to test the hypotheses.

Sample

The target population of this study was 1,786 Taiwanese manufacturing firms located in Shanghai. Shanghai is the most developed city of east China and many Taiwanese investors set up their manufacturing company in here. This study used a stratified sampling procedure based on type of industry to select the sample. There are 20 different categories of industries such as food industry, plastics industry, cement industry, spinning and weaving, electric machinery, electric equipment and so on included in these 1,786 firms. Ten companies were selected from each industry by using a random numbers table. Therefore, there a total of 200 firms were selected from the address book that is issued by the Straits Exchange Foundation of Taiwan. Non-response was managed by replacement. In this study, the respondents targeted are one expatriate in the each firm.

Statistics Analysis

All of statistical data analyses were performed using SPSS (Statistical Package for Social Science) for Windows. The analysis used Correlation Coefficient; Descriptive statistics methods were used to describe the sample and inferential statistics to draw conclusions about the theoretical model.

Correlation Coefficient

Correlation coefficients were computed between the job satisfaction and cross-cultural adjustment. The correlation coefficient was used to describe directions and strengths between the independent variable and the dependent variable.

Research Results

Total of 1200 questionnaires initially mailed to Taiwanese business expatriates in Shanghai and followed-up by e-mail. Total responses were 353, but there were 22 invalid questionnaires. As a result, total response 353 minus the invalid questionnaires 22; therefore, 331 returned surveys were usable. The percentage of valid questionnaires was 27.58 percent. Table 1 also showed the Standard Deviation of job satisfaction was 0.6916.

This section of the study, through regression analysis investigated the influence of job satisfaction on cross-cultural adjustment through the stepwise method.

Because stepwise regression was requested, SPSS first investigated a model with the correlated independent variable job satisfaction, as demonstrated in Table 5.3. It also revealed that the partial

correlation for job satisfaction was 0.501, In effect, independent variable as job satisfaction was significant for explaining the cross-cultural adjustment model. The bi-variate correlation between job satisfaction and cross-cultural adjustment was positive. At the same time, the independent variable was statistically significant as revealed in Table 2 and Table 3 below: Job satisfaction ($P= 0.000 < 0.05$). This appeared to verify that the practical predictor in this study for cross-cultural adjustment was job satisfaction. It accounted for 39.44 percent (0.628^2) of the variance of cross-cultural adjustment.

	Mean	Std. Deviation	N
Cross-cultural Adjustment	4.5075	1.0039	331
Job Satisfaction	3.3541	.6916	331

Table 1: Descriptive Statistics

		Cross-cultural Adjustment	Job Satisfaction
Pearson Correlation	Cross-cultural Adjustment	1.000	.628
	Job Satisfaction	.628	1.000
Sig. (1-tailed)	Cross-cultural Adjustment	.000	
	Job Satisfaction	.000	
N	Job Satisfaction	331	331

Table 2: Correlations

Model	Un-standardised Coefficients		Standardised Coefficients	t	Sig.	95% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
Constant	-3.860	.506		-7.633	.000	-4.855	-2.865
<i>Job Satisfaction</i>	.610	.058	.420	10.441	.000	0.495	0.725
Model		Correlations					
		Zero-Order	Partial	Part			
<i>Job Satisfaction</i>		0.628	0.501	0.372			

Table 3: Coefficients of Proposed Model

a Dependent Variable: CCA (Cross-cultural Adjustment)

Comparison and Discussion

The results of this study were also compared with Lee’s (2002) research shown in Table 4. Results were quite not different between Taiwanese located in the United State and Mainland China. In this section, independent variable which was significant in the present study: job satisfaction was statistically significant, and the statistical result of Taiwanese expatriates assigned to Mainland China was compared with the Taiwanese expatriates located in the United States (Lee 2002) as shown in Table 4 below.

The Significance of the Relationship of Independent Variable to Adjust in Mainland China and the U.S.		
	Mainland China	United States *
Job Satisfaction	Significant	Significant

Table 4: The Significance of the Relationship of Independent Variable to Adjust In Mainland China and the United States (Source: Lee, H.W. 2002, ‘*A study of Taiwanese banking expatriates in the United States*’, Published dissertation of University of Idaho.)

Based on the statistical analysis of this study, the data revealed that the correlation between job satisfaction and cross-cultural adjustment was positive. Similarly, Lee's (2002) research demonstrated that job satisfaction ($r=0.49$, $p < 0.05$) was an important factor in cross-cultural adjustment. Previous research by Black et. al. (1991), Miller (1975) and Shaffer and Harrison (1998) also demonstrated the significance of job satisfaction for adjustment. Thus, job satisfaction was an indispensable factor affecting on cross-cultural adjustment for both Taiwanese expatriates posted to Mainland China and to the United States.

As the overall evaluation or emotional state resulting from the appraisal of one's job or one's experiences, job satisfaction is clearly and primarily work-related. It is presumed to arise from successful adaptation to overseas job requirements and from effective development of interpersonal relationships within the host country's workforce and customers. If maladjustment is equated with stress, then it is an aversive psychological state that will create negative evaluations of and negative affect toward the stimulus that created it. In other words, both work as well as interaction adjustment may result in job satisfaction.

Not surprisingly, work-related factors had the positive relationship to expatriate adjustment. A possible explanation is that expatriate international assignments usually require considerable responsibility and autonomy and are often marred by policy and procedural conflicts that occur between the parent company and its overseas performance. Undeniably, it makes sense that ambiguity, discretion and conflict will influence the capability of expatriates to adjust to their new work assignments overseas.

The findings of this study suggest that to achieve the ideal fit between Taiwanese expatriates and the new work and socio-cultural environment of Mainland China, both the Taiwanese MNCs and expatriates need to comprehend the influence of job satisfaction factor on the adjustment of individuals. The majority of the respondents considered that the cross-cultural adjustment of Taiwanese expatriates in Mainland China was affected by job satisfaction. Job satisfaction factor indeed facilitated the adjustment of Taiwanese expatriates assigned to Mainland China.

It appears that, Taiwanese MNCs must cooperate with affiliates and involve their management in the recognising the key influence of this factor on adjustment. Furthermore, Taiwanese MNCs must provide continuous support to the employees throughout their assignment in their Mainland China assignment.

Conclusion

Job Satisfaction with the expatriation experience is an important determinant of an expatriate's success in overseas assignments.

Job satisfaction is defined as a pleasurable feeling that results from the perception that one's job is fulfilling, or allows for fulfillment. According to this definition, the existence of this can mean that workers with higher job satisfaction have less intention to leave their jobs. If expatriates are not satisfied while on assignment, the motivation to perform well and/or to remain abroad for the specified length of time is diminished. Referring to the findings of this study the data indicated that job satisfaction of Taiwanese business expatriates obviously affected their cross-cultural adjustment to Mainland China. Similarly, job satisfaction was the significant factor affecting the cross-cultural adjustment of Taiwanese assigned to both Mainland China and the United States.

In today's challenging global arena, the finding of this study offers positive ideas for improving the retention of employees to multinational organisations developing expatriates to Mainland China and elsewhere. The successful management of expatriation process will continue to be an important human resource challenge facing companies in the next millennium.

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