

Impact of change orientation on cross cultural adaptability for effective execution of International Assignments

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Abstract

Successful assignment of expatriates is a very complex and challenging issue faced by multinationals. Expatriate failures are reported to be very high. This study attempts to find out how change orientation training given to the expatriates leads to cross cultural adaptability in their new International Assignments. It also helps us to know about how expatriates adapt themselves in new culture and environment at both organisational and personal level during their cross-cultural transitions. Majority of expatriates who has undergone cultural training were able to adapt themselves in the new host culture as they were prepared to accept the changes. Expatriates who has not undergone their cultural training finds it difficult to adapt themselves as they are not ready to change orientation and they face a lot of cultural shock in the host country. This study shows the association between change orientation and cross cultural adaptability and if more training is provided by the organisation for their expatriates they can become more change oriented and their adaptability also increases. The empirical study shows that there are differences between some of the demographic factors and cross-cultural adaptation.

Keywords: Expatriates, change orientation, cross cultural adaptability.

Introduction

Expatriates are employees who are transferred out of their home base into some other area of the firm's international operations. MNCs have shown a strong commitment to International Training and Orientation. If business has to be managed effectively in an International setting, managers need to be educated and trained in International Management skills. In addition to good technical skills, expatriate employees who are working overseas need to be adaptable and have skills in languages and an understanding of social customs, cultural values, codes of conduct, motivation and reward system in the host country. They also need assistance in the practical aspects of International Assignment such as housing, school, currency and health issues. Expatriate employees are foreigners in the host country and therefore it is important to provide cultural and practical background before the employee and family are relocated for International Assignments. The word adaptability means which refers to changes that take place in individuals due

to changes in their environmental demands. It is the learning process where individuals learn about the new environment how they adapt themselves to the psychological changes and how to successfully transit from one culture. People from one culture move to different culture learning the rules, customs, social norms and language of different cultures. There are different terminologies for adaptation like short term traveller, Sojourner and immigrants. Expatriates lose some of their original cultural habits in order to adapt to the new host environment. Only if they adapt themselves to host culture both at organisational and personal level they can succeed in their International Assignment. This will take place only when proper cross cultural training is given and prepare the expatriates for foreign assignments. Change orientation is provided to expatriates to prepare them for their successful assignment as they can overcome cultural shock and become more competent in the new host culture.

Review of Literature

Deborah A.Cai & Jose .I.Rodriguez (1995) demonstrated how persons may or may not achieve understanding during initial intercultural encounter. This was explained by an literature review of Intercultural Adaptation Model (IAM).The model describes the adaptation process during initial cross cultural encounters. The model predicts that individuals who have not had negative experience. The IAM plays a main role in the process of cross cultural adaptation .

Deborah A.Cai & Jose I.Rodriguez (1996) presented a paper on Intercultural Adaptation model which focuses specifically on the process of communicative adjustment during initial cross-cultural interactions and also concerned with how persons may or may not achieve understanding during initial intercultural encounters and also explains how individuals previous intercultural experiences may help or hinder their adaptive efforts when interacting with a person from a different culture. **Magnini and Honeycutt (2003)** suggest that in order for the expatriates to succeed, they must be highly adaptable to changes and ultimately, posses a high learning orientation.

Arno Haslberger (2006) describes a new facets and dimensions of cross cultural adaptation based on management literature on cross cultural adaptation has used a conceptualisation and measurement approach developed by Black and Stephens. **Gupta and Govindarajan, (2000)** has said the success of International Assignment lies in the strategic ability to convey valuable knowledge to its foreign subsidiaries by using expatriates in foreign assignments. Miao et al .,2010 said that there are factors which influence expatriate management like language barriers and differences in culture, economics and political systems in home and host country. MNCs' should be capable of incorporating these factors into their expatriation management so that it leads to the success of international objectives. Redmond and Bunyi (1993) gives a communication model focusing on intercultural communication competence .Davis (2001) suggests cross cultural adaptation process as excitement, confusion, effectiveness, frustration, appreciation and increased cross cultural competence. Mitchell and Myles (2010) modifies cross cultural adaptation process and suggest that cross cultural adaptation should be a time bound process to the expatriates. Cross cultural adaptation considered as a

challenging and stressful process and expatriates consider it as critical process to succeed in the international business contexts.

Methodology

The main objective of the study is to identify how change orientation influences expatriates in adjusting themselves to the international assignments at both organisational and personal level. Descriptive research design was followed in this research study, this aims at examining the differences among variables. The research structure consists of semi-structured interview and the on-line questionnaire. The research structure is designed with the basis of change orientation scale developed by Derek Biddle and Robin Evenden (1995) and questions relating to cross cultural adaptability of the expatriates at organisational and personal level. The research seeks to obtain some sensitive information about the expatriates like their training they have undergone, their cross cultural assignment, cultural adjustment and security. Data was also collected by using secondary sources like periodicals and journals .The research was conducted by using a questionnaire of 5 point scale among 483 respondents who have undertaken their expatriation. The use of questionnaire in this research supported, strongly agree-strongly disagree. The respondents were chosen from various multinational corporations who has send their employees for international assignments. All the respondents were people who were once expatriates or who were experiencing a cross cultural assignment at the time when the survey was conducted .Also an attempt was made to have a broad distribution across the demographic categories of gender, age and education. The questionnaire was focused on the cross cultural adaptation of the expatriates .It included two major sections .The first section of personal data concerned about demographic information such as gender,job positions ,age ,expatriation experience, length of stay .The second section of cross cultural adaptation at both organisational and personal level. All questions were rated by the five-point Lickert –type scale . Reliability test was applied to test the reliability of the data's collected. The collected data have been processed with the help of appropriate statistical tools. The selection of the statistical tools was based on the nature of the

data and objectives of the study. Correlation was used to interpret the data. Correlation indicates the extent to which two variables fluctuate together. A positive correlation indicates the extent to which those variables increase or decrease in parallel, a negative correlation indicates the extent to which one variable increases and other variable decreases. The data were also interpreted by using percentages, mean, median and mode.

Critical Analysis of the Research Findings

The data collected from the survey questionnaire are presented using descriptive statistics such as charts and tables. Multinational organisations sending their expatriates for foreign assignments were selected and 500 questionnaires were distributed among them out of which only 483 respondents have responded to the questionnaire.

Table 1: Correspondence analysis of Cross cultural Adaptability and its dimensions with demographic variable

Demographic Factors	Chi square	Sig
Age	20.104	.003
Company Sector	24.445	.000
Marital Status	10.998	.027
Experience	14.601	.006

Table (1) shows the correspondence analysis of cross cultural adaptability of the expatriates on demographic factors. The Chi Square values for the demographic factors age, gender and company sector is 20.104, 41.744, 24.445. The Chi Square value for the factor gender is 41.744 which is found to be highly significant. Factors like age and company sector has a Chi Square values 20.104, 24.445. Hence the stated hypothesis (NO 27) there “**exist significant association between cross cultural adaptability and its dimensions with the age, gender and company sector**” is accepted.

Table 2: Correspondence analysis of Change Orientation with demographic variable

Demographic Factors	Chi square	Sig
Age	23.896	.001
Marital status	16.368	.003
Education level	13.950	.007
Experience	22.817	.000

Table (2) shows the correspondence analysis of change orientation of the expatriates on demographic factors. The Chi Square values for the demographic factors age, marital status

, educational level and experience is 23.896, 16.368, 13.950, 22.817. The Chi Square value for the factor experience is 22.817 which is found to be highly significant. Factors like age, marital status, education level has a Chi Square values of 23.896, 16.368, 13.950 which is also significant. Hence the stated hypothesis (NO) there “**exist significant association between change orientation with the age, marital status, education level and experience**” is accepted.

Table 3: Demographic profile of change orientation

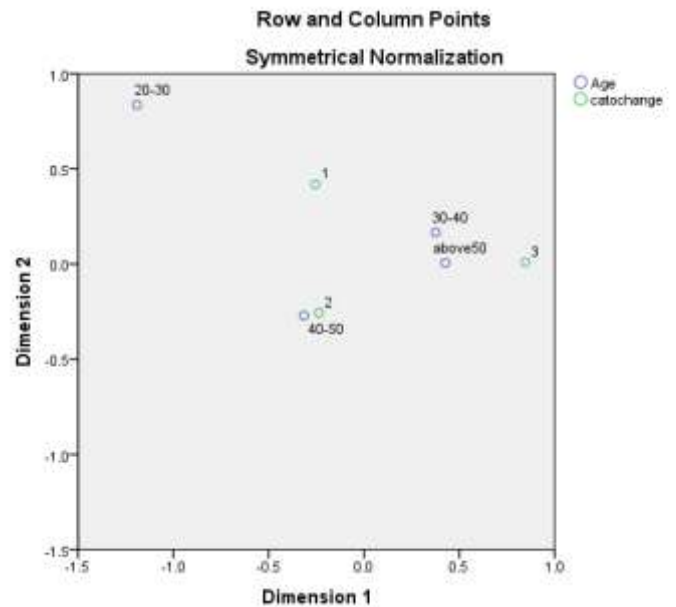
Variables	Description	Change orientation						Total	
		Less		Moderate		High		N	%
		N	%	N	%	N	%		
Age	20-30 years	14	4	15	5	0	0	29	10
	30-40 years	52	2	77	4	5	3	18	10
	40-50 years	57	2	11	5	3	1	20	10
	Above 50 years	18	2	30	4	2	3	69	10
Gender	Male	10	3	15	4	7	2	33	10
	Female	5	1	2	5	9	4	6	0
Marital Status	Single	36	2	82	5	2	2	14	10
	Married	4	6	9	0	5	1	7	0
	Separated	63	3	79	4	2	1	16	10
Education Level	Under Graduate	64	2	13	5	7	2	26	10
	Post Graduate	4	5	0	0	6	9	9	0
	Professional	14	2	20	4	1	3	49	10
Experience	Less than a year	0	5	1	0	5	1	10	0
	2-5 years	22	3	25	4	1	2	62	10
	More than 5 years	23	2	67	6	4	4	10	10
Company Sector	Information Technology	96	3	14	4	7	2	31	10
	Manufacturing Sector	0	2	5	9	5	7	27	0
	Education Sector	29	4	29	4	1	2	59	10
Company Sector	Information Technology	59	2	11	4	6	2	23	10
	Manufacturing Sector	5	1	15	5	1	3	30	10
	Education Sector	53	2	87	4	4	2	18	10
Company Sector	Information Technology	13	3	20	4	9	2	43	10
	Manufacturing Sector	1	0	4	7	8	3	3	0
	Education Sector	5	2	15	7	0	0	20	10

The above table shows the change orientation of the expatriates based on the

demographic factors. Based on the age of the respondents, among the age group of 20-30 years, 48% of the respondents are less change oriented, 52% of them are moderate towards change orientation. Among the age group of 30-40 years 28% of them are less change oriented, 42% are moderately change oriented and 30% of them are ready to accept changes. Among the age group of 40-50 years 28% of the respondents are less change oriented, 55% of them are moderately change oriented and 17% of them is highly acceptable towards changes. Above 50 years of age group 26% of them are less acceptable towards changes, 43% of them are moderate and 31% of them are highly change oriented. Among the demographic variables male 31% of them are less change oriented, 45% of them are moderately change oriented and 24% are highly change oriented. Among females 24% are less change oriented, 56% are moderately change oriented and 20% are highly change oriented. Marital status of the respondents shows that 38% of the singles are less towards change orientation, 48% shows moderate change orientation and 14% shows high change orientation. Among married 24% are less towards change orientation, 50% of them are moderate and 26% are highly change oriented. Among separated 29% are less change oriented, 40% are moderate and 31% are highly change oriented. Among educational level 36% of under graduates are less change oriented, 40% are moderate towards changes and 24% of them are highly change oriented. Among post graduates 22% of them are less, 64% of them are moderate and 14% of them are highly change oriented. Among professionals 30% are less, 45% are moderate and 25% are highly change oriented. In experience level respondents having experience less than a year 49% are less, 49% are moderate and 2% are highly change oriented. Among respondents having experience 2-5 years 25% of them are less towards changes, 49% of them are moderate and 26% of them are highly change oriented. Respondents having experience of more than 5 years 29% are less towards change, 47% of them are moderately change oriented and 24% of them are highly change oriented. In demographic variable company sector 30% of the IT professionals are less change oriented 47% of them are moderate and 23% of them are highly change oriented. In manufacturing sector, 17% are less change oriented 50% of them are moderate and 33% of

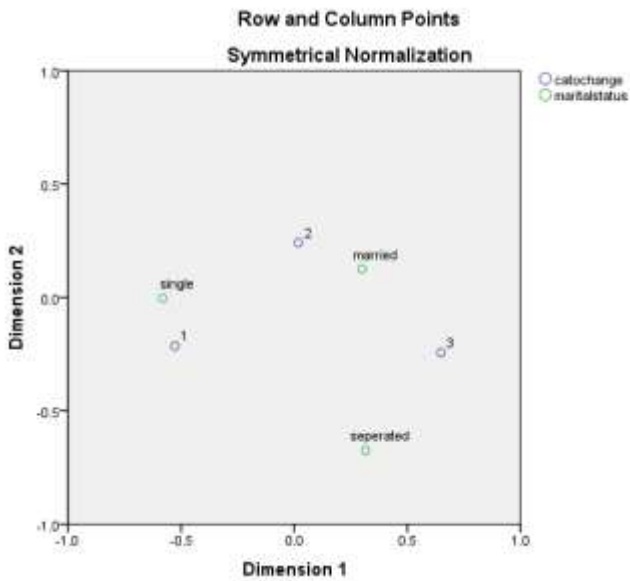
them are highly change oriented. In Educational sector, 25% are less change oriented and 75% of them are moderate. It is been proved by using correspondence analysis.

Chart (No .1) Correspondence analysis of Change Orientation with Age

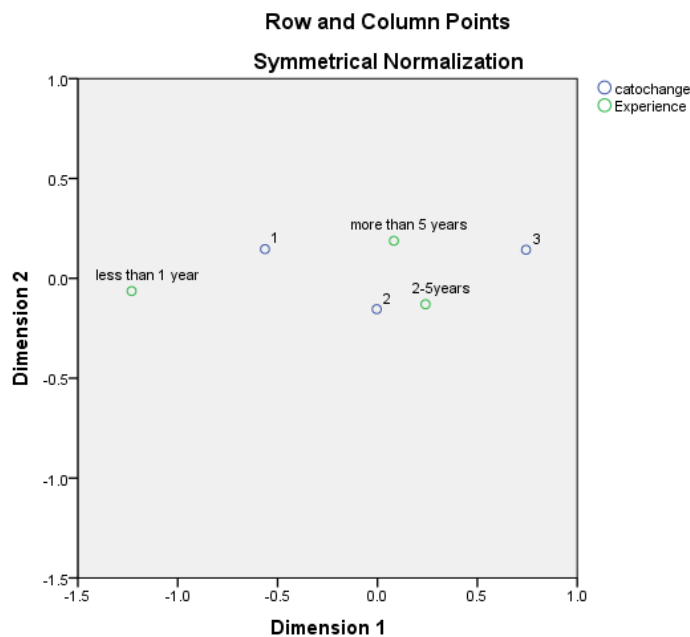


From the chart (No.1) it is observed that the respondents who are in the age group of 20-30 years are less change oriented as they are not ready to accept towards the changes. Respondents of the age group 40-50 years are moderate towards the change orientation and respondents of age group 30-40 years and above 50 years are ready to accept the changes are highly change oriented. The above table infers that respondents in the age group of 20-30 years are young and so they are not in a position to adapt themselves towards the change orientation. Respondents in the age group of 40-50 years are moderate towards change orientation and if more training is given to them they become more adaptable at both organizational and personal level and respondents of age group 30-40 years and above 50 years are highly acceptable towards the changes and are more adaptable to the new International assignment at both organizational and personal level.

Chart (No .2) Correspondence analysis of Change Orientation with marital status.



From the above chart (NO 2) it is observed that expatriates who are single have less change orientation and married expatriates are moderate towards change orientation and those who are separated have high change orientation. Chart (No .3) Correspondence analysis of Change Orientation with Experience.



From the above chart (NO 3) it is observed that expatriates having experience less than a year are less change oriented and expatriates having experience of 2-5 years and more than 5 years are both moderately change oriented and highly change oriented.

Conclusion

The majority of the respondents agreed that if more cross cultural training is provided they become highly change oriented which makes them to adapt themselves to the new culture in the International Assignments. The training also made them to overcome cultural shock. The generalisation of the findings were limited to sample groups. Although a great deal of effort was expended to maintain the reliability of this research there were few limitations. This study focused on the cross cultural adaptation process while expatriates adjustment and cross cultural adaptation can be influenced by many other factors.

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