

*Victoria University
Of
Technology*

**Factors Affecting Cross-Cultural Adjustment Of
Taiwanese Expatriates Assigned To Subsidiary
Companies In Mainland China**

Doctor of Business Administration

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ABSTRACT

Because of increasing global competition and the internationalization of world markets, the assignment of expatriate employees is becoming increasingly essential for the successful worldwide development of many multinational corporations (MNCs). International expatriates are imperative to the survival of global enterprises in the twenty-first century. Expatriates can become an important human resource to international enterprises or multinational operations. To facilitate the adjustment of business expatriates to an overseas environment and to help them to work effectively, MNCs need to recognize the factors that affect cross-cultural adjustment. The main purpose of this study is to utilize Lee's (2002) model to investigate the relationship among demographic factors, job satisfaction, family support, learning orientation, organization socialization as well as cross-cultural training and cross-cultural adjustment of Taiwanese expatriates assigned to Mainland China. The empirical outcomes relevant to Taiwanese expatriates located in Mainland China were compared with those outcomes relevant to Taiwanese expatriates located in the United States.

In examining the experiences of Taiwanese expatriates assigned to Mainland China, the instrument used was a questionnaire survey attached to this study. The variables were measured using Likert-type questions, and those items are divided into seven categories. Data was collected from 353 participants who had experienced postings to Mainland China for international assignments. Descriptive statistics, ANOVA, T-test, multiple regression and correlation were employed to analyze this data.

The statistical results of this study were compared with Lee's (2002) research into Taiwanese banking expatriates in United States. Participants in the present study ranked the importance of factors significant to their adjustment to Mainland China as follows: job satisfaction, family support, cross-cultural training, organization socialization and learning orientation during their overseas assignment. On the other hand, Lee's (2002) research demonstrated the following ranking of factors in importance to adjustment: job satisfaction, organization socialization, learning orientation, family support and cross-cultural training. Both studies revealed that job satisfaction was the strongest factor influencing on cross-cultural adjustment.

This thesis concludes with suggestions for both international enterprises or MNCs and individual expatriates who undertake overseas postings in the normal course of business.

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Doctor of Business Administration Proforma

I, Chiu-yi Lee, declare that the DBA thesis entitled 'Factors Affecting Cross-cultural Adjustment of Taiwanese Expatriates Assigned to Subsidiary Companies in Mainland China' is no more than 65,000 words in length, exclusive of tables, figures, appendices, references and footnotes. This thesis contains no material that has been submitted previously, on whole or in part, for the award of any other academic degree of diploma. Except where otherwise indicated, this thesis is my own work.

Signature _____

Date _____

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CHAPTER 1

INTRODUCTION

1.1 Introduction

As enterprises develop globally, there is a growing challenge to utilize expatriates on international assignments to complete strategically significant tasks (Brewster 1998; Downes and Thomas 1999; Gregersen and Black 1996). Multinational corporations (MNCs) utilize expatriates, not only for reasons of corporate organization and expertise in critical global markets, but also to smooth the process of entry into new markets or to extend international management abilities (Bird and Dunbar 1991; Boyacigiller 1991; Forster 2000; Rosenzweig 1994; Shaffer, Harrison and Gilley 1999). For that reason, in order to remain competitive in today's international marketplace, enterprises not only acknowledge that transferring competent employees adds crucial skill and knowledge to their overseas performances, enabling them to compete more efficiently in all international positions, but also expatriate employees, particularly managerial and professional employees, are vital to the success of overseas assignments such as implementing international corporate tactics and managing and coordinating subsidiaries (Black, Gregersen and Mendenhall 1992). Expatriates are able to play tremendously significant roles during worldwide assignments. Particularly, successful expatriate assignments are indispensable to MNCs (multinational corporations) for both developmental and functional reasons (Adler 1983; Brake et al. 1994; Dowling et al. 1998; Mendenhall and Oddou 1985; Stroh and Caligiuri 1998; Tung and Miller 1990).

Expatriating employees out of the parent company to work in an overseas subsidiary serve three major functions: filling staff vacancies, management development and organizational development (Edstrom and Galbraith 1997; Ondrack

1985; Tung 1982). Through corporative development towards globalization, the expatriate employee turns into an emblematic example of a 'sojourner'. The expatriates depart from their own nation with the intention of an eventual return. The expatriates immerse themselves in new cultural surroundings that may be unfamiliar and unpredictable in almost all imaginable ways. Expatriates undertake executive practices in an unfamiliar work context; deal with a different mode of life and experience profound personal transformation. 'Culture shock', the stress and alienation experienced when confronted with normally incomprehensible surroundings (Oberg 1960), sets the expatriate job apart from other jobs and is repeatedly revealed as the primary cause of an ineffective or unsuccessful expatriate assignment. As a result, a great deal of the expatriate management literature has paid attention to the management of cross-cultural adjustment (Berry, Kim and Boski 1988; Black and Gregerson 1991; Harris and Moran 1989). This focus appears reasonable when the high cost of expatriate failure, attributed to incapability to adjust (Adler 1986), is well considered. Expatriates are regarded as to have 'failed' in their overseas assignment if they return to the parent company prematurely.

In fact, virtually 40 percent of American expatriates return earlier than they planned (Kealey 1996). A number of factors may contribute to this phenomenon, including difficulty in adjusting to different physical or cultural environments, family-related problems, personality or emotional maturity issues, job-related technical competence, and lack of motivation to work overseas. For both employees and their families, adjusting to life overseas can be regarded as a significant barrier (Black and Gregersen 1991; Tung 1988). Adjustment literature (Black 1988; Nicholson and Imaizumi 1993; Shaffer and Harrison 1998) suggests that expatriates who do not adjust satisfactorily to their international assignments will not function well, will withdraw psychologically, and will almost certainly return prematurely. The

better adjusted expatriates are, the more likely they will be to complete their overseas assignment (Kramer, Wayne and Jaworski 2001; Stroh, Dennis and Cramer 1994). Accordingly, well-adjusted expatriates will be more competent in and committed to their new job because they experience less stress and better cultural integration (Ayman 1997b). An expatriate's successful adjustment to the host cultural environment is shown over and over again to be the leading determinant of expatriates' job performance. For this reason, it is important to comprehend the influential factors that help expatriates adjust to the host culture.

The growth in expatriate assignments has occurred at the same time as foreign direct investment has poured into Mainland China, growing in the 1985-1994 period at an annual average rate of 215 percent (World Bank 1996). This development has been accompanied by an increased presence of foreign business expatriates managing joint ventures and subsidiaries. These foreign businesspersons have to make things work in a new social and cultural context, which can be a complicated task, sometimes proving too demanding. Since 1987 an open policy under the Chinese government has allowed international investment to flow into Mainland China. Mainland China has been attracting large amounts of foreign capital on the strength of its bountiful resources, low-cost labor and policy incentives. The World Bank indicates that among the world's five largest developing countries - China, Russia, India, Brazil, and Indonesia, China has been the most popular destination for foreign investment during the past decade. It is likely to remain so now since its admission to the World Trade Organization in late 2001 (Tsai 2002). Furthermore, Garten (1998) predicted that Mainland China seems set to transform into the world's second largest economy in the near future.

In Taiwan during the 1980s, wages were rather high, land costs were extremely expensive, and strict environmental protection was gaining strength (Chiang 1994). At the same time, Taiwan's government deregulated control over foreign exchange, and this led to a rapid increase in outward investment by Taiwanese enterprises, resulting in a growing number of Taiwanese enterprises moving to Mainland China. Nowadays, Taiwan is the fourth biggest investor in Mainland China. Economic relations between Taiwan and Mainland China have developed rapidly. Mainland China offers abundant labor, low wages, cheap land, a vast domestic market and a variety of investment incentive policies. Additionally, Taiwan and Mainland China share the same culture; there is geographical proximity and no language barrier. On the other hand, the main productive input in Taiwan is production technology and capital, while the main productive input in Mainland China is labor. The highly complementary nature of the two economies has created rapid growth in cross-strait trade (Lin 2002).

At present, Mainland China's economic importance to Taiwan is continuing to grow, shown by its ousting of the United States for the first time as Taiwan's largest export market in 2002. Taiwan is also Mainland China's second-largest supplier of imports and the fourth biggest investor in Mainland China, just behind Hong Kong, the U.S. and Japan. Following the rapidly increasing foreign direct investment in Mainland China, an increasing number of expatriates are assigned there. According to that, more and more expatriates are being sent to Mainland China to operate foreign subsidiaries. The Investment Commission of the Ministry of Economic Affairs (ICMEA 2001) estimated that there were over 200,000 populations of Taiwanese expatriates and their families in Mainland China. In the 1980s, only a few Taiwanese employees wanted to be assigned to work in Mainland China, because Mainland China represented a communistic society, with differences in expectations, food, habits, work attitudes, the concept of personal space, etc. to those of most business

expatriates. Those factors are often stress producing because they appear to be neither understandable nor ethically acceptable.

This social system is the result of the divergent histories of Taiwan and Mainland China, particularly since 1949. Taiwan pursued a conventional economic development policy with land reform and import substitution in the early 1950s and export-oriented industrialization from the 1960s on with continuous upgrading of product. Tens of thousands of small and medium enterprises (SMEs) sprang up over the next three decades, encouraged by the slogan, 'every living room a factory', as people began producing or adding value to products using simple techniques in their own homes, often in their spare time. Labour and management productivity improved as the Taiwanese economy became increasingly subject to marketplace discipline. Both employers and workers ensured that efficiency-consciousness penetrated deeply and widely in the populace. Taiwanese workers were transformed from being content to go through the motions to efficient, hard working and concerned with quality and the company's well-being. This was due to a number of factors including the satellite system that increased entrepreneurial opportunities (Bosco 1995; Ch'en 1994), and the ability of young workers to learn skills through formal education, apprenticeships and work experience. On the other hand, Mainland China pursued a very different path. Violent land reform followed by collectivization of rural assets combined with a state-owned and controlled industry producing for a central plan. This was punctuated periodically by political paroxysms, the last of which, the Great Proletarian Cultural Revolution, led to widespread chaos and seriously damaged the social fabric.

In conclusion, investigating the influential factors of expatriate adjustment is significant for several reasons. First, failure of expatriate adjustment may cause premature return from overseas assignments, which may be very costly financially for international enterprises (Coperland and Griggas 1985; Naumann 1992). In addition,

non-financial costs of failure, which include damage to the reputation of enterprises, lost business opportunities and lost market or competitive share (Black and Gregersen 1991; Naumann 1992). Second, failure to accomplish the plan of the assignment is as harmful to the expatriate as it is to the parent and host companies. Inability of an expatriate to complete the assignment is likely to damage his or her self-esteem, and self-confidence, and cause a loss of prestige among co-workers (Mendenhall and Oddou 1985; Tung 1987). Third, an unsuccessful period of expatriation is likely to decrease both the subsequent commitment to the parent company (Naumann 1993) and job performance upon repatriation (Adler 1981). Finally, an expatriate failure will have an adverse impact on the decision of qualified expatriates to accept overseas posts (Stroh 1995). Nowadays, despite these negative possibilities, those influential factors still exist, nevertheless, following the increasing investment, many more people volunteer to develop their careers in Mainland China for longer periods. The recent growth of international business has guided enterprises to examine more closely their policies for transferring employees from one country to another (Aryee and Stone 1996; Black, Gregersen and Mendenhall 1992). Without proper international human resource management, the advantages of overseas operations may not be fully realized. Yet in Taiwan, very few studies concerning expatriate problems have been conducted (Huang et al. 2000).

Even though Cross-cultural adjustment is the biggest challenge that derails expatriate success. In responding to the importance of Taiwanese expatriates' adjustment in Mainland China, this study replicates Lee's (2002) model relating to Taiwanese banking expatriates in the United States to test critical factors affecting the adjustment of Taiwanese expatriates in Mainland China. As a result, this study critically reviews previous studies on expatriate success, shedding light on key factors in the area of expatriate adjustment and providing multiple guidelines for human

resource supervisors and senior executives hoping to ensure expatriate success. The definitions of success and methodological approaches are discussed, and suggestions for improving empirical research in this area are presented. Drawing on previous studies, particularly on Lee's (2002) research, hypotheses on the relationship between key factors and expatriate adjustment are tested in the empirical part of this study. Also, the statistical outcomes of Taiwanese expatriates located in Mainland China are compared with Lee's (2002) research on Taiwanese expatriates posted to the United States. Academic researchers and international enterprises can perhaps clarify whether all international expatriates are affected by the same factors, and also whether the proposed model can be utilized in studying expatriates in different professional areas from those of this study. Finally, the results and their implications for research and the business world are discussed. This may assist Taiwanese MNCs to perform their international business more efficiently in Mainland China.

1.2 Aims of the research

As multinational enterprises (MNEs) increase in number and influence, the role of expatriates in those MNEs also develops in significance (Dowling et al. 1994). Success on a global assignment is greatly influenced by an expatriate's cross-cultural adjustment to the host country (Black and Mendenhall 1990; Caligiuri 1997; Kealey and Protheroe 1996; Sappinen 1993). Cross-cultural adjustment is positively related to performance on the assignment and negatively related to premature termination of the assignment (Black 1988; Caligiuri 1997; Tung 1981). For these reasons, research seeking to predict and improve cross-cultural adjustment has received much attention in the recent past (Aycan 1997; Aryee and Stone 1996; Black and Gregersen 1991; Black et al. 1991; Kealey 1989; McEvoy and Parker 1995; Morley et al. 1999; Robie and Ryan 1996; Schneider and Asakawa 1995). A recent study by the United States of

America National Foreign Trade Council (NFTC) estimates that there are more than 250,000 American expatriates on overseas assignments and that this number is expected to continue to increase in the future (Dolainski 1997). Furthermore, the NFTC study found that an average one-time cost to relocate an expatriate is US\$60,000. As a result, the issue of how expatriates adjust to foreign cultures and perform on their jobs has become increasingly significant (Aycan and Kanungo 1997; Forster 1997). Forster (1997) specifically highlighted several possible implications of poor expatriate cross-cultural adjustment, including inadequate performance, psychological stress, and negative effects on the expatriates' families, and long-term career repercussions upon repatriation from failed expatriate assignments.

Hence, the trend toward globalization poses expatriate adjustment issues for Taiwanese MNCs and the major challenge should be to motivate and assist effectiveness overseas expatriates to adjust themselves to international assignments. The effectiveness of Taiwanese expatriates and, therefore, the factors affecting expatriates' adjustment are recognized as major determinants of success or failure in international business in Mainland China. Furthermore, since 1987 an open policy under the Chinese government has allowed more investment to flow into Mainland China from Taiwan, to the benefit of both countries. Increasingly Taiwanese employees are assigned to work in subsidiary companies in Mainland China. The strategy of utilizing expatriates can resolve a number of problems for international enterprises; however, expatriate maladjustment can also create several areas of difficulty, which potentially put MNCs at a disadvantage. While international enterprises may recognize expatriation as an efficient strategy for accumulating overseas markets, they face the challenges of assisting expatriates to adjust to overseas assignments. Thus factors contributing to the successful expatriation experience are significant to multinational corporations. The aims of the project are:

to examine the influence of demographic factors, job satisfaction, family support, learning orientation, organization socialization, and cross-cultural training on the cross-cultural adjustment of Taiwanese expatriates stationed in Mainland China. Also, in order to comprehend whether these influential factors on cross-cultural adjustment apply to the entire expatriate community, the results of this study will be compared with Lee's (2002) research that related to Taiwanese expatriates located in the United States,

1.3 Contribution to Knowledge

Despite recent trends indicating an increased use of host-country nationals in foreign operations, more and more international firms are finding it necessary to send parent-country nationals as expatriates to live and work abroad. Among the reasons for this increase are: the rapid expansion of international business, the necessity of maintaining organizational control and coordination, and a need to develop a cadre of managers with international expatriates. Currently, for example, 80 percent of mid-size and large companies send professionals abroad, and 45 percent plan to increase the number they have on assignment (Black and Gregersen 1999). In addition, Punnet (1997) suggested that global mobility is a reality and a necessity in today's worldwide business surroundings. As organizations expand worldwide, expatriate employees gradually become very important to multinational companies. In order to manage, coordinate, control and integrate the operations of their overseas ventures, MNCs often send expatriates abroad as corporate representatives and ambassadors (Gregersen et al. 1990). However, high failure rates among expatriates, measured as a premature return home, can be quite costly not only to the enterprises which assign the employee and his/her family abroad, but also to the expatriates themselves. Various estimates of costs have ranged between US\$50,000 to US\$200,000 for each

expatriate failure (Punnet 1997, Black and Gregersen 1991).

For reasons such as the above, the international movement of human resources has generated the development of research that targets the adjustment of expatriates in foreign cultures. Therefore, understanding the factors that improve expatriate adjustment and performance in international environments has become a crucial human resource issue (Bennet and Gorman 1998; Fishman 1996; Kobrin 1988). However, most prior studies have been developed, planned and conducted for the requirements of American expatriates who are preparing for international assignments. Research relating to Taiwanese who are posted to Mainland China assignments is rare, and is now considered necessary. Also as pointed out by Shaffer et al. (1999), most extant research has been conducted from the U.S. perspective, so in order to allow more generalization, future studies should include MNCs from a variety of nations. On the other hand, American firms have been shown to have relatively high rates of expatriate failures in international assignments (Tung 1988). Therefore, in responding to the importance of expatriate management, this study attempts to explore the factors effecting satisfactory cross-cultural adjustment of Taiwanese expatriates in Mainland China.

1.4 Statement of Significance

Many expatriates do not succeed in their assignments and early studies estimated U.S. expatriate failure, defined as ‘a premature return from an overseas assignment’. Recently however, some studies have begun to question the notion that failure be defined as narrowly as a premature return and have begun to focus on the indirect (invisible) costs of failure associated with those expatriates who remain in their overseas assignments, yet whose performance is judged as marginal or ineffective. Such indirect costs may take the form of loss of market share, and damaged relations

with clients, local businesses, and government officials. For the expatriates themselves these costs can include a loss of self-esteem, self-confidence, and prestige among their peers (Mendenhall and Oddou 1985). In addition, it is often the case that this type of assignment failure may affect future performance and family relationships. It is possible, as a result, that ineffective or marginally effective expatriates who complete their assignments might cost a multinational corporation more in the long run than those expatriates who return from an assignment prematurely. In reality, a recent report points out that nearly one-third of expatriates did not perform up to the expectations of their superiors (Black and Gregersen 1999). Expatriates working in a foreign environment with very different political, cultural and economic conditions often face both job-related and personal problems (Birdseye and Hills 1995). When activities available in the parent country cannot be found in the host country, there may be feelings of loneliness, isolation and frustration, which contribute to culture shock and adjustment difficulties. This is a stressful experience, and if expatriates fail to overcome it, they may return without finishing their overseas assignments, or furthermore, may disregard the discomfort and remain on the assignment and perform poorly, which is even more damaging to the company (Black et al. 1992; Forster 1997; Harzing 1995).

Besides, the fact that expatriate turnover is far higher than equivalent domestic turnover is well known. In the United States, turnover rates of less than 5% are rare, while those over 15% are generally considered serious problems (Bohl 1986). However, expatriate turnover rates have been reported ranging from 20% to 50% (Mendenhall and Oddou 1985; Tung 1988), which is incredibly high. Given 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 (Birdseye and Hill 1995). Current expansion of international business has led

enterprises to look more closely at their policies for employees transferring from one country to another – the expatriates (Aryee and Stone 1996; Black et al. 1992). Consequently, without appropriate international Human Resource Management practices, the advantages of an overseas operation may not be completely realized. Yet in Taiwan, very few studies concerning expatriate problems have been conducted (Huang et al. 2000).

For that reason, this study will make several contribution to research in the filed of cross-cultural expatriate adjustment. Firstly, based on previous research, in particular Lee's (2002) study, this study will propose and investigate a theoretical framework demonstrating the experiences, tribulations and responses of participants to cross- cultural adjustment. Secondly, this study will explore multidimensional schemes to estimate the adjustment of Taiwanese expatriates located in Mainland China. Thirdly, to authenticate the significant degree of influential factors, this study will compare the results with Lee's (2002) research. Fourthly, from an empirical point of view, this study may assist human resource professionals in international organizations to plan and implement more appropriate activities or cross-cultural training courses for Taiwanese expatriates in Mainland China.

1.5 Research Questions

The research questions are:

1. Do demographic factors such as age, gender, expatriate duration, marital status, dual assignment and family experience affect the cross-cultural adjustment of expatriate employee of Taiwanese enterprise in Mainland China?
2. Does the proposed model fittingly predict the cross-cultural adjustment of expatriates employee of Taiwanese expatriates in Mainland China?
3. Which variables of the constructs in the theoretical framework predict the

cross-cultural adjustment of expatriates employee of Taiwanese enterprises in Mainland China?

4. How does job satisfaction facilitate the cross-cultural adjustment of expatriates employee of Taiwanese enterprises in Mainland China?
5. How does family support facilitate cross-cultural adjustment of expatriates employee of Taiwanese enterprises in Mainland China?
6. Does learning orientation facilitate the cross-cultural adjustment of expatriate employees of Taiwanese enterprises in Mainland China?
7. Does organization socialization facilitate the cross-cultural adjustment of expatriates employee of Taiwanese enterprises in Mainland China?
8. How does cross-cultural training facilitate the cross-cultural adjustment of expatriates employee of Taiwanese enterprises in Mainland China?

1.6 Assumptions and Limitations

The research findings have several limitations regarding the implications for international organizations and overseas expatriates. Firstly, this study is limited by being based on a single sample, and it is suggested that future research based on a larger sample would be advantageous. Secondly, the model of this study has replicated previous research by Lee (2002). Both pieces of research focused on Taiwanese expatriates with postings in the United States (Lee 2002) and Mainland China. As a result, the proposed model may not be applicable to expatriates of other nationalities as regards cross-cultural adjustment. Finally, international expatriates should be requested to contain several professional categories of skills and talents to be capable to perform their international assignments in an overseas environment and overseas culture. This study should consider investigating the significance of individual professional skills on cross-cultural adjustment.

1.7 Overview of the Research and Research Procedure

The objective of this study is to investigate factors that contribute to influencing Taiwanese expatriates to exert effort for the benefit of global organizations, in addition to Taiwanese multinational corporations. The study is organized into eight chapters as follows.

Chapter 1. Introduction: provides a general introduction to the dissertation proposal, aim of this research, contribution to knowledge, statement of significance, research questions, and a brief section on the study's limitation.

Chapter 2. Literature Review: reviews current literature which supports this study and also focusses on demographic factors, job satisfaction, family support, learning orientation, organization socialization, cross-cultural training and cross-cultural adjustment.

Chapter 3. Context: provides information on the historical and social background of Taiwan and Mainland China, together with information on foreign direct investment (FDI) between the two countries and information on the numbers of Taiwanese expatriates located in Mainland China.

Chapter 4. Theoretical Framework: eight propositions are developed that directly link to this study's research questions and research design.

Chapter 5. Methodology: provides a description of the research methodology, including sampling techniques, as well as the instruments and procedures used to collect and analyze data.

Chapter 6. Results: outlines the major findings from the research and demonstrates the results of the research proposition.

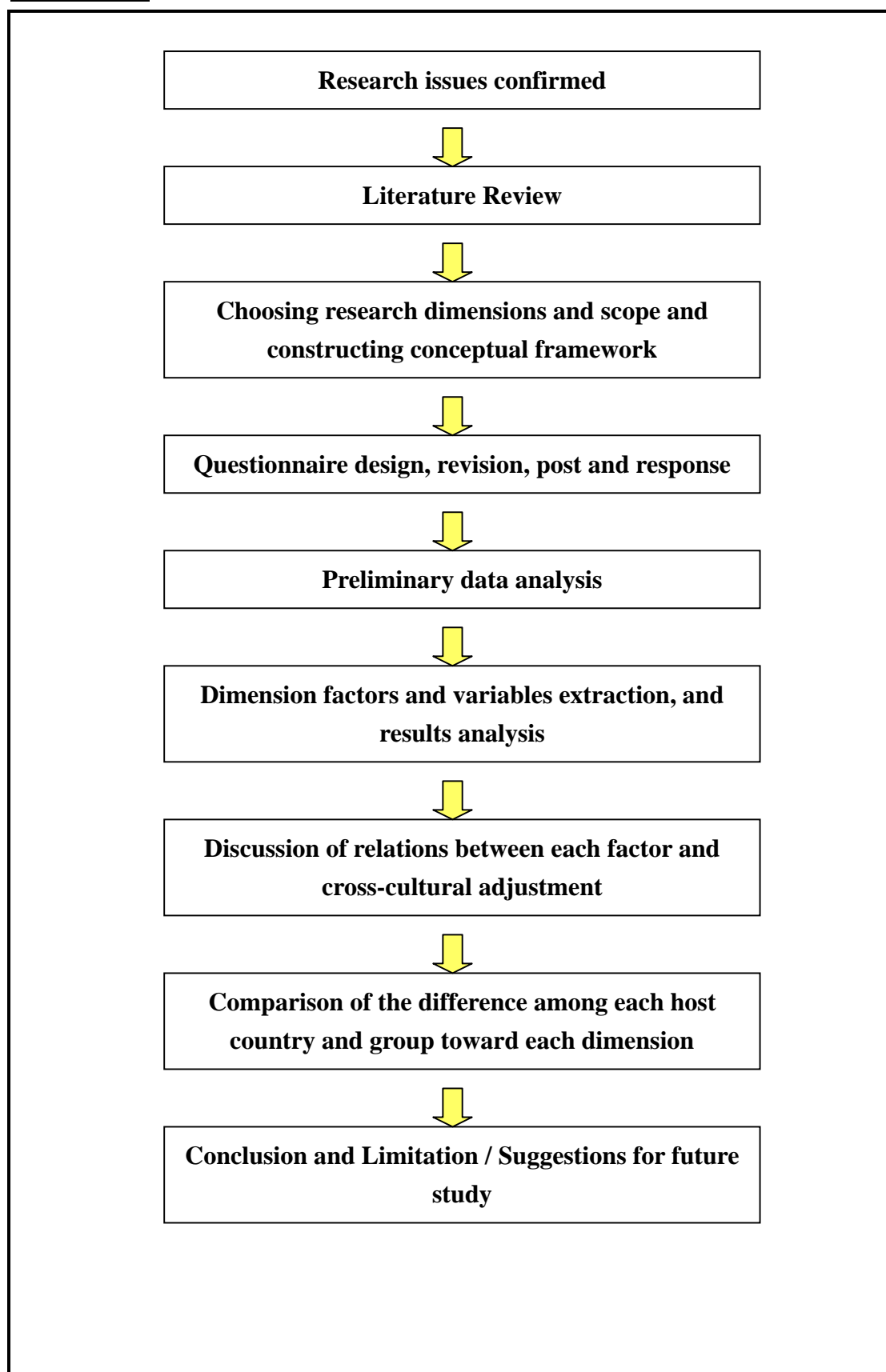
Chapter 7. Discussion: summarizes of the main findings and provides a discussion of the results and how they relate to the research questions identified in this chapter. This section also discusses these results of factors and compares them with the published

results of Lee's (2002) research.

Chapter 8. Conclusion and Limitations: describes the conclusions and the limitations of this study. This section also highlights the implications for Taiwanese expatriates and, more generally, for international human resource management and future research.

Research Procedure

After confirming the study issues, this study will construct a research structure using information gained from a literature review, and will collect data by a questionnaire. Subsequently, this study will test and verify research hypotheses by statistical methods. Finally, conclusions will be drawn and suggestions for future research will be proposed. The research procedure is as Figure 1.

FIGURE 1 **Research Procedure**

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

With the globalization, international assignments have always played an important role in the operations and activities of multinational companies. A lot of enterprises have invested their ventures in foreign countries to avoid the high cost of land and labor, also the shortage of manpower. However, though the failure has been variously presented. The research literature on international expatriates is reasonably consistent in reporting rather high failure rates among these expatriates (Black 1988; Dunbar and Ehrlich 1986). The costs related to these expatriate failures are relatively high as well (Black 1988; Oddou 1991; Stone 1991; Wederspahn 1992). Expatriates correspond to a major investment in a foreign country for multinational corporations. In fact, it has been estimated that the first-year cost of posting expatriates on international assignments is no less than three times the base salaries of their domestic counterparts (Wederspahn 1992). However, sixteen percent to forty percent of overseas assignments are still not successful in the end (Black 1988), and costs of expatriates have increased from as much as US\$250,000 a decade ago (Copeland and Griggs 1985) to US\$1 million per failure for U.S. enterprises (Shannonhouse 1996). Even though the cost of expatriates is fairly high, MNCs are increasingly using plenty of expatriates as an international strategy, not only for traditional control and expertise reasons, but also to overcome barriers and smooth the progress of entry into new markets (Torbiorn 1994).

During the internationalization process, enterprises should devote to provide an adequate expatriation program for expatriates due to that working in a new environment that is dissimilar to that of the parent company, expatriates are often

faced with an entirely new work role, with increased challenges, opportunities, and prestige, as well as more responsibilities and pressures to perform (Harvey 1985). The efficient management of expatriate assignments is a significant challenge for international human resource executives. Accordingly, cross-cultural adjustment is a vital factor influencing the accomplishment of international assignments. In order to obtain excellent international expatriates performance, the main intention of this section is to present a general background on the available academic literature that relates to the research questions, and that also explores the factors affecting the cross-cultural adjustment of Taiwanese expatriates assigned to subsidiary companies in Mainland China. The literature covers: (1) culture; (2) expatriation; (3) cross-cultural adjustment; (4) demographic factors; (5) job satisfaction; (6) family support; (7) learning orientation; (8) organizational socialization and; (9) cross-cultural training.

2.2 Culture

Culture is a set of social norms and responses that conditions the behavior of a group of people. The professional who works internationally must consider not only the job and family, but also the culture as well. In 1952, a study reported there were more than 160 definitions of culture (Kroeber and Kluckhohn 1952). A particular definition of culture is not sufficient for the reason that the conception is multifarious. Tylor (1871) provided one of the earliest definitions as: ‘that complex whole which includes knowledge, belief, art, morals, law, custom, and any other capabilities and habits acquired by man as member of society’. Sackmann (1991) revealed that the definitions of culture as ‘discovered’ by the two anthropologists include components such as ideas, concepts, ideologies, values, attitudes, goals, norms, learned behaviors, symbols, rites, rituals, customs, myths, habits, or artifacts such as tools and material

representations. There have been uncomplicated definitions as that of Ferraro (1994): ‘everything that people have, think, and do as members of society’. According to that definition, culture is the ensemble of models of thinking, feeling and behaving particular to a certain country or group of people. It is now commonly agreed that culture is a social phenomenon. Hofstede (1980) declared that ‘culture could be defined as the interactive aggregate of common characteristics that influence a human group’s response to its environment. Culture determines the identity of a human group in the same way as personality determines the identity of individual’ (p.25). Correspondingly, Kluckhohn (1958) described it as: ‘...the essential core of culture consisting of traditional ideas and especially their attached values. In many ways, culture could be described as the personality of society’ (p.473). The entire scope of behavior and viewpoints of a people influence culture straightforwardly and intensely. From a cross-cultural point of view therefore, it is appropriate to view culture as a mental map, which directs individuals in their personal relations with their surroundings and to other people (Downs 1971).

On the other hand, overseas assignments involve a wide variety of situational contexts that differ from domestic assignments, such as societal, legal, economic, technical and physical demands. The conception of culture in international assignments is related to how people identify the globe and the influence this perception has on their performances. It is a depiction of culture on the interpersonal stage. Different cultures can cause individuals to comprehend the same subject in diverse ways, resulting in miscommunication and misunderstanding when an individual crosses into another culture different than their own. De Cieri, Dowling, and Taylor (1991) described the development of culture as ‘people developing the social environment or culture, through adaptation to their physical environment, biological origins and reinforcement from consequences of experience’. The result of

this is a large number of different cultures in the existing world, where relocated individuals face the challenge of living in and adapting to a culture that is different from their own. When individuals have deal with a new and different culture, they often encounter a certain level of discomfort, repeatedly referred to as culture shock. Culture shock means that individuals, for their own welfare, must develop an understanding of different norms. They discover that their previously learned assumptions are not always appropriate, and they often realize elements of their own culture that they took for granted. A number of researchers (Kieffer 1987; Kohls 1979; Lewis and Jungman 1986; Stewart and Bennett 1988) contend that cultural adjustment happens in stages, and that sojourners experience the various stages with differing degrees of intensity. At the same time, Weaver (1998) identifies culture at the interpersonal level, describing it as where an individual shares a system of values and beliefs with others, offering the individual a sense of belonging or identity. Many studies have found that the crucial problem for the expatriate is that adaptation to the unfamiliar culture than with their professional expertise (Aahad and Osman-Gani 2000; Dowling, Welch and Schuler 1999; McEnery and Desharnais 1990; Osland 1995). Therefore, functional ability alone does not determine success in overseas assignment. Successful adaptation and cultural adjustment not only directly influence expatriates' performance but also lead to corporate success in the international stage.

2.3 Expatriation

The increasing number of expatriates in international trade has broadened the momentous of comprehending and administrating the expatriation process. It is a multifaceted region for many expatriates owing to plenty of different and inexperienced regulations, for examples, culture and psychology are playing a significant role in it. They may perhaps be familiar worlds to many expatriates but

commence in diverse contexts. According to previous researchers such as Edstrom and Galbraith (1977), Tung (1982) and Ondrack (1985), for many international enterprises, relocating expatriates to overseas subsidiaries to extend global competition is in agreement with the entire tactical human resource plans. At the same time the strategy also accomplished the goals, not only of management development, but also of organizational development. Generally speaking, expatriates discover that the situation presents developmental experiences, and statement having gained substantial skills that are of increasing value to international enterprises. Research by Oddou and Mendenhall (1991) reported that 90 percent of expatriates reported an intensification in their worldwide perspectives, 80 percent reported that they could communicate more competently with people from culturally divergent conditions, and 80 percent reported they had enhanced their understanding of international trends. These results from Oddou and Mendenhall's survey point out that there are exceptional personal and developmental advantages to be gained from overseas assignments for both expatriates and their organizations.

2.3.1 Expatriates

Expatriates differ from other travelers, such as tourists or migrants, in terms of length and motive of journey. As a consequence, employees who are posted from a parent company to live and work in another country for a period ranging from few months to several years are colloquially referred to as 'expatriates'. Expatriates normally spend between six months to five years in a host country, have a particular purpose or motivation, and usually intend to return 'home' (De Cieri, Dowling and Taylor 1991).

Past research points out great variation in the types of criteria used in evaluating how successful expatriate assignments have been. To date, the three most common

criteria for evaluating expatriate success have been: (1) completion of the foreign assignment; (2) cross-cultural adjustment; and (3) performance on the foreign assignment. McEvoy and Parker (1995) suggest that cross-cultural adjustment may be the antecedent of both performance and completion of the international assignment. These two factors, performance and completion of the global assignment, are both imperative for a better understanding by multinational companies of the factors impacting on the cross-cultural adjustment of expatriates and eventually the success of the expatriate assignment.

A variety of researchers (Black and Mendelhall 1990; Caligiuri 1997; Kealey and Protheroe 1996) revealed that the success of an international assignment is deeply influenced by an expatriate's cross-cultural adjustment to the host country. For instance, cross-cultural adjustment is positively connected to performance of an overseas assignment and negatively related to the premature termination of an overseas assignment (Black 1988; Caligiuri 1997; Tung 1981). For those expatriates who do return from their overseas assignments prematurely, studies have found that the incapability of both spouse or expatriate to adjust to living in the host country were the two major reasons repeatedly referred to for this failure (Handler 1995; Harvey 1985; Tung 1981). Consequently, an expatriate spouse's adjustment is one of the most essential determinants of whether an expatriate completes the international assignment (Black and Gregersen 1991; Handler 1995) and of how successful the expatriate's performance will be while on the assignment (Black and Gregersen 1991; Black and Stephens 1989; Caligiuri et al. 1998).

2.3.2 Expatriates' International Adjustment

Three facets of expatriate adjustment have been identified by Black and Mendenhall (1991) and are widely used in subsequent research: adjustment to work,

adjustment to interaction with host nationals (i.e., the ability to form relationships with host country nationals), and general adjustment related to living conditions such as food, housing and customs. Louis (1980), studying work transitions, discussed the changes, contrasts, and surprises within the organization that newcomers to organizations experience and attempt to comprehend. General studies on employee turnover have provided some insights into reasons for expatriate failures. Factors such as organizational commitment, job satisfaction, job clarity, and task interdependence have been often correlated with employees' performance and intention to stay (Brett 1984; Mowday et al. 1982; Reichers 1985). The significance of these factors is magnified in the international environment where the impact of cross-cultural differences, job and organizational design can significantly affect the expatriates' capability to perform (Church 1982; Harris 1989; Sullivan and Tu 1993). Expatriate adjustment has also been strongly linked to non-work factors. These include psychological orientations, attitudes toward international living and family-related problems. Tolerance for ambiguity and willingness to live in foreign environments are attitudes that can help expatriates adjust quickly (Black and Gregersen 1992; Brett 1984; Oberg 1960). Expatriates will need to make sense, not only of the new organizational facilities, but also the overseas surroundings or foreign country. The foreign country may entail dissimilar political, economic, and monetary systems, a different language, and different norms and standards of behavior compared to the expatriate's home country, which results in the expatriate having to overcome culture shock (Oberg 1960).

As a consequence, expatriate job assignments require adaptation to multiple environments. Current organizational members have been identified as playing a key role in assisting newcomers to make sense of new environments and organizations. (Louis 1980; Reichers 1985). On the other hand, due to cultural differences and

language barriers, it may be even more difficult for expatriates to rely on present organizational members and native citizens in making sense of their new environment.

2.3.3 Advantages of Expatriation

The practice of employing expatriates may perhaps be a tactical advance by the branch of an MNC to broaden the international experience and information base of present and potential expatriates. One of the important advantages to international organizations from expatriates' overseas experiences is the facilitation of an organization's targets as it enters the international market without difficulty and obtains benefit from international businesses. This strategy of expatriation is an instrument by which international organizations can gather and maintain a resident base of knowledge, which sequentially supports with the impediments of international management. This knowledge subsequently provides a competitive advantage by constructing a base of international executives sensitive to internal opportunities.

The strategy of utilizing expatriates in international subsidiaries may perhaps assist in structuring associations with different nations (Boyacigiller 1991). Continuing relationships between host-country governments, domestic businesses, other interest groups and parent companies can increase the competitiveness of international enterprises operating their businesses abroad. Since these international enterprises challenge to access and market share in the global ground, the "first-mover advantages" related to government concessions and creating competent guidelines for distribution, may perhaps be critical to long-term achievement.

Previous research (Boyacigiller 1991; Rosenzweig 1994) has demonstrated that expatriate assignments may perhaps improve inter-subsidary communication and coordination by relocating the entire corporate scheme and the organization's

viewpoints along with the expatriate. Having been employed by the organization in its headquarters, it is expected that the expatriate has become a part of the corporate culture by means of adaptation and socialization, and will consequently communicate aims and intentions in the form in which they were planned.

2.3.4 Expatriates' Success

An international organization unsuccessful of reliability in culture crosswise overseas subsidiaries, the headquarters may perhaps attempt to transfer the parent company's culture by means of recruiting expatriates to important positions in its international subsidiaries. Previous research by Kobrin (1988) reported that MNCs utilized this tactic and assumed that expatriates could impact significantly on the culture of subsidiaries. Selecting international expatriates for worldwide assignments would be rather easy for MNCs if achievement in domestic assignments were prophetic of triumph in international assignments. Disappointingly, researchers such as Tung (1981) demonstrated a diverse opinion to Kobrin (1988) relating that failure rate of expatriates is tremendously high, even though it is normally the more successful domestic employees who are posted to international assignments. In fact, the performance required for domestic and international expatriate work may be dissimilar. Nevertheless, MNCs use the same employee selection method to select both international expatriates and domestic employees with the same work content. That perhaps is the main reason for the high failure rate.

MNCs could improve the probability of expatriate achievement by means of appropriate selection procedures. Because of the extent to which the performance construct for expatriate positions differ from performance in domestic positions, expatriate employees in an international environment have need of a different set of expertise and competences to accomplish the same work content that they performed

effectively in a domestic environment (Tung 1981).

2.4 Cross-cultural Adjustment

The international scope of markets and intensifying global competition are forcing firms to operate in more diverse geographical environments. The ability to establish operations in different locations can allow a firm to more quickly gather technological and market information as well as respond rapidly to local customer demands. This situation often requires the presence of competent overseas expatriates to effectively implement enterprises' strategies. The overseas assignment of executives can thus have a significant impact on an enterprise's success in international markets. As a result, understanding the factors that improve expatriates' adjustment and performance in international environments has become a crucial human resource issue. The original notion of cross-cultural adjustment began from previous work on culture shock. Based on Oberg's (1960) research, 'culture shock' was defined as the phase of anxiety before an individual feels well adjusted in a new culture. Nevertheless, some researchers (as Church 1982; Stening 1979) found that not all expatriates encounter the same degree of anxiety, or experience anxiety for the same duration of time. For that reason, those research results indicated that cross-cultural adjustment was an individual difference, which could potentially be forecasted, rather than a constant duration of anxiety that all expatriates would necessarily encounter when they entered a new environment and faced a different culture (Black 1990). For the duration of the process of cross-cultural adjustment, uncertainty in the surroundings reduces gradually (Black 1988; Black and Gregersen 1991; Church 1982). The process of cross-cultural adjustment may perhaps be stressful due to the insecurity and ambiguity of not knowing what is appropriate behavior or actions, coupled with a potential incapability to comprehend feedback

from the situation owing to deficiency in knowledge of the language or culture (Black and Gregersen 1991; Louis 1980). Relating to the standard of premature termination of an overseas assignment, expatriates who fail to adjust would be experiencing insuperable stress and would prefer to return to their home country earlier than planned (Tung 1981).

Cross-cultural adjustment is “the individual’s affective psychological response to the new environment and its variables” (Black, 1990). Previous researchers (Black 1990; Black and Gregersen 1991; Nicholson 1984; Oberg 1960) stated that cross-cultural adjustment is the degree to which individuals are psychologically comfortable living outside their own home country. Others suggest that cross-cultural adjustment is an internal, psychological and emotional state, and should be measured from the perspective of the individual experiencing the overseas culture (Black 1990; Searle and Ward 1990). During the three decades of research in this area, an enormous amount of substitute definitions of cross-cultural adjustment have been applied. Researchers have used job satisfaction (Abe and Wiseman 1983; Hammer, Gudykunst and Wiseman 1978; Torbiorn 1985), life satisfaction (Cui and Van den Berg 1991), acquisition of language or cross-cultural skills (Bochner, Mcleod and Lin 1977), and ratings of depression (Armes and Ward 1989) as replacement options for cross-cultural adjustment. In general, adjustment is the perceived degree of comfort a person has with his or her surroundings (Black, Mendenhall and Oddou 1991). Its importance is underscored by the fact that most of the expatriate literature deals with various aspects of the cross-cultural adjustment process (Black and Mendenhall 1990; Mendenhall, Dunbar and Oddou 1987; Mendenhall and Oddou 1985).

Further expatriate adjustment has been conceptualized, operationalized and proved by Black and other researchers to be a three-dimensional construct (Black 1988; Black and Stephens 1989; Gregersen and Black 1990). Black (1988, 1990)

identified these three dimensions as work adjustment, cultural adjustment and interaction adjustment. Work adjustment is obviously defined as job-related; cultural adjustment is mainly linked with non-work-related activity, and also is expressed as general adjustment; and interaction adjustment covers the work and non-work surroundings. Interaction adjustment may perhaps be the most fundamental of the three dimensions, as both work adjustment and cultural (general) adjustment are based on interpersonal interactions (Bell and Harrison 1996). At the same time, Black, Gregersen, and Mendenhall (1992, p.119) also stated that adjustment to interaction with host country nationals normally is the most complex of the three adjustment dimensions. In relation to the standard of work performance, cross-cultural adjustment assists expatriates to increase effective working relationships with host nationals, and to interpret their host national co-workers' behaviors, gestures, and stories. In some preliminary research, cross-cultural adjustment has been found to be a predictor of success in expatriate assignments (Black, Gregersen, and Mendenhall 1992). The interaction element involves warm and cordial relationships with host country nationals, participation in their activities, and development of respect for those activities. Interaction with host country nationals in social issues is one way for expatriate newcomers to become aware of appropriate behavior in the host country, because host country nationals may possibly act as sources of information and assist in comprehension (Bochner 1981). Expatriates with such regular interactions display more appropriate behavior. Feldman and Thomas (1992) observed that successful expatriates regularly interacted with host country nationals. McEvoy and Parker (1995) also declared support for the three dimensions of expatriate socio-cultural adjustment. Other American empirical research on expatriates and their spouses has provided support for this three-dimensional theoretical framework of socio-cultural adjustment (Black and Gregersen 1990, 1991a, 1991b; Black and Stephens 1989).

In conclusion, cross-cultural adjustment is defined as the process of adaptation to living and working in a foreign culture. It is the perceived degree of psychological comfort and familiarity an individual has with the new host culture. Current conceptualizations of the construct have focused attention on three specific facets of cross-cultural adjustment. The first facet is work adjustment, which contains adaptation to new job tasks, work roles, and the new work environment. Work adjustment is assisted by similarities in procedures, policies, and task requirements between the parent company and host subsidiary in a foreign country. The second facet is interaction adjustment, which consist of the comfortable accomplishment of interactions with host nationals in both work and non-work situations. Interaction adjustment is the most difficult of the three facets to achieve. The third facet is cross-cultural (general) adjustment, which involves the overall adaptation to living in a foreign culture, and comprises factors such as housing conditions, health care, and cost of living.

2.5 Demographic Factors

This section discusses the significance of individual information such as age, individual ability, gender, expatriation duration, marital status, dual assignment, family issues and previous overseas experiences.

2.5.1 Age

Church (1982) demonstrated that age was related to the level of interaction with host nationals. In general, results showed that young expatriates had a higher level of social contact with host nationals than elder expatriates. This finding is confused by the situations in which expatriates are located. For example, for expatriate employees, the level of interaction may perhaps depend on whether these expatriates work in

multicultural environments versus a homogeneous home country office located in a host country. This research suggests that age should not be a significant factor for expatriate success.

Age is a critical personal characteristic in Asian societies (Fang 1999; Worm 1997). Respect for old age is particularly emphasized by Confucianism, highlighting the building of a great character through lifelong learning and self-cultivation. Traditionally, young people in Chinese society are not considered dependable, experienced or capable of doing good business (Chan 1963). Even in Western societies, growing older may be associated with increasing maturity (Heckhausen and Krueger 1993; Van Lange et al. 1997).

Studies of the outcomes of domestic transfers have shown varied results when the age of employees was linked with willingness to shift domestically. According to Gould and Penley (1985), Sell (1983) and Veiga (1983) it was revealed that younger employees were more willing to transfer their workplace than elder employees. In contrast, the research results of Brett and Reilly (1988) demonstrated that there was no significant relationship between age and willingness to transfer. From an international standpoint, Brett and Stroh (1995) demonstrated that no significant relationships were discovered in two studies that investigated age and employees' willingness to join the adventure of international expatriate assignments.

2.5.2 Individual ability

Many researchers have investigated the skills necessary for an executive to be effective in a cross-cultural setting (Brein and David 1971; Church 1982; Mendenhall and Oddou 1985; Stening 1979). These skills have been categorized by Mendenhall and Oddou (1985) into three dimensions.

(1) The self-dimension, which encompasses skills that enable the expatriate to

maintain mental health, psychological well-being, self-efficacy, and effective stress management. One of the underlying issues of the various self-oriented skills discussed by Mendenhall and Oddou (1985) was the ability to believe in oneself and one's ability to deal effectively with foreign surroundings, even in the face of great uncertainty. This idea is quite similar to what Bandura (1977) and others have consistently referred to as self-efficacy.

According to the research on self-efficacy, individuals with higher levels of self-efficacy tend to persist in exhibiting new behaviors that are being learned, even when those efforts are not successful, longer than do individuals with less self-efficacy. The more they attempt to exhibit new behaviours in the foreign situation, the more chance they have of receiving feedback, both positive and negative. These individuals can then use this feedback to reduce the uncertainty of what is expected of them and how they are performing, and they can correct their behavior to better correspond to the expectations. This process, in turn, facilitates the degree of adjustment. There may be an interaction effect between self-efficacy and the need for feedback. Self-efficacy has the greatest impact on adjustment for individuals with high need for feedback (Nicholson, 1984), but it would be self-efficacy that would drive the person to persist in exhibiting new behaviors which, in turn, would facilitate the degree of adjustment.

(2) The relationship dimension, constitutes the array of skills necessary for the fostering of relationships with host nationals. Relational skills also provide an important means of increasing the cues individuals receive about what is expected and how they are performing regarding those expectations. Consequently, these skills can reduce the uncertainty associated with the foreign environment. The greater individuals' relational skills, the easier it is for them to interact with host nationals (Mendenhall and Oddou 1985). The more individuals interact with host nationals, the

more information they can receive about what is and is not appropriate in the host culture and how they are performing. Black (1988) found a positive relationship between percentage of time spent with host nationals and cross-cultural adjustment.

(3) The perception dimension entails the cognitive abilities that allow the expatriate to correctly perceive and evaluate the host environment and its actors. Perceptual skills also provide a significant means of understanding what is appropriate and inappropriate in the host country; these skills, therefore, can reduce the uncertainty associated with the foreign environment. The greater individuals' perceptual skills, the easier it is for them to understand and correctly interpret the host culture (Mendenhall and Oddou 1985).

A study by Hays (1971) asked American expatriates in Mexico City to evaluate four factors as the primary influences upon assignment success or failure. Hays found that job ability, defined as technical skill, organizational ability, and belief in mission, was seen as a prerequisite for the assignment and therefore crucial to its success. If the expatriate does not have the skills necessary to do the job they cannot succeed. Relational abilities, defined as the ability to deal with local nationals and display cultural empathy, was also viewed as necessary for success. Hays identified a third factor, family situation, as one that can assist in avoiding failure. Family situation was defined as the level of adaptability and support from family members for the assignment. The family situation can have either a neutral or negative effect upon the assignment. A fourth success factor, according to Hays, is that of language skill, where a high skill level will assist with the assignment, but a low level may not necessarily have an adverse effect upon the assignment.

A study by Tung (1981) also identified several success factors that can be evaluated. The factors for success listed in the study included: technical competence on the job; personality traits or relational abilities; family situation; and environmental

variables. This study includes the success factors discussed by Hays (1971), with the addition of environmental variables. Tung described environmental variables as the political, legal, and socioeconomic system of the host country that may be very different from what the transferee is used to, and will require adjustment. This might also be described as the cultural environment of the host location.

Bhagat and Prien (1996) have also set out several factors that affect the success of international assignments. They include individual, family and job-specific attributes as well as the host country cultural environment. Each of these corresponds with categories indicated by Tung (1981) and Hays (1971).

2.5.3 Expatriation Duration

Researchers such as Pinder and Schroeder (1987) suggested that the duration of stay in a host country has implications for relocated individuals to become efficient in their assigned job. Consequently, an hypothesis underlying the length of stay in a host country is that the longer they reside in a host country, the more familiar expatriates become with their jobs and working conditions, and as they become more familiar, the better their performance will become (Black 1988; Kawes and Kealey 1981). In addition, Nagai (1996) recommended that the length of stay in a host country be considered a significant factor relating to successful performance.

2.5.4 Gender

Probably an important hurdle for women in management in most countries is the persistent stereotype that associates management with being male. Organizations tend to expect men to hold higher-status positions and their standards for success are likely to reflect characteristics that are stereotypically male (Cockburn 1991; Ely 1995; Rubin 1997). While women are attaining higher levels of educational achievement

and the number of female expatriates is growing, progress is slow. Differences in accepting women in management vary by country. This is shown, for example, in the study conducted by Hofstede (1989). Some cultures were found more challenging to women than others. He suggested that women are less effective because of cultural biases against them; cultures that rate higher in 'masculinity' look less favorably on women as professionals. However, qualitative field research involving interviews with women on different foreign assignments, including countries such as Japan and Mainland China where considerable male dominance exists in business circles, have failed to identify culturally-driven obstacles to their international business success that would support a preference for males over females (Napier and Taylor 1996). Additionally, Caligirui and Cascio (1989) hypothesized that female expatriates, as compared with male expatriates, may be negatively stereotyped by host countries, particularly in nations that do not value women in important positions. Only a few studies (Adler 1987; Napier and Taylor 1996) illustrated that there were no significant differences between male and female expatriates in their work adjustment in high masculine dominance societies such as Asia.

The international human resource management literature has given insufficient attention to women as expatriates, 'probably because international assignments have long remained a male preserve' (Harris 1995; Smith and Still 1996, p.2; Windham International 1999). Nevertheless, international enterprises cannot any longer afford to limit their pool of talented human resources by excluding employees belonging to a particular group. Now is the time for multinationals to enlarge their recruitment base (Paik and Vance, in press). Even though many enterprises have reexamined their reluctance to post women abroad, the number of female expatriates is still relatively low, although the trend is increasing. From a significant percentage reported in the early 1980s of about 3 percent (Adler 1984), more recently reported figures seem to

be around 12 to 15 percent (Caligiuri, Joshi and Lazarova 1999; Florakowski and Fogel 1999; Global Relocation Trends 1996 Survey Report 1997).

Previous research (Anderson, Milkovich and Tsui 1981; Markham, Macken, Bonjean and Corder 1983; Markham and Pleck 1986) demonstrated that there is a tendency toward female employees being less willing to take on expatriate assignments, and the gender of employee has mainly exposed a constant standard of relationships for domestic transfer. On the other hand, a study of international transfer by Brett and Stroh (1995) indicated that there has not been a significant connection between employee gender and willingness to transfer. Adler (1987) reported that American female expatriates are performing their international assignments as efficiently as male expatriates, even in male-dominated cultures such as Japan and Korea. Asian entrepreneurs regard a female expatriate first as a parent company representative, second as a foreigner, and third as female. Fundamentally, the first two issues combine to render the expatriate's gender a 'non-issue'. Moreover, Adler (1984) stated that male and female, in both dual-career and single-career conditions, were similarly likely to be attracted to and successful in international assignments. In fact, females are not only expected to be equally efficient in expatriate assignments, they may possibly even have superior abilities for international assignments (Tung 1995). This may be because females are inclined to have higher quality communication skills and a better capability of constructing relationships. Both abilities are important attributes of successful expatriates.

Moreover, contrary to the traditional prevalent corporate viewpoint and practice, results of the study by Westwood and Leung (1994) suggest that, in terms of disposition, women may often be better suited for expatriate assignments than men. For example, they reported that in their qualitative results, a number of female expatriate respondents perceived that women benefited from being more sensitive,

interpersonally aware, empathetic and sociable than men. The finding is interesting since it implies that women are naturally better suited to cross-cultural situations, and may be more appropriate candidates for overseas assignments than men (Westwood and Leung 1994, p.69).

2.5.5 Previous Overseas Experience

Past foreign experience affects how confident an expatriate will feel in a new country, and is positively related to success in a global assignment (Bochner et al. 1971, Bochner et al. 1986; Brein and David 1971; Church 1982; Searle and Ward 1990). Previous international experience has been recommended as a significant factor in employee adjustment during international assignments, as well as an attribute related to willingness to adopt overseas assignments. Torbiorn's (1982) research demonstrated that individuals initiate anticipatory adjustment to an overseas culture before their actual arrival, and their motivation to adjust powerfully influences their subsequent cross-cultural experience.

Church (1982) stated that based on international adjustment literature, it seems logical to report that previous international experience may be an important issue of information from which precise expectations can be formed. Based on the fundamental concept of uncertainty decrease expressed as above, the higher expectation should be created, according to that several previous international adjustment experiences that would offer more information from the uncertainty, which could be abridged and precise expectations created. In addition, Black et al. (1991) stated that if the previous experiences were in the same or similar culture to the one that the individual would enter, they would be a superior source from which accurate expectations could be formed, rather than previous experiences in a dissimilar culture. Since expatriates are often expected and required to learn new social and cultural

skills in the new cultural environment, the resulting adjustment will primarily be sociocultural. From a slightly different point of view, Bell and Harrison (1996) argued that it is the process of having learned a different culture, rather than the content knowledge of another culture, that is the most important benefit of previous international experience. Such individuals could capitalize on the decreasing marginal effort associated with acquiring skills in another culture (Niyekawa-Howard 1970).

Correspondingly, Church (1982) and Stening (1979) reported that if the previous experiences were work-related, they would facilitate the construction of precise work expectations. In contrast, if the previous experiences were not work-related, for example, previous experiences concerning study overseas, they would facilitate the construction of non-work expectations.

Even though studies of adjustment after a domestic relocation transfer by Pinder and Schroeder (1987) failed to find a significant correlation between the number of previous domestic transfers and adjustment, research into cross-cultural adjustment by Torbiorn (1982) and Black (1988) provide some support for the proposition. This discrepancy may derive from the larger amount of adjustment required for a cross-cultural adjustment versus a domestic adjustment and, as a result, the amount of training that may be learned from previous international experience and applied to the current international transition (Black et al. 1991).

Black (1988) initially found that previous international experience was positively related to expatriate adjustment, but a later study found no such significant relationship (Black and Gregersen 1991). However, subsequent empirical research findings have been more consistently supportive. For instance, McEvoy and Parker (1995) reported a positive association between prior international experience and general adjustment and Shaffer and Harrison (1998) found a positive relationship between prior international experience and the critical dimension of interaction

adjustment.

Regular and related previous experiences can facilitate the formation of accurate expectations; likewise, pre-departure cross-cultural training can also facilitate the same objective. Basically, cross-cultural training offers expatriates functional information for lessening uncertainty connected with the forthcoming international shift, and for structuring precise expectations about living and working in the host country. It is significant to comment that this sort of training does not necessarily need to be company-sponsored; it could be self-initiated (Black et al. 1991). Normally, this kind of training need not immediately precede the international relocation, even though organizations and individual would anticipate that supplementary recent training would have a powerful outcome (Black and Mendenhall 1990; Brislin and Pedersen 1976).

Because previous international experience is connected to anticipatory adjustment as well as attitudes toward international assignments (Black 1988), previous international experience should be connected to willingness to accept these assignments. Previous international experience should diminish the uncertainty normally related with relocation, and reduced uncertainty should result in higher willingness for international assignments. Some employees tend to support this suggestion. Louis (1980) reported that those having had prior international experience formed more realistic expectations regarding international assignments. Ronen (1989) demonstrated that employees with previous international experience were more likely to accomplish goals in international assignments, even if the employees' previous experience was in a different country. The same author also revealed that the expatriate's exposure to multicultural socialization processes would improve the individual's probability of achievement in an expatriate assignment.

Finally, other research such as that of Bret (1982), and McAllister and Kaiser

(1973) has recommended that it many anticipated negative results of relocation never actually happen. For that reason, if individuals do not experience anticipated negative outcomes, then having had international experience may make them less anxious and more willing to move overseas for potential assignments.

2.5.6 Marital Status

Researchers into domestic transfer of workplace and international transfers normally agree with the concept that single individuals have a higher willingness to transfer to international assignments than married individuals (Brett, Stroh and Reilly 1990). Married individuals perhaps must consider various family issues, such as the effect of children and family members on international mobility, that is a more fundamental anxiety than marital status. Correspondingly, Evans, Lank, and Farquhar (1981) verified that expatriate families with teenage children had diminished degree of interest in geographic mobility. Owing to social and educational disturbances for children and family members the parents of teenage children have been more unwilling to transfer to new regions (Gould and Penley 1985). In contrast with this situation, married couples without children have usually been more willing and interested to transfer to overseas assignments than those couples with children (Brett and Stroh 1995; Brett, Stroh and Reilly 1990).

2.5.7 Family Issues

De Cieri et al. (1991) reported that an enormous proportion of women commented that their relationships with their children had become closer through the transfer because they encountered struggles and predicaments together. Particularly meaningful is that support for the employed spouse, frequently as the major foundation of support to the accompanying partner (Neims 1980; Thompson 1986).

Therefore, the transfer may perhaps facilitate the couple's relationship. Because the husband and wife or partners are both suffering stressful changes and new experiences and surroundings at the same time, they can share and empathize with each other, and can discuss and solve problems together. Expatriates' families are required to adapt themselves to a new residence, neighborhood, workplace, occupation, school, peers, community, and a new country and culture when they transfer to a new environment. These kinds of transfers to a new environment may cause stress. For the most part, cross-cultural adjustment or adjustment to life abroad in expatriate families is an obviously significant aspect of current family life to understand, and arising from the literature is the understanding that relocation can have both harmful effects and be growth-producing (Norell 2001). The adjustment of the expatriate's spouse and family to the foreign shift is one of the most significant factors as to whether the expatriate achieves his or her assignment (Black and Gregersen 1991; Tung 1981). The more family members adopt the host culture and interact with host nationals, the more they will adjust to living in a foreign country (Black and Stephens 1989).

2.5.8 Dual Assignment

Researchers estimate that between 16 and 40 percent of all American expatriates do not complete their assignments (Mendenhall, Dunbar and Oddou 1987; Mendenhall and Oddou 1988; Wederspahn 1992; Dowling, Schuler and Welch 1994). This percentage maybe expected to escalate in the near future due to the projected increase in female expatriates and dual-career couples (Harvey 1996, 1997a, 1997b). With the increasing number of dual-career couples, many trailing spouses must also absorb the stress connected with relocating their careers to a foreign country during their spouses' expatriation assignments (Bradbury 1994; Collidge and D'Angelo 1994).

In the case of dual-career couples Stephens and Black (1991) demonstrated that spouse career orientation would have a difficult impact for expatriates during their international assignments. Even though work permits and potential career transfer may discourage dual-career couples from adopting international assignments, on the other hand, career spouses of expatriates reported that international experience was an advantage and rewarding for them (Black, Gregersen and Mendenhall 1992). Additionally, researchers as Stephens and Black (1991) reported that 'dual-career expatriate couples are just as likely as non-dual career couples to perform effectively during global assignments'.

2.6 Job Satisfaction

Job satisfaction may be attributed to a variety of factors, many of which have been found to affect other expatriate success outcomes, particularly cross-cultural adjustment. In general, satisfied workers were less likely to leave their jobs than those with high job dissatisfaction quotients. This study seeks to empirically identify the job satisfaction factor appropriate for international expatriates. Previous researchers (Locke 1976; Odom et al. 1990) defined job satisfaction as the degree to which an employee feels positively or negatively about his or her job. In fact, job satisfaction is fundamentally how employees feel about their jobs and different aspects of their jobs. It is the degree to which employees like (are satisfied with) or dislike (are dissatisfied with) their current employment. At the same time job satisfaction is normally defined as an attitudinal variable. Also, job satisfaction can be regarded as an international feeling linked with the job or as a related collection of attitudes about various aspects or facets of the job. The international approach is used when the overall or bottom line attitude is of interest (Spector 1997). Black et al. (1991) stated that the significance of job factors on both degree and mode of adjustment. In coincidence with that, Shaffer

and Harrison (1998) revealed that job satisfaction is one of the predicted outcomes of cross-cultural adjustment; it may be defined as the positive emotional state resulting from the general appraisal of individual employment as well. Additionally, Steers and Mowday (1981) argued that the expectations of employees possibly would be connected to their attitudes. In addition, perhaps, skill-development opportunities may support to clarify the difficult set of expectations related to an international assignment as well, leading to a high degree of agreement between expectations and subsequent job experiences. This may result in further positive attitudes and greater job satisfaction. On the other hand, satisfaction is not an unvaried concept and has been conceptualized in various ways. Job satisfaction has been conceptualized as satisfaction with numerous facets of the job, but the number of facets has ranged from five (Hackman and Oldham 1980) to thirteen (Rice, Mcfarlin and Bennett 1989). Job satisfaction has also been conceptualized more generally as total satisfaction measured by either a few common questions (Hackman and Oldham 1980) or by a linear aggregation of individual facets (Levin and Stokes 1989).

The context of the work surroundings is multidimensional, with the main constructs being task characteristics, organization characteristics and worker characteristics (Rousseau 1978). The simultaneous interaction of these constructs results in an environment unique to a particular organization and set of employees. Furthermore, the employees' attitudes consist of satisfactions that are developed through interaction with other employees within the context of the work surroundings (Salanick and Pfeffer 1978). Consequently, the employee attitude of particular interest in this research, job satisfaction, may possibly result from the expatriate's characteristics in interaction with the job or task characteristics and organizational characteristics.

Hundreds of research studies have examined the various dimensions of job

satisfaction and the relationships between job satisfaction and other variables. Naumann (1993) declared that the amount of energy spent studying job satisfaction is based upon the idea that satisfied workers, at all organizational levels, are significant contributors to an organization's effectiveness and eventually to long-term success. On the contrary, dissatisfied workers are implicitly thought to make less of a contribution to the organization. Despite the recognition that job satisfaction is a significant concept that can provide richer insights into understanding expatriate success, few researchers in the past have examined this concept in an international setting (Bhuan and Abdul-Muhmin 1997; Downes et al. 2002; Gregersen and Black 1990; Naumannn 1993; Yavas et al. 1990; Yavas and Bodur 1999). However, Miller (1975) revealed international experience observably to be connected positively to job satisfaction. The character of the job, its responsibilities, promotion potential, and opportunities for satisfying requirements may perhaps be perceived differently, which can be founded on the expatriate's ability to deal with the host situation (Hodgetts 1993), which is enhanced by previous international experience. In addition, culture shock may be minimal for re-assigned expatriates, as they may have been educated previously to deal with cross-cultural hurdles on a common phase.

Researchers view satisfaction as a multifaceted concept. For instance, job satisfaction can be derived from feelings of accomplishment and self-actualization as a result of performing a job, or from such rewards as compensation, job security, etc. provided by the organization. As a result, characteristics of the job itself and the work environment that the employees find rewarding and fulfilling, lie at the root of job satisfaction (Yavas and Bodur 1999). Much of the literature on organizational behavior, and careers and job transitions, suggests that positive general job satisfaction is a significant indicator of adjustment to a new job (Weiss et al. 1967). For example, positive job attitudes might indicate continued attachment to the

organization and/or high commitment to the objectives of the corporation (Feldman and Thompson 1993).

Feldman and Thompson (1993) demonstrated that assorted corporate career development programs contributed extensively to several concepts of employee satisfaction. One such factor was a guarantee that the expatriate assignment fitted in with the employee's entire career plan. Furthermore, providing mentors, as well as opportunities for employees to develop new skills was important to expatriate satisfaction. According to Fisher and Shaw (1994) research literature on relocation attitudes and work adjustment in domestic relocation affirmed that satisfaction was an outcome of adjustment. Gomez-Jejia and Bakin (1987) also demonstrated significant positive correlates between expatriate satisfaction and the impact of the assignment on the respondent's career.

Job satisfaction also has an influence on organizational commitment (Downes et al. 2002). When dissatisfaction grows, the commitment of expatriates lessens and they start to withdraw mentally or physically from the organization and be less attentive to job responsibilities. Alternatively, satisfied expatriates are more likely to remain committed not only to their parent company but also to the foreign assignment (Yavas and Bodur 1999). More to the point, job satisfaction has been linked to turnover (Danserau et al. 1974). In brief, job satisfaction emphasizes the specific task environment where employees perform their responsibilities (Mowday, Porter and Steers 1982).

The above descriptions demonstrate that job satisfaction can be conceptualized in a variety of ways. A well-known conceptualization of job satisfaction is the intrinsic-extrinsic distinction by Weiss, Dawis, England and Lofquist (1967). Intrinsic satisfaction is essentially founded on executing the job and experiencing feelings of success, self-actualization and identity with the task, such as career opportunity and

advancement. Extrinsic satisfaction is derived from the rewards given to an individual through peers, superiors, or the organization, and can take the form of recognition, compensation, advancement, job security and so on. If expatriates are neither intrinsically nor extrinsically satisfied while on overseas assignment, the motivation to perform well and to remain overseas for the specified length of time is lessened. Expatriates may perhaps find out that the unique international surroundings contribute to enhanced intrinsic satisfaction. The unique cultural setting often encountered internationally may be regarded as interesting by expatriates. The challenge of learning about and adjusting to a dissimilar culture may perhaps result in greater levels of intrinsic satisfaction, for the most part when such efforts are successful. In addition, expatriates frequently receive complementary encouragement such as compensation, housing, education and travel allowances, which may lead to higher extrinsic satisfaction. As a consequence, the intrinsic-extrinsic conceptualization may be most appropriate for research into the expatriate job satisfaction.

As Muchinsky and Tuttle (1979) suggested, there was overall a negative relationship between job satisfaction and turnover, although the strength of the relationship varied from study to study. In general, satisfied workers were less likely to leave their jobs than those with high job dissatisfaction quotients. As a result, job satisfaction is an important component of increasing the level of work performance and career aspirations (Ostroff 1993; Schappe 1998; Shore and Martin 1989). Also, it is noted in the literature that there is a high correlation between job satisfaction, commitment and better performance among expatriates (Bagozzi 1992; Bartol 1979; Brown and Peterson 1995; Mathieu and Zajac 1990; Naumann 1993; Testa 2001).

2.7 Family Support

International enterprises that have a system of HR practices of careful planning of an assignment's purpose, selection of the candidate to match the purpose, compensation to suit achievement of the objectives of the assignment, and training and development to enable the assignee to effectively carry out the assignment, are also likely to deal with the assignee's family system. This is because family support practices are often critical during expatriation in order to facilitate the achievement of an assignment's objectives. A survey conducted by Windham International and the National Foreign Trade Council (1999), revealed that a large number of international assignments are turned down or interrupted because of spouse and family issues. It seems, nevertheless, that much of the research about the development of international expatriates almost makes them appear as isolated individuals without spouses, families, or friends. In fact, the procedure of posting expatriates to an international location often involves the family of the expatriate. In a longitudinal study of families on international assignments Caligiuri et al. (1998) declared that family characteristics, such as support, were significantly connected to the expatriate's adjustment to the work assignment. It is therefore this study proposed that the family support factor can potentially influence expatriate adjustment.

Black et al. (1991) demonstrated that the family factor is positively related to the international level of adjustment of an employee. Therefore, in an international context, family is an essential factor for MNCs competing in international markets. MNCs should consider the need of families as a critical element in the international career of expatriates. Family issues are definitely challenging for international expatriates. In addition, Fukuda and Chu (1994) identified the family situation as a factor that contributed positively to the expatriate's failure. Caligiuri and Cascio (1998) reported that a high degree of family support, family communication, and family

adaptability was strongly related connected to a family's cross-cultural adjustment six months into the overseas assignment. More to the point, scholars in stress management have constantly highlighted the significance of examining family and spousal support as a shelter implement for individuals struggling with stressful issues related to work (Brett 1980; Caplan 1976; Lu and Cooper 1995). The results of Guzzo et al. (1994) in guaranteeing that appropriate family support is available on the international assignment of overseas expatriates also support this view. As a result, it appears that family support is absolutely connected to the expatriate's adjustment to working in the host country. Brett (1980) summarized this by arguing that support from family members can offer an individual information and assistance to facilitate the individual through a stressful phase, a continual source of affect, and affirmation to the individual concerning his or her ability to success. Consequently, the family member is vital in fulfilling all three types of social support: aid, affect, and affirmation. Hays (1974) revealed that an adaptive and supportive family is significant in preventing failure on overseas assignments. Harvey and Lusch (1982) also demonstrated that the family stress influenced the expatriate's capability to be creative, to make decisions, and to cooperate with other employees. Correspondingly Thompson (1986) stated that the role of the wife and the importance of her successful adjustment is key to the business of her husband's work and hence of his company's operations in the overseas posting. Rahim (1983) likewise recapitulated that the effectiveness of overseas managers may be affected by the degree of adaptability and supportiveness of their families, especially the spouse. Similarly, the achievement of an overseas assignment is ascribed to the adequacy, support, and loyalty of the associated spouse (Black and Stephens 1989; Briody and Chrisman 1991; Rank 1982). Chan (2000) stated that family support consists of family members' behaviors and attitudes supporting the expatriates with encouragement, understanding, attention, and

positive regards, and assisting expatriates solve their problems. It contains behaviors and attitudes that reflect the family's attention to the expatriate's or employee's work content, willingness to listen to talk and to give recommendations or proposals to the employee relating to his or her work, and general indications of care and concern for the expatriate.

In today's society most of us carry out multiple roles, including work and family roles, in our daily lives. Work and family roles are not independent of each other. In fact, according to spillover theory, it is believed that the two roles effect each other. Spillover theory hypothesizes a reciprocal relationship between affective responses in one's work life and in one's family life. That is, such responses carry over from one domain (for example home life) to the other (for instances work life) (Aldous 1969; Barnett and Marshall 1992; Crouter 1984; Leiter and Durup 1996; Piotrowski 1979). Spillover occurs when employees carry their positive or negative emotions and attitudes from their work life into their home life (Kelly and Vyodanoff 1985; Piotrowski 1979), and when they carry over emotions and attitudes from their home back to the work environment (Belsky, Perry-Jenkins and Crouter 1985; Crouter 1984). Family-related situations often impact on the expatriate's ability to adjust and perform effectively. Previous research results (Bollmfield and Holzman 1988; Briody and Chrisman 1991) demonstrated spousal responsibility for the success or failure of the international assignment. Since positive spillover effects are possible, human resources strategy often has to include family issues when preparing executives for international assignments (Stephens and Black 1991; Volard et al. 1988). Research examining the influence of work on family assumes the centrality of work in establishing the conditions of family life (Kanter, 1977). Spillover theory suggests that one's family can also affect performance while on the job. These two types of spillover may not exert equal effect. Job-to-home spillover is greater than home-to-job

spillover (Galinsky, Bond and Friedman 1993). In the context of a global assignment, the effects of spillover from home to work and from work to home can either improve an expatriate's performance or detract from it for the reason that the originating emotions can be positive, negative or both (Barnett, Marshall and Sayer 1992; Lambert 1990). Bhagat (1983) argued that non-work variables could have a spillover effect on employees' adjustment. Arguably the major non-work variable in the international adjustment of expatriates is the adjustment of family members, particularly the spouse, as expatriates usually are married, particularly in the case of United States expatriates (Black 1988; Black and Stephens 1989). The effect of the spouse and children's adjustment on an expatriate's performance can be explained through spillover theory (Caligiuri, Hyland, Joshi and Bross 1998).

Tung's (1981) study found that the inability of spouses and expatriates to adjust to living in the host nation were the two most frequently cited reasons for failed assignments. It was expected that the uncertainty that could result from poor cross-cultural adjustment by the spouse, would inhibit the expatriate's adjustment. Hence, the degree of the spouse's adjustment to the host country is a major factor in the success of expatriate assignments. Harvey (1985) stated that this problem outweighs all other reasons for the failure of expatriates to adjust. Black and Stevens (1989) also demonstrated that one of the most regular explanations for the failure of international assignments was the difficulty of adaptation on the part of the spouse and family. Empirical studies by Tung (1984) and Harvey (1985) demonstrated that family-related problems were among the major issues of international business assignment failures. Moreover, recent research has indicated that spouses are a major factor in the success or failure of expatriates (Harris and Moran 1989; Harvey 1985; Tung 1981, 1984). However, a large amount of this work has relied on the opinions of the United States international human resource management executives, or on

anecdotal evidence. Nevertheless, Black (1988) and Black and Stephens (1989), in their research on two separate samples of the United States expatriates and spouses, found significant positive relationships between expatriate and spouse cross-cultural adjustment. Moreover, research by Arthur and Bennett (1995) confirmed that expatriates believe family support was the main imperative contributor to efficient international assignments. Even though the possible influence of these family-related factors, in addition to others such as the increasing amount of dual-career couples (Harvey 1997), spouse employment (Black and Gregersen 1991a), may have a possible reciprocal effect of expatriate adjustment on spouse adjustment (Shaffer and Harrison 1995). As a result, MNCs will also profit from the increase in the willingness of families of expatriates to accept international assignments. This will be more enhanced by families that accept them effectively (Norell 2001).

An increasing number of researchers is explaining the role of family variables in the adjustment of expatriates. Nevertheless, most expatriates still have obstacles of family responsibilities. Approximately 80 percent of international assignees are accompanied by a spouse, children or both (Black and Gregersen 1991; Guzzo, Noonan and Elron 1994; Stroh, Dennis and Cramer 1994). Therefore, it is essential to investigate and gain further understanding of the cross-cultural adjustment issue associated with the family or spouse. The family related factor perhaps will achieve success in international expatriations due to the fact that family support assists expatriates to enhance their ability to manage cultural dissimilarity and work challenges in their assignment. Besides, it may increase the expatriate's appreciation of the host country and its culture, and lessen the duration of the expatriate's adjustment to the overseas assignment.

2.8 Learning Orientation

The dictionary defines learning as ‘the acquiring of knowledge’ (Webster's II New Riverside University Dictionary 1984). It encompasses both the acquisition of ‘know-how’, which implies the physical ability to produce some action, and the acquisition of ‘know-why’, or the ability to articulate conceptual understanding of an experience. Learning orientation is an identifiable tendency and one that can be developed through systematic training (Porter and Tansky 1999). The ability to utilize learning orientation would be an excellent attribute for completing an expatriate assignment successfully, and for positive pre-departure preparation, because it is a constructive method of developing the adjustment for working and living in different culture. For that reason, an understanding of this dimension also is valuable for developmental purposes. Both in selection and employee development processes, MNCs and organizations should endeavor to identify and further develop employees’ learning orientation, as these are particularly significant in preparation for expatriate assignment.

The empirical work of VandeWalee and Cummings (1997) in the context of organizations showed a positive relationship between a learning orientation and feedback inquiry frequency. From another viewpoint, as a social learning perspective, Bandura (1986) demonstrated that socialization occurring in the host company in a foreign country would facilitate cultural understanding. Simultaneously, that will facilitate cross-cultural adjustment. Later, the same researcher Bandura’s (1997) declared that social learning theory would recommend that organizations or enterprises assist their expatriates through the procedure of gradual behavior modeling and mentoring during the orientation to the host company in a foreign country. Expatriates not only learn appropriate skills, but also have the opportunity of contact with host nationals, and can develop common conceptions that have advanced

cross-cultural adjustment in a foreign country.

Previous researchers (Button, Mathieu and Zajac 1996; VandeWalle 1997; VandeWalle and Cummings 1997) declared support for the hypothesis that learning orientation is an essential factor for success at work. Those research results revealed that receptiveness to training and development, reaction to feedback, and the potential to be self-managing must be contained at the same time. Moreover, researchers as Jarratt and Coates (1995), Lado and Wilson (1994), Pfeffer (1994), and Wright and McMahan (1992) reported that no matter what serious situations occur in organizations: cutbacks, re-organizations, re-structuring to use of teams or just day-to-day development in surroundings of accelerating change, MNCs or organizations still needed to recruit employees who have a highly developed learning orientation. These employees will display more flexibility and willingness to learn from experiences or senior colleagues than those without a learning orientation. This is a fairly critical advantage for MNCs or organizations that are really serious regarding gaining competitive benefit based on employees.

In addition, Porter and Tansky's (1996) research results supported the hypothesis that employees obtain advantages of different levels depending on the degree that they agree with themselves to learn from their experiences in the workplace. Corresponding to this, other researchers (Bunker and Webb 1992; Lombardo and Eichinger 1989) declared that their evidence confirmed employees that definitely benefitted differentially from experience. This was documented in research focused on the notion of vigorous learners. Comprehending discrepancies in the degree of learning orientation assists in clarifying that this differential advantage occurs and exists among expatriates. The research outcomes of Porter and Tansky (1999) demonstrated that a learning orientation undeniably is a vital element for expatriates on their assignments. Meantime, research results confirmed that expatriates who allow

themselves to positively learn from their experiences gain more advantages from this experience than those who are without high learning orientation. For instance, expatriates capable of great concentration on learning orientation have a tendency to acquire information and feedback that may support them to adjust better than others. In other words, expatriates with high qualifications in learning orientation will have ambitions to overcome cross-cultural problems by attempting to re-plan the task structure and considering more beneficial options for future performance when they contend with cross-cultural situations. Expatriates with a strong learning orientation are more likely to demonstrate adaptability and willingness to learn from their experiences and their co-workers during their overseas assignments in a foreign country, and to utilize their abilities to develop the learning of their colleagues and the organization. At the same time, Porter and Tansky (1999) verified that while the imperative of learning orientation has been considered relatively stable across time, it is possible to affect an individual's beliefs to some extent and to influence them toward more learning orientation behavior. Generally speaking, an understanding of the practice of learning orientation is able to support MNCs to select appropriate employees to function efficiently and economically. More than that, the learning orientation can be applied not only to an initial selection decision but adaptability to cross-cultural adjustment.

2.9 Organizational Socialization

Organizational socialization may possibly occur by means of formal organizational schemes and individual efforts that familiarize expatriates with the processes and procedures of the host country organization. Organizational entry is a critical time for newcomers. A basic premise of organizational socialization practices is that the nature of a newcomer's initial experiences is imperative to their adjustment

to the new environment. Researchers (Chao, et al. 1994; Feldman 1981; Ostroff and Kozlowski 1993) have recognized that typically there are four phases contained in a newcomer's progress. The first phase is concerned with group processes (social integration). In this phase the newcomers are sensitized to the group norms and values, comprehend the relationships between formal and informal work, and discover the person who is most well-informed and influential in the organization. At the same time newcomers start to recognize how to relate and fit in. The second phase is concerned with task mastery (performance proficiency). The newcomers learn the tasks involved in the job (knowledge, skills, capabilities), important duties, assignments, and priorities. In addition, the newcomers comprehend how to deal with regular problems and how to gain important information in this stage. The third phase is related to work roles (role clarification). The newcomers become acquainted with boundaries of authority, responsibility and appropriate behaviors in this stage. The fourth phase is about organizational attributes (acculturation). In this stage the newcomers achieve an appreciation of the politics, power, goals, and value premises of the organization; knowledge of the organization's mission, special languages, key legends, myths, stories, and management's leadership and motivational style. To sum up, organization socialization is a procedure through which the individual adjusts to a particular work role in an organization by learning content and process. Organization socialization is also explained as the procedure by which individuals or newcomers gain information concerning routine or desirable behaviors and perspectives within the work surroundings. As a result, in this study it has been speculated that organizational socialization factor have a significant influence on how individuals, particularly organization expatriates, adapt themselves to their roles in overseas assignments.

Previous researchers have investigated the linkage of role adjustment variables to

organizational attachment variables (Baroudi 1985; Goldstein and Rochart 1984; Guimaraes and Lgbaria 1992; Lgbaria and Greenhaus 1992; Lgbaria et al. 1994). Organizational socialization in the academic field has been defined by Van Maanen and Schein (1979) as ‘the fashion in which an individual is taught and learns what behaviors and perspectives are customary and desirable within the work setting as well as what ones not’ (p.211). Organizational socialization has been defined by other researchers such as Ashford and Taylor (1990), Chatman (1991) and Louis (1980). They described the organizational socialization as the procedure by which an individual develops an appreciation for the values, expected behavior, and social knowledge that are essential for assuming an organizational role and for participating as an organizational member. Social orientation is described as the individual’s ability to establish relationships with host nationals. It is also a significant element in assisting expatriates to adjust to the host country, particularly where expatriates develop relationships with host nationals and are able to gain information and feedback from them (Mendenhall and Oddou 1985). The more information about local behavior received by expatriates, the easier it will be for them to adopt culturally appropriate behavior, and this will facilitate the adjustment process. Furthermore, Clarke and Hammer (1995) revealed that interpersonal skills resemble social orientation, in that both interpersonal skills and social orientation may facilitate cross-cultural adjustment for expatriates. Social skills or interpersonal skills develop into a critical element for the capability of expatriates to achieve assignments and to establish or maintain successful intercultural relationships. They also assist expatriates and their family members in cross-culture adjustment. As a result, social orientation and interpersonal skills assist expatriates to develop local friendship networks on international assignments, and these often develop into significant sources of positive support. The conception corresponded with Nash’s (1970) research demonstrating that

expatriates who had better friendships with host nationals felt 'more at home' (p.144). Without any doubt, the friendship of host nationals can be an excellent source of informal support and information offered to international expatriates in their overseas assignments. At the same time, the support of host nationals can be intensely felt. Expatriates dealing with host country nationals 'seem to be more contented, satisfied, and successful than sojourners who have no such contact' (p.93).

Some research (Fisher 1986; Jones 1986; Van Maanen and Schein 1979) revealed that the theoretical and empirical literature on organizational socialization has mostly paid attention to the relationship between organizational socialization strategy and mode of adjustment. At the same time research by Jones (1986) demonstrated support for a significant relationship between institutional socialization tactics and low role innovation as the individual's mode of adjustment and between individual socialization tactics and high role innovation as the organization's mode of adjustment. Even though the theoretical point of view regarding socialization tactics was delineated by Van Maanen and Schein (1979) and has influenced both theoretical thinking (e.g. Nicholson 1984) and empirical work (e.g. Jones 1986; Zahrly and Tosi 1989). Fisher (1986) also revealed that socialization tactics relating to the content of the socialization (or what individuals learn) is significant. As a consequence, content messages can be communicated both by means of socialization methods and socialization content. Nevertheless, it is theoretically possible for the content of the information communicated during the collective socialization process to encourage the group member to innovate and change procedures. Collective socialization tactics combined with content that encouraged group members to conform would lead to a custodial mode of adjustment, but collective socialization tactics combined with content that encouraged group members to change procedures would lead to more innovative modes of adjustment (Black et al. 1991).

In conclusion, the rationale of organizational socialization is to comprehend the new environment, thereby reducing the level of uncertainty and offering the expatriate direction concerning what to do and how to perform in an satisfactory manner, given the cultural context of the foreign organization. On a person-to-person basis, interaction with old-timers (mentor programs) facilitates sense-making, situational identification, and acculturation among newcomers (Louis 1980, 1990). Therefore, mentors may accelerate socialization by providing proteges with information about the internal workings of the organization and feedback as to appropriate behavior (Ostroff and Kozlowski 1993). By providing expatriates with access to mentors, MNCs are demonstrating a willingness to support the expatriate during the overseas assignment.

2.10 Cross-Cultural Training

Following enormous amount of growth in international business in the 1990s, MNCs have encountered a massive challenge: that is to assist their international expatriates to perform their assignments efficiently within different cultures and countries. Regrettably, researchers (Black and Mendenhall 1989; Mendenhall, Dunbar and Oddou 1987) estimated that 20 to 40 percent of expatriates posted to perform international assignments return prematurely due to the incapability of the expatriate and their spouse to adapt to the new culture and environment. For this reason, cross-cultural training can smooth the progress of efficient adjustment and performance, and is essential for financial and strategic issues. Besides, training is positive in that it diminishes the cultural shock experienced by expatriates in new and different cultures. Culture shock has been considered to decrease the expatriate's capability of performing in a cultural setting for a long period, owing to the perceived inconsistency between the expatriate's expectations of how matters should proceed

and how they really happen.

Cross-cultural adjustment can be facilitated if the expatriate has an awareness of the norms and behaviors that are appropriate to the host country. Black and Mendenhall (1990) declared that a cross-cultural training program was positively connected to an expatriate's skill development, cross-cultural adjustment and job performance. Also, an important commitment by the parent company regards the offering of pre-departure training to expatriates (Gregersen and Black 1992). Pre-departure training on dimensions that are extremely relevant to the expatriate's transition is important (Harris and Brewster, 1999) and is more likely to lead to realistic expectations in relation to the assignment (Caligiuri et al. 2001). The main intention of cross-cultural training is to assist international expatriates to comprehend cultural differences and apply this awareness in cross-cultural situations efficiently and competently. This kind of developmental process requires concentration not only reactions, but also behaviors of international expatriates. Regarding reactions, the objectives of cross-cultural training are to diminish 'culture shock' when on overseas operation and advance the international expatriates' cross-cultural experiences. Regarding behavior, the eventual purpose is to develop the functional skills of expatriates during their overseas assignments (Harris and Moran 1991).

In brief, cross-cultural training is a program that is intended to facilitate the expatriate's adjustment to an overseas culture through structuring the assignment to be more pleasurable and more productive. Cross-cultural training has commonly been clarified as designed to enhance the knowledge and skills of expatriates to assist them to practice effectively in an unfamiliar host culture or overseas culture (Brewster and Pickard 1994; Harris and Brewster 1999; Kealey and Protheroe 1996; Shumsky 1992). For that reason, cross-cultural training is evidently a critical factor in preparing for expatriate assignments (Black and Mendenhall 1990), with the most effective training

programs designed for a particular population and situation (Tung 1979). Discussing expatriate training and development program Dunbar and Katcher (1990) suggested that there are three phases. First is the pre-departure phase. In this phase training should include: language briefing, introduction and overview, national or regional orientation, business issues, personal and family orientation, customs and roles, career management, and succession planning. Second is the on-site phase. The trainings in this section should consist of: language training, local mentoring, customs and roles, stress and adjustment training, career and adjustment training, career assessment, national or regional orientation, and business issues. The last phase of the trainings is repatriation orientation: life after repatriation fringe benefits, financial management, re-entry shock, customs and roles, career management, options and plans are required in this section. Furthermore, Warren and Adler (1977) classified training approaches into four categories. First, use a practical functional approach that assists expatriates in particular tasks for duties overseas by concentrating on cultural aspects as they relate to specific job assignments. Second, a cognitive-didactic approach that consists of lectures and reading in relation to the host country. Thirdly, utilize an affective-personal method that concentrates on self-awareness and sensitivity to cultural differences. Fourth, an experiential approach that uses exercises on managing typical cross-cultural interaction.

Deliberation of all dimensions of cross-cultural interactions presents an extensive groundwork on which to create high-quality quality training programs. There has been a positive course of development concerning MNCs that are offering cross-cultural training. Tung (1981, 1982) found in the early 1980s that only 32 percent of MNCs provided cross-cultural training to expatriates. On the other hand, almost twenty years afterward, according to the 1998 Global Relocation Trends Survey Report pointed out that there was 70 percent of the 177 MNCs surveyed offered a minimum of one day of

cross-cultural training period to expatriates (Windham International and National Foreign Trade Council 1998).

More and more MNCs provide courses on cross-cultural training to their international expatriates using various different methods in training programs. Weaver (1998) has identified four areas in which training is supposed to assist expatriates: in anticipating the stress of cross-cultural adjustment; facilitating the development of coping strategies; assisting the expatriate's sense of confidence in order to extend their ability to adjust successfully in the new culture and environment; and assisting the expatriate in comprehending the process of cross-cultural adaptation.

Gudykunst, Guzley, and Hammer (1996) suggested that there are four fundamental types of training processes: didactic culture general, didactic culture specific, experiential culture general, and experiential culture specific. The main purpose of the didactic approach is highlighting lectures and other types of presentations, whereas the experiential approach employs role-play and simulations that require active participation from the expatriates. The culture general approach emphasizes generally cultural concepts in lieu of specific information about a particular culture, which is used in culture-specific training methods. Previous research (Caligiuri et al. 2001; Feldman and Tomas 1992; Feldman and Thompson 1993; Ferraro 1998; Suutari and Burch 2001; Tung 1981) identified a number of fundamental conceptualizations of cross-cultural training, for instance information briefing, area studies, cultural assimilator, sensitivity training, field experiences and language training. On the other viewpoint is Mendenhall and Wiley (1994), who recommended that international corporations, aiming to advance the expatriate adjustment process, should include 'impression management theory' to their cross-cultural training programs, because the impression management was a crucial issue for conducting expatriates to achieve cross-cultural adjustment in contained

work adjustment, interaction adjustment and general adjustment. In addition, Odenwald (1993) demonstrated the outcome of research relating to the components of international management training programs. The findings recommended that training programs could be classified into six overlapping types: cultural awareness, multicultural communication, country-specific training, executive development, language courses and host-country workforce training.

All of these sorts of programs are designed for expatriates who are unfamiliar with the customs, language, cultures and work habits of the host country and local nation, through by training may be important to the effect of overseas assignments. In addition, Steers and Mowday (1981) declared that employees' expectations are associated with attitudes, as a result, in order to enhance skill development opportunities by means of training, that possibly will assist expatriates to clarify the complicated set of expectations related to the global assignment. Cross-cultural training certainly is able to assist the advancement of suitable normative actions between international expatriates and develop high-quality relations with local nationals. Overall, the training programs are able to generate various effects for international enterprises operating business in a worldwide environment, such as developing capability to recognize potential business opportunities, avoiding mis-spending resources on ill-conceived projects, obtaining a competitive power greater than other international competitors, gaining better job satisfaction, maintaining overseas staff, avoiding losing commerce due to insensitivity with reference to cultural norms and increasing effectiveness in various international business surroundings.

In general, cross-cultural training refers to any activities or procedures implemented for the objective of enhancing an international expatriate's capability to work in and deal with a foreign environment. Cross-cultural training is a method by

which MNCs can endeavor to maximize the cultural sensitivity and tolerance that is necessary in expatriate programs. Researchers (Black and Mendenhall 1990; Tung 1981) found strong evidence that cross-cultural training has a positive correlation with expatriate adjustment. Zakaria (2000) supports this by suggesting that there are numerous benefits expatriates can gain by having access to cross-cultural training. These include: providing an aid to culture shock in the new working environment, providing a means of reducing anxiety, and facilitating the expatriate's ability to cope with stress and disorientation. Finally, it has also been suggested as having the function of reducing or even preventing the failure of expatriate assignments (Giacolane and Beard 1994). Despite these positives, it is unfortunate that many firms are skeptical about its usefulness. Firms that do offer such programs tend to define their efforts only within the parameters of debriefings about the host country's economic, political and general living conditions (Black and Mendenhall 1990). Although these documentary training sessions are more effective than none at all, they are still insufficient. Cross-cultural training should also include information that will assist the newly appointed expatriate in understanding some of the ways in which business is conducted in the new environment or information regarding the country's culture and customs. This will assist in enhancing performance in the new work setting, as well as facilitating a smoother transition into a new living environment (Ashamalla and Crocitto 1997).

2.11 Conclusion

Of the many factors affecting the completion of international assignments, cross-cultural adjustment has probably received the most attention from researchers. To guide this type of research Black, Mendenhall and Oddou (1991) developed an integrated model of international adjustment. At the present time, most empirical

studies of adjustment have focused on a small sample of the hypothesized antecedents; none have attempted to test the full, a priori model for all dimensions of adjustment simultaneously. This present study adopts Lee's (2002) model relating to Taiwanese banking expatriates in the United States to test critical factors that affect the adjustment of Taiwanese expatriates to Mainland China. One of the main limitations of Lee's study is that almost all previous studies have concentrated on American expatriates, but there has seldom been research into expatriate in Taiwanese. This study uses a model developing from integrated model by Black et al. to investigate the factors affecting cross-cultural adjustment of Taiwanese expatriates assigned to subsidiary companies in Mainland China.

Adjustment issues of international expatriates have been researched rather widely, but there are still gaps in this area. First of all, although adjustment is a varied process and flexibility and individuality are important indicators of one's ability to cope with transformation, international expatriates have never been studied from the perspective of adjustment by using the concept of accumulating the contentions related to domestic and international adjustment. Consequently, such a study of the relationships among cross-cultural adjustment and adjustment factors may turn out to be significant. It is also important to explore the relationships among six influential factors and cross-cultural adjustment to better understand the main reasons relating to the adjustment of international expatriates. Second, although adjustment problems have been correlated with background factors such as age, gender, education level, marital status, etc., conflicting findings sometimes emerge. It is important to explore further the relationships among adjustment and background factors. Third, it is important to identify the significant factors to better assist in the adjustment of international expatriates. In summary, this research will use different statistical methods to study adjustment factors, attempting to bridge the above-mentioned gaps.

2.12 Literature Review of Research into Expatriate Adjustment

In this section four theories are discussed. These four theories which have directed this research on international expatriate adjustment are: Lysgaard's (1995) u-curve theory of adjustment and the cross-cultural cycle of Havelock (1963), Conner (1993), and Zakaria (2000); Mendenhall and Oddou's (1985) dimensions of cross-cultural acculturation; and Black, Mendenhall and Oddou's (1991) an integration of multiple theoretical perspectives. The research framework of this study was designed and developed based on these four theories and it is contained in this chapter as well.

2.12.1 U-Curve Theory of Adjustment

When an international enterprise launches into developing its business worldwide, it may encounter issues connected to the expatriates employment in its overseas performance (Kobrin 1988; Tung 1988). When international enterprises post expatriates to overseas assignments, substantial number of these expatriates initially are unfamiliar with how to execute their objectives appropriately and efficiently in the host culture (Black and Mendenhall 1990; Gullahorn and Gullahorn 1962; Mendenhall and Oddou 1985; Oberg 1960; Torbiorn 1982). Consequently, when an expatriate employee is allocated to work overseas, a prior period of learning concerning business and social norms of the host country is necessary in order for personal and job productivity to develop. In the majority of cases, international enterprises do not scale back the compensation given these employees, and for that reason there is a phase during which the inducements provided by the enterprise surpass the contributions made by the employee (Pinder and Das 1979). The longer inducements significantly exceed contributions, the larger the cost to the organization. Other costs to the enterprise of a culturally uninformed expatriate can vary and are

often not simply assessable, but can consist of poor client relations, unperformed business opportunities, problems with local unions and damaged enterprise reputation (Copeland and Griggs 1985; Harris and Moran 1988; Tung 1988).

The procedure of adjustment has been explored in numerous ways by different researchers, and over the years models have been developed to explicate the process of adjustment in reaction to cultural immersion. Popular models in the literature include the ‘U-curve of cross-cultural adjustment’, which is based on the work of Lysgaard (1955), and the ‘Cross-cultural cycle’ (Zakaria, 2000). Previous research by Adler (1986), Harris and Moran (1988), Lysgaard (1955), Torbiorn (1982) demonstrated that expatriate adjustment generally highlights cross-cultural adjustment issues. These researchers supported on the U-curve theory (UCT) of adjustment. Adjusting to a culture in closer proximity to one’s own can lessen stress owing to psychological indistinctness generated by a new learning situation (Black et al. 1991). Learning is facilitated if an experienced individual can induct a neophyte into the new surroundings (Mendenhall and Oddou 1985), but such a relationship is more possible if there is cultural proximity.

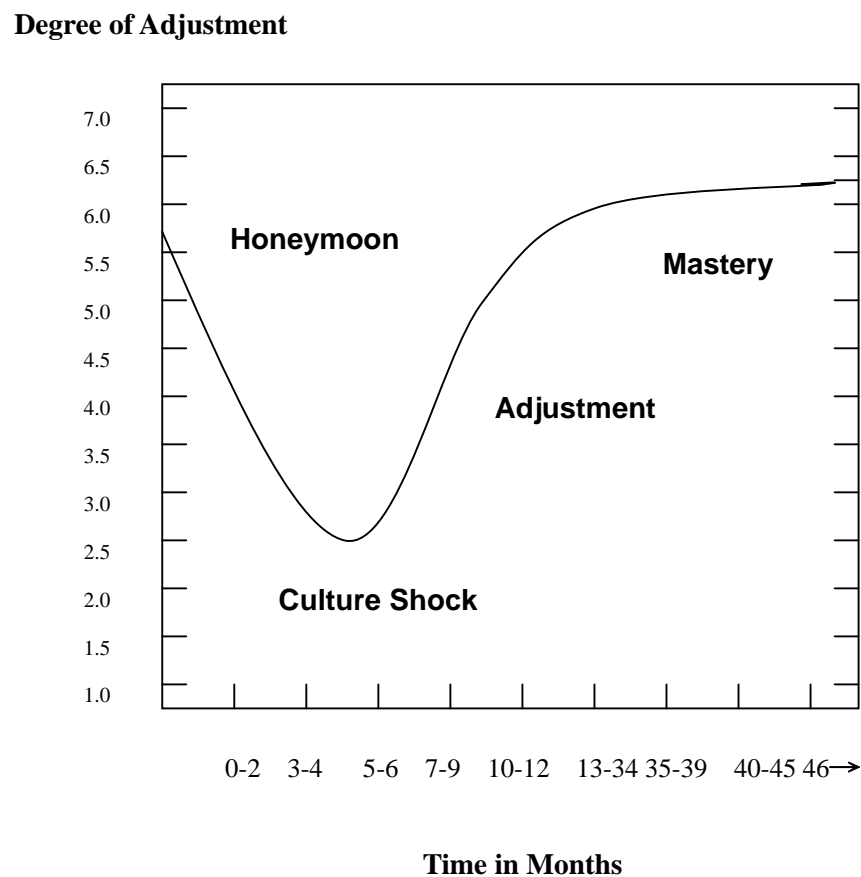
The U-curve framework has been used to express the cross-cultural adjustment process of expatriate employees or sojourners within a host culture (Lysgaard 1955; Black and Mendenhall 1990; Usunier 1998). The UCT includes discussions of four phases of adjustment (Figure 2). Once an individual has arrived in a foreign culture there is usually a short ‘honeymoon’ phase before the ‘adjustment’ phase (Gullahorn and Gullahorn 1963; Harris and Moran 1989; Torbiorn 1982). The honeymoon stage happens within the first few weeks to two months after arrival and is characterized by fascination with all the ‘new’ and ‘interesting’ aspects of the culture (Adler 1986). The second stage – culture shock begins; when the newcomer starts to deal with real conditions in the new environment on daily basis, and the novelties in the new

environment and the lack of sufficient understanding of them and their relationship to appropriate and inappropriate behavior leads to affective reactions such as anxiety and frustration. Briefly, the stage is characterized by frustration and hostility towards the host nation and its people, which are common indicators of culture shock (Adler 1986; Brislin 1981; Church 1982). The third stage is often called the 'adjustment stage', in which the individual gradually adapts to the new norms and values of the host country and can perform more appropriately than he/she could previously. In other words, the third stage is characterized by a gradual understanding of the new culture and an increasing ability to 'fit in' over time (Adler 1986; Copeland and Griggs 1985; Harris and Moran 1989). Furthermore, during the adjustment stage the individual begins to acquire the ability to behave appropriately, which results in an increase in positive consequences and a reduction in negative consequences (Oberg 1960; Torbiorn 1982). Finally, in the mastery stage, the individual is able to function effectively in the new culture.

The initial stage in experiencing a new culture is exciting for the expatriate, and is plotted in Figure 2 as a high spot. However, as time progresses the expatriate start to sense the stress of adjustment and can begin to suffer from low, spirits, depression and even physical maladjustment. Lastly, the cross-cultural adjustment chart reaches a higher peak as the expatriate becomes familiar with the new culture by means of learning how to manipulate it and to perform in the new surroundings. The expatriate has greater competence in understanding new cues than before, and at the same time, has alleviated past communication failures and resolved their own identity crisis. The degree of adjustment is as high as the excitement the expatriates may perhaps have experienced at the commencement of the assignment, but reveals a more moderate manner that is healthier and more sustainable in the long run (Gammel 1998). Previous researchers such as Torbiorn (1982) and Black and Mendenhall (1990) also

demonstrated that the scale of adjustment is measured, not through conformity to the host country culture, but in terms of variables such as comfort or satisfaction with the new setting, attitudes, contact with host nationals, or difficulties with phases of the new environment.

FIGURE 2 The U-curve Theory of Cross-cultural Adjustment



Source: J. Stewart Black, Dartmouth College and Mark Mendenhall, 'The U-Curve adjustment hypothesis revisited: A review and theoretical framework', *Journal of International Business Studies*, Second Quarter 1991, 22(2), pp.227.

In conclusion, adjusting to a new culture is a process. Although usually more intense, this process is similar to the ups and downs, excitement and frustrations that expatriates all go through when they start a new job or move to a different part of the country. The four different stages suggest a transition in cultural comprehension and

perceived quality of living when relocating. In the beginning, obstacles to adjustment may perhaps be superseded by a cultural passion for the novelty of the environment. Culture shock starts in the period when expatriates must deal with the new environment on a daily basis. And it turns into compulsory due to an expatriate embarking on identifying some level of unpremeditated for performing effectively with the new environment. The stage of adjustment is obvious with a growing grade of satisfaction in being able to deal with the new environment. The expatriate's increased satisfaction follows an enhanced comprehension of how to perform their overseas assignment efficiently within the host country. Research by Usunier (1998) revealed that increased awareness of the host country might possibly bring about a more practical way of viewing that culture and people, rather than any desire to follow that culture.

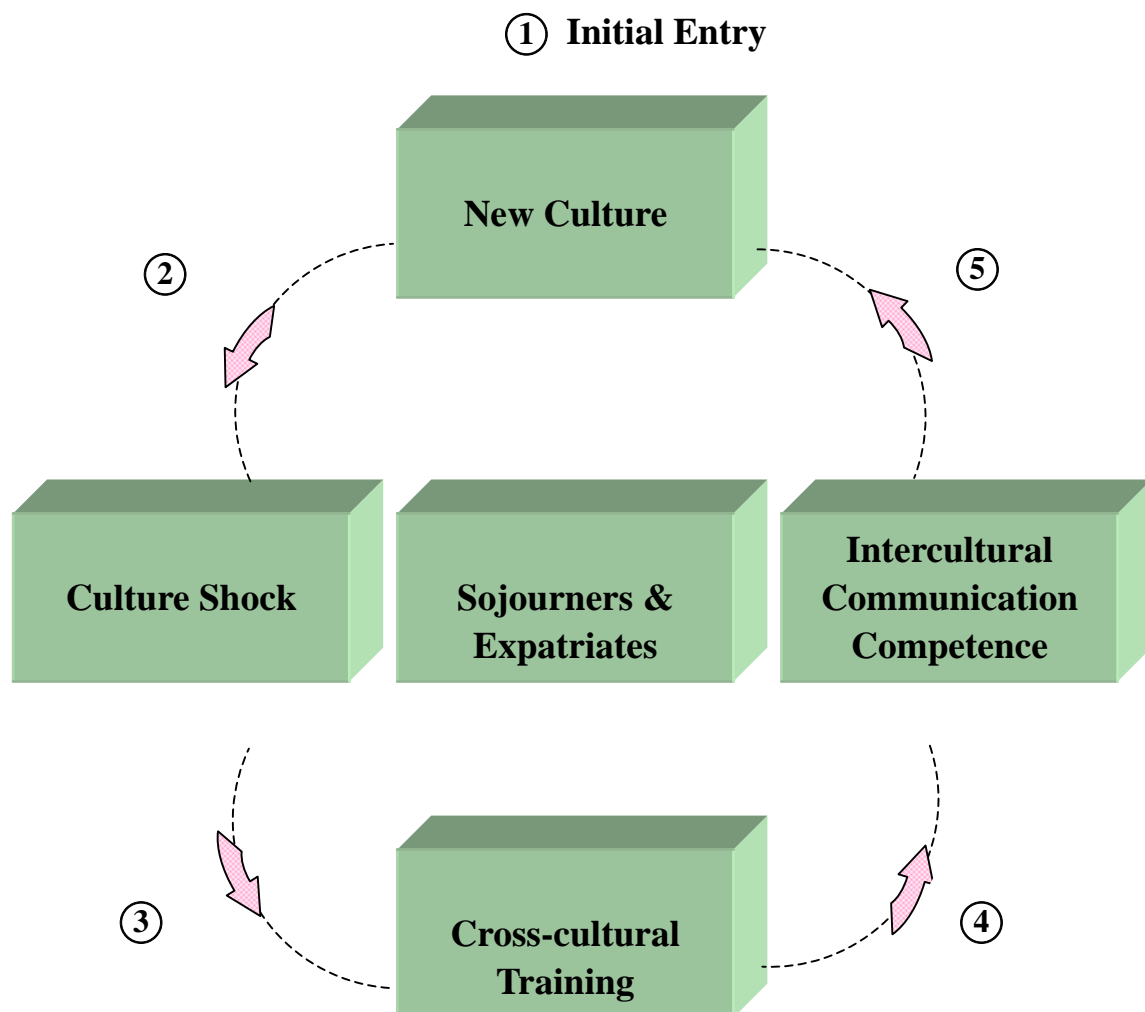
2.12.2 The Cross-cultural Cycle

Prior researchers such as Conner (1993) and Havelock (1963) argued that the cross-cultural model is developed on the perception of 'cultural change', which embodies a transition between an individual's own culture and a new culture. Cultural change is part of a difficulty solving process encountered by model users. At this point, the model users are recognized as sojourners and expatriates who experience a new culture and environment that is unfamiliar and strange.

First of all, in the initial stage of confrontation with the new culture, the new expatriates encounter a culture shock. After that, full or partial acculturation processes occur that are concerned with factors such as the individual's former experience, length of stay, cultural distance between home country and new culture, training and language competency, among others. The greater ability of the individual to acculturate will result in a lesser impact of culture shock. The acculturative capability

can be developed by means of proper and effective cross-culturing training. At the same time, cross-cultural training can also assist expatriates to extend intercultural communication competence required to adjust better and perform well in the new culture and environment. Consequently, once sojourners and expatriates have completed the cross-cultural cycle, they are expected to be more familiar with the cycle the next time. The cycle certainly assists expatriates to adjust to a new culture. However, the success or failure of expatriates to adjust and perform is related to how expatriate respond to the cross-cultural cycle.

FIGURE 3 The Cross-cultural Cycle



Source: Adapted from Havelock (1963), Conner (1993) and Zakaria (2000, p.495).

- ① In this initial stage, the international expatriate is posted to a different culture and encounters a new culture and environment.
- ② Cultural connection or contact with a different culture generates culture shock. At this point, the process of acculturation also occurs.
- ③ The relevant cross-cultural training programs offered by organizations can assist expatriates by decreasing impact of culture shock efficiently.
- ④ Cross-cultural training also assists expatriates to develop and construct the required intercultural communication competence skills.
- ⑤ Finally, the international expatriate is better adjusted and is more prepared and organized to deal with the overseas assignment.

Sojourners and Expatriates

The Bechtel Group Inc., based in San Francisco, has defined ‘expatriate’ (expat) as an employee relocated from one country to work in another country, rather than defining it traditionally as an “American” who is sent abroad. By contrast, Gudykunst and Hammer (1984, p.104) defined a sojourner as ‘a traveler, a visitor, not a person who has come to the host community to reside’. The stay of expatriates is temporary as they do not intend to stay permanently in the host culture. In addition, Aycan and Kanungo (1997) defined the expatriate as ‘an employee who is sent by a multinational parent company on a temporary work assignment to a foreign nation’.

Culture

Traindis (1972, 1977) defined culture as a ‘man-made part of the environment, or a group’s characteristic way of perceiving its social environment’. An additional

remarkable definition is the classic one offered by Hall (1959), that ‘culture is communication and communication is culture’. It is important to understand the characteristics of a culture and its value, and its influence on many aspects of people’s lives.

Culture Shock

Oberg (1995) defined culture shock as ‘the anxiety resulting from not knowing what to do in a new culture’. Alder (1997) defined this as frustration and confusion as a result of being bombarded by too many new and unintermittible cues. Culture shock is also the expatriate’s reaction to a new, unpredictable, and consequently uncertain environment (Black 1990). Ratiu (1983) found that the most effective global expatriates often suffer from the most severe culture shock. By contrast, less effective global expatriates suffered slight or no culture shock.

Acculturation

Acculturation is defined by Redfield et al. (1936) as ‘changes that occur as a result of first-hand contact between individuals of differing cultural origins’. It is a procedure whereby an individual outsider or minority group is socialized to the level of adoption of the predominant culture. Additionally, the greater the acculturation, the more language, customs, identity, attitudes and behavior of the predominant culture are adopted. However, numerous sojourners and expatriates come across difficulty in fully acculturating; merely adopting the values and behaviors they feel appropriate and acceptable to their current culture (Domino and Acosta 1987; Gordon 1967; Garza and Gallegos 1985; Marin and Marin 1990; Negy and Woods 1992).

Cross-cultural Training

According to Kealey and Protheroe (1996), 'training' in general can be defined as any intervention aimed at increasing the knowledge or skill of the individual. This can assist them act better personally, work more effectively with others, and perform better professionally. One more definition of 'training' is an organized educational experience with the objective of helping expatriates learn about, and therefore adjust to their new life and environment in a foreign territory. Training can involve many techniques and methods, ranging from the experiential (role-playing) to the documentary (reading literature) (Shear 1993).

Usually, cross-cultural training may be defined as any procedure used to enhance an individual's capability to contend with and work in foreign surroundings (Tung 1981). There are many types of training that can be given to people being posted overseas depending upon their objectives, the nature of their responsibilities and duties, the length of their stay and their previous experiences. Kealey and Protheroe (1996, p.149) also stated that 'the effectiveness of various types of training will naturally depend to some extent on the time and resources available for undertaking them, the quality of trainers, and possibilities for in-country training'. A number of the categories of training available to expatriates are technical training, practical information, area studies, cultural awareness, intercultural effectiveness skills, and interpersonal sensitivity training.

Intercultural Communication Competence

In this segment, 'communication competence' and 'intercultural communication competence' are considered identical, even though 'intercultural communication competence' is frequently included in a cross-cultural context. Numerous theorists have struggled with the precise nature of the definition of 'competence' in the context

of cross-cultural adaptation. Nonetheless, one of its most general definitions is 'effectiveness' (Abe and Wiseman 1983; Gudyskunst and Hammer 1984; Hawes and Kealey 1979). This sort of effectiveness is commonly expressed in terms of skills, attitudes or traits that the sojourner and expatriate apply to construct a successful interaction (Ruben 1976). Scholars such as Chen and Starosta (1996) have also revealed that the notion of communication competence can be categorized into three extensive kinds of skills: affective, cognitive, and behavioral. Wiseman and Koester (1993) investigated the relationship between intercultural communication competence, knowledge of the host culture, and cross-cultural attitudes. Accordingly, intercultural communication competence can be conceptualized as:

- Culture-specific understanding of the other.
- Culture-general understanding.
- Positive regard of the other.

2.12.3 Dimensions of Cross-Cultural Acculturation

Baker and Ivancevich (1971) demonstrated that numerous human resources administrators consider that the dimensions of acculturation are basically not known sufficiently well for them to devise sound selection instruments or training programs. To correspond with this point of view, management investigators have mostly failed to research systematically the psychological, social, and behavioral concerns of administrators' international performance (Adler 1983a, 1983b; Tung 1981).

The essential elements that represent the expatriate acculturation procedure would assist human resources managers in the design of: (a) selection instruments that are predictive of expatriate acculturation; and (b) acculturation training programs that would address the relevant factors of acculturation and train the expatriates in the necessary skills relevant to those factors (Mendenhall and Oddou 1985). The area of

expatriate selection and training, then, is presently experiencing two fundamental difficulties: (a) an insufficient understanding of the related variables of expatriate acculturation and (b) the use of unsuitable selection and training processes.

A review of empirical research that examined directly the overseas adjustment of expatriate managers exposed four dimensions that were connected to efficient expatriate acculturation. There are:

- (a) Self-orientation: the degree to which the potential expatriate expresses an adaptive concern for self-preservation, enjoyment, and maintaining mental health.
- (b) Others-orientation: the degree that the potential expatriate expresses concern for host country workers and desires to fit in.
- (c) Perceptual skills: the relative ability to attribute to the host country's behavior accurately.
- (d) Cultural toughness: the ability to adapt to cultures significantly different to that of the home culture. This sort of research is extensively discussed related to expatriate selection and training procedures in multinational corporations.

Self-orientation is concerning with the activities and attributes of an individual that strengthen his/her self-esteem and confidence. Specifically, researchers propose that expatriates who can: (a) discover substitutes for their native interests and activities in the new culture; (b) effectively deal with stress; and (c) are high in work and social self-efficacy; will be able to adjust more efficiently to overseas surroundings. Self-orientation may be especially important for expatriates. Adler (1984b, 1987) exposed that expatriates must have an extraordinary level of technical competence. This is supported by Kanter's (1977) research that indicates that, in a situation where expatriates are regarded as 'tokens', they have to demonstrate exceptional competence to be accepted by colleagues. In addition, expatriates must

possess the necessary stress management skills to cope with an overseas work setting. The ability to handle stressful situations and confidence in one's abilities has been discovered to be positively related to cross-cultural adjustment (Abe and Wiseman 1983; Black 1988; Mendenhall and Oddou 1988). The other-orientation dimension refers to the person's ability to develop relationships within the host nation. Researchers specifically propose that expatriates who can develop mentorship ties with host nationals, will adjust more quickly at work. It has been noted that expatriates tend to rely on co-operation to achieve goals, and adopt an indirect style of communication (Tung 1997). This trait may be particularly useful for expatriates conducting business in high-context cultures, where the social values direct indirect communication style. The primacy of co-operation in forming global strategic alliances has also been recognized (Tung 1995). Thus, the ability to form relationships with host nationals as colleagues, superiors, subordinates and clients may be integral to performing the assignment for expatriates, and may be facilitated by certain traits that expatriates are known to possess (Tung 1997). Further, in a domestic context, Ragins and Sundstrom (1989) have pointed out that by forming interpersonal relationships with superiors, subordinates and peers, expatriates derive mentoring, support and networking opportunities (Ragins and Sundstrom 1989). In all international contexts, others-orientation may enable expatriates to form such relationships, hence enabling better cross-cultural adjustment. In addition, relationship development depends fundamentally on the expatriate's confidence and willingness to accept and utilize the host country's language.

Perceptual dimension refers to being non-evaluative and non-judgmental. Researchers suggest that an expatriate who has higher in perceptualness will develop into being adjusted more rapidly because they have a higher willingness to update their information to accord with the overseas culture. Given that expatriates are often

working in host countries, the perceptual orientation of expatriates may be particularly important. Research has indicated that expatriates who are flexible in their attitudes towards cultural differences and are willing to learn from different cultural contexts are better adjusted to overseas assignments (Abe and Wiseman 1983; Harvey 1985; Mendenhall and Oddou 1985).

Lastly, cultural-toughness is connecting to the living standard of the overseas environment, and it appears that the bigger the difference in living standards between the home and overseas country, the more complicated the adjustment process.

The four-dimensional model of expatriate acculturation has supplied expatriate investigators with a powerful theoretical foundation for examining individual differences, and a related factor that influences the expatriate adjustment process. Individuals who are qualified to a high degree on self-orientation and others-orientation tend to achieve higher degrees of adjustment. Furthermore, the degree of cultural-toughness strongly influences expatriates' difficulties in adjusting to the overseas assignment. Nevertheless, the model has two fundamental weaknesses: (a) it does not contain the factors that relate to the work and organizational environment; and (b) as it concentrates solely on international adaptation, the model does not have widespread application to domestic work transitions.

2.12.4 An Integration of Multiple Theoretical Perspectives

Overseas adjustment has been acknowledged by large international enterprises and has received academic attention (Church 1982). However, large proportions of these studies have been misplaced in nature and have not effectively dealt with key issues. Further, hardly any academic researchers have meticulously explored the phenomenon empirically or theoretically (Adler 1983a; Black and Mendenhall 1990; Kyi 1988; Schollhammer 1975).

There are five dimensions that have emerged as components of the cross-cultural adjustment process: (a) pre-departure training; (b) previous overseas experience; (c) organizational selection mechanisms; (d) individual skills; and (e) non-work factors. The first three dimensions concern the issues that exist ahead of expatriates' departure from their home countries, and the remaining two issues are related to the period after the expatriates arrive at their overseas locations. Nevertheless, scholars in the international human resource management area have not applied the domestic adjustment literature to facilitate the formulation of theories or models that would support them in comprehending the international adjustment process (Black et al. 1991).

Domestic adjustment concerns the fundamental procedure of adjusting to new surroundings. The literature supplies significant perceptions for creating a theoretical framework for international adjustment. Therefore, there are four areas of research that are correlated to individual adjustment (Ashford and Taylor 1990): (a) organizational socialization; (b) career transitions and sense making; (c) work role transition; and (d) relocation/domestic transfer.

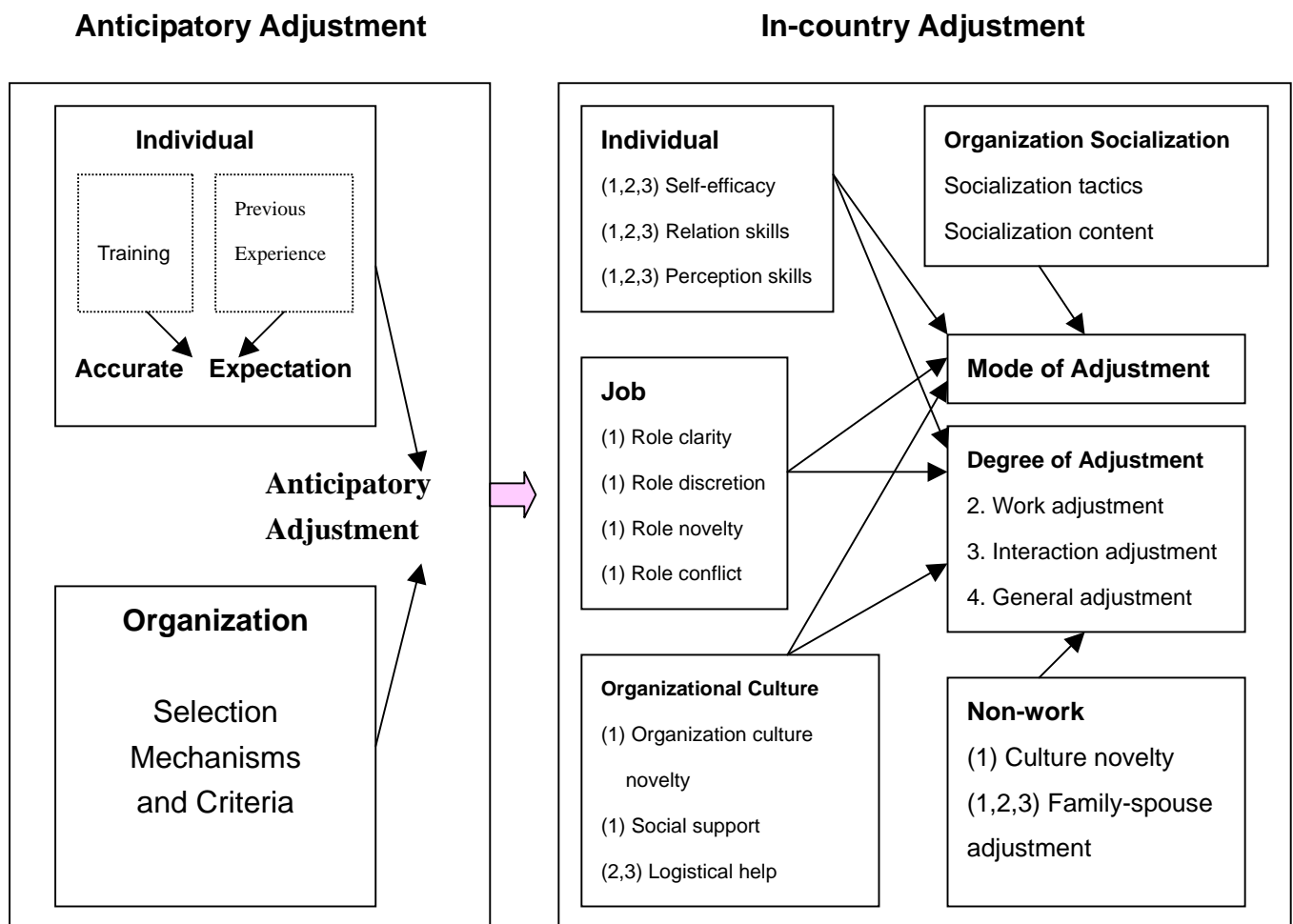
In both domestic adjustment and international adjustment literature an individual departs from familiar surroundings and is posted to unfamiliar ones. Because the new surroundings are different, this upsets previous customs and generates psychological uncertainty. Scholars from both literatures also dispute or involve that individuals normally have the intention to lessen the uncertainty innate in the new surroundings, in particular relating to new behavior that might be necessary or expected and old behavior that would be deemed unacceptable or improper.

As a rule, the domestic adjustment literature has concentrated on pre-and post-entry adjustment variables, in particular those connected to the job and the organization, and mode and degree of adjustment, whereas the international

adjustment literature has paid attention to individual and non-job variables and on degree of adjustment. A more widespread comprehension of international adjustment can be achieved by integrating both types of literature instead of only extrapolating from the domestic adjustment or from merely depending on the existing cross-cultural adjustment literature (Black et al. 1991).

Figure 4 demonstrates an explicit integration of both types of literatures and presents a comprehensive theoretical framework for study of international adjustment.

FIGURE 4 Framework of International Adjustment



Numbers in parentheses indicate the numbered facet(s) of adjustment to which the specific variable is expected to relate.

Source: J. Stewart Black, Mark Mendenhall, and Gary Oddou, 'Toward a comprehensive model of international adjustment: an integration of multiple theoretical perspectives', *Academy of Management Review*, April 1991, pp.303.

As displayed in the Figure 4, there are two main categories of adjustment that an expatriate should experience while on an overseas assignment. One is the anticipatory adjustment that is experienced prior to the expatriate's departure from the home country to perform the overseas assignment. The other is the in-country adjustment that occurs onsite. These anticipatory and in-country factors will influence the expatriate's mode and degree of adjustment to an overseas assignment.

According to Black, Mendenhall, and Oddou (1991) the notion of anticipatory adjustment is used to understand international adjustment. They argue convincingly that if appropriate anticipatory adjustments can be made, the actual in-country adjustment in the new international setting will be easier and quicker (Black, Mendenhall and Oddou 1991). Also, Black et al. (1991) demonstrated that cross-cultural adjustment ought to be regarded as a multidimensional concept, rather than a unitary phenomenon as was the dominating viewpoint previously (Gullahorn and Gullahorn 1962; Oberg 1960). In the proposed model for international assignments, Black et al. (1991) made distinctions among three dimensions of in-country adjustment:

- Adjustment to work.
- Adjustment to interacting with host nationals.
- Adjustment to the general non-work environment.

Anticipatory adjustment is affected by several significant factors. One individual factor is the pre-departure training that is presented. In this procedure expatriates are encouraged to attend cross-cultural seminars or workshops, that are designed to acquaint expatriates with the culture and work life of the country to which they will be placed. Three reviewed articles have covered the relationship between pre-departure training and subsequent cross-cultural adjustment (Black and Mendenhall 1990; Fiedler, Mitchell, and Triandis 1971; Mitchell et al. 1972). Black

and Mendenhall (1990) subsumed within their review the findings of the previous two, and they also reviewed more comprehensively the entire cross-cultural training effectiveness literature. Additionally, they critiqued the methodology of the studies they reviewed and found that 48 percent included control groups and nearly half of these studies included both the use of control groups and longitudinal designs. These, and other studies that had slightly less rigorous designs, found support for a positive relationship between cross-cultural training and cross-cultural adjustment, cross-cultural skill development and job performance. Black and Mendenhall (1990) concluded a review of the literature by stating: 'Thus, the empirical literature gives guarded support to the proposition that cross-cultural training has a positive impact on cross-cultural effectiveness' (p.120).

Another individual factor affecting anticipatory adjustment is the previous experience expatriates may have had with the assigned country or those with similar cultures. It is logical to assume that previous experience of living overseas – especially in the same foreign country to which a person is currently assigned – should facilitate adjustment, even though some culture shock will still occur. Prior cultural experience or prior exposure is a quite an important factor in affecting expatriates' cross-cultural adjustment (Church 1982). Black (1988) discovered that previous overseas work experience was related to work adjustment for expatriates, but not to general adjustment. Generally, previous overseas experience does seem to facilitate the adjustment process. These two individual factors, training and previous experience, assist in determining the precision of the expatriate's expectations.

The organizational input into anticipatory adjustment is mainly straightforward and concerned with the selection process. Conventionally, MNCs relied only on one important selection criterion for overseas assignments: technical competence. Observably, technical competence is significant, but it is only one of several skills that

will be needed. If the MNC concentrates only on technical competence as a selection criterion, then it is not appropriately preparing the expatriate for successful adjustment in overseas assignments.

Since the new international setting is unfamiliar, it upsets old routines and creates psychological uncertainty. It is assumed that individuals generally wish to reduce uncertainty in the new setting, especially concerning new behavior that might be required or expected as well as old behavior that may be considered unacceptable or inappropriate. If expatriates have information about such things before they actually enter the new environment, anticipatory adjustment can take place. Once they have arrived in the host country expatriates continue to reduce the uncertainty and discover which behavior and attitudes are appropriate or inappropriate. As a result, to the degree that various factors either increase or decrease uncertainty, they either inhibit or facilitate adjustment (Black, Mendenhall and Oddou 1991).

The accuracy of the expectations held by an individual is a determinant of effective anticipatory adjustment and actual adjustment. The more accurate expectations expatriates can form, the more uncertainty will be reduced and the better their anticipatory adjustment will be. The better the anticipatory adjustment, the fewer surprises and negative affective reactions or less culture shock individuals will experience, the more appropriate behavior and attitudes they will display, and the smoother and quicker their in-country adjustment will be (Black, Mendenhall and Oddou 1991).

Once the expatriate is onsite, there are some factors that will influence his or her capability to adjust efficiently. One factor includes the expatriate's capability to retain a positive outlook in the face of a high-pressure situation, to interact well with host nationals, and to suitably perceive and estimate the host country's cultural values and norms. A second factor is the job itself, as reflected by the clarity of the role the

expatriate plays in the host management team, the authority the expatriate has to make decisions, the newness of the work-related challenges, and the amount of role conflict that exists. A third factor is the organizational culture and how simply the expatriate can adapt to it. A fourth input into in-country adjustment is non-work factors, such as the toughness with which the expatriate faces a complete new cultural experience and how well his or her family can adjust to the rigors of the new assignment. A fifth and final factor identified in the adjustment model is the expatriate's capability to enlarge effective socialization tactics and recognize 'what's what' and 'who's who' in the host organization.

CHAPTER 3

CONTEXT OF TAIWAN AND MAINLAND CHINA

3.1 Introduction

In the 1980s both economic and non-economic factors impacted on Taiwan's economy, creating a worsening business environment (Chiang 1994, p.23). The main economic factor was Taiwan's huge trade surplus that had caused the appreciation of the New Taiwan (NT) dollar, coupled with the introduction of foreign investment money into the economy, causing an increase in the money supply. As a consequence, Taiwan's industries had their competitiveness eroded, evidenced by increases in operating costs, for instance in real estate and labor costs. The major non-economic factor was the removal of martial law, which then led to a growing labor movement, an environment protection movement, political confrontation between the ruling party and the opposition parties, and deterioration of public security. The resulting insecurity also contributed to the deterioration of the investment environment.

Because of this worsening business environment many of Taiwan's manufacturing enterprises, the majority being labor-intensive, moved out to other developing countries in the 1980s (Kao, 1992). The major purpose for their overseas investment was to search for competitive advantages that had been lost in Taiwan. Private foreign direct investment (FDI) by Taiwanese firms in ASEAN (mainly the Philippines, Indonesia, Thailand, Malaysia, and Vietnam, hereafter referred to as ASEAN-5) countries and Mainland China was popular, especially in Mainland China. There are about 40,000 Taiwanese companies in Mainland China contributing a crucial share to their tax base of Mainland China and employing as many as 10 million people (Murphy 2001).

In order to understand the contextual background of generating relationships

with cross-cultural businesses, the cultural variables should not be omitted from the international assignments. General business in an intercultural environment has been investigated by researchers such as Usunier (1993), Hall (1990), Hofstede (1984) and Adler (1991), who showed that cultural differences have an important impact on the results of all aspects in business. These include marketing, management, leadership, decision-making, etc. Therefore, this chapter will review the relationship between Taiwan and Mainland China, cultural differences between Taiwan and Mainland China, and also how cross-strait economic relations are driven by Taiwan's foreign direct investment (FDI) in Mainland China.

3.2 Overview of Taiwan

Location and Topography

Taiwan is situated in the Pacific Ocean about 160 kilometers (100 miles) from the southeastern coast of the Chinese mainland. Located about midway between Korea and Japan to the north and Hong Kong and the Philippines to the south, Taiwan is a natural gateway for travelers to and within Asia.

Map 1 illustrates the geography of Taiwan. Shaped roughly like a tobacco leaf, Taiwan is 394 kilometers (245 miles) long and 144 kilometers (89.5 miles) wide at its broadest point. The Central Mountain Range bisects Taiwan from north to south, and about two-thirds of the island is covered with forested peaks. The rest of the island is made up of foothills, terraced flatlands, and coastal plains and basins. Taiwan includes the Penghu Archipelago - a group of 64 islands previously known as the Pescadores - and 21 other islands.

Map 1 Geographic Feature of Taiwan

Source: <http://www.answers.com/topic/taiwan>

Population

Taiwan's population exceeding 23 million in July 2004, which makes the island one of the world's most densely populated places.

Most Taiwanese population originates from Mainland China, except for approximately 350,000 aborigines. Taiwan's ethnic and cultural base is Chinese, formed after several centuries of Chinese migration. Most Taiwanese are Chinese whose ancestors immigrated to the island between the sixteenth and seventeenth centuries (Klintworth 1995). The vast majority of Taiwanese practice a mixture of Buddhism, Confucianism and Taoism, with the percentage of Christians under five percent. Even though the thinking of Taiwanese citizens has been changed by the information explosion and globalization, Taiwan's society is still steeped in traditional Confucian ethics and values. The national languages are Mandarin, Taiwanese, and Hakka. Many people can speak English, which is the most widely studied foreign language.

Economic Summary

Taiwan has a dynamic capitalist economy with gradually decreasing guidance of investment and foreign trade by government authorities. (Taiwan Ministry of Economic Affairs 2005). In keeping with this trend some large government-owned banks and industrial firms are being privatized. Exports have provided the primary impetus for industrialization. The trade surplus is substantial, and foreign reserves are the world's third largest. Agriculture contributes 2% to GDP, down from 32% in 1952. While Taiwan is a major investor throughout Southeast Asia, China has become the largest destination for investment and has overtaken the US to become Taiwan's largest export market. Because of its conservative financial approach and its entrepreneurial strengths, Taiwan suffered little compared with many of its neighbors from the Asian financial crisis in 1998. The global economic downturn, combined with problems in policy coordination by the administration and bad debts in the banking system, pushed Taiwan into recession in 2001 (GDP -2.2%), the first year of negative growth ever recorded. Unemployment also reached record levels. Output recovered moderately in 2002 (GDP 3.9%) in the face of continued global slowdown, fragile consumer confidence, and bad bank loans. Growing economic ties with China are a dominant long-term factor. Exports to China - mainly parts and equipment for the assembly of goods for export to developed countries - drove Taiwan's economic recovery in 2002. Although the SARS epidemic, Typhoon Maemi, corporate scandals, and a drop in consumer spending caused GDP growth to contract to 3.3% in 2003, increasingly strong export performance kept Taiwan's economy on track, and the government calculate that Taiwan's economy would grow 5.7% in 2004 (Taiwan Ministry of Economic Affairs 2005).

Family Orientation

Traditionally, Taiwanese have strong loyalty and attachment to their families. Influenced by Confucian social codes, the authority of the eldest generation is supreme in the family hierarchy. Traditional paternal extended families with three or four generations under one roof, consist of all male descendants and their wives and children. Industrialization affected the family structure in the transition from extended families to nuclear families. The most common types of household in present-day Taiwan are small three-generation compromise families (grand parents, parents and children living together) and two-generation (parents and children living together) families. The elderly usually live either with one of their children or on their own. In compromise families three generations live together. Grandparents will normally take care of their grandchildren while both parents are working. However, in the trend toward nuclear families, both proper care for the elderly and child care arrangements are becoming problems (Shieh, Li, and Su 1997).

The family is the most important unit in Chinese society and directly affects everything in a family member's life. Similarly, Taiwanese employees feel obligated to remain with a company for life; life loyalty is considered a major virtue.

Society

Society is seen as a hierarchical pyramid of roles which entail fairly well-established norms governing how people should act and behave in relation to people in other roles. Social hierarchy and relations of subordination and superiority are considered natural and proper. Apart from the performance of assigned duties, filial submission, loyalty, decency, or reciprocity are also required (Xing 1995).

3.3 Historical Relations Between Mainland China and Taiwan

Taiwan is made up of several islands located southeast of Mainland China; it is bounded by the Pacific Ocean to the east and by the Formosa Strait to the west, which separates it from Mainland China by over one hundred kilometers of sea as shown on Map 2 below. Its jurisdiction only includes the main island of Taiwan, and the three other small islands of Penghu, Matsu, and Kinmen. During the sixteenth-century Ming Dynasty there were only a few Han immigrants living in Taiwan. The first Europeans to visit Taiwan in 1590 were Portuguese, who being so impressed with the island, called it Formosa, Latin for 'beautiful'. Historically, Taiwan has never belonged to Mainland China. In the early seventeenth century the Dutch became the first sovereign state to own Taiwan, while Spanish colonists also occupied part of it. The first major influx of migrants from Mainland China came during the Dutch period, sparked by the political and economic turmoil on the Mainland China coast. In the eighteenth and nineteenth centuries migration from Fujian and Guangdong provinces increased, and Chinese gradually replaced the aborigines as the dominant population group in Taiwan. When the Republic of China (ROC) was founded in 1912, Taiwan was not within its jurisdiction.

Taiwan was not a conquest of the Pacific War. For the half-century before 1945 it was a Japanese colony, ceded by the failing Ching dynasty, with little reluctance. Following the defeat of 1895 and the treaty of Shimonoseki, it formally became part of Japan and was under Japanese governance for almost 50 years (from 1895 to 1945). It was under Japanese rule that the cultural and economic infrastructures of Taiwan were built.

Map 2 Geographic Feature of Mainland China

Source: <http://www.answers.com/topic/mainland-china-1>

At the end of World War II in 1945 Taiwan reverted to Chinese regulation. From the 1930s onwards, a civil war was being fought on Mainland China between Chiang Kai-Shek (ROC government) and the Chinese Communist Party (CCP) led by Mao Zedong. With the eventual victory of Mao when the civil war ended in 1949, two million refugees, predominately from the nationalist ROC government and business community escaped to Taiwan. During the next 50 years no census data was collected concerning the precise number of their descendents. Intermarriages between refugees / migrants and the 6.5 million so-called 'native Chinese' since 1945 have given birth to many progeny. As the new generation was born and raised in Taiwan, they had a more powerful regard for the island than their parents or grandparents. According to an April 2000 survey on the national identity of the Taiwanese, only 16.3% of the residents deem themselves as Chinese, as opposed to the official statistics that indicate that 98% of Taiwanese are of Chinese origin (Chautong 2001).

During the 1950s, the ROC authorities implemented an extensive and highly successful land and economic reform program on Taiwan, which led to its transition from an agricultural to a commercial and industrial economy. Taiwan has developed

progressively into a major international trading power. Throughout the years since the 1950's, there have been various divergences and political disputes between Mainland China and Taiwan over the political status of the island. While Taiwan has enjoyed, in reality, independent status since 1949, it is formally recognized as a part of Mainland China – by its own official position, by Mainland China's leaders and by formal U.S. policy. Nevertheless, Taiwan has increasingly attempted to act as a independent state during recent years.

Until the end of the 1970s, at the start of Deng Xiaoping's reforms, the PRC and Taiwan were in a state of severe hostility. Since then, the relationship has been transformed from a military orientation to peaceful coexistence and from economic blockade to mutual exchanges. In 1979, after adopting reforms and open policy in late 1978, Mainland China proposed establishing the 'three links' (direct trade, postal, and transportation links) between Taiwan and Mainland China. In 1980, Mainland China organized a mission to Hong Kong and purchased \$80 million worth of Taiwanese products. But it was not until 1987 that martial law in Taiwan was revoked and liberalization of economic activity between Mainland China and Taiwan recommenced. Then 'official' economic activities, including trade and 'official' investments were permitted. The swift expansion in exchanges between the two territories since the end of 1980s as a consequence of liberalization has provided Taiwan with a large market for its export businesses. However, it has also increased its dependence on the Chinese market.

In contrast to the positive economic relations between the two countries, political relations are mainly negative: the two sides holding opposing standpoints. From the mainland government's point of view, Taiwan is a province of the People's Republic of China (PRC). From Taiwan's viewpoint, it is an independent nation. Since 1987, the Taiwanese states have made significant steps towards Taiwanization, beginning

with the lifting of martial laws that had restricted rallies and other public activities, as well as the mass media. But although contacts with the Mainland were allowed, opposition political parties were banned, and Taiwan was considered an authoritarian, one-party state until the first president was democratically elected in 1996 (Mengin 1998; Tan 2000). Since this time interest has shifted from Chinese to Taiwanese history and culture, and towards international affairs. In the early 1990s Taiwan began to refer to itself as 'the ROC on Taiwan' or simply 'Taiwan', rather than merely 'the ROC', on many public occasions and in government documents, and more importantly, in its bid for membership of the United Nations.

Due to Taiwan and Mainland China's close economic relations, both sides desire a dialogue to improve political relations. The PRC government wishes to use the dialogue to convince Taiwan to be a part of Mainland China, and the Taiwan government is interested in protecting the interests of Taiwan investors. Also, the government of Taiwan believes that the 'three direct links' policy is very important and is the issue that must not be avoided. Under strong demand from compatriots, and due to negotiations and efforts by business circles, on both sides of the Straits, the 'three direct links' have begun from nothing and progressed to varying degrees.

After August 2000 Mainland China asserted that establishing the three direct links, that were postal link mail service, transport link shipping service, and direct trade link (business, investment and finance), did not mean that the two sides needed to resolve political issues (the one-China principle). First, China proposed this issue should be solved through private-to-private, industry-to-industry, and company-to-company channels. Furthermore, in October 2002, China defined cross-Strait air and sea links as cross-Strait routes, minimizing the political controversies of the direct links.

In 2003 both sides across the Taiwan Strait have further shown their commitment

to negotiation. Taiwan-operated charter planes for the first time transported Taiwan's business people across the Straits during the 2003 Spring Festival. All these facts show that business people on both sides can undoubtedly find methods acceptable to both sides. As a matter of fact, both the technical and professional issues involved in the 'three direct links' have been settled.

3.4 Cultural Similarities and Differences Between Taiwan and Mainland China

Chinese cultural factors influence Chinese behavior. These cultural factors are mainly grounded in Confucianism. This influence is shown in several aspects of Chinese life, such as in person-to-person relationships, the form of addressing one another, and the extended family. The Chinese-culture territory includes countries such as Taiwan, China, Hong Kong, Macau and Singapore. Although these countries may have distinct historical backgrounds, as they all belong to Chinese-dominated societies, similar cultural systems could apply to these so-called "Chinese Commonwealth" countries (Luo 1997).

Three major ways of thinking that have combined to form the Chinese tradition are Confucianism, Taoism, and Buddhism. The Confucian tradition outlined a code of appropriate behavior. Confucian culture emphasizes that one's life is an inheritance from one's ancestors, just as one's childrens' lives flow from one's own. Family is conceptualized as the 'great self' (da wo), and the boundaries of the self are flexible enough to include family members and significant others. It is this great self that an individual self is obligated to protect against any threat from the outside, in contrast to the individual self of other cultures. The Taoist teachings focused on self-control, internal circulation and rejuvenation. Buddhist teachings required giving up worldly pleasure and being free from desires in order to achieve nirvana (perfect peace).

The social phenomena called Kuan-hsi (personal relationship) and Mien-tsu (face saving) cannot be ignored in Chinese society. These social-cultural concepts are elements to the understanding of Chinese social culture as they are part of the essential 'stock knowledge' of Chinese adults in their management of everyday life, including their business behaviour (King 1991). For this reason, the socio-cultural concepts will be considered as an introduction to the characteristics of "relationship" as the Chinese way of dealing with business relationships.

Confucian Culture

Chinese behaviour is deeply rooted in the legacies left by the Chinese philosopher Confucius (Myers 1987). For more than two thousand years Confucius' disciples have worked to assure that his legacies have become an integral part of the Chinese social, economic and cultural inheritance. It would be a mistake, however, to assume that Confucianism was popular from its outset. Kong Fu Ze, called Confucius by the Jesuit missionaries, lived from 551-479 BC. However, it was more than 300 years after his death before his philosophy found acceptance. The fifth Han Emperor, Wu (147 BC) found Confucianism well suited to the conditions of ancient China (Myers 1982).

Confucianism, with its emphasis on social rank and ethics, catered admirably to the needs of a strong centralized monarchy. This was a major departure from the previously established social order. Under the existing structure, the Emperor ceded his land to his relatives. These dukedoms required serfs to work the land, and their agricultural production was the property of the land holder. Each duke, in turn, gave a portion of this production to the Emperor.

From the Han era (206 BC- 220 AD) onward Confucianism held a dominant position in China. It performed an important role in reinforcing the centralized

monarchy and shaping ideology. In 134 AD a famous Confucian scholar, Dong Zhongsu, proposed the banning of all schools of thought except the Confucian school. This proposal was accepted by the Emperor. It was Dong who established the Confucius patriarchal conception of 'letting a king be a king, a minister be a minister, a father be a father, and a son be a son'. From this premise came the three cardinal guidelines: rulers guide subjects, fathers guide sons, and husbands guide wives.

Dong also established the five constant virtues: benevolence, righteousness, propriety, wisdom, and fidelity (Kwok 1989). Dong further advanced the theory of the integration of heaven and man. This conception asserted that the Emperor, as the son of heaven, was sacred and everlasting. Dong strengthened the centralized monarchy by providing a theoretical basis for the existence of monolithic rule. From about 150 BC until the beginning of this century, the Emperor exercised supreme command in China through a well-organized administrative bureaucracy. Only minor changes, like the names of official positions or the number of departments, were introduced during the later dynasties.

The administrative bureaucracy in ancient China was composed of three levels: the leading centre, the central organ, and the local organ. The leading centre consisted of three people: the prime minister, the military commander, and the supervisor. The central organ originally consisted of nine functionally-based ministries. From the Tang to the Qing Dynasties (618-1911 AD), this number was reduced to six: the ministry of personnel, the ministry of revenue, the ministry of rites, the ministry of way, the ministry of punishments, and the ministry of works. The local organ began as a two-level system in the Qin Dynasty (221-207 BC); the prefecture and the county. The Yuan Dynasty (1271-1368) added a third level, the province, to this organization. It would be incorrect to assume that Confucianism had no problems over the past 2,000 years. Recent history, for example, shows it was criticized after the 1911

revolution and again after the socialist revolution of 1949. During the Cultural Revolution, it came under heavy criticism and was described as the source of all evils (Mahatoo 1990).

Hofstede (1991) stated that the key principles of Confucian teaching are the following.

1. The stability of society is based on unequal relationships between people. These relationships are based on mutual and complementary obligations. The junior partner owes the senior respect and obedience. The senior owes the junior partner protection and consideration.
2. The family is the prototype of all social organizations. A person is not primarily an individual; rather, he or she is a member of a family...Harmony is found in the maintenance of everybody's face in the sense of dignity, self-respect, and prestige...
3. Virtuous behaviour towards others consists of not treating others as one would not like to be treated oneself... (p. 165).

Even an individual who can be described as a superior person must practice self-restraint. He/she must work to understand that he/she, as an individual, is not important. Rather, the role played by the individual in the group is important. In addition, it is the family or group, and not the individual, which is the most important unit in Chinese society. Each member of the family/group is expected to know his/her place within the family setting. Therefore, he or she is expected to respect the vertical order or hierarchy. The father or leader is the absolute authority figure who must be revered by the clan without any questioning of his decisions. In return, he is to show benevolence towards the clan by protecting it. Harmony is sought through the 'golden mean', which is the reason why the issue of preserving face is so important. The Chinese are taught to maintain harmony and face by always seeking a compromise, rather than a confrontation.

Although the Confucian system is currently not in official vogue in Mainland China, its influence is still felt in many facets of Chinese life. According to Chen and Pan (1993 p. 135), encompassing and linking the key cultural tenets, which include respect for hierarchy and age, group orientation and preservation of face, is the ‘...Confucian imperative of working to achieve harmony, to which all other goals are subordinate’. For the businessperson expecting to trade with Mainland China an understanding of this system is essential. Confucianism is so ingrained after 2,000 years that it cannot be ignored. It still forms the basis of most business practices in Mainland China. Taiwanese prefer to invest in Mainland China because of the shared language, Mandarin (spoken by the Taiwanese and the workers, who come from the poorer inland provinces), and the shared patterns of social interaction, including an understanding of Personal Relationships (*Kuan-Hsi*) and Face (*Mien-tsu* or *Lien*).

Kuan-Hsi (Personal Relationships)

Chinese culture, like the other cultures in the world, is rich in history and content. Traditional norms of Chinese culture stress the importance of human interaction. The essence of this interaction is *Kuan-hsi* (personal relationships) which goes far beyond the Western concept of networking as *Kuan-hsi* is entrenched into every aspect of Chinese society, influencing social, political and commercial relations.

In business relations, *Kuan-hsi* can be considered as drawing on connections or networks in order to secure personal or business favors. *Kuan-hsi* has been pervasive in the Chinese business world for the last few centuries and today it binds millions of Chinese firms into a social and business web. As Buttery and Leung (1998) have indicated, the behaviour may involve the constant process of giving without obtaining a favour in return, as it is based upon building life-long relationships and trust between each party.

Knowing and practicing *Kuan-hsi* is part of the learned behaviour of being Chinese. As a socio-cultural concept it is intensely embedded in Confucian socio-theory and has its own logic which forms and constitutes the socio-structure of Chinese society. Even though Confucian socio-theory has a tendency to shape the Chinese into group-oriented and socially dependent beings, it must be emphatically argued that Confucianism does attach reasonable autonomy to the individual. According to a study by Ichiro Numazaki (1987 in Kao, 1991), 'personal trust' is one of the key mechanisms on which *Kuan-hsi* and partnerships are based. In recruiting people 'personal trust' is the major criterion. In other words, this person must be either personally known by the employer or be introduced by a person whom the boss trusts. Analogously, when a firm or enterprise group seeks a partnership there will be no co-operation without being intimate with *Kuan-hsi*. The co-operative inter-business relationship is primarily based on the personal trust between the two major employers/managers, if trust exists; the deal is very easy to accomplish (Kao 1991).

Mien-tsu or Lien (Face Saving)

In understanding Chinese interpersonal behaviour the most noteworthy factor is 'face'. There are two components of face: 'Lien' and 'Mien-tsu', the former concerns one's reputation for integrity and morality, the latter is prestige attached to professional reputation, knowledge, wealth and success (Scarborough 1998). Even though this is a human universal behaviour, the Chinese have developed sensitivity to it and used it as a reference point in behaviour in a much more sophisticated and developed way than in other cultural groups (Redding 1982).

'Face' is a concept of central importance among people in Confucian cultures, and it has a pervasive influence on their interpersonal relationships (Yau 1986). As

mentioned above, face can be further classified into the two dimensions of *lien* and *mien-tsu*. *Mien-tsu* represents 'the kind of prestige that is emphasized in America: a reputation achieved through getting on in life, through success and ostentation' (Hu 1944, p. 45). *Lien*, on the other hand, represents the confidence of society in the integrity of the subject's moral character, the loss of which makes it impossible for her/him to function properly within the community. *Lien* is 'both a social sanction for enforcing moral standards and an internalized sanction' (Hu 1944, p. 45). *Lien* is associated with personal behaviour and character whereas *mien-tsu* is something valuable that can be achieved. The amount of *mien-tsu* a person has is a function of social status. The Chinese interact with each other to protect, give, add, exchange or even borrow *mien-tsu*; it enters much more into everyday transactions as a form of social currency (Chen 1995; Hu 1944). These two concepts of face have interdependent meanings. If one loses face (*mien-tsu*), then the confidence of society in one's moral integrity (*lien*) is also lost. Face is lost when conduct or performance falls below the minimum level considered acceptable or when some essential requirements corresponding to one's social position are not satisfactorily met (Ho 1977). Moreover, the possibility of losing face may arise from how an individual is expected to act or to be treated by other members in his or her group. Thus, interpersonal behavior in Confucian culture will be determined by its effect on others and on the individual's reputation, dignity and integrity. People in this culture are always under strong constraints to act to meet the expectations of others so as to maintain face.

Differences between Mainland China and Taiwan

A major reason for the huge amount of Taiwanese investment in Mainland China is because Taiwanese entrepreneurs generally perceive the two cultures to be the same.

Relative to other Southeast Asian countries, Mainland China and Taiwan do share a common culture and language. However, the different social trajectories of Mainland China and Taiwan subsequent to their separation in 1949 are an obvious factor that could explain the difficulties experienced by some of the Taiwanese companies in Mainland China. Chan (2000), Child (2000) and Seo (1993) discovered during recent research in Mainland China, Taiwanese enterprises there find, somewhat to their surprise, that they have to rethink HRM (Human Resource Management) practices to get the desired results (Schak 1997). For example, Taiwanese expatriates often complain of the lack of commitment and weak work ethic of employees in Mainland China compared with Taiwan.

This social system is the result of the divergent histories of Taiwan and Mainland China, particularly since 1949. Taiwan pursued a conventional economic development policy with land reform and import substitution in the early 1950s and export-oriented industrialization from the 1960s onwards, with continuous upgrading of production. Tens of thousands of small and medium enterprises (SMEs) sprang up over the next three decades, encouraged by the slogan, 'every living room a factory', as people began producing or adding value to products using simple techniques in their own homes, often in their spare time. Labor and management productivity improved as the Taiwanese economy became increasingly subject to marketplace discipline. Both employer and worker ensured that efficiency-consciousness penetrated deeply and widely in the populace. Taiwanese workers were transformed from being content to go through the motions to efficient, hard-working employees concerned with quality and a company's wellbeing. This was due to a number of factors including the satellite system which increased entrepreneurial opportunities (Bosco, 1995; Ch'en, 1994), and the ability of young workers to learn skills through formal education, apprenticeships and work experience.

On the other hand, Mainland China pursued a very different path. Violent land reforms followed by collectivization of rural assets were combined with state owned and controlled industry producing for a central plan. This was punctuated periodically by political paroxysms, the last of which, the Great Proletarian Cultural Revolution, led to widespread chaos and seriously damaged the social fabric. Before the 1978 economic reforms, the Chinese economy was largely centrally planned and controlled, with most of the workforce employed by state-owned enterprises and enjoying job security and a ‘cradle to the grave’ welfare system, better known as the ‘iron-rice bowl’ (Warner 1996).

3.5 Taiwanese Outward Investment In Mainland China

Since Mainland China started its economic reform and adopted an open-door policy in 1978 it has promoted foreign trade and welcomed foreign investment. Economic relations between Taiwan and Mainland China have developed very rapidly, due to strong business motivations in both societies. In the late 1980s Taiwanese outward investment mainly focused on the United States and the member countries of the Association of South East Asian Nations (ASEAN) (Philippines, Indonesia, Thailand, Malaysia, and Vietnam). However, Mainland China became the principal country of Taiwanese Foreign Direct Investment (FDI) from the 1990s. Table 3.1 and Table 3.1.1 compare Taiwan’s FDI in Asian countries (ASEAN) and direct/indirect investment in Mainland China. Taiwanese approved outward foreign direct investment in Asian countries (ASEAN), which was 24.25% of total FDI and total amount of cases was 7981 cases from 1994 to 2004, and cases of approved outward investment in Asian countries was 1937(24.27%) cases from 1994 to 2003. By contrast, Taiwan’s approved foreign direct investment (FDI) and indirect in Mainland China, which now accounts for roughly 51.98% of its total direct and indirect

investment in Mainland China from 1994 to 2004, and total amount of cases was 29875 cases from 1994 to 2003, and continues a steeply increasing trend. The total number of cases invested in Mainland China was fifteen times higher than the total number of cases invested in ASEAN from 1994 to 2003.

Table 3.1 Approved Taiwanese Outward Foreign Direct Investments in ASEAN Countries

Approved Taiwanese Outward Foreign Direct Investment in Asian Countries				
Unit: US\$1, 000				
Year	Total (%)		ASEAN (%)	
	Cases	Amount (\$)	Cases	Amount (\$)
1994	324	1,616,764(100%)	170	559,471(34.60%)
1995	339	1,356,878(100%)	175	467,743(34.47%)
1996	470	2,165,404(100%)	197	661,717(30.56%)
1997	759	2,893,826(100%)	204	818,743(28.29%)
1998	897	3,296,302(100%)	226	580,819(17.62%)
1999	774	3,269,013(100%)	153	836,378(25.59%)
2000	1391	5,077,062(100%)	222	851,065(16.76%)
2001	1388	4,391,654(100%)	222	814,981(18.56%)
2002	925	3,370,046(100%)	182	528,054(15.67%)
2003	714	3,968,588(100%)	186	1,063,204(26.79%)
2004	2662	3,382,022(100%)		1,255,366(37.12%)
Total	7981	34,787,559	1,937(24.27%)	8,437,541(24.25%)

Source: Statistical Data of M.O.E.A., 2004, and Taiwan Economic Statistical Data Book, 2004 (Council for Economic Planning and Development).

Table 3.1.1 Approved Taiwanese Outward Foreign Direct / Indirect Investment in Mainland China

Approved Taiwanese Outward Foreign Direct / Indirect Investment in Mainland China			
Unit: US\$ 1,000			
Year	Total Invest (%)	Mainland China	
	Amount	Cases	Amount (\$)
1994	2,578,973(100%)	934	962209(37.31%)
1995	2,449,591(100%)	490	1,092,713(44.61%)
1996	3,394,645(100%)	383	1,229,241(36.21%)
1997	7,228,139(100%)	8725	4,334,313(59.96%)
1998	5,330,923(100%)	1284	2,034,621(38.16%)
1999	4,521,793(100%)	488	1,252,780(27.71%)
2000	7,684,204(100%)	840	2,607,142(33.93%)
2001	7,175,801(100%)	1186	2,784,147(38.80%)
2002	10,093,104(100%)	5440	6,723,058(66.61%)
2003	11,667,372(100%)	10105	7,698,784(65.99%)
2004	10,322,685(100%)		6,940,663(67.24%)
Total	72,447,230(100%)	29,875	37,659,671(51.98%)

Source: Statistical Data of M.O.E.A., 2004 and Taiwan Economic Statistical Data Book, 2004 (Council for Economic Planning and Development).

The Evolution of Taiwan's Outward Investment

Foreign direct investment in the Mainland China increased from almost nothing in 1978 to US\$6,940,663,000 in 2004. Like investors from other countries, Taiwanese investors try to take advantage of the low cost labor in the Mainland China, but they have the greater advantage of being geographically close and knowing Chinese culture and human relations better than other investors such as Western countries or European countries.

However, even though investments from Taiwan to Mainland China began to increase rapidly in the late 1980s, the Taiwanese Investment Commission did not compile formal statistics until 1991. According to the Taiwanese official figures, in 1991 Taiwan's outward foreign direct investment (FDI) into Mainland China was only \$17 million. Since 1992, however, China has become the largest recipient of Taiwanese outward investment. In 1993, the numbers increased noticeably to nearly \$3.2billion, which was 66 percent of Taiwan's total FDI for that year. According to Taiwanese statistics, in just one decade Mainland China became the destination with the largest Taiwanese outward FDI (Moea 2003; Tung 2004).

Generally, Taiwanese FDI in the late 1980s and early 1990s involved mostly small-medium, labor-intensive enterprises looking for overseas manufacturing bases, most of them focusing on Mainland China as well as on ASEAN-5 (Indonesia, Philippines, Vietnam, Thailand, and Malaysia). After the mid 1990s, Taiwanese FDI in Mainland China increasingly involved large enterprises with high capital and technology intensities, and companies on the lookout for both overseas manufacturing bases and access to China's huge potential market. For example, in 1995 only 14 percent of Taiwanese information technology (IT) products were produced in Mainland China; in 2003, 63.3 percent were produced in Mainland China.

Taiwanese official figures considerably underestimate the amount of Taiwanese

real investment in Mainland China, because many Taiwanese businesses began in the mid 1990s to invest in Mainland China through holding companies in third tax-exempt countries, such as the Virgin Islands and the Cayman Islands. According to the Department of Statistics, Ministry of Finance, Taiwan was the fourth largest source of FDI in Mainland China from 2001 (Table 3.2), next to Hong Kong (45.2 percent), the United States (8.9 percent), and Japan (8.2 percent).

Table 3.2 Investment of Each Country in Mainland China

Investment of Each Country in Mainland China Unit: US\$10,000						
	2001			2002		
	Total	FDI	Other Investment	Total	FDI	Other investment
Total	4,967,212	4,687,759	279,453	5,501,109	5,274,286	226,823
H.K.	1,793,509	1,671,730	121,779	1,916,995	1,786,093	130,902
Japan	450,921	434,842	16,079	435,617	419,009	16,608
Taiwan	337,209	297,994	39,215	441,517	397,064	44,453
U.S.A.	454,222	443,322	10,900	555,641	542,392	13,249

Source: Department of Statistic, Ministry of Finance, and Taiwan, 2003.

On the other hand, Chinese figures might also underestimate Taiwan's real investment in Mainland China, because many Taiwanese business people began in the mid-1990s to invest in Mainland China through their holding companies in British Central America. Parenthetically, Virgin Islands (part of British Central America) was the fifth largest investor in Mainland China by June 2003, with cumulative realized FDI of \$27.7 billion or 5.8 percent of China's total FDI.

There is no available Chinese data, regarding Taiwanese investment in Mainland China by industry, thus this article relies on Taiwan's official data. As of July 2003, according to the Taiwanese MOEA (Industrial Development and Investment Center Ministry of Economic Affairs) Investment Commission (Table 3.3), Taiwan's total investment in Mainland China included labor-intensive manufacturing such as clothes,

toys, plastics and electrical goods. Taiwanese total investment in Mainland China included \$10 billion (31.1 percent) in electronics and electrical appliances, \$2.8 billion (8.7 percent) in basic metals and metal products, \$2.2 billion (6.9 percent) in plastic products, \$2.2 billion (6.9 percent) in chemicals, \$1.8 billion (5.6 percent) in food and beverage processing, \$1.8 billion (5.5 percent) in precision instruments, \$1.6 billion (5 percent) in non-metallic minerals, \$1.3 billion (3.9 percent) in transportation equipment, \$1.2 billion (3.9 percent) in textiles and \$1.1 billion (3.4 percent) in machinery equipment. As of July 2003 according to the Investment Commission, Ministry of Economic Affairs (MOEA), Taiwan's investment was focused on the manufacturing industry, which accounted for 96 percent of Taiwan's total investment in Mainland China.

Table 3.3 Taiwan's Total Investment in Mainland China by Industry

Taiwan's Total Investment in Mainland China by Industry --- July 2003		
Items	Amount (billion)	Percentages (%)
Electronic & electrical appliances	10	3.1%
Metal & metal products	2.8	8.7%
Plastic products	2.2	6.9%
Chemicals	2.2	6.9%
Food & beverage processing	1.8	5.6%
Precision instruments	1.8	5.5%
Non-metallic minerals	1.6	5.0%
Transportation	1.3	3.9%
Textile	1.2	3.9%
Machinery equipment	1.1	3.4%

Source: Investment Commission, Ministry of Economic Affairs (MOEA), Taiwan, 2003.

Motivation for Investing in Mainland China

Table 3.4 presents the motivational factors for Taiwanese FDI directed to different countries. It is clear that the motivational factors for FDI are quite different in regard to investment in the US compared to Asia (and China). As opposed to FDI into US, the motive behind investing in less developed markets is to exploit cheap labor and to access cheap land. Even though investing in Asian countries may provide the Taiwanese investors with expansion opportunities (factor ranked as number 2), investments into Mainland China are mainly motivated by cheap resources.

Table 3.4 Rankings of Motives for Taiwan's FDI Towards Different Locations

Motives Of Foreign Direct Investment (FDI)	US	Asian	China
To expand local or third-party markets	1	2	3
To acquire or develop new technologies	2	N/A	N/A
To collect market information	3	8	N/A
To diversify risks, incl. exchange-rate risks	4	3	N/A
To secure raw material supply	5	6	4
To utilize local labor	6	1	1
To circumvent trade restrictions	7	7	N/A
To access cheap land	7	4	2
To capitalize on tax incentives or other trade preferences	9	5	5

Source: Tain-Ju Chen, Yi-Ping Chen, and Ting-Hua Ku (1995).

In 1987 Taiwan's government deregulated the control of foreign exchange, leading to a rapid increase in outward investment by Taiwanese entrepreneurs. In July 1988, in order to attract Taiwan's enterprises, China's State Council promulgated the 'Regulations for Encouraging Investment by Taiwan Compatriots'. Mainland China offered preferential treatment, with numerous cities and provinces setting up special investment zones, which granted Taiwan Invested Enterprises (TIEs) many privileges,

including tax exemption or reduction.

In October 1990 Taiwan's Ministry of Economic Affairs (MOEA) formally lifted the ban on indirect investment in China by promulgating the 'Regulations on Indirect Investment and Technology Cooperation with the Mainland Area'. In March 1994 China's National Peoples' Congress promulgated the 'Taiwan Compatriot Investment Protection Law of the Peoples Republic of China'. Furthermore, in December 1999, Chinas State Council issued the 'Implementing Rules for the Taiwan Compatriot Investment Protection Law of the Peoples Republic of China'. As a result from the 1990s, Taiwan investors rapidly shifted their attention to Mainland China.

3.6 Taiwanese Expatriates in Mainland China

Globalization has become a world trend. Besides American and European countries, the globalization force also apparently comes from developing countries such as Taiwan. The Taiwanese government began to encourage enterprises to make overseas investments from 1962, and until from 1987 overseas investment has become an intensifying trend, where the amount of money involved and number of investment cases has increased significantly. Initially, the main areas for investment were Southeast Asia and America. Then with the changing international environment and economic situation in Taiwan and Mainland China, investing in Mainland China became very popular.

Now, businesses are facing a number of problems in Taiwan such as uncertainty in the economic environment, difficulty of acquiring land, rising labor costs, awareness of environment protection and prevalence of unions, all together making it even harder for labor-intensive industries to survive. Consequently, they are transferring to Mainland China and Southeast Asia where they can obtain cheap labor and access extensive consumer markets to re-establish their business empires. At

present, Taiwanese business investment in Mainland China extends from seacoasts to the remote interior, and the nature of investing industries has also been changing from labor-intensive industries to capital and technical-intensive industries.

For Taiwan's enterprises, investment in Mainland China, and transfer of hardware, equipment and techniques are not difficult. However, the transfer of their management systems, especially human resources management, suffers impediments because of the different culture, ideology, political and economic systems as well as the social benefit systems of Mainland China. Consequently, business expatriates located in China have become especially important since they have to be capable to quickly adapt to a totally different working environment and get things done smoothly. Table 3.5 shows, for three periods, the average percentage of Taiwanese expatriates each Taiwanese company had in Mainland China for each of the following periods: before 1989, between 1989 and 1992, and after 1993. As can be seen in the table, earlier Taiwanese expatriates in Mainland China were mainly management staff and the average number of people and percentage of technical staff were lower. This may be because the usage of Taiwan's raw materials and machine equipment was still high at that time, and therefore the need for technical expatriates was not that urgent. On the other hand, Mainland China's economic system was still in a state of great uncertainty and thus the changing environment, together with recruitment and training needs, meant that companies faced a more complex problem in management than in their technical requirements. Therefore, enterprises needed more management staff than technical staff (Kao 2001). Although the percentage of expatriate technical staff as a proportion of total employees increased from 1989 to 1992, in recent years the percentage of expatriate management staff as a proportion of total employees Taiwanese companies in China is increasing while the percentage of expatriate technical staff is decreasing.

Table 3.5 Taiwanese Expatriates in Mainland China, by The year of establishment of a company

	Total expatriate Population		Management staff		Technical staff	
	Average number of people	Percentage (%)	Average number of people	Percentage (%)	Average number of people	Percentage (%)
Before 1989	2.23	1.45	2.08	1.43	0.15	0.02
1989 - 1992	1.34	2.06	0.98	1.40	0.36	0.66
After 1993	1.73	3.06	1.33	2.49	0.40	0.56

(Divided by the year of establishment of a company)

Note: Percentage means the percentage of expatriate employees over total employees of a company.

Source: Chung-Hua Institution for Economic Research (1999).

Further, more and more Taiwanese enter Mainland China for business and travel, according to the Investment Commission of the Ministry of Economic Affairs (ICMEA, 2001). It estimated that there are over 200,000 Taiwanese expatriates and their families in Mainland China. At the same time, (refer to Table 3.6) China Travel Yearbook statistics show that number of Taiwanese visitors to Mainland China are increasing year by year. Only the SARS epidemic in 2003 has seriously affected demand for travel across the Taiwan Strait. With this in mind the lowered base-point of 2003 has translated into rapid growth in travel from Taiwan to China in 2004. According to the China Travel Yearbook and the China Monthly Statistics, the number of Taiwan tourists to Mainland China during the year of 2004 totaled 3.69 million, an increase of 34.9% as compared to the same period of the previous year. Cumulative figures from 1988 to the end of December 2004 showed that 33.88 million Taiwanese

traveled to Mainland China.

Table 3.6 Visits of Taiwan people to Mainland China

Year	Quantity	Year	Quantity
1993	1,526,969	1999	2,584,648
1994	1,390,215	2000	3,108,677
1995	1,532,309	2001	3,441,500
1996	1,733,897	2002	3,660,600
1997	2,117,576	2003	2,730,900
1998	2,174,602	2004 (Jan. to July)	2,052,000

Source from: Mainland Affairs Council, ROC. (<http://www.mac.gov.tw>)

3.7 Conclusion

The People's Republic of China was a relatively closed society from 1949 to 1976. Under the leadership of Hua Guo-Feng and later Deng Xiao-Ping, China opened its doors to tourists, foreign businessmen and joint-venture partners. One of the results of the 'Four Modernizations' (of industry, service and technology, agriculture and national defence) as articulated in the 1978 'Ten-Year Economic Plan' and the 'Ten Principles' of Premier Zhao Zi-Yang in 1981, was an increase in business, finance and trade links with the rest of the world. Taiwanese factories were forced overseas in the 1980s by labour shortages, rising wages, indirect labour costs and land costs, restrictions on overtime work, an appreciating local currency against the US dollar, and stricter environmental protection. Enterprises reacted by relocating to countries with more favorable conditions. Initially, Mainland China was off limits because of the formal state of war with Taiwan, so factories moved to Southeast Asia and Malaysia at first, then Indonesia, Thailand, and the Philippines, and more recently Vietnam. However, Mainland China became the popular destination as soon as Taiwanese firms were permitted to go there. The foreign direct investment (FDI) flows from Taiwan to Mainland China have increased over the last ten years, it also

appears that FDI plays a major role in facilitating economic integration between Taiwan and Mainland China during the process. At the same time, the number of Taiwanese expatriates located in China is increasing following the FDI trend. According to the Annual Statistical Report of Overseas Chinese and Foreign Investment in ROC, the Outward Investment and Technical Cooperation from the ROC, and Indirect Investment in Mainland China, which is published as an Internet website of the Investment Commission of the Ministry of Economic Affairs, from 1991 through to January of 2004, 31,360 cases of indirect investment in Mainland China had been approved. Given the fact that Taiwanese have invested billions of dollars in Mainland China, Mainland China is increasingly the key to the future of the Taiwanese economy. Comparative to others countries in Southeast Asian, Mainland China and Taiwan indeed share a general culture and language. In order to prevent high turnover rates among expatriates, Taiwanese companies in Mainland China usually offer training opportunities (including training programs before and/or after employees are expatriated to the assigned destinations) and benefit systems (including the acquisition of cars, houses, and identity cards etc.) to their expatriates (Kao, 2001). Even so, human resource problems still happen to Taiwanese expatriates there (Schak 1997). In conclusion, for Taiwanese enterprises, transfer of their management systems, including human resources management, is obstructed by the dissimilar culture, ideology, political and economic systems as well as the social benefit systems of Mainland China. Consequently, business expatriates positioned in Mainland China become particularly imperative since they have to be competent to adapt promptly to the entirely diverse working environments and achieve the goal of the overseas assignment. Accordingly, the purpose of this research is to explore the factors affecting cross-cultural adjustment of Taiwanese expatriates assigned to subsidiary companies in Mainland China.

CHAPTER 4

RESEARCH FRAMEWORK

4.1 Introduction

Fundamentally, the model for this study was based on four theories: the U-curve hypothesis, the Cross-cultural Cycle, the Dimensions of cross-cultural acculturation and Integration of multiple theoretical perspectives as described in chapter two. These four theories were used to construct a comprehensive expatriation conceptual structure. This section will summarize the four main models, identify limitations and apply theories to the research framework.

4.1.1 Summary of Models

This study was designed and developed by referring to four theories: the U-curve hypothesis, the Cross-cultural Cycle, the Dimensions of cross-cultural acculturation and Integration of multiple theoretical perspectives.

Lysgaard developed the first of these, the U-curve (1995). After interviews with 200 Norwegians who stayed in the United States for varying length of time, he noted that adjustment was a time process. He broke the length of stay of the Norwegians into three time periods and noted that adjustment went well in the initial six months, less well between 6 and 18 months, and well again after 18 months. In summary, Lysgaard's U-curve hypothesis states that adjustment over time tends to follow a U-shape, with good adjustment in the first six months, an adjustment crisis between 6 and 18 months, and good adjustment again after 18 months.

The cross-cultural cycle model is developed on the concept of cultural change that is embodied in a transition between an individual's own culture and a new culture. In the initial stage of confrontation with the new culture the expatriate experiences a

culture shock. The better the acculturation capability of the expatriate the less the impact of culture shock. Acculturation ability can be enhanced through suitable and effective cross-cultural training. Training can also assist expatriates to increase intercultural communication competence. Therefore, once sojourners and expatriates have done well in completing the cycle, they will be more familiar with it the next time they confront a new culture.

Third is the dimensions of cross-cultural acculturation. This acculturation research examines the overseas adjustment of expatriates. A review of the literature by Mendenhall and Oddou (1985) revealed four dimensions of expatriate acculturation. Components of the expatriate adjustment process were identified. These components were (1) the self-oriented dimension; (2) the others-oriented dimension; (3) the perceptual dimension and (4) the cultural toughness dimension. The self-oriented dimension involves the ability of the expatriate to develop parallel activities abroad, cope with stress, and have confidence in one's ability to accomplish the assignment abroad. The other-oriented dimension consists of the ability to develop relationships and communicate with host nationals. The perceptual dimension is the ability to understand why foreigners behave the way they do and to be non-judgmental and non-evaluative when interpreting the behavior of host nationals. The cultural toughness dimension indicates that some cultures have less permeable boundaries. Therefore, the countries with larger cultural barriers cause bigger difficulty in expatriate acculturation.

Lastly, Black, Mendenhall and Oddou (1991) proposed a comprehensive integrated model of international adjustment that focused on several major sets of factors that influence these dimensions as determinants of adjustment. One set is the anticipatory adjustment that is executed previous to the expatriate's departure from the home country to perform the overseas assignment. It consists of an individual

section connected with training and previous experience and an organization section related to selection mechanisms and criteria. The other set is the in-country adjustment that occurs onsite. It consisted of individual factors, job factors, organizational culture factors, organization socialization and non-work factors. This model was subsequently expanded and tested by Shaffer, Harrison and Gilley (1999).

4.1.2 Identification of Limitations

In the international assignee domain the absence of a comprehensible delineation of success factors is highlighted by the various findings of researchers such as Adler (1983), Black and Gregersen (1991), Black, Mendenhall and Oddou (1991), Black and Stephens (1989), Hays (1971), Hough and Dunnette (1992), and Tung (1981), who have attempted to identify performance factors underlying international assignee success. Although the number of studies highlights the importance of this issue, one limitation that possibly contributes to the inability to definitively establish the performance components for international assignees, could be that these studies have normally been limited to only U.S. international assignees.

Factors affecting the process of international assignments and the cross-cultural adjustment have been highlighted by several researchers. Many of these factors affecting the accomplishment of international assignments. Guiding this category of research are Black, Mendenhall and Oddou (1991) who developed an integrated model of international adjustment. Most empirical studies of adjustment have focused on a small number of hypothesized antecedents; few have attempted to test the whole a priori model for all dimensions of adjustment simultaneously. Black, Mendenhall and Oddou (1991) identified anticipatory (before-leaving) and in-country (post-arrival) factors. In addition, they also distinguished work, interaction and general adjustment as three levels of adjustment. Feldman and Thompson (1993) identified six sets of

factors: demographic variables; the extent of 'internationalness' of the job change; job characteristic variables; amount of organizational 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 categorize factors affecting cross-cultural adjustment into two broad types; extrinsic (those relating to the organization and environment) and intrinsic factors (those relating to the characteristics, psychological and physical, of the individual).

Practical studies have identified specific factors that promote expatriate adjustment, including personality traits (Harrison et al. 1996), spousal or family adjustment (Black and Gregersen 1991; Torbiorn 1982), cultural novelty (Dunbar 1994; Stroh, Dennis, and Cramer 1994), organizational support (Black and Gregersen 1991; Gomez-Meija and Balin 1987), and job characteristics (Aycan 1997; Guy and Patton 1996). These studies, however, are descriptive and based on practical needs such as selection, and training or repatriation.

Recognizing these deficiencies in prior research, the present study contributes to and extends the existing literature by: (a) identifying and assessing the relative importance of factors that are perceived to contribute to international expatriates' adjustment success; (b) due to a lack of rigorous theoretical reasoning, these studies provide a limited explanation of the adaptation process (expatriate adjustment studies require systematic and comprehensive explanations which are based on complete investigation and analysis); and (c) applying the proposed model to an analysis of Taiwanese expatriates located in Mainland China.

4.2 Theories Applied to the Research Framework

As described previously Black, Mendenhall and Oddou (1991) distinguished an integrated model of international adjustment. Unfortunately, the majority of empirical research regarding the mode of adjustment, only concentrate on the hypothesized antecedents with minor dimensions; hardly any have been challenged to investigate all sections of the international adjustment integrated model. For that reason, this study endeavors to explore the entire dimension of the model that consisted of anticipatory and in-country factors, particularly the significant sections which previous researchers considered. On the other hand, previous research was deficient in integrating all of the related factors into expatriate adjustment, affecting the coherence and completeness of cross-cultural adjustment research. Consequently, the following significant sections are included in this study: demographic factor, job satisfaction, family support, learning orientation, organization socialization and cross-cultural training. Each of these sections was investigated separately with the expatriates' adjustment. Whole sectors of international adjustment integrated model were discussed and investigated. The selected six factors of this study that affect cross-cultural adjustment are completely investigated both as extrinsic and intrinsic factors. Sections of the six factors are clearly justified in the next section.

4.2.1 Demographic factors

Hannigan (1990) summarized the roles of attitudes, skills, and traits in making an efficient adjustment. Other important reviews of the research and elaborations on the factors can be found in Mendenhall and Oddou (1985), Tung (1987), and Black, Mendenhall, and Oddou (1991). Personal background factors have focused on the family situation, education, previous work experience, and prior overseas exposure. In order to identify specific problems of international expatriates, different demographic

features and background factors will be used to predict the degree of adjustment. In general, this study will provide a good delineation of adjustment problem areas of current international expatriates in relation to different background factors and cross-cultural adjustment. Research recognized the role individual differences in adjusting. With different attitudes, skills, and traits, individuals vary greatly in their ability to adjust in a new culture.

4.2.2 Job Satisfaction

Job satisfaction is the extent to which an employee feels negatively or positively about his/her job (Odom et al. 1990). Job satisfaction is thought to play a key role in the turnover process (Bluedorn 1982; Steers and Mowday 1981). From an international aspect, Birdseye and Hill (1995) revealed that expatriate dissatisfaction with job, location or organization heightened turnover tendencies in other areas. The research of Downes et al. (2002) suggests that 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. Since a successful expatriate experience entails the expatriate having positive job attitudes towards the new assignment in terms of job satisfaction, internal work motivation and feelings of influence and mastery over the new environment (Feldman 1988), satisfied expatriates undoubtedly are of immense influence on the success of the foreign operations of MNCs. To minimize any adverse consequences, MNCs need to comprehend the consequences of expatriate job satisfaction or dissatisfaction and develop proper responses (Yavas and Bodur 1999).

4.2.3 Family Support

Previous researchers (Black and Stephens 1989; Harvey 1985) argued that the family situation is an important element of expatriate turnover. Expatriate assignments frequently involve either uprooting families for a move to a new country or making expatriates live away from their families, both of which are stressful to the expatriates and their families. There is a need to look beyond individual influences and to consider job, environment, and family-related factors that would affect expatriate success. Family considerations are frequently mentioned. The presence of family-related problems always elicits more resistance to leaving, but once in the host country it also has a significant effect the desire to return early. Family support practices are often critical during expatriation in order to facilitate the achievement of the objectives of an assignment, so, family support definitely is a significant factor related to adjustment (Caligiuri 1997; Caligiuri et al. 1998; Harvey 1985; Shaffer, Harrison, Gilley, and Luk 2001; Tung 1987).

4.2.4 Learning Orientation

Learners with a learning orientation attempt to understand their tasks, and learn from them; learners with a performance orientation strive to succeed with little effort, and are satisfied with success, even if they do not understand how it was acquired. With respect to cross-cultural learning experiences, it is important to recognize that the roles of teacher and student may apply both to expatriates and locals. Hence, the knowledge and willingness to teach and to learn are relevant to both groups. Porter and Tansky (1999) argued that a learning orientation is a determining factor of expatriate success; expatriates with a stronger learning orientation are more likely to adapt to the new environment and continue in their expatriate assignment.

A growing stream of research and theory supports the notion that successful

expatriate adaptation depends on how well expatriates can learn from experience in overseas assignments (Porter and Tansky 1999; Ratiu 1983; Spreitzer, McCall and Mahoney 1997). One example of crosscultural issues in training programs is provided by Farhang (1999). A study of Swedish firms in Mainland China was used to show that training success depends not only on the knowledge and teaching ability of those providing the teaching, but also on the willingness to learn and knowledge of the learners.

4.2.5 Organizational Socialization

Previous research has investigated the linkage of role adjustment variables to organizational attachment variables (Baroudi 1985; Goldstein and Rochart 1984; Guimaraes and Igbaria 1992; Igbaria and Greenhaus 1992; Igbaria et al. 1994). Organizational entry is a critical time for newcomers; a fundamental premise of organizational socialization practices is that the nature of a newcomer's initial experiences is critical to their adjustment to the new environment (Fogarty 1992; Saks and Ashforth 1997). On the other hand, organizational socialization not only assists newcomers' transition into effective organizational insiders (Jones 1986; Nelson and Quick 1997) but also enables organizational members to share knowledge and learn new roles over time. The organizational knowledge sharing and transfer process calls upon experienced individual to help newcomers interpret events, learning tacit knowledge and make appropriate adjustment to roles (Swap et al. 2001).

4.2.6 Cross-cultural training

As usually presented, cross-cultural training has been advocated as important in developing 'effective interactions' with host country nationals (HCNs) as strange people from strange lands. Cross-cultural training is positively correlated with

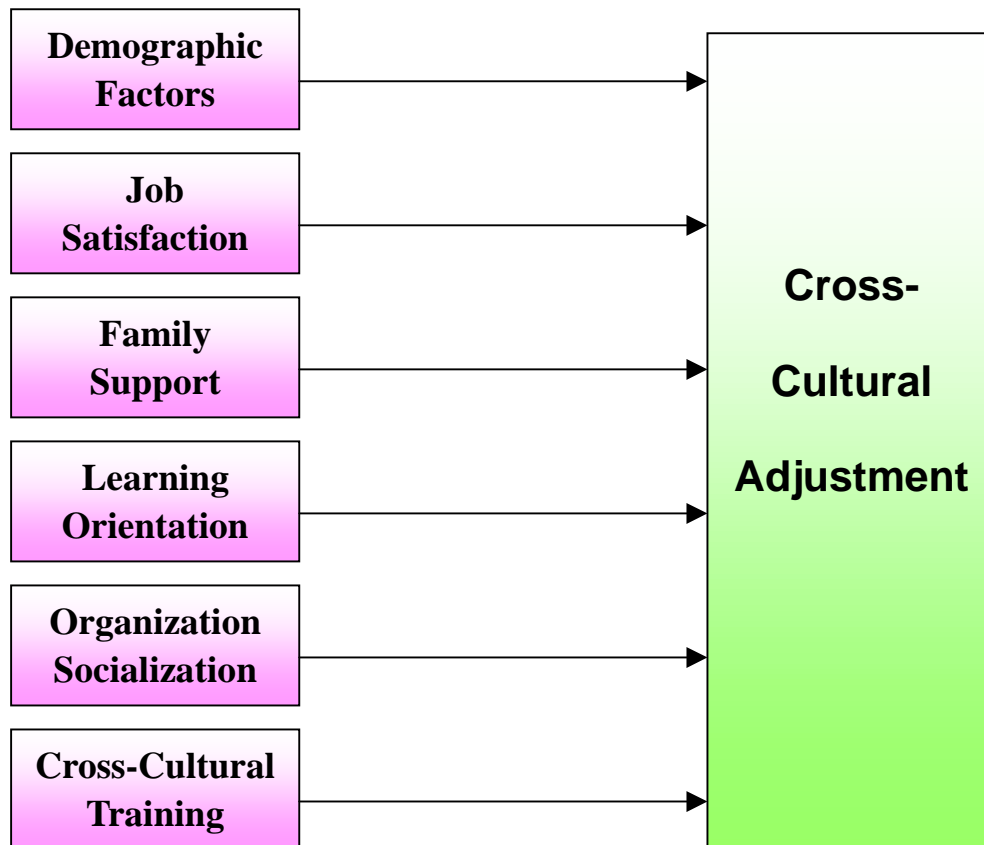
expatriate adjustment and performance; effective use of cross-cultural training and the effectiveness of pre-departure preparation in all areas of staffing and maintenance, has implications for the success of the expatriation and repatriation process (Deshpande and Vishwesvaran 1992). The need for adequate identification and analysis of training needs is viewed as crucial. As a result, if MNCs provide a proper training program, expatriates will have a smooth overseas adjustment.

4.3 Research Framework

This model was replicated from Lee's (2002) research model, which undertook empirical research related to Taiwanese expatriates posted to the United States. The research structure is planned to build the conceptual framework of a causality model to investigate the essential factors that influence cross-cultural adjustment. Furthermore, the model for the present will aim to explore the conceptual structure for cross-cultural adjustment by conducting an empirical study of Taiwanese expatriates assigned to Mainland China. The empirical study will endeavor to prove whether positive factors are associated with international adjustment. Black, Mendenhall and Oddou (1991) supposed that comparison of domestic and international adjustment has contributed to a more widespread theoretical framework of international adjustment in the international adjustment literature, but future comparison and integration are required to further improve the theories and to make them more comprehensive. Based on interpretation of Black et al. and the researchers' opinions of this field, the model for this study further accumulates the contentions between domestic and international adjustment and uses them to lend support to the choice of variables shown in Figure 5. On the other hand, quantitative research methods were applied in this study. In particular, the purpose of this research focused on investigating to the relationship between independent variables such as demographic factors, job

satisfaction, family support, learning orientation, organizational socialization and cross-cultural training and the dependent variable, cross-cultural adjustment, in the proposed model. These provided potential explications concerning relationships between the specified set of variables and the cross-cultural adjustment for expatriates of Taiwanese enterprises participating in the study. The research is intended to provide a foundation for responding to the research questions. In addition, the study presented descriptive information and demographic data related to the participants.

FIGURE 5 The Factors Affecting Cross-cultural Adjustment



Research Questions

1. Do demographic factors such as age, gender, expatriate duration, marital status, dual assignment and family experience affect the cross-cultural adjustment of Taiwanese enterprises' expatriates in Mainland China?

2. Does the proposed model fittingly predict the cross-cultural adjustment of Taiwanese expatriates in Mainland China?
3. Which variable of the constructs in the theoretical framework predict the cross-cultural adjustment of Taiwanese enterprises' expatriates in Mainland China?
4. How does job satisfaction facilitate the cross-cultural adjustment of Taiwanese enterprises' expatriates in Mainland China?
5. How does family support facilitate cross-cultural adjustment of Taiwanese enterprises' expatriates in Mainland China?
6. Does learning orientation facilitate the cross-cultural adjustment of Taiwanese enterprises' expatriates in Mainland China?
7. Does organization socialization facilitate the cross-cultural adjustment of Taiwanese enterprises' expatriates in Mainland China?
8. How does cross-cultural training facilitate the cross-cultural adjustment of Taiwanese enterprises' expatriates in Mainland China?

Hypotheses

- H1: There is no relationship between different levels of demographic factors on cross-cultural adjustment.
- H2: There is no relationship between the proposed model and cross-cultural adjustment.
- H3: There is no difference in the contribution to cross-cultural adjustment of the five independent variables.
- H4: There is no relationship between job satisfaction and cross-cultural adjustment.
- H5: There is no relationship between family support and cross-cultural adjustment.
- H6: There is no relationship between learning orientation and cross-cultural

adjustment.

H7: There is no relationship between organizational socialization and cross-cultural adjustment.

H8: There is no relationship between cross-cultural training and cross-cultural adjustment.

Definition of Variables

The variables include demographic factors, job satisfaction, family support, learning orientation, organization socialization, cross-cultural training, and cross-cultural adjustment as described below.

Demographic Factors

In this section, the following participant factors were investigated: age, educational level, expatriation duration, gender, overseas study experience, previous overseas experience, previous cross-cultural training, marital status, partner living conditions and partner employment.

Job Satisfaction

Locke (1976) defined job satisfaction as ‘a positive emotional state resulting from the appraisal of one’s job or job experiences’.

Family Support

Investigates the extent to which family members are concerned and committed to the family and the degree to which family members are helpful and supportive of each other (Moos et. al. 1974).

Learning Orientation

Learning orientation is one form of goal orientation in which the focus is on increasing competence by developing new skills. Individuals with a learning goal orientation pursue an adaptive response pattern when faced with task difficulty or task failure because they persist, escalate effort, engage in solution-oriented self-instruction, and report enjoying the challenge (Dweck and Leggett 1988).

Organization Socialization

Organizational socialization has been defined as ‘the fashion in which an individual is taught and learns what behaviors and perspectives are customary and desirable within the work setting and what others are not’ (Van Maanen and Schein 1979).

Cross-cultural Training

According to Kealey and Protheroe (1996) ‘training’ as a general rule can be defined as any intervention aimed at increasing the knowledge or skills of the individual. Therefore, cross-cultural training may be defined as any procedure used to increase an individual’s ability to cope with and work in a foreign environment (Tung 1981).

Cross-cultural Adjustment

Adjustment has been defined in three ways. Firstly, cross-cultural adjustment is the extent to which individuals are psychologically comfortable living outside of their home country (Black 1988; Black 1990; Black and Gregersen 1991; Mendenhall and Oddou 1985; Torbiorn 1982), Secondly, in contrast, cultural shock has been used as a estimate of adjustment and has been described as a state of not comprehending how to

behave appropriately in new a culture and being conquered by anxiety (Oberg 1960). Thirdly, adjustment is defined as in terms of the individual's ability to be compatible and effectively interact with host nationals (Brein and David 1971; Brislin 1981; Landis and Brislin 1983). In brief, cross-cultural adjustment is an internal, psychological, emotional state and should be measured from the perspective of the individual experiencing the foreign culture (Black 1990; Searle and Ward 1990).

CHAPTER 5

METHODOLOGY

The methodology provided a basis for answering the research questions underlying the study. This chapter contains the following sections: (5.1) Research Ethics Approval and Confidentiality, (5.2) Instrumentation, (5.3) Pilot Study, (5.4) Research Sample, (5.5) Procedures for Data Collection, and (5.6) Statistics analysis and definitions.

5.1 Research Ethics Approval and Confidentiality

Prior to conducting this research, authorization was obtained from the Victoria University Human Research Ethics Committee (Appendix A). To maintain confidentiality, the researcher undertook not to disclose the interviewees' personal details, including names, addresses, telephone numbers and any commercial plans or business activities. All data were aggregated in the thesis.

5.2 Instrumentation

In order to increase its validity and reliability, the questionnaire for this study was partly developed by integrating the research objective, conceptual framework, hypotheses, and literature review. The questionnaire was generated by Lee's (2002) research investigating the cross-cultural adjustment of Taiwanese located in the United States. That study was replicated in this research, although some elements related to the context were revised in order to be more appropriate to the different location of the present study.

Demographic Factors

The questionnaire began with individual background variables: age, educational level, expatriation duration, gender, previous study, previous experience, previous training, marital status, whether accompanied by a spouse and employment situation. In all cases the respondents were asked to select the relevant option among classified response alternatives.

Cross-Cultural Adjustment

Black's (1988) cross-cultural adjustment questionnaire was adopted in this study. The questionnaire consisted of fourteen questions. Of the fourteen items, seven items were utilized to measure general adjustment, four items to measure interaction adjustment, and three items to measure work adjustment. This measure required participants to indicate on a seven-point Likert scale, the extent to which they agreed or disagreed with statements. The number 7 was assigned to the answer 'strongly agree', the number 1 was assigned to the answer 'strongly disagree'. According to Black's study, the scale had on Cronbach alpha of 0.80. The second factor was to focus on interaction adjustment and yielded a Cronbach alpha of 0.86. Finally, the third factor focused on work adjustment, arranged on a Cronbach alpha of 0.90.

The following independent variables were employed in this investigation: job satisfaction, family support, learning orientation, organizational socialization, and cross-cultural training. These variables have been utilized in many studies and the validity of each instrument was high. This research applied these variables to expatriates in Mainland China to investigate their relationship with cross-cultural adjustment. Each independent variable is described in the following sections.

Job Satisfaction

Hackman and Oldman's (1975) questionnaire of general job satisfaction was utilized as a job satisfaction questionnaire in this research. This questionnaire investigated whether the expatriates felt satisfied in their jobs. A seven-point Likert scale was utilized to measure five items in the questionnaire for job satisfaction. The measure required participants to indicate on a seven-point Likert scale the extent to which they agreed or disagreed with statement. The number 7 was assigned to the answer 'strongly agree', the number 1 was assigned to the answer 'strongly disagree'. According to Hackman and Oldman the original five-item measure of job satisfaction produced a Cronbach alpha of 0.76.

Family Support

King, Mattimore, and Adams's (1995) questionnaire of family support inventory was partly adopted as the family support questionnaire in this study. Ten questions were chosen. This questionnaire indicated whether the expatriates obtained support from family. This measure required participants to indicate on a five-point Likert scale the extent to which they agreed or disagreed with each statement. The number 5 was assigned to the answer 'strongly agree', the number 1 was assigned to the answer 'strongly disagree'. According to King, Mattimore, and Adams's (1995) study, the Cronbach alpha was 0.93.

Learning Orientation

Porter and Tansky's (1999) questionnaire on learning orientation was utilized in this study. The questionnaire consisted of eight questions. This measure required participants to indicate on a five-point Likert scale the extent to which they agreed or disagreed with each statement. The number 5 was assigned to the answer 'strong

agree', the number 1 was assigned to the answer 'strongly disagree'. In Porter and Tansky's (1999) study, the Cronbach alpha was 0.75.

Organization Socialization

Questionnaires of socialization by Jones (1986) and Chao, O'Leary-Kelly, Wolf, Klein and Gardner (1994) were adapted in the questionnaire in this research. Jones's items focused primarily on the measurement of socialization strategies employed. Chao, O'Leary-Kelly, Wolf, Klein and Gardner's (1994) items emphasized the content of socialization. The questionnaire consisted of 14 questions. This measure required participants to indicate on a seven-point Likert scale the extent to which they agreed or disagreed with statements. The number 7 was assigned to the answer 'strongly agree', the number 1 was assigned to the answer 'strongly disagree'. According to the original studies, they yielded Cronbach alphas of 0.68 and 0.81.

Cross-Cultural Training

Ku's (1993) questionnaire was utilized as the cross-cultural training questionnaire in this study. The questionnaire consisted of 5 questions. This measure required participants to indicate on a five-point Likert scale the extent to which they agreed or disagreed. The number 5 was assigned to the answer 'strongly agree', the number 1 was assigned to the answer 'strongly disagree'. According to Ku's research, the Cronbach alpha was 0.71.

5.3 Pilot Study

Procedures and Response Rate

A pilot test was administered to establish the validity and reliability of the instruments. To select the participants of the pilot test Taiwanese expatriates located in Shanghai (a city of Mainland China) of the industry were selected. Prior to the main study a package was sent by mail that included a brief letter to HR managers, invitation letters, freepost envelope were enclosed with questionnaire and a supporting letter from the Straits Exchange Foundation of Taiwan (Appendix B, Appendix C, and Appendix D) for participation in the pilot study were sent out. An e-mail follow up was sent four weeks later to the expatriates. A total of 150 questionnaires were mailed, and follow-ups (Appendix E, and Appendix D) were mailed by e-mail four weeks later. The response rate to the pilot study is described in Table 5.1 below. The total number of responses was 86, minus 5 invalid questionnaires, with 81 valid questionnaires remaining. The percentage of valid questionnaires was 54 percent.

Table 5.1 Pilot Study Response Condition

Pilot Study Response Condition	
Condition	Amount
Questionnaires Sent	150
Responses	86
Invalid Questionnaires	5
Valid Questionnaires	81
Percentage of Valid Questionnaires	54 %

Reliability Measure

Reliability is used to measure the extent to which an item, scale, or instrument will yield the same score when administered in different times, locations, or populations, when the two administrations do not differ in relevant variables. In other words, reliability analysis allows the researcher to study the properties of measurement scales and the items that make them up. The SPSS Reliability Analysis procedure calculates a number of commonly used measures of scale reliability and also provides information about the relationships between individual items in the scale. Reliability coefficients are forms of correlation coefficients. The forms of reliability below measure different dimensions of reliability, and thus any or all might be used in a particular research project. The reliability of a measure refers to its consistency. Internal consistency reliability is determined by checking the components of a questionnaire against each other. Internal consistency reliability in the form of Cronbach alpha is the type reported in this research. In addition, Cronbach's alpha is the most common form of reliability coefficient. The Cronbach's alpha is expressed as a correlation coefficient, and its value ranges from 0 to +1. By convention, alpha should be 0.70 or higher to retain an item in a scale.

Internal consistency reliability estimates were produced for the dependent variable scale and five independent variable scales. This was done to verify the accuracy of the measurement process. As revealed in Table 5.2, total number of questions on cross-cultural adjustment was fourteen and reliability was 0.83693; the total number of questions on job satisfaction was five and reliability was 0.84318; the total number of questions on family support was ten and reliability was 0.84659; the total number of questions on learning orientation was eight and reliability was 0.84634. Total number of questions on organization socialization was fourteen and reliability was 0.84540; and the total number of questions on cross-cultural training

sector was five, and its reliability was 0.84482.

Reliability estimates ranged from 0.84659 to 0.83693 for the pilot data. These all fall in the range that is higher than ‘minimally acceptable’ and the range of ‘very good’ according to the guidelines provided by DeVellis (1991).

Table 5.2 Instrument Reliability

Instrument Reliability		
Variables	Number of Questions	Pilot Study (α)
Cross-Cultural Adjustment	14	0.83693
Job Satisfaction	5	0.84318
Family Support	10	0.84659
Learning Orientation	8	0.84634
Organization Socialization	14	0.84540
Cross-culture Training	5	0.84482

Source: Author's estimates.

5.4 The Research Sample

Population

The Straits Exchange Foundation of Taiwan was contacted, agreed to support this study and also supplied the addresses of Taiwanese firms established in Mainland China. This organization was founded in Taiwan on 21 November 1990; it has six units including a secretariat, culture service office, economic and trade service office, traveling service office and service office. Its chief function is to deal with affairs concerning cross-Straits exchanges under the guidance of the ‘Mainland Affairs Office’.

According to the list of enterprises supplied by the Straits Exchange Foundation of Taiwan, the target population of this study was 1,786 Taiwanese manufacturing firms located in Shanghai (one city in Mainland China). Shanghai is the most developed city of east Mainland China and many Taiwanese investors set up their manufacturing companies here. With its excellent location, comprehensive transportation network in terms of land, sea and airfreight, together with its huge and high quality pool of human resources, it is no wonder that Shanghai has always been the economic leader, commercial center and important foreign gateway for the past several centuries. A city with a population of 14 million, Shanghai's total production value is one-sixth of all production of Mainland China.

Probability Sample

A probability sample consists of selecting a portion (or sample) of the population so that each unit or member of the population has an equal chance of being included in the sample. A random selection process is essential to draw a probability sample. As a result, a random sample is a probability sample by definition. A random sample also allows an employer to make generalizations from a small sample to a wider population of employees. In selecting a random sample, a table of random numbers or a computer program must be used to select the sample. This approach prevents bias on the part of the person choosing the sample. The random selection of sampling units makes possible the calculation of sampling error and the quantification of the reliability of accuracy of the sample (Babbie 1973). Random sampling based on a random table was used in this study. Every enterprise in the population had a chance of being selected. Normally this is an equal chance of being selected.

Sample Size

Actually, that is hard to find out the real statistics amount about the Taiwanese expatriates work in Mainland China, only the amount of firms located in Mainland China can be found in official statistic of Taiwan Government, therefore, this study adapted the whole Taiwanese firms' amount, instead of whole population number. But this reason should be described and explained in this section. Table 5.3 presents a helpful lead for calculating the sample size. Tables such as Table 5.3 can provide a useful guide for determining the sample size. Researchers may need to calculate the necessary sample size for a different combination of levels of precision, confidence, and variability (Israel 1992), by applying an equation such as that proposed by Yamane (1967).

Table 5.3 Sample size for $\pm 3\%$, $\pm 5\%$, $\pm 7\%$ and $\pm 10\%$ Precision Levels

Size of Population	Sample Size (n) for Precision (e) of:			
	3%	5%	7%	10%
1,000	a	286	169	91
2,000	714	333	185	95
3,000	811	353	191	97
4,000	870	364	194	98
5,000	909	370	196	98
Note: a = Assumption of normal population is poor. The entire population should be sampled. Where Confidence Level is 95% and $P=.5$.				

Source: Israel (1992).

Yamane (1967) provided a simplified formula that was also used to calculate sample sizes; the result was similar to Table 5.3.

$$\text{Equation: } n = N / 1 + N(e)^2$$

n=Sample size

N=Target population

This Study: $1786 / 1 + 1786(0.00212598425)^2 \doteq 373$

As a result, the sample size of this study was 400 firms in this study.

There are 20 different categories of industry such as food industry, plastics industry, cement industry, spin and weave, electric machinery, electric equipment included in Taiwanese enterprises located in Shanghai. Twenty Taiwanese companies were selected from each category by using a random numbers table. Therefore, a total of 400 firms was selected from the address book issued by the Straits Exchange Foundation of Taiwan. In this study, the respondents targeted were one expatriate in each firm.

Non-Responses

A researcher should monitor and minimize the non-responses to avoid bias in the sampling results. In order to avoid bias, in this research the non-responses were managed by sending follow-up mails first. If the participants still did not respond, then the non-responses were managed by replacement.

5.5 Procedures for Data Collection

A mailing survey was used to collect data for this study. Prior to sending questionnaire packages, e-mail follow-ups were made after four weeks later. In a word, the questionnaire packages sent first, and follow up by e-mail. The invitation letters for participation were sent to each company and HR managers were to asked allocate

questionnaires to participants.

The survey package was mailed to each enterprise, and then distributed to Taiwanese expatriates by HR managers. The survey package contained a letter explaining the purpose of the study, the questionnaire, a supporting letter from the Straits Exchange Foundation of Taiwan and a freepost of reply envelope. In order to ensure confidentiality, all respondents were provided with reply envelopes and returned the surveys directly to the researcher. All of the data were anonymous.

Based on the deadline for returning the questionnaire, and due to time and cost considerations, it was decided that follow-up letters would be sent to participating enterprises by e-mail for participants who had not returned the questionnaires. Approximately four weeks after sending the initial packages, the follow-up invitation letters and follow-up packages were sent. The follow-up package contained a letter explaining the purpose of the study, a supporting letter from the Straits Exchange Foundation of Taiwan and the questionnaire.

Response Rate

The response rate for a mailed questionnaire is the number of questionnaires returned. It is typically expressed as a percentage of the number of subjects selected to participate. The response rate is the single most important indicator of how much confidence can be placed in the results of a survey. A low response rate can be devastating to the reliability of a study. One of the most powerful tools for increasing response is to use follow-ups or reminders. Traditionally, between 10 and 60 percent of those sent questionnaires respond without follow-up reminders. These rates are too low to yield reliable results, so the need to follow up on non-respondents is clear.

Kiesler and Sproull (1986) and Parker (1992) reported e-mail response rates of over 65 percent, with both studies showing e-mail response rates significantly higher

than the comparable postal mail method. Schonlau et al. (2000) described a response rate range from 7 to 44 percent for web surveys and from 6 to 68 percent for e-mail surveys.

In this study, electronic mail was used to increase the response to follow-up attempts by including another copy of the questionnaire.

Follow-up contacts – Electronic mail (E-mail)

Beginning in the late 1980s and early 1990s, prior to the widespread use of the internet, e-mail was explored as a survey mode. E-mail has been characterized as a ‘promising means for conducting future surveys’ (Schaefer and Dillman 1998), and numerous researchers have recognized the benefits that e-mail provides over postal mail. These benefits include cost savings from elimination or reduction of paper costs and mailing costs (Parker 1992) and the rapid speed of response (Bachmann, Elfrink and Vazzana 1996; Mehta and Sivadas 1995). In fact, a consistent finding of the studies that compare response speeds of surveys delivered via e-mail and postal mail is that e-mail responses are returned much more quickly than postal mail responses (Bachmann, Elfrink and Vazzana 1996; Kiesler and Sproull 1986; Schaefer and Dillman 1998; Weible and Wallace 1998). Given these positive benefits of e-mail surveys, it shows that one important element is: the response rate. Analysis of studies that have used both mail and e-mail for surveys find that e-mail has not consistently outperformed postal mail in response rate (Bachman, Elfrink and Vazzana 1996, 1999; Kiesler and Sproull 1986; Opperman 1995; Schaefer and Dillman 1998)

Follow-up contact has been consistently reported as being the most powerful technique for increasing response rates, both in postal mail and e-mail surveys. (Comer and Kelly 1982; Dillman 2000; Fox, Crask and Kim 1988; Heberlein and Baumgartner 1978; Jobber 1986; Murphy et al. 1990, 1991; Schaefer and Killman

1998; Yammarino, Skinner and Childers 1991). In addition, Kanuk and Berenson (1975) suggested that follow-up in postal mail studies can increase response rates from eight to forty-eight percent, while Sheehan and Hoy (1997) found that a reminder message in an e-mail survey increased responses by 25%.

Multiple follow-ups have been seen to yield higher response rates than one-time reminders (Heberlein and Baumgartner 1978); the optimal number of follow-ups has been discussed from a cost-effectiveness perspective, where the researcher must balance the cost of incremental contacts to the number of replies received. Nevertheless, due to cost effectiveness, this study did not use multiple follow-ups of a telephone reminder or a thank-you card reminder. No differences have been seen in different reminder interval times (Claycomb, Porter, and Martin 2000), and there does not appear to be a guideline as to the frequency and interval timing of contacts. Futrell and Lamb (1981) caution that unless a replacement survey is included in the follow-up contact, the response rate would not increase. In this research the non-responses were managed by sending follow-up e-mails first. If the participants still reflected non-response, then the non-responses were managed by sending a replacement survey.

In this research where both mail and e-mail were used to deliver surveys, mail surveys took over 30 days to return and follow-up e-mail surveys were returned within 15 days. E-mail provides an easier and more immediate means of response (Flaherty et al. 1998). The cost benefits of e-mail have also been highlighted by researchers, with the cost of an e-mail survey estimated to be between 5% and 20% of a paper survey (Sheehan and Hoy 1999; Weible and Wallace 1998). The cost savings were derived primarily from the reduction and/or elimination of paper and mailing costs in an e-mail survey.

5.6 Statistics Analysis and Definitions

All statistical data analyses were performed on a PC computer using SPSS (Statistical Package for Social Science) for Windows. SPSS is probably the most widely available and generally used comprehensive statistical computer package available to academic researchers and marketing practitioners for many years. The analyses were descriptive statistics, T-tests, ANOVA, regression analysis and correlation. Descriptive statistics were utilized to describe the sample and inferential statistics to draw conclusions about the theoretical model.

Level of Significance

The level of significance, type I error, is the probability of rejecting the null hypothesis when it is true. This study conducted two-tailed statistical tests at the 0.05 alpha levels. The reason for setting alpha so low was to minimize the probability of making this error. The researcher can control quite effectively the risk of this type of error.

5.6.1 Descriptive Statistics

Descriptive statistical methods are frequently encountered in relation to property studies, both in the form of tabular reports with accompanying narratives and through graphical display of numerical data. Despite the prevalence of their use, both descriptive and graphical methods have substantial limitations when unaccompanied by comparative statistics to investigate the significance of the data being considered. Descriptive statistics have the advantage that in their more basic forms they are familiar and intelligible to the general reader, albeit techniques such as the use of property indices and measures of the spread of the data require some statistical understanding. However, difficulties with the use of descriptive statistics alone

include a lack of means to identify which data are important, an inability to make and defend inferences from the data with confidence, and a lack of means to disentangle complex relationships present within the data, as well as a general lack of precision and conciseness

In brief, descriptive statistics are used to summarize a collection of data in a clear and understandable way. There are two basic methods to express the results of the analysis: numerical and graphical. Using the numerical approach one might compute statistics such as the mean and standard deviation. Using the graphical approach one might create a stem and leaf display or a box plot.

Descriptive statistics were conducted for demographic factors including age, educational level, expatriation duration, gender, marriage, previous study experience, previous overseas experience, and previous training experience. It also included whether the participants lived with their own family during the overseas assignment and whether the partners of participants had job employment during the overseas assignment.

5.6.2 Reliability Analysis

It is useful to measure the reliability of a new instrument so that interpretations based on current and future use of the instrument can be made with confidence. The reliability estimate is an indicator of the instrument's stability. For estimates of reliability, SPSS produces both an unstandardized Cronbach's alpha and a standardized alpha. Standardized alphas assume similar variances (equal to 1), so if variances are similar across items, the two alphas will be approximately the same. Unstandardized alphas reflect actual item variances so if variances are widely dissimilar, the two alphas will be quite different. Cronbach's alpha is used as a measure of the internal consistency of the instrument and is based on the average

correlation among the items on a scale. Reliability tends to increase with longer scales and heterogeneous (mixed) groups. Cronbach's alpha is expressed as a correlation coefficient, ranging in value from 0 to +1. An estimate of 0.70 or higher is desired for judging a scale to be reliable.

The reliability analysis procedure can analyze items on measures that assess one or more constructs. This study analyzed the reliability of the scores measured in the questionnaire. Cronbach's coefficient alpha was calculated for examining internal consistency in each instrument.

5.6.3 Factor Analysis

Factor analysis is a mathematical tool that can be used to examine a wide range of data sets. It has been used in disciplines as diverse as chemistry, sociology, economics, psychology and the analysis of the performance of race horses. In addition, factor analysis is a generic term for a family of statistical techniques concerned with the reduction of a set of observable variables in terms of a small number of latent factors. It has been developed primarily for analyzing relationships among a number of measurable entities (such as survey items or test scores). The underlying assumption of factor analysis is that there exists a number of unobserved latent variables (or 'factors') that account for the correlations among observed variables, such that if the latent variables are partialled out or held constant, the partial correlations among observed variables all become zero. In other words, the latent factors determine the values of the observed variables.

The primary purpose of factor analysis is data reduction and summarization. Other purposes are: to select a subset of variables from a larger set, based on which original variables have the highest correlations with the principal component factors; to create a set of factors to be treated as uncorrelated variables as one approach to

handling multicollinearity in such procedures as multiple regression; to validate a scale or index by demonstrating that its constituent items load on the same factor, and to drop proposed scale items which cross-load on more than one factor; to establish that multiple tests measure the same factor, thereby giving justification for administering fewer tests. At present, factor analysis has been widely used, especially in the behavioral sciences, to assess the construct validity of a test or a scale.

Eigenvalues: Also called characteristic roots. The eigenvalue for a given factor measures the variance in all the variables that is accounted for by that factor. The ratio of eigenvalues is the ratio of explanatory importance of the factors with respect to the variables. If a factor has a low eigenvalue, then it is contributing little to the explanation of variances in the variables and may be ignored as redundant with more important factors. Thus, eigenvalues measure the amount of variation in the total sample accounted for by each factor. Note that the eigenvalue is not the percent of variance explained but rather a measure of ‘amount’, used for comparison with other eigenvalues. A factor's eigenvalue may be computed as the sum of its squared factor loadings for all the variables. Note that the eigenvalues associated with the unrotated and rotated solution will differ, though their total will be the same.

Variance explained criteria: Some researchers simply use the rule of keeping enough factors to account for 90% (sometimes 80%) of the variation. In this study, factor analysis was used to identify factors that statistically explain the variation and covariation among measures. The dimensionality of the fourteen items from the cross-cultural adjustment was analyzed using maximum likelihood factor analysis.

5.6.4 T-Test

T-tests include a number of procedures concerned with comparing two averages. For example, it can be used to compare: the difference in weight between two groups on a different diet; the proportion of patients suffering from complications after two different types of operations; or the number of traffic accidents on two busy junctions. Users can compare 'continuous' averages, which can be above or below one; example is the difference in mean length or weight between two groups of people. The certainties with which these averages are measured are expressed in the standard deviation. Also, users can compare 'proportion' averages, basically a number divided by a larger number. The t-test gives the probability that the difference between the two means is caused by chance. It is customary to say that if this probability is less than 0.05, that the difference is 'significant'; the difference is not caused by chance. The t-test is basically not valid for testing the difference between two proportions. However, the t-test in proportions has been extensively studied, has been found to be robust, and is widely and successfully used in proportional data.

In this study, the T-test was run between cross-cultural adjustment and various demographic factors. These factors are gender, previous study experience, previous overseas experience, previous cross-cultural training, partner living status and partner's employment status.

5.6.5 ANOVA

Analysis of variance (ANOVA) is used to uncover the main and interacting effects of categorical independent variables (called 'factors') on an interval dependent variable.

The key statistic in ANOVA is the F-test of difference of group means, testing if the means of the groups formed by values of the independent variable (or

combinations of values for multiple independent variables) are different enough not to have occurred by chance. If the group means do not differ significantly then it is inferred that the independent variable(s) did not have an effect on the dependent variable. If the F-test shows that overall the independent variable(s) is(are) related to the dependent variable, then multiple comparison tests of significance are used to explore just which value groups of the independent(s) have the most to do with the relationship.

If the data involve repeated measures of the same variable, as in before-after or matched-pairs tests, the F-test is computed differently from the usual between-groups design, but the inference logic is the same. There are also a large variety of other ANOVA designs for special purposes, all with the same logic.

Unlike regression, ANOVA does not assume linear relationships and handles interaction effects automatically. Note that analysis of variance tests the null hypotheses that group means do not differ. It is not a test of differences in variances, but rather assumes relative homogeneity of variances. Thus some key ANOVA assumptions are that the groups formed by the independent variable(s) will be relatively equal in size and have similar variances on the dependent variable (homogeneity of variances). Like regression, ANOVA is a parametric procedure which assumes multivariate normality (the dependent has a normal distribution for each value category of the independent(s)).

One-way ANOVA: tests differences in a single interval dependent variable among two, three, or more groups formed by the categories of a single categorical independent variable. Also known as univariate ANOVA, simple ANOVA, single classification ANOVA, or one-factor ANOVA, this design deals with one independent variable and one dependent variable. It tests whether the groups formed by the

categories of the independent variable seem similar (specifically that they have the same pattern of dispersion as measured by comparing estimates of group variances). If the groups seem different, then it is concluded that the independent variable has an effect on the dependent. One may note also that the significance level of a correlation coefficient for the correlation of an interval variable with a dichotomy will be the same as for a one-way ANOVA on the interval variable using the dichotomy as the only factor. This similarity does not extend to categorical variables with greater than two values.

In this research, ANOVA tests of mean (cross-cultural adjustment) difference were conducted for four demographic factors. The demographic factors were age, educational level, duration of expatriation and marital status.

5.6.6 Multiple Regressions Analysis

Regression is a technique that can be used to investigate the effect of one or more predictor variables on an outcome variable. Regression allows users to make statements about how well one or more independent variables will predict the value of a dependent variable.

Multiple regression is used to account for (predict) the variance in an interval dependent, based on linear combinations of interval, dichotomous, or dummy independent variables. Multiple regression can establish that a set of independent variables explains a proportion of the variance in a dependent variable at a significant level (significance test of R^2), and can establish the relative predictive importance of the independent variables (comparing beta weights). Power terms can be added as independent variables to explore curvilinear effects. Cross-product terms can be added as independent variables to explore interaction effects. One can test the significance of difference of two R^2 s to determine if adding an independent variable to the model

helps significantly. Using hierarchical regression, one can see how much variance in the dependent can be explained by one or a set of new independent variables, over and above that explained by an earlier set. Of course, the estimates (b coefficients and constant) can be used to construct a prediction equation and generate predicted scores on a variable for further analysis.

The multiple regression equation takes the form $y = b_1x_1 + b_2x_2 + \dots + b_nx_n + c$. The b's are the regression coefficients, representing the amount the dependent variable y changes when the independent changes one unit. The c is the constant, where the regression line intercepts the y axis, representing the amount the dependent y will be when all the independent variables are 0. The standardized versions of the b coefficients are the beta weights, and the ratio of the beta coefficients is the ratio of the relative predictive power of the independent variables. Associated with multiple regression is R^2 , multiple correlation, which is the percentage of variance in the dependent variable explained collectively by all of the independent variables.

Multiple regression shares all the assumptions of correlation: linearity of relationships, the same level of relationship throughout the range of the independent variable (homoscedasticity), interval or near-interval data, and data whose range is not truncated. In addition, it is important that the model being tested is correctly specified. The exclusion of important causal variables or the inclusion of extraneous variables can change markedly the beta weights and hence the interpretation of the importance of the independent variables.

A multiple regression analysis was conducted to see how well the proposed model predicted the overall cross-cultural adjustment from job satisfaction, family support, organizational socialization and cross-culture training. With multiple regression analysis, each individual or case has scores on multiple independent variables and on a dependent variable. A predicted dependent variable is formed that

is a linear combination of the independent variables.

5.6.7 Pearson Correlation Coefficient

Correlation is one of the most common forms of data analysis both because it can provide an analysis that stands on its own, and also because it underlies many other analyses, and can be a good way to support conclusions after primary analyses have been completed. Correlation is the covariance of standardized variables—that is, of variables after researchers make them comparable by subtracting the mean and dividing by the standard deviation. Correlation is the ratio of the observed covariance of two standardized variables, divided by the highest possible covariance when their values are arranged in the best possible match by order.

Correlations are a measure of the linear relationship between two variables. A correlation coefficient has a value ranging from -1 to 1. Values that are closer to the absolute value of 1 indicate that there is a strong relationship between the variables being correlated, that means the correlation will have a value of 1, indicating perfectly matched order of the two variables. A value of -1 is a perfect negative covariation, matching the highest positive values of one variable with the highest negative values of the other. However, if the value is closer to 0 it indicates that there is little or no linear relationship or indicates a random relationship by order between the two variables. The sign of a correlation coefficient describes the type of relationship between the variables being correlated. A positive correlation coefficient indicates that there is a positive linear relationship between the variables: as one variable increases in value, so does the other.

Pearson's r^2 : This is the usual measure of correlation, sometimes called product-moment correlation. Pearson's r^2 is a measure of association which varies

from -1 to +1, with 0 indicating no relationship (random pairing of values) and 1 indicating perfect relationship. A value of -1 is a perfect negative relationship.

Tolerance: is $1 - R^2$ for the regression of that independent variable on all the other independents, ignoring the dependent. There will be as many tolerance coefficients as there are independents. The higher the intercorrelation of the independents, the more the tolerance will approach zero. As a rule of thumb, if tolerance is less than 0.20, a problem with multicollinearity is indicated.

When tolerance is close to 0 there is high multicollinearity of that variable with other independents and the B and Beta coefficients will be unstable. The higher the multicollinearity, create the lower the tolerance and the larger the standard error of the regression coefficients. Tolerance is part of the denominator in the formula for calculating the confidence limits on the B (partial regression) coefficient.

Variance-inflation factor (VIF): is the variance inflation factor, which is simply the reciprocal of tolerance. Therefore, when the VIF is high there is high multicollinearity and instability of the B and Beta coefficients. VIF and tolerance are found in the SPSS output section on collinearity *statistics*.

Correlation coefficients: were computed among the five variables of job satisfaction, family support, organization socialization, cross-cultural training, and cross-cultural adjustment. The correlation coefficient was used to describe directions and strengths between the independent variable and the dependent variable.

CHAPTER 6

RESEARCH RESULTS

The purpose of this chapter is to present the statistical outcome of the research. It contains six sections: (6.1) Response condition, (6.2) Research instrument reliability, (6.3) Factor analysis, (6.4) Descriptive statistics of demographic factors, and (6.5) Findings on the research questions. This section contains the results of the T-test of demographic factors (6.5.1), ANOVA of demographic factors (6.5.2), Regression analysis (6.5.3), and Pearson correlation coefficient (6.5.4). The last section (6.6) draws some conclusions from the results.

6.1 Response Condition

Data were collected by means of a mail survey. Prior to sending the questionnaire packages, a brief letter was sent to the HR manager, together with an invitation letter, questionnaire and support letter from the Straits Exchange Foundation of Taiwan (Appendix B, Appendix C, and Appendix D) inviting participation in the pilot study. This was followed by a total of 1200 questionnaires initially mailed to Taiwanese business expatriates in Shanghai and followed up (Appendix E, and Appendix D) by e-mail. Due to the limited time span of the research, mailing the questionnaire to each overseas expatriate and waiting on him or her to mail it back was considered overly time consuming, hence, tracing e-mails were sent four weeks later.

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 6.1). Although this figure is not high for domestic research, it is generally considered

acceptable for international surveys; and the response rates are comparable to or better than other international business expatriate studies such as Birdseye and Hill (1995), Dawson and Dickinson (1988), Dillman (1978), Gregersen and Black (1990), Jobber and Saunders (1988), Naumann (1993), Selmer (2000, 2002), and Tung (1981).

The response rate reflects the difficulties of international surveys. According to Birdseye and Hill (1995), international mail survey response rates have generally been far lower than their domestic counterparts, not to mention those collected through by e-mail, which might be easily deleted or ignored by one click of the mouse. In addition, a reason this response may be considered adequate is that it was a fairly long questionnaire of sixty-six items and characteristics, that participants filled out on the Internet or returned by postal mail. A comprehensive description follows (Table 6.1).

Table 6.1 Research Response Condition

Condition	Amount
Questionnaires sent	1200
Total responses	353
Invalid questionnaires	22
Valid questionnaires	331
Percentage of valid questionnaires	27.58 %

6.2 Research Instrument Reliability

A test of reliability was conducted on the scales used in the questionnaire. Before conducting consistency estimates of reliability, the reverse-scaled items were reversed. The result of each of the coefficient alphas indicated satisfactory reliability. According to DeVellis Reliability Guidelines (1991), a Cronbach alpha coefficient over 0.7 implies respectable reliability. In this study, Cronbach alpha coefficients of

cross-cultural adjustment, job satisfaction, family support, organization socialization, and cross-culture training were 0.84387, 0.85086, 0.85281, 0.8531, 0.85216, and 0.85112 respectively. A value of 0.8 is seen as an acceptable value for Cronbach's alpha; a value substantially lower indicates an unreliable scale. In this study, the Cronbach alpha coefficients of the six scales were over 0.8 that were seen as a good indicator of their reliability and high acceptability.

Table 6.2 Research Instrument Reliability

Variables	Number of Questions	Cronbach α
Cross-Cultural Adjustment	14	0.84387
Job Satisfaction	5	0.85086
Family Support	10	0.85281
Learning Orientation	8	0.85310
Organization Socialization	14	0.85216
Cross-Cultural Training	5	0.85112

6.3 Factor Analysis

Much of the research (Black 1988; Black and Stephens 1989) 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 actual living conditions, housing, shopping, food, health-care facilities, cost of living and entertainment, or recreation facilities and opportunities. Interaction adjustment refers to the degree of socializing and interaction with host nationals outside work, speaking with host nationals, socializing with host nationals, and interacting with host nationals in

general. Finally, work adjustment pertains to specific job responsibilities, performance standards and expectations, and supervisory responsibilities. This theoretical framework of international adjustment covers the sociocultural aspects of adjustment and it has been supported by a series of empirical studies of U.S. expatriates and their spouses (Black and Gregersen 1990, 1991a, 1991b; Black and Stephens 1989). McEvoy and Parker (1995) also found support for the three dimensions of expatriate adjustment.

In this study, the dimensionality of the fourteen items from the cross-cultural adjustment section of the survey was analyzed using maximum likelihood factor analysis. Consequently, three factors were rotated using a Varimax rotation procedure. The rotated solution, as shown in Table 6.3 below, yielded three interpretable factors, general adjustment, interaction adjustment, and work adjustment. The general adjustment factor accounted for 54.69 percent of the item variance, the interaction adjustment factor accounted for 65.40 percent of the item variance, and the work adjustment factor accounted for 87.52 percent of the item variance.

The factor analysis presented no other factors with eigenvalues of one or greater, and therefore provided support for Black's (1988) three facet solution. On the other hand, based on Kaiser's rule (1960), numbers of common factors are decided by taking principal components in which the eigenvalue is greater than 1 and the factor loading should be greater than 0.6. The general adjustment factor accounted for 3.828 of the eigenvalue, while the interaction adjustment factor accounted for 2.614 of the eigenvalue, and the work adjustment factor accounted for 2.626 of the eigenvalue in this study. According to Kaiser's rule, therefore, this study should retain the general adjustment factor, interaction adjustment factor and work adjustment factor, which have an Eigenvalue of higher than one.

However, it is clear from the results of the analysis shown in Table 6.3 that all the cumulative explained variances were over 65 percent except for the factor loading of health-care facilities that did not fit in with Kaiser's rule. The result suggested one problem is that people may be afraid of easily catching serious infections, as Mainland China has lower sanitary condition than Taiwan as well as water and air pollution. The result also indicated that Taiwanese expatriates did not trust medical services on Mainland China.

Table 6.3 Factor Analysis

Cross-culture Adjustment	General	Interaction	Work
Living conditions in general	0.657		
Housing conditions	0.744		
Shopping	0.748		
Food	0.627		
Health-care facilities	0.570		
Cost of living	0.678		
Entertainment/recreation facilities and opportunities	0.847		
Interaction with host nationals outside of work		0.822	
Speaking with host nationals		0.922	
Socializing with host nationals		0.872	
Interacting with host nationals in general		0.999	
Specific job responsibilities			0.872
Supervisory responsibilities			0.913
Performance standards and expectations			0.841
Eigenvalues	3.828	2.614	2.626
Variance explained	54.69%	65.40%	87.52%

6.4 Descriptive Statistics of Demographic Factors

In this section descriptive statistics were utilized to analyze demographic factors. These included age, education level, expatriation duration, gender, previous study experience, previous overseas experience, previous cross-cultural training, marital status, spouse's living status, and partner employment in this research.

Age

The sample consisted of 331 participants, 22 participants (6.6 percent) were under 30 years old. One hundred and forty nine participants (45.0 percent) were between 31 to 35 years old. One hundred and eighteen participants (35.6 percent) were between 36 to 40 years old. Twenty-six participants (7.9 percent) were between 41 to 45 years old, and 16 participants (4.8 percent) were over 46 years old. Table 6.4.1 reports the frequencies, and percentages associated with age.

Table 6.4.1 Description of Age

Age	Frequency	Percent %
Under 30	22	6.6
31-35	149	45.0
36-40	118	35.6
41-45	26	7.9
Over 46	16	4.8
Total	331	100.0

Educational Level

There were 37 participants (11.2 percent) who held high school degree and 122 participants (36.9 percent) with TAFE or college certificates, most participants had graduated from university. There were 142 participants (42.9 percent) who held a bachelor's degree, and 30 participants (9.1 percent) who held postgraduate degrees. Table 6.4.2 reports the frequencies and percentages associated with educational level.

Table 6.4.2 Description of Educational Level

Level	Frequency	Percent %
High School	37	11.2
TAFE / College	122	36.9
University	142	42.9
Postgraduate	30	9.1
Total	331	100.0

Expatriation Duration

Responses indicated that 50 participants (15.1 percent) had been located in Shanghai less than 1 year. One hundred and twenty participants (36.3 percent) had been there for 1 to 3 years and 98 participants (29.6 percent) had been to Shanghai 4 to 5 years. Fifty-six participants (16.9 percent) had been in Shanghai 6 to 10 years, and 7 participants (2.1 percent) have been to Shanghai more than 10 years. Table 6.4.3 reports the frequencies and percentages associated with expatriation duration.

Table 6.4.3 Description of Expatriation Duration

Years	Frequency	Percent %
Less than 1 year	50	15.1
1 - 3 years	120	36.3
4 – 5 years	98	29.6
6 – 10 years	56	16.9
More than 10 years	7	2.1
Total	331	100.0

Gender

The number of female participants accounted for only 23 participants (6.9 percent) of total sample (331), while the number of male participants was 308 participants (93.1 percent); Taiwanese male expatriates greatly outnumbered female expatriates located in Shanghai. Table 6.4.4 reports the frequencies and percentage associated with gender.

Table 6.4.4 Description of Gender

Gender	Frequency	Percent %
Female	23	6.9
Male	308	93.1
Total	331	100.0

Overseas Study Experience

There were 49 participants (14.8 percent) who had obtained their degrees while overseas, while 282 participants (85.2 percent) had not. Table 6.4.5 reports the frequencies and percentages associated with overseas study experience.

Table 6.4.5 Description of Overseas Study Experience

Study Experience	Frequency	Percent %
Yes (Ever)	49	14.8
No (Never)	282	85.2
Total	331	100.0

Previous Overseas Experience

There were 279 participants (84.3 percent) who had never had overseas experience, while 52 participants (15.7 percent) had had overseas experience. Table 6.4.5 reports the frequencies and percentages associated with overseas work experience.

Table 6.4.6 Description of Overseas Work Experience

Overseas Experience	Frequency	Percent %
Yes (Ever)	52	15.7
No (Never)	279	84.3
Total	331	100.0

Previous Cross-Cultural Training

There were 99 participants (29.9 percent) who had had previous cross-cultural training before being posted to Shanghai for their international assignments, but 232 participants (70.1 percent) had never had previous cross-cultural training. Table 6.4.7 reports the frequencies and percentages associated with previous cross-cultural training.

Table 6.4.7 Description of Previous Cross-Cultural Training

Cross-Cultural Training	Frequency	Percent %
Yes (Ever)	99	29.9
No (Never)	232	70.1
Total	331	100.0

Marital Status

There were 95 participants (28.7 percent) who were single, 232 participants (70.1 percent) who were married, and 4 participants (1.2 percent) who were in de facto relationships. Table 6.4.8 reports the frequencies and percentages associated with marital status.

Table 6.4.8 Description of Marital Status

Marital Status	Frequency	Percent %
Single	95	28.7
Married	232	70.1
De Facto	4	1.2
Total	331	100.0

Spouse's Living Status

There were 128 participants (38.7 percent) who had their spouse living with them during the overseas assignment, while 203 participants (61.3 percent) did not have their spouse accompanying them. Table 6.4.9 reports the frequencies and percentages associated with spouse's living status.

Table 6.4.9 Spouse's Living Status

Spouse Living With	Frequency	Percent %
Yes	128	38.7
No	203	61.3
Total	331	100.0

Partner Employment

There were 50 participants (15.1 percent) whose spouse had also received an overseas assignment, while 281 participants (84.9 percent) had spouses who did not. Table 6.4.10 reports the frequencies and percentages associated with spouse employment status.

Table 6.4.10 Description of Partner Employment

Spouse Employment	Frequency	Percent %
Yes	50	15.1
No	281	84.9
Total	331	100.0

6.5 Findings on Research Questions

There were eight research questions in this study (see below), and each question was given detailed statistical analysis.

Question 1. Does demographic difference affect cross-cultural adjustment?

Question 2. Does the proposed model predict cross-cultural adjustment?

Question 3. Which variable in the model contributes most to explaining the cross-cultural adjustment?

Question 4. Does job satisfaction facilitate cross-cultural adjustment?

Question 5. Does family support facilitate cross-cultural adjustment?

Question 6. Does learning orientation facilitate cross-cultural adjustment?

Question 7. Does organization socialization facilitate cross-cultural adjustment?

Question 8. Does cross-cultural training facilitate cross-cultural adjustment?

6.5.1 T-test of Demographic Factors

Question 1. Does demographic difference affect cross-cultural adjustment?

Gender

An independent-sample T-test was performed to evaluate the relationship between cross-cultural adjustment of male expatriates as opposed to female expatriates. The test result as in Table 6.5.1 showed that this was not significant, for the reason that $T = 0.054$ and $P = 0.816 > 0.05$. As a result, there was no significant difference between males and females on cross-cultural adjustment in this study.

Table 6.5.1 T test of Gender

Gender	N	Mean	Std. Deviation	T	P
Male	308	4.5104	1.0052	0.054	0.816
Female	23	4.4696	1.0081		

Overseas Study Experience

An independent-sample T-test was executed to estimate the cross-cultural adjustment of those who had obtained an overseas degree as opposed to those who had not. The test result shown in Table 6.5.2 demonstrates there was a significant difference, for the reason that $T = 5.131$ and $P = 0.024 < 0.05$. As a result, there was a significant difference between the cross-cultural adjustment of those who had obtained an overseas degree and those who had not.

Table 6.5.2 T - test of Overseas Study Experience

Oversea Degree	N	Mean	Std. Deviation	T	P
Yes (Ever)	49	5.0314	0.8782	5.131	0.024
No (Never)	282	4.4165	0.9979		

Previous Overseas Experience

An independent-sample T-test was conducted to estimate the cross-cultural adjustment of those having overseas experience as opposed to those not having overseas experience. The test results shown in Table 6.5.3 displayed a significant difference ($T = 29.910$ and $P = 0.000 < 0.05$). Consequently, there was a significant difference in cross-cultural adjustment between those having overseas experience and those not having overseas experience in this study.

Table 6.5.3 T - test of Overseas Experience

Oversea Exp.	N	Mean	Std. Deviation	T	P
Yes (Ever)	52	5.3225	0.6255	29.910	0.000
No (Never)	279	4.3556	0.9886		

Previous Cross-Cultural Training

An independent-samples T-test was executed to estimate cross-cultural adjustment after obtaining previous cross-cultural training as opposed to not having previous cross-cultural training. The T-test test result, as Table 6.5.4 illustrates, was significant, for the reason that ($T = 21.773$ and $P = 0.000 < 0.05$). As a result, there was a significant difference in cross-cultural adjustment between those having previous cross-cultural training and those not having previous cross-cultural training in this study.

Table 6.5.4 T - test of Previous Cross-Cultural Training

Previous C.C.T.	N	Mean	Std. Deviation	T	P
Yes (Ever)	99	5.1657	0.7277	21.773	0.000
No (Never)	232	4.2267	0.9749		

Partner Living Status

An independent-sample T-test was executed to estimate cross-cultural adjustment for those living with a spouse or partner as opposed to those not living with a spouse or partner during their overseas assignment. The test result, as Table 6.5.5 shows, was significant, ($T = 27.374$ and $P = 0.000 < 0.05$). As a result, there was a significant difference in cross-cultural adjustment between living with a spouse or partner and not living with a spouse or partner during the overseas assignment in this study.

Table 6.5.5 T - test of Living with Partner

Status	N	Mean	Std. Deviation	T	P
Yes	128	5.2579	0.6304	27.374	0.000
No	203	4.0344	0.9027		

Partner Employment

An independent-sample T-test was conducted to estimate the cross-cultural adjustment when spouse or partner was employed, as opposed to spouse or partner not working during the overseas assignment. The test result, as Table 6.5.6 reveals was significant, for the reason that ($T = 21.848$ and $P = 0.000 < 0.05$). Therefore, there was a significant difference between cross-cultural adjustment when accompanied by a working spouse or partner or a non-working spouse or partner during the overseas assignment.

Table 6.5.6 T - test of Spouse or Partner Employment

Spouse Emp.	N	Mean	Std. Deviation	T	P
Yes	50	5.2684	0.6722	21.848	0.000
No	281	4.3721	0.9935		

6.5.2 ANOVA of Demographic Factors

Question 1 Do demographic differences affect cross-cultural adjustment?

Age

A significance test was conducted of the differences on cross-cultural adjustment for age. The independent variable, different age level, included five levels: under 30 years old, 31 to 35 years old, 36 to 40 years old, 41 to 45 years old and over 46 years old. As shown in Table 6.5.7 the result of ANOVA was significant, for the reason that $F = 18.045$ and the $P = 0.000 < 0.05$. In this study, there was a significant difference between different age levels in cross-cultural adjustment. The age group with the largest number of Taiwanese assigned to Mainland China was from age 31 to 35; the least number were aged over 46. The group aged from 41 to 45 years old adjusted better than other groups, the next best adjusted group were aged over 46 years old, on

the other hand, the group aged from 31 to 35 was the least adjusted worst than other groups.

Table 6.5.7 ANOVA of Age

ANOVA of Age					
Age	N	Mean	Std. Deviation	F	P
Under 30	22	4.2109	1.1545	18.405	0.000
31 – 35	149	4.0944	0.9730		
36 – 40	118	4.8379	0.8870		
41 – 45	26	5.3127	0.3336		
Over 46	16	5.0181	0.7486		
Total	331	4.5075	1.0039		

Educational Level

A significance test was conducted of the differences in cross-cultural adjustment for educational level was conducted. The independent variable, different educational level, included four levels: high school, TAFE or college, university and postgraduate. As displayed in Table 6.5.8 the result of ANOVA was significant, because of $F = 3.053$ and $P = 0.029 < 0.05$. In this study, there was a significant difference between different educational levels on cross-cultural adjustment. The group with the largest number of Taiwanese assigned to Mainland China was the group who received university education; the least number was the group of expatriates who received postgraduate education. The group which received high school education adjusted better than other groups, the second best adjusted was the postgraduate level group, where as the group with a university education adjusted least well.

Table 6.5.8 ANOVA of Educational Level

Educational Level	N	Mean	Std. Deviation	F	P
High School	37	4.9108	0.7745	3.053	0.029
TAFE / College	122	4.4816	0.9646		
University	142	4.3877	1.0862		
Postgraduate	30	4.6830	0.8908		
Total	331	4.5075	1.0039		

Expatriation Duration

A significance test was conducted of the differences in cross-cultural adjustment for expatriation duration. The independent variable, different expatriation duration, included five levels: less than 1 year, 1 to 3 years, 4 to 5 years, 6 to 10 years and more than 10 years. As shown in Table 6.5.9 the result of ANOVA was significant, for the reason that $F = 38.404$ and $P = 0.000 < 0.05$. In this study, there was a significant difference between expatriation duration on cross-cultural adjustment. The most quantity of expatriation duration was the group 1 to 3 years; the least quantity was the group of expatriation duration more than 10 years. The group of expatriation duration more than 10 years adjusted better than other groups, the next best group was expatriation duration of 6 to 10 years, conversely, the group of expatriation duration less than 1 year adjusted was the least adjusted group.

Table 6.5.9 ANOVA of Expatriation Duration

Duration	N	Mean	Std. Deviation	F	P
Less than 1 year	50	3.6246	0.7853	38.404	0.000
1-3 years	120	4.1464	0.9921		
4-5 years	98	4.9200	0.7606		
6-10 years	56	5.2414	0.6169		
More than 10 years	7	5.3586	0.5310		
Total	331	4.5075	1.0039		

Marital Status

A significance test was conducted of the differences in cross-cultural adjustment for marital status. The independent variable, different marital status, included three options: single, married and de facto. As shown in Table 6.5.10 the result of ANOVA was significant, because of $F = 23.659$ and $P = 0.000 < 0.05$. In this study, there was a significant difference between different marital statuses on cross-cultural adjustment. The most quantity of marital status was the group married; the least quantity was the group of marital status was de facto. The group of married adjusted better than other groups, the next best group was de facto, on the other hand, the group of single people adjusted the least well.

Table 6.5.10 ANOVA of Marital Status

Status	N	Mean	Std. Deviation	F	P
Single	95	3.9465	0.9848	23.659	0.000
Married	232	4.7334	0.9186		
De Facto	4	4.7325	1.2392		
Total	331	4.5075	1.0039		

Demographic Factors Affecting Cross-cultural Adjustment

This section considered the reaction on cross-cultural adjustment of attributes of individual Taiwanese expatriates: age, educational level, expatriation duration, gender, overseas study experience, previous overseas experience, previous cross-cultural training, marital status and the employment situation of the partner. Each single factor was specifically analyzed. And Table 6.5.11 shows the result for each signal factor. According to the table shown below, which demonstrates that the differences in almost every individual factor significantly affected the cross-cultural adjustment of Taiwanese expatriates who were assigned to Mainland China. The only exception was the gender factor.

Table 6.5.11 Demographic Differences Affecting Cross-cultural Adjustment

Demographic Factors	Significance
Age	Significant
Educational levels	Significant
Expatriation duration	Significant
Gender	Not-Significant
Overseas study experience	Significant
Previous overseas experience	Significant
Previous cross-cultural training	Significant
Marital status	Significant
Partner living with status	Significant
Partner employed situation	Significant

6.5.3 Regression Analysis

Question 2 Does the proposed model predict cross-cultural adjustment?

A multiple regression analysis was conducted to see how well the proposed model predicted overall cross-cultural adjustment from job satisfaction, family support, learning orientation, organization socialization, and cross-cultural training. Table 6.5.12 is the summary of Table 6.5.12-1, 6.5.12-2, 6.5.12-3, and 6.5.12-4. The Table 6.5.12 demonstrates summary that the linear combination of the proposed model was significantly related to cross-cultural adjustment ($F = 92.315$, $P \text{ value} = 0.000 < 0.05$). The sample correlation coefficient was 0.766, indicating that approximately 58.7 percent of the variance of the cross-cultural adjustment in the sample can be accounted for by the linear combination of the proposed model. In this study, there was a statistically significant linear relationship between independent variables: job satisfaction, family support, learning orientation, organization socialization, cross-cultural training, and the dependent variable cross-cultural adjustment. As a result, the proposed model was shown to be statistically significant to cross-cultural adjustment. to sum up, the proposed model unerringly and completely predicts cross-cultural adjustment.

Table 6.5.12 Regression of Proposed Model Summary

Model	R	R ²	Adjusted R ²	Std. Error of the Estimate	R ² Change	F	df 1	df 2	Sig.
	0.766	0.587	0.580	0.6503	0.587	92.315	5	325	0.000

a. Predictors: (Constant), CTA, LOA, FSA, OSA, JSA.

Table 6.5.12-1 Descriptive Statistics

	Mean	Std. Deviation	N
CAA	4.5075	1.0039	331
JSA	3.3541	0.6916	331
FSA	3.1435	0.3534	331
LOA	3.9355	0.4273	331
OSA	4.5772	0.5448	331
CTA	3.9420	0.4746	331

Table 6.5.12-2 Variables Entered/Removed

Model	Variables Entered	Variables Removed	Method
1	CTA, LOA, FSA, OSA, JSA	.	Enter

- a All requested variables entered.
b Dependent Variable: CAA.

Table 6.5.12-3 Correlations

		CAA	JSA	FSA	LOA	OSA	CTA
Pearson Correlation	CAA	1.000	0.628	0.538	0.209	0.386	0.430
	JSA	0.628	1.000	0.366	0.076	0.338	0.239
	FSA	0.538	0.366	1.000	0.146	0.203	0.156
	LOA	0.209	0.076	0.146	1.000	0.111	0.142
	OSA	0.386	0.338	0.203	0.111	1.000	0.370
	CTA	0.430	0.239	0.156	0.142	0.370	1.000
Sig. (1-tailed)	CAA	.	0.000	0.000	0.000	0.000	0.000
	JSA	0.000	.	0.000	0.085	0.000	0.000
	FSA	0.000	0.000	.	0.004	0.000	0.002
	LOA	0.000	0.085	0.004	.	0.022	0.005
	OSA	0.000	0.000	0.000	0.022	.	0.000
	CTA	0.000	0.000	0.002	0.005	0.000	.
N	CAA	331	331	331	331	331	331
	JSA	331	331	331	331	331	331
	FSA	331	331	331	331	331	331
	LOA	331	331	331	331	331	331
	OSA	331	331	331	331	331	331
	CTA	331	331	331	331	331	331

Table 6.5.12-4 ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	195.182	5	39.036	92.315	0.000
	Residual	137.429	325	0.423		
	Total	332.611	330			

a Predictors: (Constant), CTA, LOA, FSA, OSA, JSA.

b Dependent Variable: CAA.

6.5.4 Pearson Correlation Coefficient

Question 3 Which variable in the model contributes most to explaining cross-cultural adjustment?

This section of the study applied stepwise regression analysis to investigate the influence of job satisfaction, family support, learning orientation, organization socialization and cross-cultural training on cross-cultural adjustment. In other words, those predictors that contributed statistically to the prediction of cross-cultural adjustment were included, while those that did not contribute were excluded from the analysis.

Because stepwise regression was requested, SPSS was used to first investigated a model with the most-correlated independent variable, job satisfaction, as demonstrated in Table 6.5.13. Subsequent to that, also investigated was a model containing job satisfaction, family support and cross-cultural training plus the variable with the highest partial correlation with cross-cultural adjustment. On the other hand, learning orientation and organization socialization were not included as there was not a strong correlation on cross-cultural adjustment. The test result, shown in the Table 6.5.13, revealed that the partial correlation for job satisfaction was 0.501, family support was 0.414, cross-cultural training was 0.320, learning orientation was 0.133, and organization socialization was 0.113. In effect, each independent variable was significant for explaining the cross-cultural adjustment model. However, in the situation where each independent variable was compared using partial correlation or zero order correlation, the other independent variables did not significantly increase R-square when job satisfaction was controlled.

All the bivariate correlations between job satisfaction, family support, learning orientation, organization socialization, cross-cultural training and cross-cultural adjustment were positive. At the same time, each independent variable was

statistically significant as revealed in Table 6.5.13 below: Job satisfaction ($P = 0.000 < 0.05$), family support ($P = 0.000 < 0.05$), learning orientation ($P = 0.016 < 0.05$), organization socialization ($P = 0.041 < 0.05$), cross-cultural training ($P = 0.000 < 0.05$). This appeared to verify that the most 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. Other variables that contributed to the variance were family support, 28.94 percent (0.538^2); learning orientation, 4.37 percent (0.209^2); organization socialization, 14.90 percent (0.386^2); and cross-cultural training, 18.49 percent (0.430^2).

Table 6.5.13 Coefficients of Proposed Model

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
Constant	-3.860	0.506		-7.633	0.000	-4.855	-2.865
Job Satisfaction	0.610	0.058	0.420	10.441	0.000	0.495	0.725
Family Support	0.902	0.110	0.318	8.191	0.000	0.686	1.119
Learning Orientation	0.207	0.085	0.088	2.422	0.016	0.039	0.375
Organization Socialization	0.152	0.074	0.082	2.052	0.041	0.006	0.297
Cross-cultural Training	0.501	0.082	0.237	6.084	0.000	0.339	0.664

Model	Correlations		
	Zero-Order	Partial	Part
Constant			
Job Satisfaction	0.628	0.501	0.372
Family Support	0.538	0.414	0.292
Learning Orientation	0.209	0.133	0.086
Organization Socialization	0.386	0.113	0.703
Cross-cultural Training	0.430	0.320	0.217

Note: a Dependent Variable: CAA.

Ranking of Importance on Cross-cultural Adjustment

Table 6.5.14 shows the results of comparing the degree of importance of each factor on the cross-cultural adjustment of Taiwanese expatriates in Mainland China, where a one indicates a very strong effect on cross-cultural adjustment, and a five indicates the weakest effect on cross-cultural adjustment. According to the empirical responses of participants in this study, the ranking of factors in importance to adjustment was job satisfaction, family support, cross-cultural training, organization socialization and learning orientation.

Table 6.5.14 Ranking Of Importance on Cross-cultural Adjustment

Influential Factors	Ranking
Job Satisfaction	1
Family Support	2
Learning Orientation	5
Organization Socialization	4
Cross-cultural Training	3

Question 4, Question 5, Question 6, Question 7, Question 8. Does job satisfaction, family support, learning orientation, organization socialization, and cross-cultural training facilitate cross-cultural adjustment?

Correlation coefficients were the statistical method utilized to explore the six variables: job satisfaction, family support, learning orientation, organization socialization, cross-cultural training, and cross-cultural adjustment. The results of the correlation analysis are presented in Table 6.5.15 below which shows that 14 out of the 15 correlations were statistically significant.

The correlation between job satisfaction and cross-cultural adjustment was the most significant, $r = 0.628$, $P < 0.01$. The correlation between family support and cross-cultural adjustment was also significant, $r = 0.538$, $P < 0.01$. The correlation between learning orientation and cross-cultural adjustment was the least significant, $r = 0.209$, $P < 0.01$. The correlation between organization socialization and cross-cultural adjustment was also significant, $r = 0.386$, $P < 0.01$. The correlation between cross-cultural training and cross-cultural adjustment was also significant ($r = 0.430$, $P < 0.01$).

Table 6.5.15 Correlations Matrix

	J.S.	F.S.	L.O.	O.S.	C.T.	C.A.
Job Satisfaction	1.000	0.366**	0.076	0.338**	0.239**	0.628*
Family Support	0.366**	1.000	0.146**	0.203**	0.156**	0.538*
Learning Orientation	0.076	0.146**	1.000	0.111*	0.142**	0.209*
Organization Socialization	0.338**	0.203**	0.111*	1.000	0.370**	0.386*
Cross-Cultural Training	0.239**	0.156**	0.142**	0.370**	1.000	0.430*
Cross-Cultural Adjustment	0.628**	0.538**	0.209**	0.386**	0.430**	1.000

Notes: ** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

The previous researcher reviewed the correlation among the variables and concluded that they were associated; therefore, collinear statistics were used. The tolerance for a variable is 1-R squared for the regression of that variable on all the other independents, ignoring the dependent. When tolerance is close to zero, there is

high multicollinearity of that variable with other independents and the B and Beta coefficients will be unstable. VIF is the variance inflation factor, which is simply the reciprocal of tolerance. Lower tolerance values indicate that there is a great deal of overlap with other predictors. When VIF is high that means there is high multicollinearity and instability of the B and Beta coefficients. In this study, according to Table 6.5.16, job satisfaction had the highest VIF. The VIF of job satisfaction was 1.275, the VIF of family support was 1.183, the VIF of learning orientation was 1.039, the VIF of organization socialization was 1.264, and the VIF of cross-cultural training was 1.194. Of the five variables demonstrated in Table 6.5.14, job satisfaction had the lowest tolerance of 0.784. Family support was 0.846, learning orientation was 0.962, organization socialization was 0.791, and cross-cultural training was 0.838.

Table 6.5.16 Collinearity Statistics

	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
Constant	-3.860	0.506		-7.633	0.000		
J.S.	0.610	0.058	0.420	10.441	0.000	0.784	1.275
F.S.	0.902	0.110	0.318	8.191	0.000	0.846	1.183
L.O.	0.207	0.085	0.088	2.422	0.016	0.962	1.039
O.S.	0.152	0.074	0.082	2.052	0.041	0.791	1.264
C.T.	0.501	0.082	0.237	6.084	0.000	0.838	1.194

The Significance of Each Independent Variable

The results of the preceding statistical analysis are shown in Table 6.5.17. They demonstrate the answers to research questions 4 to 8, that is, that job satisfaction, family support, learning orientation, organization socialization, and cross-cultural training positively and definitely facilitate cross-cultural adjustment. In other words, each independent variable: job satisfaction, family support, learning orientation,

organization socialization and cross-cultural training, was statistically significant on cross-cultural adjustment.

Table 6.5.17

The Significance of Each Influential Factor on Cross-cultural Adjustment

Influential Factors	Significance
Job Satisfaction	Significant
Family Support	Significant
Learning Orientation	Significant
Organization Socialization	Significant
Cross-cultural Training	Significant

6.6 Conclusions

The main purpose of this chapter was to report the results of using the statistical method, SPSS to discover the answers to the research questions.

First of all, T-tests and ANOVAs were conducted to evaluate the relationship between different levels of demographic factors on cross-cultural adjustment. Gender, overseas study experience, previous overseas experience, previous cross-cultural training, partner living status, and partner-employment status were analyzed by means of T-tests to determine the relationship with cross-cultural adjustment.

Demographic factors including age, education level, expatriation duration and marital status were analyzed through ANOVA to estimate the relationship with cross-cultural adjustment. Based on the results of the T-test and ANOVA tests, there was only one demographic factor (gender) not significantly related to cross-cultural adjustment. In contrast, the other factors, overseas study experience, previous overseas experience, previous cross-cultural training, partner living status, partner-employment status, age, education level, expatriation duration and marital status were revealed to be significantly related to cross-cultural adjustment in this research.

Secondly, the relationship between the proposed model and cross-cultural adjustment was significant. The correlation coefficient, 0.766, which represented 58.7 percent of the variance of the cross-cultural adjustment in the sample, can be explained by means of the linear combination of the proposed model. In brief, there was a statistically significant linear relationship between the independent variables of job satisfaction, family support, learning orientation, organization socialization, cross-cultural training, and the dependent variable of cross-cultural adjustment. Consequently, the proposed model of this research confirmed statistically their relationship to cross-cultural adjustment.

Thirdly, one of the main research questions was to investigate which variable in

the model contributed most to explaining cross-cultural adjustment. The results of this study indicated that each independent variable: job satisfaction, family support, learning orientation, organization socialization, and cross-cultural training was essential for explaining the cross-cultural adjustment model. Nevertheless, if each independent variable was compared by partial correlation or zero order, the other independent variables did not significantly increase R-square when job satisfaction was controlled.

Finally, this study confirmed the results of Shaffer and Harrison's (1998) study ($r=0.48$ and $P < 0.05$) of job satisfaction. It implied that job satisfaction certainly plays an important role in cross-cultural adjustment. The results of this research $r=0.628$ and $P<0.01$ replicated previous findings by demonstrating that Taiwanese expatriates who were satisfied with their job in the host country, Mainland China, were likely to adjust more successfully cross-culturally. This study also revealed that job satisfaction in the host country, Mainland China, was a strong predictor of cross-cultural adjustment. Caligiuri and Cascio (1998) demonstrated that family support facilitates cross-cultural adjustment; coincidentally, this research presented similar evidence ($r=0.538$, $P<0.01$) for its facilitating role in the cross-cultural adjustment of Taiwanese expatriates. Even though only 38.7 percent of spouses of the total participants went to Mainland China with the Taiwanese expatriates, an obvious facilitating role was found in cross-cultural adjustment in this study. Therefore, it appears certain family support improves the adjustment of expatriates during their overseas assignments.

A previous study by Porter and Tansky (1999) suggested that 'expatriate success may depend on a learning orientation'. The results of this study ($r=0.209$ and $P<0.01$) showed that expatriate adjustment was significantly dependent on a learning orientation. As a result, it can be concluded that a learning orientation indeed can help

expatriates adjust to overseas assignments; also, a learning orientation is a practical way to enhance the adaptability necessary for working in another culture.

Previously researchers such as Allen and Meyer (1993) and Jones (1986) have shown that institutionalized socialization strategies tend to stimulate higher levels of organizational commitment in newcomers. Clarke and Hammer (1995) found that a social orientation tended to facilitate cross-cultural adjustment. The major finding of this study supported the significant role of organization socialization for cross-cultural adjustment as well. The results ($r=0.386$ and $P<0.01$) of this research replicated previous findings by demonstrating that expatriates who were better socialized in the host country were able to adjust more successfully. This study revealed that socialization in the host country also played a role in cross-cultural adjustment, which should not be ignored.

Cross-cultural training has long been advocated as a means of facilitating effective cross-cultural interaction. The importance of such training in preparing an individual for an intercultural work assignment has become increasingly apparent. A comprehensive literature review by Black and Mendenhall (1990) found strong evidence for the assertion that cross-cultural training is positively correlated to adjustment and performance. The results of this study, $r=0.43$ and $P<0.01$, demonstrated that expatriate adjustment depended significantly on cross-cultural training.

CHAPTER 7

DISCUSSION AND COMPARISON

As is well-known, an increasing number of firms is conducting business globally seeking to multiply benefits by exploring opportunities worldwide. It is widely recognized that utilizing expatriate employees effectively on international assignments is a critical factor in enterprises succeeding in their global projects. This is the situation for many Taiwanese enterprises entering the market of Mainland China. Due to the rapid development of the Chinese economy and a surge of foreign direct investment, the demand for such expatriates has grown dramatically in recent years. Additionally, Mainland China has a shortage of well-educated, experienced and self-motivated employees: so, using Taiwanese expatriates may be the only way for Taiwanese enterprises to ensure effective business operations in Mainland China.

As international expatriates, these Taiwanese employees play very important roles both in establishing and problem solving in Mainland subsidiaries. On average, international organizations spend over two and a half times more to place an employee on an expatriate assignment than they would if they employed locally. In addition to being costly, however, utilizing expatriates can also be risky for Taiwanese enterprises. This is because Taiwanese enterprises not only spent time to train expatriates, but also must bear the cost of cultivating them until they have adjusted. Expatriate failure can also cause damage to a company's relations with important constituents — local national employees, host government officials, local suppliers, customers and communities.

Working in a Chinese culture entails, as a matter of necessity, interacting with an unfamiliar environment. It is important for expatriates from Taiwan to accustom themselves to the dynamics of the new work environment in Mainland China. Aside

from meeting the challenge of new job responsibilities, Taiwanese expatriates typically also need to adjust to a different climate, a new culture and various other barriers. The process of Taiwanese expatriates trying to 'fit-in' with Mainland China's culture is usually identified as adjustment. Adjustment generally refers to the changes which individuals actively engender or passively accept in order to achieve or maintain satisfactory states within themselves. In the same way, cross-cultural adjustment also can be regarded as the degree of comfort, familiarity, and ease that the individual feels toward new surroundings.

The majority of expatriates who return prematurely, that is, return expatriates before the completion of their overseas assignment, do so for several reasons such as poor performance, job dissatisfaction, cultural shock and family dissatisfaction. In the empirical research for this study, participants indicated that the cross-cultural adjustment of Taiwan expatriates in Mainland China appeared to be affected by such factors as demographic factor, job satisfaction, family support, learning orientation, organization socialization and cross-cultural training.

The non-completion of an international assignment by an expatriate necessitates replacement with a new expatriate. Consequently, expatriate failure is costly and results in a crisis for the multinational corporation. And while the direct costs of expatriate failure are calculated in monetary terms, the indirect costs of these failures, such as their implications for future career prospects, are often concealed. Furthermore, they tend to be more damaging, and the consequences underestimated by both expatriates and international enterprises.

Mainland China has been growing by leaps and bounds over the past two decades. Taiwan and Mainland China are close geographically and share a similar culture and language, resulting in an increasing number of Taiwanese enterprises moving to Mainland China. Currently, Taiwan is the fourth biggest investor in

Mainland China, and more and more expatriates are being sent to Mainland China to operate Chinese subsidiaries. The Investment Commission of the Ministry of Economic Affairs estimated that in 2001 there were over 200,000 people in Mainland China who were Taiwanese expatriates and their families in Mainland China.

Because of the relatively high frequency of expatriate turnover and the related direct and indirect costs, international business literature has highlighted efforts to isolate the factors causing difficulty in cross-cultural adjustment. However, there are actually very few empirical studies dealing with the adjustment of Taiwanese expatriates in Mainland China. Also the important factors influencing their effectiveness have received much attention in academic research. In this regard, from both the practical and academic points of view, this phenomenon is worthy of study. It is important to gain insight into the efficient expatriation context of cross-cultural adjustment operating in Mainland China, to reduce performance problems and dissatisfaction associated with foreign assignments.

This research 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 general living conditions, such as climate, food, housing, cost of living, transportation, and health facilities. Interaction adjustment refers to the degree of socializing and interacting with host nationals. Finally, work adjustment relates to specific job responsibilities, performance standards and expectations, and supervisory responsibilities.

For many Taiwanese MNCs investing in Mainland China the transfer of hardware equipment and techniques is not difficult. However, the transfer of management systems, particularly human resource management, is being impeded by the dissimilar culture, ideology, political and economic systems, as well as the social benefit system of Mainland China. Therefore, the adjustment of business expatriates

located in Mainland China has become relatively important because they have to be capable of competently adapting to the diverse working environment and executing the job efficiently. That is a significant motivation for Taiwanese MNCs to estimate and analyze the correlation factors contributing to successful expatriate adjustment. As a consequence, there is a notable need for research in this area, with a focus on the examination of factors expected to influence cross-cultural adjustment. This study replicated Lee's (2002) published model concerning Taiwanese banking expatriates in the United States. The same model has been used to examine critical factors which affect Taiwanese expatriates in Mainland China, those were mainly focused on the effecting factors that were included work and non-work domains of cross-cultural adjustment process. Outlines of the findings are presented below, and the findings of this study are compared with the published results of Lee's (2002) dissertation.

7.1 Demographic Factors

Individual factors may result in expatriates having dissimilar cross-cultural adjustment experiences owing to the different emotional states and reactions, and the different things they may learn from the experience. This section discusses how individual factors: age, educational levels, expatriation duration, gender, overseas study experience, previous overseas experience, previous cross-cultural training, and marital status of Taiwanese expatriates as well as partner-employment situation impact on cross-cultural adjustment. The results of this study were also compared with Lee's (2002) research (Table 7.1). Results were very different between Taiwanese located in the United State and Mainland China. Each factor is precisely clarified in the following section.

Table 7.1 The Significance of the Relationship of Each Demographic Factor to Adjustment in Mainland China and the United States

	Mainland China	United States *
Age	Significant	Not-significant
Educational Levels	Significant	Not significant
Expatriation Duration	Significant	Not significant
Gender	Not significant	Not significant
Overseas Study Experience	Significant	Not significant
Previous Overseas Experience	Significant	Not significant
Previous Cross-cultural training	Significant	Not significant
Marital Status	Significant	
Partner Living With Status	Significant	Not significant
Partner Employed Situation	Significant	Not significant

Source: * Lee (2002).

7.1.1 Age

There were five levels in this section: under 30 years old, 31 to 35 years old, 36 to 40 years old, 41 to 45 years old and over 46 years old. There were 22 (6.65%) participants under 30 years old, 149 (45.02%) participants were between aged 31 to 35 years old, 118 (35.65%) participants were between 36 years old to 40 years old, 26 (7.86%) participants were between 41 years old to 45 years old, while 16 (4.83%) participants were over 46 years old. Obviously, Taiwanese expatriates in the age range from 31 to 35 were extensively post to Mainland China. In addition, according to the statistical results presented, there was a significant difference between the various age levels on cross-cultural adjustment. The result of this study is consistent with the

previous research of Church (1982), Gould and Penley (1985), Sell (1983) and Veiga (1983) who found that younger expatriates were more willing to transfer their workplace than elder employees. As a result, age was revealed to be related to adjustment. Comparison with Lee's (2002) research shows a difference between Taiwanese located in the United State and in Mainland China. The age section of Lee's (2002) results indicated that almost half ($n=26$, 49.1%) of participants were from 41 to 45 and 39.6% of participants were over 45. Clearly, Taiwanese expatriates assigned to the United States were primarily aged over 40 years old. There was no significant difference between the different age levels on cross-cultural adjustment.

As a result, it is clear that age is an important factor for Taiwanese expatriates located in Mainland China, because different age groups demonstrate different degrees of cross-cultural adjustment. Younger Taiwanese expatriates perhaps find it easier to live and work in Mainland China because their suitability will be considered less in doubt by local people, making it easier for them to adjust than it is for older expatriates. However, age was not a significant factor affecting cross-cultural adjustment of Taiwanese expatriates placed in the United States.

7.1.2 Educational Levels

Many writers have noted that the process of adaptation can be either stimulating or stressful, depending on a number of factors. Four categories can be identified in the literature. There are individual factors such as age (Mamman 1995), education (Furnham and Bochner 1982), past experience (Selmer 1995) and self-efficacy skills (Mendenhall and Oddou 1991). A significance test of the differences in cross-cultural adjustment for educational level was conducted in this study. The independent variable, different educational level, included four levels: high school, TAFE or college, university and postgraduate. Based on the ANOVA statistical analysis the

results showed that there were significant difference between different educational levels on cross-cultural adjustment in this study, and 142 (42.9%) participants had graduated from university. This was an interesting finding. The results showed that Taiwanese expatriates located in Mainland China holding different levels of educational qualification showed different degrees of adjustment to their overseas placement. By contrast, Lee's (2002) research revealed that 35 participants (66%) held graduate degrees, and none of the participants had an educational level of junior college or lower, but there was no significant difference between different educational levels on cross-cultural adjustment. Perhaps this result is due to the fact that most expatriates obtained higher education, possibly suggesting there is not much difference between the diploma, degree and master degree on cross-cultural adjustment. Therefore, Taiwanese expatriates placed in the United States did not adjust better because of higher educational level.

7.1.3 Expatriation Duration

Expatriation duration was calculated by investigating Taiwanese expatriates to indicate the year that they began their international assignment in Mainland China. The duration of time required for expatriates to turn into effective and profitable employees in a new assignment is an important consideration for enterprises. According to statistical analysis there was a significant difference between different periods of expatriation duration on cross-cultural adjustment. The majority of participants (36.3%) had 1 to 3 years experience, and had (29.6%) 4 to 5 years experience in this study. The results presented in this study was consistent with previous research such as that of Black (1988), Kawes and Kealey (1981) and Nagai (1996). As a result, an essential assumption about the duration of stay in a host country is that the longer expatriates stay in a host country; the more familiar

expatriates become with their jobs and working conditions, and as they become more familiar, the better their performance will be. However, Taiwanese expatriates posted in the United States had dissimilar group percentages as the majority of participants had less than 1 year (22.6%), and 1 to 3 years (35.8%) experience. Moreover, there was no significant difference between different expatriation durations on cross-cultural adjustment for Taiwanese expatriates placed in the United States. Expatriation duration is therefore an essential factor in cross-cultural adjustment for Taiwanese expatriates located in Mainland China, because of different expatriation duration showed different degrees of cross-cultural adjustment, but it was not significant for Taiwanese expatriates placed in the United States.

7.1.4 Gender

Consistent with previous research (Harris 1995; KIT 1999; Smith and Still 1996; Windham International 1999), there were 308 male participants assigned to Mainland China and only 23 (6.9%) female expatriates in this study. Lee's (2002) gender results revealed just 15% of expatriates located in the United States were female.

These low numbers of female expatriates was many fewer than male expatriates it may mean the Taiwanese enterprises tend to believe overall that female expatriates are less likely than males to succeed in foreign assignments. Also, traditionally, the pool of potential expatriate candidates has excluded women. International human resource management literature has given insufficient attention to women as expatriates which means there has been little impetus to change the traditional, long held view that international assignments are a male preserve. Even though many enterprises have reexamined their reluctance to post women abroad, the number of female expatriates is still relatively low. Women have been relatively unexploited as a source of human talent in the international business field. The rate of woman in

expatriate assignments lags far behind that of men as they are frequently reported to have been passed over for expatriate assignments in favor of men.

Countries such as Japan and Mainland China, where significant male supremacy survives in the international business field, have failed to identify culturally-driven obstacles to female international business achievement that would support a favoring of males over females. The finding reveals undeniably that gender stereotyping is still a major obstacle for Taiwanese female expatriates to overcome. On the other hand, the T-test analysis performed to evaluate the cross-cultural adjustment of male expatriates as opposed to female expatriates, revealed that there was no significant difference between males and females on cross-cultural adjustment in this study. Lee's (2002) research confirmed this finding. This result is interesting and consistent not only with the research of Adler (1987), Taylor and Napier (1996), who demonstrated that there were no significant differences between male and female expatriates in their work adjustment in areas of high masculine culture such as Asia, but also Tung (1998) who found no gender difference in successful performance of expatriate assignments. On the other hand, the T-test result of this study was shown contrary opinions to the above researches are Caligirui and Cascio (1989). Cockburn (1991), Ely (1995), Napier and Taylor (1996), and Rubin (1997).

One most important and possible reason perhaps can apply to explain lesser number of Taiwanese female expatriates compared to male expatriates, due to negative stereotype by host countries, in particular, nations that do not regard women as unsuitable for important positions. In all likelihood a remarkable barrier to Taiwanese female expatriates in international organizations is the unvarying stereotype held in the majority of Taiwanese MNCs headquarters that associates expatriates with being male. Nevertheless, the number of female expatriates is growing slowly, and they demonstrate the same quality of cultural adjustment in

overseas assignments as male expatriates, perhaps due to the fact that women are receiving higher levels of education than before. International enterprises no longer afford to limit the talent of their human resources by excluding particular groups of employees. Numerous international enterprises have reexamined their unwillingness to post women abroad and based on the results of both research projects, it can be concluded that now is the time for international enterprises to include females in their recruitment base.

7.1.5 Overseas Study Experience and Previous Overseas Experience

Consistent with previous research (Bell and Harrison 1996; Black 1988; Black et al. 1991; Bochner et al. 1986; Bochner et. al. 1971; Brein and David 1971; Brewster 1991; Church 1982; McEvoy and Parker 1995; Searle and Ward 1990; Selmer 2002; Shaffer and Harrison 1998; Torbiorn 1982) this study demonstrates that previous international experience is a positive factor for expatriate adjustment. The test result showed there was a positive relationship between obtaining an overseas degree and cross-cultural adjustment. Conversely, Lee's (2002) published research revealed that there was no significant difference between obtaining a degree and not obtaining a degree in the United States on cross-cultural adjustment. There was also no significant difference between having had overseas experience and not having had overseas experience on cross-cultural adjustment for Taiwanese expatriates located in United States. As a result, overseas experience, both study experience and work experience, were crucial factors influencing cross-cultural adjustment for Taiwanese expatriates located in Mainland China, but not for the United States.

Cross-cultural experience, both study experience and previous overseas work experience, has been shown to be related to successful cross-cultural adjustment in Taiwanese expatriates assigned to Mainland China. Perhaps past foreign experience

affects how confident an expatriate will feel in a new country and thus is positively related to success in a global assignment. In this study, Taiwanese expatriate participants demonstrated that having previous cross-cultural experiences certainly assisted them in the process of adjustment in subsequent assignments. It seems reasonable to assume that previous international experience may be a significant source of information from which expatriates can establish accurate expectations. Also, founded on the concept of uncertainty reduction, it perhaps can be surmised that more international adjustment experiences can provide information by which uncertainty may be reduced and accurate expectations formed than fewer such previous experiences. From a management perspective, once an employee has previous overseas experience, and is classified as a career expatriate, there is a tendency for enterprises to minimize the material and counseling support given before and after the move. This tendency of enterprises implicitly supports the proposal that previous experience, especially in the same country to which a person is being assigned, reduces culture shock by increasing the accuracy of expectations held by an individual, therefore facilitating anticipatory adjustment which in turn should improve interaction adjustment.

Additionally, expatriates with previous experience should have developed relocation skills, which would reduce uncertainty associated with the new move, thus facilitating not only work but also general adjustment. On the other hand, although culturally related prior international experience may accelerate some aspects of the adjustment of expatriates, because of the significance of cultural similarity, experience from the very same place also has the strongest positive impact on expatriate adjustment.

7.1.6 Previous Cross-cultural Training

According to the results of the T-test in this study there was a significant difference between expatriates having previous cross-cultural training and not having previous cross-cultural training on cross-cultural adjustment in this study. The finding here suggests that it could be useful to target cross-cultural training to increase expatriates' confidence and reduce any perceived inability to adjust. Although only 29.9 percent of participants received cross-cultural training from their enterprises before taking up their overseas assignments this should not be construed to mean that cross-cultural training is not necessary for Taiwanese expatriates assigned to Mainland China. In contrast, Lee's (2002) research revealed almost half (49.1%) of the participants had previous cross-cultural training, while the other half (50.9%) did not. Interestingly, there was no significant difference between having had previous cross-cultural training and not having had previous cross-cultural training on cross-cultural adjustment for Taiwanese expatriates posted to the United States. Consequently, cross-cultural training was a critical factor influencing cross-cultural adjustment for Taiwanese expatriates located in Mainland China, but not for those posted to the United States.

Although more and more international organizations and individual employees understand that cross-cultural adjustment is crucial to effective performance and provide some pre-departure cross-cultural training, training during the assignment is still relatively rare according to this study. Cross-cultural training has long been advocated as a means of facilitating effective cross-cultural transfer, yet only 29.9 percent of firms endorsed such HRM practices in this study. The main reason appears to be that HR managers simply do not believe that training is necessary or effective for Taiwanese expatriates assigned to Mainland China because these two countries share a similar Chinese culture. Cross-cultural training programs are considered costly

and time-consuming. Lack of time perhaps is another reason why these enterprises failed to offer adequate training, even though many researchers recommend that expatriates undertake cross-cultural training (Berry, et al. 1993; Black and Mendenhall 1990; Gregersen and Black 1992; Hammer and Martin 1990; Naumann 1993; Oddou 1992). As well, the empirical support for the effectiveness of such training varies widely. Studies have found correlations between expatriate cross-cultural training and expatriates adjustment ranging between $r = -0.42$ (Black 1988) and $r = 0.57$ (Early 1987).

7.1.7 Marital Status and Partner Living Status

In this study, descriptive statistical analysis revealed that 70.1% of Taiwanese expatriates were married and ANOVA statistical analysis revealed that there was a significant difference between different marital status on cross-cultural adjustment. Of the respondents, 38.7% Taiwanese expatriates had their spouse living with them, and T-test statistical analysis revealed that there was a significant difference between living with spouse or partner and not living with a spouse or partner during overseas assignment on cross-cultural adjustment. Lee's (2002) research relating to Taiwanese banking expatriates in the United States revealed in the marital status section that all of the participants were married. It is therefore difficult to analyse the marital status factor affected the cross-cultural adjustment of Taiwanese expatriates located in the United States. Contrary to the present study, Lee's (2002) research demonstrated that there was no significant difference between living with a spouse and not living with a spouse on cross-cultural adjustment. Accordingly, marital status and living with spouse or partner were important factors influencing on cross-cultural adjustment for Taiwanese expatriates located in Mainland China, but not for Taiwanese expatriates placed in the United States.

Shanghai is a modern metropolis in Mainland China with a high living standard, especially for business expatriates, and with a culture that has been under traditional Chinese influence for more than five thousand years. It is therefore likely that Taiwanese spouses may adjust relatively well in Shanghai as may their expatriate partners. On the other hand, unmarried business expatriates, deprived of the supportive influence of an accompanying spouse, may not adjust as well as their married colleagues. However, only 38.7 percent of participants had their spouse living with them, mainly because Taiwanese expatriates tend to leave their spouses and families in Taiwan, due to concerns for children's education and safety concerns when they were sent to developing country such as Mainland China.

The representative international assignment generally presents an expatriate relocating, bringing his/her spouse or partner with them. The expatriate spouse or partner is known as the accompanying spouse or partner, as he/she gives up his/her home, social network and perhaps career to follow the interests of his/her spouse's or partner's career. This study definitely showed that the accompanying spouse has a marked effect on the success of the overseas assignment. Additionally, the effect of spouses on the outcome of expatriates assignments has been a recurrent theme in the literature (Adler 1986; Birdseye and Hill 1995; Black 1988; Black and Gregersen 1991a, 1991b; Harvey 1985; Punnet 1997; Shaffer and Harrison 1998; Shaffer, Harrison and Gilley 1999; Torbiorn 1982; Tung 1981). This is justifiably so since most business expatriates have spouses who accompany them abroad (Black 1988; Black and Stephens 1989; Harvey 1985). It has been well demonstrated that an accompanying spouse can be a great source of support and encouragement for the business expatriate during their overseas assignments. On the other hand, the spouse can also become the main reason for inadequate performance and premature return from the foreign assignment. For this reason, there seems to be a positive association

between spouse and expatriate adjustment.

7.1.8 Partner Employment Situation

According to the statistic results, it indicated that there was a positive relationship between working with one's spouse or partner during the overseas assignment and cross-cultural adjustment in this study. Nevertheless, Lee's (2002) research demonstrated that there was no significant difference between working with spouse and not working with spouse on cross-cultural adjustment. The result in dual employment is in opposition to that of this study. Hence, dual employment was an essential factor to affecting cross-cultural adjustment for Taiwanese expatriates located in Mainland China, but not for Taiwanese expatriates placed in the United States.

Demographic developments may also reduce the desire of expatriates for an expatriate career. Dual-career couples are becoming more common, indicating that there could more spouses or partners who are less willing to break or abandon their own careers (Harvey 1997; 1998). Harvey's (1995) research demonstrated that approximately 20 to 25 percent of expatriate spouses never find employment in the host location. Pressure and stress may result from the spouse's lack of a job. For dual-career couples the loss of the spouse's income may reduce the living standard of the expatriate's family, and they may have accepted the expatriate assignment in the belief that the spouse would quickly find employment to mitigate financial hardship. Fifteen percent of expatriate candidates have been reported to reject offers of foreign assignments due to the career of their spouse or partner, and this figure may increase in the future, especially in Western Europe and North America (Punnet 1997). Although companies can assist dual-career couples in several ways, few international firms have dealt with dual-career problems in an effective way. Clearly, the statistical

analysis of this research pointed out that respondents acknowledged the dual career dilemma as an emerging problem that could affect career development plans for international employees. From the information given by the respondents it appears the majority Taiwanese expatriates faced problems relating to the issue of the dual career couple, however they still performed their overseas assignments. Furthermore, enterprises have ignored management of this problem through relevant HRM policies and practices. In anticipation of these trends continuing, it is suggested that organizations implement a career-counseling program for the spouses of their expatriates.

7.2 Significance of Each Independent Variable

In this section, each independent variable which was significant in the present study: job satisfaction, family support, learning orientation, organization socialization and cross-cultural training were revealed as statistically significant, and the statistical results for Taiwanese expatriates assigned to Mainland China were compared with those of Taiwanese expatriates located in the United States (Lee 2002) as shown in Table 7.2 below.

Table 7.2 The Significance of the Relationship of Each Independent Variable to Adjustment in Mainland China and the United States

	Mainland China	United States *
Job Satisfaction	Significant	Significant
Family Support	Significant	Not significant
Learning Orientation	Significant	Not significant
Organization Socialization	Significant	Significant
Cross-cultural Training	Significant	Not significant

Source: * Lee (2002).

7.2.1 Job Satisfaction

Based on the statistical analysis of this study, the data revealed that the correlation between job satisfaction and cross-cultural adjustment was positive. Correspondingly, 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 cross-cultural adjustment for Taiwanese expatriates posted to both Mainland China and the United States.

As an overall evaluation or emotional state resulting from the appraisal of one's work 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 strongest 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 subsidiary. Undeniably, it makes sense that ambiguity, discretion and conflict will influence the capability of expatriates to adjust to their new work assignments overseas.

7.2.2 Family Support

According to the statistical analysis in this study the adjustment of the expatriate's family support was positively correlated to the adjustment process of the expatriate. The findings definitely suggest that family support was a key element in the ability to adjust to the overseas assignment. This result is consistent with past research (Black and Gregersen 1991; Black and Stephens 1989; Fukuda and Chu 1994; Schneider and Asakawa 1995; Caligiuri et al. 1998) that found that family support was significantly related to the expatriate's ability to adjust overseas. The result also indicated that expatriate adjustment is not a unitary phenomenon. Clearly family issues, involving the spouse/partner or family members are one of the key problem are as faced by Taiwanese expatriates. To overcome the family support issue, this study suggests that Taiwanese headquarters may help their expatriates by encouraging expatriates' families to accompany them to Mainland China.

In contrast to this study, Lee's (2002) published research provided weak evidence (as $r=0.16$, $p > 0.05$) for the mediating role of family support on cross-cultural adjustment of Taiwanese expatriates in the United States. Consequently, family support plays an important role affecting cross-cultural adjustment for

Taiwanese expatriates assigned to Mainland China. For Taiwanese expatriates placed in the United States the factor of family support was not a very strong issue determinant of cross-cultural adjustment.

Besides taking up the challenge of new job responsibilities, international expatriates are also normally required to adjust to different living conditions and various other obstacles. Expatriates' international assignments often involve either transferring families to the new country and a foreign environment or involve forcing the expatriate to live away from their families. Both cases put tension on expatriates and their family members. There is a need to look beyond individual influences and to consider the job, environment, and family-related factors that may affect expatriate success. Past research has found that support from family plays an important role in reducing work and non-work conflict. More specifically, spousal support has received a great deal of attention. For instance, higher levels of family emotional and instrumental support were associated with lower levels of family interference with work conflict. That means that spousal support and family support are direct negative predictors of family interference with work conflict. Therefore, family support has been demonstrated to significantly relate negatively to family interference with work conflict.

The dual career dilemma was acknowledged by expatriates as an emerging problem that can affect career development plans for international employees. From the information given by the expatriates it appears that most of their companies recognized the issue of the dual career couple, but are still unsure of how to manage the problem through relevant HRM policies and practices.

In anticipation of such a trend continuing, it is suggested that organizations might be encouraged to implement a career counseling program for the spouses of their expatriates. Alternatively, Taiwanese enterprises could consider paying double

salary when spouses or partners sacrifice their own career, to encourage Taiwanese expatriates to succeed in their overseas assignment. Other benefit programs could be developed for Taiwanese expatriates assigned to Mainland China. Perhaps non-accompanied expatriates could be given a ticket for a trip to Mainland China once a year for the whole family.

7.2.3 Learning Orientation

Conclusions from Porter and Tansky's (1996) study supported the premise that employees vary in the extent to which they allow themselves to learn from their experiences on the job. The correlation between learning orientation and cross-cultural adjustment was significant in this study, in other words, learning orientation affected the cross-cultural adjustment of expatriates in overseas locations. In the contrast with to study, Lee's (2002) published research indicated that expatriates adjustment was rarely dependent on learning orientation ($r = 0.186$, $p > 0.05$). Therefore, the cross-cultural adjustment of Taiwanese expatriates assigned to Mainland China is positively related to learning orientation. Conversely, a clear mediation effect of the latter was not found for cross-cultural adjustment in Lee's (2002) research.

Possibly, adjusting to a culture in closer proximity to one's own can reduce stress arising from psychological uncertainty allowing one to open to a new learning situation. At the same time, learning is facilitated if an experienced person can guide a neophyte in the new environment, and such a relationship is more likely if there is cultural proximity. Previous researchers support the assertion that a learning orientation is very significant in the workplace (Button, Mathieu and Zajac 1996; VandeWalle 1997; VandeWalle and Cummings 1997). Therefore, it can be said that high learning orientation is critical for the success of an expatriate. From a social

learning perspective, the socialization that occurs in the host company abroad will facilitate cultural understanding, and subsequently, facilitate adjustment. Furthermore, the social learning theory would suggest that, through the process of gradual behavior modeling and mentoring during the orientation to the host company abroad, expatriates not only learn appropriate skills, but also come into contact with host nationals, and develop a mutual understanding that promotes adjustment abroad.

7.2.4 Organization Socialization

The theoretical and empirical literature on organizational socialization has mainly focused on the relationship between organizational socialization tactics and mode of adjustment. In addition, Lee's (2002) empirical evidence ($r = 0.315$, $p < 0.05$), that result demonstrated that when expatriates who were better socialized in the host country abroad, were likely to adjust more efficiently. In agreement with previous research (Black et al. 1991; Lee 2002), this study revealed that the correlation between organization socialization and cross-cultural adjustment was positive.

Socialization is the process by which newcomers learn the behaviors, values, beliefs, and social knowledge needed to accept their new roles and function effectively within the organization. On the other hand, the socialization received has been related to various indicators of newcomer adjustment, including role ambiguity, role conflict, stress symptoms, job satisfaction, organizational commitment, organizational identification, and intention to resign.

In addition, this study and Lee's (2002) research investigated the relationship between organization socialization and cross-cultural adjustment. Both studies demonstrated that a high level of organization socialization was positively related to cross-cultural adjustment. Consequently, it is a proven hypothesis that received socialization in organizations will be positively related to newcomer adjustment. It is

essential that international organizations have a sound appreciation of the necessary elements that expatriates need as part of their socialization process and the impact of these elements on cross-cultural adjustment

7.2.5 Cross-cultural Training

The correlation between cross-cultural training and cross-cultural adjustment was significant in this study. It appears that Taiwanese employees believe that prior cross-cultural training is necessary for Taiwanese expatriates. However, 70.1 percent of respondents did not receive previous cross-cultural training, and 29.9 percent had previous cross-cultural training. Given the notorious lack of cross-cultural training, this could result in a stressful experience, as indicated by the few empirical studies touching on the subject of expatriate adjustment in Mainland China (Björkman and Schaap 1994; Sergeant and Frenkel 1998). Also, previous cross-cultural training indeed facilitated the adjustment of Taiwanese expatriates, and assisted expatriates to perform well in Mainland China and to complete their terms, even though Taiwan and Mainland China share a similar Chinese culture.

Cross-cultural training appears to be an important factor in the adjustment of Taiwanese expatriates. Nevertheless, the statistical results revealed that Taiwanese MNCs often neglect to provide any kind of cross-cultural training for their international expatriates. In review, the high costs related to difficulties in expatriation such as adjustment difficulties, premature returns, repatriation difficulties and career management problems, are also widely noticed. From this standpoints it is stressed that the training of employees for their international careers is a very important HRM challenge.

In contrast to this study, Lee's (2002) published research demonstrated that the adjustment of expatriates were rarely dependent on cross-cultural training ($r=0.108$, p

> 0.05). It was an unexpected finding that cross-cultural training was not significant to cross-cultural adjustment for Taiwanese expatriates located in the United States. It is possible, nevertheless, that the absence of any significant effect of training may be due to the great variation in the way that cross-cultural training is implemented in organizations. The other possible explanation is that international organizations provide all expatriates who are assigned to different countries with the same cross-cultural training system. Normally, different countries have different climates, cultures, customs and dissimilar barriers. Consequently, international organizations should offer expatriates cross-cultural training relevant to expatriate needs and the overseas location. In fact, most cross-cultural training for expatriates is generally superficial in degree, incomplete or non-existent. This suggests it was an effective cross-cultural training program which significantly impacted upon the cross-cultural adjustment of Taiwanese expatriates in Mainland China. Conversely, there was no clear mediation effect of the training programme for cross-cultural adjustment in Lee's (2002) research.

Many researchers advocate the use of cross-cultural training (Berry et al. 1993; Black and Mendenhall 1990; Deshpande and Viswesvaran 1992; Gregersen and Black 1992; Hammer and Martin 1990; Naumann 1993; Oddou 1992). Extensive studies indicate that training is advantageous in reducing the perceived need of expatriates to adjust. In other words, a positive relationship existed between cross-cultural training and cross-cultural adjustment (Befus 1988; Deshpande and Viswesvaran 1991; Earley 1987; Gudykunst et al. 1977; Latta 1999; Mitchell et al. 1972; Newbold et al. 1982; O'Brien, Fiedler and Hewett 1970; Salisbury 1971; Steinkalk and Taft 1979; Worchel and Mitchell 1972).

For international expatriates who are completely unfamiliar with the customs, cultures and work habits of the host nation, cross-cultural training may be a critical

element in their effectiveness and success in their overseas assignments. Because cross-cultural training familiarizes expatriates with the new culture, it is predictable that expatriates would feel adaptable and familiar with the host culture more directly and effortlessly. Equally, owing to the subsequent cultural familiarity and advanced cross-cultural understanding on the part of the expatriates, cross-cultural training would lead to reduced anxiety and culture shock, and would thereby facilitate cross-cultural adjustment. In terms of adjustment, which is defined as effective interaction with host nationals, expatriates gain knowledge through cross-cultural training that enhances their self-efficacy, which enables expatriates to emulate behaviors that would result in effective interactions more efficiently than non-trained expatriates. Training should include pre-departure training, overseas on-the-job training, host cultural awareness training, and language programs. It is a norm, at least theoretically, for organizations to offer some sort of orientation to employees posted to international assignments. This, it is assumed, will assist the expatriates to deal with some important issues while working in the new surroundings.

The importance of such training in preparing the individuals for intercultural work assignments has become increasingly apparent. A comprehensive review of the literature demonstrated that there was strong evidence for a positive relationship between cross-cultural training and adjustment.

Numerous advantages can be gained through providing expatriates with cross-cultural training prior to departure for international assignments, and this sort of training are concluded as several meaning as following. Firstly, cross-cultural training can be explained as a method for conscious change from an automatic, home-culture mode to a culturally appropriate, adaptable, and acceptable mode. It also can be defined as an aid to dealing with unexpected events or culture shock in a new culture. Thirdly, cross-cultural training can be described as a way of lessening the

uncertainties of interactions with foreign co-workers and nationals. Lastly, cross-cultural training should be clarified as a system of increasing the ability of expatriates to manage the reduction of pressure and uncertainty in overseas environments, work performance and general living problems.

Underlining the complex nature of culture, nevertheless, even as international organizations try to equip employees mentally, it is not easy to develop the appropriate mental frame of reference for dealing with different cultures worldwide. A frame of reference in this sense includes a basic awareness of cultural differences, which exist between the 'home' culture and those with which people are doing, or would like to do business. In conclusion, the degree to which cross-cultural training is needed and is effective is a function of the degree to which the international assignee interacts with members of the host culture. In addition, empirical experiences of international enterprises and academic researches exposed that the cross-cultural training is an imperative factor in facilitating cross-cultural adjustment process.

7.3 Conclusion

There has recently been a tremendous surge in foreign direct investment in the mainland of the People's Republic of China (PRC), resulting in a substantially increased number of foreign business persons working in Sino-foreign joint ventures, foreign representative offices, foreign wholly owned subsidiaries and branches of foreign firms. Mainland China has developed into an important current and potential market for international business firms. Foreign capital has poured into Mainland China on a large scale over the last two decades and the Chinese market has retained a considerable attraction for international business. In addition, Mainland China has developed into an important destination for foreign investment as the host of a growing multitude of business operations controlled by Taiwanese corporations.

Following the phenomenal growth in international trade, globalization of markets and economic integration are likely to increase the placement of expatriates in foreign assignments. In other words, owing to the rapid globalization of business and markets, cross-cultural management has emerged as a crucial issue for expatriates as well as for international enterprises. The current number of Taiwanese expatriates in Mainland China is uncertain, but in 1994 it was estimated to exceed 100,000. In addition, Investment Commission of the Ministry of Economic Affairs (ICMEA, 2001) estimated that there were over 200,000 Taiwanese expatriates and their families in Mainland China.

The above information demonstrates that the number of Taiwanese expatriates in Mainland China is indeed increasing steadily. These expatriates have to make things work in the new setting. However, failure or premature return rates for expatriates are very high, and the outcomes of international assignments are dependant on many factors. To avoid or at least to minimize any adverse consequences associated with expatriation, successful management of the factors of and policies aimed at facilitating expatriate adjustment to the new environment are imperative. Consequently, this study adopted Lee's (2002) model that related to Taiwanese banking expatriates in the United States to investigate significant factors which affect the adjustment of Taiwanese expatriates to Mainland China. At the same time the results of Lee's (2002) research were compared with this study in this chapter. Lee's (2002) model was utilized to analyze cross-cultural adjustment in a developing country; the results between Lee's research and this study were completely divergent.

Taiwanese expatriates sent on international assignments experience a variety of changes. At a personal level, they must make the transition from living in familiar surroundings to living in unfamiliar surroundings. This requires adjustments to their living habits, and necessitates finding new balances between their work activities and

personal life activities. For most expatriates, too much adjustment requiring too much time and energy seems inescapable at times.

The findings of this study suggest that to achieve the ideal fit between Taiwanese expatriates and the new work and sociocultural environment of Mainland China, both the Taiwanese MNCs and expatriates need to comprehend the influence of factors of adjustment on individuals. These include demographic factors, job satisfaction, family support, learning orientation, organization socialization, and cross-cultural training. The majority of the respondents considered that the cross-cultural adjustment of Taiwanese expatriates in Mainland China seems affected by each factor. Table 7.3 compared the degree of importance of each factor between Taiwanese expatriates in Mainland China and the United States. One stands for a very strong effect on cross-cultural adjustment, and five stands for the weakest effect on the degree of cross-cultural adjustment. According to their experience respondents to this study ranked factors to adjustment in the following order of importance: job satisfaction, family support, cross-cultural training, organization socialization, and learning orientation during their overseas assignment. On the other hand, the ranking in order of importance to adjustment of Lee's (2002) research was job satisfaction, organization socialization, learning orientation, family support and cross-cultural training.

Table 7.3 The Ranking of Important Factors to Adjustment in Mainland China and the U.S.

	Mainland China	United States *
Job Satisfaction	1	1
Family Support	2	4
Learning Orientation	5	3
Organization Socialization	4	2
Cross-cultural Training	3	5

Source: * Lee (2002).

Each key factor facilitated the adjustment of Taiwanese expatriates assigned to Mainland China; Taiwanese MNCs must cooperate with affiliates and involve their management in these key influence factors of adjustment. Furthermore, Taiwanese MNCs must provide continuous support to the employees throughout their assignment in Mainland China.

CHAPTER 8

CONCLUSION AND LIMITATIONS

This chapter includes two sections: the conclusion to the study and limitations and recommendations for future study.

8.1 Conclusion

The parallel processes of internationalization and globalization have contrived to encourage an increasingly large number of mergers, acquisitions, joint ventures and other forms of partnerships across national boundaries. This compares with Taiwanese domestic companies in the middle 1980's, facing changes in operational environments of economic growth, escalation of labor costs and land prices, and labor shortages of labor. Taiwan's MNCs (Multinational Corporations) have therefore shifted locations to countries such as Mainland China, to reduce costs, and maintain and increase their competition. This trend has introduced new ways of working that bring together individuals from dissimilar backgrounds to work on the same mission or assignment in a foreign environment. As the world becomes 'smaller', more and more individuals are spending time living and working away from their familiar home country and environment, giving rise to greater face-to-face contact among people from different cultural backgrounds. Such intercourse, therefore, serves as a kind of arena for the deliberate, but sometimes unconscious, diffusion of significant and varied experiences among the interacting individuals.

Given the fact that Taiwanese have invested billions of dollars in Mainland China, Mainland China has increasingly become the key to the future of the Taiwanese economy. Consequently, there is a resurgence of interest in the experiences of people who work in other cultures. These include the many managerial and

technical personnel who were previously employed in Taiwan and have been sent to Mainland China. Although the cultural denominator of Taiwan and Mainland China is a shared Chinese heritage, the Mainland culture has been influenced by almost fifty years of Communism. Taiwan, on the other hand, holds distinct cultural values that reflect its divergent historical encounters with Western civilizations. This is the genesis of the culture gap between Chinese employees and Taiwanese expatriates. However, the gap is not big enough for conflict. Both sides are tolerant of the different cultural background, which has been created by the separation between Taiwan and Mainland China for almost fifty years. In other words, the international scope of markets and intensifying global competition are forcing enterprises to perform in more diverse geographical environments. The capability to launch operations in diverse places can allow an enterprise to gather technological and market information more speedily as well as to respond rapidly to local customer demands. This situation often requires the presence of competent expatriates to implement corporation strategies effectively. The overseas assignment of employees can thus have a significant impact on a firm's success in international markets. Consequently, understanding the factors that improve the adjustment of expatriates and their performance in international environments has become not only a crucial human resource issue, but also one of international market competition.

Expatriates often fill critical positions in host countries in areas such as the development of new markets, technology transfer, joint venture negotiations and subsidiary management. Congruent to the strategic importance of these assignments, the failure of an expatriate may be costly, and even detrimental to the future of a multinational company in a host country. In attempting to adjust to a new cultural environment that is dissimilar to the expatriate's own country, he or she has to operate in an unfamiliar work context and has to pay more attention to master a different way

of life than in their own country. These expatriates not only have to respond to the problems of motivation, leadership, and productivity in the foreign assignment, but may also have much heavier responsibilities than in their prior domestic job. These factors may cause an extraordinarily stressful experience, and not everyone is successful and gains satisfaction from their new tasks.

As stated in the literature review the lack of a very clear understanding of exactly what factors are important to international assignee success and job performance is due to a paucity of literature on the structure and content of performance in human resource management and organizational behavior. In the international assignee domain the absence of a clear delineation of success factors was highlighted by the various findings of researchers (Adler 1983; Black and Gregersen 1991; Black, Mendenhall and Oddou 1991; Black and Stephens 1989; Hays 1971; Hough and Dunnette 1992; Tung 1981) who have attempted to identify performance factors underlying international assignee success.

Although a number of studies highlight the significance of this issue, one limitation that possibly contributes to the inability to definitively establish the performance components for international assignees could be that these studies have generally been limited to only U.S. international assignees. Being aware of this, the present study contributed to and extends the extant literature by identifying and assessing the relative significance of factors that are perceived to contribute to international assignee success. It also used a Mainland China sample in a comparative analysis of the results of the two studies.

The model of Lee's (2002) published dissertation concerned Taiwanese banking expatriates in the United States. The same model was used to examine critical factors which affect the adjustment of Taiwanese expatriates in Mainland China. Hence, the major purpose of the research undertaken in this particular study can be stated as a

focus on investigating and analyzing the Taiwanese expatriates who were assigned to perform their overseas assignment in Mainland China on the interaction between demographic factors, job satisfaction, family support, learning orientation, organization socialization, cross-cultural training and cross-cultural adjustment.

Interestingly, the results emerging from both studies were completely different even though both studies adopted the same model to investigate the factors influencing cross-cultural adjustment of Taiwanese located in the United States and in Mainland China. These differences were discussed in detail in the previous chapter included demographic factor, job satisfaction, family support, learning orientation, organization socialization and cross-cultural training. The following conclusions focus on the influential factors that were associated with this study.

Several individual-level factors are believed to influence cross-cultural adjustment. In this study, the questionnaire began with individual background variables: age, educational level, expatriation duration, gender, previous overseas study, previous overseas experience, previous training, marital status, spouse living with status and spouse employment situation. In all cases the respondents were asked to select the relevant option among classified response alternatives. Each individual factor was significantly different for levels of cross-cultural adjustment of Taiwanese expatriates assigned to Mainland China, exclusive of gender. However, Lee's (2002) research revealed that whole individual factors were not significantly different on cross-cultural adjustment of Taiwanese expatriates posted to United States; not included was the marital status due to all of Taiwanese expatriates located in the United States being married. It was therefore difficult to recognize a difference in cross-cultural adjustment between married and unmarried expatriates. These differences are discussed below.

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 of leaving 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. Coincidentally, job satisfaction was the strongest factor to affect the cross-cultural adjustment of Taiwanese assigned to either Mainland China and the United States.

Family support refers to the cohesion or closeness that family members feel toward one another, and the amount of emotional support that this engenders. Family issues concerning spouse/partner or other family member are clearly the key problems that Taiwanese expatriates face. Taiwanese headquarters may help their expatriate employees by encouraging expatriates' families to accompany them to Mainland China. In contrast with Lee's (2002) research, the family support factor was not significant in the cross-cultural adjustment of Taiwanese expatriates located in the United States. Mostly, the family factor is positively related to the international level of adjustment of an employee, but sometimes family factor presented non-significant in expatriates' cross-cultural adjustment as in the result of Lee (2002), maybe due to a different personal background, character or other different element to conduct the study.

In the ranking list, learning orientation was the weakest factor to affect cross-cultural adjustment in this study, but it was still significant to cross-cultural adjustment. On the other hand, the learning orientation factor was not significant to the cross-cultural adjustment of Taiwanese expatriates located in United States. The dictionary defines learning as 'the acquiring of knowledge'. It encompasses both the

acquisition of 'know-how', which implies the physical ability to produce some action, and the acquisition of 'know-why', or the ability to articulate conceptual understanding of an experience. Measuring learning orientation in this study was related to expatriates' attitudes and motivation on adjustment. It is important to measure learning because no change can be expected in behavior on the international assignment and subsequent performance unless one or more of the learning objectives has been accomplished. The importance of evaluating learning applies especially to cross-cultural adjustment. It is important to determine if indeed the expatriates have developed the requisite knowledge and understanding of the different work and life environment to which they will be assigned.

This study confirmed previous research (Black et al. 1991; Lee 2002), which found a positive correlation between organization socialization and cross-cultural adjustment. Empirical evidence confirmed that Taiwanese expatriates in Mainland China who were socialized and engaged socially were able to adjust more effectively. Organization socialization was also an important factor in cross-cultural adjustment of Taiwanese expatriates in the United States.

Cross-cultural training is intended to assist expatriates to adjust more quickly to their host environment, and to be more satisfied and successful in their foreign assignments. Various kinds of training can be made available to them. It seems that Taiwanese employees believe strongly that prior cross-cultural training is necessary for Taiwanese expatriates. Prior cross-cultural training indeed facilitated the adjustment of Taiwanese expatriates in Mainland China, even though Taiwan and Mainland China share a similar culture. The findings of this study suggest that it could be useful to target cross-cultural training to increase expatriates' confidence, and reduce any perceived inability to adjust. There is evidence as page 57 in this study that such training is successful in supporting expatriates in their adjustment process.

By including such issues as discussed in section 2.10 in the training of expatriates, the adjustment process could be supported and expatriates could work more effectively in their jobs from the beginning.

However, it is interesting to note that 70.1 per cent of respondents did not receive previous cross-cultural training. The findings indicated that a majority of multinational companies in the sample do not provide such training at all. The result, also obviously reflects a need for guidelines to assist Taiwanese expatriates to adjust well in Mainland China. Consequently, cross-cultural training should not be ignored by human resource executives of Taiwanese MNCs. In contrast, cross-cultural training was not a significant factor on the cross-cultural adjustment of Taiwanese expatriates in the United States.

The results indicated that expatriates faced cross-cultural adjustment problems not only associated with demographic factors, but also with job satisfaction, family support, learning orientation, organization socialization, and cross-cultural training. Each variable registered a positive influence on the ability of Taiwanese expatriates to perform their overseas assignment in Mainland China, except gender. However, not every variable affected cross-cultural adjustment of Taiwanese expatriates located in the United States.

In summary, in this research comparing the factors influencing cross-cultural adjustment, the factors that appeared to be most powerful, arranged by degree of influence, were job satisfaction, family support and cross-cultural training. The factors of learning orientation and organization socialization appeared to be less important for cross-cultural adjustment. On the other hand, Lee's (2002) research revealed that job satisfaction and organization socialization presented as more important than the factors of family support, learning orientation and cross-cultural training. An interesting outcome in this study is that even if Lee's (2002) research and

this study utilized the same model to investigate Taiwanese expatriates' cross-cultural adjustment in their overseas assignments, the results obtained from the two studies were absolutely different. The differences between the two studies may relate to expatriates being assigned to different countries. Taiwanese expatriates were assigned to the United States in Lee's (2002) research and in this study the sample employed was Taiwanese expatriates located in Mainland China. In addition, individual backgrounds, the characters of the sample, time of conducting the study or other specific elements possibly led Lee's (2002) research and this study into two dissimilar directions.

The results of this study into factors affecting the cross-cultural adjustment of Taiwanese expatriates in Mainland China may present practical insights and bring added clarity to areas where difficulties have previously occurred. The results may also assist international enterprises and academic research in determining efficient strategies that can be applied in advance to lessen the obstacles encountered by expatriates. Precise use of the proposed adjustment model by individuals and international organizations will promote for successful adaptation to cross-cultural and international market demands.

In addition, academic research and MNCs may obtain several new concepts from the comparison of this and Lee's (2002) studies, both of which differ significantly from previous studies.

8.2 Limitations and Recommendations For Future Research

This study has certain limitations to be considered in evaluating its results. Recommendations for future research into factors affecting international expatriates are also presented.

8.2.1 Female Expatriates

Despite the increase in demand for international expatriates, the number of females in the international field remains tenaciously low. This appears to discredit the hypothesis that variety is being recognized and integrated in a global approach. The particular situation in which the number females on international assignments are growing at such a sluggish growth rate is a major concern to both international enterprises and academic researchers. This study also revealed that the number of female expatriates were significantly less than the number of male expatriates. This may perhaps mean that Taiwanese enterprises are inclined to take as a common principle that female expatriates are less likely to actualize efficiently in international assignment. In other words, the small percentage of female expatriates of Taiwanese MNCs assigned to Mainland China perhaps implies that their gender is the main barrier to selection and preparation for international assignments, because the stereotypical image of the expatriate as male still exists in organizations and society. Nevertheless, many reasons have been put forward to explain the dearth of women on international assignments. These reasons possibly include lack of interest, personality traits, as well as prejudice by foreigners against women, organizational reluctance to send women, the effect of selection systems for international assignments and dual-career and family constraints.

Consequently, an depth investigation is required to discover more specific reasons explaining this shortage of female expatriates that reflects an overall less favorable predisposition among Taiwanese enterprises to select Taiwanese females for expatriate assignments. In addition, there is a need for a detailed study of the issues of adjustment of female international expatriates that will address both the theoretical and methodological limitations of the existing research. To sum up, a significant challenge facing female expatriates is that, for them to succeed on their global

assignment, they must achieve cross-cultural adjustment.

The issue of female adjustment on overseas assignments should be seriously investigated. For the following two reasons. Firstly, the proportion of women expatriates has seen a steady increase, even though it is growing slowly. There is no reason to suggest that this trend will not continue. Secondly, with overseas assignment becoming an organizational routine in the global economy, some previous studies have indicated that women could be successful as expatriates in foreign countries. The result of this study implied that women were doing well and no less well than males in their overseas assignment. Generally speaking, female expatriates are becoming a less contentious issue; at the same time, women are receiving higher levels of education than previously, and the younger generation of female expatriates is more self-confident and career minded than ever before. The female expatriate is therefore an interesting field for future research in international human resource management.

8.2.2 Individual Skills

Expatriates are required to have several different types of skills and talents to be able to survive in a foreign culture. Even with all the required skills an expatriate has to go through a process of adjustment to the new environment. The problem of adjustment to a foreign culture is a critical factor determining the potential success of an expatriate. In general, expatriates believe that their company will value the development of their skills during the assignment. The expatriate's ability to adjust has been well researched, and the impacts of both personality characteristics and other variables have been studied. Unfortunately, in measuring individual skills and abilities to adjust to overseas assignments in Mainland China, this study focused only on educational level; it was too narrow to draw any conclusions about the whole field of personal ability. Even so, educational level was definitely a significant factor affecting

the cross-cultural adjustment of Taiwanese expatriates in Mainland China.

Therefore, to help overcome this bias, future research should explore individual skills more deeply by asking participants to supply more current and valid information, for example, some personality skills of successful expatriates are the importance of openness and sociability, patience and tolerance for ambiguity, self-confidence and willingness to change, and communication skill with local nationals.

8.2.3 Family Adjustment

The majority of respondents in this study recognized the importance of the role of spouse or partner and family members. The obstacles of adjustment to a new environment for children, and employment problems for the spouse may be major sources of stress for the expatriate. The importance of this occurrence is emphasized. International organizations should take them into serious consideration, as expatriate failure has been attributed to the failure of the spouse or partner and family related problems. A further important aspect of identifying an expatriate who has the potential to succeed in a foreign assignment is to cautiously analyze the expatriate's spouse and family. Family members, especially the spouse, are often more directly exposed to the foreign environment because they do not have the insulation provided by the corporate structure. Therefore, the efforts of international organizations to facilitate family adjustment can have a positive effect on expatriate adjustment. It is suspected that one of the main causes of failed assignments has been lack of attention to the appropriate adjustment of an accompanying spouse or partner and children. This means that if the expatriate's spouse and/or family members are having trouble adjusting abroad, the expatriate will have problems as well, including poor job performance, which could result in an early return from the overseas assignment.

Even though on one hand an international assignment may seem to the expatriate

to be a meaningful career transfer, and contain the promise of extra responsibility, higher compensation and greater job autonomy, on the other hand, to the spouse it perhaps is an unexpected interruption of his or her own career and long-term social relationships. In other words, given that the spouse or partner, when accompanying an expatriate abroad, has, in most circumstances left something quite significant in the form of a life-long career and/or social relationships behind, involvement in the overseas environment beyond mere shopping and restaurant excursions would seem critical to spouse or partner adjustment and the ultimate success of an overseas assignment. The spouse may not always be as excited as the expatriate to accept the overseas assignment and international assignments tend to be more difficult for the spouse than the expatriate, with the spouse in most circumstances experiencing extreme culture shock as well as feelings of frustration and loneliness.

In conclusion, family-related variables had the strongest correlation with expatriate adjustment, indicating that adjustment is not a unitary phenomenon. Expatriate assignments, in fact, affect the family as a whole and geographic relocations cause tremendous disruption in the lives of all family members. There are many reasons why spouses have an even more difficult time than expatriates during an assignment, for example most spouses are not considered during selection of expatriates and as a consequence, do not receive any pre-departure training. Additionally, 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.

Family adjustment is a remarkable area, most MNCs either ignore it or are simply not aware of spouse-related issues. If a spouse or a family member is experiencing difficulty in making cross-cultural adjustment, performance and commitment may be adversely influenced as a result of high levels of stress and

discontent. As a result, helping expatriates adjust to the non-work environment is another powerful counterbalancing force. Regrettably, this study does not take into account the area of spouse and child adjustment, but Taiwan MNCs cannot afford to ignore the needs, problems, and expatriation adjustment of the spouse and children. Given the proposition with respect to family adjustment awareness, this also suggests the need for Taiwanese MNCs to invest more time and resources into the role of spouse or children and to develop a more meaningful life for an accompanying spouse or children in the foreign business environment. Further research might also focus on the accompanying spouse phenomenon. Studies might investigate the implications of one partner putting his or her career on hold, previous studies have generally concentrated on other difficulties experienced by the accompanying spouse while abroad.

The importance of the family when managing international assignments is critical and neglecting this area has been a major oversight. Further in-depth comprehension of the cross-cultural adjustment of spouses will facilitate success by lessening the obstacles encountered by international expatriates. Consequently, they can concentrate on their new work; assured that their spouse has adjusted to the cultural dissimilarity and individual challenges, and is enjoying a positive overseas experience.

8.2.4 Multiple Nations

One of the main limitations of this study is the modest sample size and its focus on one specific business environment. A more extensive study of factors affecting the adjustment of expatriates in various environments would assist in generalizing the findings. Since the second half of the twentieth century, more and more international enterprises and organizations have been sending an increasing number of their

personnel overseas, but have found that operations are often hampered by staff who are not able to adjust to their new environments. As a result, organizations that send individuals to live and work in different countries often see high failure rates, and waste large sums of money as a result of personnel turnover and low productivity due to the inability of staff to acclimatize to the new culture. According to the high return rate of expatriates in American, as well as the infrequent literature of expatriate in Taiwan. As pointed out by Shaffer et al. (1999) since most extant research has been done from the U.S. perspective, in order to be more generalizable, future studies should include MNCs from a variety of nations. The high return rate of American expatriates of the limited research literature on Taiwanese expatriates is also relevant. One drawback of the present study is that the small sample of expatriates from Taiwan may limit the global generalizability of the result. Therefore, future studies adopting similar methodologies but adopting larger-scale samples from other groups across different cultures and a variety of nations will contribute further to the body of knowledge in this area, and will provide support for the generalizability of the proposed model.

8.2.5 Multiple Provinces

As is well-known Mainland China consists of many provinces. However, there is no discussion about differences between provinces in this study. According to feedback given in the questionnaires, the situation of expatriates would differ from one province to the next, because each province can have unique characteristics. This aspect could be retained for consideration in a future study.

8.2.6 Variable Influence Factors

Concerning the effectiveness of the questionnaire, the research was not able to examine all factors affecting employees' adjustment in Mainland China, because the questionnaire was kept brief in order to increase participants' willingness to answer it. Since a limited number of variables was used in this study, future research should include and explore other possible determinants of cross-cultural adjustment.

8.2.7 Variable research methodology

In terms of methodology, although data were successfully transmitted in this study, single method variance could have affected the findings, since the data were collected only through a questionnaire. However, it would seem important to extend the scope of this research beyond the quantitative to the descriptive. Qualitative interview research methods may obtain additional insights and information from expatriates to assess theories. In-depth interviews are suggested. During the interviews the participants should be asked to describe the factors that they face in daily life, work and any interactions which truly affect their cross-cultural adjustment in Mainland China. To enhance validity and credibility, therefore, future studies could examine the same field using empirical study and qualitative data collection methods.

8.2.8 Low response rate

Owing to the difficulty of retrieving international questionnaires causing lower response rates, it is suggested that future researchers could approach Taiwanese or Chinese business trade unions for assistance in improving the response rate. On the other hand, the low response rate may indicate that study in this field is rare and needs development.

8.2.9 Limitation of questionnaire

Concerning the effectiveness of the questionnaire, the research was not able to examine overall factors affecting expatriates adjustment in Mainland China, as it was kept brief in order to increase respondents' willingness to answer. If more questions are added the results may be different.

8.2.10 Limitation of demographic factors

According to the results of this study, it revealed the significance of demographic factors. The results indicated that individual background definitely affects cross-cultural adjustment of expatriates. For that reason, the criteria for selecting expatriates should be discussed more specifically and precisely in future studies.

Notwithstanding these potential limitations, this study represents one of the first efforts in empirical research which enhances understanding of the various factors and issues influencing the cross-cultural adjustment of Taiwanese expatriates in Mainland China. It also provides impetus for improving human resource utilization in addressing the challenges of the global market. Additionally, this study was able to address very relevant issues in the area of international human resource management, and more specifically create a clearer picture of expatriate adjustment practices in the Taiwanese MNC context.

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