

## Stephen Bevan: Psychological and Sociocultural Adjustment to International Relocation

*How Should Research Inform HR Practice?*

### Context

As the conduct of business becomes more international, and as the free flow of capital starts to be matched by a free flow of labour, the challenges associated with the international relocation and repatriation of employees are likely to intensify. In 2010 it was estimated that there were 200 million expatriate's on assignments worldwide (Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat, 2005). Multinational organisations have an ongoing need to move employees between locations in order to target resources where they are needed, to ensure that the corporate centre has close oversight over geographically dispersed parts of the business, to ensure the successful delivery of change initiatives or new investments and to provide a varied career trajectory for high potential employees for whom international assignments are an important developmental experience. The process of planning, executing and returning successfully from an international relocation needs careful and detailed coordination. Practical issues such as accommodation, family support, healthcare, transport and cultural adjustment need to be managed carefully as up to 20 per cent of such assignments do not complete successfully and the average cost of failure to the parent company can be as high as three times the domestic salary plus relocation costs, depending on the location of the assignment (Suutari and Brewster, 2003). It is estimated that the direct costs for a company sending an expatriate on an international assignment ranges from \$250,000 to \$500,000 (Nandan & Dhariyal, 2009; Eschbach, Parker & Stoeberl, 2001) and research suggests that American firms alone lose \$2 billion annually in the direct costs resulting from failed expatriate assignments (Copeland & Griggs, 1985).

This paper will look at the factors which HR professionals need to consider when attempting to ensure that the success rate of international expatriate relocation is maximised. It will focus on the research evidence for the factors which determine successful psychological adjustment to an international assignment for both the expatriate and his/her family. It will also consider the factors which help ensure that the process of returning from an international assignment is successful for the individual and the organisation.

### Psychological and Sociocultural Adjustment

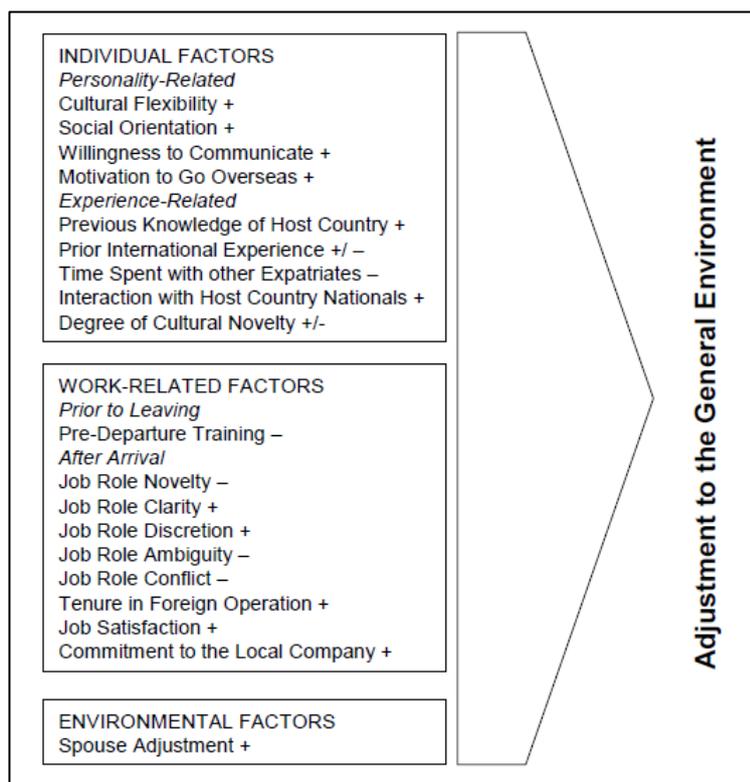
Psychological adjustment can be defined as *'the behavioral process by which humans maintain an equilibrium among their various needs or between their needs and the obstacles of their environments'*. In a work context, adjustment focuses on a dynamic process during which an employee seeks to accommodate change, uncertainty, conflict or variability in aspects of the work environment or the work itself in order to preserve their psychological wellbeing and maintain high-level cognitive and social functioning. In the case of expatriate workers a strongly related concept is that of sociocultural adjustment – the willingness and ability of an individual to adapt successfully to a new and distinctive cultural setting.

As early as 1991, Black, Mendenhall, and Oddou proposed a model for psychological sociocultural adjustment among expatriate workers. The model acknowledges three dimensions of in-country adjustment. The three dimensions are **general adjustment** (this refers to the psychological comfort – or discomfort - relating to characteristics of the cultural environment such as weather, living conditions, family support and food), **interaction adjustment** (this refers to adjustments which need to be made to different communication styles in the host cultures and to communication with host country nationals), and **work adjustment** (this refers to the psychological comfort or satisfaction derived from different work values & schedules, expectations and performance standards). This theoretical framework of sociocultural adjustment has been supported and validated by a number of researchers (Black & Gregersen, 1990, 1991; Black & Stephens, 1989; Feldman, 2001; Puck et al, 2003). The main findings of relevance to HR professionals under each of these three headings will now be summarised.

### General Adjustment

The main factors associated with positive adjustment to the general expatriate environment are set out in Figure 1 below.

**Figure 1 Causes of Adjustment to the General Environment**



*Source: Puck et al, 2003*

One of the major factors affecting adjustment is the wellbeing of spouse/partner and other family members. In about 90 per cent of cases the expatriate is a male and the partner is a female with a job and very often with primary caring responsibilities for children. Of course this pattern is slowly

changing, but the dominant model is still focused on this configuration. Research by Brett et al (1995) shows, perhaps unsurprisingly, that is partners are older, better educated and with no dependent children then the adjustment process tends to be easier. In addition, adjustment is easier for families if accommodation is judged suitable, if children settle into schools well and if the ‘cultural distance’ between home and the assignment environment is not wide.

One of the challenges of research in this area is that very few studies take the trouble to ask spouses or partners themselves about their views and concerns. Most often it is the expat themselves who is surveyed or, at best, a joint response is solicited.

Other factors associated with successful general adjustment to an expat assignment included previous knowledge of the host country, a degree of ‘cultural flexibility’ – a willingness to respect and adapt to unfamiliar ways of doing things and a strong positive social orientation towards meeting new people and being in unfamiliar social settings.

Studies have also found that individuals with a problem-focused (rather than symptom-focused) orientation towards coping with uncertainty or ambiguity are more successful at the adjustments required by international assignments. Many of these characteristics may not necessarily be essential components of job-related success in the expats job in their own country so may not necessarily always be tested until they are exposed to the need to make the psychological and sociocultural adjustments required by an international assignment. This points to the need for some form of pre-assignment briefing and preparation.

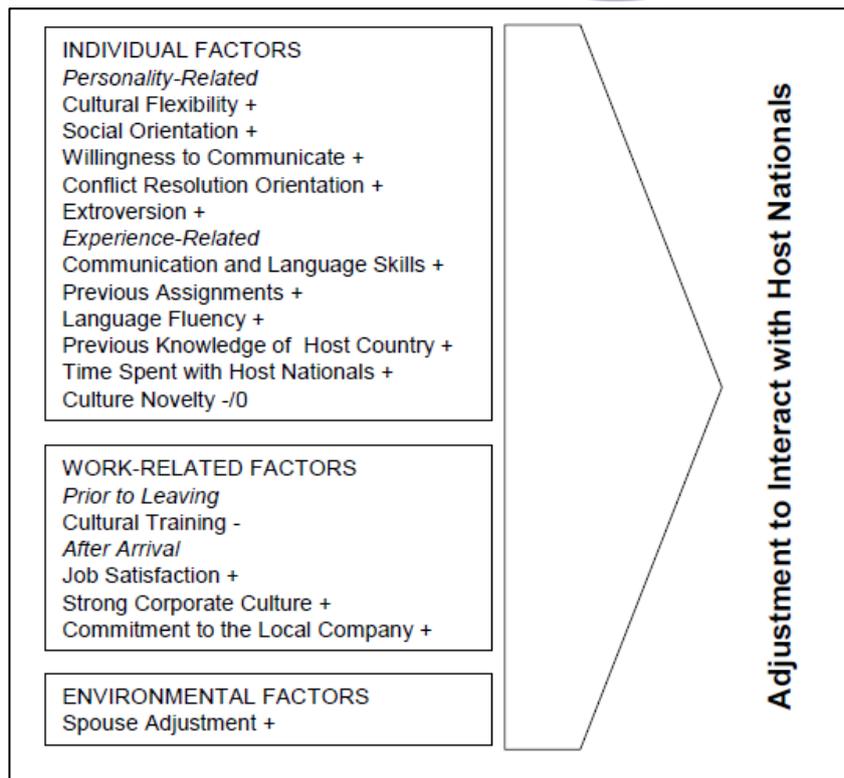
### **Interaction Adjustment**

Again drawing of the work of Puck et al (2003), the attributes and characteristics needed to make a successful interaction adjustment focus largely on individual factors. These are set out in Figure 2.

Here we can see that research studies have consistently found that extroversion, an orientation towards conflict resolution, language fluency (or the capacity to acquire a functional level of language functionality) and a record of previous assignments can all make a major contributor to successful adjustment. It is interesting that Puck et al (2003) found that cultural training prior to an international assignment appeared to have no impact or even a negative impact on sociocultural adjustment.

Nonetheless, an organisation with a strong corporate culture which can act as an ‘anchor’ for the expatriate can help in the adjustment process, as can high levels of commitment to the local organisation, its purpose and its values.

## **Figure 2      Adjustment to Interaction with Host Nationals**



Source: Puck et al, 2003

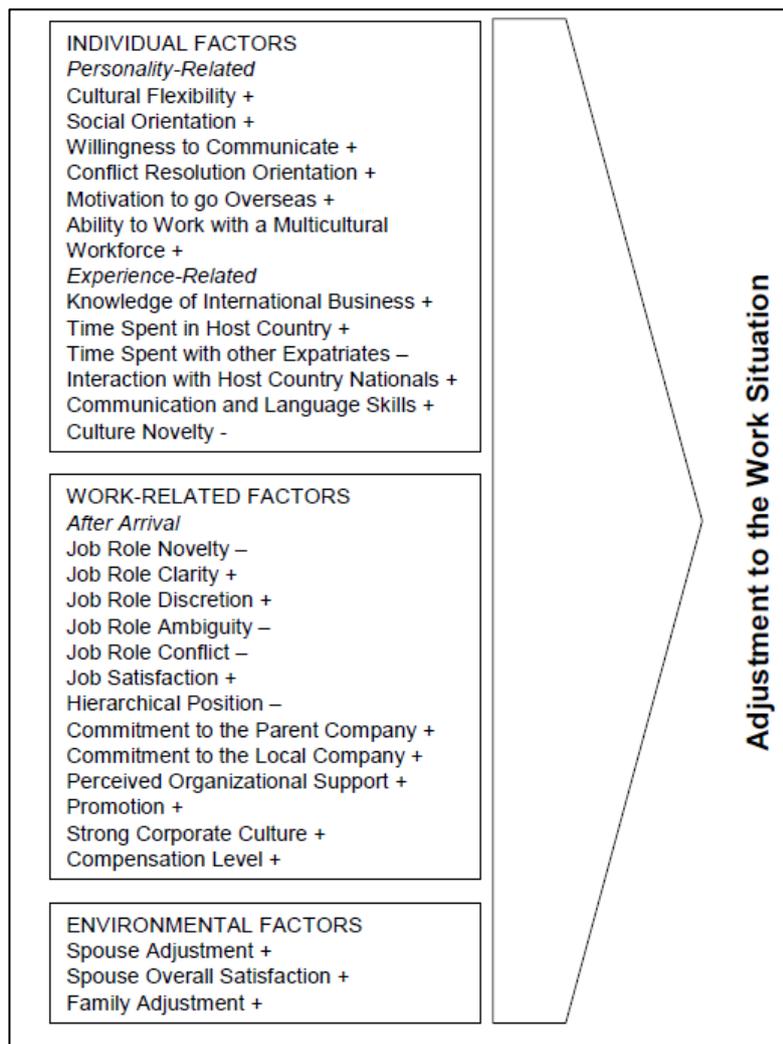
This reinforces a finding reported by Feldman (2001) that more specific ‘realistic previews’ of a range of features of international assignments (especially those which have been found to be obstacles to adjustment for others) can have the effect of helping expatriates to prepare for their assignment in a more realistic way – thereby improving the chances of successful adjustment.

### Work Adjustment

There are several aspects of the job roles and tasks which expatriates are asked to perform which can have a significant impact on psychological adjustment to their work. Puck et al (2003) found that work where the expatriate feels that they have the solid support of the employer, where there is strong role clarity (eg clear purpose, accountability and goals), and where there are appropriate levels of discretion in the role is more likely to be conducive to sustained work adjustment (see Figure 3, below).

Feldman (2001) also reports that high levels of autonomy are positively linked to work adjustment as is ‘task significance’. Here it is important that the work being conducted is meaningful. Feldman (2001) highlights evidence that employees who believe that their international assignment is only of token value, or that they are expected to ‘fill in’ or to perform the role ‘to get experience’ are less likely to make a positive and prolonged adjustment to their new work environment. This is an important finding as it suggests that the expat job must be seen as sufficiently challenging and meaningful by the job holder to avoid a feeling of underemployment or that their full range of skills are not being fully utilised.

**Figure 3 Causes of Adjustment to the Work Situation**



*Source: Puck et al, 2003*

In a study of the personality characteristics associated with effective work adjustment, Otto and Dalbert (2012) identified two factors that seem to boost relocation readiness. First, individuals high in uncertainty tolerance are motivated to approach the challenge of relocation. Second, positive perceived social attitudes to mobility increase job-related relocation readiness and work adjustment. In a further study, Gudmundsdottir examined the factors which were related to positive work adjustment among Nordic expatriates. The study found that:

*‘expatriates are often granted additional incentives, such as compensation, housing, education, and travel allowances, which may lead to greater extrinsic satisfaction. The results of this study indicate that extrinsic satisfaction such as salary, bonus, work conditions, position, supervision, as well as other incentives relating to living abroad, had a positive effect on all the sociocultural variables, general, interaction, and work adjustment’*

The implication of this research is that, perhaps more than other workers, extrinsic motivators such as financial compensation have a stronger influence over work satisfaction and adjustment among employees on international assignments. Implicitly, this suggests that a ‘baseline’ satisfaction with

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salary, work conditions and incentives are a necessary but not sufficient condition of successful adjustment and that HR policies and practices which ignore this finding are likely to be associated with higher failure rates.

### Implications for HR Practice

**Table 1** Suggested IHRM Practices to Support Expats & Partners

Stage	Activities
Pre-departure	<ul style="list-style-type: none"> <li>- discussion on international assignment (including: realistic view of everyday work, expectations concerning performance, anticipated date of return), its possible consequences for expatriate and family (in a host country and after returning home), requirements and help needed (recommended presence of a spouse)</li> <li>- selection process including family concerns, i.e. personality and attitudes, career orientation, healthy matters, previous experience and other family-related problems (applies to both partners)</li> <li>- ensuring enough time and providing help in managing matters such as: partner's possible career disruption, children's education, housing, taxation, financial and medical concerns, farewells to friends and extended family</li> <li>- providing adequate training on cultural issues*, developing social competences and language skills (applies to both partners)</li> <li>- providing basic information on employment opportunities for spouse/partner, assistance in fulfilling host country requirement (visa, work permit etc.)</li> <li>- mediating/ facilitating/ encouraging expatriate and spouse to contact other company expatriates/ repatriates and their communities abroad</li> </ul>
After arrival	<ul style="list-style-type: none"> <li>- providing enhanced information on employment opportunities, assisting in the search for a job, career counselling (for spouse/ partner)</li> <li>- financial help (compensating the lost income of expatriate's partner, cost of children's education)</li> <li>- helping in relocation and accommodation, logistic assistance in handling day-to-day living requirement,</li> <li>- providing language courses and further cultural training focused on local interactions,</li> <li>- mentoring programs, where host-country employees "adopt" trailing spouses and children,</li> <li>- supporting work-life balance, developing time management skills, offering psychological counselling, stress monitoring,</li> <li>- creating favourable circumstances for building local contacts at clubs/ organisations/societies, developing partner's personal and professional interests,</li> <li>- facilitation of sustaining relations with the home country (by providing information, ensuring the possibility to maintain relations by means of electronic devices and covering costs of travelling/stay in the home country), providing realistic information on the changes in the company/home country, the subsequent stages of the career and other consequences of returning home.</li> </ul>

Stage	Activities
Repatriation	<ul style="list-style-type: none"> <li>- providing enhanced information on employment opportunities, assisting in the search for a job, career counselling (all for spouse/ partner)</li> <li>- assistance in relocation and accommodation</li> <li>- offering psychological counselling, stress monitoring (for both partners/ spouses)</li> <li>- appreciating international experience and achievement of a repatriate (career development, changes in remuneration etc.)</li> </ul>

*Source: Purgal-Popiela, 2011*

Following an analysis of the literature on expatriate and partner adjustment, Purgal-Popiela (2011) summarised the core HR interventions suggested by the evidence. These are summarised in Table 1, above. They focus on what the author describes as the needs of the traditional dual-career couple and represent a sound checklist for HR professionals to follow, including pre-assignment activity, support during the assignment and then policies to support successful repatriation. It is on the issue of repatriation that this paper will conclude. One of the challenges raised by several authors (Feldman, 2001; Purgal-Popiela, 2011; Otto and Dalbert, 2012; Gudmundsdottir, 2013) is that of successfully locating the international assignment into the wider career trajectory of the employee. Unless the organisation is able to ensure that an expatriate assignment is not an isolated experience which has no coherence with other job moves or work experiences then it may constitute no more than an expensive route out of the organisation for talented but poorly utilised individuals. As Hirsh and Jackson (2004) explain:

- *“Careers are how higher level and business-specific skills and knowledge are acquired, through employees undertaking a sequence of work experiences which progressively grow those skills. Careers and learning as inextricably linked.*
- *Careers are how skills and knowledge are deployed and spread within organisations by employees moving from one job to another, in response to where they are needed. Such deployment and knowledge sharing is critical to organisational flexibility.*
- *Career movement is also how culture and values - the 'glue' of the organisation - are transmitted, and how personal networks are extended and strengthened. Corporate culture and networks are often key to rapid and effective action.*
- *Career development is a major tool for attracting, motivating and retaining good quality employees. Providing career opportunities is one of the key practices which influence organisational performance. There is a strong link between the extent to which high flyers experience career support and their intention to stay with their employer.”*

Unless the employee can see where an international assignment fits within the overall pattern of career moves available to them in their wider development plan, even an isolated but well-executed

and well-adjusted assignment may not be enough for the organisation of the employee to feel they have derived lasting value from it.

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