

The Influence of Prior Living and Working Experience of Nordic Expatriates on Cultural Adjustment in the United States

Svala Gudmundsdottir Ph.D.

Assistant Professor

Univeristy of Iceland

Gimli on Saemundargata, IS-101 Reykjavik

Iceland

Abstract

Many organizations view a prior international experience as a good predictor of coping skills in the new environment, and, as a result, they have addressed this issue in the selection process. In practice, the general belief has been that an expatriate that is successful in one assignment is more likely to be successful in another, regardless of the destination (Takeuchi & Takeuchi, 2009). Research has however indicated inconsistent results and therefore it is important to get more detailed information with a focus on a specific population. This study focused on prior work and living experience in the U.S. for Nordic expatriates who are currently on an assignment in the U.S. The results indicate that living and working experience of more than two years was associated with increased general adjustment.

Keywords: 1;Expatriates 2; Prior Experience 3; Cultural Adjustment

1. Introduction

Like in many parts of the world, Nordic organizations are increasingly expanding their business internationally often depending on expatriates to transfer existing knowledge from home base to the host country (Bjorkman & Forsgren, 2002; Neroth, 2009). International work experience has been identified as one of the major requirements for promotion to higher-level managerial positions in international organizations (Carpenter, Sanders & Gregersen, 2000). Managers with longer international experience have been found to be more sought after than those who lack extensive international experience (Takeuchi, Wang, & Marinova, 2005). In practice, the general belief has been that an expatriate that is successful in one assignment is more likely to be successful in another, regardless of the destination (Takeuchi & Takeuchi, 2009). The expatriate will have gained experience in intercultural communication, relocation, and cognitive skills, all of which should have a positive influence on the expatriates' cross-cultural adjustment in the new location (Black, Mendenhall & Oddou, 1991; Selmer, 2002; Shaffer, & Harrison, 1999).

This view is often related to believing that coping skills and management practices in one country are transferable to another (Hofstede & McCrae, 2004). However, researchers such as Hofstede (2001) and House, et al. (2004) have demonstrated that national culture implies that one way of acting is preferable to another. When management behaviors and management practices are found to be inconsistent with these deeply held norms and values, expatriates are more likely to feel dissatisfied, uncomfortable, and uncommitted. As a result, they may be less willing or able to perform their work well (Newman & Nollen, 1996). Therefore, management practices that have been found to reinforce national cultural values are more likely to encourage predicable behavior (Wright & Mischel, 1987), self-efficacy and high performance (Earley, 1994).

The inability of expatriates to successfully adjust to foreign environment has been cited as one of the most frequent reasons for unsuccessful overseas assignments (Caligiuri, 2000; Shaffer et al., 1999). As a result, increased attention has been given to studying what factors influence expatriates' cross-cultural adjustment and successful completion of assignments (Black et al., 1991; Shaffer et al., 1999). Though the specific focus of previous studies varies, one common theme is that international experience is a critical factor influencing expatriate adjustment (Black et al., 1991; Parker & McEvoy, 1993).

2. Prior International Experience

Kolb (1984) argues that learning is the process whereby knowledge is created through the transformation of experience. According to this argument, past and current life experiences in work and non-work domains may influence an individual's development of knowledge, skills, attitudes, and behaviors. Likewise, prior international experience also plays a role in explaining diverse attitude and behaviors of expatriates (Takeuschi, Tesluk, Yun, & Lepak, 2005). Previous foreign experience and work experience has been found to be positively related to success in a foreign assignment (Black, 1988; Takeuschi et al., 2005). Experienced expatriates are likely to have gone through trial and error processes of discarding ineffective coping strategies and retaining effective ones. That is, previous experience may change how expatriates adjust, by allowing them to ignore what has not worked for them in the past and to concentrate on what has worked (Ng, Van Dyne, & Ang, 2009). However, it has also been argued that management behavior and practices developed in one country are applicable in other countries to a limited extent only (Suutari, 1996). As a result, researchers have pointed out that even if expatriates have considerable prior international work or non-work experience in other countries, experience in the same host country may have a more salient effect on adjustment (Takeuschi et al., 2005). Having had prior exposure to the local culture and its social contexts in the past may increase adaptive ability by providing a more realistic and accurate understanding of assigned tasks and communication competences needed. Therefore, previous experience in a specific country might increase the likelihood of adjustment through reducing uncertainty, ambiguity, and stress about the new work environment.

According to a model of life experience learning (Dean, Russell, & Muchinsky, 1999), past and current life experiences in work and non-work domains may influence an individual's development of knowledge, skills, attitudes, and behaviors. Likewise, prior and current international experience also plays a role in explaining diverse attitudes and behaviors of expatriates (Takeuchi et al., 2005). The literature shows that prior international work or non-work experience influences expatriates' cross-cultural adjustment by enabling them to form accurate expectations about subsequent foreign experience (Aycan & Conungo, 1997; Shaffer et al., 1999). Accordingly, it is suggested that U.S. based Nordic expatriates' prior experience in the U.S. may be the most salient experience that influences their cross-cultural adjustment. Since exposure to the local culture and its social context in the past may increase adaptive ability by providing a more realistic and accurate understanding of assigned tasks and communication competencies needed in the U.S. That is, previous experience in a specific country facilitates expatriates' adjustment through reducing uncertainty, ambiguity, and stress about the nature of their new work environment. Even if expatriates have considerable prior work or non-work experience in other countries, experience in the same host country may have a more salient effect on cross-cultural work and interaction adjustment because they have more hand-on-experience and knowledge about work aspects of the host country and interaction with local people (Takeuchi, Yun, & Russel, 2002; Takeuchi et al., 2005).

3. Cultural Adjustment

The literature has indicated that an expatriate's success or failure on a foreign assignment is largely determined by his or her cross-cultural adjustment skills (Black & Mendenhall, 1990; Caligiuri & Lazarove, 2002; Haslberger & Brewster, 2009; Lee, 2007; Ramalu, Raduan, Kumar, & Uli, 2010). In order to adjust to a new culture and work effectively, expatriates are faced with the challenge of adapting to new societal culture, professional expectations, lifestyle, and norms (Friedman, Dyke & Murphy, 2009). In the literature of international adjustment, the concept of sociocultural adjustment has been proposed and defined (Ward & Kennedy, 1992). Sociocultural adjustment refers to the individual's ability to fit in the new cultural environment measured by the amount of difficulty experienced in the management of everyday situations. Black et al., (1991) proposed a model for sociocultural adjustment. The model acknowledges three dimensions of in-country adjustment.

The three dimensions are general adjustment (refers to the psychological comfort relating to factors of the host cultural environment such as weather, living conditions and food), interaction adjustment (refers to adjustment to different communication styles in the host cultures and to communication with host country nationals), and work adjustment (refers to the psychological comfort involving different work values, expectations and standards). This theoretical framework of sociocultural adjustment has been supported and validated by a number of researchers (Black & Gregersen, 1990, 1991; Black & Stephens, 1989) and was found to be a good fit for this study.

Many researchers have found a positive relationship between prior international experience and adjustment, while others have presented rather inconsistent findings. For instance, Black (1988) found a significantly positive relationship between length of international work experience and work adjustment. Kim and Slocum (2008) explored prior experience in general of U.S based Korean expatriates and its effect on work and interaction adjustment. The findings indicated that general prior experience in the U.S. was positively related to work and interaction adjustment at a significant level. Parker and McEvoy (1993) found a positive relationship between international living experience and general adjustment, but not between international living experience and work adjustment. In relation to the uncertain nature of the significance, there is a need for further examination of international experience and its relationships to expatriates' cross-cultural adjustment.

4. Methodology

Sample

Danish, Finish, Norwegian, Icelandic and Swedish organizations, embassies, associations, and chambers of commerce of the in the U.S. were contacted. Targeted expatriates were invited to participate in this study via the internet inviting. The total number of expatriates located, and who received an invitation to participate, was 942. Of the 942 surveys that were distributed, 228 surveys were found to be a match with the targeted group and were usable. The study was however based on a sample of 112 responses as 49% reported to have had a previous working or living experience in the U.S. The sample was found to be compatible with other research done in the field, where the sample size for western and Arab expatriates has been for example 200-250 with 71- 100 usable responses (Dagher, 2010; Heijden, Engen & Paauwe, 2009; Kim & Slocum, 2008).

Respondents were from five different nationalities. The most frequent nationality reported by the respondents was Danish, with a frequency of 35%. The following frequencies reported were Swedish (21%), Finnish (19%), Icelandic (14%), and Norwegian (11%). A relatively even participation between the genders was found, 51% of respondents reported as male and 49% reported as female. A total of 11% of the respondents were 20-30 years old, over 42% of the respondents were between the ages of 31-40, and 27% were between 41-50 years old. Eleven percent of the respondents were between the age of 51-60, and finally, 9% were in the age category of 61 and older. A total of 6% of participants had a high school degree and over 36% had a bachelor's degree. Another 44% had a master's degree and 7% had a professional degree. Finally, 6% had a doctorate degree.

Scales

The three dimensions of sociocultural adjustment were measured using scales developed by Black (1988), and Black and Stephens (1989). Fourteen questions represent the three dimensions of cross-cultural adjustment: general adjustment, interaction adjustment and work adjustment. Seven questions represent general adjustment, four questions represent interaction adjustment, and three questions represent work adjustment. Questions were rated on a 7-point Likert scale ranging from 1, as *very unadjusted*, to 7, as *very adjusted*. Prior experience in the U.S. was measured by asking respondents to indicate the total number of months of experience they had living or working in the U.S. prior to their current assignment. Responses were later grouped into three categories, experience less than 1 year, 1 to 2 years and at last more than two years.

5. Results

This study explored the relationship between cultural adjustment (general, interaction, and work) and prior experience living and working in the U.S. Due to the nature of the study a regression analysis was performed. When testing the dependent variable general adjustment, a significant model emerged ($R = .030$, $F_{5,190} = 3.00$, $p < .024$). However, this model is weak as it only explains 3% of the variance of general adjustment. Since the model was found to be significant, a second analysis was done in relation to the time spent in the U.S. prior to the current assignment. The results indicate that only when Nordic expatriates had spent more than two years in the U.S. prior to the current assignment was found to be significant ($\beta = .39$, $t(2.32) = 3.4$, $p < .023$) contributors to general adjustment. This indicated that when Nordic expatriates have a prior living or working experience in the U.S. for more than two years prior to the current assignment they are more likely to adjust better generally. When testing the dependent variable interaction adjustment, a significant model emerged ($R = .030$, $F_{5,44} = 4.52$, $p < .05$). However, this model is weak as it only explains 3% of the variance of prior experience. Since the model was found to be significant a second analysis was done in relation to time spent in the U.S. prior to the current assignment. However, none of the time-related variable was found to be significant.

This indicates that although Nordic expatriates have prior living or working experience in the U.S. it does not affect interaction adjustment on the current assignment. When testing the dependent variable work adjustment, a non-significant model emerged ($R = .011$, $F_{1,815} = 2.61$, $p < .180$). As a result, it can be concluded that prior work and living experience in the U.S. does not have any significant effect on work adjustment.

6. Discussion

Prior international experience has been recognized as a vital asset (Carpenter et al., 2001) and some have argued that it may enhance competitive advantage (Spreitzer & McCall, 1997) for multinational companies. As a result international experience has become one of many requirements for promotion to higher-level managerial positions (Daily, Certo, & Dalton, 2000). Given its importance on one hand and the high number of expatriate failures, associated cost and personal inconvenience associated on the other hand, it is important to gain detailed information on the influence prior experience has on cultural adjustment. Many researchers have found a positive relationship between prior international experience and adjustment, while others have presented rather inconsistent findings. The results of this study are partly consistent with Parker and McEvoy's (1993) findings but they reported a positive relationship between international living experience and general adjustment, but not between international living experience and work adjustment. The results of this study indicated that prior work and living experience in the U.S. does neither have any significant affect on interaction nor work adjustment for Nordic expatriates. The results of the regression analysis indicate, however, that having an experience of working and living in the U.S. for more than two years impacts general adjustment positively. This indicates that having a prior experience for more than two years in the U.S., Nordic expatriates are perhaps more likely to know what to expect in relation to housing, weather, shopping and transportation than those with less experience.

The fact that prior experience did not influence interaction adjustment and work adjustment might be related to different communication styles that exist in the U.S. Although an expatriate who is living in the north of the U.S. and successfully interacts might experience increased difficulty interacting in the south of the U.S. The fact that prior experience was not related to work adjustment might be influenced by corporate culture. Therefore, an expatriate who has adjusted successfully to one corporate culture, might have a different experience adjusting to new organization culture. However, further studies are encouraged in the field.

7. Limitations

Although this study contributes to the cross-cultural adjustment for Nordic expatriates, certain limitations should be taken into consideration. The first limitation of this study is the sample size. Regardless of good intentions and extensive search for Nordic organizations in the U.S., it is possible that individuals might have been assigned as expatriates at the time but without the researcher's knowledge. The second limitation was related to the single-sourced bias (Dillman et al., 2009). It is possible that it could affect the results of the investigation since all data were collected through a self-report questionnaire. Therefore, it is important to emphasize that using multiple sources of data in contrast to one (e.g. self-report), is a desirable strategy for avoiding these problems. The third limitation is in relation to language. Because the survey was conducted in English, it is possible that some of the respondents could have misunderstood or not understood the questions at all. Furthermore, the fourth limitation is related to the participants' geographic location. This represents a limitation in relation to adjustment, because it is possible that expatriates that are for example sent to the east or north of the U.S. might have a harder time adjusting than expatriates living in the west or the south.

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