

The Work Adjustment Process of Expatriate Managers: An Exploratory Study in Latin America

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Abstract

The issue of work adjustment of expatriate managers is examined in this paper. The results confirm the existence of dimensions and factors widely discussed in international human resources management literature but also emphasize others related to the characteristics of the expatriation's environment. The paper also includes a discussion of the key role of personal relationships in achieving a successful adjustment in Latin American subsidiaries.

Keywords: Work adjustment, Expatriate managers, International human resources management, Latin America.

Introduction

Due to fierce competition and borderless markets, the multinational company (MNC) and its managers recognize the importance of well-defined international transfers for organizational development and the value of carrying out international assignments to further the career development of managers and enhance sales and profits for the MNC. At the same time, with the globalization of the labour market, the academic community and its researchers direct research towards the international aspect of business activities such as management, marketing, finances, and human resources. Indeed, the international transfer of human resources abroad in MNCs has become a subject of growing interest in recent years, especially the work adjustment process of expatriate managers. Many researches have proposed expatriate classifications; determined factors of failure; highlighted various facets and dimensions of adjustment; and, finally,

organized the variables of international adjustment into conceptual models.

However, the research generally come from American (Black, 1988), European (Torbiörn, 1982), and Asian (Tung, 1981) perspectives. Less frequently is research focused on expatriate managers in Latin America. Consequently, the focus of this research is to explain how the work adjustment process of expatriate managers is accomplished in Latin American subsidiaries, a field still slightly studied as an expatriate destination.

The paper includes a review of work adjustment literature. Thereafter, the research problem and questions are formulated, and the methodology is explained. Subsequently, the research results are presented. Finally, the contributions, limitations, and perspectives of this study are enunciated. This paper may enhance the understanding of the work adjustment process of expatriate managers in Latin American subsidiaries.

Review of Work Adjustment Literature

Adjustment is defined as the psychological degree of comfort a person has with several aspects of a new environment (Black & Gregersen, 1991). It refers to a state of harmony in the relationship between the individual and his or her milieu. Nicholson (1984) defined the work role transition as any major change in employment status, job content, or others (unemployment, retirement, reemployment), and also the status passages forms between intra- and interorganizational mobility. Nicholson defined work adjustment as each individual effect resulting from the work role transition. Scientific literature distinguishes facets, dimensions, and factors of adjustment that lead to conceptual models of work adjustment.

Facets of Adjustment

Black (1988) measured the subjective degree of adjustment of American expatriate managers in Japan and identified three facets of adjustment, confirmed in later studies by Black and Stephens (1989), Black and Gregersen (1991), Parker and McEvoy (1993), Cerdin (1996), and Mériqnac (2002):

1. Work adjustment: managing, responsibilities, and performances.
2. Interaction adjustment: interaction with host nationals.
3. General adjustment: living conditions in the host country.

Dimensions of Adjustment

From a review of the empirical literature of various fields, management, organizational behavior, sociology, anthropology, and social psychology, Mendenhall and Oddou (1985) defined four dimensions of adjustment:

1. Self-oriented dimension: activities and attributes that reinforce the expatriate's self-confidence. The dimension includes three factors: reinforcement substitution, stress reduction, and technical competence. Technical competence is the most relevant factor for the MNC.
2. Others-oriented dimension: activities and attributes that improve the capacity to interact in a positive way with the host nationals. The dimension consists of two factors: relationship development and willingness to communicate with host nationals.
3. Perceptual dimension: capacity to understand host nationals' behavior. The well-adapted expatriate makes less rigid assessments about host nationals' behavior.
4. Cultural-toughness dimension: the culture of some countries seems to be less adaptable to the culture of other countries.

Factors of Work Adjustment

Black (1988) proposed three factors which influence work adjustment, confirmed subsequently by the studies of Black and Gregersen (1991), Cerdin (1996), and Mériqnac (2002):

1. Individual factors: Seven individual factors facilitate adjustment: individual's desire to adjust, technical or managerial competence, person's social relationship skills orientation, individual's tolerance for ambiguity or open-mindedness, individual's self-confidence, met expectations, and reinforcement substitution.
2. Job-related factors: Three job-related factors facilitate adjustment: previous overseas work experience, role discretion, and predeparture knowledge. In addition, four job-related factors inhibit adjustment: role novelty, role ambiguity, role conflict, and role overload.
3. Outside factors: Two outside factors facilitate adjustment: family adjustment and relationship with host nationals.

Conceptual Models of Work Adjustment

Black, Mendenhall, and Oddou (1991) integrated theoretical and empirical works from the 1970s and 1980s about domestic and international adjustment into a comprehensive model of international adjustment by underlining the expected relations between the adjustment variables in the host country and the facets of adjustment. They concluded that the reduction of uncertainty is critical for the success of the adjustment process. Cerdin (1996) studied a sample of French managers on international assignments to determine the factors of adjustment. Cerdin incorporated the decision of expatriation from the expatriate perspective, the work performance, and the full assignment accomplishment.

Waxin (2000) studied a sample of French, German, Korean, Danish, Norwegian, and Swedish managers expatriate in India, examining the effect of the culture of origin on work adjustment. Waxin introduced time as an inverse measure of adjustment: the shorter the adjustment time is, the easier the expatriate adjustment will be. Mériqnac (2002) concentrated on a sample of French managers and their spouses in the five continents, analysing the impact of the spouse and the family on the expatriate manager's adjustment. Mériqnac analysed the global adjustment process of the managers and their spouses as well as their interaction and interdependence.

Research Problem and Questions

Among the three facets of expatriate adjustment, work, interaction, and general (Black, 1988), the focus of this study was work adjustment, which according to Cerdin

(1996) appears to be the most explanatory facet of the individual expatriate's performance (Pearson's product-moment correlation coefficient $r = .39$), the assignment success from an organizational perspective ($r = .35$), and the expatriate's intention to remain until the end of the international assignment contract ($r = .30$). Latin America was chosen as the expatriate destination because few similar studies had been undertaken there. Consequently, the research problem was defined as follows: How do expatriate managers accomplish their work adjustment process in Latin American subsidiaries?

Of the four dimensions of adjustment, self-oriented, others-oriented, perceptual, and cultural-toughness (Mendenhall & Oddou, 1985), and the three factors of work adjustment, individual, job-related, and outside factors (Black, 1988), this paper analyses the self-oriented and others-oriented dimensions by using the individual factors. Moreover, among all the individual factors, the researcher has chosen the three which represent the most significant positive effects on work adjustment: self-confidence in technical competencies ($r = .29$) (Cerdin, 1996), willingness to communicate with host nationals ($r = .24$) (Mérignac, 2002), and active stress resistance ($r = .32$) (Waxin, 2000). As a result, three research questions were formulated:

- R1: How do expatriate managers use technical competencies to accomplish their work adjustment process in Latin American subsidiaries?
- R2: How do expatriate managers communicate with host nationals to accomplish their work adjustment process in Latin American subsidiaries?
- R3: How do expatriate managers cope with stress to accomplish their work adjustment process in Latin American subsidiaries?

Methodology

The research followed an interpretivist epistemology by pursuing the objective of an exploratory study, comprehension of the phenomenon (Bernard, 2000), through an inductive approach and qualitative method. The field study took place in Latin America, with a purposive sample of 8 French managers (two women and six men, one single and seven married) in 5 subsidiaries (two commercial subsidiaries and three industrial subsidiaries) in Argentina, Brazil, Chile, Colombia, and Mexico. The data collection was completed in two stages.

First, self-administered questionnaires were sent via e-mail to survey the current expatriate managers' work adjustment status. Second, individual semistructured telephone interviews were carried out to determine expatriate managers' work adjustment process. These techniques were appropriate to the exploratory research in Latin America given the field constraints (distances, schedules). Data analysis involved the use

of content analysis to classify the interviewees' answers into categories defined by the research problem and questions.

Results

A summary of the expatriate managers' answers to the questionnaires and interviews related to the research problem and questions follows. Regarding how expatriate managers accomplish their work adjustment process in Latin American subsidiaries, the current research indicates that expatriate managers seem to be well adapted to work, in general. On this subject, adjustment is regarded more as an innate capacity than an acquired one, which is developed for some as a unilateral process (only on the expatriate managers' side) and for others as a bilateral process (on both the expatriate managers' and the host national employees' sides). Moreover, the expatriate managers find that their work adjustment process depends a great deal on the relationship with subordinates, workers, and colleagues, in short, with all the employees of the subsidiary. Also, the organizational support represented by the figure of a coach or a mentor seems to encourage the work adjustment process.

The tolerance vis-à-vis the differences in lifestyle, behaviors, and culture in the host country is underlined by the expatriate managers as a critical factor for their work adjustment process; in fact, the difficulties of adjustment come from a bad comprehension of these differences, for instance, in terms of religious beliefs. Moreover, the existence of other factors of work adjustment, such as role discretion, previous overseas work experience, organization socialization, and family adjustment, is confirmed. Finally, specific factors of work adjustment related to the characteristics of the environment, such as low price market, precarious socioeconomic situation, general ambience of uncertainty, and shift between work and personal life, are discovered.

Regarding how expatriate managers use technical competencies to accomplish their work adjustment process in Latin American subsidiaries, the questionnaires and interviews show that expatriate managers rely on their technical competencies and underline their positive role in their work adjustment process. Opinions are varied in terms of the origin of such competencies: Some managers say that they did not develop any additional competence to work in the Latin American subsidiary. Others express that they developed a whole range of new competencies. Still others support the mixed origin of their competencies. The expatriate managers underline the acquisition of professional competencies into a work context where personal relationships are fundamental to achieve a successful adjustment.

In general, the expatriate managers qualify their overseas experience in Latin America as a professional development lever by underlining the most useful

training, such as decision-making and negotiation skills. The professional experience and training are also regarded as fundamental for work adjustment. Lastly, some host national personnel qualities are constantly named in the interviews such as mentality, attitudes, motivation, wishes, and living conditions. All these human resource characteristics determine indeed a natural transformation in terms of management competencies concerning the expatriate manager, which are generally well achieved.

Regarding how expatriate managers communicate with host nationals to accomplish their work adjustment process in Latin American subsidiaries, the questionnaires and interviews reveal that expatriate managers want to make them understood and to communicate with host nationals. They recognize the positive role of the willingness to communicate in the host country's language, Spanish or Portuguese, in their work adjustment process in Latin American subsidiaries. The importance of communication at work is remarked on by the expatriate managers; consequently, previous knowledge of the host country's language is a factor which facilitates the work adjustment process. On the other hand, a weak knowledge of the host country's language creates difficulties in work adjustment, in particular at the beginning of the overseas assignment, which is further compounded by the lack of willingness to communicate with host nationals. On a more advanced level, a successful adjustment process requires more than a full knowledge of the host country's language, making it necessary to understand other communication modes, such as slang and local dialects. After all, expatriate managers succeed in overcoming these communication barriers by reacting in different ways, such as, for example, learning the host country's spoken language in the field.

Regarding how expatriate managers cope with stress to accomplish their work adjustment process in Latin American subsidiaries, the results indicate that expatriate managers find that stressful situations were even more frequent before their arrival in Latin America. However, work stress exists in the subsidiaries. This stress occurs due to several factors, such as time delays, isolation from headquarters, and tasks related to day-to-day activities. Although the expatriate managers are supposed to adapt to work, it is necessary for them also to cope with the stress by being objective and flexible. However, the stressful situations in the subsidiaries sometimes become structural (hierarchical rigidity) or related to local customs (time delays), which adds a considerable amount of difficulty to the work adjustment process of the expatriate managers.

In conclusion, in the expatriate managers sample, the three individual factors of work adjustment chosen prove to be equally necessary for expatriate managers. Even though self-confidence in technical competencies and willingness to communicate with host nationals are accomplished by all participants, active stress resistance still remains difficult to achieve for two of

them. Regarding the work adjustment process, the eight expatriate managers emphasise the importance of personal relationships, tolerance of differences, and characteristics of the environment. In the end, the expatriate managers studied succeeded in their work adjustment process in Latin American subsidiaries.

Contributions, Limitations, and Perspectives

At the theoretical level, four contributions exist: (a) the existence of the three individual factors of work adjustment, self-confidence in technical competence, willingness to communicate, and active stress resistance, was confirmed; (b) the emergence of perceptual and cultural-toughness dimensions of adjustment, such as tolerance to host nationals' behaviors and acceptance of cultural differences, was realized; (c) the presence of job-related and outside factors of work adjustment, such as role discretion, previous overseas work experience, organization socialization, and family adjustment, was realized; and (d) the existence of new influence factors related particularly to the characteristics of the environment, such as the low price market, the precarious socioeconomic situation, the general ambience of uncertainty, and the shift between work and personal life, was observed. On the managerial level, three contributions exist for expatriate managers in a subsidiary in Latin America: (a) the importance of personal relationships in work adjustment in Latin American subsidiaries; (b) the respect of the host country's traditions, such as religious beliefs, perception of time, and work hierarchy; and (c) the need to negotiate constantly with the host national's employees, while avoiding imposing ideas or importing preconceived models from headquarters.

Nevertheless, like in any research, some limitations must be mentioned. These limitations arise from: (a) the interpretivist epistemology and qualitative method, which are more oriented to produce subjective knowledge, although, intersubjectivity was used to reduce the limitation; (b) the cross-sectional survey, even though a time factor was introduced via interviews focused on the adjustment process; and (c) the purposive sampling procedure that leads to a small sample of 8 expatriate managers in 5 of 20 Latin American countries. Finally, several perspectives for future researches are proposed, given the scientific richness in the field of international human resources management in Latin America. For example, (a) undertake a longitudinal survey on a probabilistic sample of expatriate managers of various industries in most of the Latin American countries; (b) undertake an explanatory study founded on rigorous statistical analysis, using multivariate techniques; and (c) enlarge the research problem to include the other facets of adjustment, interaction and general, and expand the three research questions compared to the other dimensions of adjustment, perceptual and cultural-toughness, as much

as the other factors of adjustment, job-related and outside factors.

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Footnotes

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