

Paula M. Caligiuri

Selecting Expatriates for Personality Characteristics: A Moderating Effect of Personality 01 the Relationship Between Host National Contact and Cross-cultural Adjustment

Abstract

- This study examines the process by which interactions with host nationals help facilitate expatriates' cross-cultural adjustment. The hypotheses are based on two related theories, (1) the contact hypothesis and (2) social learning theory.
- Personality characteristics (openness and sociability) are hypothesized to moderate the relationship between contact with host nationals and cross-cultural adjustment. The hypotheses are tested on a sample of expatriates from a US-based information technology company.

Key Results

• The findings suggest that greater contact with host nationals positively relates to cross-cultural adjustment when an individual possesses the personality trait of openness. The personality characteristic of sociability was also related to cross-cultural adjustment.

Author

Paula M. Caligiuri, Assistant Professor of Human Resource Management, School of Management and Labor Relations, Rutgers University, Piscataway, NJ, USA.

Manuscript received March 1998, revised July 1998, revised September 1998.

Introduction

International human resource experts agree it is imperative for multinational companies (MNCs) to attract, select, develop, and retain employees who can live and work effectively outside of their own national borders (Adler/Bartholomew 1992, Black/Gregersen/Mendenhall 1992, Mendenhall/Oddou;1985, Stroh/Caligiuri 1998, Tung 1988, Tung/Miller 1990). These employees, who are sent from a parent company to live and work in another country for a period ranging from two to several years, are colloquially referred to as "expatriates." The number of expatri ates MNCs are sending on global assignments is increasing steadily (Laabs 1993, Stroh/Dennis/framer 1994). In the United States, for example, the number of American expatriate assignments has doubled from 1991 to 1993 and is predicted to double again before the year 2000 (Laabs 1993). The Conference Board (1992) survey of 130 multinational organizations found that half of these organizations had more than 50 high-level managers currently on global assignments,' and 25% of the organizations had between 200 and 2,000 managers on global assignments. In a 1994 survey of 103 multinational organizations, the respondents stated that their number of global assignments had increased by 30% between 1993 and 1994, and 71% of this sample believed that this trajectory of growth would continue in the future (Windham International/National Foreign Trade Council, Inc. 1994).

Given the strategic importance MNCs place on global assignments (ee g., high level negotiations,' foreign subsidiary management, new market development), the harm an unsuccessful expatriate may cause in the host country can be detrimental to an MNCs' future global business (Gregersen/Black 1990, Zeira/Banai 1985). As Zeira and Banai (1985, p. 34) suggest, the real cost of an unsuccessful international executives extends beyond the monetary expenses of compensation: an unsuccessful expatriate, "almost invariably has a negative impact on future interactions between the MNCs and the host countries." For this reason, international HR practitioners and management researchers alike are particularly interested in understanding how to best predict individuals who can live and work successfully in cross-national settings.

Past research indicates considerable 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) cross-cultural adjustment, (2) completion of the global assignment, and (3) performance on the global assignment (Caligiuri 1997). McEvoy and Parker (1995) suggest that cross-cultural adjustment may be the antecedent of both performance and completion of the global assignment. Given that, these are both important for MNCs, a better understanding of the factors which impact cross-cultural adjustment is necessary. To this end, many have been examining the topic of Cross-cultural adjustment: That is, the extent to which expatriates feel comfortable and

adapted to living and working in their host country. This study will examine how affiliating personality characteristics and host national contact relate to expatriate adjustment.

Cross-cultural Adjustment

Cross-cultural adjustment is the extent to which individuals are psychologically comfortable living outside of their home country (Black 1990, Black/Gregersen 1991). Cross-culturally adjusted expatriates "represent a more integrative approach to a new culture, (they) ... are open to the host culture, but integrate new behavior, norms and roles into the foundation provided by (their) home cultures" (Church 1982, p. 543). On the other hand, maladjusted expatriates are unable or unwilling to accept the host countries' behaviors, norms, and roles: They view the host cultures as inferior to their own. They tend to cling to their home cultures (e.g., other expatriates from their home country) whenever possible. Very simply, cross-cultural adjustment is "the individual's affective psychological response to the new environment" (Black 1990, p. 122). Therefore, 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/Ward 1990).

To better understand how to maximize expatriates' cross-cultural adjustment, it is important to ascertain the factors which impact it. However, as Black, Mendenhall, and Oddou (1991, p. 293) note "(although international adjustment has received increased scholarly attention, the majority of the writing has been anecdotal in nature, and few scholars have rigorously investigated the phenomenon, empirically or theoretically." Many scholars have added to the list of factors which influence cross-cultural adjustment (e.g., Arthur/Bennett 1995, Baker/Ivancevich 1971, Black et al. 1991, Black/Stephens 1989, Harvey 1985, McEvoy/Parker 1995). The factors they identified were predeparture training, previous overseas experience, organizations' selection criteria, individual characteristics, country difficulty, and family adjustment. Although more rigorous empirical studies are now being conducted, the theoretical development for understanding *how* these factors impact cross-cultural adjustment has not advanced since the initial work of Black and his colleagues (Black et al. 1991, Black/Mendenhall 1990).

Host National Contact Affecting Cross-cultural Adjustment

Two theories have been proposed to date for understanding the process of cross-cultural adjustment (Black/Mendenhall 1990, Black et al. 1991). The first the-

ory uses social learning theory to explain why predeparture training is effective in improving cross-cultural adjustment (Black/Mendenhall 1990). The second theory uses the socialization and sensemaking literature (among others) to understand the process of cross-cultural adjustment (Black et al. 1991). These two theories have one key element in common: social interaction. Social interaction, in particular contact with host nationals, is the focus of the present study. The social aspect of the two existing theories will be described in greater detail below.

In 1990, Black and Mendenhall used social learning theory (Bandura 1977) to explain the theoretical underpinnings for how predeparture cross-cultural training could have a positive impact on the interactions expatriates would have with host nationals. In brief, Black and Mendenhall (1990, p. 120) suggest that "(c)ross cultural training enables the individual to learn both content and skills that will facilitate effective cross-cultural interaction by reducing misunderstandings and inappropriate behaviors." In the case of cross-cultural adjustment, according to social learning theory, the cross-cultural trainees would develop both the confidence in themselves to behave appropriately in the host country and the appropriate behaviors necessary for interacting successfully with host nationals, prior to going overseas (Black/Mendenhall 1990). Although predeparture cross-cultural skills training is important for cross-cultural adjustment, many organizations simply, ;do not provide it for their expatriates (Black/Mendenhall 1990). Therefore, most of the expatriates' learning of culturally appropriate behaviors happens in the host country; The "trainers" will be the host nationals themselves; And the venue for training will be their daily interactions with their host national colleagues, neighbors, friends, etc. Although there is a shift in venue, from predeparture training to in-country learning, the social learning-process. described by Black and Mendenhall (1990) is essentially the same. The, expatriates' cultural swimming lessons, however, just start in the host country's deep-end.,

One year later, Black et al. (1991) developed a more comprehensive model for understanding the cross-cultural adjustment process. This theoretical model integrated both the domestic and international relocation literatures (i.e., organizational socialization, career transitions and sensemaking, work role transitions). Their model had two chronological phases, anticipatory adjustment and in-country adjustment. The first phase focuses on what the expatriate expects based on predeparture cross-cultural training received, past experience, etc. The second phase focuses on the process of adjustment after he or she arrives in the host country. According to Black et al. (1991) the second phase is based on his or her individual characteristics, the job demands, the organizational culture and socialization, and the nonwork factors, such as country difficulty and family adjustment (see Black et al. 1991 for a detailed description of this theory).

A; large part of he Black et aL model (in both phases) focuses on socialization (i.e., the ways in which individuals learn the culturally' appropriate norms and

behaviors). Testing a part of their model, this study will examine how socialization is affected by ~the individual characteristics of the expatriate. Then, in turn, how the socialization affects cross-cultural adjustment. This focus on individual characteristics and socialization is critical for two reasons: (I) expatriates often learn culturally appropriate norms and behaviors through host nationals, and (2) expatriates vary on the personality characteristics necessary for relating to others (affiliating personality characteristics; Mendenhall/Oddou 1985).

Affiliating Personality Characteristics Affecting Cross-cultural Adjustment

Many theorists have discussed the importance of individual characteristics in predicting an expatriate's cross-cultural adjustment. Mendenhall and Oddou (1985) proposed that there are three dimensions of individual characteristics that should be positively related to cross-cultural adjustment: (I) self-orientation, (2) perceptual-orientation, and (3) others-orientation. Relevant to this study, the latter dimension is the dimension of individual characteristics affecting "the expatriate's ability to interact effectively with host nationals" (Mendenhall/Oddou 1985, p. 41). Given the emphasis on social contact, these affiliating personality characteristics will be particularly important for expatriates' cross-cultural adjustment.

As Mendenhall and Oddou (1985) suggest, the "other-orientation" dimension encompasses two types of individual characteristics, or subfactors: The first is the individual's ability to establish interpersonal relationships with host nationals. Consistent with personality theory, this would be a persons' *sociability* (see McCrae/Costa 1987: Piedmont/McCrae/Costa 1991). Sociability includes the ability one has to be outgoing with others and the ability or desire one has to establish interpersonal relationships with others. The second is the individual's u' llmgness to Conlniun cite with host nationals. Again, according to personality theory, this would be a person's openness (see McCrae/Costa 1987, Piedmont/ McCrae/Costa 1991). Openness is further defined as one's receptivity to learn and change in the new situation. In this context it is also one's belief that the host country has something to offer which will help one grow, develop, and learn. In particular, because of the focus on social interaction, this paper is interested in openness directed toward people, as compared to openness directed toward places or things (e.g., open to trying new food, open to new forms of art). These two personality characteristics, sociability and openness, along with contact with host nationals) will be examined for their affect on cross-cultural adjustment.

Host National Contact and Personality: The Contact Hypothesis

A theoretical perspective which elucidates the moderating effect of personality characteristics on the relationship between host national interaction and crosscultural adjustment is the contact hypothesis or association hypothesis (Allport 1954, Amir 1969, Zajonc 1968). Originally posited to address race relations in the United States in the 1950's and 1960's, this theory suggests that the more interaction (i.e., contact) a person has with people from a given cultural group, the more positive his or her attitudes will be toward the people from that cultural group (Allport 1954, Amir 1969, Zajonc 1968). Church (1982) suggested that the principles of the contact hypothesis can be applied to the interpersonal interactions between expatriates and host nationals. Having positive attitudes toward host nationals has been defined by Black (1988) as an important aspect of cross-cultural adjustment. This study attempts to explain how contact with host nationals will affect cross-cultural adjustment, in general. This is based on the assertion that the more expatriates interact with host nationals, the more likely they are to learn the culturally-appropriate norms and behaviors. As Black and Mendenhall (1990) proposed, learning these culturally appropriate norms and behaviors is positively related to higher cross-cultural adjustment.

Hypothesis 1: Contact with host nationals will be positively related to cross-cultural adjustment.

Since the work of Allport (1954), Zajonc (1968), and Amir (1969), subsequent studies on the contact hypothesis have examined the impact of moderating variables in the context of social interactions between minority and nonminority groups. These studies have examined a variety of moderating variables, such as percent of minorities living in a traditionally nonminority neighborhoods, the socioeconomic status of the minority group, relative to the majority group, and so forth (for a review, see Hewstone/Brown 1986). In the 1960's Amir (1969) noted that personality characteristics would be a moderating variable in the contact hypothesis. That is, not all people will benefit equally from contact with host nationals (Amir 1969). In writing about personality characteristics as a moderating variable, Amir (1969, p. 335) stated "(t)here are always hindering factors which resist the influence of the contact or may even counteract it." That is, an expatriate who has much contact with host nationals, yet is not open to the interaction, will have lower crosscultural adjustment, compared to a person with greater openness.

Despite the proposition of Amir (1969), personality as a moderator in the contact hypothesis has remained largely untested and the necessary personality characteristics have not yet been identified. This study will test the two personality characteristics, *openness* and *sociability*, as moderators of the contact hypothesis.

Again, these two personality characteristics were selected because they had been identified by Mendenhall and Oddou (1985) as relationship-building characteristics related to cross-cultural adjustment. In addition, numerous studies suggest that both openness and sociability are considered enduring, predisposed personality characteristics. As such, they are relatively fixed and will affect the way in which people behave in given situations, such as cross-national interactions (e.g., Buss 1989, Costa/McCrae 1992). Each characteristic will be discussed in greater detail below.

The Contact Hypothesis and Openness

As Mendenhall and Oddou (1985) and others (e.g., Abe/Wiseman 1983, Black 1990, Hammer/Gudykunst/Wiseman 1978) suggest, expatriates who possess the characteristic of openness tend to demonstrate greater cross-cultural adjustment. Contact theory may be one explanation for why this is true. By definition, individuals who are more open to people, should possess few (if any) negative predisposing attitudes that may impair their ability to develop relationships with host nationals. Openness should facilitate cross-cultural adjustment because individuals higher in this characteristic will have less rigid views of right and wrong, appropriate and inappropriate, etc. (Black 1990). Those who are more rigid "view their ideas, norms, and behavior patterns as correct and others as incorrect ... and will make little effort to understand host nationals or their culture or to modify their own behavior to make it more congruent with the cultural norms" and reduce their interactions with host nationals (Black 1990, p. 125). Expatriates who are unrestricted by their predisposing personality should be able to establish more interpersonal relationships with host nationals. Past research has inferred that establishing friendships with host nationals greatly improves expatriates' ability to learn culturally appropriate social skills and behaviors (Searle/Ward 1990), thus facilitating their cross-cultural adjustment. The host nationals with whom open individuals come in contact can be a source of information and feedback on how the expatriates should behave in the host country (Abe/Wiseman 1983, Black 1990, Brein/David 1971, Mendenhall/ Oddou 1985, Searle/Ward 1990). This should result in a positive relationship with cross-cultural adjustment for these open individuals.

Hypothesis 2: Openness to people will moderate the relationship between contact with host nationals and cross-cultural adjustment.

The Contact Hypothesis and Sociability

Given the many uncertainties of living abroad, expatriates must have a socia, or ientation and desire to communicate with others in order to learn about the -

mir vol. 40, 2000/1

country (Black 1990, Searle/Ward 1990). As Mendenhall and Oddou (1985) suggest, a personality characteristic positively affecting the expatriates' social interactions (i.e., *sociability*) may help facilitate interactions, acquaintanceships, and friendships with host nationals. With respect to contact theory, being sociable should improve the likelihood of making host national acquaintances or friends. Based on studies of immigrants, research suggests that those who establish close friendships in their host culture will have access to support networks and will experience less stress (Berry/Kim/Minde/Mok 1987).

Hypothesis 3: Sociability will moderate the relationship between contact with host nationals and cross-cultural adjustment..

Control Variables

Past studies examining the antecedents of expatriate adjustment have yielded six other possible predictor variables in addition to personality characteristics. Since the goal of this study is to understand the moderating affect of personality and contacton expatriate adjustment, the six *non-personality antecedent* variables will be used as control variables. Thus, this study will isolate' the moderator variable beyond the influence of these other variables. The six control variables are briefly described below.

The first variable, 'language skills, are generally necessary' for interpersonal communication and relationship building, and effective functioning at home and at work'(e.g., AbelWiseman 1983, Benson 1978, Church 1982, 'Cui/van den Berg 1991, Mendenhall/Oddou 1985). The second variable, pastforeign experience affects how confident an expatriate will feel in a new country and is positively related to success in a global assignment (Bochner/Hutnik/Furnham'1986, BochnerlMcLeodlLin 1971, Brein/David 1971). Given that it takes time for an individual to feel comfortable in a new culture (Oberg 1960, Church 1982), the length of time in the global assignment, the third variable, should also affect success on the global assignment. The fourth' variable, *country distance*, is the extent to which the host country is culturally different from an expatriate's home culture (Mendenhall/Oddou 1985, Church 1982). The greater the cultural distance the more an expatriate will need to learn about the host culture. This cultural distance, therefore, will also affect expatriates' success (Searle/Ward 1990, Church 1982, Mendenhall/Oddou 1985, Torbiorn 1982). The fifth variable, predeparture training, helps expatriates learn the new behaviors of the host country that, in turn, should aid in their success (Black/Mendenhall 1990, Earley 1987). The sixth variable, family adjustment, affects whether an expatriate completes his or her assignment (Black/Gregersen 1991, Tung 1981), and how successfully the expatriate performs

on that assignment (Black/Gregersen 1991, Black/Stephens 1989). Again, this study will examine the moderated relationship between contact and personality characteristics, as a predictor of expatriate adjustment, above and beyond these six control variables.

Method

Participants

Surveys were sent to all of the current American expatriate employees (in foreign countries) and inpatriate employees. (in the United States) from a large multinational company based in the United States (total possible N = 280). One-hundred and forty-three surveys were returned, for a response rate of 51%. These expatriates were located in 25 different countries (Argentina, Australia, Belgium, Brazil, Canada, Chile, France, Germany, Guam, Hungary, Hong Kong, Italy, Japan, Korea, Malaysia, Mexico, New Zealand, Norway, Puerto Rico, Singapore, Spain, Sweden, Switzerland, Taiwan, United Kingdom). Seventeen of the participants were ixpatriates (who are nationals of other countries) currently working in the United States. The average age of the participants was 40 years. Eighty-three percent were male and seventy-five percent were married. Eighty-one percent were American. Ninety-five participants brought their spouses with them on their overseas assignments and 83 participants reported having children (average number of children = 2). (Forty expatriates brought their children with them overseas.) Seventy percent of the participants had a bachelors degree or higher. The participants had been in their assignments an average of 1.8 years while they reported the expected length of their assignments to be an average of 3.2 years.

Measures

Independent Variables

Amount of Contact with Host Nationals

Expatriates were asked to divide 100 points among three categories, with respect to the amount of time they spend with the following people: (1) other expatriates from their home country, (2) other expatriates from countries other than their home country, and (3) host nationals (including friends, colleagues, etc.). The number of points allocated to number three was used as the measure of contact with host nationals.

Openness to People

This construct was measured by a seven-item scale adapted from Caligiuri's (1994, Caligiuri/Jacobs/Farr *forthcoming*) scale for openness. Each item was measured on a five-point scale ranging from 1 (strongly disagree) to 5 (strongly agree). The Openness to People Scale in this study had an alpha coefficient of .72. The items were totaled, whereas, a high score denoted greater openness. Sample items include: "I prefer parties where I know most of the people (reversed)" and "I dislike being with unpredictable people (reversed)" and "My friends' interests and hobbies are similar to mine."

Sociability

The Sociability subscale of the Hogan Personality Inventory (HPI, Hogan/Hogan 1992) was used to measure the construct sociability. This subscale has 24 true-false items. Sample items include "I am often the life of the party" and "Being a part of a large crowd is exciting." Note that, given the proprietary nature of the instrument, the participants completed the HP!, returned the HPI score sheet to the author, and the author sent the HPI score sheets to the test publisher for scoring. The scored data were returned to the author as *subscale* composite scores, rather than item-level scores. Since the author did not receive data back at the item level, the reliability estimate for the Sociability subscale could not be calculated directly from this data set. Rather, the reliability estimates presented below were those reported in the Hogan Personality Inventory Manual (Hogan/Hogan 1992). The scale has a reported reliability of 0.83.

Control Variables

Self-Report Language Skills

Language skills were measured by an item which asked "Describe your ability to speak the language of this host country." The participants rated their ability by rating their language skills on a five-point scale: 1 = I do not know the language of this host country; 2 = I am limited to very short and simple phrases; 3 = I know basic grammatical structure, and speak with a limited vocabulary; 4 = I understand conversation on simple topics; 5 = I am fluent in the language of this host country.

Foreign Experience

Foreign experience was measured by asking the expatriates to report how much time they had spent living in foreign countries (and in what countries). A total of number of months abroad minus the number of months in the foreign assignment

was divided by the expatriates' age (in months) to create an index of foreign experience.

Predeparture Training

Training was measured by 2 items. The two items asked the expatriates to rate, on five-point scales (1= poor, 5 = outstanding), their preparation for the foreign assignment, and the adequacy of the predeparture training this company provided for the assignment. The alpha coefficient of this two-item training measure was 0.64.

Family Adjustment

Expatriates rated how well their spouses and families have adjusted to the host country on 6 items. The items asked the expatriates to rate, on a five-point scale (1= poor, 5 = outstanding), how well their spouses and children (1) speak the host country language, (2) interact with host nationals, and (3) have adjusted to living in the host country, in general. The alpha coefficient of the family adjustment measure was 0.83.

Length of Time in the Assignment

Expatriates reported how long they had been in their current foreign assignment (rounded to months).

Country Difficulty

Hofstede (1980) collected data on 40 countries (including the United States). The scores for each country on the four dimensions, uncertainty avoidance, individualism versus collectivism and masculinity versus femininity, were transformed to z-scores. For those expatriates who are American, the z-scores for the United States were subtracted from the z-scores for their respective host countries. The absolute values of the difference scores were used to create an additive composite score of country difficulty. (For non-American expatriates, the absolute values are taken relative to the scores from their respective countries.) Kogut and Singh (1988) implemented a similar method to quantify country difficulty from Hofstede's dimensions.

Dependent Variable

Cross-cultural Adjustment

Cross-cultural adjustment was measured by a 4-item scale adapted from Black's (1988) scale of general adjustment. The items ask the expatriates to rate, on a

five-point scale ranging from 1(poor) to 5 (outstanding), their degree of adjustment to living and working in their host national country. For example, items included "rate your adjustment to your current living conditions" and "rate your adjustment to living in this country, in general." The cross-cultural adjustment measure had an alpha coefficient of 0.86.

Design and Procedure

The surveys were sent to the expatriates via this company's country administrators. The country administrators had the current office addresses for the expatriates and sent them directly to the appropriate expatriate employees. Self-addressed, return envelopes were included with the surveys so that the completed surveys could be returned directly to the author. The individual characteristics were assessed at the front end of this larger survey, and the cross-cultural adjustment measure was placed at the end. This was done to lower the chance of self-generated validity (Feldman/Lynch 1988). The HPI also contains a Validity, Scale to detect careless or random responses. None of the participants' results indicated that they were marking items randomly.

Results

Table 1 presents the descriptive statistics for the independent variables, control variables, and dependent variable in this study. As Table 1 suggests, all but one (training) of the multiple-item scales had acceptable alpha coefficients (above 0.70).

Next, the correlation matrix for all of the variables was calculated. These correlations are presented in Tables 2.

All of the control variables, except for country difficulty, were significantly related to cross-cultural adjustment. Country difficulty was removed from all subsequent analyses for two reasons. First, country difficulty demonstrated no linear relationship with cross-cultural adjustment. Second, Hofstede (1980) dimensions had data for only 40 countries. Not all of the countries in the current study were represented in Hofstede's study, therefore, including this dimension reduced the sample size and subsequently reduced the power of the analysis.

To test the first hypothesis, the correlation between host national contact and cross-cultural adjustment was examined in the correlation matrix. The correlation between these two variables is not significant (r = -0.04, *ns*). Thus, hypothesis one is rejected.

Table 1. Descriptive Statistics for the Variables Included in the Study

Variables ^a	N of Items	Alpha	Mean	Standard Deviation
Country Difficulty"	1		3.13	2.02
Length of Time on Assignment" °	1		21.6	13.03
Ability to Speak the Host National Language b	1		4.06	1.24
Prior Foreign Experience" d	1		0.08	0.17
Family Adjustment	8	0.83	3.42	1.02
Training Adequacy	2	0.64	3.95	1.69
Sociability`	24	0.83	14.41	4.39
Openness	7	0.72	19.38	4.26
Percent of Time Spent with Hosts"	1		51.46	28.16
Cross-Cultural Adjustment	4	0.86	3.94	0.70

^a Sample size = 143

Table 2. Correlation Matrix of all Independent and Dependent Variables in this Study

	1	2	3	4	5	6	7
1 Country Difficulty							
2 Length of Stay	-0.08						
3 Ability to Speak	-0.36**	-0.09					
4 Foreign Experience	0.22*	-0.05	0.15				
5 Family Adjustment	-0.03	0.06	0.26**	0.12			
6 Training	0.04	-0.00	0.07	0.20*	0.20**		
7 Sociability	0.03	0.03	0.11	-0.01	0.30**	-0.02	
8 Openness	0.13	0.34**	-0.05	0.14	-0.06	-0.07	0.03
9 Contact	-0.13	0.12	0.34**	0.04	0.17*	-0.10	0.08
10 Cross-Cultural Adj.	-0.00	0.25**	0.15*	0.24**	0.37**	0.25**	0.30**

^{*}p<0.05; **p<0.01

To test the second and third hypotheses a hierarchical moderated regression analysis was conducted predicting cross-cultural adjustment. Predictors were entered in two blocks. The first block included the control independent variables: length of time in the assignment, training adequacy, language ability, family adjustment, and prior foreign experience. The second block included the independent variables and the moderator variables: sociability, openness, contact with host nationals, contact x sociability, contact x openness. Therefore, either hypothesis would be supported if both (1) the second block accounts for a significant portion of variance above and beyond the control variables: in the first block and

^b No alpha is reported because it is a single item variable

In months

d Ratio of total time spent in foreign countries, relative to age This information was reported in the HPI Manual

Table 3. Hierarchical Regression Analysis Predicting Cross-cultural Adjustment

	Beta	t	
Block 1 - Control Variables			
Length of Stay	0,24	2.85**	
Ability to Speak	0.15	1.76, <i>n</i> s	
Foreign Experience	0.18	2.26*	
Family Adjustment	0.22	2.49**	
Training	0.17	2.06*	
		_,,,,	0.51***
RZ			0.26*
Block '2 - Personality and Contact			0.20
Sociability	0.46	2.95**	
Openness	-0.14		
Contact	-0.45	-1.08, ns -2.88**	
	01.10	-2.00	0.06***
RZ			0.06***
lock 3 - Moderator Variables			0.07^^^
Contact x Sociability	0.04		
Contact x Openness	-0.24	1.58, ns	
omaet ir Openiiess	0.41	2,20*	
RZ			0.04***
Overall R	0.61***		0.04***
Overall R ²	0.81***		
Overall F	6.33***		

^{*}p<0.05; **p<0.01; ***p<0.001

(2) the moderator variable is significant. Table 3 presents the results of the regression analysis.

The hierarchical regression analysis does demonstrate support for the second hypothesis. The contact x openness moderator variable is significant in the second block (/3=0.41, t= 2.20, p < 0.05). The third hypothesiswas not supported in that the contact x sociability moderator variable was not significant in the second block. These results, taken together, suggest that greater contact with host nationals does not affect adjustment, unless expatriates possess the personality characteristic of openness.

Discussion

This study attempted to better understand how contact with host nationals will affect cross-cultural adjustment. Based on the contact hypothesis and social learn-

ing theory, this study suggests that the more expatriates interact with host nationals, the more likely they are to become cross-culturally adjusted - provided they possess the underlying "other oriented" (Mendenhall/Oddou 1985) personality characteristics of sociability and openness. The results of the hierarchical regression analysis partially support the hypothesis. The linear relationship between contact with host nationals and cross-cultural adjustment is moderated by the personality characteristic of openness. Sociability had a positive (non-moderated) relationship with cross-cultural adjustment.

This research supports Amir's (1969) assertion that not all people benefit equally from interactions with people from a different culture. In this case, these results suggest that those who have greater openness are less likely to have the personality characteristic that may impair their ability to develop relationships with host nationals. In the context of the social learning theory, expatriates who possess greater openness may have a greater interest in learning about new cultures from their host national friends and acquaintances. This is consistent with past research on cross-cultural interactions which suggested that having friendships with host nationals greatly improves expatriates' ability to learn culturally appropriate social skills and behaviors (Searle/Ward 1990). This cultural learning processed from the more frequent contact may have facilitated cross-cultural adjustment for this sample.

It was hypothesized that sociability would also moderate the relationship between host national interaction and cross-cultural adjustment. It was suggested through the contact hypothesis that if an expatriate is a sociable person, then not only host country nationals, but other expatriates, co-workers, neighbors, etc. will be attracted to him or her, possibly desiring to spend time interacting socially. Those expatriates who spend time interacting with other people in the host country (not just host nationals) may have greater opportunities to learn about aspects of daily living (e.g., where to shop, the best providers of medical care) and develop a support network of friends. This would be consistent with past research on immigrants suggesting that those who establish friendships in their "new" culture will have access to support networks and will experience less stress (Berry/Kim/ Minde/Mok 1987). Given that a positive association between sociability and cross-cultural adjustment was found, sociability may be a tool for making friends. It may be the case that the self-perception of having friends in a new country is related to expatriates' overall self-assessment of their adjustment to living in the host country.

The negative relationship in this study between amount of contact with host nationals and cross-cultural adjustment provides support for the assertion that mere contact with host nationals will not necessarily produce adjustment, and subsequent cross-cultural competence and sensitivity (Church 1982). This result suggests that not all contact is equally valuable. One interpretation is that contact with host nationals has a positive impact only when expatriates are open to the

relationship. And for those who are not open to people, greater contact may serve to reduce cross-cultural adjustment. Another interpretation of this negative linear relationship between contact and adjustment may be that expatriates prefer and receive more social support from other expatriates, rather than host nationals. Thus, in cases where other expatriates are not available to form social networks, the expatriates may then be forced to turn to host nationals. This interpretation would suggest that compatriot friends, as opposed to host nationals, positively affect adjustment. Additional research, comparing the influence of compatriot social interaction and host national social interaction on expatriates' cross-cultural adjustment is warranted.

Limitations

As with all studies, there are limitations to this study. The definition of contact was limited to a self-report variable of "percent of time spent with host nationals". Operationalized as such, the variable for "contact" did not delineate between social contacts (friends and acquaintances), work contacts (colleagues), and functional contacts (e.g., domestic help, store clerks). The nature of these relationships may be very different and may serve different roles in helping an expatriate learn cultural norms and behaviors which facilitate cross-cultural adjustment. Future research should explore the context of the interaction with host nationals.

Closely related, another limitation of the study was the lack of understanding of the underlying process for how cross-cultural adjustment is facilitated through host national interaction. This study makes the theoretical assertion that host national contact helps in the process of learning cultural norms, but only tests the amount of contact, rather than the process of contact. What happens during the host national interactions to facilitate learning? For example, are expatriates modeling behaviors of the host nationals? Or are they asking questions of clarification about what is correct and incorrect? This process of social learning should be examined for expatriates. As mentioned in the previous section, the source of the social interaction (and social learning) needs to be better understood in terms of its affect on cross-cultural adjustment. Is it the case that social interaction with host nationals produces similar cross-cultural adjustment as social interaction with other expatriates? Again, future research examining the effect of the source of interaction needs to be examined in future studies.

On the criterion-side of this study, the measure of cross-cultural adjustment was self-reported. Attention was paid to reduce potential biases that may result from a self-reported criterion. For example, the demographic and control variables were assessed at the front end of the survey, and the self-rated criterion measure was placed at the end of the survey. This placement was an effort to reduce self-generated validity (Feldman/Lynch 1988). In addition to self-ratings, future

studies may include multiple raters (e.g., self, peers, supervisors, subordinates) and multiple raters with one racer-type (e.g., a host national and a compatriot peer). This is important because a compatriot peer might view socializing with other compatriots as a positive indicator of adjustment, whereas, the host national peer may view the expatriate's socializing as maladjustment to the host country. Two peers, in this case, would view the expatriate's adjustment in very different ways.

Self-reported adjustment as a criterion may pose additional problems when considering personality characteristics as predictors. Variables such as openness and sociability may have a positive response bias on the variable of cross-cultural adjustment. In other words, people who are open or sociable may be predisposed to respond more favorably to the cross-cultural adjustment scale, regardless of their true adjustment. If this response bias did exist, then the bias would provide an alternative explanation for the present study. However, that said, there are no studies which suggest that open or sociable people respond differently to dispositional questionnaires.

Future studies should move beyond the criterion of self-reported cross-cultural adjustment to examine the effect of host national contact on how well the expatriates perform their work assignments while they are abroad. There are very few sound empirical studies of expatriates where an assessment of job performance is used as the criterion. This represents a dearth of research in the field of expatriate management. We have not yet been able to conclude the relationship between cross-cultural adjustment and performance on the global assignment. Since we do not have statistics suggesting the proportion of people who would be considered "maladjusted" in the expatiate population and (presumably) since not all maladjusted expatriates necessarily leave their assignment, an examination of the expatriate performance criterion in the future would be valuable.

The sample was limited primarily to American expatriates. Given that the USA is a very individualistic society, personality may be especially important for Americans who are generally accustomed to doing things "their own way." People from more collectivist countries may have a tendency to learn culturally appropriate norms and behaviors more readily than Americans. Openness, therefore, should be tested across a comparative cross-cultural sample in future studies. In addition, when studying the relationships between host nationals and expatriates, one must consider the cross-cultural differences in the concept of "friend", "acquaintance" etc. (Church 1982).

Practical Implications

Given the extraordinary high financial, relational, and emotional costs for expatriates (Black/Gregersen/Mendenhall 1992), their families (Caligiuri/Hyland/Joshi/Bross 1998, Guzzo/Noonan/Elron 1994), and their organizations (Zeira/Banai 1985),

understanding who will benefit the most from being on a foreign assignment is important. In a practical sense, a question answered in this study was whether personality characteristics could be used to predict success in overseas assignments? Based on this study, the personality characteristics of openness and sociability are recommended for use in expatriate selection systems - especially in cases where the expatriates will be interacting more extensively with host nationals.

Selection systems for global assignments should include an assessment of personality very early in the selection process. As this research suggests, organizations should convey to its employees that a global assignment *is not right for everyone*. This should be conveyed early in the process. Organizations will get the best possible global assignees when they consider many possible candidates and engage the candidates' decision-making processes long before a position becomes available. This decision-making process, with a special assessment of their personality will help them decide whether the assignment is really right for them. That is, the selection decision needs to be mutual among the employee, his or her organization, and his or her family.

After selecting global assignees who will benefit most from the experience, multinational organizations should promote positive contacts between their host national employees and expatiate employees. In accordance with the theory (Amir 1969), this contact should be between perceived equals. Therefore, expatriates should not be led to believe that they are "the all-knowing headquarter's representative" in the subsidiary. The trend to send more middle-level global assignees would support this positive contact. A multinational organization should encourage its expatriates to learn from the host nationals - not placing them psychologically above the host nationals. This can be facilitated through performance assessment which encourages collaboration between the expatriates and their host national colleagues.

Thus, multinational organizations are encouraged to (1) assess their potential expatriates for these personality characteristics and, having selected carefully, (2) promote contact with host nationals once they are on the assignment. These practices combined could improve the MNCs' chances for having well-adjusted expatriates on these critical global assignments. In turn, the improved cross-cultural adjustment of expatriates should lead to better performance in the global arena - for both individuals and their organizations.

References

Abe, H./Wiseman, R. L., A Cross-cultural Confirmation of the Dimensions of Intercultural Effectiveness, *International Journal of Intercultural Relations*, 7, 1983, pp. 5-67.

Adler, N. J./Bartholomew, S., Managing Globally Competent People, *Academy of Management Executive*, 6, 1992, pp. 52-65.

- Allport, G. W., The Nature of Prejudice, Cambridge. MA: Addison-Wesley 1954.
- Amir, Y., Contact Hypothesis in Ethnic Relations, *Psychological Bulletin*, 71, 1969, pp. 319-342.
- Arthur, W./Bennett, W., The International Assignee: The Relative Importance of Factors Perceived to Contribute to Success, *Personnel Psychology*, 48, 1995, pp. 99-1 14.
- Baker, J. C./Ivancevich, J. M., The Assignment of American Executives Abroad: Systematic, 1 lap. hazard or Chaotic?, *California Management Review*, 13, 1971, pp. 39-44.
- Bandura, A., Social Learning Theory, Englewood Cliffs, NJ: Prentice-Hall 1977.
- Benson, P., Measuring Cross-Cultural Adjustment: The Problem of Criteria, *International Journal of Intercultural Relations*, 2, 1978, pp. 21-37.
- Berry, J. W./ Kim, U./ Minde, T.,/Mok, D., Comparative Studies in Acculturative Stress, *International Migration Review*, 21, 1987, pp. 490-511.
- Black, J. S., Work Role Transitions: A Study of American Expatriate Managers in Japan. Journal of International Business Studies, 78, 1988, pp. 277-294.
- Black, J. S., The Relationship of Personal Characteristics with Adjustment of Japanese Expatriate Managers, *Management International Review*, 30, 1990, pp. 119-134.
- Black, J. S./Gregersen, H. B., Antecedents to Cross-cultural Adjustment for Expatriates in Pacific Rim Assignments, *Human Relations*, 44, 1991, pp. 497-515.
- Black, J. S./Gregersen, H. B., The Other Half of the Picture: Antecedents of Spouse Cross-cultural Adjustment, *Journal of International Business Studies*, 1991, pp. 461-477.
- Black, J. S./Gregersen, H. B.,/Mendenhall, M. E., *Global Assignments: Successfully Expatriating and Repatriating International Managers*, San Francisco: Jossey-Bass 1992.
- Black, J. S./Mendenhall, M. E./Oddou, G. R., Toward a Comprehensive Model of International Adjustment: An Integration of Multiple Theoretical Perspectives, *A cademy of Management Review*, 16, 1991, pp. 291-317.
- Black, J. S./Mendenhall, M. E., Cross-Cultural Training Effectiveness: A Review and Theoretical Framework, *Academy of Management Review*, 15, 1990, pp. 113-136.
- Black, J. S./Stephens, G., Expatriate Adjustment and Intent to Stay in Pacific Rim Overseas Assignments, *Journal of Management*, 15, 1989, pp. 529-544.
- Bochner, S./Hutnik, N./Furnham, A., The Friendship Patterns of Overseas Students and Host Students in an Oxford Student Resident Hall, *Journal of Social Psychology*, 125, 1986, pp. 689-694.
- Bochner, S./McLeod, B. M./Lin, A., Friendship Patterns of Overseas Students: A Functional Model, *International Journal of Psychology*, *12*, *1977*, *pp*. 277-294.
- Brein, M./David, K. H., Intercultural Communication and Adjustment of the Sojourner, *Psychological Bulletin*, 76, 1971, pp. 215-230.
- Buss, A. H., Personality as Traits, American Psychologist, 44, 1989, 1378-1388.
- Caligiuri, P. M., The International Orientation Scale, in Marcic, D./Puffer, S. (eds.), *International Management*, St. Paul, MN: West Publishing Company 1994, pp. 157-169.
- Caligiuri, P. M., Assessing Expatriate Success: Beyond Just "Being There", in Aycan, Z. (ed.), *Expatriate Management: Theory and Practice*, Greenwich, CT: JAI Press, 1997, pp. 17-140.
- Caligiuri, P. M./Hyland, M./ Joshi, A./Bross, A., A Theoretical Framework for Examining the Relationship Between Family Adjustment and Expatriate Adjustment to Working in the Host Country, *Journal of Applied Psychology*, 83, 1998, pp. 598-614.
- Caligiuri, P. M./Jacobs, R. J./Farr, J. L., The Attitude and Behavioral Openness Scale: Scale Development and Construct *Validation, International Journal of Intercultural Relations*, forthcoming.
- Church, A., Sojourner Adjustment, Psychological Bulletin, 9, 1982, pp. 540-572.
- Costa, P. T./McCrae, R. R., Four Ways Five Factors Are Basic, *Personality and Individual Differences*, 13, 1992, 653-665.
- Cui, G./van den Berg, S., Testing the Construct Validity of Intercultural Effectiveness, *International Journal of Intercultural Relations*, 15, 1991, pp. 227-241.
- Earley, P. C., Intercultural Training for Managers: A Comparison of Documentary and Interpersonal Methods, *Academy of Management Review*, 39, 1987, pp. 685-698.
- Feldman, J. M./Lynch, J. G., Self-Generated Validity and Other Effects of Measurement on Belief, Attitude, Intention, and Behavior, *Journal of Applied Psychology*, 73, 1988, pp. 421-435.
- Gregersen, H. B./Black, J. S., A Multifaceted Approach to Expatriate Retention in International Assignments, *Group and Organizational Studies*, 15, 1990, pp. 461-485.

- Guzzo, R. A., Noonan, K. A., /Elron, E., Expatriate Managers and the Psychological Contract, *Journal of Applied Psychology*, 79, 1994, p. 617-626.
- Hammer, M. R., Gudykunst, W. B./Wiseman, R. L., Dimensions of Intercultural Effectiveness: An Exploratory Study, *International Journal of Intercultural Relations*, 2, 1978, pp. 382-393.
- Harvey, M. G., The Executive Family: An Overlooked Variable in International Assignments, *Columbia Journal of World Business*, 20, 1985, pp. 84-92.
- Hewstone, M.Brown, R., Contact, and Conflict in Intergroup Encounters, Oxford: Basil Blackwell 1986.
- Hofstede, G., Culture's Consequences, Beverly Hills: Sage 1980.
- Hogan, R./Hogan; J., Hogan Personality Inventory Manual, Tulsa, OK Hogan Assessment Systems, Inc. of 1992:
- Kogut, B./Singh, H., The Effect of National Culture on the Choice of Entry' Mode, Journal of International Business' Studies, 1988, pp. 411-428
- Laabs, J., Rating the International Relocation Hot Spots, Personnel Journal, 72, 1993, p. 19.
- McCrae, R. R./Costa, P. T.; Validation of the Five Factor Model of Personality, Across Instruments and Observers, *Journal of Personality and Social Psychology*, 52, 1987, pp. 81-90:'
- McEvoy, G. /Parker, B., Expatriate' Adjustment: Causes and Consequences in Selmer, J: (ed.) Expatriate Management, 1995, pp. 97-114.
- Mendenhall, M. /Oddou, G., The Dimensions of Expatriate Acculturation, *Academy of Management Review*, 10, 1985, pp. 39-47.
- Oberg, K., Culture Shock: Adjustment to New Cultural *Environment.*. Practical Anthropologist; 7, 1960; pp. 177-182:
- Piedmont, R. L./McCrae, R. R./Costa; P. T., Adjective Check List Scales and the Five-Factor Model, Journal of Personality and Social Psychology, 60, 1991, pp. 630-637.
- Searle W./Ward, C., The Prediction of Psychological and Sociocultural Adjustment During Cross-cultural Transitions, *International Journal of Intercultural Relations*, 14, 990, pp. 449-464.
- Stroh, L, K./Caligiuri, P. M., Strategic Human Resources: A<New Source for Competitive Advantage in the Global Arena, *International Journal of Human Resource Management*, 9, 1998, pp. 1-17:
- Stroh, L. K./Dennis, L. E./framer, T. C., Predictors of Expatriate Adjustment, *International; Journal of Organizational Analysis*, 2, 1994, pp. 176-192.
- The Conference Board, Recruiting and Selecting International Managers (Report No. 998), New York: The Conference Board 1992.
- Torbiorn, I., The Structure of Managerial Roles in Cross-cultural Settings, International Studies of Management and Organizations, 15, 1982, pp. 52-74.
- Tung, R: L., The New Expatriates, Cambridge, MA: Bathnger 1988.
- Tung, R. L., Selection and Training of Personnel for Overseas Assignments, *Columbia Journal of World Business*, 16, 1981, pp. 21-25.
- Tung, R. L /Miller, E. L., Managing' in the Twenty First Century: The Need for Global Orientation, *Management International Review*, 30, 1990, pp. 5-18.
- Windham International/National Foreign Trade Council, Inc., Global Relocation Trends. 1994 Survey Report, New York: Windham International 1994.
- Zajonc, R. B., Attitudinal Effects of Mere Exposure, Journal of Personality and Social Psychology Monograph Supplement, 9, 1968 pp 1-27
- Zeira, YBanai, M., Selection of Expatriate Managers in Multinational Corporations: The Host Environment Point of View, *International Studies of Management and Organization*, 15, 1985, pp. 33-51.