THE DETERMINANTS OF CROSS-CULTURAL ADJUSTMENT: A CASE OF JAPANESE EXPATRIATES IN THAILAND

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Abstract

Global human resource management plays an important role in determining the success of MNCs by facilitating the process of expatriation. Cross-cultural adjustment of expatriates is the major driving force for successful international expansion and expatriation. Each year, an increasing number of expatriates come to Thailand to take up international assignments of which the largest number is Japanese expatriates. This study examines crucial antecedents of cross-cultural adjustment of the Japanese expatriates in Thailand. The independent variables include learning characteristics, congruency of organizational cultures, effectiveness of cross-cultural training, mentor programming and demographic profile. An important moderator in the process is spouses’ degree of adjustment in the environment of the host country. The conceptualization of this model is aimed at understanding the mechanisms required to overcome the impacts of cultural distance between the two countries; Thailand and Japan.

This quantitative study was conducted using questionnaire surveys. A total of 412 Japanese expatriates working in subsidiaries in Thailand were surveyed. The statistical treatments employed were structural equation modeling (SEM) and Analysis of Variance (ANOVA). The findings demonstrated that indi-
individual learning characteristics, effectiveness of cross-cultural training, and spouse adjustment were the major predictors of the Japanese expatriates’ cross-cultural adjustment in Thailand. In addition, mentor programs and age groups could also create significant difference on the overall degree of cross-cultural adjustment. The expatriates and spouses should be provided with proper processes of selection, preparation, and support based on effective human resource management practices of their Japanese multinational corporations.

INTRODUCTION

Multinational corporations (MNCs) establish subsidiaries in the international arena in order to sustain their competitive advantage (Moran, Palmer & Borstorff, 2007) in the ever changing environment of the business world (Haile, Jones & Emmanuel, 2007). Technological advancements, such as telecommunication, transportation, network system, infrastructure, and government liberalization, create strong networks that serve to link countries worldwide as well as lower national borders. These factors are powerful forces that stimulate international expansion. In order for these international expansions to be successful, expatriates are key success factors (Bonache, Brewster & Suutari, 2001). Expatriates with effective international capabilities, including the ability to adapt to different cultures and fluency in foreign languages, are always in demand (Black & Mendenhall, 1989; Haile et al., 2007). An expatriate’s premature return has a significant impact on the return on investment of the international assignment (McNulty & Tharenou, 2004). As a consequence, the issue of expatriates’ international adjustment has garnered much attention from scholars, because adjustment is the catalyst in determining expatriate performance in the host country.

International human resource management strategies are critical determinants of success for multinational corporations to operate within the boundary-free international business markets (Black, 1990; Black & Mendenhall, 1989; Black, Mendenhall & Oddou, 1991; Colakoglu & Caligiuri, 2008; Caligiuri, Phillips, Lazarova, Tarique, & Burgi, 2001; Littrell, Salas, Hess, Paley & Riedel, 2006). There is also growing evidence that effective management of expatriates is a crucial determinant for the success or failure of international investments (Bonache et al., 2001).

The demand for effective and qualified expatriates to operate in the overseas marketplace has increased significantly with the boom in internationalization (Bolino, 2007; Dowling, Festing & Engle, 2008). Unfortunately, MNCs have been severely plagued by the persistent and recurring problems with a significantly high premature return rate of expatriates (Mendenhall & Oddou, 1985; Haile et al., 2007; Tung, 1987) that creates explicit as well as opportunity costs. The focus of most MNCs is on the expatriates’ technical competencies to operate successfully on international assignments, however, cross-cultural knowledge has received scant attention.

Despite the recent instabilities, Thailand is a popular location for Foreign Direct Investment (FDI) and has been ranked 14th in the FDI confidence index (Swierczek & Onishi, 2003, p. 188). Multinational corporations together with their expatriates are increasingly important for the development of Thailand in gaining a competitive advantage against other countries (Clegg & Gray, 2002). As such, the issues of expatriates requires the attention of both practitioners and researchers.

Thailand is an emerging economy with the availability of incentives for indirect investment and a robust supply network (Swierczek & Onishi, 2003). It is one of the most attractive destinations for the Japanese direct investment because it is rich in resources with a plentiful labor supply. Japanese companies invest in Thailand in order to sustain and enhance their manufacturing network systems together with opportunities for export (Swierczek & Onishi, 2003). They also see Thailand as one of their potential markets. The total amount of Japanese Foreign Direct Investment (FDI) in Thailand is the indicator of the importance of Japanese investments in the Thai economy. In 2010, Thailand’s Board of Investment (BOI) reported that Japanese FDI in Thailand accounted for 100,305.4 million baht or 20.24% of overall FDI’s in Thailand with 342 projects approved or 21.84% of total projects (BOI, 2010). In 2010, there were more than 7,000 Japanese companies in Thailand (Embassy of Japan in Thailand, 2010). They play a significant role in the Thai
economy and create huge employment opportunities for Thai workers. Hence, it is important to understand Japanese expatriates’ cross-cultural adjustment in the Thai context. This will benefit not only the Japanese multinational corporations in Thailand and their Japanese expatriates but also the Thai economy, employees and Thailand as a whole.

This study is aimed to examine the antecedents of cross-cultural adjustment of Japanese expatriates in Thailand. The independent variables included learning characteristics, congruency of organizational cultures, effectiveness of cross-cultural training, mentor programming and demographic profile. There was also an important moderator which was spouses’ degree of adjustment in the environment of the host country. The conceptualization of this model was aimed to understand the mechanisms required to overcome impacts of cultural distance between Thailand and Japan. Hence, this model would provide effective practical mechanisms for Japanese MNCs in Thailand to facilitate their expatriates’ cross-cultural adjustment.

This paper drew on the commonalities and gaps among prior research studies. The majority of empirical researches on expatriates’ cross-cultural adjustment have focused on separate areas such as the selection of the right expatriate, cross-cultural training, cross-cultural learning, spouse and family issues, etc. This re-conceptualized them into a single framework, thus providing a more practical view of the variables.

THEORETICAL UNDERPINNING OF CROSS-CULTURAL ADJUSTMENT

This section presents the theoretical framework that was used in this study to examine cross-cultural adjustment of Japanese expatriates in Thailand. This framework was modified from the comprehensive model of Black et al. (1991). The reason for this modification was to make it a theoretical framework that could better capture the essence of cross-cultural adjustment.

Figure 1: Theoretical Framework of Cross-Cultural Adjustment

Black et al. (1991)'s model provides an overall abstraction of concepts which determine expatriates' cross-cultural adjustment in host countries. Instead of separating anticipatory adjustment and in-country adjustment that has five main variables, this study combined them into one big picture that could effectively explain the core antecedents of cross-cultural adjustment. Three main factors contributed to the overall degree of expatriate adjustment, which included individual factors, work factors and non-work factors. The individual factors were personal factors of expatriates which were cross-cultural training, previous experiences and their skills and abilities. Retaining the concept of Black et al. (1991), cross-cultural training and previous experiences were to examine accurate expectations of expatriates. The second core variable was the work factors which include selection mechanisms and criteria, job related factors and the concept of organizational culture. Lastly, non-work factors included two important expatriation factors, cultural novelty and family and spouse adjustment.

**Conceptual Model and Hypotheses**

This section illustrates the research framework of this study. Figure 2 is the proposed conceptual framework that presents the determinants of cross-cultural adjustment (CCA).

In comparison with prior empirical models, this research model incorporates all important variables that are crucial to the cross-cultural adjustment of expatriates. Basically, the framework had five core independent variables which include learning characteristics, congruence of organizational culture, cross-cultural training effectiveness, mentors, and the demographic profile of expatriates (i.e. age, number of children, educational level, prior international experience, and tenure of current assignment). Apart from the independent variables, spouse's adjustment was proposed as the moderator, because cultural distance implied encountering barriers in the international context which impacts both expatriates and their spouses. Spouses would also face problems living in a new culture and this could significantly deter expatriate adjustment.

**Figure 2: Conceptual Framework of this Study**

- **Learning Characteristics**
  - Personal Mastery
  - Mental Models
  - Team Learning
  - Shared Vision
  - Systems Thinking

- **Congruence in Organization Cultures**
  - Involvement Culture
  - Consistency Culture
  - Adaptability Culture
  - Mission Culture

- **Effectiveness of Cross-Cultural Training**

- **Mentor Program**
  - Pre-departure
  - On-site

- **Demographic Profile**
  - Age
  - Education
  - Children
  - Prior International Experiences
  - Assignment Tenure

- **Cross-Cultural Adjustment**
  - Interaction Adjustment
  - General Adjustment
  - Work Adjustment

- **Spouse's Adjustment**
  - Interaction Adjustment
  - General Adjustment
The independent variables in this study are proposed to assist in handling the problems of cultural distance between home and host countries. Expatriates who possess appropriate individual factors, work and non-work factors are able to experience a higher degree of cross-cultural adjustment. Expatriates who have learning characteristics, receiving effective cross-cultural training and holding previous experiences (i.e. individual factors) would have a higher degree of adjustment. Those expatriates, who are selected using appropriate criteria, work in similar organizational culture and are well guided/mentored in both host and home countries would be more successful in their cross-cultural adjustment. Non-work factors of cultural novelty and spouse’s adjustment are also crucial in determining the degree of adjustment. Based on the study’s conceptual framework illustrated above, the magnitude of relationships on each path will be discussed via the following hypotheses.

Hypotheses

Learning characteristic of Japanese expatriates was proposed to positively impact the degree of their cross cultural adjustment in Thailand. This implies that if the expatriates possess the characteristics of learning, they would be able to adjust themselves smoothly into the host countries’ business and living environment.

In general, expatriates’ learning characteristics is a personal quality that helps them to gain new knowledge which would assist their degree of adjustment under the novel context of Thailand (as a host country). Therefore, it is crucial for Japanese expatriates to possess learning oriented characteristics, especially if they occupy top positions in the subsidiaries as Heckman & Wageman (cited in King, 2002) argued that effective management program is all about learning orientation. Therefore, these led to the derivation of the first hypothesis in this study:

**H1:** Learning characteristics (including personal mastery, mental model, team-learning, share vision and systems thinking) are positively related to cross-cultural adjustment of Japanese expatriates working in Thailand.

Personal mastery is a learning characteristic of an individual with the “focus on developing one’s own proficiency” (p. 263) with the ultimate objective of clarifying personal vision that extends into behavior of doing positive things to achieve the desired goals (Flood, 1998). This characteristic helps expatriates to overcome difficulties in their international assignment and could enhance their ability to achieve a high degree of cross-cultural adjustment. This led to the derivation of hypothesis 1.1 of this study:

**H1.1:** Personal mastery is positively related to cross-cultural adjustment of Japanese expatriates working in Thailand.

Mental model is another element of learning proposed by Senge (1990). Expatriates who possess this characteristic would have a well conceived structure in their mind. This would help them shape the way they perceive the world which finally leads to their actions (Flood, 1998). Therefore, expatriates who can understand and conceptualize their current international situation under the host country environment are expected to adjust themselves better than those who have lower level of mental model characteristic. This led to the derivation of hypothesis 1.2 in this study:

**H1.2:** Mental model is positively related to cross-cultural adjustment of Japanese working in Thailand.

Team learning is expected to have a positive relationship with overall degree of cross-cultural adjustment because it aims at aligning people and creating synergy (Flood, 1998). Working and living happily in the novel environment require expatriates to learn from their teammates and associates so they can adjust themselves with the local employees and people and host country’s environment. If the expatriates can align themselves with co-workers or local subordinates, cultural differences’ effect would be a reduced. This led to the derivation of hypothesis 1.3 in this study:

**H1.3:** Team learning is positively related to cross-cultural adjustment of Japanese expatriates working in Thailand.
Shared vision refers to "shared operating values, a commonsense of purpose or the basic level of mutuality" (Flood, 1998, p. 265). Expatriates who possess this characteristic would commit themselves to the same vision as others in the organization. Shared vision is applicable not only at the organizational level but also at a broader boundary of a community or even at the country level. Therefore, expatriates with high level of shared vision would adjust themselves smoothly to the international environment of both work and living contexts. This led to the derivation of hypothesis 4 in this study:

**H1.4: Shared vision is positively related to cross-cultural adjustment of Japanese expatriates working in Thailand.**

Systematic thinking is very important to the overall degree of cross-cultural adjustment as this element would impact expatriates in all aspects. Expatriates who have systematic thinking characteristic tend to see things as a whole. If expatriates have this learning characteristic, they would be able to understand the world as a pattern of interrelated actions (Flood, 1998; Senge, 1990), so they would be expected to manipulate their actions in order to achieve a high degree of cross-cultural adjustment during their international assignment. This led to the derivation of hypothesis 5 in this study:

**H1.5: Systems thinking is positively related to cross-cultural adjustment of Japanese expatriates working in Thailand.**

The second independent variable, perceived degree of organizational congruence, is proposed to have a positive relationship with cross-cultural adjustment. This means the higher the degree of similarity between headquarters and subsidiaries' organizational cultures, the higher the degree of cross-cultural adjustment of Japanese expatriates. Congruence in organizational cultures impact cross-cultural adjustment, because differences in these cultures will make the international assignment more difficult. As organizational culture refers to "the social or normative glue that holds an organization together" (Sirmun & Lane, 2004, p. 314), the challenges of the international assignment include interaction and working process among expatriates and local subordinates as well. Thus, the second hypothesis posited in this study was:

**H2: Perceived congruence in organizational cultures between headquarters and its subsidiary is positively related to cross-cultural adjustment of Japanese expatriates in Thailand.**

The third independent variable in the model is the effectiveness of cross-cultural training provided for expatriates. It is predicted that the more effective the cross-cultural training, the stronger the degree of Japanese expatriates' cross-cultural adjustment in the Thai context. The construct of cross-cultural training is also one of the individual factors in the theoretical framework presented in the above section. It has been claimed that many multinational corporations fail to provide effective cross-cultural training, the training received was often generic, there was insufficient pre-departure training and orientation for expatriates' families, and little emphasis was put on language training for expatriates (Caligiuri et al., 2001; Jun et al., 2001; Minter, 2008). Expatriates are required to have effective cross-cultural training programs for them to work efficiently and achieve a high degree of overall adjustment as well as successfully complete their foreign assignment. This led to the third hypothesis in this study:

**H3: The effectiveness of cross-cultural training provided for Japanese expatriates is positively related to cross-cultural adjustment.**

Mentor programming is another independent variable in the research framework to study expatriates' adjustment. It was expected that the higher benefits Japanese expatriates get from a mentor program, the higher the degree of cross-cultural adjustment they would have in Thailand.

**H4: Mentor programming is positively impact cross-cultural adjustment of Japanese expatriates in Thailand.**

Mentor programming plays a significant role in enhancing the degree of cross-cultural adjustment.
Pre-departure mentor programming can enhance expatriates’ international adjustment. This would create accurate expectations before the departure stage so that they will be aware and prepare to adjust themselves to the host-country environment, work role and also the organizational culture. Therefore, this led to hypothesis H4.1 below:

**H4.1:** Pre-departure mentor programming positively impact to cross-cultural adjustment of Japanese expatriates in Thailand

Not only can pre-departure mentor programming enhance the degree of adjustment, on-site mentor is another important mechanism that is also required for expatriates to overcome difficulties in the host country. On-site mentor is provided in the host country when problems arise. The advice given can be on issues related to living in the host country, work role required in the subsidiary and also adapting to a novel organizational culture. Therefore, this type of support, coaching, protection and sponsorship were expected to stimulate the overall degree of cross-cultural adjustment. This led to the derivation of hypothesis 4.2 in this study:

**H4.2:** On-site mentor programming positively impact cross-cultural adjustment of Japanese expatriates in Thailand

The last independent variable was related to demographic profiles of Japanese expatriates, which covers four sub-variables of age, prior international experience, current assignment tenure and education. Age of the expatriates was expected to positively relate to cross-culture adjustment. Prior international assignments were also proposed to have a positive impact on the degree of cross-cultural adjustment. Therefore, it is implied that the more international experience the expatriate has, the stronger the degree of cross-cultural adjustment in the Thai culture context. Current assignment tenure, also a sub-variable in the demographic profile, was proposed to positively impact the ability of Japanese expatriates to adjust toward cross-cultural issues. The longer they perform their current international assignment in Thailand, the higher the degree of cross-cultural adjustment. The education level of expatriates was also expected to have a positive consequence on cross-cultural adjustment; the higher the Japanese expatriate’s educational level, the better the adjustment to the context.

**H5:** There is significant difference in cross-cultural adjustment based on the demographic profiles of Japanese expatriates working in Thailand.

Age of expatriate is a factor that can make a difference in the overall degree of cross-cultural adjustment. Young expatriates are more flexible and open-minded, so they might be able to adjust themselves more successfully in the difficult context of the Thai environment and culture. However, younger expatriates have less experience in comparison to seniors. Senior expatriates might possess various work experiences, but they might be inflexible and may resist changing or adjusting themselves to the new environment. Therefore, hypothesis 5.1 posited that age makes a difference in the degree of international adjustment.

**H5.1:** There is significant difference in cross-cultural adjustment among Japanese expatriates in different age groups.

Educational levels impact abilities, skill, and knowledge of a person. Therefore, possessing a high level of education would make a difference in the degree of cross-cultural adjustment. Educational level also influences a person’s decision making and ability to solve problems both at work and in daily life. Therefore, the hypothesis was posited below:

**H5.2:** There is significant difference in cross-cultural adjustment among Japanese expatriates who have different educational levels.

Number of children that expatriates have creates a huge impact on the degree of cross-cultural adjustment. The higher the number of children that an expatriate has, the more problems he/she has to face (Dowling et al., 2008). These problems pertain to factors, such as education, living conditions, food, language, friends and family issues.
**H5.3:** The number of children of Japanese expatriates makes a significant difference in the overall degree of their cross-cultural adjustment in Thailand.

The concept of prior international experience and tenure in the current assignment are crucial determinants of the degree of overall adjustment of expatriates. When expatriates have prior international experiences, they become aware of the novel environment and are flexible in adjusting themselves to the new work and living context. In addition, they would not solely stick themselves in their own culture and country of origin. As a consequence, the following hypothesis proposed that prior international experience would yield different degrees of cross-cultural adjustment.

**H5.4:** There is a significant difference in cross-cultural adjustment based on different levels of prior international experience of the Japanese expatriates in Thailand.

Tenure in the current international assignment would make a significant difference in the degree of cross-cultural adjustment; the longer expatriates work in a particular country (host), the more they are able to absorb the new environment and culture. The study proposed the following hypothesis:

**H5.5:** There is significant difference in cross-cultural adjustment among different levels of tenure of Japanese expatriates.

Spouse adjustment was proposed as the moderator in the research framework. Often, it is the spouse who handles much of the burden for family adjustments and consequently feels more stress over the transition to the host country (Black & Stephen, 1989; Tung, 1982). Spouses typically take care of household responsibilities and child care concerns, every element of which may require operating by new and different rules, environments and life styles. Spouses also have explicit influence over expatriates. Therefore, spouse adjustment would have a significant impact on the degree of cross-cultural adjustment of expatriates as well (Black & Gregersen, 1991; Shaffer et al., 1999; Shimoni et al., 2005). Spouse's experience in the host country's environment can influence expatriate's experience at work (Andreason, 2008). Furthermore, when spouses are well adjusted to the host country's environment, there will be more emotional and psychological support for expatriates (Andreason, 2008; Shaffer et al., 1999). This hypothesis is also found in the study by Shaffer et al. (1999) who examined and found significant interaction effects of spouse adjustment on the cross-cultural adjustment of expatriates. In this study, it was proposed that the better the spouse adjustment in the Thai context during the stay of expatriates, the stronger the relationships between independent and dependent variable.

**H6:** Spouses' adjustment (i.e. interaction and general adjustment) positively moderates the positive relationship between the independent variables and the dependent variable of overall cross-cultural adjustment of Japanese expatriates in Thailand.

**RESULTS AND FINDINGS**

This study was conducted to examine the determinants of cross-cultural adjustment of Japanese expatriates in Thailand. The independent variables included learning characteristics, congruency in organizational cultures, effectiveness of cross-cultural training, mentor programming and demographic profile. A moderator was employed in determining the cross-cultural adjustment of the Japanese expatriates which was spouses' degree of adjustment in Thailand as the host country.

Based on the structural paths in the research framework, the first determinant of the Japanese expatriates' cross-cultural adjustment was their individual learning characteristics. Learning characteristics of the Japanese expatriates statistically appeared to be the most important determinant showing a significant positive relationship ($\beta = 0.505, \text{C.R.} = 7.069, P < 0.001$) with their overall degree of cross-cultural adjustment. These learning characteristics included personal mastery ($\beta = 0.705, \text{C.R.} = 13.818, P < 0.001$), mental models ($\beta = 0.215, \text{C.R.} = 4.038, P < 0.001$), team learning ($\beta = 0.657, \text{C.R.} = 12.831, P < 0.001$), shared-vision ($\beta = $
0.783, C.R. = 11.893, P < 0.001) and system thinking (β = 0.736, C.R. = 14.426, P < 0.001). The possession of strong learning characteristics would enable Japanese expatriates to achieve a high degree of cross-cultural adjustment which implied that they could adjust well, interact with people in the host country, live in the novel environment of the host country's culture and work under the new job requirements. As the majority of the respondents surveyed belonged to an upper managerial cadre, this variable was very important in determining success as working with and through local people was the main function of managers. Hypothesis 1 was supported by the results; hence, learning characteristics were positively related to cross-cultural adjustment. The five dimensions treated as latent constructs of learning characteristics were also significant in measuring this independent variable.

The second determinant in the cross-cultural adjustment model was the congruency of organizational cultures between the headquarters and subsidiaries. This variable had been proposed in several prior studies (e.g. Black, 1991; Black et al., 1991), especially in the most cited paper by Black, Mendenhall & Oddou (1991). The discrepancy in organizational cultures was purported to have a negative relationship with the degree of cross-cultural adjustment as it increased uncertainty for expatriates (Andreason, 2008). However, the research findings of this study did not conform to previous findings, in that, the congruency of organizational cultures was not a significant factor in determining and predicting the degree of cross-cultural adjustment (β = 0.082, C.R. = 1.548, P > 0.05). Therefore, similarities in the organizational cultures of the headquarters and subsidiaries had no significant impact on the ability of the Japanese expatriates to adjust themselves in Thailand. The second hypothesis was not supported; perceived congruency in organizational cultures did not have a significant relationship with cross-cultural adjustment. Although its latent constructs appear to significantly represent this main variable, they could not predict the cross-cultural adjustment phenomenon.

Cross-cultural training was another factor examined in determining the overall degree of cross-cultural adjustment. This variable had a strong explanatory power in the adjustment literature and it was one of the most frequently discussed and researched factors. In fact, some scholars as well as MNC managers had conflicting views on cross-cultural training for expatriates (Tavveggia & Gibbonne, 2001) as they believed that expatriates rarely benefit from such training. However, the findings in this study showed that effectiveness in cross-cultural training had a significant positive relationship with the degree of cross-cultural adjustment (β = 0.210, C.R. = 4.621, P < 0.001). This implies that effective cross-cultural training can improve the acculturation ability of Japanese expatriates in the host country of Thailand. Hypothesis 3 was supported. Mentor programming in this study consisted of pre-departure mentor and on-site mentor. Mentor was the third variable in the research model, the impacts of which had been examined in cross-cultural adjustment. The statistical analysis showed interesting findings on the examination of this variable. Even though, the variant and invariant models of post and pre departure mentors did not appear to have significant differences, the examination of the impacts between the groups that had and did not have pre-departure mentor, as well as on-site mentor (mentor and no mentor) could provide meaningful results. The results showed that pre-departure mentor and on-site mentor created a strong positive influence on cross-cultural adjustment. Interestingly, they created a significant improvement in the explanatory power (R² of pre-departure mentor model = 68.3% versus no pre-departure mentor = 49.8% and on-site mentor = 73.7% versus no on-site mentor = 47.2) of the models as well. Therefore, it could be concluded that mentor programming had a positive impact on the degree of cross cultural adjustment of Japanese expatriates in Thailand. The fourth hypothesis was also supported.

Unlike some studies on cross-cultural adjustment, Japanese expatriates were not found to have many differences in their overall degree of cross-cultural adjustment as per their demographic profiles. Statistically, there were no significant differences in the degree of cross-cultural adjustment between the groups that had different educational levels (F = 1.82, p > 0.05), numbers of children (F = 0.25, p > 0.05), length of current tenure in Thailand (F = 1.63, p > 0.05) and prior international assignment (F = 2.41, p > 0.05). However, only age appeared to create a significant difference in cross-cultural adjustment (F = 3.15, p < 0.05). According to the test of differences, Japanese expatriates within the age group of 30 to 39 years old had the highest
overall degree of cross-cultural adjustment and the second highest appeared within the group of those aged 39 to 49. Hypothesis 5 was partially supported.

The last variable in the model was spouse adjustment which was proposed as the moderator in the research framework. Spouse adjustment was partially supported as it had a significant positive moderating relationship on the independent variables of learning characteristics (β = 0.59, C.R. = 5.18, P < 0.05) and effectiveness in cross-cultural training (β = 0.21, C.R. = 2.27, P < 0.05) with the dependent variable of cross-cultural adjustment. However, the spouse’s adjustment was not significantly related to cross-cultural adjustment (β = 0.04, C.R. = 0.53, P > 0.05). These findings implied that spouse’s adjustment was an important factor for Japanese expatriates because it created positive interaction effects with the independent variables of learning characteristics and effectiveness in cross-cultural training in enhancing the degree of expatriate’s cross-cultural adjustment. Lastly, hypothesis 6 was also partially supported. The next section presents the discussions of these findings and results based on the research questions and hypotheses posed earlier in the study.

CONCLUSIONS AND RECOMMENDATIONS

Based on the findings of the study, it was possible to propose effective practical mechanisms for Japanese multinational corporations in Thailand to facilitate their expatriates’ overall degree of cross-cultural adjustment. The following key points are derived from the integration of findings to answer the question posed in the statement of the problem. The overriding question of this study was posed as follows:

“How can Japanese Multinational Corporation enhance the overall degree of cross-cultural adjustment of their expatriates in Thailand?”

The first recommendation derived from the findings was that learning characteristics of expatriates were key factors to determine and enhance the degree of cross-cultural adjustment. Secondly, expatriate assignment’s support strategies which include preparations of the expatriates before departure and on-site stages (cross-cultural training and mentor programming) could enhance the overall degree of cross-cultural adjustment. Japanese multinational corporations could also enhance the degree of cross-cultural adjustment by having proper preparation, selection, and support for expatriate spouses as spouse’s adjustment appeared to create a significant impact on the process of expatriates’ acculturation. Lastly, expatriate cross-cultural adjustment could not be achieved without appropriate human resource management practices among the Japanese multinational corporations. The concepts from the integration of findings are presented in the following section.

Cross-Cultural Adjustment as Systematic Learning Process

Selection of Japanese expatriates should be based on individual learning characteristics. As an effective selection criterion, Japanese multinational corporations in Thailand should pay attention to the cultural fit between expatriates and the environment of the host country for effective cross-cultural adjustment. As supported by prior research, adjustability into the novel environment of the host country depend on expatriate selection procedure and criteria which should be appropriate to the contextual circumstances. Therefore, it is recommended that Japanese multinational corporations tailor their expatriate selection process to identify the expatriates’ individual characteristics (i.e. learning characteristics and age. From the findings of this study, having high learning orientation characteristics assisted expatriates adjustment, so they could function more easily and more effectively, thereby increasing the likelihood of completing the assignment, achieving goals of international expansion.

Expatriate Assignment Support Strategies

As the prior research on expatriate management showed that organizational support predicted and assisted expatriate assignment adjustment (Caligiuri et al., 1999; Shaffer et al., 1999). Japanese multinational corporations should have effective strategies to facilitate their expatriates on their postings in Thailand. The expatriate assignment’s support in-
volves the assistance on expatriates’ adjustment to the new working environment of the host country (McCaughey & Bruning, 2004), i.e. Thailand. With the expatriate assignment’s support strategies, Japanese multinational enterprises could enhance the degree of cross-cultural adjustment (Caligiuri et al., 1999; McCaughey & Bruning, 2004; Shaffer et al., 1999) this could also enhance job satisfaction (McCaughey & Bruning, 2004; Naumann, 1992) of the Japanese expatriates in Thailand which would ultimately increase the probability of having successful international assignments. The following section elaborates these strategies.

Preparations Create Accurate Expectation in the Host Country

Japanese multinational corporations should provide effective preparations for their expatriates via cross-cultural training and mentor programming to assist in the degree of cross-cultural adjustment. Preparations for international assignment could reduce uncertainty through providing information so the expatriates would have an accurate expectation about the host country. Accuracy in expectation could lead to effectiveness in cross-cultural adjustment and increase job satisfaction in their international assignment (Tavaggia & Gibboney, 2001). Cultural shock and its negative impacts would be minimal.

Accurate expectation was proposed by many scholars to be an intangible factor underlying expatriates’ effective acculturation (Black, 1988; Black et al., 1991; Black & Mendenhall, 1990; Black & Gregersen, 1991). Preparations should be appropriately provided to help expatriates to reduce uncertainty in a new cultural environment so they could create a sense of well being and comfort in that novel environment.

Effectiveness in cross-cultural training and mentor programming were significant predictors for the cross-cultural adjustment of Japanese expatriates in Thailand. Types of cross-cultural training were important in the preparation stage of the expatriates. However, the factor that was more important than types of training was training effectiveness. Therefore, multinational corporations should be more concerned and consistently measure the effectiveness of their cross-cultural trainings provided for their expatriates. The measurement of effectiveness should be structured to capture various aspects in the process of expatriation, such as adaptation skills, job involvement and commitment, interpersonal skills, communication skills and job satisfaction on the international assignment.

In addition to the cross-cultural training, mentor programming should also be provided by the Japanese headquarters to create accurate expectations that lead to a better degree of overall cross-cultural adjustment. Mentor programming in this study con-

Figure 3: Preparations Create Accurate Expectation

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<tr>
<td><strong>Uncertainty Reduction</strong></td>
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<td><strong>Cross-Cultural Adjustment</strong></td>
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sisted of pre-departure mentor programming and on-
site mentor programming. Pre-departure mentor
programming had the ultimate role of giving advice
on accepting a certain international assignment. This
mentoring is provided before the departure stage so
that executives will be aware and prepare to adjust
themselves to the host-country environment, work
role of the assignment and also the novel organiza-
tional culture.

On-site mentoring is provided at the location of
the host country where problems arise, this mentoring
includes issues related to living in host country, work-
ing role of the accepted assignment in the subsidiary
and also adapting to a novel organizational culture.
Therefore, the assistance of these two types of men-
tor programs can reduce uncertainty and create ac-
curate expectation for expatriates, so these prepara-
tion processes have a positive impact on cross-
cultural adjustment (McCaughhey & Bruning, 2004;
Mezias & Scandura, 2005).

Treat Spouse Adjustment as the Key for Expatriation

Japanese firms should provide strategic supports
to enhance spouse adjustment in Thailand. Tung
(1987) found that the spouse's inability to adjust was
the number one reason for expatriate failure. Even
though Japanese scored very high in the masculinity
index in which spouses might had minimal involve-
m ent on the decision making of the expatriates, the
findings confirmed that spouse adjustment could
moderate the overall degree of expatriates’ cross-
cultural adjustment. Therefore, spouse adjustment
should remain at the heart of expatriation.

Spouse adjustment is directly related to two fac-
tors: interaction adjustment and the adjustment to
ward the general environment of the host country.
The difficulties of spouse adjustment can be related
to many factors as it is likely that the accompanying
spouses suffer more during the adaptation process
than the expatriates themselves. Normally, spouses
have to live the host country during the international
assignment of the expatriates without the direct sup-
port and network of their families and friends. In
addition, the majority of spouses depart for the host
country without sufficiency of language skills, cross-
cultural cultural training and also lack of adequate
social support programs to assist them in develop-
ing appropriate lifestyles overseas (Andreason,
2003). Therefore, multinational corporations should
aim to minimize possible problems associated with
culture shock by providing supports to enhance
spouses’ ability in both interaction skills with people
in the host country and their adjustment toward the
novel environment.

Overcoming Spouses’ Maladjustment

There are some strategies suggested for the
Japanese multinational corporations to overcome or
minimize the negative impacts from spousal malad-
justment in the host country. These strategies are in
the form of proper HR practices and support pro-
vided from the headquarters. The support from the
multinational corporations for expatriates together
with their spouses could be in terms of preparation,
cross-cultural training, mentor programming or even
begin from the selection procedures to find appro-
 priate candidates for a particular location of the in-
ternational assignment. It is recommended that train-
ing and development programs of expatriates should
include their spouses as well. Spouses should be
well informed about the culture and environment of
the host country. Takeda (1998) suggested that
Japanese firms should provide this kind of assistance
before and after transition for spouses’ achievement
of better cross-cultural adjustment in this host country
(Takeda, 1998).

Appropriate International Human Resource
Management Practices

The final recommendation of the study suggests
the need for appropriate international human resource
management practices. The Japanese expatriates in
this study were classified as parent country nationals
(PCNs). Parent country nationals are defined as
employees of the multinational corporations “who
are citizens of the country where the multinationals’
corporation headquarter are located” (Tarique,
Schuler & Gong, 2006, p.209). Therefore, head-
quarters need to take care and plan for the appro-
 priate selection, placement, development and sup-
port of their expatriates (Porter & Tansky, 1999).

Through having appropriate international human
resource management practices, Japanese multina-
tional corporations can enhance the cross-cultural
adjustment of their expatriates (Porter & Tansky,
1999). The headquarters should select the right ex-
patrate for the assignment in Thailand through the
identification of employees who can adapt and work

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effectively in the host country. Effective placement can help to increase cross-cultural adjustment, so headquarters should identify employees who can better handle the discrepancy in national culture as well as to develop the expatriates’ ability to adapt and learn in new situations.

Overall, this study had fulfilled the research objectives as the findings suggested some important determinants of cross-cultural adjustment as well as mechanisms for the Japanese multinational corporations to minimize the impact of discrepancy in Japanese and Thai cultures.

Limitations of the Study

There are some limitations embedded in this study of cross-cultural adjustment of Japanese expatriates. Firstly, this study is conducted in the specific time period, so research findings of each relationship may vary from previous and future time periods.

Secondly, this study does not incorporate the construct of “job factor” into the research model. It is a limitation because prior research argues that there is significant relationship between job factor and cross-cultural adjustment (Black et al., 1991; Shaffer et al., 1999). However, this study has its main focus on acculturation of expatriates rather than role competencies.

Finally, this study did not incorporate gender as one of the demographic variables as the majority of the Japanese expatriates in Thailand are male.

Suggestions for Future Research

Based on this study, there are some suggestions for conducting further research on cross-cultural adjustment. Firstly, it is suggested that comparative studies should be done to compare between males and female expatriates on the three dimensions of cross-cultural adjustment in Thailand. Gender should be considered in determining the degree of cross-cultural adjustment, because gender, as has been argued by other studies in the field, has a significant impact on acculturation.

Secondly, studies on expatriates’ spouses should be encouraged. It has been shown in the findings of this study and others that spouse is a key driver for expatriates to be either successful or fail in their international assignment. Therefore, it is worth examining factors that can predict spouse’s cross-cultural adjustment as well.

Lastly, positional effect should also be incorporated as one of the determinants of cross-cultural adjustment, because different positions of expatriates in an organization’s hierarchy may lead to different degrees of cross-cultural adjustment. In fact, it can also be incorporated as a moderator in the model.

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