



AENSI Journals

Australian Journal of Basic and Applied Sciences

ISSN:1991-8178

Journal home page: www.ajbasweb.com



The Relationship between Culture Novelty and Socio-cultural Adjustment: A Study of Expatriates in Malaysia

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ARTICLE INFO

Article history:

Received 11 October 2014

Received in revised form 21 November 2014

Accepted 25 December 2014

Available online 16 January 2015

Keywords:

Socio-cultural Adjustment, Culture Novelty

ABSTRACT

Background: The literature on expatriate adjustment suggests that higher culture novelty makes the expatriate adjustment process more difficult. **Objective:** The main objective of this study is to examine the relationship between culture novelty and socio-cultural adjustment of expatriates working in Malaysia. **Results:** The results of this quantitative study showed a positive relationship between socio-cultural adjustment and culture novelty. **Conclusion:** The expatriates working in Malaysia demonstrate a higher degree of adaptability in socio-cultural adjustment.

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To Cite This Article: Ayesha Farooq and Awangku Hassanah Bahar Pengiran Bagul, The Relationship between Culture Novelty and Socio-cultural Adjustment: A Study of Expatriates in Malaysia. *Aust. J. Basic & Appl. Sci.*, 9(4): 82-86, 2015

INTRODUCTION

Expatriate is defined as a person who is sent to some foreign country by the parent company in order to accomplish the specific tasks given and he stay and live in the host country (Hill, 2005). Nowadays most of the countries are expanding their economic and social relations abroad due to which the globalization of business takes place. The globalization has resulted in the increased number of expatriates which has become an important category of worldwide travelers (Selmer, 2002). During completion of the given tasks abroad, the expatriates require adjustment in the new setup and life-style. This perspective conceptualized as the extent to which the expatriate and the new environment fit in the work and non-work domain (Aycan, 1997). Adjustment is a time taking process, it consumes efforts and money. Moreover, the interest and patience of the expatriate plays a major role in adjustment process. The aim of making successful adjustments of expatriates requires the cross-cultural trainings. The culture has an important impact on the life of expatriate, as it can manipulate the practice of adjustment to the working environment and socializing the overseas nations (Katz and Seifer, 1996).

The increased number of expatriate has a positive impact on the globalization but it has some drawbacks in terms of maladjustment of expatriate. According to Black (1998), the adjustment of expatriates in the new environment is multilayered. The expatriate may encounter difficulties in socio-cultural adjustment that causes the reluctance to perform daily activities or it is based on psychological adjustment that relates to the biased interests or mood states e.g. tension, anxiety, melancholy (Ward and Kennedy, 1996). The expatriates adjusted to the new culture can perform their tasks more efficiently (Black, 1998; Black and Mendenhall, 1990). The traditional argument in the expatriate management literature is that the expatriate adjustment is difficult if the culture novelty of host country is greater (Black *et al.*, 1991). Likewise, Black and Mendenhall (1991) argued that the new culture is different from the expatriate's home culture. Hence, the host culture requires the specific behaviors which are different and in the beginning it is hard for expatriate to adopt such behaviors thus resulting into negative consequences.

Therefore, the purpose of this study is to examine the association between cultural novelty and socio-cultural adjustment of expatriates. The adjustment is usually related to the performance of expatriate. The expatriates who encounter the adjustment problem in the host culture often show the poor work performance (Ones and Viswesvaran, 1997). This issue is critical, since the main concept of expatriation is to assign task to the expatriate in order to increase the work performance and to get the task done in an efficient manner (Selmer, 2006). Therefore, this study is conducted to relate the association between culture novelty and socio-cultural adjustment as the high or low culture novelty may have impact on the expatriate performance.

This research study is conducted in Malaysia. In order to fulfill the needs of skilled and professional

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manpower the number of expatriates in Malaysia is increasing. The increase of foreign investment, industrialization and development in Malaysia opens the gateway for the expatriates in both public and private sectors (Shephard, 1996). In terms of expatriation growth in Malaysia, Shephard (1996) described three phases of incoming expatriates. The first expatriates to move in were Britons who were substantially located in private sectors, whereas in government sector the expatriates were posted as diplomats, technical and academic specialists and advisors (Shephard, 1996). The second phase of expatriates that arrived in Malaysia was mostly from United States of America and European countries and they were mostly assigned in large multinational companies (Shephard, 1996). The third phase was of expatriates mainly represented by managers from Japan, Korea, Taiwan and other Asian countries (Shephard, 1996). According to World Investment Report (UNCTAD, 2010) Malaysia is one of the top 15 host countries for FDI (Marlin *et al.*, 2012). Moreover, the better adjustment of expatriates in Malaysia can be achieved if the expatriates are provided by direct and indirect support in terms of cross cultural adjustment, spouse and family adjustment, career development, psychological counseling, cultural training and other social activities (Muhammed Awais Bhatti, Mohamed Battour, Ahmed Ragehismail, 2013).

In Malaysian context the literature suggests that the individual and organizational factors play an important role in the adjustment of expatriates (Bhatti *et al.*, 2013). However, while conducting some informal interviews with the expatriates, in Malaysia, the researcher has reported few issues related to the adjustment of expatriates. The issues are mainly because of adjustment to the new culture, leading to the stress and the feeling of home sickness that affects their general living condition and also has some negative impacts on the work performance. Whereas, some of the interviewees reported anxiety and lack of understanding with the host country nationals. The sum up of these informal interviews showed that the problems occurring in the adjustment are due to the interaction with host culture which is different in experience for the expatriate and as a result of this the socio-cultural adjustment issues are taking place.

The expatriate effectiveness is mostly influenced by the cross-cultural adjustment. For the successful adjustment of expatriates cross-culturally various studies have been conducted to focus on the behavior and work attitudes (K;Kim, J.W.Slocum Jr. 2008). So the job satisfaction is influenced by the work and interaction adjustment which in turn affects the job performance. Therefore, the expatriates can show higher performance if they are better adjusted to the host environment.

Therefore, it is relevant to examine the association between socio-cultural adjustment and culture novelty. Keeping in view this association, a hypothesis is proposed. The methodology to test this hypothesis is described and the results and findings are discussed including the potential limitations and implications of the study. Lastly, the conclusions drawn from this study are discussed.

Socio-cultural Adjustment:

Socio-cultural adjustment refers to the capability of an individual to adjust in the new environment by keeping in view the amount of hardships faced during the adjustment transitions (Ward and Kennedy, 1992). Working and living abroad often have career benefits and it can be very motivating and transformational (Benson and Pattie, 2008). At the same time, living in host culture is quite challenging as it is hard for expatriates to understand the new culture and to adjust well. This period of cultural transition causes the socio-cultural adjustment issues. Socio-cultural adjustment is usually the behavioral adjustment to the new environment.

The acquired learning skills or attitude towards the new culture helps an expatriate to adjust in the host nation easily (Selmer, 2002; Selmer *et al.*, 2006). Usually the expatriates are assigned on the basis of their strong technical skills which help to adjust well in the foreign country (Black *et al.*, 1991; Fenner, 2005; Larson, 2006). Being open to behavioral changes and to reduce uncertainties makes the expatriates more relax in the new culture (Black, 1988). Besides the adjustment to the work environment is not much different than adjustment to a new domestic job (Black *et al.*, 1991). Fenner (2005), suggests that the better interaction with host nationals is helpful in the better socio-cultural adjustment of expatriates.

Culture Novelty:

The novelty related with the housing, food, safety, living condition, restoration, entertainment etc. is termed as culture novelty. The traditional dispute in the expatriate management literature is that the expatriate adjustment is difficult if the culture novelty of host country is greater (Black *et al.*, 1991). Likewise, Black and Mendenhall (1991) argued that the new culture is different from the expatriate's home culture. Hence, the host culture requires the specific behaviors which are different and in the beginning it is hard for expatriate to adopt such behaviors thus resulting into negative consequences. If the culture novelty is higher in the host culture, there are more chances that expatriates make behavioral blunders due to the cultural changes they encounter (Torbiorn, 1982). Selmer (2006) suggests that the better support of expatriate is needed by providing the pre departure cross-cultural trainings or the better selection procedure to ensure that the expatriates are able to adjust in the host culture regardless of high or low culture novelty.

Hypothesis:

The adjustment to the culture novelty is considered very important during the expatriation. For the successful adjustment of expatriates various studies have been conducted to study the expatriate's response to cultural changes and more adjustment to the host culture leads to the better adjustment (K. Kim, J. W. Slocum Jr, 2008). According to Fenner (2005) for the successful socio-cultural adjustment better interaction with host residents is helpful. Similarly, literature shows that the adjustment to the host culture is hard if the culture novelty is greater (Black *et al.*, 1991). Torbiorn (1989) suggest that the greater culture novelty cause dissimilarities between the individual's appropriate behavior and the desired appropriate behavior in the host culture. Hence, these arguments suggest a significant association between socio-cultural adjustment and culture novelty. Consistent with the past research, the following hypothesis was proposed:

H: Culture novelty has a significant relationship with socio-cultural adjustment.

Methodology:

Quantitative approach was used to achieve the objective of this study. The questionnaires were distributed among the expatriates in order to collect the data information. The number of returned questionnaires was 113 showing a response rate of 52% which is higher than numerous other studies on expatriate adjustment (Black, 1990), (Black and Stephens, 1989), (Osman-Gani, 2000), (Bhaskar-Shrinivas *et al.*, 2005), (Selmer, 2006).

Instrument:

Culture novelty was measured by using the scale by Black and Stephens (1989) adopted from Torbiorn (1982). The socio-cultural adjustment was measured by adopting Black and Stephens (1989) 14-item scale with modifications.

The average age of the respondents was between 30 years to 40 years which was 34.5% of the total response rate whereas; the respondents below the age of 30 years were 32.7%. Most percentage of expatriates was from Pakistan (15.9%), China (12.4%), Britain (8.8%), Myanmar (8.8%), New Zealand (6.2%), Australia (5.3%), Japan (5.3%) and Indonesia (5.3%). The expatriates from other countries represent smaller groups. Most of the respondents were male (72.6%) and were married (58.4%).

Table 1: Profile of the Respondents.

Variables	Frequency	Percentage
Male	82	76.2
Female	31	27.4
Married	66	58.4
Single	45	39.8
Total number of respondents, N = 113		

Results:

Table 2 shows the sample means and standard deviations. The mean score for culture novelty and socio-cultural adjustment was 3.78 which is greater than the midpoint signifying that the expatriates in Malaysia have a higher culture novelty. Similarly the mean of socio-cultural adjustment was 4.08 showing that the expatriates in Malaysia can adjust well in the socio-cultural context despite of high culture novelty.

Table 2: Means and Standard Deviations

Variables	Mean	SD
Culture Novelty	3.78	.53
Socio-cultural Adjustment	4.08	.63

Table 3 shows that the unstandardized coefficient for culture novelty is .501 and the p-value is 0.00 ($p < .05$). Based on the results the relationship between culture novelty and socio-cultural adjustment is significant. Therefore, hypothesis 1 is accepted.

Table 3: Multiple Regression Analysis of Culture Novelty and Socio-cultural Adjustment

R	R ²	F	Sig. F
.429	.184	12.403	.000
Variables	B	T	Sig.
(Constant)	2.570	5.949	.000
Culture Novelty	.501	.425	.000

Discussion:

The relationship between culture novelty and socio-cultural adjustment has found to be significant, thus supporting the results obtained from previous research that culture novelty has a significant relationship with the socio-cultural adjustment of expatriates (Black *et al.*, 1991). The expatriates have a consciousness about the differences in their own culture and the host culture, which has a significant impact on the adjustment of

expatriates. The findings of this study suggest that it is easier for an expatriate to adjust within the environment of low culture novelty as to the environment with high culture novelty. The identification of problem is important even in the environment of low culture novelty as if the problem is not sorted out well it can lead to frustration and maladjustment.

According to Bandura (1977) social learning theory describes that in the environment with low culture novelty the imitating modeled behavior may not be a priority, as the adaptation of behavior is not necessarily expected. The expatriate may not retain the new changes in the behavior which usually results in the inappropriate behavior (Selmer, 2006). This shows that experiencing new environment leads to the adjustment issue if the culture novelty is high as it takes time to adjust well within the host culture.

Conclusions:

This research applies the theory of Black to study the adjustment of expatriates in Malaysia. The study has confirmed the research hypothesis by showing a significant relationship between the culture novelty and socio-cultural adjustment. The expatriates demonstrate a higher degree of adaptability to the socio-cultural adjustment. This study has contributed in the knowledge by helping to examine a sample of expatriates working in Malaysia, and secondly the study has determined the effect of socio-cultural adjustment on the culture novelty.

This research study focused on cross-sectional design which resulted in the casual conclusion from the finding. Future research can be conducted on the longitudinal design and it can trace expatriates over longer span of time as the difficulties in adjustment usually start to occur during the first few months of expatriation. The shortcomings of this study are that it is based on the self-report nature of data, the results may be influenced by the common method biases. Furthermore, this study was conducted in Malaysia, which is considered convenient for expatriates to adjust because of the multi cultures. The generalizability of findings might have been influenced by the location of research.

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