

## THE IMPROVEMENT EXPATRIATE PERFORMANCE THROUGH ADJUSTMENT

**Sylvia Sari Rosalina**

Business Administration Study Program in Business and Economy Faculty

Universitas 17 Agustus 1945 Jakarta

*sysil\_jember@yahoo.co.id*

### **Abstract**

*The research purpose is to explain the adjustments impact to expatriates performance in Indonesia. The analysis units are expatriates who lived in Indonesia for 6 to 12 months. The population is 130 expatriates and using purposive random sampling. The analysis was measured using multiple regression. The results are work adjustment significant positive on the expatriates performance, but adjustments of interaction and general are not significant negative on the expatriates performance. The implications are the work adjustment will improve the performance of expatriates. This suggests that the adjustment of expatriates in the work adjustment is essential to maximize the performance of expatriates.*

**Keywords:** *Adjustments; Expatriates, Expatriation, Performance, Indonesia*

## 1. INTRODUCTION

### *Background*

Today, the trade world has entered the era of globalization. It is, the company must understand that the phenomenon by which markets and production in different countries are becoming increasingly interdependent due to the dynamics of trade in goods and services and the flows of capital and technology (Bonturi & Fukasaku, 1993). Increasingly advanced technology leads to demand for goods or services with the same of standards and time but in different places. As Kanter (2003) said, the world is becoming a global shopping mall in which ideas and products are available everywhere at the same time. On the basis of fulfillment of increasingly complex consumer demand is what causes the expansion of a company to another country. Ritchie (1996) argued that globalization as the process of corporations moving their money, factories and products around the planet at ever more rapid rates of speed in search of cheaper labor and raw materials and governments willing to ignore or abandon consumer, labor and environmental protection laws. To maintain the standard of production from the parent company to branch companies in other countries required expatriates. Rosalina (2016) argued expatriate is someone who working and stay in host country in a set time term and when his task finished he/she can back to home country.

The success of a multinational company is dependent on expatriates. The purpose of expatriates is to expatriation. Evans, *et al* (2002) argued expatriation process is a process transferring knowledge, competencies, procedures and practices as well as skills and know-how. But the process of expatriation is not easy. Expatriates must face many challenges, including differences in language, cultural, community behavior in looking at a problem and others. This is in accordance with the opinion of Mathis and Jackson (2006) that the challenge in the era of globalization is the difference of culture, economy and systems that must be faced. If the expatriate is not able to adapt then the expatriate is not able to maximize its performance, so that ultimately will harm the company. As expressed by Harzing and Christensen (2004) that expatriates who are unable to adapt to the environment are likely to experience failures that are marked by inability to adapt, underperform or return to home countries sooner than the time set.

Previous research has found that adjustments of work, interaction and general are positive significant to performance (Kraimer *et al.*, 2001), but other studies find that general adjustments are positive not significant to performance (Liu & Shaffer, 2004). Based on this background, it is very important to know whether there is impact of adjustment on the performance of expatriates in Indonesia.

## 2. LITERATURE REVIEW

### *Adjustment*

Adjustment can be described as a skill in accepting cultural skills and behavior (Bochner *et al.*, 1977), effective interaction (Ruben & Kealey, 1979), reducing uncertainty (Brett, 1980), feelings of acceptability and satisfaction (Brislin, 1981), lack of stress (Hammer, 1987) psychological well-being (Feldman & Tompson, 1993), ability to deal with conflicts of anxiety and lifestyle changes (Thomas, 1998), psychological comfort in a new situation (Gregersen & Black, 1990), anxiety where Individuals change to reduce conflicts between environmental demands, individual attitudes and behavioral traits (Berry, 1992), the process of modifying the behavior of expatriates so that their behavior is in accordance with the behavior accepted by local culture (Brewster, 1995). So, the adjustment is a feeling of comfort in the new environment.

Expatriate adjustments focus on adjustments of work, interaction and general. Work adjustment is the level of comfort with standards of performance and expectations, while interaction adjustment is the level of comfort in interacting with the environment general adjustment is a level of comfort with general environmental conditions (Black & Stephens, 1989).

### *Performance*

Performance is one of the total aggregates of work existing in the worker (Griffin, 1987), the quality and quantity of the achievement of tasks, whether performed by individuals, groups or firms (Schermerhorn *et al.*, 1991), a set of achievable results To refer to the act of attainment and the execution of requested work (Stolovitch & Keeps, 1992) and is influenced by the objectives (Mondy & Premeaux, 1993), a function of motivation and ability, the attainment of expatriate objectives or tasks assigned (Cascio, 1992), The success rate in performing the tasks and the ability to reach the established goals (Donnelly, Gibson, & Ivancevich, 1994), the success rate in performing the tasks and the ability to achieve the stated objectives (Gibson *et al.*, 1996), results Work in quality and quantity achieved by an expatriate in performing his duties in accordance

with the responsibilities given to him (Mangkunegara, 2000), work performance, job performance, work achievement or work result performance (Sedarmayanti, 2001), a work achieved by a person in carrying out the tasks assigned to him based on Skills, experience and sincerity and time (Hasibuan, 2001), achievement of predetermined goals, abilities, motivations and opportunities (Robbins, 2006), the show of work to doing task as concrete realization from competition base skill, experience and seriousness (Rosalina, 2016). So, performance is the result of one's work accomplished in carrying out its tasks.

The measurement of expatriate performance of multinational corporations is measured through the dimensions of context performance and technical performance (Borman and Motowidlo, 1993). Technical performance describes individual work performance based on job responsibilities (Borman and Motowidlo, 1993); Campbell *et al.*, 1993). Context performance is an activity-related performance that includes helping co-workers, working to complement the work that local expats can not do, building solid teams and other social behaviors (Brief & Motowidlo, 1986).

### 3. RESEARCH METHODS

#### *Population and sample*

The population in this study is expatriates who work and have lived in Indonesia between 6 to 12 months in February 2016. According to (Black *et al.*,1990) the adjustment stage occurs 6 to 12 months, where expatriates start to get used to new cultures, and can develop routinely. This research used purposive random sampling is 130 respondent.

#### *Operationalization of Variables and Definitions of Variables*

Adjustment is a feeling of comfort in the new environment. Adjustments in this study were adjustments in the work environment (X1), interaction adjustment (X2), general adjustments (X3). Performance is the result of one's work accomplished in carrying out its tasks. Performance in this research is measured through context performance and technical performance. Conceptual framework and hypothesis of this research can be seen in Figure 1.

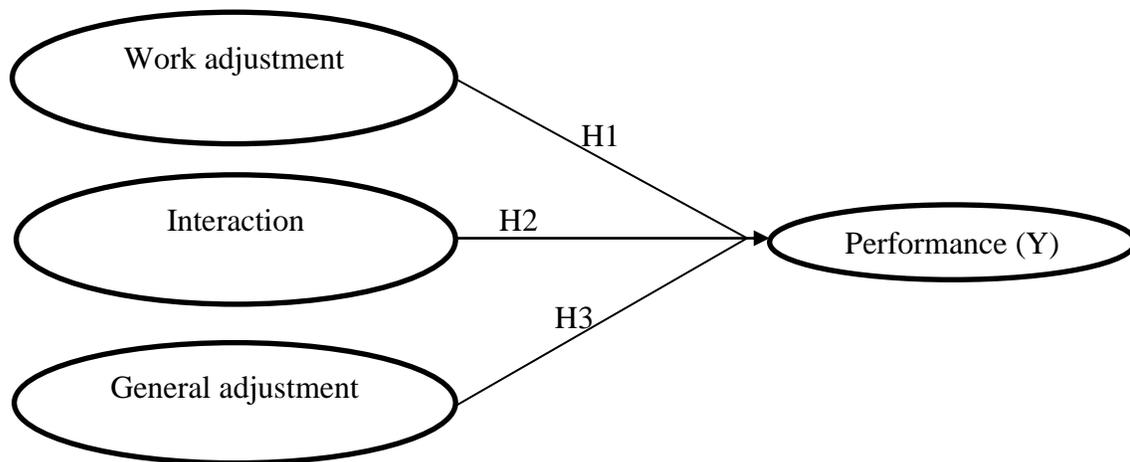


Figure 1. Conceptual Research Framework and Hypothesis

#### *Measure*

Techniques of collecting research data using interviews (interview), questionnaire (questionnaire). Work adjustment (responsible to specific job and expectation and standard works), interaction adjustment (interaction with Indonesian and speaking in Indonesia), general adjustment (residence condition and local food) and performance (performance technically during assignment, commitment with companies in Indonesia, effectiveness in maintaining employment relations with workers in Indonesia, effectiveness in communicating and keeping the information of others in the work unit) was measured with a five item scale (1 = poor, 5 = advanced)

Test instrument using multiple regression test in analysis through SPSS version 16.0. Validity test in this research shows that all items in indicator of variable adjustment and performance are valid. Reliability

test in this study indicate that each variable adjustment and performance are reliable. The classical assumption test in this study shows that the normality of data, no multicollinearity, and no heteroscedasticity.

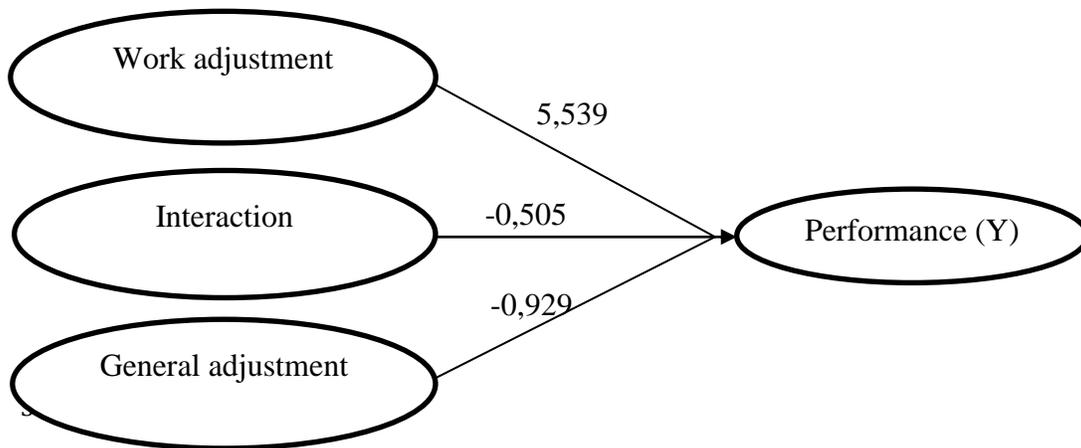
4. RESEARCH RESULT AND DISCUSSION

Table 1. Multiple Linear Regression Test Results

Variable	B	Beta	T	Sig. t	Keterangan
X1 = Work Adjustment	0.862	0.591	5.539	0.000	Significant
X2 = Interaction Adjustment	-0.089	-0.052	-0.505	0.615	Not Significant
X3 = General Adjustment	-0.161	-0.100	-0.929	0.356	Not Significant
R	= 0,547				
R Square	= 0,299				
Adjusted R Square	= 0,271				
F	= 10,934				
F <sub>sig</sub>	= 0,000				

Source: Output SPSS (2016)

Figure 2. Partial Test of Adjustment to Expatriate Performance



Result

Work adjustment has a significant positive effect on expatriate performance. This is evidenced by the results shown in Figure 2 which show that the work adjustment (X1) has a sig value.  $T < 5\%$  ( $0,000 < 0,05$ ). The results of this study are consistent with those conducted by Kraimer, Wayne and Jaworski (2001) that adjustments in the work environment are significant positive related to performance.

Interaction adjustment negative not significant on the performance of expatriates. This is evidenced by the results shown in Figure 2 which show that the interaction adjustment (X2) has a sig value.  $T < 5\%$  ( $0,615 > 0,05$ ). The results of this study are not in accordance with that done by Kraimer, *et al* (2001) that the interaction adjustment positive significant to performance.

General adjustment negative not significant on the performance of expatriates. This is evidenced by the results shown in Figure 2 which show that the general adjustment (X2) has a sig value.  $T < 5\%$  ( $0,356 > 0,05$ ). The results of this study are not in accordance with that done by Kraimer, *et al* (2001) that the general adjustment positive not significant with performance.

## **5. CONCLUSION**

In accordance with the analysis of data that has been done, it can be deduced as follows: The first hypothesis shows that work adjustment is needed for expatriate performance improvements. Hypotheses two and three show that the adjustment of interaction and general has no contribution to expatriate performance. This means that work adjustment are crucial for improving the performance of expatriates rather than adjustment of interaction and general. For an expatriate working professionally is important, given the expatriate task is to transferring knowledge, competencies, procedures and practices as well as skills and know-how.

### *Suggestion*

The next researcher's suggestion is to add more samples and questioner items.

## REFERENCE

- [1]. Berry, J. W. (1992). Acculturation and Adaptation in a New Society. *International Migration*, 30(Supplement S1), 69–85.
- [2]. Black, J. S., Mendenhall, M., & Stewart, J. (1990). Effectiveness : Cross-Cultural Training a A Review for Framework Theoretical Future. *Management*, 15(1), 113–136. <https://doi.org/10.2307/258109>
- [3]. Black, J. S., & Stephens, G. K. (1989). The Influence of the Spouse on Expatriate Adjustment and Intent to Stay in Overseas Assignments. *Academy of Management Best Papers Proceedings*, 8(1), 101–105. <https://doi.org/10.5465/AMBPP.1989.4977988>
- [4]. Bochner, S., McLeod, B. M., & Lin, A. (1977). Friendship Patterns of Overseas Students: A Functional Model. *International Journal of Psychology*, 12(4), 277–294. <https://doi.org/10.1080/00207597708247396>
- [5]. Bonturi, M., & Fukasaku, K. (1993). Globalisation and Intra-firm Trade : An Empirical Note, (20), 145–159. Retrieved from <http://www.oecd.org/japan/33948827.pdf>
- [6]. Borman, W. C., & Motowidlo, S. J. (1993). Expanding the criterion domain to include elements of contextual performance. In N. Schmitt, Ed., *Personel Selection in Organizations* (pp. 71–98). San Francisco: Jossey-Bass.
- [7]. Brett, J. M. (1980). The Effect of Job Transfers on Employees and Their Families. *C.C. Payne Current Concerns in Occupational Stress*, 99–136 Wiley. New York.
- [8]. Brewster, C. (1995). Effective expatriate training. In J. Selmer (Ed.), *Expatriate Management New Ideas fo International Business*. Westport: CT.
- [9]. Brief, A. P., & Motowidlo, S. J. (1986). Prosocial organizational behaviors. *Academy of Management Review*, 4(11), 710–725.
- [10]. Brislin, R. W. (1981). *Cross-cultural encounters: Face-to-face interaction* (Vol. 94). New York: Pergamon Press New York.
- [11]. Campbell, J. P., McGloy, R., Oppler, S., & Sager, G. (1993). A theory of performance. In *Personnel Selection In Organizations* (N. Schmitt, pp. 35–70). San Francisco: Jossey-Bass.
- [12]. Cascio. (1992). *Human Resource*. Jakarta: Penerbit Erlangga.
- [13]. Donnelly, J. H., Gibson, J. L., & Ivancevich, J. (1994). *Fundamental of Management*. Texas: Business Publication.
- [14]. Evans, P., Pucik, V., & Barsoux, J. L. (2002). *The Global Challenge: Frameworks for International Human Resource Management*. Mcgraw-Hill Publ.Comp.
- [15]. Feldman, D., & Tompson, H. (1993). Expatriation, Repatriation, and Domestic Geographical Relocation: An Empirical Investigation of Adjustment to new Job Assignments. *Journal of International Business Studies*, Volume 24(Issue 3), pp 507–529. <https://doi.org/10.1057/palgrave.jibs.8490243>
- [16]. Gibson, J. L., Ivancevich, J. M., & Donnelly, James H., J. 1. (1996). *Organisasi, Perilaku, Struktur, Proses*. Binarupa Aksara.
- [17]. Gregersen, H. B., & Black, J. S. (1990). A Multifaceted Approach to Expatriate Retention in International Assignments. *Group & Organization Management*, 15(4), 461–485. <https://doi.org/10.1177/105960119001500409>
- [18]. Griffin, R. W. (1987). *Management* (Second). Boston: Houghton Mifflin Press.
- [19]. Hammer, M. R. (1987). Behavioral dimensions of intercultural effectiveness: a replication and extension. *International Journal of Intercultural Relations*, 11, 65–87.
- [20]. Harzing, A.-W., & Christensen, C. (2004). Expatriate failure: time to abandon the concept? *Career Development International*, 9(7), 616–626. <https://doi.org/10.1108/13620430410570329>
- [21]. Hasibuan, M. S. (2001). *Manajemen Sumber Daya Manusia*. Jakarta: Bumi Aksara.
- [22]. Kanter, R. M. (2003). Thriving Locally in the Global Economy. *Harvard Business Review*, 81(8 SPEC. ISS.). [https://doi.org/10.1016/S0024-6301\(97\)86604-6](https://doi.org/10.1016/S0024-6301(97)86604-6)
- [23]. Kraimer, M. L., Wayne, S. J., & Jaworski, R. A. a. (2001). Sources of Support and Expatriate Performance: the Mediating Role of Expatriate Adjustment. *Personnel Psychology*, 54(1), 71–99. <https://doi.org/10.1111/j.1744-6570.2001.tb00086.x>
- [24]. Liu, X., & Shaffer, M. A. (2004). An Investigation of Expatriate Adjustment and Performance: A Social Capital Perspective. *Submitted to the Asia Academy of Management, 2004 Conference, Organization*

- Theory, Organizational Behavior and Human Resource Management*, (852), 1–33.
- [25]. Mangkunegara, A. P. (2000). *Manajemen Sumber Daya Manusia*. Bandung: Rosdakarya.
- [26]. Mathis, R. L., & Jackson. (2006). *Human Resources Management. Manajemen Sumber Daya Manusia (terjemahan)*. Jakarta: Salemba Empat.
- [27]. Mondy, R. W., & Premeaux, S. R. (1993). *Management: Concepts, Practices, and Skills* (60 th). USA: Allyn and Bacon.
- [28]. Ritchie, M. (1996). Globalization vs. Globalism. In *International Forum on Globalization*.
- [29]. Robbins, S. P. (2006). *Perilaku Organisasi* (10th ed.). Jakarta: PT. Indeks Kelompok Gramedia.
- [30]. Rosalina, S. S. (2016). Difference of Gender in Expatriate Adjustment and Performance. *International Journal of Management and Administrative Sciences (IJMAS) (ISSN: 2225-7225) Vol. 4, No. 01, (01-08) Wwww.ijmas.org*, 4(1), 1–8. Retrieved from [www.ijmas.org](http://www.ijmas.org)
- [31]. Ruben, B. D., & Kealey, D. J. (1979). Behavioral assessment of communication competency and the prediction of cross-cultural adaptation. *International Journal of Intercultural Relations*, 3(1), 15–47.
- [32]. Schermerhorn, J. R., Hunt, J. G., & Osborn, R. N. (1991). *Managing Organizational Behavior* (4 th). United State America: Wiley.
- [33]. Sedarmayanti. (2001). *Sumber Daya Manusia dan Produktivitas Kerja*. Bandung: Mandar Maju.
- [34]. Stolovitch, H. D., & Keeps, E. J. (1992). What is human performance technology? In *Handbook of human performance technology* (H. D. Stol, pp. 3–13). San Francisco: Jossey-Bas.
- [35]. Thomas, D. C. (1998). The expatriate experience: A critical review and synthesis. *Advances in International Comparative Management*, 12, 237–273.