

**Facilitating Cross-Cultural
Adjustment:
The Case of North European
Expatriates in China**

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Abstract

Cross-cultural adjustment is considered crucial for expatriate success. Such adjustment may be enhanced by providing the expatriates with the knowledge and awareness of norms and appropriate behaviours of the host country by means of cross-cultural training. Language training may also facilitate interaction with host nationals, thereby providing the expatriate with insight into the host country's culture increase their understanding of the new environment. Further, cross-cultural training and language training may facilitate the development of intercultural effectiveness skills. These skills, in turn, are suggested to enhance the expatriate's cross-cultural adjustment. The present study set out to investigate the impact of cross-cultural training, language training, and intercultural effectiveness skills on cross-cultural adjustment. The sample consisted of 67 North European expatriates located in China, an environment that is particularly challenging for these expatriates because the cultural distance between home and host country is large. Intercultural effectiveness skills were found to be important predictors of cross-cultural adjustment. Cross-cultural training did not prove to have any effect on cross-cultural adjustment, nor intercultural effectiveness skills. Language training, on the other hand, seemed to have a significant impact on cross-cultural interaction and general adjustment, a relationship that was mediated by intercultural communication skills. The results from this study point out the importance of language training, especially for North European expatriates in China. Further, the results encourage organisations to consider the intercultural effectiveness skills of potential candidates when selecting employees for expatriate assignments.

Facilitating Cross-Cultural Adjustment: The Case of North European Expatriates in China

Increased globalisation has made international human resource management (HRM) crucial for companies' success in competing in the global marketplace (Harvey, 1997). One of the reasons for the important part that international HRM play in such companies, is its role in facilitating the success of expatriate assignments. Expatriates are frequently assigned in order to set up new operations, to fill skill gaps, as well as to develop international management skills (Tungli & Peiperl, 2009). However, there have been several reports of high failure rates on expatriate assignments, often referring to premature returns by the expatriates (Forster, 1997). Although the expatriate failure rates seem to have been overestimated (Harzing, 2002), the definition of expatriate failure rates may have been too narrow in its focus on premature returns (Forster, 1997; Harzing, 1995; Harzing & Christensen, 2004). The costs for the companies when expatriates fail to succeed on their assignments are high in terms of direct costs related to, for instance, housing of the expatriates. Further, there may be substantial indirect costs such as loss of potential business relations and loss of a potential new market, potential damage to host government officials, as well as negative effects on the staff members and employees. In addition, the expatriates themselves and their families may be burdened with both financial and emotional costs (Swaak, 1995). Because the costs associated with unsuccessful expatriate assignments are high for the companies, several researchers have focused their attention on how to facilitate expatriates' success.

Success on an international assignment has often been measured as the expatriate's cross-cultural adjustment to the host country. Cross-cultural adjustment, in turn, is believed to influence expatriate performance (Black, Mendenhall, & Oddou, 1991; Morris & Robie, 2001). Adjusting to a new setting is believed to be especially challenging when the cultural distance between the home and the host country is large (Searle & Ward, 1990; Van Vianen, De Pater, Kristof-Brown, & Johnson, 2004). This implies that North European expatriates who are assigned to mainland China are likely to experience difficulties with adjusting to this particular environment.

Much research in the expatriation literature has focused on cross-cultural adjustment. A theoretical framework of cross-cultural adjustment developed by Black et al. (1991) has frequently been used in this line of research. According to Black et al.'s (1991) model, cross-cultural training is believed to be an effective means to help expatriates adjust faster and easier. They suggest that cross-cultural training facilitates the expatriates' formation of

accurate expectations in addition to improving the expatriates' intercultural skills. Accurate expectations and good intercultural skills, in turn, are believed to improve the cross-cultural adjustment process of the expatriates. However, research has so far neglected to investigate the relationships between cross-cultural training, intercultural skills, and cross-cultural adjustment as suggested by Black et al. (1991). Further, research in this field is relatively scarce when it comes to investigating North European expatriates in China, a country that in recent years has attracted much attention from investors and business firms due to its impressive economic growth (Selmer, 2006). The present study attempted to fill these gaps in the research literature by investigating the influence of cross-cultural training on the development of intercultural effectiveness skills and cross-cultural adjustment among North European expatriates in China.

The Case of China

Being an expatriate from a North European country in China may be considered especially difficult because China is said to be very culturally distant from North European countries (House, Hanges, Javidan, Dorfman, & Gupta, 2004). To many Westerners, China's culture, institutions and people appear confusing (Chen, 2001). Several other Asian countries such as South Korea, Japan and Singapore have been involved with the Western world for some time, and have all been members of the World Trade Organization since 1995 (WTO, 2011). South Korea and Japan have experienced great economic growth from the 1950s-1960s ("Japan," 2011; "Sør-Korea," 2011). China on the other hand, did not start opening up towards the outside world until the late 1970's. Since then, China has increasingly allowed foreign enterprises to establish in an increasing range of businesses (Alon, 2003). Following the reforms of modernising its centrally planned economy, China has attracted the attention of many Western investors and business firms, being one of the world's fastest growing economies ("Country statistical profiles," 2011). What has baffled many Westerners who have come to China is its cultural structure. Confucianism is preoccupied with the organisation of society as an orderly and hierarchical whole, which has enabled the country to assimilate the cultures of other invading powers (Chen, 2001). Consequently, Confucianism has lasted in China for over 2 500 years and pervades the Chinese society and, in many ways, underlies the Chinese business values. The development and practices of Chinese management have, to a large extent, been influenced by the cultural traditions of the country (Lowe, 2003). When expatriates are sent on assignments in locations where the culture greatly differs from their own, which is the case for North European expatriates in China, adjusting to

the new surroundings are thought to be particularly challenging for the expatriates (Searle & Ward, 1990; Van Vianen et al., 2004), potentially impeding the success of their assignments.

Cross-Cultural Adjustment

Cross-cultural adjustment is of great importance to the success of an expatriate's international assignment. A meta-analysis conducted by Morris and Robie (2001) found cross-cultural adjustment to be positively related to expatriate performance. Further, cross-cultural adjustment was related to job satisfaction and organisational commitment, while negatively related to intent to leave the assignment (Hechanova, Beehr, & Christiansen, 2003). Thus, not being able to adjust to the new surroundings may cause an expatriate to leave the assignment prematurely, or complete the assignment in an ineffective manner. Because cross-cultural adjustment seems to be a necessity for expatriate success, researchers have investigated how such adjustment may be facilitated.

Since the 1980s, cross-cultural adjustment has typically been viewed as a multifaceted construct in the literature. Cross-cultural adjustment has been regarded as consisting of three dimensions, a view that has been empirically supported in a series of studies (Black, 1988; Black & Gregersen, 1991; Black & Stephens, 1989; Palthe, 2004; Shaffer, Harrison, & Gilley, 1999; Waxin & Panaccio, 2005). The first dimension, general adjustment, refers to the degree of comfort an individual feels with the general living conditions of a new setting, such as food, transportation, climate etc. Interactional adjustment concerns how comfortable an individual feels with regard to interacting with host nationals both at work and outside of work. The third dimension is work adjustment, which pertains to the specific job responsibilities, performance standards, and supervisory responsibilities in the new environment. This implies that one may be adjusted to a varying degree according to these three dimensions. For instance, an expatriate may feel comfortable with his or her work situation in the new culture, but may feel less adjusted to interacting with people of the new culture.

Black et al. (1991) proposed the theoretical framework of cross-cultural adjustment that has been used the most in recent years. This framework builds on both the domestic adjustment literature (for instance, adjusting to a new organisation) and international adjustment literature (adjusting to a new location outside of one's home country). Black et al. (1991) proposed that certain individual factors and organisation factors create an expatriate's anticipatory adjustment that, in turn, is related to the in-country adjustment of the expatriate. The individual factors are training and previous international experience, which help the

expatriate in creating more accurate expectations regarding the current assignment.

Organisation factors that contribute to create the expatriate's anticipatory adjustment are selection mechanisms and selection criteria. Expatriates that have been selected on the basis of a wide array of relevant criteria and from a pool of candidates are believed to adjust more easily and quickly (Black et al., 1991). However, no consensus has yet been reached as to what constitutes relevant selection criteria. Tungli and Peiperl (2009) found the use of references, structured interviews, and self-nomination to be the most frequently used selection methods. Selection criteria often highlighted as important are strategic factors, professional/technical skills, and general managerial skills. Of these, professional/technical skills seem to be most emphasised by companies (Stedham & Nechita, 1997). However, Harris and Brewster (1999) found that most companies did not follow a systematic procedure regarding selection for expatriate assignments. Nonetheless, selecting expatriates on the basis of relevant criteria for the assignment who have had previous international experience, as well as providing them with training, results in the expatriates having more accurate expectations regarding the assignment, and consequently improved in-country adjustment (Black et al., 1991).

In-country adjustment is, according to Black et al.'s (1991) framework, influenced by a number of variables pertaining to the individual, the job, the organisational culture, culture novelty and family-spouse adjustment. The individual variables of in-country adjustment are self-maintenance skills, relational skills, and perception skills. These are expected to relate to all three dimensions of cross-cultural adjustment. Job factors of importance regarding cross-cultural adjustment are role clarity and role discretion that may reduce uncertainty associated with work adjustment. Role conflict and role novelty, on the other hand, are suggested to potentially increase uncertainty and thereby inhibit adjustment. Further, the greater the distance between the culture of the home organisation and the host organisation, the more challenging adjusting to the new surroundings may be. However, the model goes on to suggest that an organisational culture that includes social support from co-workers in the host organisation reduces the expatriate's uncertainty, and may therefore facilitate adjustment. The same is proposed to be the case with logistical support given by the organisation. Black et al. (1991) further suggested that similarly to how role novelty was suggested to increase uncertainty and consequently hinder work adjustment, so too would the general culture novelty of the host country influence interaction and general adjustment. Finally, Bhagat (1983) argued that stressful life events might impact individual performance effectiveness and work adjustment processes within organisational contexts. Following this logic, Black et al.

(1991) suggested that the uncertainty of a poorly adjusted family or spouse may inhibit the expatriate's own adjustment due to a spillover effect.

Empirical evidence exists regarding Black et al.'s (1991) proposed framework. Caligiuri, Philips, Lazarova, Tarique, and Bürgi's (2001) study revealed pre-departure cross-cultural training to be positively related to cross-cultural adjustment by enhancing accurate expectations on behalf of the expatriate. Eschbach, Parker, and Stoeberl's (2001) study demonstrated that participants who had received integrated cross-cultural training displayed higher levels of skill development and exhibited cultural proficiency earlier than comparison groups. Shaffer et al. (1999) found prior experience to be related to cross-cultural adjustment, while Holopainen and Björkman (2005) found prior experience to be positively related to performance abroad. Further, Osmani-Gani and Rockstuhl (2009) discovered that the relationship between cross-cultural training effectiveness and adjustment were mediated by an increase in self-efficacy. Consequently, empirical support of Black et al.'s (1991) model has been provided with regard to the individual variables of anticipatory adjustment.

Black et al.'s (1991) model has also received empirical support concerning in-country adjustment. Harrison, Chadwick, and Scales (1996) found a positive relationship between self-efficacy and all three dimensions of cross-cultural adjustment. Palthe (2004) provided evidence of the importance of organisation socialisation and its relationship to general and interaction adjustment, in addition to a significant relationship between cultural similarity and general adjustment. Shaffer et al. (1999) found support for the relationship between cross-cultural adjustment and job related factors such as role clarity, role discretion, and role novelty. Palthe (2004) also provided empirical evidence of the positive relationship between role clarity and work adjustment, and role discretion and work adjustment. She further demonstrated a significant relationship between family adjustment and both general and interaction adjustment. Earlier research by Black and Stephens (1989) has also demonstrated the role of family adjustment as a strong predictor of expatriate interaction and general adjustment. Caligiuri, Hyland, Joshi, and Bross (1998), on the other hand, demonstrated a relationship between family adjustment and the expatriate's work adjustment.

Thus, the empirical literature has provided support for Black et al.'s (1991) framework regarding in-country adjustment. Variables pertaining to the individual (mainly self-efficacy), the job, the organisation culture, organisational socialisation, culture novelty, and family-spouse adjustment have all been demonstrated to influence cross-cultural adjustment. Further, the empirical literature has found support for much of Black et al.'s (1991) framework regarding anticipatory adjustment and consequently in-country adjustment. Specifically,

cross-cultural training has been shown to be positively related to self-efficacy and skill development, and prior experience has been shown to influence cross-cultural adjustment. However, certain parts of Black et al.'s (1991) framework have yet to be tested empirically, specifically the relationship between cross-cultural training, individual skills, and the three dimensions of cross-cultural adjustment.

Training and Its Relationship to Cross-Cultural Adjustment

Cross-cultural training seems to be the most investigated variable in relation to cross-cultural adjustment. Many believe that cross-cultural training is an effective means to ensure good adjustment on the behalf of expatriates (Black & Mendenhall, 1990; Deshpande & Viswesvaran, 1992; Eschbach et al., 2001; Waxin & Panaccio, 2005). However, others have found no clear relationship between cross-cultural training and adjustment, and thus question the value of such training (for instance Puck, Kittler & Wright, 2008). One of the reasons for such mixed findings may be the different operationalisations of cross-cultural training by researchers.

Cross-cultural training has been defined as “the educative processes used to improve intercultural learning via the development of the cognitive, affective, and behavioural competencies needed for successful interactions in diverse cultures” (Littrell, Salas, Hess, Paley, & Riedel, 2006, p. 356). This definition makes the diversity of cross-cultural training visible, which may range from simple briefings to comprehensive programs including role-plays, simulations, and extensive language training. Several desired outcomes of cross-cultural training have been suggested, but almost all of these refer, to a large extent, to the development of skills necessary for cross-cultural adjustment (Littrell et al., 2006). However, there are many ways of reaching these training goals.

Kealey and Protheroe (1996) stated that cross-cultural training programs typically encompass two broad sets of activities. The first, information-giving activities, include the provision of practical information regarding living conditions in the host country, area studies, and cultural awareness information. The latter of these activities aims to provide facts about the values and customs of the host country in a more personally relevant way. These are all activities that operate at the cognitive level of the expatriate and are frequently referred to as didactic training. The second set of activities consists of experiential learning activities, often called experiential training. Such activities combine cognitive and behavioural techniques, and may include role-plays, behaviour modelling, and skills practice. Cross-cultural training may also vary according to duration of the training that is given, and with

respect to when the training is given. The latter has typically been distinguished into three points of delivery: pre-departure, post-departure, and sequential (starting before departure and continuing after arrival). Given the multitude of what has been referred to as cross-cultural training, researchers have investigated its relationship to cross-cultural adjustment in a number of ways.

Whether an expatriate has received pre-departure training is perhaps the most common focus in the cross-cultural training and adjustment literature. However, in the last two decades, researchers have begun to investigate cross-cultural training effectiveness more thoroughly. For instance, Harrison (1992) examined the individual and combined effects of cognitive and experiential approaches in facilitating learning, developing behavioural skills, and creating positive reactions. Similarly, Gannon and Poon (1997) investigated differential effects of didactic and experiential approaches on cultural awareness and trainee reaction. Several authors have also examined cross-cultural training effectiveness according to the rigor of the training that is given. Training rigor may be defined in many ways, often referring to training method (didactic/experiential), duration (often hours or days spent), and time of delivery (pre-departure, post-departure or sequential). For example, Eschbach et al. (2001) used duration of training, time of delivery, and methodology or approaches of training to examine differential effects of cross-cultural training in terms of rigor. Puck et al. (2008) investigated the impact of pre-departure cross-cultural training on expatriate adjustment, focusing on variations in participation, length and the comprehensiveness of training. They used the typology of Gudykunst and Hammer (1983) to define training comprehensiveness, which differentiates cross-cultural training according to content (culture general/culture specific) and method (intellectual/experiential). Thus, researchers are increasingly investigating cross-cultural effectiveness more thoroughly. The growing focus on differential effects of cross-cultural training according to variations in training stems, in large part, from the theoretical frameworks or models that have been proposed.

Understanding Cross-Cultural Training Effectiveness by Use of Social Learning Theory

Researchers have suggested several theoretical frameworks to explain how cross-cultural training may facilitate an expatriate's effectiveness on an international assignment. One of these frameworks, and perhaps the most cited one, turns to Social Learning Theory (SLT). Black and Mendenhall (1990) stated that cross-cultural training enables an individual to learn both content and skills that facilitate effective cross-cultural interaction by reducing misunderstandings and occurrence of inappropriate behaviours.

SLT illustrates that learning is a process influenced by observation and experience (Bandura, 1977). According to SLT, individuals anticipate actions and consequences associated with these actions. This enables individuals to decide how to behave in advance of an actual situation. Individuals learn from their experiences and the consequences of their behaviour shape what they learn in addition to shaping the individuals' future behaviour. Most human behaviour is learned from observing others through modelling (Bandura, 1977), and it is through modelling that cross-cultural training may have a benefit for the expatriates. There are four component processes that guide observational modelling. Attentional processes determine which modelled behaviours to observe, and what is extracted from exposure to the selected modelled behaviours. One cannot learn much from observation unless one attends to, and accurately perceives, the modelled behaviour. Retention processes are the processes by which the modelled behaviour is represented in memory in symbolic form. In order to benefit from observing modelled behaviour, the behaviour has to be represented in one's own memory. These memory codes serve as guides for future behaviour. In addition to symbolic coding, rehearsal of the behaviour serves as an important memory aid, whether it is mentally rehearsed or actually performed. The third component of modelling is motor reproduction processes. These processes involve converting the symbolic representations of the modelled behaviour into appropriate actions. Through modelling, one usually achieves a close approximation of the new behaviour, and then improves it through self-corrective adjustments. The fourth component processes are motivational ones. People are more likely to adopt modelled behaviour if they believe doing so will result in outcomes that they value. Similarly, people are less likely to adopt modelled behaviour if they believe it has unrewarding or even punishing effects. This implies that those behaviours that seem to be effective for other people are favoured over behaviours that seem less effective or have negative consequences. As an individual attempts to imitate these behaviours, he or she compares this performance to his or her memory of what was modelled. Thus, SLT may be valuable in, among other things, explaining how cross-cultural training benefits expatriates.

Black and Mendenhall (1990) suggested that cross-cultural training provides an expatriate with cognitive maps of both appropriate and inappropriate behaviours, and the associated consequences of these behaviours in advance of an actual cross-cultural interaction. Such cognitive maps increase an expatriate's self-efficacy and outcome expectations because the expatriate has learned appropriate behaviours and made associations concerning the expected outcomes of these behaviours. This has a positive impact on the expatriate's retention and reproduction processes that, in turn, positively influences the

expatriate's cross-cultural adjustment.

By applying SLT to the concept of cross-cultural training, it becomes visible how certain training activities may be more effective than others. Bandura (1977) found that gradual modelling is more effective than one-time modelling. Thus, the behaviour to be learned should be approximated in a stepwise manner during the training program. Also, participative reproduction of the modelled behaviour is generally more effective than symbolic processes (Bandura, 1977). This implies that cross-cultural training activities that are experiential in nature are more effective than activities that operate on a purely cognitive level of the expatriate, an implication that has been partially supported in the empirical literature. For instance, Eschbach et al. (2001) found that integrated (experiential activities, sequential delivery and duration of a month or more) cross-cultural training was associated with higher levels of adjustment and higher levels of skill development than less rigorous training programs. However, these researchers did not separate the points of delivery and the duration of the training from the training activities, which makes it difficult to determine whether information-giving and experiential activities had differing impact on cross-cultural training outcomes. Gannon and Poon (1997) did not find support for their prediction that experientially trained participants would have a significantly higher level of cultural awareness than those trained by using didactic and video-based approaches. However, participants in the experiential group had more favourable reactions toward training than participants in the two other conditions, and also perceived it to be more useful and relevant. Harrison (1992), on the other hand, found the combination of cognitive and experiential approaches to be most effective. Participants in this condition displayed significantly higher performance on a role-play task than a group who received no training, and significantly higher learning gains than participants receiving either of the individual training methods.

In sum, theoretical and empirical studies state that cross-cultural training in general is positively related to all three dimensions of cross-cultural adjustment by an increase in self-efficacy and by enhancing the expatriate's accurate expectations (Black et al., 1991; Caligiuri et al., 2001; Osmani-Gani & Rockstuhl, 2009). Cross-cultural training may have a varying effect on cross-cultural adjustment depending on the approach with which it is given. Experiential activities may be more effective than didactic activities in facilitating cross-cultural work and interaction adjustment, because experiential activities allow the expatriate to both physically and mentally rehearse the behaviours to be learned in advance of an actual cross-cultural interaction. Didactic activities on the other hand, operate only on a cognitive level (Bandura, 1977; Eschbach et al., 2001). Nonetheless, didactic training is argued to be

effective by mainly triggering cognitive responses, especially cultural awareness and interpersonal skills, thereby facilitating cross-cultural adjustment (Zakaria, 2000). However, a combination of experiential and didactic activities may have the greatest effect on all three dimensions of cross-cultural adjustment (Harrison, 1992). Regardless, all forms of cross-cultural training facilitate the cross-cultural adjustment of expatriates according to the theoretical and empirical literature.

Hypothesis 1: Cross-cultural training, whether didactic or experiential, is positively related to cross-cultural work, interaction, and general adjustment.

Language Training

Language training has also been suggested as contributing to the cross-cultural adjustment of an expatriate. For instance, Ashamalla and Crocitto (1997) argued that “foreign language ability is vital for a successful and productive experience abroad” (p. 108). Further, US and German managers both rated the ability to speak the language of host nationals to be the most important intercultural competency (Graf, 2004). By relying on English, the expatriates may miss important information that is only available to them in the language of the host country. Furthermore, knowing the verbal and non-verbal language of the host country reflects an interest in the country and its culture. This may help the expatriate in establishing trust, which is important for developing good personal and business relationships with foreign counterparts (Selmer, 2006). Moreover, relying on English when on expatriate assignments may lead to misunderstandings. One may conduct a business conversation in a second language, English, but participants still think in terms of their own language according to their own cultural norms. This, in turn, may not be fully comprehended by the participants (Scheu-Lottgen & Hernandez-Campoy, 1998).

The effect of language training on cross-cultural adjustment has been found in previous studies (Caligiuri, 2000; Peltokorpi, 2008; Puck et al., 2008; Selmer, 2006; Shaffer et al., 1999). Because communication is situated in and influenced by cultures, accurate communication in a second language between North European expatriates and Chinese host nationals may be particularly challenging because of the large cultural distances. Selmer (2006) found language ability to be positively related to all three dimensions of cross-cultural adjustment, with the strongest relationship for interaction adjustment and the weakest for work adjustment. He suggested that expatriates are more often able to use English at work than in non-work situations because younger Chinese business executives exhibit increasingly

better English skills. Thus, language training for North European expatriates in China seem to be most important regarding cross-cultural interaction and general adjustment of the expatriates.

Hypothesis 2: Language training is positively related to cross-cultural interaction and general adjustment.

Intercultural Effectiveness Skills

Many different goals or desired outcomes of cross-cultural training have been suggested. In large part, most of these suggested outcomes refer to the development of skills deemed necessary for cross-cultural adjustment to take place (Littrell et al., 2006).

Hammer, Gudykunst, and Wiseman (1978) investigated which skills are essential for effective functioning in a foreign culture. They found three dimensions of intercultural effectiveness. The first dimension is the ability to deal with psychological stress. Abilities included in this dimension are the ability to deal with frustration, stress, anxiety, different political systems, pressure to conform, social alienation, financial difficulties, and interpersonal conflict. Intercultural experiences often expose the expatriate to many novel situations. Not being able to manage the stress he or she experiences, the expatriate may have difficulties in coping with changes concerning the new living and working situation. Other researchers have also emphasized the importance of this self-dimension (Abe & Wiseman, 1983; Black & Mendenhall, 1990; Black et al., 1991; Deshpande & Viswesvaran, 1992). The second dimension, ability to effectively communicate, involves the ability to enter a meaningful dialogue with other people, to initiate interaction with a stranger, to deal with communication misunderstandings, and to effectively deal with different communication styles. The importance of this dimension has been supported by other empirical work (Abe & Wiseman, 1983; Cui & Awa, 1992; Deshpande & Viswesvaran, 1992; Zimmerman, Holman, & Sparrow, 2003). The ability to establish interpersonal relationships is the third dimension identified in Hammer et al.'s (1978) study. This dimension concerns an individual's ability to develop and maintain satisfying interpersonal relationships with other people, as well as being able to accurately understand the feelings of another person, empathize with another person, deal effectively with different social customs, and effectively work with others.

Hammer (1987) attempted to replicate the findings from Hammer et al.'s (1978) study, and found that the three factor model provided a good fit to the data obtained from 210 North Americans who lived three months or longer in a foreign culture. Further research suggested

that social skills play an important role in successful adjustment in a foreign culture (Hannigan, 1990; Hechanova et al., 2003; Shay & Baack, 2006; Zimmerman et al., 2003), and the expatriates in Hutchings' (2005) study emphasised that one of the major areas that need to be conveyed during cross-cultural training relates to the importance of relationship building. In a summary of the literature on the key traits and competencies that an expatriate should possess, Jordan and Cartwright (1998) listed three competencies that coincide with the skills dimensions identified by Hammer et al. (1978). Jordan and Cartwright (1998) also added linguistic skills to the key competencies. Thus, there is much empirical support for the importance of the intercultural effectiveness skills identified by Hammer et al. (1978).

The intercultural effectiveness skills of Hammer et al. (1978) coincide, in large part, with the individual skills that Black et al. (1991) emphasised in their theoretical framework of cross-cultural adjustment. The same set of individual skills is stressed in the model of cross-cultural training by Black and Mendenhall (1990). Building on the work of Mendenhall and Oddou (1985), these individual skills have been categorised into three dimensions. The first is the self-dimension, which includes activities and attributes that may enhance the expatriate's self-esteem, self-confidence, effective stress management, and mental health. The second is the relationship dimension, which consists of the skills necessary to foster relationships with host nationals. Finally, the perception dimension entails the abilities that enable the expatriate to accurately perceive and evaluate the host environment and its actors, thus reducing uncertainty in interpersonal relations. From this, it is clear that the dimensions of Black et al. (1991) and the dimensions identified by Hammer et al. (1978) overlap to a large degree. For instance, both sets of authors emphasise the ability to deal effectively with stress in the new surroundings. The relationship dimensions and the interpersonal relationship dimension are almost identical to each other, both advocating the importance of being able to foster and maintain satisfying relationships. The perceptual skills that Mendenhall and Oddou (1985) identified and the ability to effectively communicate as identified by Hammer et al. (1978) both refer to expressing and understanding needs, values, and ideas. Further, the abilities to communicate effectively and develop interpersonal relationships as identified by Hammer et al. (1978) require to a large part the perceptual skills identified by Mendenhall and Oddou (1985). These skills will, according to Black et al.'s (1991) framework, influence the degree of cross-cultural adjustment. It is therefore suggested that the three skills dimensions are related to all three facets of cross-cultural adjustment.

Hypothesis 3: Intercultural stress, communication, and relationship skills are positively related to cross-cultural work, interaction, and general adjustment.

Leiba-O'Sullivan (1999) argued that existing research has failed to distinguish between stable and dynamic cross-cultural competencies. Building on Black and Mendenhall's (1990) three-dimensional typology of cross-cultural competencies, Leiba-O'Sullivan (1999) suggested that the self-maintenance dimension, the relationship dimension, and the perception dimension, all consist of both stable and dynamic competencies. The stable competencies are mainly personality traits. Emotional stability is the stable competency of the self-maintenance dimension, while dynamic competencies are cultural knowledge, stress-management skills, and self-maintenance self-efficacy. Extraversion and agreeableness are the stable competencies of the relationship dimension, and the dynamic competencies of this dimension are cultural knowledge, relationship self-efficacy, and conflict resolution skills. Finally, the perceptual dimension consists of the stable competencies openness to experience and conscientiousness, as well as the dynamic competencies cultural knowledge and perceptual questioning skills (Leiba-O'Sullivan, 1999). Thus, Hammer et al.'s (1978) intercultural effectiveness skills seem to be dynamic skills. Leiba-O'Sullivan (1999) further suggested that the stable competencies might constrain the acquisition of dynamic cross-cultural skills. An implication is that intercultural effectiveness skills can, to some extent, be developed and learned through training. Thus, the goals of cross-cultural training tend to be the development of skills that will facilitate the effectiveness of an expatriate in a foreign culture, including his or her cross-cultural adjustment (Littrell et al., 2006).

Hypothesis 4: Cross-cultural training, whether didactic or experiential, is positively related to intercultural stress, communication, and relationship skills.

By learning the language of a host country where English proficiency is not high, interacting with host nationals may become less challenging. Interaction with host nationals, in turn, may increase an expatriates' understanding of the new surroundings and its people and institutions (Selmer, 2006). It is difficult for an expatriate to establish relationships with host nationals if a common language is not shared between them, which may be one reason why language ability has been suggested to be vital for success abroad (Ashamalla & Crocitto, 1997), especially when contact with host nationals is required to successfully complete the assignment. Further, Stedham and

Nechita (1997) argued that communication with host nationals is particularly important for expatriates where the cultural distance between home and host country is large. They argued that communicating with host nationals is critical in order to understand the host country's culture and customs, as well as manage in their everyday life. Thus, language training may facilitate interaction with host nationals that, in turn, may help expatriates develop their perceptual and relational skills.

Hypothesis 5: Language training is positively related to intercultural communication and relationship skills.

According to Black and Mendenhall's (1990) model of cross-cultural training, and Black et al.'s (1991) framework of cross-cultural adjustment, cross-cultural training will influence skill development that, in turn, influences all three dimensions of cross-cultural adjustment. Thus, intercultural effectiveness skills are thought to have a mediating role in the relationship between cross-cultural training and the three dimensions of cross-cultural adjustment. Researchers have found a positive relationship between cross-cultural training and development of cross-cultural skills (Black & Mendenhall, 1990; Deshpande & Viswesvaran, 1992; Eschbach et al., 2001), and between cross-cultural training and cross-cultural adjustment (Caligiuri et al., 2001; Deshpande & Viswesvaran, 1992; Morris & Robie, 2001). However little research, to my knowledge, has investigated the mediating role that intercultural effectiveness skills are suggested to have. An implication from this realisation is that a central part of Black et al.'s (1991) framework of cross-cultural adjustment has yet to be tested empirically. Consequently, the following hypotheses are proposed.

Hypothesis 6: Intercultural effectiveness skills mediate cross-cultural training's relationship, whether didactic or experiential, with cross-cultural work, interaction, and general adjustment.

Hypothesis 7: Intercultural communication and relationship skills mediate language training's relationship with cross-cultural interaction and general adjustment.

Method

Sample

The total number of participants in this study was 67, and included Norwegian ($N=8$), Swedish ($N=14$), Danish ($N=19$), Finnish ($N=6$), and German ($N=20$) nationals. All participants were, at the time of data collection, on an expatriate assignment in China. North European nationals who had settled down in China on their own initiative and been recruited locally (e.g. after arrival in China) were not included in the sample. The participants were between 26 and 65 years old ($M = 41.8$, $SD = 9.57$). Forty-four of the participants were married, of which 40 participants had their family accompanying them during the assignment period. At the time of data collection, the participants had been on their current assignments between 2.5 months to 17 years ($M = 4.4$, $SD = 3.73$). The majority of the sample (69 per cent) held upper management positions such as “director”. The participants worked in several different industries such as manufacturing, telecommunications, engineering, consulting services, banking, fashion, and government/public institutions. Thirty-eight participants had received cross-cultural training and/or language training, ranging from 1 day to 360 days ($M = 39.08$, $SD = 79.44$), with two to four days of training being most common.

Procedure

Contact information of North European organisations with operations in China were obtained through the embassy of Norway in China, the Swedish trade council in China, the embassy of Denmark in China, and the German chamber of commerce in China. The organisations were contacted via email, giving them information about the study and asking them to provide direct contact information of their organisation’s expatriates in China. In many cases however, the original email was instead forwarded to expatriates by the organisation, and the expatriates were left to decide whether to participate or not. Further, due to policy restrictions, the embassy of Finland could not provide me with direct contact information. Instead, the embassy of Finland compiled a mailing list of Finnish expatriates currently in China and sent an email with a link to the online survey to individual Finnish expatriates on my behalf.

A total of 1092 emails were sent out by me to individual expatriates and organisations, of which 186 were undeliverable, and 55 email responses indicated that the person was no longer in China, or that the organisation did not have any North European expatriates in China at the moment. In addition, the embassy of Finland sent approximately 70 emails to Finnish expatriates in China on my behalf.

The data were collected by use of an online survey. Emails with a direct link to the survey were sent to the participants. The participants were told that their responses were confidential, and that the data would not point out any individual respondent or organisation. Further, it was emphasised that the purpose of the research was not to evaluate individual participants, but rather to map out the use and methods of cross-cultural training by North European firms and its potential effect on cross-cultural adjustment and intercultural effectiveness skills. Participants were offered a copy of the final thesis in return for their participation. The same offer was given to the Norwegian, Danish, and Finnish embassies, the Swedish trade council, and the German chamber of commerce in return for their assistance.

Measures

Training. Participants were asked to indicate whether they had received cross-cultural training, and to specify the duration (number of days) of the different types of cross-cultural training they had received, as well as language training. The options were practical information, area studies, cultural awareness, experiential training, “survival” language training, and “extensive” language training.

Intercultural effectiveness skills. To measure intercultural effectiveness skills, a measure derived from Stening and Hammer (1992) was used, consisting of 12 items in total. This is a modified version of Hammer et al.’s (1978) original measure of intercultural effectiveness skills. Four items comprise the intercultural stress scale. A sample item from this scale is “ability to deal effectively with frustration”. The scale achieved a reliability of $\alpha = .75$. The intercultural communication scale consists of three items, including “ability to initiate interaction with a stranger”. The reliability of this scale was $\alpha = .87$. Intercultural relationship was the third scale, consisting of five items with the reliability $\alpha = .89$. A sample item from this scale is “ability to develop satisfying interpersonal relationships with other people”. For all items, participants were asked to rate their own ability on a six-point Likert scale ranging from 1: “unable” to 6: “completely able” with regard to their current assignment in China.

Cross-cultural adjustment. Participants were asked to indicate how adjusted they felt on a measure adopted from Black and Stephens (1989). The measure is a slightly modified version of Black’s (1988) original measure of cross-cultural adjustment. Minor changes were made to make the measure more relevant for the participants in this study, such as changing “host nationals” to “Chinese”. The cross-cultural adjustment measure includes 14 items in

total. Seven of these items measure an expatriate's general adjustment, achieving a reliability of $\alpha = .90$. An example of an item from the general adjustment scale is "housing conditions in China." Interaction adjustment is measured by four items, and includes "interacting with Chinese on a day-to-day basis." The reliability of this scale is $\alpha = .90$. Three items comprise the work adjustment scale with a reliability of $\alpha = .90$. A sample item from this scale is "performance standards and expectations." Participants were asked to indicate on a six-point Likert scale (1: "unadjusted"; 6: "completely adjusted") how unadjusted or adjusted they felt with regard to all items.

Control variables. Black et al. (1991) argued in their theoretical framework of cross-cultural adjustment, that prior experience and cross-cultural training combine to create an expatriate's anticipatory expectations which, in turn, influences the expatriate's in-country adjustment. This has been supported in some empirical studies (Holopainen & Björkman, 2005; Takeuchi, Tesluk, Yun, & Lepak, 2005). Thus, prior expatriate experience was included as a control variable. This was measured by asking respondents to indicate whether they had any expatriate experience prior to their current assignment in China, choosing either "yes" or "no". Whether an expatriate's family (if they had any) was accompanying him/her on the assignment in China was also added as a control variable. Black et al. (1991) included family adjustment as an influencing variable on in-country cross-cultural adjustment, a relationship that has received much empirical support (Black & Gregersen, 1991; Black & Stephens, 1989; Caligiuri et al., 1998; Palthe, 2004; Shaffer et al., 1999). Respondents were asked to indicate whether they were married and had any children, and whether their family was accompanying them on their current assignment by choosing either "yes" or "no" on both questions.

Results

Prior Analyses

Prior to the statistical analyses, statistical power was investigated for each of the cross-cultural adjustment dimensions using G*Power (Faul, Erdfelder, & Buchner, 2009) because of the small sample size. Effect sizes were calculated using R^2 derived from Palthe (2004) in order to calculate the a priori power. All three dimensions of cross-cultural adjustment had large effect sizes (Cohen, 1992). Thus, the sample size of 67 was enough for achieving sufficient power.

The distributions of the variables included in the present study were examined prior to the analysis. The distribution of intercultural communication skills, cross-cultural work

adjustment, and cross-cultural general adjustment were slightly skewed in a positive direction. Consequently, these three variables were transformed by reflect and logarithm (Tabachnik & Fidell, 2007), which resulted in a better approximation of normal distribution. The distribution of cross-cultural training was not normal due to a lack of training among several of the participants, of which many had reported zero days of training. This created an *L*-shaped distribution, for which there was no transformation remedy. The training variables were consequently dichotomised, and the statistical analyses were first performed with the dichotomised training variables.

It was decided to conduct a second set of analyses involving only those participants who had received training using the continuous training variables. The reason was that this allowed for a better investigation of the possible effects of cross-cultural training. The sample size for these second analyses was 38. Calculations in G*Power (Faul et al., 2009) showed that the sample size of 38 was sufficient for work and interaction adjustment, but somewhat small for general adjustment. Therefore, subsequent analyses using this sample were conducted by testing the independent variables separately, consequently achieving sufficient statistical power. The distributions of the continuous training variables were investigated. The training variables were subsequently transformed in order to achieve a closer approximation of normal distribution. Language training was transformed by logarithm, while didactic and experiential training was transformed by inverse as suggested by Tabachnik and Fidell (2007) according to the distribution shapes of these variables.

Following the transformation of some of the variables, relationships involving intercultural communication skills, work adjustment, and general adjustment have their signs reversed. Consequently, the interpretations of correlation coefficients and regression scores involving these variables are made in the opposite direction of the signs.

Multicollinearity was investigated for all independent variables and mediators and was not a problem since all tolerance values were greater than .20 (Christophersen, 2004), although the three dimensions of intercultural effectiveness skills were highly correlated (see Table 1). Correlations were performed for preliminary analyses, followed by hierarchical regression on the variables of interest.

The correlation matrix for all variables included in this study is presented in Table 1. Because some of the variables were transformed in order to improve their distribution, interpretations of correlation coefficients are made in the opposite direction of the coefficient sign when it comes to relationships that include work adjustment, general adjustment, and

Table 1
Means, standard deviations, and correlations for all variables.

<i>Variable</i>	<i>Mean</i>	<i>SD</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>
1. Work adjustment	.26	.19									
2. Interaction adjustment	3.94	1.25	-.63**								
3. General adjustment	.31	.15	.68**	-.69**							
4. Intercultural stress skills	4.83	.63	-.46**	.41**	-.37**						
5. Intercultural communication skills	.28	.16	.53**	-.50**	.43**	-.55**					
6. Intercultural relationship skills	4.75	.76	-.51**	.43**	-.40**	.53**	-.77**				
7. Didactic and experiential training	.15	.36	-.13	.01	-.18	.05	.05	-.01			
8. Language training	.33	.47	.05	-.06	-.02	.00	.14	-.11	.18		
9. Prior experience	1.36	.48	.06	-.15	.04	-.07	.00	.02	.00	.12	
10. Family	.99	.64	.04	.04	.05	-.10	.01	.07	-.08	-.03	.02

Notes.

Correlations for relationships involving intercultural communication skills, work adjustment, and general adjustment, have their signs reversed because the variables were transformed using reflect and logarithm. The values for relationships involving these variables are interpreted in the opposite direction of the sign.

$N = 67$

** $p < 0.01$

intercultural communication skills. As evident from Table 1, neither of the dichotomous training variables had significant correlations with cross-cultural adjustment, nor intercultural effectiveness skills. All three intercultural effectiveness skills and the three dimensions of cross-cultural adjustment had significant positive correlations. Table 1 further shows that the correlational analysis found significant positive relationships between intercultural stress skills and intercultural communication skills, intercultural stress skills and intercultural relationship skills, and intercultural communication skills and intercultural relationship skills. Positive relationships were also shown between cross-cultural work and interaction adjustment, cross-cultural work and general adjustment, and cross-cultural interaction and general adjustment.

Tests of Hypotheses

Hierarchical regression analyses were performed to investigate whether cross-cultural training and intercultural effectiveness skills had any effect on cross-cultural adjustment. First, hierarchical regression analysis predicting cross-cultural adjustment was performed in accordance with hypotheses 1, 2, and 3. Cross-cultural training, language training, and intercultural effectiveness skills were used as independent variables in this analysis (hypotheses 1, 2, and 3 respectively). As evident from Table 2, the independent variables significantly predicted variance in cross-cultural work ($F = 4.67, p < .001$), interaction ($F = 3.60, p < .01$), and general adjustment ($F = 2.82, p < .01$). Contrary to the first hypothesis, cross-cultural didactic and experiential training was not significantly related to any of the three cross-cultural adjustment dimensions. The second hypothesis was also not supported because language training did not significantly predict cross-cultural interaction and general adjustment. On the contrary, all three dimensions of intercultural effectiveness skills explained a large portion of the variance in cross-cultural adjustment in accordance with hypothesis 3. However, the only significant beta value was intercultural communication skills predicting interaction adjustment ($\beta = -.38, p < 0.05$).

Next, hierarchical regression analysis predicting the three dimensions of intercultural effectiveness skills using the dichotomous training variables as independent variables were performed. The results are depicted in Table 3. Hypothesis 4 proposed that cross-cultural training, whether didactic or experiential, would positively influence intercultural effectiveness skills. Table 3 shows that this was not the case in the present study, and the results failed to support hypothesis 4. It was further hypothesised that language training

Table 2

Hierarchical regression analysis predicting cross-cultural adjustment with dichotomous training variables and intercultural effectiveness skills as independent variables.

	<u>Work adjustment</u>			<u>Interaction adjustment</u>			<u>General adjustment</u>		
	Step 1	Step 2	Step 3	Step 1	Step 2	Step 3	Step 1	Step 2	Step 3
	β	β	β	β	β	β	β	β	β
Variables									
Prior experience	.06	.05	.05	-.15	-.14	-.14	.04	.04	.04
Family	.04	.03	.02	.04	.04	.06	.05	.04	.03
Didactic and experiential training		-.14	-.14		.02	.03		-.18	-.18
Language training		.08	.02		-.05	.01		.01	-.04
Intercultural stress skills			-.19			.17			-.13
Intercultural communication skills			.26			-.38*			.26
Intercultural relationship skills			-.21			.04			-.13
R^2	.01	.03	.36	.02	.03	.30	.00	.04	.25
R^2 change		.02	.33***		.00	.27***		.03	.22**
F	.16	.44	4.67***	.75	.40	3.60**	.13	.57	2.82*

Notes.

β scores for relationships involving intercultural communication skills, work adjustment, and general adjustment have their signs reversed because these variables were transformed by reflect and logarithm. The values for relationships involving these variables are interpreted in the opposite direction of the sign.

$N = 67$

*** $p < 0.001$

** $p < 0.01$

* $p < 0.05$

would be positively related to intercultural communication and relationship skills (hypothesis 5). The results from the regression analysis did not support this, and hypothesis 5 was also not supported by the analyses including dichotomous training variables.

Table 3

Hierarchical regression analysis predicting intercultural effectiveness skills with dichotomous training variables as independent.

	<u>Intercultural stress skills</u>		<u>Intercultural communication skills</u>		<u>Intercultural relationship skills</u>	
	Step 1	Step 2	Step 1	Step 2	Step 1	Step 2
	β	β	β	β	β	β
Variables						
Prior experience	-.07	-.07	-.00	-.01	.02	.02
Family	-.10	-.10	.01	.02	.07	.06
Didactic and experiential training		.05		.03		.02
Language training		-.01		.14		-.11
R^2	.02	.02	.00	.02	.01	.02
R^2 change		.00		.02		.01
F	.47	.26	.00	.35	.15	.25

Notes.

β scores for relationships involving intercultural communication skills have their signs reversed because this variable was transformed by reflect and logarithm. The values for relationships involving this variable are interpreted in the opposite direction of the sign.

$N = 67$

The procedure recommended by Baron and Kenny (1986) was followed to test whether a mediation effect was present. According to them, a variable may be called a mediator “to the extent that it accounts for the relation between the predictor and the criterion” (Baron & Kenny, 1986, p. 1176). It was hypothesised that intercultural effectiveness skills would mediate the relationship between cross-cultural training and cross-cultural work, interaction, and general adjustment (hypothesis 6). Further, intercultural communication skills and relationship skills were suggested to mediate the relationship between language training and cross-cultural interaction adjustment and general adjustment (hypothesis 7). Baron and Kenny (1986) outline a three-step procedure of regression equations that has to be tested in order to determine whether the relationship between the independent variable(s) and the dependent variable(s) is mediated by a third variable(s).

In the first step of their procedure, the mediator(s) is regressed on the independent variable(s). In this study, the intercultural effectiveness skills were regressed on didactic and experiential training, and language training. The results are depicted in Table 3. None of the

dichotomised training variables significantly predicted any of the intercultural effectiveness skills. In step two, the dependent variable(s) is regressed on the independent variable(s). Thus, cross-cultural adjustment was regressed on didactic and experiential training, and language training. As evident from Table 2, didactic and experiential training did not significantly predict variance in cross-cultural adjustment, nor did language training. The third step of Baron and Kenny's (1986) procedure is to regress the dependent variable(s) on the mediator(s) and the independent variable(s). Consequently, cross-cultural adjustment was regressed on both didactic and experiential training, language training, and intercultural effectiveness skills (see Table 2). According to Baron and Kenny (1986), these three paths must all be significant. Because none of the dichotomous training variables had any significant relationships to neither the intercultural effectiveness skills, nor cross-cultural adjustment in these analyses, mediation was regarded as not present in this first set of analyses, and hypothesis 6 and 7 were consequently not supported.

A second set of regression analyses were performed using the data with only those participants who had received training, and thereby using the continuous training variables. Consequently, the sample size for these analyses was 38. This allowed for a closer inspection of the variance of cross-cultural training. The effects of the independent variables were tested separately in this second set of analyses because of the small sample size in order to achieve sufficient statistical power.

First, regression analyses predicting cross-cultural adjustment were performed with cross-cultural training and language training as independent variables in accordance with hypothesis 1 and 2. Table 4 and 5 show the results of these analyses (cross-cultural training and language training respectively). Table 4 shows that didactic and experiential training did not significantly predict variance in any of the three dimensions of cross-cultural adjustment. Consequently, hypothesis 1 was not supported. As seen in Table 5, support was found for hypothesis 2 that language training significantly predicted variance in interaction adjustment ($\beta = .48, p < 0.05$) and general adjustment ($\beta = -.43, p < 0.05$).

Second, regression analyses predicting intercultural effectiveness skills were performed with cross-cultural training and language training as independent variables. The results of these analyses are depicted in Table 6 and 7 (cross-cultural training and language training respectively). Didactic and experiential training did not significantly predict either of the intercultural effectiveness skills. Consequently, hypothesis 4 was not supported. Language training, however, significantly predicted variance in intercultural communication skills ($\beta = -.48, p < 0.05$) as seen in Table 7. Thus, partial support was given to hypothesis 5.

Table 4

Hierarchical regression analysis predicting cross-cultural adjustment with continuous didactic and experiential training variable as independent variable.

Variables	<u>Work adjustment</u>		<u>Interaction adjustment</u>		<u>General adjustment</u>	
	Step 1	Step2	Step 1	Step 2	Step 1	Step 2
	β	β	β	β	β	β
Prior experience	.17	.13	-.31	-.23	.48*	.47*
Family	.09	.11	-.01	-.04	.15	.16
Didactic and experiential training		.18		-.30		.05
R^2	.04	.07	.09	.18	.25*	.25
R^2 change		.03		.08		.00
F	.46	.56	1.25	1.66	4.04*	2.61*

Notes.

β scores for relationships involving work adjustment and general adjustment have their signs reversed because these variables were transformed by reflect and logarithm. The values for relationships involving these variables are interpreted in the opposite direction of the sign.

$N = 38$

* $p < 0.05$

Table 5

Hierarchical regression analysis predicting cross-cultural adjustment with continuous language training variable as independent variable.

Variables	<u>Work adjustment</u>		<u>Interaction adjustment</u>		<u>General adjustment</u>	
	Step 1	Step2	Step 1	Step 2	Step 1	Step 2
	β	β	β	β	β	β
Prior experience	.08	.08	-.18	-.17	.20	.19
Family	.05	.04	.05	.05	-.18	-.19
Language training		-.28		.48*		-.43*
R^2	.01	.09	.03	.27*	.07	.25*
R^2 change		.08		.23*		.18*
F	.09	.56	.33	2.18	.68	2.01

Notes.

β scores for relationships involving work adjustment and general adjustment have their signs reversed because these variables were transformed by reflect and logarithm. The values for relationships involving these variables are interpreted in the opposite direction of the sign.

$N = 38$

* $p < 0.05$

Table 6

Hierarchical regression analysis predicting intercultural effectiveness skills with continuous didactic and experiential training variable as independent variable.

	<u>Intercultural stress skills</u>		<u>Intercultural communication skills</u>		<u>Intercultural relationship skills</u>	
	Step 1	Step 2	Step 1	Step 2	Step 1	Step 2
	β	β	β	β	β	β
Variables						
Prior experience	-.17	-.09	.26	.22	-.19	-.19
Family	-.26	-.29	.17	.19	-.07	-.07
Didactic and experiential training		-.30		.19		-.03
R^2	.09	.18	.10	.13	.04	.04
R^2 change		.09		.03		.00
F	1.21	1.65	1.28	1.14	.51	.33

Notes.

β scores for relationships involving intercultural communication skills have their signs reversed because this variable was transformed by reflect and logarithm. The values for relationships involving this variable are interpreted in the opposite direction of the sign.

$N = 38$

Table 7

Hierarchical regression analysis predicting intercultural communication and relationship skills with continuous language training variable as independent variable.

	<u>Intercultural communication skills</u>		<u>Intercultural relationship skills</u>	
	Step 1	Step 2	Step 1	Step 2
	β	β	β	β
Variables				
Prior experience	-.38	-.39*	.42*	.43*
Family	-.17	-.17	.28	.29
Language training		-.48*		.30
R^2	.18	.41*	.27*	.36
R^2 change		.23*		.09
F	2.09	4.16*	3.54*	3.42*

Notes.

β scores for relationships involving intercultural communication skills have their signs reversed because this variable was transformed by reflect and logarithm. The values for relationships involving this variable are interpreted in the opposite direction of the sign.

$N = 38$

* $p < 0.05$

In sum, this second set of analyses using continuous training variables showed that, contrary to what was hypothesised, didactic and experiential training did not have any significant results on the dimensions of cross-cultural adjustment and intercultural effectiveness skills. Language training, on the other hand, significantly explained variance in interaction adjustment, general adjustment, and intercultural communication skills.

Again, following the procedure of Baron and Kenny (1986), mediation was only tested for the relationships between language training and interaction adjustment, and between language training and general adjustment, with intercultural communication skills as a hypothesised mediator in both relationships (Hypothesis 7). Consequently, the requirements were met for mediation concerning these specific relationships in the present study. Hypothesis 6 was not further tested in this study because the requirements were not met for mediation concerning the hypothesised mediated relationships involving cross-cultural didactic and experiential training. Thus, mediation effects of intercultural communication skills on the relationship between language training and interaction adjustment, and between language training and general adjustment were tested in accordance with hypothesis 7.

The hypothesised mediation relationships were tested by use of hierarchical regression analyses. The results from the tests of intercultural communication skills as a mediator in the relationships between language training and interaction adjustment, and between language training and general adjustment are depicted in Table 8. The results support the posited mediated relationships between language training and interaction and general adjustment by intercultural communication skills (Hypothesis 7). The hierarchical regression analyses found the presence of a full mediation as the effects of language training on cross-cultural interaction and general adjustment were reduced to non-significant when intercultural communication skills was added to the model.

Sobel test (Preacher & Leonardelli, 2001) was used in order to determine whether the decrease in the coefficients of language training on cross-cultural interaction and general adjustment due to entry of intercultural communication skills was significant. In other words, the Sobel test may be used to test the significance of such indirect effects (Preacher and Hayes, 2004). According to the Sobel test, the mediation effect of intercultural communication skills on the relationship between language training and interaction adjustment was significant ($p < .05$). Further, the mediation effect of intercultural

Table 8

Hierarchical regression analysis predicting cross-cultural interaction and general adjustment with continuous language training variable as independent variable and intercultural communication skills as mediator.

Variables	<i>Interaction adjustment</i>			<i>General adjustment</i>		
	Step 1	Step 2	Step 3	Step 1	Step 2	Step 3
	β	β	β	β	β	β
Prior experience	-.18	-.17	-.48*	.20	.19	.42*
Family	.05	.05	-.08	-.18	-.19	-.08
Language training		.48*	.11		-.43*	-.14
Intercultural communication skills			-.79**			.60*
R^2	.03	.27*	.63**	.07	.25*	.47*
R^2 change		.23*	.37**		.18*	.22*
F	.33	2.18	7.33**	.68	2.01	3.71*

Notes.

β scores for relationships involving intercultural communication skills and general adjustment have their signs reversed because these variables were transformed by reflect and logarithm. The values for relationships involving these variables are interpreted in the opposite direction of the sign.

$N = 38$

** $p < 0.01$

* $p < 0.05$

communication skills on the relationship between language training and general adjustment was found to be significant at a .10 level by the Sobel test ($p < .10$) as well. Thus, the hypothesis that intercultural communication and relationship skills mediate the relationship between language training and cross-cultural interaction and general adjustment (hypothesis 7) was partially supported.

Discussion

This study was designed to assess whether cross-cultural training affects expatriates' intercultural effectiveness skills and cross-cultural adjustment. Further, the study attempted to provide empirical support of the relationship between intercultural effectiveness skills and cross-cultural adjustment as suggested in Black et al.'s (1991) model of cross-cultural adjustment. Contrary to what was hypothesised, didactic and experiential training did not have any significant relationships with cross-cultural adjustment (hypothesis 1), nor intercultural effectiveness skills (hypothesis 4). Support was found for the hypothesis that language training was positively related to cross-cultural interaction and general adjustment (hypothesis 2). Further it was hypothesised that language training was positively related to

intercultural communication skills and intercultural relationship skills (hypothesis 5), which was partially supported. In addition, this study found that intercultural effectiveness skills significantly predicted variance in cross-cultural adjustment (hypothesis 3), thus providing further support of Black et al.'s (1991) model of cross-cultural adjustment. Subsequent analyses showed that the relationship between language training and interaction adjustment, as well as the relationship between language training and general adjustment, were mediated by intercultural communication skills, lending partial support to hypothesis 7.

The Importance of Intercultural Effectiveness Skills

This study makes a contribution to the expatriation literature by giving further support to Black et al.'s (1991) framework of cross-cultural adjustment with respect to in-country adjustment. As hypothesised, the three dimensions of intercultural effectiveness skills significantly explained variance in the three dimensions of cross-cultural adjustment, a relationship that previously has received little empirical attention. This implies that the more developed intercultural stress, communication, and relationship skills an expatriate possesses, the greater the expatriate's adjustment to work, interaction, and general adjustment. However, contrary to what was hypothesised, cross-cultural training did not significantly influence the intercultural effectiveness skills in this study.

There is much research on key competencies that an expatriate should hold, and most are consistent with the three dimensions of intercultural effectiveness skills identified by Hammer et al. (1978) and used in this study (see Jordan & Cartwright, 1998 for a review). The intercultural effectiveness skills are dynamic competencies (Jordan & Cartwright, 1998; Leiba O'Sullivan, 1999) and may therefore be trained and developed. However, few empirical and theoretical studies deal with what influences these intercultural effectiveness skills, and how to further develop them. Given the importance of the intercultural effectiveness skills on expatriates' cross-cultural adjustment, the development of these skills should be investigated in order to give recommendations that facilitate success of expatriate assignments and ease the transition of the expatriates. Consequently, future research should focus on the development of these intercultural effectiveness skills to arrive at a better understanding of their dynamics.

Although the intercultural effectiveness skills are dynamic skills that can be trained, authors have argued that personality traits underlie them (see for instance Leiba-O'Sullivan, 1999). However, the theoretical literature is not clear as to whether these personality traits are to be considered as prerequisites for the successful expatriate, or traits that are desired in the

expatriate, but not necessary for him/her to succeed on expatriate assignments. The implication of the perspective that certain personality traits are necessary for an expatriate to effectively function abroad is that not all employees are equally trainable, and some individuals may lack the personality traits necessary for them to acquire the associated knowledge and skills (Caligiuri, 2000; Johnson, Lenartowicz, & Apud, 2006; Leiba O'Sullivan, 1999; Lievens, Van Keer, Harris, & Bisqueret, 2003). More research is needed on the relationship between these personality traits and the development of intercultural effectiveness skills, as well as their influence on cross-cultural adjustment in order to determine to what extent intercultural effectiveness skills can be taught and developed.

The Lack of Effect of Cross-Cultural Didactic and Experiential Training

The finding that cross-cultural training, whether didactic or experiential, had no significant effect on cross-cultural adjustment was somewhat surprising given the many positive reports on this relationship in the empirical literature (for instance, Black & Mendenhall, 1990; Desphande & Viswesvaran, 1992; Morris & Robie, 2001). However, others have also found no such relationship between cross-cultural training and cross-cultural adjustment (for example Puck et al., 2008).

One reason for this surprising finding may be that the participants did not perceive the cross-cultural training that they had been provided with as relevant to them. Caligiuri et al. (2001) found that relevance of cross-cultural training significantly influenced the expatriates' formation of expectations prior to the assignment that, in turn, had an impact on the cross-cultural adjustment of the expatriates. Vance and Ensher (2002) suggested using the host country workforce as a source of information and guidance in order to make the training content more valid and customised. Further, Vance and Paik (2002) demonstrated the potential divergence among host country workforces in their perceptions regarding favourable and unfavourable managerial behaviours, arguing for the use of the host country workforce's input in identifying specific demands for the expatriate assignment. However, most participants in this study had received a limited amount of training (most common was two to four days), which may help explain the lack of significant findings from didactic and experiential training. With limited time spent on training, the training has most likely only 'scratched the surface' and may not have contributed much to the adjustment of these North European expatriates in China.

Another explanation for the lack of effect of cross-cultural training on cross-cultural adjustment and intercultural effectiveness skills in this study may be related to the expatriates

training motivation. Trainees' motivation to learn and attend training influences their skills acquisition, retention, and willingness to apply what they have newly acquired in terms of knowledge and skills. (Salas & Cannon-Bowers, 2001). Training motivation, in turn, is influenced by a set of individual characteristics (for instance self-efficacy) and situational characteristics such as climate (Colquitt, LePine, & Noe, 2000). It is possible that the participants in this study had low training motivation which consequently led to poorer skills acquisition and post-training self-efficacy than had they exhibited high training motivation.

Language Training is Key in China

Language training, on the other hand, was positively related to interaction adjustment and general adjustment in the second set of analyses using the continuous training variables. This finding is in line with that of other empirical work (for example Peltokorpi, 2008; Selmer, 2006; Shaffer et al., 1999). One reason why language training had significant results while didactic and experiential training did not, may be the language barrier between the North European expatriates and the Chinese host nationals. Although the standard of English proficiency is rising in China, especially among young business executives, using English in conversations with Chinese host nationals may often be difficult (Selmer, 2006). The fact that North European countries and China do not share a common alphabet makes it even more difficult for the expatriates to orient themselves on their own. Further, because the cultural differences between China and the North European countries are large (House et al., 2004), communicating with host nationals may be especially important for the expatriates in order to understand the Chinese culture and customs (Stedham & Nechita, 1997) and manage in their day-to-day life in the new environment. Selmer (2006) largely agreed with this view and stated, "language affects and reflects culture just as culture affects and reflects what is encoded in language" (p. 352). The finding that intercultural communication skills mediated the relationship between language training and cross-cultural interaction and general adjustment lends further support to this view. Language training increased the expatriates' intercultural communication skills that, in turn, facilitated their adjustment to interacting and socialising with host nationals in the new environment, as well as their general adjustment, possibly by improving the expatriates' understanding of their new surroundings.

Many Chinese that the expatriates encounter in their everyday life while on expatriate assignments do not master the language of English well, thus making it difficult for the expatriates to interact with the host nationals, especially outside of work without some knowledge of Chinese language. By becoming familiar with Chinese language, expatriates

feel better able to initiate interaction with host nationals, to lead meaningful dialogues, and to deal with any communications misunderstandings. Through communication with the Chinese, expatriates can obtain insight into the Chinese culture and way of living, as well as more easily orient themselves in their new surroundings and/or be aided in doing so. Learning the language of the host country is “a very useful method of getting under the ‘surface’ of the host country’s culture” (Forster, 2000, p. 74). Research by Searle and Ward (1990) suggested that having friendships with host nationals greatly improves expatriates’ ability to learn culturally appropriate social behaviours. Learning the appropriate behaviours of the new culture faster, eases the expatriates’ adjustment. Further, research has found that the Chinese people’s perceived relationship quality with the expatriate has a significant impact on their willingness to provide assistance to expatriates (Varma, Pichler, Budhwar, & Biswas, 2009). This highlights the importance of establishing good relationships with the Chinese, which may ease the expatriates’ adjustment. However, without being able to communicate properly with the Chinese, development of such potentially rewarding relationships is challenging.

The language barrier can result in the expatriates relying on existing expatriate communities in their respective locations in China, and many such communities exist. Although expatriate communities provide the expatriate with a network of others in a similar situation and useful information that can help new expatriates better orient themselves, relying on expatriate communities can also result in the expatriate not getting to know the local customs, culture, and business surroundings properly. In a study conducted by Suutari and Brewster (1998), the most commonly given advice by Finnish expatriates to new expatriates was related to getting integrated into the local community early. Further, some participants in the study specified that expatriates should avoid meeting only with other expatriates who tend to discuss what they miss about their home country or the strange habits of the locals. Interacting with host nationals is more likely to help expatriates understand and adjust to their new living and working situation by becoming more integrated in their new surroundings. Thus, language training may be particularly important for North European expatriates in China in order to become integrated and consequently better cross-culturally adjusted, while it may not be as crucial for expatriates located in other parts of the world with higher standards of English proficiency.

Limitations and Future Research

While this study makes an important theoretical contribution to the cross-cultural adjustment literature, it is not without limitations. The sample of expatriates was from North

European countries and all were, at the time of the study, on an expatriate assignment in China. With regard to the theoretical contribution of this study, future studies should test the hypotheses with samples consisting of expatriates from around the world, as well as being located in other parts of the world. In theory, the relationship found between intercultural effectiveness skills and cross-cultural adjustment should be found in such other samples. However, different cultures may create different needs for intercultural effectiveness skills.

A few considerations with respect to how the variables were measured should be taken into account. First, this study relied on self-report measures for all variables. Although the general condemnation against the use of self-report methods have been found to be exaggerated (Howard, 1994; Spector, 1994), care was taken to reduce potential biases by the available means in this study. For instance, in an effort to reduce the possibility of self-generated validity, demographic variables were placed at the front end of the survey while the criterion variable was assessed at the end (Feldman & Lynch, 1988).

The use of self-report measures raises some concerns however, especially with regard to the relationship between intercultural effectiveness skills and cross-cultural adjustment that was found in this study. Because these were both measured by use of self-report, it is not possible to determine cause and effect (Spector, 1994). However, this study tested a hypothesised relationship between intercultural effectiveness skills and cross-cultural adjustment derived from a theoretical framework (Black et al., 1991) that has been much supported. Consequently, it is assumed that the direction of the relationship is reasonable and that the opposite direction of the relationship may not be the case. Further, the responses in this study may have been influenced by the participants' state of mind, mood, and other temporary factors that may produce somewhat other responses at a different point in time. Thus, future studies should examine the relationships found here by use of longitudinal designs that will also capture the development of both skills and adjustment over time. In addition, future studies should also attempt to include different methods of measurement in order to arrive at more confident conclusions regarding the results. With that being said, cross-cultural adjustment is an internal, psychological, and emotional state revolving how comfortable an individual feels in his or her new surroundings. Consequently, to measure cross-cultural adjustment by use of other methods than self-report is not appropriate (Black, 1990), and the measurement of such a construct by use of self-report is not regarded as a large concern (Schmitt, 1994; Spector, 1994). Intercultural effectiveness skills, on the other hand, can be measured by asking others to rate the expatriate, for instance a co-worker, leader, or the HR department. However, this was not an available option for this study and is often

difficult to accomplish because the expatriates frequently are in leader positions and the HR departments are located in other countries than that of the expatriates. Nonetheless, future studies should attempt more objective measures of intercultural effectiveness skills.

Another limitation regarding this study is the small sample size. Although the statistical power was investigated prior to the analyses and found to be sufficient, it is still possible that the sample size led to insufficient power to reject the null hypotheses (Pedhazur & Schmelkin, 1991), especially regarding the second set of analyses with only those participants who had received cross-cultural training and language training.

Further, this study tested for mediation by following the procedure of Baron and Kenny (1986), a frequently used procedure for mediation analyses (Preacher & Hayes, 2004). However, newer approaches of testing for mediation have become available. MacKinnon, Lockwood, Hoffman, West, and Sheets (2002) found that Baron and Kenny's (1986) method to test for mediation had low power unless the effect sizes or sample sizes were large. Consequently, real effects may not be detected by use of the Baron and Kenny (1986) procedure. It is therefore possible that several hypothesised mediation effects were present, although the results did not show such presence according to the procedure of Baron and Kenny (1986) due to the small sample size in this study.

The Sobel test was used to investigate whether the mediation effects found in the regression analyses were significant. However, it is often not recommended to use the Sobel test on small samples (Preacher & Hayes, 2004) because assumptions of normal distribution are often not met (Bollen & Stine, 1990). Instead, Preacher and Hayes (2004) argue for the use of bootstrapping because this approach is nonparametric and makes no assumptions about the shapes of the distributions. Consequently, bootstrapping may offer a way of circumventing power problems introduced by nonnormality in the sampling distributions (Preacher & Hayes, 2004). However, normal distribution was approximated in this study by transforming the variables that did not originally have normally distributed shapes. Further, the use of Baron and Kenny's (1986) procedure followed by the Sobel test found significant mediation effects concerning language training's effect on cross-cultural interaction and general adjustment, mediated by intercultural communication skills. Nonetheless, the other hypothesised mediated relationships were not supported in this study, which may be a result of low statistical power. Future studies may therefore consider the use of bootstrapping in tests of similar relationships as those investigated in the present study, especially in the case of small sample sizes, to avoid problems of low power.

Practical Implications

This study contributes not only to the theoretical literature on expatriation and cross-cultural adjustment, but also to practitioners. The findings from this study highlight the importance of the intercultural effectiveness skills of the expatriate. This has implications for the selection of employees for expatriate assignments. Candidates for expatriate assignments should be assessed in terms of their intercultural effectiveness skills because those with more developed skills adjust more easily to living and working in the new assignment location. The expatriates become comfortable with their new surroundings faster when they have better or more developed intercultural skills. Thus, the intercultural skills of candidates for expatriate assignments should be part of the selection criteria that organisations use when deciding upon which candidates to choose for such an assignment.

Further, this study has contributed with insight specifically directed at North European expatriates in China. The study highlighted the importance of language training for these expatriates. Language training was positively related to intercultural communication skills that, in turn, facilitated the expatriates' cross-cultural interaction and general adjustment. Didactic and experiential training was not found to be influential in this study, pointing in the direction of language training being more critical for North European expatriates who are assigned in China than other types of training. This may be a result of the specific language barrier that the North European expatriates encounter in China. Without some knowledge of Chinese language, the expatriates may find it difficult to interact and socialise with others outside of work, as well as orient themselves in a country that does not even have the same alphabet as the North European countries. Consequently, when sending North European expatriates on assignments in China, these expatriates should be given language training to help ease their transition and adjustment overseas.

Conclusion

This study contributes to an understanding of the dynamics of cross-cultural adjustment by highlighting the important role of intercultural effectiveness skills. In accordance with Black et al.'s (1991) framework of cross-cultural adjustment, intercultural effectiveness skills were found to significantly influence the adjustment of expatriates. Further, cross-cultural training may not generally be considered to improve expatriates' cross-cultural adjustment, nor their intercultural effectiveness skills. This might be the result of training programs that are not effective due to a number of reasons such as lack of relevancy for the expatriates and lack of time spent on training. Furthermore, the impact of training on cross-cultural

adjustment and intercultural effectiveness skills may depend on personal characteristics of the expatriates. Consequently, selection methods and criteria seem highly important in predicting the success of expatriate assignments. Language training, on the other hand, is highly important for North European expatriates located in a culturally different country such as China, and should be included as part of the expatriates' preparation for such assignments because this is related to the intercultural communication skills of the expatriate.

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