

ADJUSTMENT V. SATISFACTION –
AN ANALYSIS OF AMERICAN EXPATRIATE SPOUSES IN GERMANY

Submitted for presentation at the
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Abstract. The basic assumption of this paper is that it is the satisfaction of expatriates and their spouses, rather than the level of their adjustment by itself, that is crucial for the success of an overseas assignment, and that adjustment per se is not a sufficient prerequisite to guarantee satisfaction. Rather, we see adjustment and satisfaction as different constructs and reject the usage of the terms “adjustment” and “satisfaction” as synonyms common in existing research on expatriate management. The paper builds on a previous study of the authors in which the concept of spousal adjustment has been reconceptualised and empirically tests the influence of different types of adjustment on the level of satisfaction of American expatriate spouses during overseas assignments in Germany. The empirical results imply that not all dimensions of adjustment suggested in previous studies are equally important in determining the level of spousal satisfaction. This has implications for the selection and training of overseas assignees and opens up new alleys for research on expatriate management.

Introduction

The growing importance of overseas assignments for managers has been evidenced in existing literature and has been attributed to an increase in international activities, the need to transfer know-how from the headquarters to subsidiaries abroad, the necessity to equip managers with international experience, the compensation for a shortage of qualified local personnel in a given host country or to standardization attempts across regional subsidiaries, and the emergence of new organizational forms that require an increased exchange of personnel across organizational units (e.g. Kuehlmann, 1995, Mohr & Klein, 2002, Tung, 1981). At the same time, the problems associated with overseas assignments are well documented in research and practitioners' accounts (e.g. (Arthur & Jr., 1995, Briody & Chrisman, 1991, Nicholson & Imaizumi, 1993, Parker & McEvoy, 1993, Shaffer, Harrison, & Gilley, 1999) and led researchers to identify factors that are detrimental or conducive to the success of an overseas assignment. The adjustment of the expatriate managers as well as the adjustment of the expatriate's spouse have repeatedly been shown to be two of the most important of these factors, i.e. the higher the level of adjustment of the expatriate manager and of his/her spouse, the lower the likelihood that the overseas assignment fails (Caligiuri, Hyland, & Joshi, 1998). Based on the seminal work of Black and colleagues (e.g. Black, 1988, Black & Gregersen, 1990, Black, Mendenhall, & Oddou, 1991), research on cross-cultural adjustment has stuck to a definition that a priori assumes that adjusted managers are satisfied and vice versa. This paper aims to provide an alternative viewpoint, by suggesting that adjustment and satisfaction – although related - are two conceptually distinct constructs. This has implications for the selection and preparation of expatriate managers and their spouses.

The remainder of this paper is structured as follows: subsequently, the two-staged research design consisting of qualitative as well as quantitative research chosen for this study is described. Thereafter, we analyse the concept of adjustment in greater detail and argue for the distinction between adjustment and satisfaction. Based on a modified concept of expatriate spouses' adjustment developed by the authors, the role of different dimensions of adjustment are then analysed in their role for the spouses' satisfaction. Afterwards, we outline the measurement of constructs before the results of the quantitative analyses are presented. Finally, the main results of the study are summarized and consequences for IHRM departments as well as for future research are exposed.

Methods

The methodology chosen for this study combines qualitative and quantitative research methods, thereby exploiting the advantages of both approaches while minimizing their respective drawbacks (Mohr, 2002). A *qualitative stage* was carried out in order to allow for a more holistic picture of the topic to emerge and to avoid an a priori limitation of the analysis to aspects suggested by existing theories. Interviews were carried out with 14 American spouses whose partner had been assigned to a placement in Germany. The group also included spouses who had clear intentions to return to the US as soon as possible thereby limiting a possible selection bias. Interviewees were chosen from a pool of expatriate spouses to take into account potentially important differences in their characteristics, e.g. age. This first stage led to the insight that adjustment and satisfaction – although being related – should be treated as conceptually distinct constructs, and to the formulation of hypotheses regarding the nature of the relationship between different dimensions of adjustment and spousal satisfaction. In order to test these hypotheses, the *second* research phase consisted of a *questionnaire survey*. In total, questionnaires were sent to 198 spouses of American managers

working in Germany. After a reminding stage 43 questionnaires could be used for statistical analyses (response rate 21.7%) with SPSS 9.0. Although the small sample size can be viewed as a limitation to the generaliseability of the study, it was seen as important to focus on this particular expatriate situation to eliminate interferences stemming from cultural differences or different host country conditions.

Spousal adjustment versus spousal satisfaction

This section argues for the necessity of drawing a clear distinction between the level of expatriates' and/or spouses' "adjustment" and their "satisfaction" with/during an overseas assignment. This seems necessary, as the common practice in research of treating the two terms as synonyms is regarded as detrimental to a more detailed understanding of the processes at work during, and the factors determining the success of, overseas assignments. After reporting common practice in the definition and usage of these terms within extant literature on expatriate management, this separation will be substantiated and used as the basis for the discussion of the relationship between the two terms/constructs that follow in the subsequent chapter. More specifically, we argue for a narrow definition of the term "adjustment" that allows to investigate the complexities of the process and outcomes of overseas assignments in greater detail.

So far there has been no definition of adjustment in the context of expatriation, which a majority of researches has agreed upon (Searle & Ward, 1990). Suggestions were made by authors such as Golden (1973), Torbiörn (1982) or Ward & Chang (1997). One of the more frequently used definitions of adjustment is based on the research by Black and colleagues, who refer to adjustment as the degree of a person's psychological comfort with "various aspects of a host country" (Black & Gregersen, 1991, p. 463) This definition has been used by

a large number of authors in analysing overseas assignments (see, for example, Caligiuri, 2000, Church, 1982, Copeland & Norell, 2002). If, however, “psychological comfort” is – as in this definition – used in the sense of “satisfaction” it is implied that managers/spouses that do not adjust feel miserable/are dissatisfied; equally, dissatisfaction of expatriates/spouses is synonymous with a lack of adjustment. If, however, adjustment and psychological comfort, i.e. satisfaction, have the same meaning, why - one might ask - do we need the term “adjustment” in the first place? Therefore, using the above definition one might easily avoid using the term “adjustment” altogether, and restrict the analysis to the satisfaction of expatriates/spouses with various aspects of the host country.

However, we think the term “adjustment” does have its place in research on expatriate management, but the definition of adjustment has to exclude any reference to what might be argued is the outcome of adjustment, i.e. satisfaction. In this sense, adjustment of expatriates/spouses can be defined as the degree to which individuals on overseas assignments perceive their norms and behavioural patterns to be compatible with those common in the host country (Eckert, Rässler, Mayer, & Bonsiep, 2001). Similarly, Jun, Gentry & Hyun (2001) underline the distinction between adjustment and its outcomes, and Brislin (1981) saw the meaning of adjustment as limited to becoming familiar with and capable of exhibiting appropriate behaviour in the host country. Even Black & Mendenhall (1991) themselves, in discussing the u-curve concept of adjustment state that the final (adjustment) stage of the u-curve is “characterized by gradual adaptation to the new culture and learning how to behave appropriately according to the cultural norms of the host country” (1991, p.226), thereby looking at the process of adjustment without any reference to “a feeling of comfort” or satisfaction.

The process of adjusting can then be regarded as a modification of the expatriate’s

norms and behavioural patterns, their (temporary) suppression, and/or the addition of new norms and behavioural patterns in order to increase compatibility with those common in the host country. This might be an emergent/unconscious process (e.g. norms) or might actively be sought by the assignee (e.g. behavioural patterns), depending on the extent to which the assignee is aware of the element in question and/or the assignee's ability and willingness to overcome his or her cultural conditioning and "accept the host countries' behaviors, norms, and roles" (Caligiuri, 2000, p.63, Schein, 1980).

The relationship between adjustment and spousal satisfaction

As outlined above, researchers investigating the expatriation of managers and their spouses – based on the broad definition of the term adjustment that included satisfaction – come to view adjustment as a prerequisite for the success of an overseas assignment. Interpreting the success of an overseas assignment as the avoidance of a premature return, the general hypothesis of these authors is therefore that if expatriates/spouses are adjusted, i.e. satisfied with the overseas assignment, they feel little inclination to return home early (see, for example, Black & Stephens., 1989, Caligiuri, 2000, McEvoy & Parker, 1992, Parker & McEvoy, 1993). More recently, Shaffer & Harrison (1998) argued that expatriate adjustment should be regarded as an antecedent of job and non-work satisfaction. As these authors stick to the traditional definition of adjustment they effectively argue for a relationship between psychological comfort and satisfaction. These arguments, in our opinion, ignore some of the complexities characterising the expatriation process, in particular, the question of whether or not adjustment – this time defined as the perceived compatibility of the expatriate's/spouse's norms and behavioural patterns (see above) – is a necessary requirement for a satisfied assignee and thus for the success of the overseas assignment.

Furthermore, one might ask if adjustment to one specific set of host country variables as, for instance, distinguished by Black etc., is more relevant than adjustment to a different set of adjustment. To analyse these relationships between adjustment to different sets of host country characteristics on the one hand and the level of spousal satisfaction on the other, this study uses a concept of spousal adjustment which was suggested by Mohr & Klein (2002), by building on research by Black and colleagues as well as a series of interviews with expatriate spouses. The existence of the three dimensions was supported by confirmatory factor analysis (Mohr & Klein, 2002). The concept distinguishes between three facets of adjustment, the first two being taken from the concept developed by Black & Stephens (1989) and used for spousal adjustment by Black & Gregersen (1991), the third dimension being taken from Mohr & Klein (2002): (a) 'general living adjustment' refers to the expatriate's/spouse's adjustment to the general living conditions in the foreign culture; (b) 'interaction adjustment' refers to the expatriate's/spouse's adjustment to interacting and socializing with host country nationals (c) 'role adjustment' refers to the spouse's adjustment to changes in their role during an overseas assignment. The overall research framework is shown in the following figure 1:

Insert figure 1 here

Based on research on processes of sojourner adaptation to new cultures (see, for instance, Church, 1982, Furnham & Bochner, 1982) it can be argued that similarity or at least compatibility of one's norms and behavioural patterns with those of others can increase an individual's feeling of being part of the local social context, thereby increasing satisfaction. This relationship seems to be the case for all three dimensions of adjustment, in particular however, as regards the level of interaction adjustment: incompatible norms and behavioural patterns have their most visible effects during interaction with host country nationals and can immediately provoke or increase a feeling of isolation, which can be expected to be

detrimental to an individual's overall satisfaction with an overseas assignment.

A further consequence of compatibility of norms and behavioural patterns is a reduction of problems resulting from incompatibility such as misunderstandings or conflicts. Research on international negotiations or cross-cultural communication, for instance, has repeatedly shown that cultural distance is positively associated with the likelihood of misunderstandings (see, for example, Adler, 1997, Samovar, Porter, & Stefani, 1998). Equally, Black & Mendenhall (1991, p. 239), in discussing the *u*-curve concept, argue that an individual's acquisition of the ability to behave appropriately would have positive and reduce negative consequences. Again, these problems caused by a perceived incompatibility of norms and behavioural patterns might occur in all dimensions of spousal adjustment thereby affecting spousal satisfaction.

At the same time though, adjusting might lead to dissatisfaction if norms and behavioural patterns have to be given up in order to reduce the problems outlined above. It might be argued that this is reflected in the decline of adjustment during the beginning of an overseas adjustment as reflected in the U-curve shaped adjustment suggested by authors such as Oberg (1960) and characterised as the "culture shock". At this point expatriates might be required to decide whether they intend to stay and "increase compatibility" or abort the overseas assignment. From that point onwards, however, the mechanisms described above seem likely to operate. Based on our arguments, we suggest that all three dimensions of adjustment have a *positive influence* on the level of spousal satisfaction:

Hypothesis 1: Increasing general living adjustment leads to higher spousal satisfaction.

Hypothesis 2: Increasing interaction adjustment leads to higher spousal satisfaction.

Hypothesis 3: Increasing role adjustment leads to higher spousal satisfaction.

Measurement of constructs

In order to measure the first two dimensions of adjustment spouses were asked in how far they felt adjusted to various aspects taken from the catalogue used by Black & Stephens (1989), although whereas Black & Stephens (1989) use four items to measure the degree of *interaction adjustment* of expatriate managers (interacting with host nationals, interacting with host nationals on a day-to-day basis, speaking with host nationals, socializing with host nationals), the items regarding the interaction with host country nationals were combined in this study. The dimension '*role adjustment*' was measured by three items that were suggested by Mohr & Klein (2002). All items were measured by using 6-point Likert-type rating scales. The reliability of the constructs is demonstrated by the levels of the respective values of Cronbachs alpha (general living adjustment .74; interaction adjustment .89; role adjustment .94) (Nunnally, 1978). A principle component factor analysis with varimax rotation confirmed the existence of three conceptually distinct dimensions of spousal adjustment (KMO .66; significance Bartlett $p < .001$). In order to measure the *satisfaction of the expatriate spouses* with their overseas assignment, three items were used that reflected the satisfaction of the spouse, such as the question whether the spouse feels comfortable in her situation (Cronbachs alpha .72).

Results and discussion

Multiple regression analysis was used to empirically examine the influence of the level of adjustment in the various dimensions on the level of satisfaction. Based on existing research findings, a series of control variables that have been shown to be relevant for the level of expatriate/spousal adjustment were entered into a second regression model (age, length of stay and prior international experience). The following table shows the results.

Insert table 1 here

The results of *model 1* imply *firstly* that the level of adjustment of the expatriate spouse only accounts for 36% of the variance in spouses' satisfaction, underlining our reasoning that adjustment contributes to the level of spouses' satisfaction but is not sufficient to explain it. Thus, although adjustment does play a role there seem to be further factors that have to be taken into account, reflecting the complex nature of the expatriation process. This result highlights the importance of treating "adjustment" and "satisfaction" as separate constructs, rather than integrating 'satisfaction' into an inadequately broad definition of adjustment. From the empirical results follows *secondly* that only the level of general adjustment has a significant positive influence on the level of spouses' satisfaction ($\beta = .686$; $p < .001$). The regressors for the interaction and role adjustment, on the other hand, even show a negative sign, although they are not statistically significant. The results of *model 2* show that by including the spouses' age, their previous international experience and the length of their stay as control variables, the regression coefficients remain similar to the first model.

The empirical results thus imply that only the general living adjustment has power in explaining the variance in the level of satisfaction, and therefore underline once again the importance of conceptually separating the constructs of "adjustment" and "satisfaction". The results suggest that maladjustment, i.e. the perceived incompatibility of norms and behaviours regarding aspects of the general living conditions in the host country, e.g. regarding shopping facilities or available food, reduces spouses' satisfaction during overseas assignments. The perceived compatibility of norms and behavioural patterns regarding the interaction with host country nationals and concerning the new role the spouse has to play, on the other hand, do not have a discernible effect on the level of spousal satisfaction in our sample.

Conclusions and limitations

Our study has empirically shown that the level of general living adjustment is of particular importance for spouses' satisfaction with overseas assignments, whereas interaction adjustment and role adjustment have no statistically significant positive influence on spouses' satisfaction. Assuming that spousal satisfaction, rather than spousal adjustment per se, is relevant for the performance of the expatriate managers and the overall success of an overseas assignment, the results of this study allow for a number of conclusions to be drawn regarding the existing empirical research, as well as concerning the management of the expatriation process within MNEs: in general a re-assessment of the role of adjustment in international assignment seems warranted. The focus of future research should move from analysing the antecedents of adjustment to more detailed analyses into the antecedents and consequences of expatriates'/spouses' *satisfaction*. This study has shown that different aspects of spousal adjustment influence spouses' satisfaction to varying degrees. In light of these new results, the results of existing studies into the antecedents of adjustment need to be revisited, and those factors that are relevant for the satisfaction of expatriates (rather than the mere adjustment) have to be identified to allow IHRM departments to reduce the failure rates of overseas assignments. Our results imply that factors that influence the level of general living adjustment should be seen as more important for the overall level of expatriate spouses' satisfaction with the overseas assignment, than factors that predominantly influence the level of interaction adjustment and role adjustment. A study into the antecedents of spousal adjustment by Mohr & Klein (2002), for instance, has shown that the level of spouses' language knowledge was significantly positively correlated with the level of spouses' general living adjustment and thus should receive more when attention sending managers and their families abroad.

There are a number of *limitations* to this study, which have to be borne in mind when evaluating the results but also open up alleys for future research. *Firstly*, similar to the majority of existing studies, this study has focused on American spouses. Although only American spouses in one particular country were included – thereby allowing for the elimination of influences of inter-country differences – future research should include expatriate spouses from other countries and/or in different host countries. *Secondly*, the relatively small sample size was accepted in order to eliminate the influence of cultural factors, by limiting the potential sample to American expatriate spouses in one specific host country, i.e. Germany. A *third* limitation concerns the measures and the methods of data gathering that were employed, in particular the use of self-assessment of expatriate spouses that might have led to biases. Future research should increase triangulation of assessments and generally strive for new, potentially more objective ways of measuring variables and thus increasing validity, e.g. by using the number of calls by expatriates/ spouses to help lines provided by companies over a period of time.

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Appendix

Figure 1. Research framework

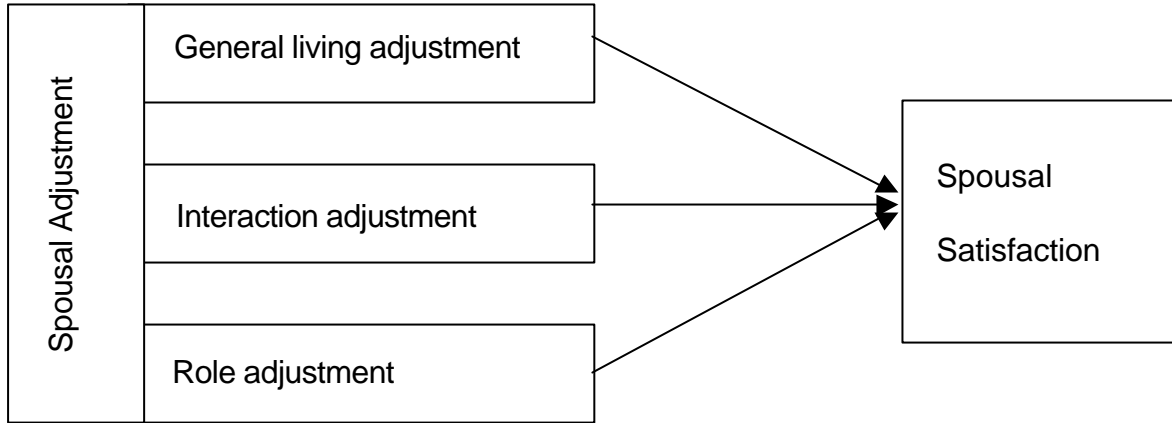


Table 1. Multiple Regression of Spousal Satisfaction

Independent Variables	Satisfaction ^a	
	Model 1	Model 2
General Living Adjustment (GA)	.686***	.734***
Interaction Adjustment (IA)	-.043	-.151
Role Adjustment (RA)	-.075	-.027
Control Variables		
Age		.223
Previous international experience		-.219
Length of stay		-.164
R²	.410	.474
Adjusted R²	.362	.387
F	8.570***	5.415***

^an=43; ***< .001; **< .01