A Model of Expatriate On-the-Job Adaptation to Overseas Assignments: A Communication Perspective

Bertha Du-Babcock

ABSTRACT. This paper presents an empirically based model that describes the process of how successful expatriates adapted to their overseas assignments. Tracing the adaptation process over three stages, the model describes both internally and externally focused adaptation activities. In internally focused activities expatriates (a) implemented management systems and approaches suitable to their organizational units and (b) maintained and developed relationships with corporate headquarters and other enterprise units. In externally focused activities the expatriates concentrated on tasks that integrated their organizational units with the exterior environment. [Article copies available for a fee from The Haworth Document Delivery Service: 1-800-342-9678. E-mail address: <getinfo@haworthpressinc.com> Website: <http://www.haworthpressinc.com>]

KEYWORDS. Managing international managers, cross-cultural transitions, cross-cultural organizational communication, overseas assignment adjustment

INTRODUCTION

In the process of adjusting to overseas assignments, expatriate managers face cultural and language barriers in communicating with local staff. Terps-
tra (1991) in fact argues that the multiplicity of languages and diversity of cultures place constraints on the development of effective and efficient organizational communication in multinational corporations. Expatriates also face the challenge of maintaining contact with the parent organization and integrating their activities within the web of corporate activities. Although the literature has documented an extremely high failure rate of expatriate managers (Adler, 1991; Baker & Ivancevich, 1971; Black, 1988; Mendenhall & Oddou, 1986; Ronen, 1986; Tung, 1982, 1988), the expatriate experience has included individuals who have been able to overcome cultural and language constraints to successfully adapt to overseas assignments while concurrently integrating themselves within the corporate system (Briody & Christman, 1991).

This paper builds a model that concentrates on the experience of successful expatriates in adapting to their overseas assignments. Data is drawn from an empirical study conducted within the Taiwanese divisions of 14 multinational corporations and two government agencies. The model centers around the on-the-job adaptation of the expatriates over three identifiable stages, namely, Stage One-System Identification; Stage Two-System Development; and Stage Three-System Refinement.

LITERATURE REVIEW

The literature has concentrated on the personal adjustment cycle of the expatriate (Hofstede, 1991) and that of the expatriate’s spouse and family (Adler, 1991; Briody & Chrisman, 1991). The dominant explanation of expatriate adjustment is the U-shaped adjustment curve (Church, 1982, p. 542) that focuses on the feelings and psychological state of the expatriate over a designated time period as the expatriate assimilates into a foreign environment. Hofstede (1991, p. 210) listed four sequential stages (Euphoria, Culture Shock, Acculturation, and Stable State) that follow this U-shaped pattern and generalized that these stages are of varying length but tend to correspond to the assignment period of the expatriate. McEvoy and Parker (1995) listed an alternative route; the expatriate proceeds through honeymoon, cultural shock, adjustment, and mastery. These four stages are characterized by moderate, low, moderate, and then high levels of adjustment, respectively. Other scholars (Adler, 1991; Mendenhall & Oddou, 1986) described the “entry” adjustment cycles and time periods that expatriates normally go through when encountering in foreign environment. According to them, the initial stage of the adjustment period lasts up to six months and this stage has distinct cycles of exhilaration and depression. Based on studying British business executives, Gullick (1988) argued that cultural adjustment is better viewed as a learning process depicted by step models rather than “U” shaped diagrams. While valuable in themselves these models are incomplete in that they ignore
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the on-the-job behavior of expatriates and the impact of local personnel on the adjustment process.

McEvoy and Parker (1995) recognized the importance of on-the-job variables. In a model of intercultural causes, they list nine organizational causes: compensation and benefits, repatriation/career practices, length of assignment, extent of home office contact, relocation assistance, work assignment, expatriate/repatriate training, and organizational size. Du-Babcock and Babcock (1995, 1996) extended this stream of research by examining the interactive on-the-job behaviors of expatriates and local personnel. They found that language proficiency and cultural differences impacted the adjustment process and the communication exchanges but did not set forth an adjustment cycle. Depending on their levels of the second-language proficiency, expatriates (and the local personnel in turn) developed remarkably different communication strategies and ways of interacting in the three communication zones that were identified (Du-Babcock & Babcock, 1996).

Lee and Larwood (1983) argued that during the process of acculturation, expatriates tend to adopt new social and work roles in the new culture so as to avoid role and intercultural conflict. Rather than this one-way influence process in which expatriates do all the adapting, Du-Babcock and Babcock (1996) suggested a two-way interactive model in which the expatriates and local personnel mutually influence each other and in which expatriates at higher organizational levels played a dominant role by being the initiators of communication.

Briody and Chrisman (1991) in a comprehensive interview study of General Motors expatriates identified success variables associated with the successful adjustment of expatriates. These success variables can be grouped into the following broad categories: relational abilities, communication skills, and ability to handle stress.

The model presented in the present paper is consistent with and confirms the validity of the Briody and Chrisman study. These general variables with a greater degree of specificity are incorporated into a stage adaptation model. Relational abilities and communication skills follow a sequential developmental pattern with a different set of stresses arising at different time periods and impacting each expatriate differentially.

RESEARCH METHODOLOGY

The present study reports on the internal and external job adaptation of expatriates in 14 multinational corporations and two government agencies operating in Taiwan. The pilot study consisting of individuals from four multinational corporations in Taiwan was later extended to a total of 14 firms and two governmental agencies. The methodology was broadened from the
use of a straightforward interviewing strategy to using a multi-faceted approach that centered around the “objectifying interviewing” technique (Redding, 1990; Sjoberg & Nett, 1968). Using this methodology, the author and a companion researcher engaged in interactive dialogs with the respondents. In effect the researchers supplied background and a frame of reference in which both the researchers and the respondents mutually explored issues.

The interviewing strategy was geared to cross-checking for validity—an American researcher focused on the expatriates and the author concentrated on the Chinese personnel. In total, 41 expatriates and 79 local personnel were interviewed. Table 1 provides a list of interviewee characteristics, home country, number of confidants, and interviewed expatriates and Chinese managers. To gain access the researchers promised confidentiality to the firms involved in the study. Confidants were also developed in ten firms; extended conversations with these individuals provided the basis for follow-up inter-

<table>
<thead>
<tr>
<th>Industry/ Government</th>
<th>Home Country</th>
<th>Confidants</th>
<th>Expatriates Interviewed</th>
<th>Chinese Interviewed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banking</td>
<td>United States</td>
<td>1</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Construction</td>
<td>United States</td>
<td>1</td>
<td>5</td>
<td>13</td>
</tr>
<tr>
<td>Cosmetics</td>
<td>United States</td>
<td>2</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td>Consumer Products</td>
<td>United States</td>
<td>2</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>Consulting</td>
<td>Canada</td>
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<td>10</td>
<td>2</td>
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<tr>
<td>Electrical</td>
<td>Germany</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Electronics and Computers</td>
<td>United States</td>
<td>0</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>Home Appliance</td>
<td>Taiwan</td>
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<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Home Furnishings</td>
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<td>0</td>
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<tr>
<td>Health Care</td>
<td>United States</td>
<td>1</td>
<td>14</td>
<td>2</td>
</tr>
<tr>
<td>Packing and Seals</td>
<td>England</td>
<td>1</td>
<td>1</td>
<td>10</td>
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<tr>
<td>Petrochemical</td>
<td>England</td>
<td>1</td>
<td>1</td>
<td>10</td>
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<tr>
<td>Pharmaceutical</td>
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<td>0</td>
<td>10</td>
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<tr>
<td>Sporting Goods</td>
<td>Taiwan</td>
<td>0</td>
<td>1</td>
<td>1</td>
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<tr>
<td>Government</td>
<td>Taiwan</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Totals</td>
<td></td>
<td>13</td>
<td>41</td>
<td>79</td>
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</tbody>
</table>
views with other managers in these companies. The American researcher communicated in English while the American-Chinese researcher used Mandarin or Taiwanese. In interviews with Chinese personnel in which both the American and Chinese-American were present, the general approach was to have the American start the discussion in English and then have the Chinese-American follow-up in Mandarin or Taiwanese. This research strategy enriched the data and facilitated a comparison between English and Chinese language responses.

The research strategy followed in the tradition of Redding (1990) in his study of Chinese management. Realizing that “real data” could not be obtained through conventional methods, he collected data using the objectifying interviewing technique that focused on group after-dinner discussion. The researchers used a similar methodology but one that differed in the following respects: (a) use of individual rather than group interviews, (b) reliance on an extended series of interviews with the confidants rather than a one-time setting as was the case with Redding, and (c) use of preliminary and follow-up interviews. The researchers owe much to the Redding methodology and its efficacy for difficult cross-cultural research and for the collection of data that is by nature secretive.

The expatriate adjustment model was developed by blending together and comparing the impressions of the interactive individuals in the development process. Expatriates at various stages in the adjustment process were interviewed as follows: twenty-nine in Stages One and Two, three drop-outs, and nine in Stage Three. Local Chinese enterprise personnel and governmental officials gave their impressions of their interactions and relationships with the above and other encountered expatriates. Since it was not possible to interview corporate personnel outside of Taiwan in the research process, the influence of these personnel was inferred. The end product is the composite picture that explicates the interactive expatriate on-the-job adjustment process.

**OVERVIEW OF THE MODEL**

This paper is organized around a model that describes the process of successful expatriate job adaptation to overseas assignments. The model identifies and traces a progression of on-the-job activities from the date that the expatriate arrived in Taiwan and commenced the job assignment to the development of either a stable and productive system or the termination or completion of the assignment. Unsuccessful expatriates dropped out along the way while other expatriates were assigned to Taiwan for a specific period of time and failed to complete the adjustment process.

The model is sequentially explained in a series of figures. The activity areas (internally and externally focused) in which the expatriates directed...
their developmental efforts are first described in Figure 1. Figure 2 then outlines the stages of the adjustment process that take place within the activity areas as well as providing time lines for three groups of managers having different second-language competencies. Finally, Figures 3 and 4 describe

FIGURE 1. Activity Areas of Expatriate Adjustment

Internal Adjustment

- Implementing management system and approach in Taiwan
- Maintaining and developing relationships with headquarters and other enterprise units

External Adjustment

- Developing information sources
- Reacting to environmental opportunities and threats

Allocate Time and Energy

FIGURE 2. Adjustment Stages and Estimated Timelines of Expatriates in Three Zones

Zone One Expatriates

System Identification System Development System Refinement

Zone Two Expatriates

System Identification System Development System Refinement

Zone Three Expatriates

System Identification System Development System Refinement

6 months 1 year 1 1/2 years 2 years

Time period
FIGURE 3. Process of Internal Adaptation

<table>
<thead>
<tr>
<th>Stage</th>
<th>Local Chinese Staff</th>
<th>Expatriate</th>
<th>Corporate Personnel Outside Taiwan</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. System Identification</td>
<td>- Introducing the expatriate to the organizational system (selected personnel)</td>
<td>- Observing the new work environment</td>
<td>- Maintaining and developing contacts with headquarters and other enterprise units</td>
</tr>
<tr>
<td></td>
<td>- Making a collective judgement of expatriate (extended staff)</td>
<td>- Learning from assigned personnel and other staff</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Implementing on-going corporate programs (extended staff)</td>
<td>- Maintaining ongoing corporate programs with only minor modifications</td>
<td></td>
</tr>
<tr>
<td>2. System Development</td>
<td>- Developing direct work relationships with expatriate (some personnel)</td>
<td>- Developing a distinct managerial and communication style and approach</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Participating in implementing ongoing programs and developing new programs (extended staff)</td>
<td>- Implementing ongoing programs and identifying new strategic thrusts</td>
<td></td>
</tr>
<tr>
<td>3. System Refinement</td>
<td>- Actively participating in productive management and organizational system</td>
<td>- Confidently directing productive management and organizational system</td>
<td></td>
</tr>
</tbody>
</table>

- Some expatriates exit
Developing Information Sources

Primarily deal with expatriate and general contacts

Include some Chinese and industry specific contacts

Deal with general, expatriate, and Chinese contacts

Expatiate Stages

Stage 1: System Identification
- Outsider
- Emphasis on learning

Stage 2: System Development
- Outsider
- Increasing understanding and skill

Stage 2: System Refinement
- Insider
- Mature understanding and skill

Developing Relationships

New relationships

Developing relationships

Mature relationships

Reacting to External Factors

React as opportunities and threats arise

Interact within expanding expatriate reputation

FIGURE 4. Process of External Adaptation
the processes of internal and external adjustment that expatriates experienced as they gradually developed their efficiency levels toward full potential.

The adjustment process as shown in Figure 1 necessitated concurrent attention to activities that can be categorized into two overall areas: internal and external adjustment activities. The areas of adjustment had either an internal focus (relating to activities within the organization) or an external focus (relating to interfacing the organization with the exterior environment). Adjustment was necessitated because the expatriates had assumed new roles within their companies. In internally focused activities the expatriates implemented management systems and approaches suitable to the organizational units they were now supervising in Taiwan and in further developing their relationships with their corporate headquarters and other organizational units. In externally focused activities the expatriates integrated their organizational units with the exterior environment by (a) developing information sources and collecting relevant information and (b) reacting to environmental opportunities and threats. The successful “juggling” of these internal and external activities proved to be a key to the success of expatriates in their overseas assignments.

The process of external adjustment presented more obstacles to expatriates and proved also to be a more difficult transition. Internal adjustment was cushioned by the continual exposure to the overall corporate culture, management systems, and corporate personnel from headquarters and other countries. These features provided an element of familiarity and continuity in the Chinese organizational environment. External adjustment did not provide the same familiarity. The process of external adjustment represented a major change as the expatriates were exposed to an unfamiliar foreign environment. Consequently external adjustment led to a more difficult and complex process of transition in which expatriates were facing different economic, legal, political, and physical environments.

Figure 2 has two purposes. It introduces the developmental stages of the adjustment process that was common to all expatriates. The expatriates progressed through the following three stages: System Identification, System Development, and System Refinement Stages. The System Identification Stage was a period centered on re-orientation and learning as the expatriates required time to digest the complexities of the new Taiwan environment and time to exit and disconnect from their previous work assignments and environments. Expatriates could then initiate programs in the Development Stage and move (provided they had continuity in their work assignments) to full productivity in the System Refinement Stage.

Figure 2 also shows how expatriate communication abilities had an impact on the length of the adaptation process. Drawing on the Du-Babcock and Babcock’s (1996) classification system that divided expatriates into three groups based on their second-language competencies, estimates comparing
the adjustment time frames for Zone One, Zone Two, and Zone Three managers are presented. Because of the small sample size (especially of Zones Two and Three managers) the time estimates may be indicative only of the present sample and caution is urged in generalizing these time frames. Definitions of Zone One, Zone Two, and Zone Three expatriates follow. In Zone One communication, although expatriates might be able to use greetings, ordinary social expressions, and ask simple questions in their daily encounters, almost all expatriate-Chinese personnel communication was transacted in English as the expatriates could not speak or understand enough Chinese to fulfill the complete communication process. In Zone Two, expatriate-Chinese communication was still primarily conducted in English but some communication exchanges could be in Chinese. The Chinese-language communication transactions were possible because Zone Two expatriates were partially bilingual. In other words, these Zone Two expatriates had sufficient control of the structure and adequate vocabulary to handle representation requirements and professional discussions in one or more specialized fields. Expatriates in Zone Three were fully bilingual; these individuals could choose to communicate in either English or Chinese.

In each of these zones the expatriates communicated with Chinese personnel who possessed varying second-language proficiency, from mid- to upper-level managers who were fully bilingual to workers with limited English-speaking abilities. In general, of four basic language skills, the majority of Chinese personnel had much better receiving skills; that is, listening and reading skills than sending skills such as speaking and writing. Enough of the Chinese respondents had adequate second-language proficiency in English so that the use of translators was not necessary but only approximately five to ten percent (depending on the company) of the Taiwanese interlocutors had the ability to handle interactive business related conversations.

Those in Zone Two and Zone Three had more direct access to the Taiwanese environment than did their Zone One counterparts. These individuals received information in the dominant local language of Mandarin (both Zone Two and Zone Three expatriates) and interactively communicated with an unlimited number of Chinese (Zone Three expatriates). Zone Three expatriates found the ability to communicate in Mandarin to be a valuable asset in establishing relationships and in gaining access to non-English speaking local Chinese. However, expatriates in technologically based industries together with government standard setters or regulators of these industries did not find second-language competency to be a critical factor affecting the communication effectiveness. The English proficiency of the governmental employees was deemed to be sufficient to conduct meetings in English and they even preferred to hold technical discussions in English. Speaking and listening in Chinese also reinforced and helped expatriates make sense of what they were
learning through observation. These combined factors interacted to speed up the adjustment process of Zones Two and Three expatriates although the effect was less pronounced in the technologically based industries where the English speaking abilities of the Chinese interlocutors was higher.

**Internal Adaptation**

*Expatriate Adjustment in the System Identification Stage*

Figure 3 describes the process of internal adaptation. The newly arrived expatriates entered previously established and “ongoing” managerial and organization systems. For the expatriates, the assigned secretaries and direct subordinates became the initial link to the organization. The overall approach of all successful expatriates was the same. They concentrated their activities on learning the new environment and directed only minor modifications to existing programs and limited the introduction of new programs and policies to those already approved corporate initiatives. Unsuccessful expatriate executives attempted the major implementation of new programs and radical changes in management approach.

Zone One expatriates (33 out of 41 interviewees) reported that they depended on the English fluency of their secretaries and immediate subordinates for the major portion of their verbal information input. These individuals served as language link-pins in the processing of information from the largely non-English or low-proficiency English-speaking staffs (see Du-Babcock and Babcock, 1996). Establishing favorable relationships and learning to communicate effectively through these link-pins to the Chinese staff was the major key success factor for Zone One expatriates in the System Identification Stage. These link-pins became the sole source of information that was coded exclusively in oral Chinese. Zone One expatriates also depended on these link-pins to interpret what they were (a) observing in an environment absent of intelligible verbal input and (b) translating into English company reports, memorandum and external publications (such as newspapers and trade association magazines).

In contrast, Zone Two expatriates (five individuals in the study) and Zone Three expatriates (three individuals in the study) could communicate with local Chinese staff directly in various degrees. Through listening and observing (the situation of Zone Two expatriates) and through interactive conversations (the possible situation of Zone Three expatriates), Zone Two and Three expatriates supplemented the information initially gathered through link-pin conversations. By gathering information through multiple input sources, Zone Two and Three expatriates checked, verified, and integrated the information into a broader based perspective. Establishing relationships with the
key link-pins was still critical for Zone Two and even Zone Three expatriates but was not language dependent as was the case for Zone One managers.

**Local Chinese Personnel Adjustment in the System Identification Stage**

The Chinese personnel progressed through a parallel adjustment period. During this period, the Chinese staff’s initial impression of the arriving expatriate was conditioned by their previous collective interactive experience with the departing expatriate and the generally favorable impression of Western culture and management systems. Selected Chinese individuals had direct intensive interaction with the expatriates (see previous section) and others observed the expatriate in the process of attending meetings or as the expatriate passed through the office hallways and toured the operational facilities. Most Chinese made their individual judgments as they received information that was passed through the organizational grapevine (Davis, 1953a). The initial impression of the expatriate was modified and updated as gossip was passed through separate grapevine branches. Through information transfer and a comparison of judgments among friends and between colleagues in the overlapping branches of the grapevine, a consensus judgment on the expatriate was reached.

**Expatriate Adjustment in the System Development Stage**

Expatriates put their individual “stamps” on the organization in this stage. Successful expatriates had now established their reputation as “honorable and trusted gentlemen” (Hsu, 1971, 1981) and were now in a position to introduce new policies and programs and to “personalize” a management system and approach. Major strategic thrusts were introduced at this stage. Zone One managers utilized a variety of methods in organizing indirect communication (sending and receiving information through language link-pins) and supplementing this major communication system by direct communication with lower proficiency English speakers. Du-Babcock and Babcock (1996) outlined the contrasting systems that the Zone One expatriates used in managing their divisions.

To secure an efficient communication flow in the organization, Zone One expatriates modified their approach to communication because they were unable to replicate their previous home country communication experiences. The overall process of communication can be divided into two sub-systems: direct and indirect strategies. The direct communication strategy refers to person-to-person interaction between expatriate and local Chinese personnel while indirect communication describes communication encounters in which messages were relayed through intermediaries or language link-pins to the Chinese receivers. In direct communication, English was the medium of
communication; that is the Zone One expatriates communicated in English to the Chinese personnel directly. Indirect communication consisted of two phases: expatriate to intermediary or language link-pin in Phase 1 and intermediary to enterprise personnel in Phase 2 (see Du-Babcock & Babcock, 1996, p. 145). Three types of language link-pins were developed in indirect communication; these were primary language link-pins, secondary language link-pins, and secretary link-pins.

The second-language (English) proficiency levels of the Chinese personnel had a determining effect on communication channels selected by the expatriates. The higher the English-language proficiency of the Chinese personnel, the less the Zone One expatriates had to modify their communication approach and the more they could communicate directly. In all 14 multinational corporations represented in the study, the level of English proficiency of the Chinese staff dictated the use of all of the sub-system patterns. For Zone One expatriates indirect communication became the dominant mode of organizational communication with direct communication playing a supporting and reinforcing role. The following section describes the different patterns of indirect communication pattern and how the expatriates used these patterns to strengthen their communication effectiveness.

The use of the indirect communication strategy allowed Zone One expatriates to communicate complicated English-language messages to the language link-pins whose levels of second-language proficiencies were such that they did not require either language simplification or the use of extra energy to send (encode) or receive (decode) messages. Zone One expatriates reported that, except for significantly less use of slang or Western humor, they could communicate using a sophisticated technical genre without feeling any inhibitions. Through continuous interaction in English, the expatriates developed close working relationships with the language link-pins (phase 1). The language link-pins guided the processes of both downward and upward organizational communication through their interaction in Chinese with enterprise staff (phase 2).

In Phase 1, the primary language link-pins interacted with the expatriates. It might even be said that they acted, along with the secretary link-pins, as the “ears and eyes” of the expatriates. In reference to the primary language link-pins, three patterns were identified: the chief-of-staff or the “assistant-to” pattern, the board-room or the group pattern, and the specialization pattern.

In the chief-of-staff or assistant-to pattern designated Chinese individuals linked the expatriate with the rest of the organization including managers who reported directly or indirectly to the expatriate. Accordingly, there was a two-way communication interchange between (a) the expatriate and the identified chief-of-staff and (b) the chief-of-staff or assistant-to and the Chinese managerial staff. These language link-pins continually switched back and forth be-
tween the English and Chinese languages, and communicated in both languages at a level of sophistication that required no language simplification.

The second Phase 1 communication strategy was that the expatriates communicated directly with all of their immediate subordinates. For example, at the chief executive officer (CEO) level, the board room group was composed of functional and product divisional managers. Coordination through regularly scheduled meetings was the integrative mechanism of this pattern. In three organizations, a sub-system was created where a designated person served as a spokesperson for the remaining board members by summarizing (at scheduled meetings) their informal pre-meeting Chinese language discussions. In the board room pattern, the expatriates worked with all of the functional managers and product divisional managers directly or indirectly to achieve integrative decisions.

A third primary language link-pin pattern represented specialization; the expatriates interacted with designated link-pin individuals in specified areas relating to technology and administration respectively. This pattern was observed in an electronics and computer firm. In this firm, the American CEO was linked to the organization through two Chinese managers. One manager specialized in general administrative affairs and possessed native-like English communication skills. The other manager, while lower in general English proficiency, was highly proficient in technical communication and specialized in overseeing technical affairs. The expatriate interacted with these two identified link-pins both individually and as a group of three, meeting with each individual link-pin on a daily basis and holding a weekly scheduled meeting for the three of them.

As the second-language proficiency of expatriates increased, the use of the language link-pins decreased. Thus, Zone Two and Three managers used a higher proportion of direct communication. These expatriates became more visible and more accountable in their adherence to Chinese cultural norms and behavior styles. One Zone Three manager deliberately avoided communicating in Mandarin with the specific intent of separating himself from the constraints of conforming to what he called Chinese style managerial practices. He felt more comfortable in using English to delegate authority to specific individuals rather than to groups. The theoretical explanation of this behavior pattern is that this Zone Three manager implicitly associated English language communication with the individualistic culture of the United States and Mandarin language communication with the collectivistic Chinese culture of Taiwan (Hofstede, 1991).

Local Chinese Staff Adjustment in the System Development Stage

The local Chinese staff reacted favorably to the management style and substantive expatriate program initiatives provided that these initiatives were
centered within their collective zone of indifference (Barnard, 1938). The management approach and expatriate style remained constrained by previous enterprise practice and the cultural norms of Chinese society but there remained a wide latitude for change. The Chinese reaction was especially favorable if an expatriate’s personalized approach was based on constructive decentralization and the encouragement of employee participation but also with a “safety net” for failure. Those expatriates who emphasized risk taking behavior and de-emphasized punishment for failure were able to bring out the ideas, creativity and new programs from their Chinese staff. In addition more Chinese disregarded their inhibitions in speaking English and stepped forward to assume link-pin roles in what they perceived was a safer and Western style individualized management system.

The System Refinement Stage

Only expatriates with approximately two years of experience and with an indefinite and continuous future in Taiwan were included in this stage. Expatriate and local Chinese staff interaction was conditioned by whether the assigned expatriate was staying on (especially if for an indefinite or a permanent basis) or leaving upon finishing the allocated time. In this case, having gone through a mutual learning curve experience, the expatriates and associated local staff were ready to move on to a more productive stage. This third stage represents a continuous period of refinement. This conclusion is consistent with the findings of Tung (1987, 1988) in her extensive research on expatriate behavior patterns.

The more likely scenario, as also reported by Tung (1987, 1988) and duplicated in the current study, is that both the expatriates and local staff were utilizing their energy and directing their attention toward wind down and transition activities. Turnover at the beginning of this stage (both actual and anticipated) may well be a major reason to explain the high failure rate and under-productivity of expatriate staff in overseas assignments.

Expatriate-Corporate Relationships

Maintaining and developing contacts with headquarters staff (especially with direct supervisors) and with company personnel representing other countries in the corporate network was also crucial to expatriate success. The development and maintenance of these relationships is necessarily reported only from the viewpoint of the interviewed expatriates. For expatriates on fixed-term assignments, the quantity and intensity of the interaction pattern with headquarters followed a U-shaped curve, with expatriates reducing or losing contact with headquarters in the middle of the assignment. Although
there were too few expatriates in this category to make generalization possible, for some mature expatriates with long tenure, the nature of the relationship was a function of personality. Regardless of tenure the major concern of all executive expatriates was losing influence in corporate matters as their personal relationships diminished with top level executives.

The nature of corporate strategy also characterized the interactive patterns of the expatriates. Expatriates in those firms following a global strategy had a wide range of contacts with company personnel located in other countries and with corporate headquarters. The intensity and nature of these relationship were governed and dictated by the integrative nature of global strategy. For other firms following a multi-domestic strategy, the relationships of the expatriate with personnel in other countries was minimal or non-existent. The relationship with headquarters also became minimal as interactions were increasingly with financial representatives and decreasingly with other executives in other areas. The intensity and frequency of contacts only went up if financial results declined-a situation which was clearly not beneficial vis-a-vis maintaining communication with the expatriate corporate elite.

External Adaptation

Figure 4 describes expatriate adaptation to the external environment. The expatriates concurrently managed two processes in collecting environmental information and in reacting to environmental opportunities and threats.

On the information side the expatriates developed a network of information contacts and sources over the course of the adjustment process. Kotter (1982), in reporting the behavior patterns of successful American managers, found that network development and maintenance was a prominent management function. A network of information sources is built up and expanded as managers progress upward in the organization hierarchy. In Taiwan, the expatriates duplicated the process identified by Kotter but they were constrained by language limitations, unfamiliarity with the Taiwanese environment and culture, and the time required to develop contacts and establish relationships. These disadvantages were partially overcome as other expatriates, being in similar situations, were eager to share information and created and responded to mechanisms for speeded up information exchange.

In the process of collecting information the expatriates were performing Mintzberg’s (1990) managerial roles. Interpersonal roles were fundamental to the process. In the figurehead role (being in the right place) and the liaison role (by putting oneself in the right place) the expatriates were establishing interpersonal contacts with those having access to information. In the informational roles the expatriates gave out information (spokesman role) and received information (monitor role) in what often-times was a reciprocal process.
The general pattern in developing an environmental information system was that the expatriates gradually shifted from general contacts to industry specific contacts and from almost all expatriate contacts (in the case of Zone One expatriates) to the inclusion of a higher percentage of Chinese contacts. Expatriates initially met informally and exchanged information and impressions with other newcomers. Information networks were formed and expanded concentrically through an informal system of referrals and chance meetings. The newly arrived expatriates took full advantage of the American Club in Taipei and also industry centered organizations such as the Bankers’ Club and the Chamber of Commerce. These clubs served the dual purpose of providing a social environment and, more importantly, a safe and easily identifiable place to start the process of developing a network of contacts and information sources. Out of necessity and with identifiable and approachable English speakers, the expatriates in Taipei developed an initial base of contacts within a three- to six-month period (the System Identification Stage). The discussions centered on exchanging general environmental information (getting a “handle on the lay of the land” in the words of an American expatriate) and on developing managerial approaches and designing programs. Discussions progressed to specific areas directly related to the spheres of the influence of the expatriate interlocutors over the course of the adjustment cycle. One American expatriate with an 11-year residency in Taiwan had built a favorable reputation and had access to government officials at the cabinet level in the national Taiwanese government. He commented that it took him several years before prominent officials would take his calls directly and that he could only openly discuss sensitive issues with officials he had known for many years and with whom he had developed a feeling of mutual trust. Relationships building and renewal was seen as a continuing task.

On the opportunities and threats side the expatriates identified and dealt with the appropriate parties as situations arose. Responding to an opportunity one expatriate negotiated a successful contract for a major governmental building. He was carrying out Mintzberg’s negotiation role. Responding to a threat another expatriate reacted to the possibility of tighter standards and increased regulation of pollution discharge from chip manufacturing. Precise standards regarding pollution discharges were being proposed but had not yet been written by the responsible government agency. The American CEO met with the head of the governmental agency in charge of pollution control and proposed a plan for the disposal of the waste product. This plan exceeded the standards under discussion by agency personnel during this period and created a feeling of goodwill between the company and the regulating agency.

The duration of the active relationship between the expatriate and the parties representing an opportunity or threat corresponded to the duration of the opportunity or threat. Once the opportunity or threat had been attended to, the relation-
ship became dormant as the active need for interaction had ceased. Relationships with information sources were also terminated as the expatriates gradually screened out less valuable sources while concurrently keeping and exchanging information with more valuable ones. Using this process, successful expatriates expanded both the quantity and nature of their contacts. As an expatriate dealt with opportunities or threats, the reputation of that expatriate also grew. Provided that a reputation was positive, the expatriate gained access to important individuals and received more respect in his relationships. The expatriates became more comfortable and effective as they progressed through the adjustment process. These rising comfort and effectiveness levels were associated with a growing awareness and skill in managing external relationships.

Being hospitable and gracious hosts (Hsu, 1971) the approached Chinese officials were polite if not always helpful. The expatriates stressed the importance of developing a relationship ("guanxi") with powerful individuals in agencies regulating their industries. This pattern is consistent with the behavioral patterns in Chinese societies (Redding, 1990). The officials interviewed stated that they treated all industry representatives fairly and made "a special effort to overcome language problems." Without direct data from Chinese officials on their interlocutive relationships with expatriates in the current study, the behavior of these officials can only be surmised and inferred. As the governmental grapevine is active, it is highly probable that an expatriate with a "bad" reputation was "blackballed" or at least monitored closely. In addition, expatriates representing well known, powerful, and preferred industries may well have received preferential attention and treatment.

**IMPLICATIONS AND CONCLUSIONS**

The present study not only confirms that there are identifiable and progressive stages in the adjustment cycle of expatriates but also suggests that the expatriate adjustment process (see literature review) is more intricate and demanding than previously reported. The prior models, focusing on the personal adjustment of the expatriate, suggest that the expatriate reaches an equilibrium (variously described as mastery, stable state, or high level) after a six-month period while the present study suggests that the adjustment process requires at least a two-year period because of the complex interplay of internal and external factors. The first stage of the on-the-job adjustment process in the current model is equivalent to the completed adjustment process of personal expatriate adjustment in the previous models.

Accordingly, the findings have implications for organizational decision making. By drawing inferences from the previous work on the personal adjustment cycle, organizational decision makers may have assumed that a six-month adjustment period was sufficient. The present research suggests
that the completion of a much longer adjustment of at least two years is required for an expatriate to become fully productive. To increase the probability of success of expatriate overseas assignments, organizations should appoint expatriates to terms that are long enough to allow them to reach levels of high productivity. Incentives to induce capable expatriates to extend their terms of assignments should also be explored. Assigning expatriates for longer periods and not expecting maximum productivity while the expatriates are still adjusting should reduce the high expatriate failure rate that Tung (1982, 1987, 1988) has reported. At the same time, corporate management needs to address expatriate concerns with regard to being connected and integrated into the corporate structure and culture. All firms, but especially those following multi-domestic strategies, need to pay special attention in keeping track of their expatriates. Programs might be established in which expatriates are brought back to corporate headquarters at regular intervals in order to reduce the isolation of being stationed abroad. Programs like these would be especially important for those expatriates on longer overseas stays. Organizations should also consider language and cultural variables in the selection and training of expatriates. The following are three specific suggestions: (1) matching language skills with the language spoken in the country of assignment, (2) providing cultural awareness and skill training to compensate for second language deficiencies, and (3) teaching the specific skills, especially for Zone One expatriates, of communicating through both direct and indirect communication channels.

The present study looked at the internal and external adaptations between expatriates from low-context and individualistic Western countries and local Chinese staff from a high-context and collectivistic culture, i.e., Taiwan. Since the relationships in the current study’s model are based on 16 Taiwan organizations, generalizability beyond Taiwan cannot be assumed. Further investigation of the specific aspects identified in the model and large scale replication will of course add to its generalizability. The integration of personal and on-the-job factors also will provide a more complete picture of expatriate adaptation.

REFERENCES


