

**Expatriates' Adjustment Challenges: A Case Study of Chinese  
Expatriates in Islamabad, Pakistan**



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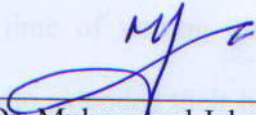
**ISLAMABAD**

**2017**


## CERTIFICATE

This is to certify that this thesis entitled: "*Expatriates' Adjustment Challenges: A Case Study of Chinese Expatriates in Islamabad, Pakistan*" submitted by Jawad Ali is accepted in its present form by the Department of Development Studies, Pakistan Institute of Development Economics (PIDE), Islamabad as satisfying the requirements for partial fulfillment of the degree in Master of Philosophy in Development Studies.


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## **Acknowledgment**

First and foremost, I would like to thank Allah, the most gracious and compassionate, who granted me the strength and opportunity to complete my dissertation of M. Phil development studies. Second, I would like to express my sincere thanks to my kind supervisor; Dr Mohammad Jahangir khan (Assistant professor at PIDE, Islamabad) for his continued support and advice throughout my dissertation, for his patience, motivation and immense knowledge. His guidance helped me in all the time of writing dissertation. Third, my indebtedness and gratitude to special individuals who extended their help in the completion of my dissertation can't be conveyed in a few words and sentences. However, I must record my immense indebtedness to my best friends Mr. Shakeel Shahzad (PhD Econometrics scholar at PIDE), Mr. Ikram-Ullah (MS Management Science at IMSciences, Peshawar), Muhammad Azeem Sarwar Khattak (M. Phil Economics and Finance at PIDE) and Mr. Fida Khan (Lecturer of Development Studies at PIDE) for their stimulating discussions, valuable comments and help in data compilation of my whole dissertation. I am also thankful to my respondents for taking out their precious time for providing information, without which this dissertation was impossible.

Last but not the least, I would like to thank my family; my parents for their spiritual and financial support throughout my life.

*Jawad Ali*

## **Abstract**

The expatriates' posting overseas are very costly for executive's undertakings of Multinational Corporations. The purpose of this study was to investigate the relationship of challenges faced by Chinese expatriates with their adjustment and its influence on turnover tendencies. A sample of 67 Chinese expatriates both male and female living and working for at least six months in Islamabad was interviewed through snow ball sampling techniques. This study was carried out with a conceptual framework having dependent variable i.e. intent to leave job, location and organization and independent variables pertaining to three main domains such as personal, work/organizational and environmental factors. For getting factual results apart from uni-variate analysis of data, statistical techniques i.e. Pearson's correlation and step-wise regression analysis were also used. The results revealed that material life satisfaction and job autonomy were the important predictors of adjustment either out or within country. In the case for adjustment to organization, job autonomy succeeds material life satisfaction as the guide predictor of adjustment tendencies. The Chinese expatriates attached more significance to sustain standard of hard work in employing to overseas locations.

**DEDICATION**

*This dissertation is dedicated to my beloved parents, brother and sisters*

*For their endless love, support and encouragement*

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## **List of Acronyms**

CCT	Cross Cultural Training
CPEC	China-Pakistan Economic Corridor
EU	European Union
FTA	Free Trade Agreement
HRM	Human Resource Management
MNCs	Multinational Companies
PRC	People Republic of China
USA	United States of America
US	United States

# Chapter 1

## INTRODUCTION

The growing interweaving of Pakistan and China economies as evident from the current huge project of China-Pakistan Economic Corridor (CPEC), which will lead to a greater intercultural exposure and economic interdependence. It will also lead to greater investments of Chinese in Pakistan and will demand for Chinese expatriates' managers to handle their businesses operation in Pakistan.

The individuals who reside and work out of their home country for an unlimited period of time are known as "expatriates". It is estimated that about 3% of the global population living and working out of their home countries (United Nations, 2002). The expatriates working overseas is usually considered to have career merits and financial benefits (Benson and Pattie, 2008) but at the same time it is also perceived as a very stimulated, traumatic and transformational experience for them to successfully adjust with an unfamiliar situation of the host country (Ward and Rana-Deuba, 2000; Zakaria, 2000). As a result their failure is more reported in the previous literature (Schraeder and Simms, 2004). According to Webb and Wright (1996) about 40% of all expatriates' assignments were found to be failed, with an estimated rate of failure in host countries reached up to 70 % (Naumman, 1992). A survey by Tung (1981) had shown that expatriates' failure rate is between 10-20%, and 7% of the firms recall back about 30% of its expatriates due to their inability to successfully perform abroad. Similarly, Foster (1997) reported that failure rate reached to 70% in the developing parts of the world. The direct

expenses can be more than \$150,000 per individual expatriate (Copeland and Griggs, 1986) and has reached up to 1 million dollars for each failure (Shannon house, 1996).

Chinese people are one of the significant expatriate communities in Pakistan. It was estimated in 2015, that there were 8,112 Chinese people working in Pakistan and it is also predicted that further more about 7,000 Chinese will arrive and will working in China-Pakistan Economic Corridor (CPEC). It will increase to total population of about 15,000 Chinese expatriates in the next coming years (Qadeer, 2016).

Now, in order to enable such a huge population of Chinese' expatriates to successfully adjust in Pakistan, this study was focused on investigating the challenges faced by expatriates of China with their adjustment in Pakistan.

### **1.1 Statement of the Problem**

There was abundant literature available on the challenges faced by expatriates in different countries of the world but no any literature was available on challenges faced by Chinese expatriates which have affected their adjustment in Pakistan.

Moreover, the average estimated cost of failing expatriates was very high and it may be that some of the challenging factors in Pakistan lead to a greater attrition rate among Chinese expatriates that could adversely affect CPEC projects.

## **1.2 Research Objectives**

The current study included the following objectives:

- To find out the relationship of personal, job and environmental challenges with their adjustment to job, location and organization.
- To give policy recommendations for successful adjustment of expatriates in Pakistan.

## **1.3 Significance of the Study**

This study was found meaningful to facilitate successful adjustment of expatriates employed to Pakistan, which has decreased premature repatriation leading to negative consequences of their career and had saved huge cost to their employers. Additionally, understanding the root causes of differences in adjustment between China and Pakistan is an attempt to build larger trade comprehension and harmony between the two countries. This was not only to develop the mutual understanding required by boosting economic and cultural trade, but might also bring peace and prosperity between the two nuclear powers. The study is also to help the managers, employers and other professionals and individuals interested in the management and importance of international human resource development in the management of overseas employees.

## **1.4 Research Gap**

The previous literature on expatriates has analyzed the adjustment challenges of expatriates employed either by different organizations or by selves in various parts of the world. But one of the significant areas of research which is found unexplored and has neglected is the challenges faced by expatriates of China with their adjustment in Pakistan. Where, their challenges and adjustment situation are greatly different from their home country (China). The existing study had covered this gap and adopted an individual level quantitative approach.

## **1.5 Research Design**

Research design is the logic of a research that focuses on how the research is to be carried out. It displays the greater components of the study such as sample or groups, program, treatments and measures. It acts like an architectural outline for the study. Yin (2003) described the research design as colloquially it is a plane of action for going from 'here to there, 'here' be defined as the initial questions that should have to be answered while 'there' means a set of answers or reaching to the conclusion. There are various types of research design such as: basic or fundamental research, descriptive research, assessment and evaluation research, applied research and action research. The one and most important thing before deciding a research design is to identify the research questions that are to be asked (Yin, 2003).

The current study contain the questions; what are the challenges faced by Chinese expatriates in Islamabad? And what are the relationships of personal, job and environmental factors with their adjustment to job, location and organization? So according to Yin (2013) the questions of research that focuses on 'what' are descriptive. Considering the research questions and objectives, the present study had used a research design of descriptive nature.

## **1.6 Key Terms**

This section contain some key terms which are very important to discuss. This will clarify the relationship between these concepts and will equip us with better understanding of the related studies in this context.

### **1.6.1 Adjustment**

Adjustment is a process through which an individual or living organism maintains a balance between its need and the circumstances. It is a continuous process through which a person varies

his behaviors to produce a more harmonious relationship between himself and environment. It is also defines as the adaptation process of an individual to its surrounding. The three terms; adjustment, acculturation and adaptation are interchangeably used in literature (Hanigan, 1990). Therefore all these three terms were considered identical and were interchangeably used throughout this study.

### **1.6.2 Antecedents**

Antecedents are the factors and inputs that play an important role in adaptation and adjustment of expatriates. The two terms antecedent and factors were interchangeably used in this inquiry.

### **1.6.3 Anxiety**

It is a fear characterized by devastating conditions, which interferes in the normal function of human life (Cornell, 2010).

### **1.6.4 Culture**

It is the learned and shared knowledge, values, rules and beliefs of a social group that influences the behaviors (Hofstede, 2004).

### **1.6.5 Cultural distance**

It is defined as differences between the culture of home and host country (Hemmasi and Downes, 2013).

### **1.6.6 Cultural intelligence**

It refers to the ability of an individual to adjust successfully with setting of new culture (Joo-seng, 2004).

### **1.6.7 Culture shock**

The term was first coined by an anthropologist Oberg (1960) refers to the anxiety resulted from losing all known symbols and signs of social interaction.

### **1.6.8 Expatriate success**

Expatriate success refers to an effective performance of expatriate assignment in the whole period of his/her stay with concerned employer abroad (Tung, 1987).

### **1.6.9 Expatriate failure**

It refers to the expatriate' unsuccessful achievement of overseas assignment along with premature return to his/her home country before the completion of signed contract with concerned employer.

### **1.6.10 Intercultural or cross-cultural**

It describes the relevant variables to several cultures around the globe.

### **1.6.11 Intercultural effectiveness**

It refers to the competency or skills of an individual inside the cultural environment.

### **1.6.12 Repatriation**

This refers to the act of returning back to the home country. In this study it means the expatriates returning back to their home country back for work.

### **1.6.13 Sojourn**

It deals with temporary stay of individuals at an unfamiliar place (Furnham and Bochner, 1986).

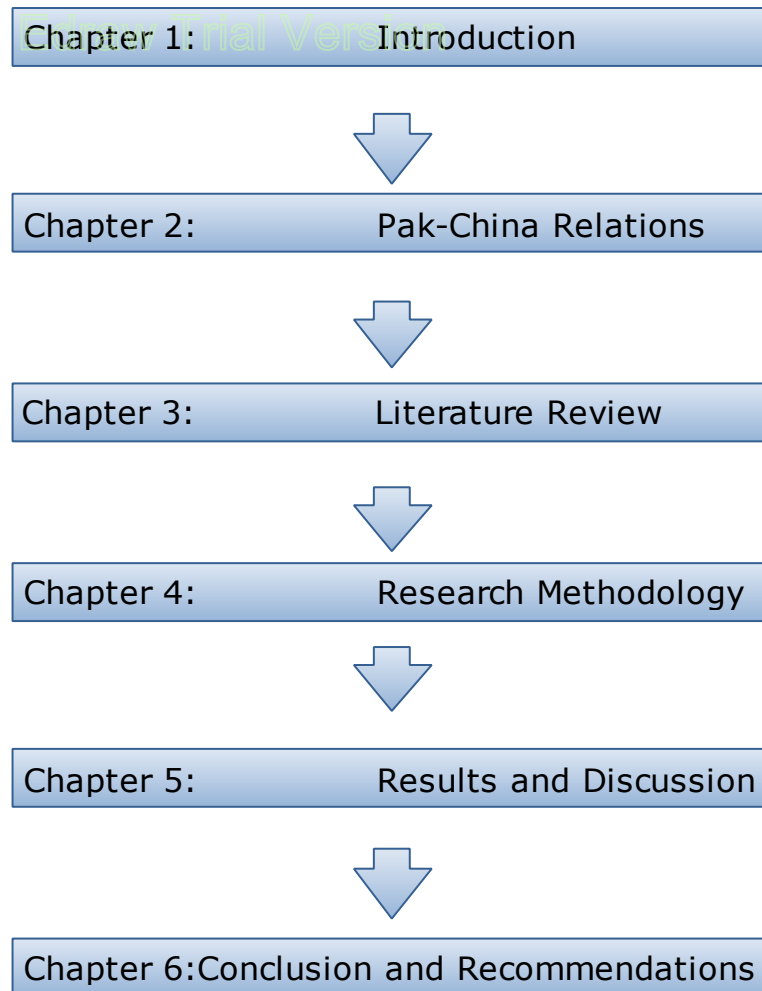


#### **1.6.14 Stress**

It is the psychological and physiological state of individual caused by the practice of stressors in the surrounding and which needs some reduction by mechanism of coping so that a an effective adjustment to the new setting is accomplished.

## 1.7 Research Outlines and Procedures

The existing study was organized into the following chapters as represented by figure 1 below.



**Figure 1: Research organizational structure**

## Chapter 2

### PAKISTAN-CHINA RELATIONS

In the international relations, it is difficult to have a permanent enemy or friend. The one thing that can remain for longer time is the interest of a nation, which depends on both regional as well as international situation. The interest of a nation can define its country foreign policy. The Asia has two regions; East Asia and South Asia. The East Asia includes six countries namely; Taiwan, Hong Kong, North Korea, South Korea, Japan and China and South Asia is composed of seven countries such as; Pakistan, Bangladesh, Maldives, India, Sri Lanka, Bhutan and Nepal.

When bi-polarity was abolished in 1989, the process of globalization was increased and priorities for geo-strategies were formulated again in such a way to focus more on geo-economic considerations in relation with other countries. South Asia is both geo-strategically as well as geo-politically very imperative for the whole world. Historically, there are several events that make the region important for the other countries such as; (i) 9/11 incidence and USA subsequent existence in Afghanistan (ii) Then invasions of Soviet Union in Afghanistan (iii) Nuclear tests of India and Pakistan in the region (iv) Un-resolved issues of Kashmir and (v) The Wars between Pakistan and India in 1971 and 1965 (Malik, 2012). On the other hand the economy of East Asia is one of the largest prosperous and successful economies in the world. The one more populous and powerful country in the region is the People Republic of China. The China with its population more than 1.38 billion (2017), is the world second largest economy, second largest consumer of oil and energy and largest importer and exporter of goods in the world.

A super power such as United States of America (USA) already has more influenced in the region. But a fact which also cannot be denied that China is a great power that can maintain stability, peace and balance of power in the region. The foreign policy of China toward South Asian states based on state to state relationship along with five basic principles of mutual existence such as; no intervention in internal affairs, sovereignty respect of an independent country, understanding, confidence and relationship based mutual trust.

China relations with South Asian countries (i.e., Pakistan) depend on its economic interest in the region. Pakistan act like a bridge for China to access oil rich countries. Therefore, China can fulfill its need from natural resources rich countries through the cheap and safe route of Gwadar port in Baluchistan, Pakistan. Moreover, China plan is also to connect with port of Gwadar by rail and road to make strong economic tie with Pakistan. Similarly, Pakistan has also economic opportunities and strategic interest in keeping strong relations with China. The Pakistan also needs help of China in the ground of nuclear, defense and economic development. In earlier time people seem that Pakistan need China more than it need Pakistan. But recently the greater changes in global scenarios made both countries beneficial for each others. China has always given defense and economic assistance to Pakistan, which remained the strongest ally of China in the area. China shares its military relations and transferring its equipment to defense forces of Pakistan. China provided both moral as well as material support to Pakistan and played role of frontline state against terrorism during Soviet attack on Afghanistan war against India. China has been remained a big supporter of Pakistan against India and a counter USA influence in South Asia. Moreover, in order to prevent a possible war between India and Pakistan in 2002, China Join the effort of European Union (EU) and United States (US). China has been remained a big donor state to all countries in South Asia particularly to Pakistan.

Both Pakistan and China faced the disaster of earthquake in 2005 and 2008 respectively. Their strong mutual cooperation with each other in time of need has confirmed their time test and long lasting friendship. That is why their strong friendship is also known as all weather friends. China provided \$ 6.2 million aid to Pakistan after the earthquake of 8 October, 2005 (Weidong, 2005). This aid was composed on 3380 tents, 150,000 new blankets of worth 50 million Yuan. Total aid package from China was reached up to \$ 20.5 million (Weidong, 2005). China also helped through its rescue teams in Balakot; the worse affected area in Pakistan. China also provided its immediate aids package of about \$250 million after flood disaster in 2010 to Pakistan. Pakistan in the South Asia is the first state that signed FTA (free trade agreement) with China in 2006 and was implemented in 2007. The Pakistan and China are good trading partners. The FTA agreement was divided into two stages in which first stage completed in 2012 and second phase was started in 2013. It is predicted that FTA will attain \$15 billion in phase second. Pakistan exports were increased during the initial five years of FTA agreement. The imports and exports from China represented yearly by the table.1 as below:

**Table 1: Trade performance between China and Pakistan after FTA (2006-2012)**

<b>In Million Dollars</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Imports from China	2915	4164	4738	3780	5248	6471	6688
Percentage (%) of total imports from world	10%	13%	11%	12%	14%	15%	16%
Exports to China	507	614	727	998	1436	1679	2620
Percentage (%) of total exports to world	3%	3%	4%	6%	7%	7%	11%

Therefore, it is planned to extend FTA for next the five years. The FTA remained very important both in economic and strategic relations between these two countries. Pakistan

provided market access to China in the product of cotton, sports goods, marble, bed linen, vegetables, fruits, and other raw materials. China has been supported Pakistan in infrastructure, defense, technological development (Pakistan business council, 2013). It provided access to Pakistan in different commodities such as chemical, organic, machinery, fishery, plastic, rubber, leather and industrial machineries (Riaz Kataria Jafar and Naveed Anum, 2013). Pakistan is one of the first Muslim and third non-communist countries to admit People Republic of China (PRC) in 1950 in the world. This proved path to be a prelude to formal diplomatic relations between the two countries in 1951. It is also the first Islamic country to establish diplomatic relations with China. Pakistan supported Chinese point of view over one China policy as well as on Tibet and Taiwan issues.

China needs help of Pakistan to control terrorists activates in province of Xinjiang and northern areas of Pakistan closed to its boundary. Therefore, Pakistan and China relations are strategically very important for each others. After the Bandung conference in 1955 with the efforts of Premier Minister Zhou Enlai a mutual sincere trust between the two countries was seeded towards a common development. In Pakistan there is a huge Chinese investment that are likely to be investing in the development of infrastructure, roads, highways, ports, energies and communications sectors. To the present, the two countries have gone through a stormy and rainy journey of nearly 65 years friendship played irreplaceable roles in the process of each other development (Jiamei Zhang, 2015). The future of such like friendship will be bright and affluent. The Pakistan China strong socio-economic relationship will be more useful to bring prosperity and development in the region. The relations between these two states described as “higher than Himalaya and deeper than Arabian Sea” (Iqbal, 2011).

## Chapter 3

### LITERATURE REVIEW

Reference to the concepts and research findings in the previous literature to identify the required approach and framework is the part of a valid methodology to write a review of literature. Therefore, the objective of this literature review is to incorporate the key concepts related to the literature on challenges faces by expatriates during their adjustment overseas and the associated theoretical framework within current study. It also aims to develop the phenomenon and construct of research in proper theoretical perspectives and to summarize the significant findings related to expatriates' adjustment challenges abroad.

Expatriates are those individuals who are not the permanent residents of the countries in which they are assigned to work. The McKenna and Richardson (2002) had defined expatriates as the temporary living professionals in other country, but normally for more than one year. Currently, the term has come to involve those persons who are not assigned overseas but searching out international jobs and services for themselves (Brewster and Suutari, 2000). The expatriates are differentiated from people who travel such as migrant or tourists by reasons of travel and length of time (Cieri, Dowling and Taylor, 1991).

Despite of huge costs associated with global assignment, expatriates bring abundant of benefits such as transfer of technical knowledge and culture by involving and acquisition of global training programs and on time entry to the markets. In general, besides monitoring and controlling it is also used to accomplish the financial distribution and profit gain both to individual as well as to company. An expatriate is expected to extend his/her knowledge and

skills in technology transfer (Shephard, 1996). The organizations carrying out these assignments for achieving variety of objectives, particularly cover a skills gap in another country, motivate transfer organizational culture and knowledge between the home country of organization and its overseas agencies and offices, and also to built management expertise (Brookfield, 2009). Hetrick (2002) argued that MNCs basically recruit expatriates for various reasons including: (a) temporary projects (b) culture transfer (c) control and coordination (d) lack of local know-how and (e) personnel development. It is very difficult to carry out assignment abroad, however it is very important for employee and organization to ensure success for all the time but this is certainly not always being the case (Schraeder and Simms, 2004). Expatriates abroad not only introduced to unknown cultures but are affected by other challenges and it is difficult for them to easily adjust there.

### **3.1 Adjustment**

Hanigan (1990) has defined adjustment as a process through which an individual maintain a balance between its need and circumstances. It is a continuous process through which a person changes his/her behaviors to produce a more harmonious relationship between themselves and their environment. There are various definitions of adjustment offered by different literatures. The most popular among these is the definition of Berry (1994) argued that there are three primary adaptation strategies established at the individual level such as adjustment, reaction and withdrawal. Black (1988) proposes that there are at least two facets of expatriate adjustment: work adjustment and general adjustment. Black and Stephens (1989) further extended this framework and suggested that there is also another special facet of expatriate adjustment: adjustment to work, which include supervision, responsibilities and performances; adjustment to interacting with host nationals and; adjustment to the general environment which include



conditions of life in foreign country. Most of the researchers have confirmed this typology (Okpara and Kabongo 2010).

Turner (1988) has explained the concept of adjustment as the third phase of culture shock in which the individual learning about the effective strategies of conflict resolution and problem solving. The three terms; adjustment, acculturation and adaptation are interchangeably used in literature (Hanigan, 1990). Therefore all these three terms will be considered identical and will be interchangeably used throughout the study.

There are two types of adjustment; anticipatory and in-country adjustment. Which expatriates are trying to make when going for international assignment. The anticipatory adjustment is practiced prior when an expatriate going for assignment abroad, while in-country adjustment is carried out on site. The first anticipatory adjustment of expatriate is affected by many other key factors. One of those factors is the pre-departure training that is carried out before departure. It is mostly provided in the form of cross-cultural workshops and seminars, developed in such a designed to explain the life of work and culture of host country to expatriates. The second anticipatory adjustment is affected by earlier experiences of expatriate in doing assignment in the assigned country or in those with of similar cultures. Both of these factors training and previous experiences are very significant in determining the precision of expatriates' expectation. The inputs that an organization added to the process of expatriates' adjustment are positively related to the process of selection. The other factor that has mostly gain the focus of overseas recruitment agencies is the technical competences. No doubt it is very important factor, but it is one in many other necessary ingredients. When agencies considering this as a good criterion for selection, then these are not correctly managing expatriates for an effective adjustment to international assignments. Expatriates understand themselves as are

prepared for coping with challenges abroad, and finally they find themselves as wrong (Hodgetts and Luthans, 2003).

The second in-country adjustment of expatriates, is also been affected by many other key factors. Those have influenced their ability to adjust successfully. First factor is the ability of expatriate to sustain a good outlook and effectively interact in high pressure situation with people of host country to evaluate their norms and cultural values correctly. Second, job itself is also a factor as cleared from the role of expatriates play in management team of host country, the level of role, conflict and challenges with related work because of newness and the expatriates' authority to make decisions. Third, the culture of organization and how an expatriate can adjust easily to that. A fourth factor is not related to work for instance; the toughness of experiencing whole new culture and how well family of expatriate adjusts to the new assignment. The final and fifth factor is the ability of expatriate to develop successful socialization strategies to know what is what in the organization of the host country (Hodgetts and Luthans, 2003). Both of the factors anticipatory as well as in-country can easily affect the degree and mode of adjustment to international assignment. These factors fill a broader continuum of thoughts. It can assist to describe that why successful selection of expatriates has many sides and could be hard and challenging. If all of these are found to work well then individual could become a key part of the organizations and global activities.

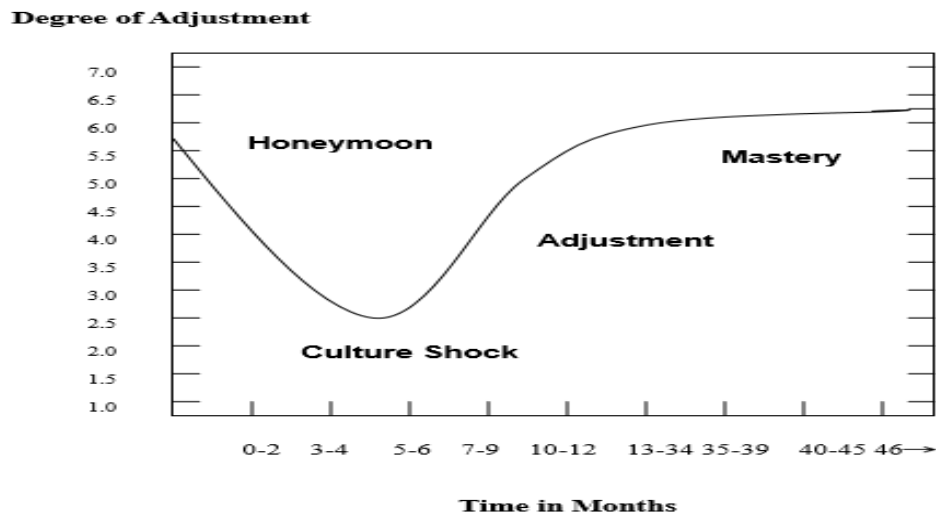
### **3.2 Theory of Adjustment**

The literature has provided four theories regarding adjustment of expatriates abroad. Such four theories which lead to the study on adjustment of expatriates include: Mendenhall and Oddou's (1985) dimensions of cross-cultural acculturation; Black, Mendenhall and Oddou's (1991) an integration of multiple theoretical perspectives: and Lysgaard's (1995) u-curve theory of

adjustment and the cross-cultural cycle of Havelock (1963), Conner (1993), and Zakaria (2000). The research framework for the present study is developed and designed on the basis of these four theories.

### 3.2.1 U-Curve Theory of Adjustment

The proposed adjustment of expatriates abroad based on the work of Lysgaard (1955) occurred in four stages which are known as the U-curve theory of adjustment. The theory demonstrated the adjustment as the progression of four stages such as; honeymoon, cultural shock, adjustment and mastery as represented in the following figure.



**Figure 2: U-curve theory of adjustment**

Once an expatriate arrived to an overseas culture there usually start a short phase known as honeymoon phase followed by cultural shock phase, then expatriate experienced an adjustment phase and lastly experienced a stabilized phase of mastery (Torbion, 1988). The Black and Mendenhall (1991) explained this theory of adjustment in the form of social learning theory. They are of the view that the first phase situated in the few weeks after arrival of expatriate to the foreign country. In this stage he/she is attracted by new and different features of

the new country and its culture (Torbion, 1988). In this initial stage the expatriate has not enough time and experience to find out his/her previous habits and behaviors not suitable in the culture of new country. Therefore the newness and absence of negative feedback of the overseas culture combine together and produce a honeymoon like effect. However when the expatriate start to cope with overseas culture seriously with the actual conditions of daily life, then a second phase of adjustment starts which is characterized by frustration and hostility toward the host country and its nationals such phase is known as cultural shock phase (Torbion, 1988). In this stage the individual becomes enabling to discover its earlier behaviors as inappropriate in the setting of new country but still has not learned that what to substitutes. Torbion (1988) argued that the phase of cultural shock normally occurs during the transition between second and third phase when he/she has received the greater negative feedback but still has learned little that what the proper behaviors are. After that the third phase of adjustment begins in which the individuals need some skills of language and ability to adjust and moves around his/her own. This stage of adjustment is known as the phase of adjustment (Torbion, 1988). In this stage he/she starts to learn about how to get surrounding situation and some other suitable behavior for the adjustment. Here, the individual has developed some proficiency skills to perform new set of behaviors (Black, 1988). Finally in the last stage the individual has generally completed adaptation and any incremental degree of adjustment is negligible. This stage of adjustment is known as mastery phase of mastery. In this stage the person has the ability to perform the required behaviors and can function successfully without anxiety to difference in setting between the home and host country (Bhaskar-Shrinivas et al. 2005).

In conclusion, the adjustment with an unfamiliar situation is a process that normally more intense and is resembles to the ups and downs, excitement and frustrations that all expatriates are experiencing after their first arrival to a new country and when they start a new job and service.

Expatriates living and working in a new cultural environment bound to face challenges and make adjustments in their way of life to make their assignment successful (Ward and Rana-Deuba, 2000; Zakaria, 2000). The Bochner and Funham (1986) suggested numerous adimensions of business transfer those affect the expatriates' process of adjustment includes: (a) time; (b) social support; (c) return distance; (d) volunteering; (e) job; and (f) country. The personal factors such as spousal discontent (Black and Stephens, 1991; Tung, 1987), materialism (Birdseye and Hill, 1995), work related issues (i.e., lack of cross cultural training (CCT) and support) (Hetrick, 2002) and consumerism as situational factors (i.e., poor cultural preparation) (Black and Mendenhall, 1990; Tung, 1986) and; negatively affect expatriates. The reasons due to which expatriates functioning in overseas environment with diverse economic, political and socio-cultural conditions often faced personal, job related and socio-cultural challenges (Birdseye and Hall, 1995). So, attempt to explore what determines success or failures of expatriates on overseas assignment have resulted in enormous literature on adaptation abroad. In the recent decade, three of the many significant factors such as individual/personal, work related and socio-cultural/environmental challenges affecting expatriates' adjustment overseas have drawn more attention of researchers and policy makers around the world.

### **3.3 Personal Challenges**

The individual challenges are subdivided into demographic, family situation and quality of life indicators. Naumann (1992) is of the view that generally demographic factors such as age, marital status and education are not correlated with variables of organizational commitment. The Dewar and Werbel (199) argued that age has weak association with job satisfaction. But Morries and Sherman (1981) identified that it has a strong correlation with organizational commitment in the context of home studies. The Mamman (1995) argued that age has played a vital role in

expatriate success, supported by Shaffer and Harrison (2001) argued that the younger children such as pre-schools kids, can adjusted easily to a new culture and country as compared to the older children. But in certain cases, age has achieved a better respect by society as older age bring greater social status and helped in their adjustment.

Similarly, marital status is also a controversial factor in expatriates' adjustment identified by Tung (1984) as the main reason of expatriates' failure on overseas assignment and supported by Alshammari Hammad (2012) who evaluated the role of marital status on adaptation of self initiated expatriates, and concluded that marital status has no effect on adjustment of self initiated expatriates. While, Naumann (1992) argued that marriage is a stabilizing factor for their adjustment abroad.

Likewise, education is also viewed as negatively correlated with commitment of workers in the domestic studies but Naumann (1992) argued that higher education bring realistic realigns of expatriates' expectations about what to anticipate overseas. Similarly, expatriates' fluency in language of host country has also affected their adjustment. It has moderated the effect of other inputs on adjustment (Bell and Harrison, 1996). If an expatriate is not fluent in language of host country then other inputs in his/her adjustment could not be meaningful.

The family and spouse is the second factor related to individual or personal challenges. The Black and Stephens (1989) argued that proper adjustments of family and spouse are positively correlated with expatriates' effective adjustment which is supported by study of Takeuchi et al., (2002) revealed that adjustment of expatriates is more dependent on the adjustment of their family and vice-versa; this is known as a spillover effect. While, Tung (1982) study revealed that problems related to family are accounted as 2/3 of the more cited reasons of expatriates' failure. Black and Stephens (1989) explained that expatriate spouse adjustment are

greatly dependent on the expatriate manager that in turn positively correlated to the plan of expatriate to remained on foreign assignment.

The life partners or wives of expatriates are more vulnerable to the stress experiences even adjusting to unfamiliar situation and environment (Harvey, 1985). The female expatriates are more competent to succeed in carrying out international assignment (Caligiuri et al 1998, Caligiuri and Tung 1999, Caligiuri and Cascio 2000, Caligiuri et al 2001, and Caligiuri and Lazarova 2002). Pickard (1994) stated that both expatriate managers as well as their spouses favor cross cultural training (CCT) as cross cultural awareness, develop adjustment to overseas living and working environment; especially when residing in isolated communities.

The final factor related to individual challenges is life quality of individual contains life autonomy and life satisfaction. Life autonomy derived from the work of Andrew and Withey (1974) means that how much a person feel free to live as he/she choose. Satisfaction with life has not been identified as a major problem in domestic satisfaction and turnover study but the off job challenges such as having employees who are using alcohols had also influenced job performance of expatriates (Sussman and Smith, 1992). Similarly, the overseas experiences of expatriate have been identified as predictors of his/her success on international assignment (Black and Stephens, 1989).

Apart from these factors, there are also some other factors affecting individual adjustment such as Levy et al. (2007) identified that expatriates possess higher cognitive complexities will be more true and effective in developing general thoughts and conceptual interpretations of culture based on their overseas assignments. The researchers have find out that capabilities and traits that an expatriate possess lead to the more or less possibility for affecting by cross-cultural environment (Brein and David, 1971; Church, 1982; Mendenhall and Oddou, 1985; Stening,

1979). There are also certain other traits of individual identified by researchers affecting his/her adjustment overseas include: ethnocentricity, interpersonal skills and cultural flexibility.

*Ethnocentricity:* Ethnocentricity refers to the beliefs and values of an individual regarding his/her culture as superior to the culture of the other people (Wortzel and Wortzel, 1985). Research have shown that ethnocentric expatriates are more susceptible to the sever type of cultural shock and often lead to failure in overseas assignment as compared to the expatriates who are more patient and tolerant of the situations (Caligiuri and Di Santo, 2001; Church, 1982; Furnham and Bochner, 1986; Stening, 1979). The ethnocentrism has also reduced the degree of intercultural willingness to communicate and has caused misunderstanding ((Lin and Rancer, 2003).

*Interpersonal skills:* The more prevalent reason of culture shock among expatriates is associated with interpersonal conflicts with the nations of host country (Hammer, Gudykunst and Wiseman, 1978; Hammer, 1987; Mendenhall and Oddou, 1985).

*Cultural flexibility:* Cultural flexibility includes cognitive flexibility of a person that covers both exposures to the new and varied behaviors as well as the elasticity to remove the activities enjoyed in home country and follow new various activities in the host country (Black, 1990). It is a significant part of reducing cultural shock (Harrison, 1994). If not exist, he/she could experience isolation, loneliness and frustration which will restrain his/her adjustment (Black, 1990; Church, 1982). Culture shock is both a psychological and cultural issue (Adler, 2003).

### **3.4 Work and Organization Related Challenges**

The work or organizational dimensions of expatriates related to attitude and effectiveness toward their own jobs. The difference between work and organizational challenges are not easily differentiated in the literature, however it is given that factors associated with work adjustments



are parts of overall organizational mosaic (Newman, et al 1978). The difference between the international and domestic work assignments is identified as very problematic. The changes in job duties, methods, corporate structure and organizational culture can all result difficulties in adjustment.

The job and organization related challenges include job satisfaction, job autonomy, staff line and functional area. The job satisfaction is associated with expatriates' turnover (Mitchell, 1981; Porter and Steers, 1973). But overall, there identified a negative association between job satisfaction and turnover, however its strength vary from study to study (MACHINE and Tuttle, 1979). Generally, satisfied workers are more likely to adjust easily than those dissatisfied with their work. Similarly, Nauman's (1993) study has confirmed the significance of work and organizational factors in both intrinsic and extrinsic satisfaction with job. He found that participation, skill variety, career advancement and role ambiguity all related to both types of satisfaction with job. The job autonomy correlated to extrinsic satisfaction while task significance related to only intrinsic satisfaction. The expatriates' extrinsic satisfaction with job includes opportunity to take part in making decision which is considered as a predictor of organizational commitment in the domestic literature, ability to do work as one hoped which is known as discretion in cross cultural adjustment literature, opportunity for independent thought and amount of authority with concerned position. The two other influencing factors in expatriates' adjustment are: expatriates functional area such as manufacturing, marketing, Human Resource Management (HRM) etc. and staff line such as whether expatriate position is staff or line.

Black (1988) argues that job related factors have influenced (inhibit or facilitate) the adjustment of expatriates both domestically and internationally. He has suggested four factors

related to jobs those could enhanced unfamiliarity, uncertainty, unpredictability and uncontrollability of the new role of work and thus reduce the adjustment. These four factors include: role novelty; role overload; role conflict; and role ambiguity. He argued that three other job related factors could also reduced uncertainty and enhanced adjustment of expatriates. These are previous overseas work experience or transfer, pre-departure knowledge and role discretion. Bhaskar Shrinivas et al. (2005) explained that role novelty deals with distinction between native and host country work roles. It consists on the difference between the new and past roles; role conflict refers to the incompatible signs about job expectations; role clarity deals with correct understanding of position related requirements; and role discretion refers to autonomy of making decision.

All these roles have influenced the ability of expatriates to adapt with unfamiliar environment. For instance, role discretion makes the expatriates able to use earlier employed mechanism of behaviors to reduce the ambiguity. It is obvious that ambiguity related to role and objectives are the most powerful stressors in expatriates in their overseas work environment. The less level of stress and high level of integration strategies had successfully improved performance at work and support from organization is also found very effective (Aycan, 1997). Similarly, work responsibilities and duties along with performance standards are associated with adjustment at work (Harris, 2004).

The organizational support which expatriates received during their assignment is also viewed as very important in their adjustment. The high level organizational support had resulted stronger commitment for performing international assignment successfully. It has caused changes in behaviors of expatriates needed for adjustment to decrease cultural shock and to enhance cultural adjustment. Black et al. (1999) argued that social support in the form of

information provided by co-workers and people of host country to the expatriate about does and does not of host culture, has reduced their uncertainty and cultural shocks.

### **3.5 Socio-Cultural and Environmental Challenges**

Socio-cultural dimensions belong to social and cultural functioning (Aycan, 1997). Culture is considered as an important factor in success of expatriates (Deslree and Marcelo, 2004). Tung (1987) has pointed to the acculturation failure of the expatriates themselves to adapt with both living and working situation in a different culture. The term “acculturation”\_ was first time introduced by American anthropologist in early 1880s, in order to describe the phenomenon of culture variation between two dissimilar cultural group who get closer in contact with each other (Rudmin, 2003). Scott and Wong (2006) see the differences in culture as the result of mixing together multiple reasons such as historical and political context, physical environments, geographic, historical and political context, a paramount model of thinking such as the ones explained in philosophy and religion.

The religious issue is not studied in the previous literature on expatriates’ adjustment. This is because of reason that most of the literature focused on the development of nations. The role of religion in expatriates’ adjustment is seen as the Muslim expatriate can easily socially adjust and accepted in the Muslims regions and nations such as in the Middle East Countries (Mamman, 1995). Where he/she can also overcomes the language and other challenges very easily. The Paragament (1997) argues that religious coping, balances the issues of stress, better spiritual, mental and physical wellbeing. It influences the personal adjustment to the negative marital situations (Krumrei, Mahoney and Pargament, 2011). A few researchers have found the relationship between copings based on religion and marital satisfaction but have never tested as a

moderator of the association between attachments and marital adjustment (Tremblay, Sabourin, Lessard, and Normandin, 2002).

The culture shock is also identified as the influencing factor in expatriated adjustment overseas. It is defined as the anxiety that created by losing of all symbols and signs required for social interactions and growing up such as; norms, customs, facial expressions, and gestures etc, introduced first time by anthropologist Kalervo Oberg (Oberg, 1960). Pedersen (1999) is of the view that culture shock is a part of expatriates' foreign passage which has molded and affected their behaviors. It is like being in examination 24 hour a day (Copeland and Griggs, 1985).

Further, Bhawuk and Brislin (2000) advocated six symptoms of culture shock: (a) earlier habits, behavior and norms are idealized; (b) strongly admired values are not respected or honored; (c) Known cultural values and norms have disappeared or confirmed irrelevant; (d) skills to cope appears irrelevant; (e) the situation is supposed as permanent and; (f) Distortion due to cross-culture results hostility, anger, anxiety and depression. Adelman (1988) added that the consequences that culture shock could have, lead to the failure of expatriates and asserted that physical and psychological confusion affected the confidence required to expatriates for coping with an unfamiliar environment. The literature (Kealey and Kohls, 1979; MacDonald and Vulpe, 2005) argued that cultural shock created the factors of distortion which has negatively influenced the productivity of expatriates' managers. In order to minimize cultural shock and related workforce ineffectiveness or low level of productivity, the recognizing of phenomenon in particular cultural contexts can assist organizations to prepare best expatriates by designing of relevant cross-cultural training programs.

Similarly, there are also various studies carried out on the importance of cultural distance for the process of adjustment on overseas assignment (Hemmasi and Downes, 2013; Jenkins and

Mockaitis, 2010). Cultural distance is defined as the difference between the culture of host and home countries (Hemmasi and Downes, 2013). Hofstede (1980) pointed out the cultural distance between home and host countries as one of the challenging components in expatriates' adjustment. Evidence from studies on international students showed that strategy of adjustment is also similarly affected by professed cultural distance as; one might expect that students are less expected to engaged in host culture when professed cultural distance is large (Suanet and van de Vijver, 2009; Galchenko and van de Vijver, 2007). However, as has been noted by Black et al. (1991) it is possible that cultural distance in the host country workplace has been decreased up to some extent by propagation of Western business practices and with transmission of policies and culture between offices of the host and home countries. This could also be achieved by equipping expatriates with cross cultural training.

Mendenhall et al. (1987) observed cross cultural training (CCT) as a tool for development of successful cross-cultural interactions and adjustment. Its' purpose is to reduce cultural shock resulted from overseas operations and to improve experience of managers across different cultures. The participants of CCT are more effective as compared to the non-participant expatriates. The effective CCT could be a powerful asset of reducing cultural shock (Befus, 1988). Eschbach et al. (2001) explained that CCT had reduced the intensity of cultural shock, the time to get job expertise during the international assignment and also has reduced the time of adjustment with a new culture. Marquardt and Engel (1993) argued that CCT has provided many benefits to Multinational Companies (MNCs) such as: (a) enhanced their capabilities to identify appropriate business opportunities; (b) greater international competitiveness; (c) avoided loss of businesses because of cultural insensitivities; (d) reduced repatriation among overseas expatriates

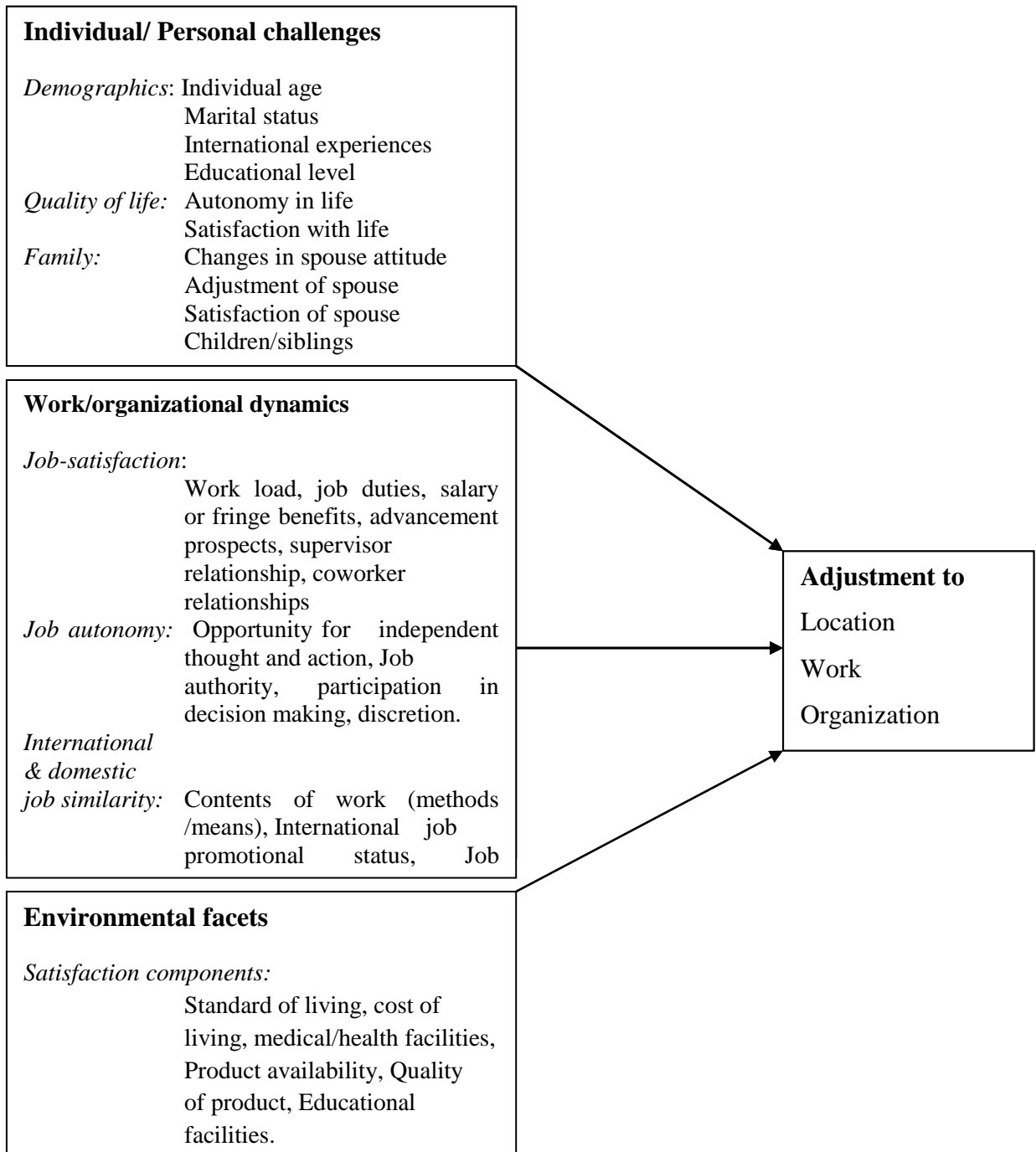
due to more satisfactions with jobs and; (e) minimized their waste of resources and time on unsuccessful projects.

Another important aspect of expatriates' failure to adjust overseas is security challenges that are also ignored in the previous literatures. Security is also one of the key challenges to the expatriates' adjustment on overseas assignment. It can be in the form of assault, kidnapping, extortion, residential invasion, robbery and carjacking etc. which could adversely affect the expatriates abroad. Expatriates security is a very sensitive problem in Pakistan. Many Chinese were the victim of terrorism in various regions of Pakistan during the era year of 2004. As it is evident from many situation in past such as the first attack on Chinese expatriates was reported in 2001 and 2004 was the worst year in which maximum Chinese were killed. Three Chinese workers were killed in auto-rickshaw factory soon the after incident of Lal Masjid. Seven Chinese female with a man were abducted by the students of Jamia Hafsa. Similarly in Baluchistan, 48 km away from dahaheed, near the area of Ambads subdivision, one Chinese engineer; Mr. Pong and his two guards were killed by unidentified persons. So, security issue has also influenced expatriates' adjustment which is one of the sensitive problems in Pakistan and is not covered in the previous literature.

Finally, expatriates' adjustment is also affected by environmental factors of the host country. Black and Gregersen (1990) identified environmental and non-work factor such as food, transportation, healthcare and housing more contributing to expatriates retention. Dissatisfaction with host countries environments are identified as the central causes of expatriates distress. The developing countries are found very problematic and expatriates in the parts of Asia are not satisfied with their deployment.

Therefore the understanding of what makes expatriates successful or fail abroad is extremely important and study in this area has been efficient. Most of the researches in the previous two decades were stressed on expatriate adjustment as a reason of special importance (Aycan, Erez, and Gelfand, 2007). Optimizing the outcomes of expatriate worker may be described as transferring persons to the operation of host country, able of accomplishing the best result for the organizations. In order to achieve effective adoptability, important consideration being paid to all these issues of expatriates for country in which they would be coupled and employed.

### 3.6 Conceptual Framework





## **Chapter 4**

### **RESEARCH METHODOLOGY**

This chapter highlights the process and procedures applied for carrying out the study. Detailed analysis and method of data collection applied for this study are explained as follows.

Pearson's Correlation analysis was conducted to determine the strength of relationships between expatriates' challenging (independent variables) and expatriates' adjustment with job, location and organization (dependent variables). As a statistical method which quantifies empirical research findings, Pearson's Correlation was chosen due to its potential to provide a broad quantitative review of research findings regarding adjustment challenges, its ability to allow for comparison of varying strengths and directions of variables across study.

Additionally, step-wise regression analysis was also used to identify key variables and to detect any underlying relationships among independent variables.

#### **4.1 Pearson's Correlation**

Pearson's correlation is a statistical formula that measures the strength of relationship between two or more quantitative variables. In statistics, it is also known as Pearson R test. The value that variables produce as a result of Pearson's Correlation is known as Correlation Coefficient (denoted by  $r$ ). It quantify the relationship between X and Y in unit free term. Its value ranges between -1.00 and 1.00.

The formula for calculating Pearson's Correlation is:

$$r = \frac{n(\sum xy) - (\sum x)(\sum y)}{\sqrt{[n(\sum X^2) - (\sum x)^2][n(\sum y^2) - (\sum y)^2]}} \quad \square$$

$n$  = Number of pairs scores

$\sum xy$  = sum of the products of paired scores

$\sum x$  = sum of X scores

$\sum y$  = sum of Y scores

$\sum X^2$  = sum of squared X scores

$\sum y^2$  = sum of squared Y scores

#### 4.2 Step-wise Regression

Finally the information related to impact of challenging factor on Chinese expatriates adjustment in Pakistan was analyzed by use of stepwise regression.

The general form of regression model can be written as:

$$Y_i = \alpha_0 + \sum_{k=1}^{\infty} \beta_k Idv_{ik} + \sum_{k=1}^{\infty} \gamma_k MatLfSt_{ik} + \sum_{k=1}^{\infty} \lambda_k JbAt_{ik} + \sum_{k=1}^{\infty} \delta_k Env_{ik} + \mu_i \dots \dots \dots (1)$$

Where,

$Y_i$ , indicates individual response

$\alpha_0$ , is the intercept coefficient

$\beta_k, \gamma_k, \lambda, \delta_k$ , are the estimated regression coefficient of each individual independent variable

*Idv<sub>ik</sub>*, is the index of individual characteristics such as demographic, quality of life and family

*MatLfSt<sub>ik</sub>*, is the index of material life satisfaction characteristics such as life satisfaction and standard of living

*JbAt<sub>ik</sub>*, is the index of job autonomy characteristics such as opportunities for independent thought and action, job authority, participation in decision making and discretion

*Env<sub>ik</sub>*, is the index of environmental characteristics such as cost of living, medical/health facilities, product availability and educational facilities

The detail categorization and measurement of variables are given in the section 4.10.

The indices of the variables were formed through using principal components analysis method

Principal components analysis (PCA) is a dimension-reduction tool that can be used to reduce a large set of variables into a small set that still contains most of the information in the large set. It explores a reduction correlation matrix. The PCA is similar to the Factor Analysis.

The results was carried out by the use of statistical software i.e. SPSS.

### **4.3 Universe/population of the Study**

Universe of the study is the theoretical and hypothetical collection of the whole elements (Baebbie, 2001). In statistic the term universe means collection of the objects and persons under the investigation and inquiry. In the methodological language the universe is defined as the place where relevant data is collected. It is one of the important steps in a research. It presents accuracy in a research.

Currently, it is estimated total about 885 Chinese people and more than 120 Chinese companies are working in Islamabad (Weidong, 2016). The universe of this study has covered only Chinese expatriates living and working in Islamabad, Pakistan.

#### **4.4 Nature of the Respondents**

Nature of respondents means to identify type of individual respondent according to the interest of study. In the current study the data was collected from both male and female expatriates of China who were currently living and working in Islamabad for at least six (6) months.

#### **4.5 Sampling Technique**

The sample is a group that is assumed to be related to the population from which it is drawn (Best and Kahn, 2006). The logic of using a sample of subjects is to make inferences about some population from a smaller one. There are two types of procedures; probability and non-probability sampling methods for selecting sample from population. Probability sampling is a sampling method where all individuals and objects in population have equal chance of selection. While in non-probability sampling selection of units depends on choice of researchers.

The researcher has used non-probability sampling method. From the total population that was not exactly known the probability of everyone has been taken. Therefore, the study has used snow-ball sampling technique.

#### **4.6 Snow-Ball Sampling**

The snow-ball sampling is a non-probability sampling method where existing study subjects recruit future subjects from among their acquaintances. The researcher has used snow-ball sampling technique for selecting expatriates due to hidden nature of their work. It has provided the opportunity to access them and to choose cases on the relationship and information of their other colleagues which were helpful in achieving goals of the study.

#### **4.7 Sample Size**

A sample size might be small sufficient to chosen economically in term of subject availability and expense both in money and time (Best and Kahn, 2006). It is the act of choosing the size or number of individuals, observations or replicates from the target population to include in a statistical sample. The researcher interviewed a total of 67 respondents due to limited resources and response rate.

#### **4.8 Data Collection**

There are two forms of data collection used in researches; primary and secondary data. Primary data collection refers to the information that has been gathered directly by the researcher and using different methods such as interviews, questionnaires and focus group discussion (Blumberg and Cooper, 2008). Secondary data is the information or data that has already been gathered by someone else either for commercial or research purpose (Bryman and Bell, 2007).

In the current study primary data was collected throughout the responses to the questions in the questionnaire. The secondary data was based on information and data found in articles and books with a direct relationship to the subject to be studied.

#### **4.9 Tools of Data Collection**

There are many tools of data collection which are used in the previous researches depends on the type of study. These tools are used as appropriate by taking in view the kind of universe where research is to be conducted. The most frequently tools used are executing structured questionnaire and mixture of interviews schedule method.

In the current study structured questionnaire was used for collecting primary data on challenges faced by Chinese expatriates in Islamabad. However, a couple of open-ended

questions were also included for collecting some common information. The survey was conducted on individual basis.

Additionally, Chinese who were unable to communicate in English with researcher an interpreter was employed for collecting data from such respondents.

#### **4.10 Measurement of Variables**

In order to measure three facets of expatriates' adjustment (job, location and organization) the researcher has used the following measurements.

##### **4.10.1 Dependent Variables**

The adjustment with job, location and organization was measured by intent to turnover variables (job, location and organization) on 1-5 Likert type scales, with 5 being represented very frequent thoughts regarding turnover. This was based on the work of Birdseye, M. G., and Hill, J. S. (1995).

##### **4.10.2 Independent Variables**

The main challenges were sub-categorized and measured as;

###### **Personal factors**

*Demographic information:* The requested demographic information were included; gender, age, marital status, international experience and educational level.

*Expatriate spouse:* The information about expatriates' spouse feelings on overseas assignment was collected on three items. The first one measured their existing satisfaction level with posting abroad. The second examined how easily (or not) they made the required adjustments with overseas living. The third item evaluated their initial impressions of overseas location. That was

combined with current level of satisfaction to get a measure of how much spouse attitudes had been changed after beginning of assignment.

*Life satisfaction:* The information about satisfaction with life was measured by 1-5 Likert scale, where '1' represented as undecided and '5' as more dissatisfied. The measure was fixed at one end by "very bad life I can visualize" with the "best life I can visualize" at the other end.

*Life autonomy:* The life autonomy was measured through 1 to 5 Likert scales. The questions were phrased like: "the capacity to live life as I want" and was evaluated to its existing availability such as "how much you are consider to available now" and its normative availability will be like that "how much it would be there you are expecting in future". These were based on the study of both Andrew and Withey (1974) as well as Ivancevich and Baker (1970).

### **Job factors**

*Job Satisfaction:* The satisfaction with job was measured on a 5 points Likert scale which was provided to the managers to show their degree of willingness and disagreement with eight statements regarding their satisfaction with promotional opportunities, work, pay, supervisors and coworkers. The scale is actually designed by Pretty and Lee (1988).

*Job autonomy:* The autonomy of job was measured by using four items: ability for autonomous thought; capability to do the job as he/she wished; quantity of authority with concerned post; and opportunity for taking part in making of decision. The managers were asked to report that how their existing jobs connected with each of these four dimensions where as '1' showed never and '5' indicated the maximum. The mean of four items was used as a scale of existing job autonomy. A sample statement was such as: "how much autonomy is there in your job?"

The remaining two areas were investigated on exploratory basis. These were the respondents' functional area (such as production, finance, accounting, personal/industrial, marketing, and general/top management relations) and whether his /her job was mostly staff or line responsibility.

Respondents were evaluated that how their current jobs were similar or different from their previous ones. These comparisons were made along with two dimensions such as first, 'that how the work was different by itself' and second, that how different was the methods and means in doing the job. The respondents' responses were evaluated on a 0-100 scale with zero being similar and 100 being completely dissimilar.

### **Environmental factor**

Environmental factors was measured by respondent representing their degree of satisfaction ('1' represented undecided and '5' represented very dissatisfied) with six variables related to environment such as availability and quality of goods, cost and standard of living, educational and medical facilities. The total summed of these six elements represented as the aggregate variable: component of satisfaction.



## Chapter 5

### RESULTS AND DISCUSSION

This chapter is going to display and discuss result of the study. The results are presented in the forms of tables and figures. The data is analyzed in the shape of uni-variate and bi-variate analyses. Section 5.1 reports uni-variate analysis (frequency distribution and percentages) and section 5.2 displayed bi-variate analysis composed on correlation matrix for indicating relationship among different variables. Finally in 5.3 section step wise regression is carried out on the data. The detail analysis of the results and discussion has been enumerated as follow;

#### 5.1 Descriptive Analysis

The uni-variate analysis based on the basic demographic information such as gender, age, marital status, overseas experiences and educational level of respondents from the questionnaires are presented in table 2.

**Table 2: Basic demographic information**

ATTRIBUTES	SUB CATEGORIES	FREQUENCY	PERCENT
Gender	Male	55	82.1
	Female	12	17.9
Marital Status	Single	43	64.2
	Married	24	35.8
Overseas Experiences	Nil	58	86.5
	Less than one year	2	3
	1-5 years	4	6
	6-10 years	2	3
	11-15 years	1	1.5
Educational Level	1-10 years	2	3
	10-14 years	41	61.2
	14-16 years	18	26.8
	16-18 years	4	6
	Above 18 years	2	3

Source: Personal Field Survey, 2017

Table (2) shows that about eighty two percent of the responds are male and majorities (64.2 percent) of them are single. Eighty seven percent of the respondents described themselves as having no international experiences. Most of them had completed some bachelor degree (61.2 percent) or had a master degree (26.8 percent).

**Table 3: Frequencies and percentages of respondents by age**

<b>AGE RANGE</b>	<b>FREQUENCY</b>	<b>PERCENT</b>
16-20	4	6.0
21-25	18	26.9
26-30	15	22.4
31-35	11	16.4
36-40	10	14.9
41-45	5	7.5
46-50	4	6.0
<b>Total</b>	<b>67</b>	<b>100</b>

Source: Personal Field Survey, 2016

Table (3) illustrates that the ages of respondents participated in the survey were ranged from sixteen to fifty years, with most in twenty one to twenty five years (27 percent) of age.

## **5.2 Relationship of individual, work and environmental factors with expatriates' turnover**

In bi-variate analysis, the study evaluated the relationship among different challenging factors and expatriates' job, location and organizational turnover tendency because the sample size (67) was small for the total number of variables examined (30), and a two stage analysis was considered as appropriate for accurate result of the study. First, all independents variables were correlated against the three forms of turnover. Then, by using these results, various combinations of variables were regressed against each dependent variable to identify which factors have mostly affected turnover inclination.

There were 53 variables found to have significant correlations at all except 10 were found significant at  $p < 0.01$ . This was due to the regular influence of independent variables. Total 22 independent variables showed significant relationships with turnover and 12 of these had affected all three types of turnover. This study mainly focuses on correlation significant at the level of 0.1. Deviation from such confidence interval ( $< 0.05$ ) was cautiously noted down and treated, given our size of sample and potential sampling error.

Table 4 has displayed a two-tailed correlation, associations between independents variables categorized into individual, work/organizational and environmental challenges and three measures of adjustment such as intent to leave job, location and organization.

**Table 4: Pearson's Correlation of expatriates' challenges with job, location and organizational turnover**

ATTRIBUTES		TURNOVER		
		Job	Location	Organization
<b>Individual/personal challenges</b>				
<i>Demographics</i>	Age of respondents	-.286**	-.221**	-.213*
	Marital status	N.S	N.S	N.S
	International experiences	-.312**	-.341**	-.331**
	Educational level	N.S	N.S	N.S
<i>Quality of life</i>	Autonomy in life	-.322**	-.424**	-.309**
	Satisfaction with life	-.438**	-.441**	-.309**
<i>Family</i>	Change in spouse attitude	N.S	N.S	N.S
	Adjustment of spouse	N.S	-.325**	N.S
	Satisfaction of spouse	-.449**	-.455**	-.420**
	Children/sibling	N.S	N.S	N.S
<b>Work/organizational dynamics</b>				
<b>Satisfaction with Job</b>		-.442**	-.225**	-.314**
	Workload	-.536**	-.227**	-.349**
	Job duties	N.S	N.S	N.S
	Salary or fringe benefits	N.S	N.S	N.S
	Advancement prospects	-.329**	-.201*	-.348**
	Relationship with supervisor	-.203*	-.188**	N.S
	Relationship with coworker	N.S	N.S	N.S
<b>Autonomy with job</b>		-.439**	-.290*	-.421**
	Opportunities for independents thought and action	-.308**	N.S	-.340**
	Job authority	N.S	N.S	-.244*
	Participation in decision making	-.323**	-.243*	-.265*
	Discretion	-.330**	-.273**	-.353**
<b>International and domestic job similarity</b>	Contents of work (methods /means)	N.S	N.S	N.S
	International job promotional status	N.S	-.487**	-.158*
	Job functional area	N.S	N.S	N.S
	Staff/line	N.S	N.S	N.S
<b>Environmental facets</b>				
	<b>Satisfaction components</b>	-.344**	-.411**	-.203s**
	Standard of living	N.S	-.288**	-.252**
	Cost of living	-.240**	-.310**	-.173*
	Medical/health facilities	N.S	-.267**	N.S
	Products availability	N.S	-.200*	N.S
	Quality of products	N.S	N.S	N.S
	Educational facilities	-.277**	-.301**	N.S

\*\*p < 0.01; \*p < 0.05

## **Individual Factors**

The five among ten demographic variables showed some consistency in relation with all three categories of turnover. Age has negatively correlated with turnover, with older being less likely to leave their jobs (-0.29), organization (-0.21 at .05 level), or location (-0.22) as compared to their younger colleagues. Moreover, the respondents who had been remained longer (up to five years) on overseas assignment had lowest tendency to leave their jobs, location and organization. This suggests that either staying overseas for long time lead expatriates to be more satisfied or it may mean that adjustment with overseas assignment causes expatriates to remain overseas. There were no significant differences found in intent to leave job or organization by level of education. However, more educated respondents (i.e., those with at least graduation) described significantly successful lower tendencies to leave location, may expanded tolerance level for expatriate's overseas assignments.

The quality of life measures (autonomy and satisfaction) were negatively correlated to turnover with correlations between -0.31 and -0.44. It was not amazing in that individual freedoms and satisfaction with life (the need to optimize on life's happenings) were both integral elements in Chinese lifestyles, and their follow-through to overseas assignment would be reasonable.

In individual factors the most striking negative association were exists between spouse satisfaction and three facets of turnover (at -0.31) conforming findings of Tung (1981). In the remaining two variables concerned spouse, only spouse adjustments displayed a significantly negative relationship (-0.33) to the location variable. This was reasonable as reported by respondents that spouse often deal more with local aspects of overseas location on daily basis.

## **Work/organizational factors**

The factors related to work /organization has showed consistent effects on turnover variable for six of seventeen factors. The global measure of job satisfaction was negatively correlated to all three facets of turnover (which are found similar to the findings of domestic studies). The coefficient for job turnover was found higher (-0.44), than it was for location (-0.31) and organization (-0.31).

The workload component of job satisfaction variable showed a consistent and negative correlation with the three forms of turnover, with highest correlation on job turn over (-0.48) and lesser loading on organization (-0.35) and location (-0.23). The location turnover relationship was interesting as it advocates that individuals blame environmental factors responsible for their workload dilemmas (For instance, “I have to work twice as tough to get the same result I would back residence”).

Likewise, the advancement prospects were also showed negative relationship with both job and organizational turnover with the higher coefficients of -0.33 and -0.35 respectively. Some of the respondents were reported uncertainty about career prospects after their overseas assignment, confirms the Feldman and Thomas (1992) study.

The other two factors related to work and organization displayed inconsistent results with three facets of turnover. The non-positive supervisory interaction were related (but not strongly) with job (-0.20,  $p < 0.05$ ) and location turnover (-0.19), may be that many supervisors were probably local (rather than expatriates), and also there might be some cultural resistance underlying the relationships (may be even some xenophobic reaction to having a non-Chinese boss).

The job autonomy came out as a powerful element influencing both external turnover as well as internal turnover. The external turnover (organizational turnover) was correlated with all four sub-components of job autonomy while internal turnover (job turnover) was correlated to three factors. The only discretion element (the ability to decide on my own that how to do the job) displayed strongest correlation. It means that methods of work in Pakistan may be more structured than their Chinese counterparts (may be more protocols and procedures) and that persons have less discretion in how they approach problems and tasks. Our results suggests that individuals possibly point lack of discretion as responsibility of organization (-0.35), job (-0.33) and location (-0.27). Similarly, the participation in the process of decision making activities was challenging and had increased turnover tendencies for job (-0.32), organization (-0.27 at confidence level of 0.05) and location (-0.24 at confidence level of 0.05). It advocates that several cultural and environmental factors happen to change respondents' participation in decision making process from what they were familiarized to in China (either autocratic inclination in the developing countries; or overly participative process in the European Union).

The lack of satisfaction with job authority has also increased the intent to leave the organization (-0.24 at 0.5 significant level) as did not having satisfactory opportunities for autonomous thought and action (has influenced organization at -0.34 and job turnover at -0.32). It means that overseas organization can reduce the initiative of individuals and control their inborn orientation of making things done.

Finally, whether overseas assignment was perused as a promotion, demotion or a lateral move has affected orientations to turnover. The strong association with turnover on location was amazing (-0.49). It may also be possible that whether an overseas assignment is considered as an upward organizational movement or independent of where it is. Having similar job in a major

location (such as a European affiliate) may be differently perceived to an equivalent job in a remote company outpost. The expatriates may feel “ignored” in smaller subsidiaries that are less critical part of corporate international activities.

### **Environmental factors**

The environmental variables showed different set of results. Overall they have affected job and location turnover more than the organizational turnover factors (with three, six and three sets of significant results respectively). It reveals that unpleasant environmental situations are more possibly to cause internal rather than external turnover. The satisfaction component (composed on six environmental factors) showed negative relation to three facets of turn over variables and while it was not to surprise to find more turnover on location (-0.41), it was also more interesting that respondents were more possible want to leave their jobs (-0.34), rather than to leave their organizations (-0.21) due to environmental challenges. The things such as short term nature of overseas assignment or the intention of going back to home persuade individuals to not take long term antipathy against the organization, which can result in external turnover. Actually, only the subcomponents of environment related to leaving the organization was not satisfactory, with the cost of living (-0.17 at 0.05 significance level). Subsequently, individuals were more possibly to leave their jobs (-0.24) or location (-0.31) first, deciding from the coefficient concerned.

Whereas job turnover was basically associated with financial factors such as cost and standard of living) and educational facilities, location turnover was related to all other than one environmental variable. In relation to the coefficient size, there were greater issues with the cost of living (-0.31), the interpretation was unsatisfactory with exorbitant costs, as it is impossible that respondents would complain about that being too low; medical facilities (-0.27), educational facilities (-0.30), standard of living (-0.29,  $p < 0.05$ , which would probably too low in developing



countries) and product availability (-0.20,  $p < 0.05$ , could also be very challenging in developing parts of the world. The overall elements of satisfaction coefficient (-0.41) was higher as compare to the individual components, signifying that various negative synergies can grow from non satisfactory location.

### 5.3 Predictors of Intention to Leave Organization

This research has examined many different variables those may contribute to turnover inclinations. While the conclusions should be treated as exploratory, it has been tried to identify the most important variables and to control the relationships of independent variables with each other by use of stepwise regression analysis. As a consequence, four variables (work duties, coworker, workload and cost of living) were deleted from regression analyses and a four factor solution was identified. The first one factor was composed on four variables related to job; the second was taken in the remaining four elements of job satisfaction (such as; supervision, salary, advancement and benefits); the third combined life satisfaction with standards of living (so that to develop a new variable: material life satisfaction). The last and fourth factor composed on quality of good, availability of goods, medical facilities and renamed as ‘amenities’.

**Table 5: Expatriate internal and external turnover predictors**

Stages	Variables	Standardized Regression Coefficient	Change R <sup>2</sup>	F
<b>INTENT TO LEAVE THE JOB</b>				
Step 1	Material life Satisfaction	-0.31	0.16	18.28***
Step 2	Job Autonomy	-0.31	0.12	15.47**
<b>INTENT TO LEAVE THE LOCATION</b>				
Step 1	Material life Satisfaction	-0.42	0.22	28.78***
Step 2	Job Autonomy	-0.24	0.06	8.13**
Step 3	Amenities	-0.15		3.06*
<b>INTENT TO LEAVE THE ORGANIZATION</b>				
Step 1	Job Autonomy	-0.36	0.14	15.77***
Step 2	Material Life Satisfaction	-0.30	0.09	14.16***

- \*P<0.05      Job autonomy, participation in decision making and managerial discretion, opportunities for sovereign thought and management authority
- \*\*P<0.01     Satisfaction with material life, satisfaction with current life and living standard
- \*\*\*P< 0.001    Amenities: Medical/health facilities, goods availability and quality.

Table 5 indicates the results of this method. There were two findings particularly stand out. One is the variable of satisfaction with material life which is very important for all three types of turnover and is the main predictor for both of these internal turnover variables (location and job). This implies that a primary expatriate interest is on keeping of material standards and the corporate focusing on material advantages of overseas tour can decrease the tendencies of turnover.

The other is variable of job autonomy characterized in all three forms of turnover situation. As it was the most important element in external turnover and was also a key predictor for each other of the two internal turnover conditions. It would reveal that the freedom related to local job and situations of organization are against with their overseas counterparts. And in spite of unifying effect of corporate cultures, various cultural environments may be having disturbing influences on habits and work styles of expatriates.

Majority of the turnover predictors paralleled the expectation of this research. The satisfaction with material life and job autonomy were the main variables in all three forms of regressions results (although their comparative significance changed, along with variables of job and organizational turnover). The amenities variable (the compendium of products availability, product quality and medical facilities) featured as anticipated in location turnover equation, but the other two dominant variables had dwarfed its influence.

## Chapter 6

### CONCLUSION AND POLICY RECOMMENDATIONS

#### 6.1 Conclusion

This was a preliminary study conducted on challenges faced by expatriates of China during their stay in Pakistan. There is no research previously conducted on expatriates of China in Pakistan. There were some dimensions examined which were not previously assessed in the context of expatriates. Such dimensions were included first, global measures of life quality (life satisfaction and life autonomy) based on the work of Andrews and Weithey (1974). Second, due to greater significance of spouse behaviors in earlier studies (such as; Tung (1982), the variable was broken down into three main components; spouse satisfaction, spouse attitude change and spouse adjustment. Third, relationships of many environmental elements were examined both in combined (satisfaction component and amenities) as well as in individual format. These were included; cost and standard of living, educational and medical facilities, availability and quality of product. In deed these components were derived from literature and were imposed by the researchers from his personal experiences as an expatriate and from pilot survey for the study. Finally, the common adjustment variable was supplemented by three sub measures; intent to leave job, organization and environment.

The study main objectives were accomplished by initial Pearson's correlation matrix and later on step wise regression analysis. With regard to objective of the study, it was interesting that job autonomy rather than job satisfaction was emerged as an important predictor of both job and organizational turnover. It shows that job satisfaction turnover related to expatriates requires

further examination, and that participation in decision making, opportunities for independent thought, managerial discretion and job authority were perhaps succeeded by traditional job satisfaction elements, for instance, workload, relationship with supervisor and coworkers.

Moreover, the locations turnover orientation as estimated had an environmental emphasis (amenities), although job autonomy and material life satisfaction were obviously the dominant factors. The relationship of life satisfaction and living standard into a variable of material life satisfaction pointed out the importance that Chinese expatriate give to materially oriented lifestyles. Only for organizational turnover, job autonomy succeeded by material life satisfaction as one of the key determinant factors.

In general, these findings support the work of Naumann (1993) and Black et al. (1991), who concluded that the personal and job factors have a close relationship and had affected adjustment with job (or imply have increased turnover variables, in this study) and non-work factors have affected ability of general adjustment (or imply have increased location turnover, in the current study). Though, the result should have not to be oversimplified. The combination of individual, job and general environmental challenges displayed a high correlation with each of the variables of expatriate adjustment, suggests that spillover effects not only possible but should have to be expected.

Finally, the most important findings was that of spouse satisfaction which was a main factor of expatriates' adjustment in previous literatures e.g. work of Harvey (1985) and Tung (1982), drawn out from the stepwise regression. One assumption would be that the problems related to spouse probably have been succeeded by their causes (for example; dissatisfaction with environmental amenities or low life satisfaction measures).

## **6.2 Implications Intended for International Human Resource (HR) Professionals**

The results of the study suggested some important and potential implications for managers and practitioners.

First, possibly managers may desire to evaluate again the duration of overseas posting in consideration of our findings that intent to turnover tendencies (adjustment increases) decreases with passage of time. But, we would strongly recommend that there should be some casual analysis to be done so that to find that why it occurs; the manager might interview or survey expatriates of long stay to separate types of personality or situations of overseas assignment contributing to longevity.

Second, the managers specially the human resource managers should have to review their policies regarding overseas posting to guarantee that expatriates know where foreign assignments fit into their general career patterns. The Feldman and Thomas (1992) recognized that the expatriates have noticeable anxiety among them that how overseas assignment had fixed into their whole and general career patterns. Similarly Ondrack (1985) had noted that transfer of corporate managers had occurred for many different reasons.

Third, The HR managers must have to know about that some of the expatriates distinguish between the locations of assignment. Some posting seems to be considered as being more prestigious as compared to the others. They should try to either employ objective methods (might random) for assigning employees (to stop expatriates linking locations with various organizational evaluation of their managerial worth, for example; as non-descript executives want to go to non mainstream locations) or to strongly promise that experience of going to foreign subsidiary is extremely career wise important as compared to the actual location.

Fourth, HR managers should have to be assured that the concerned benefit packages related to overseas employment are the important factor for achieving adjustment (diminishing turnover tendencies). It peruse that penny pinching policies in the regions might will be fake economies.

Finally, there may be clashes due to managerial style so preparation for international posting must contain managerial education programs regarding inter-cultural differences in managerial methods and in leadership subordinate styles. May be that many expatriates take benefits from the new focus on stress management programs which particularly oriented toward cultural shock related to overseas assignment.

Additionally, the spouse and family should have to be necessarily prepared with more general environmental condition, to be emphasized on differences in costs and standards of living and what to anticipate in form of educational and medical facilities abroad. This would be especially essential in rural locations, particularly in developing countries of the world. Where there are special schools and significant populations of overseas expatriates are often available the authorities must have to guarantee the availability and quality of mainstream product and human comforts.

### **6.3 Study Limitations**

The study has experienced some limitations. One was that it had a limited size of sample (such as 67 expatriates). However, it could not limit the existing tools of analysis but, had restricted findings of the study from generalization. The expatriates of China working in Pakistan were individually contacted for survey but because of the security issues, it was impossible to access each one Chinese living and working in many different places and companies in Pakistan.

Moreover, Chinese respondents were very careful about their time and were having a busy schedule. The researcher difficultly collected data from these respondents. Therefore, proper time and high authority consent when dealing expatriates in Pakistan should be ensured to collect data from foreigners in Pakistan.

#### **6.4 Suggestions for Future Research**

The suggestions for future research is to conduct similar survey but with various qualitative approaches used. Instead to use questionnaire, the conduct of interviews may lead to some various insight of the phenomena which is impossible to gather without adopting a qualitative approach in research.

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## Appendix

### Research Questionnaire

#### Expatriates' Adjustment Challenges: A Case Study of Chinese Expatriates in Pakistan

This research is going to be conduct on Chinese expatriates facing problems with their adjustment in Pakistan and we require conducting interview with people of China in Pakistan with a special focus on those who have six (6) months stay here to analyze their adjustment affected by their problems in Islamabad. It will be very helpful, if you cooperate with us and give your precious time to answer a set of questions we have. I shall be very thankful to you for your cooperation and time.

Respondent No

Start Time: \_\_\_hr \_\_\_\_\_ min,

Date: \_\_\_/\_\_\_/\_\_\_

#### Background Information

1. Gender  Male  Female
2. Age \_\_\_\_\_
3. Marital Status  Single  Married  Widow  Divorced  Separated
4. Number of Children \_\_\_\_\_
5. International experiences Nil  Yes  If yes then go to (6)
6. How much in Years \_\_\_\_\_ Months \_\_\_\_\_
7. Education Illiterate  Literate  If literate then your
8. Qualification \_\_\_\_\_
9. Your profession \_\_\_\_\_
10. Name of organization \_\_\_\_\_
11. Region of work \_\_\_\_\_
12. Residential Area Rural  Urban  Other
13. Are you face language problems Yes  No
14. Your job responsibility Staff  Line
15. Income Below 15000  B/w 15-30000  B/w 30-50000   
B/w 50-70000  B/w 70-100000  Above 1 lac

## NOTE

Tick the rating scale (1, 2, 3, 4, 5) given in front of each statement according to your perception and experience on the basis of your own experiences.

**Note: The rating scales; 1 represents Never, 2 Rare, 3 Some Time, 4 Frequent and 5 Very Frequent**

S. No	Adjustment (intent to leave job, location and organization)	Rating scale				
1	I has the intention to turn over my job	1	2	3	4	5
2	I has the intention to turn over my location	1	2	3	4	5
3	I has the intention to turn over my organization	1	2	3	4	5

**Note: The rating scales; 1 represents Never, 2 Little, 3 Moderate, 4 Much and 5 Maximum**

	Life Autonomy	Rating scale				
4	I am independent in taking any decision of my life	1	2	3	4	5

**Note: The rating scales; 1 represents Undecided, 2 Satisfied, 3 Strongly Satisfied, 4 Dissatisfied and 5 Strongly Dissatisfied**

	Life Satisfaction	Rating scale				
5	I most ways my life is close to my ideal	1	2	3	4	5
6	The conditions of my life are excellent	1	2	3	4	5
7	I am satisfied with life so far I have gotten the important thing I want in life	1	2	3	4	5

**Note: The rating scales; 1 represents Undecided, 2 Agree, 3 Strongly Agree, 4 Disagree, 5 Strongly Disagree**

	Family	Rating Scale				
8	My spouse is satisfied with my employment here in Pakistan	1	2	3	4	5
9	She easily made adjustment <input type="checkbox"/> or Unadjusted <input type="checkbox"/> in Pakistan	1	2	3	4	5
10	My spouse initial impression of Pakistani location was satisfactory than now	1	2	3	4	5

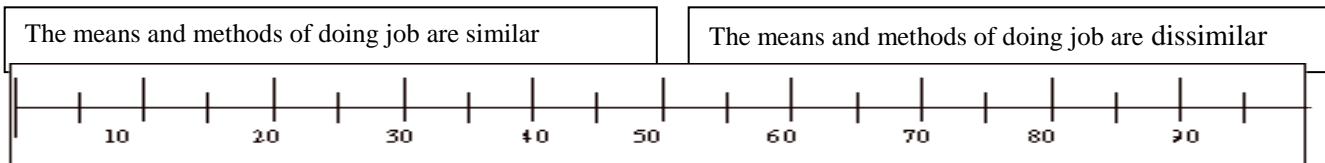
	Job Satisfaction	Rating scale				
11	I am often too tired to get the most out of my job	1	2	3	4	5
12	I have to work twice as hard to achieve the same result I would back home	1	2	3	4	5
13	To get pleasure with my job has been affected my duties on job	1	2	3	4	5
14	I am happy with the amount of pay I get on my present job	1	2	3	4	5

15	The amount of fringe benefits I receive	1	2	3	4	5
16	The opportunities I have for promotion are fair and good	1	2	3	4	5
17	The amount of support I receive from my supervisor	1	2	3	4	5
18	The cooperation I get on my job from coworkers	1	2	3	4	5

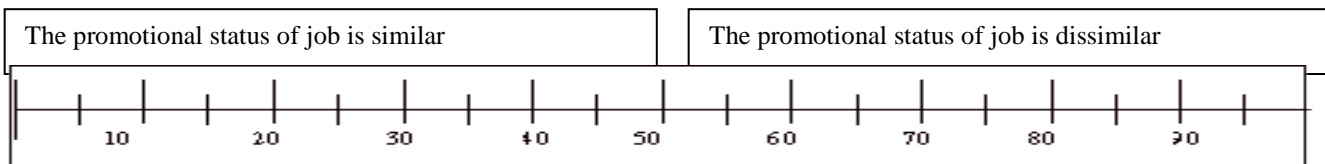
**Note: The rating scales; 1 represents Never, 2 Little, 3 Moderate, 4 Much and 5 Maximum**

	<b>Job autonomy</b>	<b>Rating scale</b>				
19	My job provides me the opportunities for independent thought and action	1	2	3	4	5
20	How much autonomy is there in your current job	1	2	3	4	5
21	I am satisfied with the amount of authority connected with my current job	1	2	3	4	5
22	My job provides me the opportunities to participate in the process of decision making and setting of goals	1	2	3	4	5
23	I am able to choose the method (s) to use in carrying out my work	1	2	3	4	5
24	I have the ability to do decide how to go about getting my job done (the method to use)	1	2	3	4	5
25	I can decide when to do particular work activities	1	2	3	4	5

**Please mark the following scale according to the means & methods similarity and differences with your prior work**



**Please mark the following scale according to the international job promotional status similarity and differences with your current work status**



**Please tick the following according to your job functional area**

1	Marketing	4	Finance
2	Accounting	5	Production
3	General/top	6	Personnel/industrial relation
4	Management	7	Other

Your job authority is		Line		Staff
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**Note: The rating scales; 1 represents Undecided, 2 Satisfied, 3 Strongly Satisfied, 4 Dissatisfied and 5 Strongly Dissatisfied**

	<b>Environmental factors</b>	<b>Rating scale</b>				
26	The cost of living in Pakistan are fair and suitable					
27	The standard of living are equal to my desire in Pakistan	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
28	I like and happy with medical facilities in Pakistan	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
29	All good required for better life are available in Pakistan	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
30	The quality of goods in Pakistan are satisfactory	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
31	I agree and like the system of education in Pakistan	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>

**Suggestions (if any):**

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**End Time:** \_\_\_\_hr \_\_\_\_ min

*Thank you very much for providing your precious time and cooperation*