# The Influence of Cultural Distance on Expatriates' Adjustment, Social Connection and Job Satisfaction

1\*C. Rosa Yeh, <sup>2</sup>Chia-shin Guo, <sup>3</sup>Yi-ching Huang
<sup>1</sup>Assistant Professor, National Taiwan Normal University
<sup>2</sup>Graduate Student, I-Shou University
<sup>3</sup>Graduate Student, National Taiwan Normal University

#### **Abstract**

As multinational companies expand, the importance of expatriates grows. Global expatriates face the challenges of successfully carrying out overseas missions under different culture, value, language and living environment. Thus, the expatriates' perception of cultural difference between parent country and host country may significantly impact their personal interaction with the locals and their adaptability in the foreign society, and these factors may subsequently influence their satisfaction on the job. This study is based on the measurement of horizontal and vertical individualism and collectivism (Triandis, 1996) and investigates the relationship among cultural distance, expatriate adjustment, connection and job satisfaction of expatriates. Samples for this study were purposefully selected from expatriate managers of foreign companies located in Taiwan. A total of 675 mail surveys were sent out, with 101 in return, yielding a 15% response rate. Multiple regression analysis was carried out to test study hypotheses. Major findings of this study include:

- 1. Perception of cultural distance in horizontal collectivism values has a negative effect on expatriates' overseas adjustment and social connection.
- 2. Perception of cultural distance in horizontal individualism values has a positive effect on expatriates' social connection and job satisfaction.
  - 3. Social connection has a strong positive effect on expatriates' job satisfaction.
- 4. Social connection has a partial mediating effect between culture distance in horizontal individualism values and job satisfaction.

Keywords: expatriate, cultural distance, expatriate adjustment, social connection, job satisfaction

<sup>\*</sup> Corresponding author: e-mail: rosayeh@ntnu.edu.tw; TEL: 02-7714-8660

#### 1. Introduction

With an increasing level of international competition and globalization, issues related to the effectiveness of expatriates have become more and more important. When companies plan to invest overseas, they not only consider the capital and technical support needed but also the qualification of the managers to manage and lead a subsidiary in different cultures and communicate with the parent company effectively. Professional managers of multinational companies (MNCs) can come from three sources: the parent company, the host country or a third country. It is the most common practice to send an expatriate from the parent company to the host country in the beginning of an investment overseas. This way, the problems of communication and negotiation resulted from cultural differences between parent companies and subsidiaries can be reduced. (Robinson, 1984) With the rapid development of multinational companies, the role of expatriates has become more critical. Since Hay's (1971) research in the area of expatriate failure, expatriate issues have continued to be the focus of the academics and practitioners in international management.

Expatriates can be a considerable investment of MNCs, so how to manage expatriates effectively is one of the most significant challenges of MNCs. However, although much has been studied on comparative expatriate policy issues and personal and organizational factors that influence expatriate overseas adjustment and retention commitment, little has been written on cultural distance between domestic and host countries and its influence on expatriate social connection and job satisfaction. Maney & Stevenson (2001) believe that when culture distance is smaller, managers and employees from different culture backgrounds tend to build tight social connections. However, few had studied the opposite notion of whether managers still tend to build tight social connection when cultural distance is large? Nash (1991) mentioned that in addition to social support system, contextual factors such as cultural distance between domestic and host countries do influence expatriate adjustment. Lee & Liu (2006) pointed out that expatriates should be encouraged to participate in unofficial social activities because socialization has a positive impact on expatriate adjustment. Triandis (1994) believes that humans tend to be ethnocentric. Hence, how expatriates adapt to cultural difference or cope with the diversity created by ethnocentrism in a culturally diverse society is a prominent issue.

In view of the above, this study explores how expatriates' job satisfaction is influenced by cultural distance, expatriate adjustment, and social connection in host counties during an expatriate's assignment abroad.

# 2. Theoretical Background and Hypotheses

#### 2.1 Cultural value and cultural distance

Culture is the man-made part of the environment (Herskovits, 1955) and it can be divided into objective culture (e.g., tools or methods) and subjective culture (e.g., beliefs, attitudes, norms, role definitions, or values) (Triandis, 1972). Cultural distance is the result of individual perception of differences in cultural values. Triandis (1996) used two common cultural values, (1) individualism and collectivism, and (2) vertical (power and achievement) and horizontal cultures (benevolence and universalism) to divide culture into four distinctive types. These are vertical individualism, horizontal individualism, vertical collectivism, and horizontal collectivism. The collectivist value includes conformity and security and other collectivist values such as family, and is especially high in East Asian societies, and in the former communist countries. The individualist value emphasizes self-direction and hedonism, as well as other individualistic values such as freedom and

privacy in Western cultures. There was a fundamental difference between East and Western tradition considering the role of citizens in their society. The traditional western view of individuality derived from the Greco-Roman concepts of democracy, equality and freedom of citizen. On the contrary, Chinese point of view was much more collectivistic and hierarchic.

When the greater the cultural differences between the domestic and the host environments, the more difficult the acculturation and the more problematic the communication is. This can be attributed to "cultural distance". Some countries are easier to adapt to while some are more difficult because of the degree of cultural distance (Church, 1982).

## 2.2 Expatriate adjustment

Berry (1976) viewed "adjustment" as the comparative degree between individual feeling and environment coordination. Some scholars used the term of "adjustment" to refer to a process through which a person feels comfortable with a new environment and harmonizes with it (Nicholson, 1984). Shaffer, Harrison & Gilley (1999) also defined "expatriate adjustment" as the degree of psychological comfort with the overseas job, the adjustment to interact and socialize with host countries, and the degree of psychological comfort with various aspects of the host culture, such as food, housing, transportation, etc. As previous literature indicated, "expatriate adjustment" may include tree-dimensions: (1) work adjustment (2) interaction adjustment (3) general living adjustment (Shaffer, Harrison & Gilley, 1999; Gan, 1999; Lan, 2002).

## 2.3 Social Connection

Based on the perspective of social exchange theory and social capital, this study employed a western developmental viewpoint to explore "connection" (Kelley & Thibaut, 1978). The relationship between humans was viewed as a transaction and focused on exchanging benefit. Coleman (1988) defined social capital from a functional view and advocated that individuals utilize personal connections, trust, and interaction to exchange resource and information. Nahapiet & Ghoshal (1998, p.243) defined social capital as "the sum of the actual and potential resources embedded within, available through, and derived from the network of relationships possessed by an individual or social unit." They suggested that social capital has three distinctive dimensions: (1) structural dimension: is the form of connections between people and included density, connectivity and hierarchy of network ties, (2) relational dimension: describes reciprocity and mutual trust between networked people, (3) cognitive dimension: includes shared meaning and comprehend network members

#### 2.4 Job satisfaction

Hoppock (1935) viewed job satisfaction as the employee's satisfaction in both psychological and physical components of their work environment. Smith, Kendall & Hulin (1969) advocated that employee's satisfaction is based on the individual's perception between what was expected as a fair return and what was actually experienced in a specific work environment. When the gap is smaller, the satisfaction level is higher.

# 2.5 The connection among culture distance, social connection, overseas adjustment and job satisfaction

Cross-cultural studies assume different attitudes, values and cognitions exist in different countries (Hofstede, 1983), that is why enterprises run different business models in different countries. As Church (1982) pointed out, some countries are easier to adapt to while some are more difficult because of the degree of cultural distance. Perception of cultural distance should have an effect on expatriates' experience overseas. Specifically,

when cultural distance is large, expatriates should have more difficulties in overseas adjustment and their ability to build social connections Thus,

Hypothesis 1: Perception of cultural distance has a negative effect on expatriates' overseas adjustment.

Hypothesis 2: Perception of cultural distance has a negative effect on expatriates' social connection.

Mendenhall & Oddou (1985) pointed out when selecting expatriate managers, companies must consider four acculturation dimensions: self-oriented, others-oriented, perceptual, and cultural-toughness dimensions. The others-oriented dimension encompasses activities and attributes that enhance the ability of expatriates to interact effectively with host countries. Therefore, it can be inferred that interactions and people connections will have an effect on expatriate adjustment and subsequent satisfaction of the expatriate assignment.

Shaffer & Harrison (1998) observed the research subjects of 224 expatriates from 45 countries on the relationship among organization commitment, job satisfaction, and non-job satisfaction. The result showed that expatriate adjustment has a direct impact on turnover intention. Lee & Liu (2006) conducted research on 53 Taiwanese financial managers assigned to the U.S. to explore the effect of job satisfaction, family support, learning-orientation, socialization and cross-cultural training on cross cultural adjustment. The result was significant. This study clearly showed a positive relationship between job satisfaction and expatriate adjustment in that the higher the expatriate job satisfaction was, the better the expatriate's cultural adjustment. We, however, believe in the reverse causal direction between job satisfaction and overseas adjustment because in an expatiate assignment, overseas adjustment is the first problem expatriates will encounter. We further hypothesize that social connection and overseas adjustment will serve as mediators between cultural distance and job satisfaction. Hence,

Hypothesis 3: Social connection has a positive effect on expatriates' job satisfaction

Hypothesis 4: Overseas adjustment has a positive effect on expatriates' job satisfaction.

Hypothesis 5: The mediating effect of overseas adjustment between culture distance values and job satisfaction is significant.

Hypothesis 6: The mediating effect of social connection between culture distance and job satisfaction is significant.

# 3. Methodology

## 3.1 Sample

Samples for this study were purposefully selected from expatriate managers of foreign companies assigned to Taiwan. The sample frame was "the directory of foreign enterprises in Taiwan (2004)" published by The Dun & Bradstreet Corporation. There were 631 companies in the list. Another source of sample was the personal network of a manager working in a foreign company. A total of 675 mail surveys were sent out, with 101 in return, yielding a 15% response rate.

As shown in table 1, the respondents were mostly male (74%), in a managerial position (63%), working for a Japanese company (67%), and with seniority and expatriate experience of more than four years (both > 60%). They were married (63%) and lived with

their family in Taiwan (55%). Most of them volunteered for the expatriate position (53%), and had experience living in Taiwan for more than four years (60%).

Table 1. Sample Profile

Variables	Category	Frequency	Percentage (%)
Attitude toward	1. I volunteered for the	53	52.5
expatriation	expatriate position		
•	2. I was assigned to	39	38.6
	work aboard, but I did		
	not refuse expatriate		
	position		
	3 I was assigned to	7	6.9
	work aboard, I did not		
	volunteer for the		
	expatriate position		
	4 Others	2	2.0
Position	Manager	64	63.4
	Employee	37	36.6
Tenure in company	Under 3 years	35	34.7
1 3	4-10 years	26	25.7
	11-20 years	26	25.7
	Above 21 years	14	13.9
Years of expatriate	Under 3 years	38	35.1
experience			
1	4-10 years	40	40.4
	11-20 years	18	19.1
	Above 21 years	5	4.3
Years of Taiwanese	Under 3 years	40	39.6
experience			
. r	4-10 years	43	42.6
	11-20 years	16	15.8
	Above 21 years	2	1.9
Nationality	Australia	1	1.0
	Austria	2	2.0
	Canada	7	6.9
	Germany	3	3.0
	India	2	2.0
	Japan	68	67.3
	Korea	4	4.0
	Malaysia	2	2.0
	Spain	1	1.0
	Taiwan	3	3.0
	Thailand	1	1.0
	U.S.A	7	6.9
Gender	Male	75	74.3
	Female	26	25.7
Marital status	Single	37	36.6
Trialitui Stutus	Married	64	63.4
Did you live with	Yes	55	54.5
family	100		0 1.0
<i>y</i>	No	46	45.5
N		101	

## 3.2 Measures

This research employed a quantitative approach. SPSS was used for data analysis. Data was collected using a questionnaire that included six parts. The first part contained questions items to measure expatriate's own cultural value. The second to the fourth parts were questions on expatriate adjustment, social connection, and job satisfaction respectively. The fifth part repeated cultural value questions to measure expatriates' perception of the dominant cultural value in Taiwan. The sixth part contained questions on demographic information. Except the questions in part sixth, all questions were measured with a 5-point Likert-type scale (1 = extremely disagree, 5=extremely agree). All latent constructs of the study were subjected to confirmatory fact analysis (CFA) by means of LISREL8.8 To ensure validity of the construct, items with factor loading smaller than .40 were eliminated (Hinkin, 1998).

#### 3.2.1 Cultural distance

Cultural distance was defined as the gap between an individual's own cultural value and the perceived cultural value of the people around the individual. We asked the respondents to rate their own value and then the value of the Taiwanese people using the same cultural value instrument. The instrument was published in American Psychologist by Triandis (1996) which contained multiple item scales for four dimensions each representing a distinctive cultural value type. The total number of items was 29. We dropped items due to failure to load over .40 on each factor. Data for two of the four dimensions did not fit well with the original model and were deleted as well from the measurement model. The final measurement model contained only the horizontal individualism dimension and the horizontal individualism dimension. The fit index of the final two-factor measurement model were  $\chi 2$ =42.80, df=19, P=.001, RMSEA=.11, Std. RMR=.08, GFI=.90, CFI=.92, NNFI=.88. Cultural distance scores were calculated for each remaining dimension.

## 3.2.2 Expatriate adjustment

For the measurement of expatriate adjustment, we adopted Black (1988) who distinguished it into three dimensions with a total of 11 items: "work adjustment", "interaction adjustment", and "general living adjustment." Confirmatory factor analysis was again performed to test the validity of the measurement model. After eliminating items failing to load over .40 on each factor, the CFA result indicated an acceptable fit with  $\chi = 49.94$ , df=32, RMSEA=.07, Std. RMR=.07, GFI=.91, CFI=.92, NNFI=.89.

#### 3.2.3 Social connection

We adopted Spreitzer's (1996) conceptualization of social connection which divided it into two dimensions with a total of 10 items: "obtaining support", and "obtaining resource". Confirmatory factor analysis (CFA) indicated a good model fit after deleting two items failing to load over .40 on each factor:  $\chi$ 2=18.26, df=19, RMSEA=.00, Std. RMR=.04, GFI=.96, CFI=1, NNFI=1.

#### 3.2.4 Job satisfaction

The study adopted a measurement scale developed by Weiss, Davis, England & Lofquist (1967) in his study "Minnesota Satisfaction Questionnaire, MSQ." It was separated into 3 dimensions: "extrinsic satisfaction", "intrinsic satisfaction", and "normal satisfaction". It included 20 items for job satisfaction. We eliminated items due to failure to load over .40. The final measurement model has 11 items in two dimensions with acceptable fit index:  $\chi$ 2= 53.38, df =19, RMSEA=.13, Std. RMR=.05, GFI=.88, CFI =.92, NNFI=.88.

## 3.2.5 Control variable

Control variables of this study included tenure in company, years of expatriate experience, years of Taiwan experience, gender, nationality, position in the company, marital status, and whether living with family in the host country.

#### 3.3 Reliability of scales

Cronbach's alpha was the most widely used coefficient to test internal consistency of instruments. Cronbach's  $\alpha$  of cultural value was .73 (horizontal individualism) and .70 (horizontal collectivism). Cronbach's  $\alpha$  of expatriate adjustment was 0.74; social connection was .84; job satisfaction was 0.83. Cronbach's  $\alpha$  larger than .7 is considered acceptable. (Nunnally, 1978) Hence, all measurement scales reached acceptable reliability.

# 4. Analyses and Findings

As shown in table 2, the correlation results between the cultural distance in horizontal collectivism and expatriate adjustment showed a significant negative relationship (r=-.251, p<.05). Expatriate adjustment also shared a significant association with social connection (r=.498, p<.01). Also, Expatriate adjustment was significantly related to job satisfaction (r=.320, p<.01). Social connection was also strongly correlated with job satisfaction (r=.536, p<.01). The data showed that expatriate adjustment and social connection both had the hypothesized positive effects on job satisfaction.

Variables	Mean	S.D.	1	2	3	4	5
1. HI cultural distance	1.80	1.26					
2. HC cultural distance	1.75	1.20	.431**				
3. Overseas adjustment	3.74	.42	091	251*	(.74)		
4. Social connection	3.65	.51	.112	106	.498**	(.84)	
5. Job satisfaction	3.35	.56	.242*	019	.320**	.536**	(.83)

Table 2. Correlation Analysis Results

Hierarchical regression was used to test all six hypotheses of this study and the regression analysis results were presented in table 3. The first hypothesis was stated as follows: *Perception of cultural distance has a negative effect on expatriates' overseas adjustment*. As model 1 in table 3 shows, perception of cultural distance in horizontal collectivism did have a negative effect on expatriates' overseas adjustment ( $\beta$ =-.117, p<.01). However, perception of cultural distance in horizontal individualism did not have an effect on expatriates' overseas adjustment ( $\beta$ =.061). Hence, the first hypothesis was only partially supported.

Our second hypothesis stated that perception of cultural distance has a negative effect on expatriates' social connection. As shown in model 2, perception of cultural distance in horizontal collectivism did have a negative effect on expatriates' social connection ( $\beta$ 

<sup>\*\*</sup> p<.01 \* p<.05 (): Cronbach's  $\alpha$ 

=-.109, p<.05). However, perception of cultural distance in horizontal individualism showed a significant positive effect on expatriates' social connection ( $\beta$  =.166, p<.001). Both dimensions had significant results. However, perception of cultural distance in horizontal individualism presented the opposite effect to the assumption of this study. It showed that when perception of cultural distance in horizontal individualism is larger, expatriates' social connection is better. Thus, the second hypothesis was only partially supported.

The third and the fourth hypothesis stated that *social connection and overseas* adjustment both have a positive effect on expatriates' job satisfaction. As shown in model 3, even though overseas adjustment showed a significant positive effect on expatriates' job satisfaction ( $\beta$ =.393, p<.0), the overall R square of the regression model was not large enough (Adj.  $R^2$  = .072) to produce a significant F value. However, when comparing to other control variables, the effect of overseas adjustment was still significantly larger. Therefore, although hypothesis three cannot be substantiated, the effect of overseas adjustment on job satisfaction should not be ignored. As shown in model 4, social connection did show a strong positive effect on expatriates' job satisfaction ( $\beta$ =.608, p<.001). Thus, the fourth hypothesis was supported.

Table 3. Regression Analyses for Hypotheses Testing

	Overseas Adjustme nt	Social Connecti on	Job satisfaction					
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	
Constant	3.990	4.290	1.661	.422	2.904	1.602	.473	
Job position	011	249	.155	.291	.141	.145	.283	
Tenure in company	.004	003	006	002	005	006	003	
Years of expatriate experience	.014	.012	.012	.006	.015	.010	.008	
Years of					.005			
Taiwanese experience	001	011	.001	.011		.005	.011	
Nationality	003	017	.011	.014	.005	.006	.014	
Marital status	.025	.059	.059	.085	.201	.193	.167	
Living with family	208	299	118	017	252	184	083	
Cultural distance					.194**			
in horizontal individualism	.061	.166***			*	.174**	.100*	
Cultural distance in horizontal collectivism	117**	109*			098	059	036	
Overseas adjustment			.393*			.326*		
Social connection				.608***			.567***	
N	101	101	101	101	101	101	101	
R	.495	.517	.382	.613	.447	.494	.630	
$R^2$	.245	.267	.146	.376	.200	.244	.397	
Adj. $R^2$	.170	.194	.072	.314	.121	.160	.323	
F	3.276**	3.679**	1.969	6.081**	2.523*	2.901*	5.333**	

<sup>\*\*\*</sup> p<.001 , \*\* p<.01 , \* p<.05

The fifth hypothesis was as follows: The mediating effect of overseas adjustment between culture distance values and job satisfaction is significant. As shown in model 5, perception of cultural distance in horizontal individualism had significant effect on job satisfaction ( $\beta$ =.194, p<.001). Perception of cultural distance in horizontal collectivism did not have significant effect on job satisfaction ( $\beta$ =-.098). Therefore, we proceeded to test the mediating effect of adjustment between horizontal individualism and job satisfaction. As shown in model 6, when overseas adjustment was added to the regression model, the effect of cultural distance in horizontal individualism did not decrease much. Hence, we

can not prove the mediating effect of overseas adjustment between cultural distance and job satisfaction. Hypothesis 5 was not supported.

Same as above, a hierarchical regression analysis was used to test the sixth hypotheses: The mediating effect of social connection between culture distance values and job satisfaction is significant. As shown in model 5, perception of cultural distance in horizontal individualism values was significant and its effect decreased quite significantly in model 7 when social connection was added to the equation. Hence, the above analysis showed that the mediating effect of social connection between cultural distance and job satisfaction was partially supported.

## 5. Conclusions and Discussions

The objectives of this study were to examine the influence of cultural distance, expatriates' adjustment, and social connection on job satisfaction. After statistical analysis, we found that perception of cultural distance in horizontal collectivism values had a negative effect on expatriates' overseas adjustment. Perception of cultural distance in horizontal collectivism values had a negative effect on expatriates' social connection. Moreover, social connection and overseas adjustment both had a positive effect on expatriates' job satisfaction. Finally, the mediating effect of social connection between culture distance in horizontal individualism values and job satisfaction was partially supported.

# 5.1 The effect of cultural distance on overseas adjustment and social connection

Cultural distance had a partial significant effect on overseas adjustment and social connection. The study showed that only perception of cultural distance in horizontal collectivism values showed a negative effect on expatriates' overseas adjustment and social connection. Two situations contributed to expatriates' greater cultural distance in horizontal collectivism, One is when the expatriate is low on horizontal collectivism values and is assigned to work in an environment full of people high on horizontal collectivism values. The second is when the expatriate is high on horizontal collectivism values but happen to be assigned to work in an environment full of people low on horizontal collectivism values. Fiske (1992) and Shamir (1973) believe that collectivism has a focus on similarity and safety. Horizontal concept adds fairness into collectivism values. Similarity and safety are linked to group harmony, unity and loyalty. Collectivism values urge participants to join the group and share common values. The concept of fairness stresses that things should be proceeded with open and careful discretion. Therefore, people with horizontal collectivism values will have higher need to work with people who are similar to them. When this need is not met, there will be negative consequences such as lower adjustment and fewer social connections.

On the contrary, cultural distance in horizontal individualism values does not seem to have the same negative effect on expatriates' adjustment and social connection. In fact, it even showed a strong positive effect on social connection. Kluckohn & Strodtbeck (1961) mentioned that some cultures emphasized on individualism and recognized themselves by individual characteristics and achievements. Individualists are also more task-oriented than relationship-oriented. Because of their strong achievement motivation, people with high individualistic values may perceive having strong social connection as a necessary condition to succeed in a more collectivistic environment and try harder to build better connections. They are less concerned with assimilating into a group, but merely see building better social connections as a way to "getting job done". As this study was done in Taiwan, which is considered more collectivistic than individualistic, we suspect most of the

respondents having large cultural distance in horizontal individualism values fall under this category. Most people in Taiwan also exhibit behaviors consistent with the horizontal collectivism values (e.g., friendly, caring) that often make foreigners feel welcomed and taken care of like a family. These behaviors may have strengthened the individualists' perception of their social connection in Taiwan. Explanations for the other situation of cultural distance in horizontal individualism values, i.e., expatriates low in individualistic values working in an environment of high individualistic values, are still lacking.

## 5.2 The relationship between social connection and job satisfaction

In this study, we tested positive the significant relationship between social connection and job satisfaction. When expatriates have excellent interpersonal skills, they not only adapt to different cultures more easily, but also understand others' ideas better by respecting and cooperating with others (Aycan, 1997, Church, 1982). This study adopted the social capital perspective and used the level of obtaining support and obtaining resource to measure social connection. Burt (1992, 1997) indicated that when an individual used network position or became a message deliverer in organizations, he became very valuable. In fact, this kind of network position has been proven to relate to job performance. This person is well regarded as a crucial contact, and emphasized for his conflict resolution and coordinating role. He not only adds value to his organization but also improves his job performance. As a logical consequence, job satisfaction of a well connected expatriate would increase as well (Burt, 1992, 1997). Scott, Maria & Robert (2001) presented similar argument on the significant effect of social capital on job satisfaction. The more social capital an individual has, the higher his job satisfaction is. Therefore, when selecting expatriate managers, companies should consider not only the professional skills and experience of the candidates, but also their interpersonal skills and propensity to build social connection, as Mendenhall & Oddou (1985) suggested in the "others-oriented" dimension.

# 5.3 The mediating effect of social connection

As a surprise, this study found a strong positive effect of cultural distance in horizontal individualism values, and a negative but non-significant effect of cultural distance in horizontal collectivism values on expatriates' job satisfaction. Further testing of social connection's mediating effect between the significant culture and job satisfaction relationship showed partial support. As Maney & Stevenson (2001) argued when cultural distance was close, managers and employees from different nationalities tended to build social connection. This argument was not supported by the result of this study. It seems the effect of cultural distance on social connection is moderated by other cultural or personal variables, for example, the expatriate's own cultural value, personality and interpersonal skills. When expatriates have better personal skills, it not only adapted to diverse cultures more easily but also understood others better (Aycan, 1997, Church, 1982), resulting in a better social network which in turn increased job satisfaction. As discussed earlier, as the research context was in Taiwan, the respondents who held larger cultural distance in horizontal individualism values may be those who were individualists themselves. They may have been selected to come to Taiwan because they have demonstrated better interpersonal skills which may explain their positive social connection score. An alternative explanation is that these people were aware of the difficulties working in a different environment and thus held low expectations in the area of social connection and job satisfaction before coming to Taiwan, but have better experience after arriving Taiwan and therefore reflected a "better than expected" rating in their scores.

# 6. Future Research Suggestions

This research only utilized overseas adjustment and social connection to infer job satisfaction. However, expatriate's overseas adjustment was interfered by many factors: work, non-work, long term and short term factors, etc. Moreover, the social connection may influence related reward system and relationship quality between employees and companies. Thus, we suggest future research can add those issues to complete the model of expatriate job satisfaction.

This study uncovered a surprising condition in that cultural distance does not have a single, unified effect on expatriates' job outcomes, but rather a more complex and multi-dimensional effect. Furthermore, the findings on the effect of cultural distance in horizontal individualism values are different from the argument in previous literature. Further study may be needed to re-examine cultural distance hypothesis in a more complex and multi-dimensional design.

Also, this study used cross sectional analysis and collected data for all variables at the same time, which made it more difficult to test causal directions of each relationship. Therefore, we suggest future research can employ a longitudinal approach to analyze the cause and effect of expatriates' job-related factors.

#### 7. References

- Aycan, Z. (1997). Expatriate adjustment as a multifaceted phenomenon: Individual and organization level predictors. *The international journal Human Resource Management*, 8 (4), pp.434-456.
- Berry, J. (1976). Human ecology and cognitive style: Comparative studies in cultural and psychological adaptation. New York: Sage- Halsted.
- Black, J. Stewart. (1988). Work role transitions-A study of American expatriate managers in Japan. *Journal of International Business Studies*, 19(2): 277-294.
- Burt, R. S. (1992). *Structural holes: the social structure of competition*. Cambridge, MA: Harvard University Press.
- Burt, R.S. (1997). The Contingent Value of Social Capital. *Administrative Science Quarterly*, 42: 339-365.
- Church, A. T. (1982). Sojourner adjustment. *Psychological Bulletin*, 91: 540-571.
- Coleman, J. S. (1988). Social capital in the creation of human capital. *American Journal of Sociology*. 94: 95-120.
- DeVellis, E.E. (1991). Scale Development Theory and Applications. London: SAGE.
- Fiske, A. P. (1992). The four elementary forms of sociality: Framework for a unified theory of social relations. *Psychological Review*, 99: 689-723.
- Fornell, C. and Larcker, D. F. (1981). Evaluating Structural Equation Models with Unobservables and Measurement Error. *Journal of Marketing Research*, 18: 39-50.
- Gan, P.S. (2000). *Empirical study of cross cultural training for Taiwanese expatriates*. Unpublished master's thesis, National Cheng Kung University, Tainan.
- Hays, R. D. (1971). Ascribed behavioral determinants of success-failure among U.S. expatriate managers. *Journal of International Business Studies*, 2(1): 40-46.
- He, G.C (1994). The interaction between Chinese employee values and Taiwanese manager behaviors. Unpublished master's thesis, National Cheng Chi University, Taipei.
- Herskovits, M. J. (1955). Cultural anthropology. New York: Knopf.
- Hofstede, G. (1990). Managerial culture and work-related values in India. *Organization Studies*, 11(1): 106.
- Hofstede, G. (1991). Culture and organizations. London: McGraw-Hill.
- Hoppock, R. (1935). *Job Satisfaction*, New York: Harper and Brothers.
- Kelley, H. H. & Thibaut, J. W. (1978). *Interpersonal Relationships*. John Wiley & Sons, New York.
- Kluckhohn, F. R., & Strodtbeck, F. L. (1961). *Variations in value orientations*. Illinois: Peterson.
- Lan, Y.S. (2002) The Relationship between Expatriate Capability and Overseas Adjustment-A case study of Taiwanese expatriates in China. Unpublished master's thesis, Chung Yuan Christian University
- Lee, H. W. & Liu, C. H. (2006). Determinants of the Adjustment of Expatriate Managers to Foreign Countries An Empirical Study. *International Journal of Management*, 23(2): 302-311.
- Manev I. M. & Stevenson, W. B. (2001). Nationality, cultural distance, and expatriate status: Effects on the managerial network in a multinational enterprise. *Journal of*

- International Business Studies, 32(2): 285-303.
- Mendenhall, M. & Oddou, G. (1985). The Dimensions of Expatriate Acculturation. *Academy of Management Review*, 10(1): 39-47.
- Nahapiet, J. & Ghoshal, S. (1998). Social capital, intellectual capital, and the organizational advantage. *Academy of Management Review*, 23: 242-266.
- Nash, D. (1991). The Course of Sojourner Adaptation: A New Test of the U-curve Hypothesis. *Human Organization*, 50(3): 283-286.
- Nicholson, N. (1984). A Theory of Work Role Transitions. *Administrative Science Quarterly*, 25: 226-251.
- Nicholson, N. & Imaizumi, A. (1993). The adjustment of Japanese expatriates to living and working in Britain. *British Journal of Management*, 4: 119-134.
- Nunnally, J.C. (1978). Psychometric Theory (2nd ed.). New York: McGraw-Hill.
- Robinson, R. D. (1984). *Internationalization of business: An introduction*. Illinois: The Dryden Press.
- Shaffer, M.A., Harrison, D.A. & Gilley, K.M. (1999). Dimensions, Determinants, and Differences in the Expatriate Adjustment Process. *Journal of International Business Studies*, 30: 557-581.
- Singelis T., Triandis H., Bhawuk D., and Gelfand M. (1995) Horizontal and Vertical Dimensions of Individualism and Collectivism: A Theoretical and Measurement Refinement. *Cross-Cultural Research*, 29: 240-75.
- Smith, P. C. & Kendall, L. M. & Hullin, C. L. (1969). *The Measurement of Satisfaction in Work & Retirement*, Chicago: Rand Mcnally.
- Spreitzer, G. M. (1996). Social structural characteristics of psychological empowerment. *Academy of Management Journal*, 39(2): 483-504.
- Triandis, H. C. (1972). The analysis of subjective culture. New York: Wiley.
- Triandis, H. C. (1993). Collectivism and individualism as cultural syndromes. *Cross-Cultural Research*, 27: 155-180.
- Triandis, H.C. (1994). Culture and social behavior. New York: McGraw-Hill.
- Triandis, H. C. (1995). *Individualism and collectivism*. Boulder, CO: Westview Press.
- Triandis, H. C. (1996). The Psychological Measurement of Cultural Syndromes. *American Psychologist*, 51: 407-415.
- Triandis, H. C., Gelfand, M. J. (1998). Converging Measurement of Horizontal and Vertical Individualism and Collectivism. *Journal of Personality and Social Psychology*, 74:118-128.
- Weiss, D. J., Dawis, R. V., England, G. W., & Lofquist, L. H. (1967). *Manual For The Minnesota Satisfaction Questionnaire Minneapolis*: University of Minnesota, Industrial Relations Center.