



A Study on Cross-Cultural Adjustment of Japanese and American Expatriates in China

Xingying Zhou

School of English for International Business, Guangdong University of Foreign Studies

Guangzhou 510420, China

E-mail: xingying2@hotmail.com

Jie Qin

College of Humanities, Guangzhou City Polytechnic

Guangzhou 510000, China

E-mail: jieqin2@hotmail.com

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Abstract

A survey has been made on Japanese and American business expatriates who are currently working in China in order to explore the relationship between cultural distance and expatriate adjustment. Based on the reviewed literature and the theory, the authors put forward two hypotheses which are tested by a specially designed 34-item questionnaire distributed to 41 Japanese subjects and 53 American subjects. The results partly prove the expectation that cultural distance is negatively correlated with adjustment of business expatriates. The Japanese business expatriates working in China demonstrate higher degree of adaptability than the American business expatriates in general adjustment and interaction adjustment, but not in work or psychological adjustment.

Keywords: Expatriate adjustment, Cultural distance, General adjustment, Interaction adjustment, Work adjustment, Psychological adjustment

1. Introduction

Along with the integration of the world markets and the phenomenal growth of multinational business, multinational corporations have become a major form of foreign investment. For instance, fast food giants Burger King, Wendys' and McDonalds conduct respectively 30%, 20% and 50% of their business outside the U. S. (Rooney, 2007). Companies investing abroad need to manage, control, coordinate and integrate the operations of their foreign subsidiaries with those of the parent company. In order to achieve the goals, parent companies often send expatriate employees to host countries as corporate representatives and ambassadors.

According to Longman Dictionary of Contemporary English (1998), an expatriate refers to "a person who is living or working in a foreign country". These expatriates on assignment to foreign countries meet new cultural environments that they must try to make sense of in order to function properly. In many cases, expatriates are confronted with both job-related and personal adjustment problems. If ignored, these adjustment problems may result in stress both inside and outside an expatriate's professional life and lead to intentions to leave prematurely or even actual turnover. Black and Stephens define expatriate failure as "the premature return of an expatriate employee" (Black & Stephens, 1989, pp.529-544). According to the statistical data of the U. S. and the western countries, the failure rate of expatriates on assignment abroad was as high as 25% to 40% (Lü & Gao, 2004, pp.44-48). Expatriates may take a prolonged period of time to adjust, exhibit poor performance, be withdrawn or return home early, completing their assignment in a low state of effectiveness.

Over the past few decades, the Chinese economy has been expanding rapidly and a great number of multinational corporations have sought to integrate China into their global strategy. An expanding number of foreign businesses are pouring in, accompanied by an extended amount of expatriates. However, the success rate of expatriates posted to China is rather low. ASIMCO, one of the multinational companies surveyed by Stuttard, estimated that only around 20% of the

expatriates they sent to China were successful (Erbacher et al., 2006, pp.183-188). That is probably because what expatriates are confronted with in China is a new cultural environment which is quite distinct from their own. Therefore, how they are to deal with extra demands required of them in terms of the local culture, language barriers, and training local staff creates a serious problem for expatriates themselves as well as those multinational corporations they are in employment of. Furthermore, this issue has also attracted the attention of researchers at home and abroad (Selmer, 2007; Erbacher et al., 2006).

Among the numerous multinational corporations in China, those from U. S. and Japan, the two leading developed countries in the world, account for the largest percentage. Another factor considered in deciding which countries to do research on is the cultural factor. The Japanese culture is somewhat similar to the Chinese culture since both countries are in Asia and have long been shaped by the traditional Confucianism. On the contrary, the American culture is apparently different from that of China, the former characterized by individual achievement, competitiveness, self-reliance, materialism and the latter being more inclined to collectivism, harmony, stability and hierarchy. Therefore, it would be quite interesting and pragmatic to compare the Japanese and American cultures and the adjustment of expatriates from the two countries.

2. Literature Review

A number of researches have been done studying the relationship between cultural distance and expatriate adjustment. There are some scholars arguing that assigning expatriates to a similar culture can be as much, if not more, of a trying experience as sending them to a very different culture. Those scholars have found that cultural distance bears no relationship or even positive relationship with expatriate adjustment.

In a recent paper by Jan Selmer, he got a counter-intuitive result that although there is a significant between-group difference in cultural distance, that the American expatriates perceive Canada as more culturally similar to America than Germany, no significant inter-group differences are detected for general adjustment, interaction adjustment, work adjustment and psychological adjustment (Selmer, 2007, pp.185-201). One reason might be that American expatriates assigned to Canada with a similar culture do not detect any cultural differences because those differences are not expected. Hence, ensuing problems which are more probably attributed to other circumstances instead of cultural distance might result in increasing frustration as the feeling of unexpected maladjustment grew.

Reporting a study of 36 UK-based companies, Forster found out that respondents from similar cultures such as the U. S. are as likely to report adjustment problems as expatriates assigned from more dissimilar cultures, such as China (Forster, 1997, pp.414-433). He concluded that the degree of cultural "strangeness" does not seem to have any correlation with the outcome of the international assignment. Similarly, as Peterson et al. stated, the Japanese multinational corporations reported that their expatriates appear to adjust "about the same" in different countries, regardless of their degree of cultural similarity to Japan (Peterson et al., 1996, pp.215-230). Such results occur for various causes, and the main reason is attributed to unprepared expectance prior to assignment. Other reasons also include factors such as organizational cultural novelty and personal adaptability.

Despite the above findings, more of the researches on expatriate adjustment lead to the conclusion that cultures more different or distant from the expatriate's culture of origin present bigger challenges and result in greater adjustment difficulties (Ward & Kennedy, 1992, pp.175-194).

Torbiörn found that U. S. expatriates tend to experience greater cultural barriers in India, Pakistan, Southeast Asia, the Middle-East, North Africa, East Africa and Liberia in the areas of job satisfaction, stress and anxiety, and quality of life standards such as housing, food, and health care (Torbiörn, 1982). Similarly, Tung reported that U. S. expatriates express higher levels of dissatisfaction with their expatriation experiences in Africa, the Middle East and Southeast Asia than in other world regions since the culture in those areas are most dissimilar (Tung, 1982, pp.57-71).

Black and Stephens correlated a measure of cultural distance with expatriate adjustment using self-report from 220 business expatriates, whose results showed negative correlations (Black & Stephens, 1989, pp.529-544). Later, Black, Mendenhall and Oddou put forth a model of the dimensions and determinants of adjustment to international assignments (Black et al., 1991, pp.291-317). According to the model, it is proposed that cultural novelty will be negatively associated with degree of international adjustment, especially with that of interaction and general adjustment.

Based on that, Gregersen and Stroh conducted a research to assess the processes of Black et al.'s model theoretically and empirically (Gregersen & Stroh, 1997, pp.635-654). Anticipatory and in-country variables related to work, interaction, and general repatriation adjustment has been examined with a focus on Finnish expatriates and spouses. It is revealed that culture cultural novelty correlate significantly with repatriates' adjustment to interacting with home country nationals, and for Finnish repatriates' spouses, culture novelty correlate significantly with adjustment to interacting with home country nationals and spouses' general adjustment.

Subsequently, Shaffer and associates' survey has also comprehensively tested Black, Mendenhall and Oddou's model (Shaffer et al., 1999, pp.557-581). Completed by 452 expatriates from large multinational firms in 29 different countries

who were assigned to 45 host countries, support and confirmation for Black et al.'s model is found. It is concluded that cultural distance hinders general adjustment. One limitation of the study lies in the classifications of similar or dissimilar cultures relative to the United States as the parent country. Since the expatriates are working in large multinational corporations, difference in the national culture may be obscured by the corporate culture to some extent.

3. Theoretical Framework

3.1 Dimensions of Adjustment

Some scholars proposed the two dimensions of adjustment, namely general adjustment and work adjustment. Others added a third dimension, adjustment to interactions with host nationals which separated interactions with host nationals from other aspects of the general environment such as transportation and climate. Black and his colleagues proposed three related but separate dimensions of expatriate adjustment (Black, et al., 1991, pp.291-317):

- (1) adjustment to the job (work adjustment)
- (2) adjustment to interacting with host-country nationals (interaction adjustment)
- (3) adjustment to the general non-work environment (general adjustment)

3.2 Determinants of adjustment

As early as 1991, Black, Mendenhall and Oddou proposed a comprehensive model of determinants of adjustment to international assignments (Black et al., 1991, pp.291-317). This model was subsequently expanded and tested by Shaffer, Harrison and Gilley who additionally examined two individual factors and three positional factors as moderators of adjustment determinants (Shaffer et al., 1999, pp.291-317).

The model of determinants of expatriate adjustment proposed by Mendenhall and Oddou (1991) and expanded by Shaffer, Harrison and Gilley (1999) can be summarized as follows:

(1) Individual Factors

Certain traits and characteristics of individuals have been proposed as predictors of expatriate success. Those factors include achievement and social self-efficacy, relational and perceptual skills, previous assignments and language fluency.

(2) Job Factors

Job factors refer to a specific set of tasks and duties performed by a given individual, such as role clarity, role discretion, role conflict and role novelty.

(3) Organizational Factors

There are three perspectives of organizational factors, organizational cultural novelty, social support and logistical support.

(4) Positional Factors

Positional factors have something to do with the nature of the work and stress at varying hierarchical levels and functional positions. There are three sub-factors to this category, hierarchical level, functional area and assignment vector.

(5) Non-work Factors

There are mainly two kinds of non-work factors according to Black, culture novelty and spouse/ family adjustment. Culture novelty refers to the perceived distance between host and parent country cultures, and has been found to hinder non-work adjustment (Shaffer et al., 1999, p.560).

The three-dimensional view of expatriate adjustment and the model of determinants of adjustment to international assignments provide a comprehensive theoretical framework for the present paper. Among the various factors that may have influence on expatriate adjustment, the non-work factor of cultural distance is paid special attention to in the present paper.

4. Research Design

According to the literature review, a large number of studies come to the conclusion that cultures more different or distinct from the expatriate's culture of origin present bigger challenges and result in greater adjustment difficulties (Ward & Kennedy, 1992, pp.175-194). Therefore, the authors make an assumption that larger cultural distance is associated with more difficult adjustment for expatriates. This is made based on both intuitive induction and empirical researches. Firstly, there are a number of previously conducted studies supporting this point of view. Furthermore, most of these studies are well grounded on a systematic theoretical framework and most researches have examined the social context in which expatriates live and work.

H1: *The cultural distance between the U. S. and China is larger than that between Japan and China.*

H2: *The Japanese business expatriates working in China demonstrate higher degree of adaptability than the American business expatriates in work adjustment, interaction adjustment, general adjustment and psychological adjustment.*

4.1 Subjects

A quantitative methodology is employed in this study. Subjects are American and Japanese business expatriates who are currently working in major cities of China, such as Beijing, Shanghai, Guangzhou, Shenzhen and Chengdu. The subjects are selected following the three criteria:

- (1) They have to be American or Japanese citizens and those American born Chinese or Japanese born Chinese are excluded.
- (2) They have been working in China continuously for at least three months.
- (3) Their working industries are business relevant and those teachers, scholars, exchange students, diplomatic officials are not included as subjects.

In order to get an adequate number of qualified subjects, the authors collect data for this study in various ways. One way is to send e-mails to the human resource department of companies listed in the website of American Chambers of Commerce (AmCham) and Japanese Chambers of Commerce in China respectively and ask them to distribute the e-mail to accordant subjects. At the same time, the authors call and e-mail their friends and acquaintances asking for their favor to help find suitable subjects. Although most responses are received via mail surveys, personal contacts and surveys are also made by the authors at various places, such as schools, agencies and on the streets.

4.2 Instruments

Questionnaire is the major instrument used in this study. It is divided into four sections, demographic information, sociocultural adjustment, psychological adjustment and cultural distance.

Demographic information includes nationality, gender, age, education and years in China. Such items are put in the instruments so that these demographic factors can be considered.

Sociocultural adjustment is measured by adopting Black and Stephens' (1989) 14-item scale with slight modification. As the most often tested and utilized measurement to assess expatriate's sociocultural adjustment, it is designed to measure three dimensions: general adjustment (sample item: "living conditions in general"), interaction adjustment (sample item: "interacting with host nationals on a day-to-day basis"), and work adjustment (sample item: "specific job responsibilities"). The respondents indicate how well adjusted they are to their respective host location on a scale ranging from 1 ("very unadjusted") to 5 ("completely adjusted"). The resulting reliability scores of the three variables are acceptable: seven items on general adjustment ($\alpha = .76$), four items on general adjustment ($\alpha = .84$), and three items on work adjustment ($\alpha = .88$).

Psychological adjustment is measured using the General Health Questionnaire (GHQ-12) developed by Goldberg (1972) with some modifications. Containing a number of questions concerning how people have been feeling recently, it includes sleeping difficulties, feelings of unhappiness, and the respondents' ability to enjoy everyday experiences. Respondents are asked to think about how they have been feeling over the past few weeks (sample item: "Have you recently been able to concentrate on what you're doing?"). Responses range from 1 ("more than usual") to 5 ("less than usual"). Reliability coefficients range from .78 to .95 in various studies.

Cultural distance is measured by the 8-item scale used by Black and Stephens (1989) adopted from Torbiörn (1982). On a 5-point Likert scale, the expatriates are asked to indicate how similar or different a number of conditions are at the host country compared with their home country (sample item: "transportations systems used in the country"). The response categories vary from 1 ("extremely different") to 5 ("extremely similar"). For easier interpretation of the results, this scale is reversed to make a higher score represent a larger cultural distance. There is an acceptable reliability score for this scale ($\alpha = .80$).

5. Data Analysis

Altogether there are 94 subjects in the present research, with 41 Japanese business expatriates and 53 American business expatriates. All the raw data collected from the questionnaires are loaded into SPSS and sorted into different variables.

As can be seen from Table 1, the average age of the respondents is 41.36 (SD = 12.668), with 37.59 (SD = 11.555) for the Japanese expatriates and 43.98 (SD = 12.850) for the American expatriates. Male respondents account for more than 60% of the expatriates from both countries. As for educational background, 33.3% of the respondents have a bachelor's degree and 32.2% have a master's degree; the lowest ratio comes to high school. However, some differences could be observed comparing the respondents from the two countries: for the Japanese expatriates, 46.3% have a bachelor's degree while 26.8% have a master's degree, and there are few expatriates with a MBA degree (7.3%). People with a

master's degree accounts for the most for the American expatriates (35.8%) and the percentage of people with a bachelor's degree lists the second (24.5%). 17% of the American expatriates have a MBA degree. Respondents have spent an average of 5.792 years (SD = 6.217) in China.

The authors perform ANOVAs on each demographic variable with nationality as the independent variable. As a result, there is no significant difference for gender ($p = .806$), age ($p = .077$), educational background ($p = .120$) or years in China ($p = .522$).

After a brief summary of the demographic information, the two research hypotheses are to be tested through two steps.

Step 1: To test Hypothesis One: The cultural distance between the U.S. and China is larger than that between Japan and China.

The last part of the present questionnaire adopted from Black and Stephens' (1989) 8-item scale is to be analyzed in order to test hypothesis one. The eight items cover all facets of living in a new environment from health care facilities to food, climate and housing. Respondents are asked to mark from 1 to 5 according to the degree of dissimilarity they perceive in the host country compared with their home country.

It can be obviously drawn from Table 2 that the American expatriates in China perceive larger cultural distance than the Japanese expatriates and this difference is statistically significant ($p = .001$). Perception of respondents from the two countries differ most greatly in climate and general housing condition, and then food and living conditions. They consider health care facilities in China differ most from those in their home countries, and everyday customs and living conditions come next. General housing conditions and transportation systems in China are considered the least different from those in their home countries.

Therefore, based on the results from the analysis of cultural distance for the respondents from Japan and America, it is tested that hypothesis one is true.

Step 2: To test Hypothesis Two: The Japanese business expatriates working in China demonstrate higher degree of adaptability than the American business expatriates in work adjustment, interaction adjustment, general adjustment and psychological adjustment.

Five variables are processed in SPSS correlation analysis program in order to test whether there is any statistically significant relationship between cultural distance and the four facets of adjustment. The Pearson correlation coefficient is calculated by SPSS correlation analysis program. The coefficient, ranging from -1 to +1, indicates the degree to which the two variables are related.

Table 3 displays the means, standard deviations and correlations among the variables. The five variables are derived from the average score of the accordant items in the questionnaire. As a result, the mean scores for four facets of adjustment are rather high, which indicates that both the American and Japanese expatriates in general have adjusted well to their foreign environment, especially to work environment. What's more, it can be well observed that all sociocultural and psychological adjustment variables are significantly correlated. There is a significant negative association between general adjustment and cultural distance ($p = .003$), and between interaction adjustment and cultural distance ($p = .002$), suggesting that the smaller they consider the cultural distance between China and their home countries, the more adjusted expatriates are to the general living conditions and the more adjusted they are to interacting with host nations. However, there is no significant correlation between work adjustment and cultural distance, or between psychological adjustment and cultural distance.

Linear regression analysis is also employed in the study in order to further investigate the relationship between variables. It is a statistical tool which seeks to ascertain the causal effect of one variable upon another, for instance, the effect of cultural distance upon general adjustment. The five variables are also derived from the average score of the accordant items in the questionnaire.

Table 4 displays the results of linear regression analysis which tests the direct effects of cultural distance on both sociocultural adjustment and psychological adjustment. Four separate linear regression analysis are conducted in which four facets of adjustment are the dependent variables and cultural distance and nationality are entered as the independent variables. As illustrated in the table, regression coefficients are significant for general adjustment and interaction adjustment, suggesting that cultural distance has statistically significant effects on general and interaction adjustment, but no significant effects on work adjustment or psychological adjustment are perceived. Such results are consistent with the findings of the above Pearson correlation analysis with the variables.

In brief, the correlation analysis and linear regression analysis work out the correlation between cultural distance and the four facets of adjustment. It is concluded that cultural distance has negative effect on general adjustment and interaction adjustment, but no effect on work adjustment and psychological adjustment. Such a result supports Hypothesis Two only partly.

6. Findings and Discussion

Based on the detailed results of this study, the major findings can be summarized in the following:

- (1) The American business expatriates in China perceive larger cultural distance between China and their home country than the Japanese business expatriates, especially in terms of climate and general housing conditions.
- (2) The Japanese business expatriates working in China demonstrate higher degree of adaptability than the American business expatriates in general adjustment and interaction adjustment, but not in work or psychological adjustment. That is to say, cultural distance is negatively correlated with expatriates' general and interaction adjustment, but bears no relationship with work or psychological adjustment.

6.1 Discussion of Hypothesis One

The results of this study indicate that the American business expatriates perceive larger cultural distance between China and their home country than the Japanese business expatriates, which has testified hypothesis one. Such a result can be justified from geographical, historical and cultural perspectives. In the first place, both Japan and China are located in the eastern part of the Pacific while the U. S. lies far away on the other side of the ocean. Spatial distance has prevented the communication and intercourse between China and the U. S. to a large extent, especially when transportation was not that well-developed. On the contrary, the geographical advantage of Japan and China has enhanced and prospered the contact between the two countries.

What's more, China and Japan have had close cultural communication and commercial exchange ever since the ancient times. As early as 57 BC, it was noted in the Chinese historic textbook of Later Han that the emperor of the *Han Dynasty* gave a golden seal to *Wa* (Japan). The influence of the Chinese culture reached its peak during the *Sui Dynasty* and *Tang Dynasty* when Japan sent many students of imperial embassies to China and brought back from China important elements including Chinese customs and culture, bureaucracy, architecture and city planning. Conversely, most of the economic exchange and cultural communication between China and the U. S. began only after the opening of China in the 1980s.

In addition, China and Japan share common grounds in culture in that both of the two countries have been profoundly shaped by Confucianism whose impact on the society lasts up to now. Under the influence of Confucius and Confucianism, the two countries are both collectivistic and emphasize much on the social group such as the family or the clan. However, the Chinese and American cultures are quite mysterious and distinct for each other, each representing a typical cultural pattern on the two sides of the Pacific.

Hypothesis two is only partly tested. It is found out that cultural distance is negatively correlated with expatriates' general and interaction adjustment, but bears no relationship with either work or psychological adjustment. Such a result is consistent with the previous studies in the relationship between cultural distance and sociocultural and psychological adjustment (Black & Stephens, 1989; Gregersen & Stroh, 1997).

6.2 Discussion of the Negative Relationship between Cultural Distance and General and Interaction Adjustment in Hypothesis Two

The results of this study indicate that the Japanese business expatriates working in China demonstrate higher degree of adaptability than the American business expatriates in general adjustment and interaction adjustment. Items of general adjustment cover a wide range of living facets from housing and transportation to shopping, which are quite similar with items of cultural distance. Therefore, it is not difficult to explain the negative correlation between general adjustment and cultural distance since for those specific items such as shopping, if expatriates find them more different from what things are like in their own culture, they will probably end up with more adjustment difficulties.

As for interaction adjustment, such a result is consistent with some of the previous researches in that they all lead to the conclusion that cultural distance is negatively correlated with interaction adjustment (Black & Stephens, 1989; Gregersen & Stroh, 1997). This can also be explained using uncertainty reduction theory, a specialized theory on personal interaction and relationship especially among strangers. According to the theory, cultural distance influences uncertainty and anxiety reduction since larger cultural distance is likely to induce and increase the unpleasant emotions of business expatriates on assignment to a foreign country in both initial interactions and more developed relationships, and thus makes adjustment more difficult. People from two more distant cultures are likely to find everyday interaction and communication more difficult, mostly due to differences in language, tradition and customs. On the contrary, those people from similar cultures may find the custom and everyday living quite familiar, and thus reduces the anxiety and uncertainty of the attendant which makes cross-cultural adjustment easier.

6.3 Discussion of the Zero Relationship between Cultural Distance and Work Adjustment in Hypothesis Two

The results also find out that cultural distance bears no correlation with work adjustment, which means the respondents from both Japan and the U. S. perceive no obvious difference in their adjustment relating to job and supervisory responsibilities, and performance standards and expectations. First of all, the respondents are at an average age of 41

years old and have stayed in China for about 5.5 years. Most of the respondents in the present study are at the managerial level with average working experiences of 20 years or so. Those expatriates have been highly professional at job responsibilities and performance standards due to the rich working experiences.

Furthermore, although the living customs and traditions may vary from one place to another, the working principles are almost the same throughout the world, especially in the recent years when the most advanced and effective management is shared worldwide. As a matter of fact, the Americans have developed a series of the most advanced management which have been profoundly imitated and adopted by both the Japanese and Chinese corporations. For instance, such working concepts as result-orientation and people-centered are believed by most of the corporations no matter where they are located. Therefore, business expatriates on assignment to a foreign country may find that the job responsibilities and performance expectations required of them remain almost the same as things are like those in their home country.

6.4 Discussion of the Zero Relationship between Cultural Distance and Psychological Adjustment in Hypothesis Two

Psychological adjustment is also tested to be unrelated to cultural distance. The results show that American respondents get a higher mean score than Japanese respondents in psychological adjustment. Although psychological adjustment is rather obscure and difficult to measure, such a result is understandable considering the cultural characteristics of the two nations. The United States is well known as the “melting pot” with a ready ease of accepting other cultures and absorbing the fine qualities of other cultures. American people are world famous for being adventurous and open-minded, in favor of exploring new things like traveling to and living in a foreign country. They are always encouraged to take adventure even as a little child, which constitutes the explorative characteristics of the whole nation. Furthermore, the American people get a low uncertainty avoidance index in Hofstede’s (2001) five cultural dimensions, indicating their high tolerance for uncertainty and ambiguity. All these have made it easier for the American people to adjust psychologically to the new environment.

Meanwhile, as for the Japanese respondents, although the Japanese people can easily accept the most advanced technique and management from other regions, it is not that easy for them to take in other cultures and lose their own identity. It has also been investigated that the suicide rate of the Japanese teenagers lists one of the top in the world, which reflects the psychological problems in the nation, especially in cities where living pressure is highly oppressive. The Japanese people live in a small island isolated from other continents, which leads to their features of being reserved and traditional. What’s more, compared with the Americans, the Japanese score high in uncertainty avoidance index in Hofstede’s (2001) five cultural dimensions, which means they would usually feel uncomfortable in unknown and different situations. As a result, such characteristics of the Japanese people have negative influence on their psychological adjustment in a new environment. Therefore, the comparison of qualities of the Japanese and American people leads to the conclusion that the American business expatriates adjust better to the Chinese cultural environment psychologically than the Japanese expatriates.

7. Conclusions

This research is a tentative one which applies the theory of Black, Mendenhall and Oddou’s three dimensions of adjustment and Shaffer, Harrison and Gilley’s determinants of adjustment to study Japanese and American expatriates in China. A contrastive study between the two groups of respondents has been made in order to find out how cultural distance is related to adjustment. In summary, the results have confirmed the research hypotheses to a certain extent.

The study yet has some potential shortcomings. In the first place, the subject size in this survey is limited, though the number is to be statistically significant. What’s more, a possible weakness of the study is the methodology utilized herein and it would be better if other methods such as interview and observation are also employed during the research. Last but not least, the factor of cultural distance is mainly focused and its effect on expatriate adjustment is examined in this paper. However, more predictors should be included for consideration for further research on related areas.

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Table 1. Demographic information of the samples (N=94)

Demographic Variables	Japanese in China (n=41)			Americans in China (n=53)		
	Frequency	Percent	Mean	Frequency	Percent	Mean
Gender:						
Male	26	63.4		34	64.2	
Female	15	36.6		19	35.8	
Age:			37.59			43.98
Education:						
High school	4	9.8		3	5.6	
B. A.	19	46.3		13	24.5	
MBA	3	7.3		9	17	
M. A.	11	26.8		19	35.8	
PHD	4	9.8		9	17	
Years in China:			6.009			5.104

Table 2. Means, standard deviations and significance for cultural distance

	item	Japanese (n = 41)		Americans (n = 53)		Total (N = 94)		
		mean	SD	mean	SD	mean	SD	Sig.
CD1	everyday customs	3.41	.725	3.53	.932	3.48	.851	.503
CD2	living conditions	3.19	.908	3.60	.840	3.43	.887	.028
CD3	health care	3.62	.758	4.02	.971	3.86	.906	.040
CD4	transportation	3.05	1.129	3.38	1.164	3.24	1.154	.193
CD5	living costs	3.14	1.110	3.53	.973	3.37	1.043	.079
CD6	food	3.05	.911	3.60	1.149	3.38	1.087	.017
CD7	climate	2.81	.943	3.58	1.117	3.27	1.049	.001
CD8	housing	2.57	1.004	3.43	1.138	3.08	1.183	.000
	Cultural Distance	3.12	.504	3.59	.722	3.40	.654	.001

Table 3. Means, standard deviations and correlations among the variables

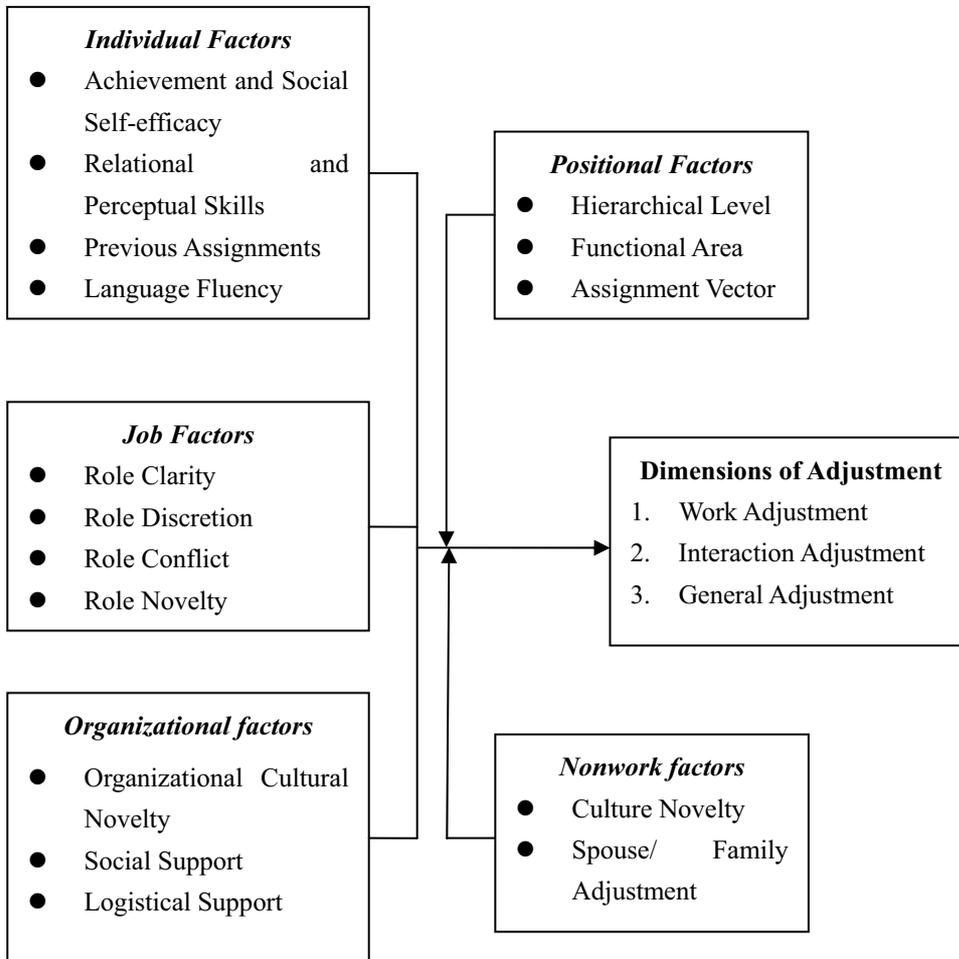
Variables	Mean	SD	1	2	3	4	5
1. General adjustment	3.78	.679	1.00				
2. Interaction adjustment	3.77	.784	.69**	1.00			
3. Work adjustment	3.99	.688	.42**	.48**	1.00		
4. Psychological adjustment	3.90	.447	.50**	.36**	.21	1.00	
5. Cultural distance	3.40	.654	-.31**	-.33**	.04	-.22	1.00

** Correlation is significant at the 0.01 level (2-tailed)

Table 4. Linear regression analysis for testing direct effects of cultural distance on adjustment

	Japanese in China	Americans in China	Standardized regression coefficients		
	Mean (SD) n=41	Mean (SD) n=53	Beta	F	Sig.
General adjustment	3.90 (.666)	3.68 (.680)	-.293**	4.884**	.010
Interaction adjustment	3.84 (.782)	3.72 (.789)	-.344**	5.324**	.002
Work adjustment	3.86 (.722)	4.08 (.653)	-.018	1.193	.308
Psychological adjustment	3.88 (.388)	3.92 (.487)	-.274	3.158	.047
Cultural distance	3.12 (.604)	3.59 (.622)			

** Correlation is significant at the 0.01 level (2-tailed)



Adapted from Black et al. (1991) and Shaffer et al. (1999).

Figure 1. Determinants of Adjustment to International Assignments