

# The Relationship Between Cross Cultural Adaptation and Turnover Intention: A Study of Lao Employees in Foreign Enterprises

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## Abstract

With a variety of local advantages, a large number of foreign investments into Laos, Lao's employees in foreign enterprise began to be concerned about their turnover. However, research in this part is still blank. Since most of the researches based on the employees and the organization are belong to the same cultural background, we try to find out if the cultural factor also is one of important factor which impact to local employee's turnover intention. The relationship between cross cultural adaptation and turnover intention is main discussing topic on this study, local employee in foreign enterprise as the research subjects for this study. Based on survey data to calculate the cross-cultural adaptation index and turnover intention index, then regression analysis to find out the relationship of both index. The results proved that cross cultural adaptation and turnover intention was negatively correlated. This means cross-cultural adaptation is not a small obstacle but it's one of the most important factors to determine Laos's employees who work in foreign enterprises to leave or stay.

**Keywords:** turnover intention, cross cultural adaptation, turnover intention index, cross cultural adaptation index

## 1. Introduction

Lao People's Democratic Republic was established in 1975, economic reform and opening up in 1983 and overall economic development in recent years. With a variety of local advantages (infrastructure conditions, low labor costs, Policy advantage ... etc.), a large number of foreign investment into Laos, Lao employee in foreign enterprise turnover issue began to be concerned about. However, research in this part is still blank.

Previous studies of employee turnover issue focused on job satisfaction, organizational commitment, organizational support...etc. as main measure. Practice a lot of achievements in this field have also been applied in. But most of the researches based on the employees and the organization it belongs to the same cultural background. Therefore, what would happen if employee and the organization come from different cultural backgrounds? Are the traditional theory and research methods are sufficient to explain all the phenomena? Or some factors more prominent?

Based on the above ideas, local employee in foreign enterprise as the research subjects for this study. To investigate if the employee and the organization were from different cultural backgrounds, the cultural factor will have an impact on employee turnover intention or not? Since previous studies have not been studied turnover intention of Lao employee, especially Lao employee in foreign enterprise. Therefore, this is a new attempt. In order to better reflect the impact of cultural factor to turnover intention, these papers introduce the concept of cross-cultural adaption and analyze the relationship with turnover intention.

## 2. Literature Review

### 2.1 The Concept of Cross-Cultural Adaption Ability

Redfield et al. (1936) defined cross cultural adaptation as "Composed by individual and between two group which from different cultures. It had persistent and direct cultural contacts, resulting in one or both of the original cultural patterns change phenomenon." Zhao Qing (2010) believes that cross-cultural adaption is the progress of integration and coordination between two different cultural groups.

Guo Ying et al. (2005) believe that adaptation is the environment and people coordinate with each other to achieve a balanced state. Zhou Lin Gang et al. (2005) mentioned "When the role of individual and the

environment changed dramatically will break the original balance". The further explanation by Yu Wei and Zheng Gang (2005) mentioned that "Psychologically unbalanced phenomenon, will inspire individuals to restore the balance between them and the environment". Those who enter a completely different cultural environment will face the role conversion process. This conversion caused by psychological imbalance makes individuals need to be adjusted in order to rebalance the state.

Sam and Berry (2010) believe that the cultural adaptation process will be a cultural and psychological change. On the cultural level, the individual's collective activities and social customs will change. On the psychological level, the daily behavior criterion and the stress experience. In the process, the individual usually takes integration, assimilation, separation or marginalization coping strategies.

Previous cross-cultural adaptation studies based on individuals unable (or do not want) to leave the environment as a basic condition. However, in the present study, individuals (employees) able to leave the cultural environment (working environment of foreign enterprise) at any time, this cultural environment is also a non local cultural environment. Therefore, once the individuals (employees) are not adapted to the cultural environment (working environment in foreign enterprise), the individuals (employees) may have thought of leaving the environment and then generate turnover intention.

### *2.2 The Concept of Turnover Intention*

Porter and Steers (1973) represents "turnover intention" is the next withdrawal behavior after employees experience dissatisfied. Mobley (1997) believe that the next withdrawal behavior after employees experience dissatisfied is "Thinking of quitting". Turnover intention is the last step before the turnover behavior after several step (thinking of quitting, looking for new job, comparison to other job opportunities).

Mobley et al. (1978) believe that turnover intention is the comprehensive reflect of job dissatisfaction, thinking of quitting, the tendency to looking for other job and other job possibilities. This is also the definition of this study.

Price's (2001) turnover process model has better predictive capability which examines the impact of environment, individual, structural and process variable on turnover. Price's turnover theory has the additive property, empirical Research added more variables. Price (2001) noted that further research should be strengthened in the intermediate process; pay more attention to the value of the adjustment function and some of the possible interaction between the variables.

Alfonso et al. (2004) research showed that there are differences in turnover factors and turnover process of employees those from different regions, different industries, different enterprise nature and different cultural background. However, the reason for this difference is not yet produced in-depth study.

Previous turnover intention studies based on employees and organization are from the same cultural background. However, we know that there are differences in turnover factors and turnover process of employees those from different cultural background. Therefore, if employees and organizations are from different cultural backgrounds, cultural factors should also affect turnover intention and behavior.

## **3. Method**

According to the above reasoning, we try to prove if there is a causal relationship between turnover intention and cross-cultural adaptation and how it is affected. In order to better measuring, we will quantify the turnover intention and cross-cultural adaptation.

### *3.1 Measurement Index Defining*

Cross cultural adaptation index is an indicator that reflects the adaptation ability of individual in the different cultural environment. Base on the result of cross-cultural adaptation questionnaire and principal component analysis; calculate the corresponding evaluation of individual cross-cultural adaptability. The final data of the cross culture adaptation questionnaire was analyzed by the principal component analysis method using SPSS software in order to calculate the individual's cross cultural adaptation ability evaluation results.

Turnover intention index is an indicator reflects the possibility of employee turnover. Base on the result of turnover intention questionnaire and principal component analysis; calculate the corresponding evaluation of individual turnover intention possibility. The final data of the turnover intention questionnaire was analyzed by the principal component analysis method using SPSS software in order to calculate the individual's turnover intention evaluation results.

### 3.2 Index Selection and Questionnaire Design

#### 3.2.1 Cross Cultural Adaptation Index Selection and Questionnaire Design

This paper selected six indicators to reflect the sample Cross cultural adaptation. Mastery of a foreign language has a certain impact on the cross-cultural adaptation, so questionnaire design also adding “Your mastery of a foreign language” and “your education level”.

Designed five level variables, Such as 1:I did not feel; 2: General; 3: Okay; 4: Relatively strong; 5: Strong. Some indicators designed as below (full scale see Annex I)

A1: You like to make friends with foreigners.	1	2	3	4	5
A2: You can easily communicate with foreigners.	1	2	3	4	5
A3: You can easily make friends with foreigners.	1	2	3	4	5
A4: You feel excluded by foreigners.	1	2	3	4	5
A5: You can stand on their (foreigners) perspective on the issues.	1	2	3	4	5
A6: You quite understand some acts of foreigners.	1	2	3	4	5

#### 3.2.2 Turnover Intention Index Selection and Questionnaire Design

Huang Chun Sheng (2004) developed the scale of turnover intention:

- 1) I want to keep working in this company;
- 2) Sometimes you feel tired with your current job and want to change your job;
- 3) If you have suitable jobs I will accept;
- 4) I will leave the current company within a year.

Zhang Yue (2007) used two indicators to reflect turnover intention.

- 1) I will look for others job opportunities;
- 2) If you have suitable jobs I will accept.

Based on the above scales and considering to local employment situation, we put another question “If the salary is same with state-owned enterprises, you will leave foreign company”: Number from 1~5 indicates the level or possibility of each question (1: Definitely not; 2: Low probably; 3: Probably; 4: High probably and 5: Definitely yes).

C1: Sometimes you feel tired with your current job and want to change your job.	1	2	3	4	5
C2: I will look for others job opportunities.	1	2	3	4	5
C3: If you have suitable jobs I will accept.	1	2	3	4	5
C4: I will leave the current company within a year.	1	2	3	4	5
C5: I will leave the current company within 3 year.	1	2	3	4	5
C6: If the salary is same with state-owned enterprises, you will leave foreign company.	1	2	3	4	5

### 3.3 Investigation Process

The subjects of this study are local employees (Laotian) who work for foreign enterprises in Laos (Included European, Japanese, Korean, Chinese, Southeast Asia ... etc.). 500 invited, 300 recruited samples, 248 valid samples (82.66% of valid data).

We target to local employees who work for foreign enterprises in Laos base on the relationship with several associations (Lao students Association in Japan, Lao student association in China, Lao student association in Australia ... etc.). We used online survey to collect sample for this study.

Used below screening questions, only those respondents who are full time worker and work for foreign enterprises able to access to the main survey.

S1. Please select your working status:

- 1) Full time worker;
- 2) Part time worker;
- 3) Others.

Only those select option 1 “Full time worker” on S1 will able to continue the survey, all of other option will be terminated.

S2. Please select your company type:

- 1) Foreign company;
- 2) Local company;
- 3) Government units;
- 4) Others.

Only those select option 1 “Foreign company” on S2 will able to continue the survey, all of other option will be terminated.

### 3.4 Scale Test

To ensure the validity of both turnover intention and cross cultural adaptation scales we use, we use the SPSS software to perform the following validation.

Table 1 presents the result of cross cultural adaptation scale test obtained. Cronbach’s Alpha index is 0.811 which greater than 0.7. Description the scales has good reliability.

Table 1. Reliability statistics

Cronbach’s Alpha	N of Items
0.811	20

Table 2 presents the result of turnover intention scale test obtained. We have 0.827 Cronbach’s Alpha index which greater than 0.7. Description the scales has good reliability.

Table 2. Reliability statistics

Cronbach’s Alpha	N of Items
0.827	6

### 3.5 Analysis

#### 3.5.1 Mean Analysis

Table 3 presents the result of mean analysis of cross cultural adaptation, various factors concentrated in medium and medium high level. Middle high included “You can accept any change”, “You like the challenge”, “You like to make friends with foreigners”, “You agree with the corporate culture in the organization you work for”, “You can accept foreigners strange behavior”, “You proficiency in a foreign language”, “You like watching a foreign film”, “You can easily make friends with foreigners”, “You can understand their jokes and humor”, “You can endure the harsh reality”. The highest is “You can accept any change” and lowest is “You can endure the harsh reality”.

Medium level included “You like to solve problems independently”, “You think foreigners are friendly”, “You quite understand some acts of foreigners”, “If someone hurt you, you can accept his/her apology”, “You can stand on their (foreigners) perspective on the issues”, “You like foreign food”, “You can accept a foreigner pursuit”, “You can easily communicate with foreigners”, “You feel excluded by foreigners”. The highest is “You like to solve problems independently” and lowest is “You feel excluded by foreigners”.

Table 3. Descriptive statistics

	N	Mean	Std. Deviation
A1	248	3.217742	1.03
A2	248	2.524194	0.731
A3	248	3.03629	1.225
A4	248	2.169355	1.066
A5	248	2.895161	0.847
A6	248	2.967742	1.131
A7	248	2.971774	0.991
A8	248	3.16129	0.857
A9	248	3.189516	0.9
A10	248	2.850806	0.934
A11	248	2.810484	1.087
A12	248	3.016129	0.994
A13	248	3.080645	1.251
A14	248	3.112903	0.987
A15	248	3.096774	0.702
A16	248	3	1.006
A17	248	2.991935	0.969
A18	248	3.229839	1.145
A19	248	2.96371	0.991
A20	248	3.387097	1.085
Valid N (listwise)	248		

Table 4 presents the result of mean analysis of turnover intention, various factors concentrated in medium and medium high level. Medium high included “I will leave the current company within 3 year” and “If you have suitable jobs I will accept”, “I will leave the current company within 3 year” is highest.

Medium level included “If the salary is same with state-owned enterprises, you will leave foreign company.”, “I will look for others job opportunities”, “Sometimes you feel tired with your current job and want to change your job” and “I will leave the current company within a year”. The highest is “If the salary is same with state-owned enterprises, you will leave foreign company.” And lowest is “I will leave the current company within a year”.

Table 4. Turnover intention descriptive statistics

	N	Mean	Std. Deviation
C1	248	2.58871	0.8
C2	248	2.875	0.946
C3	248	3	1.214
C4	248	2.306452	1.139
C5	248	3.193548	1.28
C6	248	2.959677	1.21
Valid N (listwise)	248		

### 3.5.2 Factor Analysis

In order to calculate the cross cultural adaptation and turnover intention index, we first verify the following questionnaire data and pre calculation.

Table 5 presents the result of KMO and Bartlett's Test on cross cultural adaptation scale obtained. KMO index is 0.682 which greater than 0.5 and Bartlett test value is 0.000 which less than 0.05. Indicating that the scale has construct validity and suitable for factor analysis.

Table 5. KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.682
Bartlett's Test of Sphericity	Approx. Chi-Square	1429.427
	Df	190
	Sig.	.000

Table 6 presents the result of total variance explained on cross cultural adaptation scale obtained.

Table 6. Total variance explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.567	22.833	22.833	4.567	22.833	22.833	1.541	7.703	7.703
2	1.968	9.842	32.675	1.968	9.842	32.675	1.483	7.416	15.119
3	1.678	8.391	41.066	1.678	8.391	41.066	1.422	7.111	22.230
4	1.483	7.417	48.483	1.483	7.417	48.483	1.383	6.914	29.143
5	1.202	6.012	54.495	1.202	6.012	54.495	1.367	6.835	35.979
6	1.153	5.764	60.259	1.153	5.764	60.259	1.343	6.714	42.693
7	1.049	5.246	65.505	1.049	5.246	65.505	1.340	6.702	49.395
8	.900	4.502	70.007	.900	4.502	70.007	1.265	6.325	55.720
9	.828	4.141	74.148	.828	4.141	74.148	1.216	6.078	61.798
10	.768	3.839	77.988	.768	3.839	77.988	1.201	6.003	67.801
11	.697	3.485	81.473	.697	3.485	81.473	1.200	6.000	73.801
12	.672	3.360	84.833	.672	3.360	84.833	1.142	5.708	79.509
13	.567	2.834	87.667	.567	2.834	87.667	1.139	5.697	85.206
14	.519	2.593	90.259	.519	2.593	90.259	1.011	5.053	90.259
15	.423	2.113	92.372						
16	.403	2.017	94.389						
17	.361	1.805	96.195						
18	.278	1.391	97.585						
19	.249	1.244	98.829						
20	.234	1.171	100.000						

Based on the output of eigenvalues greater than 0.5. Using factor analysis, we got 14 factors from Lao employee cross cultural adaptation scale, cover 90% of all information. The third column shows the factor after rotation, total variance contribution rate unchanged, indicating that does not affect the original Common degree.

Table 7 presents the result of Component Score Coefficient Matrix on cross cultural adaptation scale obtained.

Table 7. Component score coefficient matrix

	Component													
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
A1	-.067	.258	-.067	.389	-.083	.184	.109	-.165	-.061	-.163	-.012	-.067	-.038	.074
A2	-.076	.079	.091	-.065	-.081	-.058	.004	-.024	-.085	.878	-.023	-.133	-.100	.055
A3	-.022	.809	-.008	-.046	-.080	-.056	-.203	-.085	-.051	.129	-.200	-.048	.003	-.043
A4	-.160	.381	.026	-.263	.031	-.312	.327	.450	.021	-.144	.260	-.064	-.052	-.294
A5	.106	.093	.437	.080	.322	.041	-.087	-.334	-.140	-.078	.032	.196	-.221	-.091
A6	-.029	-.057	-.069	-.059	.139	-.036	-.135	.065	-.034	-.103	.007	.941	-.006	.016
A7	-.128	-.061	-.071	-.219	-.003	.740	-.068	.110	.098	-.002	.042	-.044	.106	-.013
A8	-.024	-.106	-.059	-.026	.053	.008	.058	-.071	-.026	.033	.077	.034	-.025	.882
A9	.032	-.180	-.066	.026	-.035	.125	-.112	-.094	-.177	.003	.927	-.008	-.075	.143
A10	.003	-.148	.003	-.070	-.156	-.066	.844	.008	-.004	.040	-.084	-.123	.075	.100
A11	.702	-.027	.092	-.118	-.032	-.241	-.021	-.129	.028	-.039	-.027	-.003	.248	-.062
A12	-.138	-.083	.083	-.086	.761	.030	-.127	-.032	.014	-.119	-.124	.049	-.064	.210
A13	-.124	-.218	.153	.280	-.263	-.069	.222	-.083	.559	-.014	-.139	.216	.086	-.156
A14	.063	-.062	-.351	-.023	.437	-.219	.104	.028	.128	.302	.236	.082	.036	-.483
A15	.479	-.164	-.052	.256	-.344	.413	.068	.079	-.121	-.090	-.053	-.056	-.164	.141
A16	.011	-.020	-.112	.729	-.021	-.146	-.117	.122	-.178	.030	.002	-.081	-.022	-.028
A17	.157	-.053	-.093	-.010	-.134	.077	.018	-.009	-.149	-.095	-.076	-.027	.977	.021
A18	.013	-.024	.688	-.162	-.037	-.091	.001	.079	.011	.111	-.036	-.130	-.012	-.039
A19	.021	.021	-.020	-.180	.087	.136	-.143	-.065	.823	-.076	-.115	-.093	-.160	.098
A20	-.031	-.129	-.031	.090	-.077	.136	-.082	.758	-.071	-.021	-.112	.084	-.014	.014

Table 8. KMO and Bartlett's test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.819
Bartlett's Test of Sphericity	Approx. Chi-Square
	525.218
	Df
	15
	Sig.
	.000

Table 8 presents the result of KMO and Bartlett's Test on turnover intention scale obtained. KMO index is 0.819 which greater than 0.5 and Bartlett test value is 0.000 which less than 0.05. Indicating that the scale has construct validity and suitable for factor analysis.

Table 9 presents the result of total variance explained on turnover intention scale obtained.

Table 9. Total variance explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.294	54.908	54.908	3.294	54.908	54.908	1.739	28.98	28.98
2	0.768	12.798	67.706	0.768	12.798	67.706	1.432	23.864	52.844
3	0.708	11.804	79.511	0.708	11.804	79.511	1.072	17.861	70.705
4	0.513	8.544	88.055	0.513	8.544	88.055	1.041	17.35	88.055
5	0.4	6.667	94.722						
6	0.317	5.278	100						

Based on the output of eigenvalues greater than 0.5. Using factor analysis, we got 4 factors from Lao employee turnover intention scale, cover 88.055% of all information. The third column shows the factor after rotation, total variance contribution rate unchanged, indicating that does not affect the original Common degree.

Table 10 presents the result of Component Score Coefficient Matrix on turnover intention scale obtained.

Table 10. Component score coefficient matrix

	Component			
	1	2	3	4
C1	0.091	0.526	-0.439	0.12
C2	-0.291	0.867	0.173	-0.309
C3	-0.191	-0.225	-0.067	1.158
C4	0.585	-0.005	0.081	-0.353
C5	0.669	-0.308	-0.121	0.055
C6	-0.092	-0.136	1.005	-0.102

### 3.6 Index Calculation

Base on above pre calculated of both cross cultural adaptation and turnover intention, we have both index calculation processes below:

#### 3.6.1 Cross Cultural Adaptation Index

To get the cross cultural adaptation index of Lao employee who work in foreign enterprises. We need to calculate the standardization scores of each factor using below formula:

$$Y=(X-u)/\sigma$$

X is the variable value, u is the sample mean,  $\sigma$  is the sample standard deviation. Therefore, standardized scores  $G1 = \text{Score Coefficient}_{11} * (A_{11} - u_{11}) / \sigma_{11} + \text{Score Coefficient}_{21} * (A_{21} - u_{21}) / \sigma_{21} + \dots + \text{Score Coefficient}_{201} * (A_{201} - u_{201}) / \sigma_{201}$

Base on Table 3 and Table 7. Case in D1, we got factor standardization score of D1 is:

$$G1 = \{ [(4-3.217742)/1.030392] * (-0.066987) \} + \{ [(3-2.524194)/0.730633] * (-0.076188) \} + \{ [(2-3.036290)/1.225031] * (-0.022397) \} + \{ [(2-2.169355)/1.066393] * (-0.160206) \} + \{ [(4-2.895161)/0.847177] * (0.105668) \} + \{ [(3-2.967742)/1.130623] * (-0.028686) \} + \{ [(3-2.971774)/0.991466] * (-0.128361) \} + \{ [(4-3.161290)/0.857329] * (-0.024178) \} + \{ [(4-3.189516)/0.900051] * (0.031775) \} + \{ [(3-2.850806)/0.934017] * (0.002799) \} + \{ [(3-2.810484)/1.087457] * (0.702463) \} + \{ [(3-3.016129)/0.993777] * (-0.138336) \} + \{ [(4-3.080645)/1.250728] * (-0.124306) \} + \{ [(4-3.112903)/0.987449] * (0.063407) \} + \{ [(5-3.096774)/0.701870] * (0.479365) \} + \{ [(4-3.000000)/1.006055] * (0.010631) \} + \{ [(3-2.991935)/0.969126] * (0.157013) \} + \{ [(4-3.229839)/1.145134] * (0.013423) \} + \{ [(3-2.963710)/0.991203] * (0.020857) \} + \{ [(4-3.387097)/1.085120] * (-0.031404) \} = 1.476712$$

Similarly, we obtain:

$$G2 = -1.440320; G3 = 0.463272; G4 = 1.933737; G5 = -0.471823; G6 = 1.087744; G7 = 0.448031; G8 = 0.031734; G9 = -0.404987; G10 = 0.399926; G11 = 0.913569; G12 = 0.153286; G13 = -0.791976; G14 = 0.839985$$

Then, calculate cross cultural adaptation index according to Table 6. Case in D1, we got cross cultural adaptation index is:

$$L1 = (1.476712 * 0.077028) + (-1.440320 * 0.074158) + (0.463272 * 0.071112) + (1.933737 * 0.069138) + (-0.471823 * 0.068354) + (1.087744 * 0.067137) + (0.448031 * 0.067024) + (0.031734 * 0.063250) + (-0.404987 * 0.060777) + (0.399926 * 0.060030) + (0.913569 * 0.059998) + (0.153286 * 0.057081) + (-0.791976 * 0.056973) + (0.839985 * 0.050534) = 0.306669$$

Similarly, we can calculate D2 to D248's cross cultural adaptation index.

#### 3.6.2 Turnover Intention Index

To get the turnover intention index of Lao employee who work in foreign enterprises. We need to calculate the standardization scores of each factor using below formula:

$$Y=(C-u)/\sigma$$



C is the variable value, u is the sample mean,  $\sigma$  is the sample standard deviation. Therefore, standardized scores  $H1 = \text{Score Coefficient}_{11} * (C_1 - u_1) / \sigma_1 + \text{Score Coefficient}_{21} * (C_2 - u_2) / \sigma_2 + \dots + \text{Score Coefficient}_{61} * (C_6 - u_6) / \sigma_6$ .

Base on Table 4 and Table 10. Case in D1, we got factor standardization score of D1 is:

$$H1 = \{[(1-2.588710)/0.799920] * (0.091475)\} + \{[(2-2.875000)/0.946173] * (-0.290968)\} + \{[(1-3.000000)/1.213954] * (-0.191334)\} + \{[(2-2.306452)/1.139482] * (0.585249)\} + \{[(1-3.193548)/1.280039] * (0.669440)\} + \{[(1-2.959677)/1.209940] * (-0.091592)\} = -0.753612$$

Similarly, we obtain  $H2 = -0.726112$ ;  $H3 = -0.620500$  and  $H4 = -1.695121$ .

Then, calculate turnover intention index according to Table 9. Case in D1, we got cross cultural adaptation index is:

$$M1 = (-0.753612 * 0.289799) + (-0.726112 * 0.238644) + (-0.620500 * 0.178607) + (-1.695121 * 0.173499) = -0.796605$$

Similarly, we can calculate D2 to D248's turnover intention index.

According to above method, we got cross cultural adaptation index and turnover intention index of each respondent on Table 10 (full content see Annex I I).

Table 10. Cross cultural adaptation index, turnover intention index (partial content)

Respondents	Cross cultural adaptation index	Turnover intention index
D1	0.306669	-0.796605
D2	0.021867	-0.123961
D3	-0.117529	0.166742
D4	0.116911	-0.038063
D5	-0.312975	0.762096
D6	0.001992	-0.273485
D7	-0.474553	0.719962
D8	0.030495	-0.103714
D9	-0.074048	-0.325765

## 4. Results

Base on above calculated result of both cross cultural adaptation and turnover intention index. Using SPSS software for correlation analysis and regression as follows to find out whether there is linear correlation and regression model between both indexes.

### 4.1 Correlation Analysis

Figure 1 presents the result of correlation analysis between cross cultural adaptation index and turnover intention index obtained. Base on Table 10, using SPSS "Scatter" module to find out if there is a linear relationship between cross cultural adaptation index and turnover intention index.

Figure 1 result showed that there is a strong negative correlation between cross cultural adaptation index and turnover intention index.

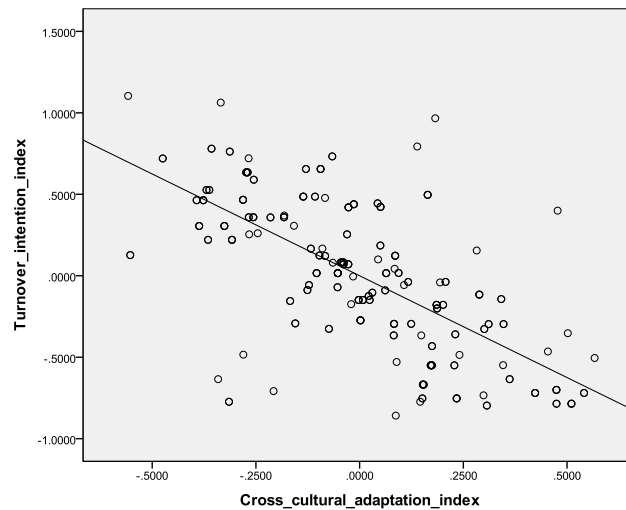


Figure 1. Relationship between cross cultural adaptation index and turnover intention index

Table 11, Table 12 and Table 13 presents the result of a linear regression between cross cultural adaptation index and turnover intention index obtained.

Table 11. Model summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.673 <sup>a</sup>	0.453	0.451	0.3338	2.295

<sup>a</sup>. Predictors: (Constant), Cross cultural adaptation index;

<sup>b</sup>. Dependent Variable: Turnover intention index.

Table 12. ANOVA<sup>b</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	22.71	1	22.71	203.782	.000 <sup>a</sup>
	Residual	27.415	246	0.111		
	Total	50.125	247			

<sup>a</sup>. Predictors: (Constant), Cross cultural adaptation index;

<sup>b</sup>. Dependent Variable: Turnover intention index.

Table 13. Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.45E-07	0.021		0	1
	Cross cultural adaptation index	-1.249	0.088	-0.673	-14.3	0

<sup>a</sup>. Dependent Variable: Turnover intention index.

Base on the result of a linear regression between cross cultural adaptation index and turnover intention index obtained. Cross cultural adaptation index each increase of 1 unit, turnover intention index will be reduced for 1.249 units.

F test: Base on Table 12. We got F test significant value is 0 which less than 0.05, description that our regression

model has statistical significance, regression results is significant.

T test: Base on Table 13. Sig. of dependent variable (Cross cultural adaptation index) is 0 which less than 0.05, description that the interpretation of cross cultural adaptation index to turnover intention index has statistical significance, the correlation of both index is significant.

Correlation coefficient: Base on Table 11. The correlation coefficient of cross cultural adaptation index and turnover intention index is 0.673, Durbin-Watson index is 2.295, linear correlation between both indexes is significant.

Base on above. We found that there is linear correlation between cross cultural adaptation index and turnover intention index and there is a strong negative correlation. For the target people of this study, cross cultural adaptation is an important factor of turnover intention.

## 5. Discussion and Conclusion

### 5.1 Theoretical and Practical Implications

Previous studies about turnover issue focused on job satisfaction, organizational commitment, organizational support...etc. Moreover, most of previous researches based on the employee and the organization are belong to the same cultural background.

The results of this study show that there is linear correlation between cross cultural adaptation index and turnover intention index and there is a strong negative correlation. This means that the cultural factors can directly affect to the turnover issue of Lao employees who work in foreign enterprise. Cross cultural adaptation is not a small obstacle but it's one of the most important factors which is able to determine employees to leave or stay, especially for employees and organization are from different cultural background.

Working environment in foreign enterprises those running business in Laos is rather special, especially cultural environment which influenced by foreign enterprises their own enterprise culture, native culture and local culture, such culture even different from any single culture.

Since employee belongs to local culture background, which has different working culture environment; such differences included information handling, information understanding level and mindset. Under a particular traditional culture and living environment, people have common distinctive features. In order to properly train employees, improve their own efficiency and reduce the hidden costs by turnover; Enterprises should have an open mind and good learning ability. Enterprises not only need to understand the performance characteristics of its distinctive shape, more is needed to understand there are a lot of factors behind; contact between them and its impact.

We can reduce turnover intention by increasing cross cultural adaptation. However, cross-cultural adaptation was the result of employees and businesses from different cultural backgrounds, this issue is generated after employees joined foreign enterprise. Therefore, we know the following:

(1) Cross cultural adaptation issue is the result of the mutual influence of both employees and foreign enterprise; (2) Babiker et al. (1980) proposed that the psychological and cultural adaptation of the problem is precisely because of the differences between home culture and the new culture. Those who feel a greater cultural difference will be faced with a greater change in life in the process of cross-cultural adaptation, which will give them more stress, depression and other adaptation problems. According to Babiker's theory, we predict that Employees work in different types of foreign enterprise (For example: European enterprise, American enterprise, Japanese enterprise, Korean enterprise, Chinese enterprise, etc.) will have different level of cross cultural adaptation issue; (3) While the cultural environment of foreign enterprise impact to the local employees, the local employees also impact on the cultural environment of foreign enterprise. Therefore, in order to reduce cross cultural adaptation issue, foreign enterprise should establish an effective way to communicate and cultural exchange mechanism.

### 5.2 Limitations

As in any study, there are some limitations in our study as well. Definitely, the larger sample size would enable us to attain more generalizable results. Secondly, using convenience sampling method, our sample may have some deficiencies in terms of variability and representability of the population.

### 5.3 Suggestions

We empirically articulate the manifestation of cross-cultural adaptation as a variable. Yet, it may have some other systematic influences on the above-positated relationships. First, we suggest researchers consider a moderated

mediation effect into their research based on modeling. Second, it is better to replicate this research with a larger sample size in order to validate our results. Third, in future, the role of other individual factors such as organization type and personality traits on cross cultural adaptation can be investigated.

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## Appendix A

### Questionnaire

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Thank you very much for participation on this survey.

This is an academic study which discuss about cross cultural adaptation and turnover intention. We try to understand if cross cultural adaptation will effect to the turnover intention.

We would like to know how you feel about each part of cross cultural adaptation and your possibility to leave your current company.

There is no correct or incorrect option in this survey. Please select the option which best descript to your current situation.

Your provided information will not be disclose to any third part. All information will be use on unified analysis.

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S1 : Please select your working status

- |                     |            |
|---------------------|------------|
| 1. Full time worker | Continue   |
| 2. Part time worker | Terminated |
| 3.Others            | Terminated |
-

## S2. Please select your company type

1. Foreign company	Continue
2. Local company	Terminated
3. Government units	Terminated
4. Others	Terminated

## Part 1: Cross cultural adaptation

Below questions asking about the ability of your cross cultural adaptation. Please view each question carefully and select the option which best descript to your current situation.

	I did not feel	General	Okay	Relatively strong	Strong
A1 : You like to make friends with foreigners	1	2	3	4	5
A2 : You can easily communicate with foreigners	1	2	3	4	5
A3 : You can easily make friends with foreigners	1	2	3	4	5
A4 : You feel excluded by foreigners	1	2	3	4	5
A5 : You can stand on their (foreigners) perspective on the issues	1	2	3	4	5
A6 : You quite understand some acts of foreigners	1	2	3	4	5
A7 : You think foreigners are friendly	1	2	3	4	5
A8 : You can accept foreigners strange behavior	1	2	3	4	5
A9 : You agree with the corporate culture in the organization you work for	1	2	3	4	5
A10 : You like foreign food	1	2	3	4	5
A11 : You can accept a foreigner pursuit	1	2	3	4	5
A12 : You can understand their jokes and humor	1	2	3	4	5
A13 : You like watching a foreign film	1	2	3	4	5
A14 : You proficiency in a foreign language	1	2	3	4	5
A15 : Your education level (1: Middle school, 2: High school, 3: Undergraduate, 4: Master, 5: PHD)	1	2	3	4	5
A16 : You can endure the harsh reality	1	2	3	4	5
A17 : You like to solve problems independently	1	2	3	4	5
A18 : You like the challenge	1	2	3	4	5
A19 : If some one hurt you, you can accept his/her apology	1	2	3	4	5
A20 : You can accept any change	1	2	3	4	5

## Part 2: Turnover intention

Below questions asking about your possibility to leave your current company. Please view each question carefully and select the option which best descript to your current situation.

	Definitely not	Low probably	Probably	High probably	Definitely yes
C1 : Sometimes you feel tired with your current job and want to change your job	1	2	3	4	5
C2 : I will look for others job opportunities	1	2	3	4	5
C3 : If you have suitable jobs I will accept	1	2	3	4	5
C4 : I will leave the current company within a year	1	2	3	4	5
C5 : I will leave the current company within 3 year	1	2	3	4	5
C6 : If the salary is same with state-owned enterprises, you will leave foreign company.	1	2	3	4	5

**Appendix B**

Respondent	Cross cultural adaptation index	Turnover intention index	Respondent	Cross cultural adaptation index	Turnover intention index
D1	0.306669	-0.796605	D125	0.345718	-0.548651
D2	0.021867	-0.123961	D126	0.501781	-0.352595
D3	-0.117529	0.166742	D127	0.29865	-0.733838
D4	0.116911	-0.038063	D128	-0.015668	-0.004543
D5	-0.312975	0.762096	D129	0.146033	-0.77335
D6	0.001992	-0.273485	D130	0.087109	-0.858353
D7	-0.474553	0.719962	D131	-0.334792	1.063066
D8	0.030495	-0.103714	D132	-0.083362	0.477843
D9	-0.074048	-0.325765	D133	-0.089777	0.167125
D10	-0.255115	0.589558	D134	0.044473	0.100437
D11	0.230585	-0.359382	D135	-0.158263	0.306676
D12	-0.155178	-0.292479	D136	0.089152	-0.529153
D13	-0.043207	0.081856	D137	-0.266246	0.254277
D14	-0.065981	0.732616	D138	0.453837	-0.464897
D15	0.207167	-0.037676	D139	0.182245	0.966663
D16	0.082206	-0.365846	D140	-0.207469	-0.707818
D17	-0.053262	-0.07031	D141	0.107003	-0.057059
D18	-0.167568	-0.154814	D142	-0.280357	-0.484016
D19	0.163993	0.496694	D143	-0.341086	-0.63467
D20	-0.552984	0.126879	D144	0.193753	-0.040828
D21	0.341387	-0.143078	D145	0.566463	-0.504648
D22	0.174475	-0.431616	D146	0.240662	-0.485767
D23	0.049966	0.185743	D147	0.138782	0.79333
D24	0.361638	-0.634549	D148	0.477246	0.399657
D25	-0.12208	-0.056939	D149	-0.064635	0.080107
D26	0.001992	-0.273485	D150	-0.245679	0.260976
D27	0.228307	-0.549783	D151	-0.181669	0.369678
D28	0.093898	0.017221	D152	0.148515	-0.365846
D29	-0.214984	0.358276	D153	0.282155	0.155107
D30	-0.314905	-0.77335	D154	-0.020348	-0.174312
D31	0.300426	-0.327015	D155	-0.26764	0.721096
D32	-0.357039	0.779959	D156	0.084278	0.042917
D33	-0.362355	0.526679	D157	0.163993	0.496694
D34	-0.096896	0.124226	D158	-0.55809	1.103947
D35	0.31093	-0.296621	D159	0.306669	-0.796605
D36	-0.125883	-0.087797	D160	0.021867	-0.123961
D37	0.15123	-0.752716	D161	-0.117529	0.166742
D38	0.061504	-0.089545	D162	0.116911	-0.038063
D39	-0.392923	0.463675	D163	-0.312975	0.762096
D40	0.540974	-0.719435	D164	0.001992	-0.273485

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D41	-0.107557	0.485793	D165	-0.474553	0.719962
D42	0.124239	-0.295247	D166	0.030495	-0.103714
D43	-0.365334	0.220657	D167	-0.074048	-0.325765
D44	-0.045257	0.081976	D168	-0.255115	0.589558
D45	0.201211	-0.178454	D169	0.230585	-0.359382
D46	-0.030273	0.254277	D170	-0.155178	-0.292479
D47	0.154511	-0.667953	D171	-0.043207	0.081856
D48	-0.052644	0.016207	D172	-0.065981	0.732616
D49	-0.267096	0.359409	D173	0.207167	-0.037676
D50	0.474524	-0.785205	D174	0.082206	-0.365846
D51	-0.129397	0.655329	D175	-0.053262	-0.07031
D52	0.024233	-0.148734	D176	-0.167568	-0.154814
D53	-0.369053	0.526679	D177	0.163993	0.496694
D54	-0.083173	0.121723	D178	-0.552984	0.126879
D55	0.346901	-0.296621	D179	0.341387	-0.143078
D56	0.043303	0.444678	D180	0.174475	-0.431616
D57	0.233911	-0.752716	D181	0.049966	0.185743
D58	0.063935	0.015968	D182	0.361638	-0.634549
D59	-0.376761	0.463675	D183	-0.12208	-0.056939
D60	0.422932	-0.719435	D184	0.001992	-0.273485
D61	-0.135914	0.485793	D185	0.228307	-0.549783
D62	0.082961	-0.295247	D186	0.093898	0.017221
D63	-0.30777	0.220657	D187	-0.214984	0.358276
D64	-0.038983	0.081976	D188	-0.314905	-0.77335
D65	0.185409	-0.178454	D189	0.300426	-0.327015
D66	0.050333	0.422677	D190	-0.357039	0.779959
D67	0.171428	-0.549783	D191	-0.362355	0.526679
D68	-0.052644	0.016207	D192	-0.096896	0.124226
D69	-0.256243	0.359409	D193	0.31093	-0.296621
D70	0.510496	-0.785205	D194	-0.125883	-0.087797
D71	-0.094154	0.655329	D195	0.15123	-0.752716
D72	-0.002407	-0.148734	D196	0.061504	-0.089545
D73	-0.326118	0.305541	D197	-0.392923	0.463675
D74	-0.03887	0.070575	D198	0.540974	-0.719435
D75	0.1867	-0.200452	D199	-0.107557	0.485793
D76	-0.013968	0.438902	D200	0.124239	-0.295247
D77	0.152455	-0.667953	D201	-0.365334	0.220657
D78	-0.103693	0.016207	D202	-0.045257	0.081976
D79	-0.281088	0.466178	D203	0.201211	-0.178454
D80	0.474341	-0.700436	D204	-0.030273	0.254277
D81	-0.270151	0.634695	D205	0.154511	-0.667953
D82	0.007987	-0.148734	D206	-0.052644	0.016207

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D83	-0.386855	0.305541	D207	-0.267096	0.359409
D84	-0.027249	0.070575	D208	0.474524	-0.785205
D85	0.288432	-0.115569	D209	-0.129397	0.655329
D86	-0.026944	0.420022	D210	0.024233	-0.148734
D87	0.17398	-0.549783	D211	-0.369053	0.526679
D88	0.085655	0.122974	D212	-0.083173	0.121723
D89	-0.182333	0.359409	D213	0.346901	-0.296621
D90	-0.273259	0.634695	D214	0.043303	0.444678
D91	0.233911	-0.752716	D215	0.233911	-0.752716
D92	0.063935	0.015968	D216	0.063935	0.015968
D93	-0.376761	0.463675	D217	-0.376761	0.463675
D94	0.422932	-0.719435	D218	0.422932	-0.719435
D95	-0.135914	0.485793	D219	-0.135914	0.485793
D96	0.082961	-0.295247	D220	0.082961	-0.295247
D97	-0.30777	0.220657	D221	-0.30777	0.220657
D98	-0.038983	0.081976	D222	-0.038983	0.081976
D99	0.185409	-0.178454	D223	0.185409	-0.178454
D100	0.050333	0.422677	D224	0.050333	0.422677
D101	0.171428	-0.549783	D225	0.171428	-0.549783
D102	-0.052644	0.016207	D226	-0.052644	0.016207
D103	-0.256243	0.359409	D227	-0.256243	0.359409
D104	0.510496	-0.785205	D228	0.510496	-0.785205
D105	-0.094154	0.655329	D229	-0.094154	0.655329
D106	-0.002407	-0.148734	D230	-0.002407	-0.148734
D107	-0.326118	0.305541	D231	-0.326118	0.305541
D108	-0.03887	0.070575	D232	-0.03887	0.070575
D109	0.1867	-0.200452	D233	0.1867	-0.200452
D110	-0.013968	0.438902	D234	-0.013968	0.438902
D111	0.152455	-0.667953	D235	0.152455	-0.667953
D112	-0.103693	0.016207	D236	-0.103693	0.016207
D113	-0.281088	0.466178	D237	-0.281088	0.466178
D114	0.474341	-0.700436	D238	0.474341	-0.700436
D115	-0.270151	0.634695	D239	-0.270151	0.634695
D116	0.007987	-0.148734	D240	0.007987	-0.148734
D117	-0.386855	0.305541	D241	-0.386855	0.305541
D118	-0.027249	0.070575	D242	-0.027249	0.070575
D119	0.288432	-0.115569	D243	0.288432	-0.115569
D120	-0.026944	0.420022	D244	-0.026944	0.420022
D121	0.17398	-0.549783	D245	0.17398	-0.549783
D122	0.085655	0.122974	D246	0.085655	0.122974
D123	-0.182333	0.359409	D247	-0.182333	0.359409
D124	-0.273259	0.634695	D248	-0.273259	0.634695

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