

**The Relationship between Perceived Organizational Climate and
Hotel Expatriate Adjustment**

By

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Abstract

As more companies enter the international market, the need for skilled expatriate managers will continue to grow. This demand for skilled expatriate managers is particularly evident when high international standards of service are desired for serving guests from disparate locations. Although expatriates perform an important role with the success of the home company heavily dependent on them, limited research has been conducted to examine organizational-level factors regarding expatriate adjustment.

This research provides a contribution to the existing literature by investigating the relationship between perceived organizational climate and adjustment. Four dimensions of perceived organizational climate of the open system model were derived from the literature: commitment to learning, shared vision, open-mindedness, and innovativeness. To measure expatriate adjustment, three facets of adjustment [(i) general, (ii) interactional, and (iii) work adjustment,] are utilized to test the influence of the perceived organizational climate. A self-administrated online survey was distributed to expatriate hotel managers via email and 71 usable responses were received. Results were analyzed using multiple regression analysis and Baron and Kenny's (1986) procedure.

The results found in this study indicate that the overall perceived organizational climate of vision significantly influences the adjustment of expatriate hotel managers. The perceived organizational climate dimension of vision, however, is the only significant predictor of the overall, general and work adjustment of expatriate hotel managers. This study also reveals that the perceived organizational climate mediates the relationship between expatriate training and the adjustment of expatriate hotel managers.

Dedication

To my parents, *Kyungsoo Min* and *Keumsoon Kim*, who give me support unconditionally

먼곳에서 언제나 나를 지지해 주시는 부모님께 이 논문을 바칩니다

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Table of Contents

Abstract	ii
Dedication	iv
Acknowledgements	v
List of Tables	xi
List of Figures	xiii
CHAPTER I.....	1
Introduction.....	1
Problem Statement	2
Purpose of the Study	5
Research Questions.....	6
Summary	6
Chapter II	8
Literature Review.....	8
Expatriate Adjustment	8
Definition of Expatriate Adjustment.....	8
Importance of the Adjustment of Expatriate Hotel Managers	9
Perceived Organizational Climate	12
The Concepts of Organizational Climate.....	12
Organizational Climate vs. Organizational Culture.....	13
Dimensions of Organizational Climate.....	14
Competing Values Model and the Climate Scale	16
Dimensions of Organizational Climate.....	20
Commitment to learning	20

Shared Vision.....	22
Open-mindedness.....	25
Innovativeness.....	27
The effects of training on organizational climate	29
Summary	31
CHAPTER III	33
Methodology	33
Research Questions and Hypotheses	33
Research Questions.....	34
Proposed Hypothesis.....	34
Research Design.....	36
Instrument	36
Commitment to learning	37
Shared Vision.....	37
Open-mindedness.....	38
Innovativeness.....	39
Expatriate Adjustment	39
Cultural Distance	41
Previous overseas experience	41
Months on assignment	42
Expatriate training.....	42
Language proficiency.....	42
Sample and Data Collection.....	43
Chapter IV.....	44
Results.....	44

Response Rate.....	44
General Demographics.....	45
Perceived Organizational Climate of Expatriate Hotel Managers.....	50
Expatriate Adjustment	54
Scale Reliability.....	56
Hypothesis Testing.....	57
Collinearity	65
Results of Multiple Regression with Vision and Innovation as IVs.....	68
Mediating effects	72
Summary	84
Chapter V.....	85
Discussion of Findings.....	85
Perceived organizational climate and expatriate adjustment.....	86
Mediating effect: Training → Perceived organizational climate → Expatriate adjustment.....	87
Implications.....	88
Limitation and Future Study.....	92
Conclusion	94
References.....	95
Appendix A.....	102
Email Requesting Participation.....	102
Appendix B.....	103
Reminder Notification	103
Appendix C.....	104
A survey of Expatriate Hotel Managers.....	104
Appendix D.....	107

IRB Approval Letter 107

List of Tables

Table 2-1 The Competing Values Model and the Climate Scales (adapted from Patterson et al., 2005)	19
Table 4-1 Demographic Profile of respondents	47
Table 4-2 Native and Host Country of Respondents	48
Table 4-3 Current Position of Respondents	49
Table 4-4 Language competency of respondents.....	50
Table 4-5 Perceived Organizational Climates	51
Table 4-6 Commitment to Learning Scale Items	52
Table 4-7 Shared Vision Scale Items.....	52
Table 4-8 Open-mindedness Scale Items.....	53
Table 4-9 Innovativeness Scale Items.....	54
Table 4-10 Expatriate Adjustment	56
Table 4-11 Scale Reliability.....	57
Table 4-12 Multiple Regression Results with Overall Adjustment as the DV	59
Table 4-13 Multiple Regression Results with General Adjustment as the DV	61
Table 4-14 Multiple Regression Results with Work Adjustment as the DV	62
Table 4-15 Multiple Regression Results with Interactional Adjustment as the DV	64
Table 4-16 Correlations among Independent Variables	66
Table 4-17 Two New Factors of Organizational Climate: Vision and Innovation.....	67
Table4-18 Multiple Regression Results of New Factors with Overall Adjustment as the DV ...	68
Table4-19 Multiple Regression Results of New Factors with General Adjustment as the DV...	68
Table 4-20 Multiple Regression Results of New Factors with Work Adjustment as the DV	70
Table4-21 Multiple Regression Results of New Factors with Interactional Adjustment as the DV	71
Table 4-22 Mediation Analysis: Training→ Organizational Climate → Overall Adjustment	74
Table 4-23 Mediation Analysis: Training → Commitment to learning → Adjustment	76

Table 4-24 Mediation Analysis: Training → Shared Vision → Adjustment.....	78
Table 4-25 Mediation Analysis: Training → Open-mindedness → Adjustment.....	79
Table 4-26 Mediation Analysis: Training → Innovativeness → Adjustment.....	80

List of Figures

Figure 2-1 Conceptual Model of Expatriate Outcomes (Adapted from Hechanova et al., 2003)	11
Figure 2-2 Competing Values Model (Adapted From Quinn and Rohrbaugh, 1983).....	17
Figure 3-1 Theoretical Framework	33
Figure 4-1 Mediating effect: Training → Organizational Climate → Adjustment	81
Figure 4-2 Mediating effect: Training → Organizational Climate → Adjustment	81
Figure 4-3 Mediating effect: Training → Organizational Climate → General Adjustment.....	82
Figure 4-4 Mediating effect: Training → Organizational Climate → Interactional Adjustment.	83
Figure 4-5 Mediating effect: Training → Organizational Climate → Work Adjustment	84

CHAPTER I

Introduction

Since international travel has significantly increased in recent decades, many hotel corporations have expanded to accommodate this increase (e.g., Magnini and Honeycutt, 2003). Understanding the importance of managing multicultural work-environments and employees, hotels also have sent managers overseas with short-term and long-term international assignments. These managers are referred to as “expatriates.”

Expatriates play an important role in the success of international businesses in the hotel industry because expatriate managers act as a bridge between the parent company and international branches or brands. However, research indicates that a large number of expatriate managers fail or do not perform to expectations, causing not only financial losses to the company, but also emotional difficulties for the expatriates and their families (Ashamalla, 1998; Avril and Magnini, 2007; Tung, 1987; Yuen, 2003). Moreover, the literature also indicates expatriate adjustment influences “other work-related outcomes such as strain, job satisfaction, organizational commitment, performance, and turnover intent” (Hechanova et al., 2003). However, research has shown that in spite of the significance, expatriates perform lower than expected due to the inability to adjust to the new environment (Avril and Magnini, 2007; Magnini and Honeycutt, 2003; Tung, 1987; Yu and Huat, 1995).

Since expatriate adjustment is an important influence on success, it is essential to understand factors that may improve expatriate adjustment. This study focuses on the relationship between perceived organizational climate of expatriate managers and their adjustment to the new work environments and new country. In this chapter, the problem

statement will be introduced first and purpose of this study and research questions will be identified, respectively.

Problem Statement

While a number of studies have defined expatriate failure as the early return of an expatriate before completing the given assignment (Ashamalla, 1998; Avril and Magnini, 2007; Yuen, 2003), recently there has been evidence that the definition of expatriate failure should be expanded (Forster, 1997; Harzing, 1999). Empirical test shows that the expatriate failure rate (EFR) is too low if only early returns are counted as failures: an EFR of only zero to eight percent of was found (Forster, 1997). These rates are much lower than found in previous studies, where the EFR was found to be 16 to 40 percent (Ashamalla and Crocitto, 1997; Gray, 1991; Shaffer et al., 2001). As a result, expatriate failure consists of premature returns as well as repatriation difficulties and the expatriate performance not adding value to the parent company (Foster 1997).

Expatriate failure has been studied widely in the last two decades focusing on the importance in practice (Takeuchi, 2010). Expatriates represent the parent company, oversee the local employees and other expatriate members, and provide updates related to the job tasks to the parent company. In addition, expatriates in countries with a recently developing international management, such as China, have to fill up the gaps due to the different expectation of foreign visitors (Dewald and Self, 2008). Thus, it is desirable to solicit a higher quality employee for expatriate positions. Reducing the EFR is critical both strategically and financially. According to the compensation and benefit review of the American Management Association, respondents to the NFTC/SRI survey estimated the cost resulting from a poor staffing decision can range from

\$200,000 to \$1.2million, which includes only job related costs such as training, orientation, compensation and, where applicable, termination (Swaak, 1995). That is, there must be other costs of a failed assignment, such as customer erosion, lost business, decreasing teamwork, and negative effects on the company image. Moreover, the financial and emotional costs occurring to the expatriates, the spouse, the children and other family members have to be included with the costs resulting from expatriate failure.

The main reason for expatriate failure introduced in many studies is an inability to adjust to the new environment (Lorenz and Cullen, 1994; Tsang and Qu, 2000; Yu and Huat, 1995). An international job requires work beyond the defined tasks. Expatriates have to adapt to the new environment and work with new people who possess a different cultural background. In addition, there is the possibility for family-related issues as well: children's education, finding employment for the spouse and general concerns regarding the new environment. A wide range of literature, as a result, suggests an appropriate expatriate selection procedure and a series of training programs, for both the expatriate and their family members, as a way to improve expatriate adjustment (e.g., Avril and Magnini, 2007; Magnini and Honeycutt, 2003; Stone, 1991; Tung, 1987). That is, other than the expatriate selection process and training programs, organizations have to depend on individual expatriate characteristics, such as openness, goal-orientation and adaptation for expatriate adjustment.

Individual Expatriate factors and anticipatory factors have been widely studied in relation to expatriate adjustment (e.g., Hechanova et al., 2003). However, recent research argues cross cultural training (CCT) is not as important as generally thought with results showing that there is not much difference in the level of expatriate adjustment between expatriates with and without

CCT (Hu et al., 2002). This study reinforces the need to investigate other approaches that may influence expatriate adjustment.

It has been demonstrated that expatriate adjustment is positively related to the performance (Harrison and Shaffer, 2005; Hechanova et al., 2003). Another factor positively related to the job performance is organizational climate. The positive relationship between organizational climate, the aggregates of individual employee perceived organizational climate, and employee outcome, such as satisfaction and performance has been empirically proven (Davidson et al., 2001; Luthans et al., 2008; Manning et al., 2005).

Various studies have shown that organizational-level values can increase not only the organizational-level of performance (e.g., Baker and Sinkula, 1999) but also individual-level of performance (Harrison and Shaffer, 2005; Odom et al., 1990). Positive organizational climate can encourage employee more motivated, increasing their performance (Day, 1994; Sinkula et al., 1997). Moreover, research indicates that the positive organizational climate of individual employees gives positive effect on their adjustment during organizational change (Martin et al., 2005). In spite of the importance, little research has been conducted to examine the link between perceived organizational climate and expatriate adjustment. Therefore, it is necessary to identify the factors affecting the expatriate perception of an organization on expatriate adjustment. In this study, whether perceived organizational climate of organization of expatriate managers is associated to the adjustment will be investigated.

Purpose of the Study

The primary purpose of this study is to assess whether perceived organizational climate influences the adjustment of expatriate hotel managers to the foreign assignment and to the foreign culture. It is well documented that employee perception of the company plays a significant role in both satisfaction and job performance (James et al., 2008; Parker et al., 2003). The role of perception may be amplified for expatriates due to the physical distance between the employee and the company. Commitment to learn, shared vision, innovativeness, and open-mindedness have been identified in this study to measure expatriate perception of the organization. These perceptions are used to investigate the relationship between perceived organizational climate of expatriate managers and the adjustment to the new work environment and new country. Thus, the following objectives will be achieved in this study:

1. Investigate the link between overall perceived organizational climate and the adjustment of expatriate hotel managers.
2. Identify the influence of perceived organizational climate on the general adjustment of expatriate hotel managers.
3. Examine the relationship between perceived organizational climate and work adjustment of expatriate hotel managers.
4. Investigate the relationship between perceived organizational climate and interactional adjustment of expatriate hotel managers.

Research Questions

This study attempts to address the following research questions:

1. Is there a relationship between perceived organizational climate of expatriate hotel managers and the adjustment?
2. To what extent does perceived organizational climate influence the adjustment of expatriate hotel managers?
3. To what extent does perceived organizational climate influence work adjustment of expatriate hotel managers?
4. To what extent does perceived organizational climate influence interactional adjustment of expatriate hotel managers?

Summary

Expatriate performance is critical for international businesses including the hotel industry. The performance of an individual hotel branch may be heavily dependent on an expatriate manager, thus low performance of the expatriate manager may result in financial losses for the parent company. Research shows the positive relationship between organizational-level climate positively influence individual-level performance (Harrison and Shaffer, 2005; Odom et al., 1990). To obtain a better understanding of expatriate adjustment, the relationship between perceived organizational climate of expatriate hotel managers and the adjustment will be investigated. Further, three types of adjustments of expatriate managers will be examined

regarding perceived organizational climate, such as commitment to learn, shared vision, innovativeness, and open-mindedness.

Chapter II

Literature Review

This chapter reviews literature that supports the current research on the relationship between perceived organizational climate and expatriate adjustment. Theoretical and empirical studies related to expatriate adjustment will be investigated first, followed by a review of literature on the perceived organizational climate.

Expatriate Adjustment

Definition of Expatriate Adjustment

To understand the concepts that provide a basis for this study, it is necessary to examine the definition of expatriate adjustment. The term ‘adjustment’ refers to general feelings of acceptance and satisfaction (Brislin, 1981). In their study of international students, Tseng and Newton (2002) emphasize the importance of psychological adjustment due to the fact that it is heavily related to performance. Likewise, the importance of cross-cultural adjustment has been a focus in studies investigating expatriates. Expatriate adjustment is a measure of the degree to which expatriates are psychologically comfortable with the new environment (Black et al., 1991; Black, 1988).

Various empirical studies indicate that working in a foreign country involves not only adjusting to a new work environment but also adjusting to the environment outside of work (Black et al., 1991; Hechanova et al., 2003). Moreover, communication barriers make expatriates feel vulnerable, affecting the effectiveness of their work (Martinko and Douglas, 1999; Naumann,

1993; Yu and Huat, 1995). That is, using different languages can affect the quality of the expatriate work. Martinko and Douglas (1999) state that high context cultures more rely on situational cues such as status, body language and dress when communicate. For example, members in high context cultures tend not to express their disagreement verbally. Silence is often interpreted as disagreement in high context cultures whereas verbal expression is typically used in low context cultures. Therefore, failure to properly account for communication styles may lead to misunderstandings which negatively affect business relationships.

Measuring the level of expatriate adjustment requires diverse approaches. Three specific types of adjustment have been conceptualized in the literature: general adjustment, work adjustment, and interactional adjustment (Black, 1988; Black and Stephens, 1989). General adjustment is the level of comfort regarding general living conditions, such as food, weather, housing and transportation. Work adjustment refers to psychological comfort related the new work environment, such as different work values, expectations, and job responsibilities. Interactional adjustment involves expatriate psychological comfort regarding different communication styles when socializing and interacting with host nationals.

Importance of the Adjustment of Expatriate Hotel Managers

As discussed in chapter I, inability to adjust to new environments is documented as the major cause of expatriate failure, which often refers to the premature return of the expatriate and performance not adding value to the parent company (Ashamalla, 1998; Forster, 1997; Yuen, 2003). That is, hidden damage caused by poor expatriate performance occurs in addition to the expected financial loss due to re-hiring and re-training new expatriate managers. Research on

expatriate issues has emphasized that there is a close relationship between overall adjustment and expatriate outcome (Hechanova et al., 2003; Naumann, 1993).

It has been demonstrated that level of adjustment is positively related to expatriate performance which has positive effects on the firm's competitive advantage, resulting from reinforcing local relations, understanding of local needs, and increasing a valuable learning in organizations (Harrison and Shaffer, 2005; Hechanova et al., 2003; Ozdemir and Cizel, 2007). Also, Job satisfaction is positively correlated to overall adjustment (Takeuchi et al., 2002) while psychological anxiety is negatively correlated to overall adjustment (Hechanova et al., 2003). Moreover, research has shown, antecedents of expatriate adjustment can increase primary outcome (adjustment) as well as a secondary outcomes, such as organizational commitment, work performance and intention to leave (Chen, 2010; Hechanova et al., 2003).

Hechanova, Beehr and Christiansen (2003) studied the relationship between overall adjustment and expatriate outcomes using a meta-analysis and analyzing structural equations model (SEM) with 42 empirical studies. As depicted in Figure 2-1, although not the model tested in the current research, Hechanova et al. (2003) tested a model in which expatriate adjustment was found to be an important factor in terms of attitude as well as performance. It is shown that expatriates who are more adjusted have less stress or psychological discomfort from the work environment while having higher job satisfaction, which is indirectly related to job performance and intent to leave assignment (Hechanova et al., 2003). As a result, it is clear that understanding expatriate adjustment is important to increase expatriate productivity.

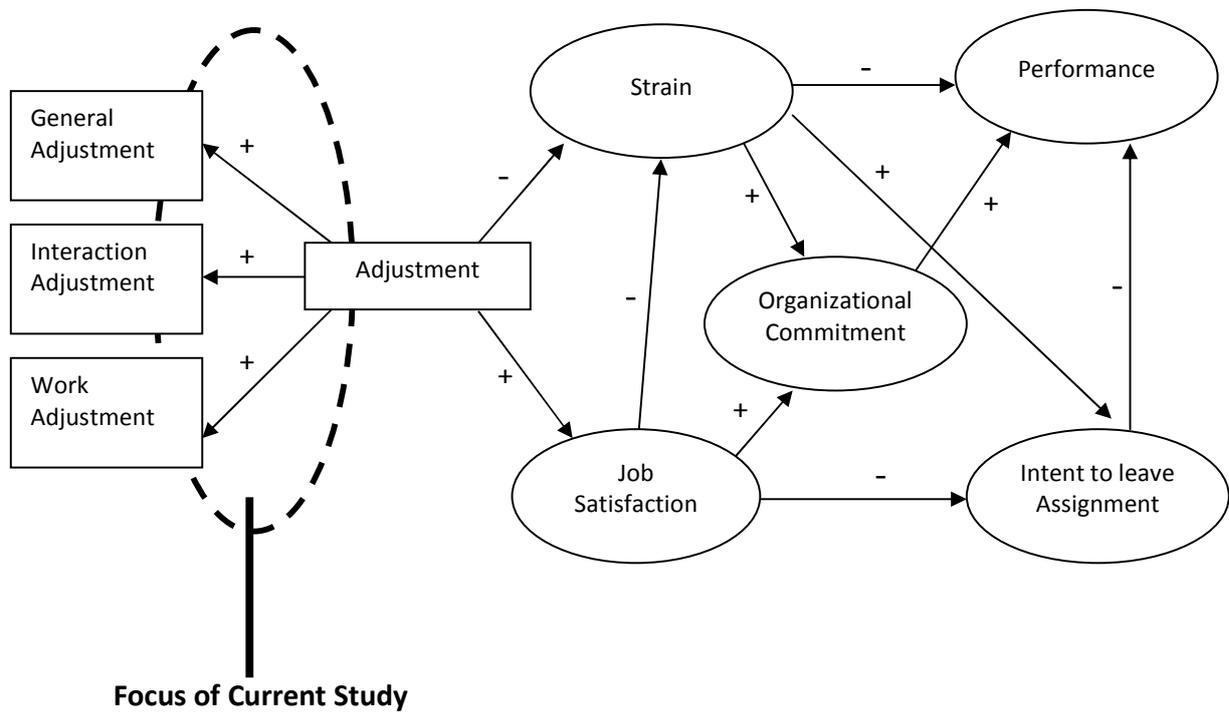


Figure 2-1 Conceptual Model of Expatriate Outcomes (Adapted from Hechanova et al., 2003)

Expatriate success is an essential factor for globalization of the modern hotel industry, in particular (Hon and Lu, 2010). The unique characteristic of the hospitality industry boosts the importance of expatriate hotel manager adjustment. Since employees in service industries must demonstrate a sincere and genuine sense of concern for their customers, “emotional labor” should be delivered (Johanson and Woods, 2008). Emotional labor refers to service employees who perform beyond physical or mental duties (Johanson and Woods, 2008). Unsatisfied employees without any commitment toward their company may have difficulties providing emotional labor as well an adequate quality of service to customers.

Perceived Organizational Climate

The Concepts of Organizational Climate

The concept of organizational climate has been widely investigated in the psychology literature (e.g., James et al., 2008). To understand organizational climate, it is essential to grasp the development of the concept. The term ‘meaning’ introduced by Osgood, Suci, and Tannenbaum (1957) is the basis of organizational climate, identified as “individuals use naturally and spontaneously to describe environmental objects in relation to themselves.” However, individuals have their own cognitive processes which involve analyzing environmental description and evaluations of environmental attributes (James et al., 2008). That is, the same situation can be interpreted differently based on one’s psychological meaning. These concepts have developed to explain more about human cognition and work environment perceptions.

Many authors note that an individual’s perception towards the work environment is based on a set of psychological processes that aggregate structural characteristics of the environment, task, role attribute and so forth (James and Jones, 1974; Jones and James, 1979). Moreover, the perception of the work environment guides the future prediction and performance of individuals (Ittelson et al., 1974). As a result, an individual’s elaborated concept of valuations refers to psychological climate (James and James, 1989). Jones and James (1979) asserts psychological climate:

- (a) refers to the individual's cognitively based description of the situation;*
- (b) involves a psychological processing of specific perceptions into more abstract depictions of the psychologically meaningful influences in the situation;*
- (c) tends to be most closely related to situational characteristics*

that have relatively direct and immediate ties to individual experience; and (d) is multidimensional, with a central core of dimensions that apply across a variety of situations (though additional specific dimensions might be needed to better describe particular situations).

That is, personal values of the environment, personal experiences, situational characteristics, and the significance of those attributes can influence the psychological climate. James and Jones (1974) propose that organizational climate can exist only in the perceptions of members, psychological climate. Thus, organizational climate is “the outcome of aggregating individuals’ psychological climates” (James et al., 2008).

There has been a wide range of interest in organizational climate study (e.g., Davidson, 2003; Manning et al., 2005; Morgan and Hunt, 1994). Moran and Volkwein (1992) assert that organizational climate sustains characteristics that distinguish the organization from others. In spite of an agreement on its influence and the definition of organizational climate, researchers argue that employees’ psychological climate tend to be different (Davidson et al., 2001; Manning et al., 2005). As a result, it is crucial to understand organizational climate research not only in general but also as it applied specifically to the in hospitality industry.

Organizational Climate vs. Organizational Culture

Before going any further, a concept similar to organizational climate should be addressed: organizational culture. Referring to “the normative beliefs and shared behavioral expectation and norms” (James et al., 2008), organizational cultural has been compared and contrasted in many studies (Denison, 1996; James et al., 2008; Patterson et al., 2004). Patterson et al. (2005) illustrate that climate is behaviorally oriented while organizational culture is rooted context. Also,

studies of organizational culture often use qualitative research whereas organizational climate is studied with quantitative research (Denison, 1996). According to James et al. (2007), aggregated perceptions of individuals in an organization are focused for climate, and culture, by contrast, reflects a system-level perception.

Although climate and culture have separate theoretical backgrounds, literatures and implications, the boundary between the two concepts has been blurred (Denison, 1996). These two concepts are often used interchangeably (Patterson et al., 2005), and Denison (1996) argues that one of the sustained differences between the two concepts is their respective theoretical foundations. As a result, in this study, organizational climate is investigated because (i) aggregated perception of individual hotel managers will be studied, (ii) a quantitative research will be conducted, and (iii) many aspects of climate research will be focused upon. Although literature on climate is reviewed in this study, the literature on culture is also studied.

Dimensions of Organizational Climate

The Psychological Climate Questionnaire (PCQ) introduced by Jones and James (1979) is the most widely used method, including 35 possible concepts of organizational climate. Those 35 concepts are divided into four different dimensions: (i) job and role characteristics with 11 concepts, (ii) leadership characteristics with 8 concepts, (iii) work-group characteristics with 4 concepts, and (iv) sub-system and organizational-level characteristics with 12 concepts. Described as the “most adequate approach, psychometrically, to date” (Ryder and Southey, 1990), the PCQ has been further developed in various studies of organizational climate (e.g., Davidson et al., 2001; Manning et al., 2005).

Although not traditionally emphasized, organizational climate in the hospitality and tourism industry recently has been receiving more attention (e.g., Davidson, 2003; Manning et al., 2005). The measurement of organizational climate within four- and five-star hotels has been demonstrated, and a shortened version of that measurement has also been developed (Davidson et al., 2001; Manning et al., 2005). The measurements are based on PCQ, and are described as reliable and suitable to evaluate organizational climate as well as other outcomes, such as employee satisfaction and turnover intention (Manning et al., 2005).

Another well-known general measure of organizational climate is the Organizational Climate Questionnaire (OCQ) (Litwin and Stringer, 1968). In an attempt to assess the perceived work environment, the OCQ consists of 50 items that assess nine dimensions of climate (Litwin and Stringer, 1968; Patterson et al., 2005). A wide range of studies have evaluated the OCQ and some have suggested that a six-factor structure rather than nine-factor can increase the reliability (Muchinsky, 1976; Sims Jr and LaFollette, 1975). Like the PCQ, the OCQ has been widely used and considered to be reliable measurement of organizational climate.

There are, however, drawbacks to both the PCQ and OCQ. While those measurements of organizational climate have been widely used, certain weaknesses have been identified. In various studies of the OCQ, the lacked validity and inconsistent results dependent on industries have been indicated as flaws (Muchinsky, 1976). For example, in the study of evaluating the organizational climate, Muchinsky (1976) argues four dimensions of OCQ appear to have unsatisfied reliability as well as inconsistent validity. Moreover, Patterson et al. (2005) claim that a methodological weakness of climate research is that it is not able to draw a clear conclusion due to the lack of a theoretical basis, and to specify descriptive level of items, without focusing on the specific collective units.

Competing Values Model and the Climate Scale

To overcome the methodological weakness of climate research, Patterson et al. (2005) suggest measuring organizational climate through the Competing Values Model (CVM). Since a major problem of the traditional organizational climate measure is an inability to detect the dimension of organizational climate, the CVM seeks to overcome this difficulty (Patterson et al., 2005). The CVM was initially applied to a study of major indicators of organizational effectiveness by Quinn and Rohrbaugh (1981, 1983). While developing various measures, Quinn and Rohrbaugh (1983) discovered two dimensions of effectiveness.

The first dimension is related to organizational focus, which represents organizational preferences for an internal emphasis, such as human resources or an external focus, such as the organization itself. The second dimension is the organizational preference of structure, the contrast between stability and control, and flexibility and change. Crossing these two dimensions, therefore, creates the indication of a distinct organizational culture in each of four quadrants: (i) Human Relation Model, (ii) Internal Process Model, (iii) Open System Model, and (iv) Rational Goal Model. Figure 2-2 demonstrates the relationship between the four types of organizational culture.

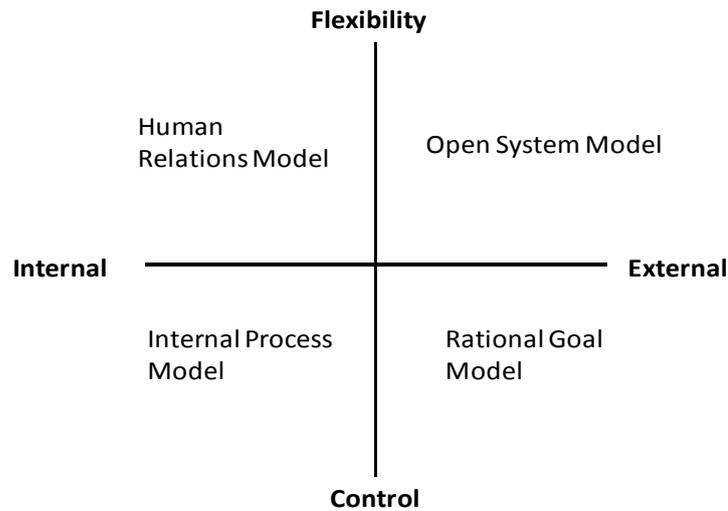


Figure 2-2 Competing Values Model (Adapted From Quinn and Rohrbaugh, 1983)

Patterson et al. (2005) generate sub-groupings within each quadrant to clarify the model concepts. Table 2-1 provides examples of the dimensions found in the literature from 1960 to 2000. Although the Competing Values Models represents four different types of organizational culture models, it is not necessary that an organization belong in only one model (Quinn and Rohrbaugh, 1983). Organizations can cover all four quadrants, having a varied degree of emphasis in each quadrant (Patterson et al., 2005). However, according to Patterson et al. (2005), organizations would have “the relative emphasis they give to each of the competing values,” rejecting the notion that organizations have a high degree of emphasis on every or most dimensions.

Patterson et al. (2005) point out that using all 17 items of the measure not only suggests a lack of theoretical focus but also can be too cumbersome to be applied. Thus, in this study, the

extent of organizational climate regarding the open system model will be investigated. This model was selected because organizational climate of the open system, the emphasis on growth, is inevitable especially for international firms.

Since organizational innovation capability and commitment to learning is positively related to firm performance, without these attributes, it is unlikely that the organization will achieve excellence in a highly competitive industry (Calantone et al., 2002). Also, research reveals that hotel employees perceive aspects of the open system model, such as innovation and reflexivity, as among their top priorities (Victoria and Andreas, 2009). However, although a number of studies have shown the link between organizational climate and expatriate adjustment, most studies have focused on a personal level of characteristics or job characteristics (Hechanova et al., 2003). For example, aggregating 42 empirical studies, a meta-analytic review of expatriate adjustment shows that predictors of expatriate adjustment are divided into five facets: individual, job-related, job level, environmental, and family-related (Hechanova et al., 2003). Considering organizational climate, only role ambiguity, role discretion, role conflict, and cross-cultural training have been studied.

Table 2-1

The Competing Values Model and the Climate Scales (adapted from Patterson et al., 2005)

Model	Location	Definition	Dimensions by Patterson et al.
Human Relations Model	Internal focus Flexible orientations	Values including trust, cohesion and achieved through means such as training and human resource developed	<ul style="list-style-type: none"> • Employee welfare • Autonomy • Participation • Communication • Emphasis on training • Integration • Supervisory support
Internal Process Model	Internal focus Control orientation	Values focused on stability while formal rules and procedures minimize environmental uncertainty	<ul style="list-style-type: none"> • Formalization • tradition
Open Systems model	External focus Flexible orientation	The emphasis on values of growth, resource acquisition and creativity	<ul style="list-style-type: none"> • Flexibility • Innovation • Outward focus • Reflexivity
Rational Goal Model	External focus Control orientation	Focus on attainment of well-defined objectives whereas values of productivity, efficiency, goal fulfillment and feedback are pursued	<ul style="list-style-type: none"> • Clarity of organizational goals • Effort • Efficiency • Quality • Pressure to produce • Performance feedback

Another meta-analytic review shows the most studied organizational climate facets of the parent company are logistic support, firms' structure, and value orientation (Takeuchi, 2010). That is, in spite of its importance, organizational climate of the home company – especially expatriate perception toward organizational open system – has been studied to only a limited degree. According to Martin, Jones and Callan (2005), the positive psychological climate of

individual employees increases their adjustment during organizational changes. As a result, various approaches to the organizational climate in terms of expatriate adjustment are needed.

Dimensions of Organizational Climate

Commitment to learning

The first dimension of organizational climate is commitment to learning, defined as “the degree to which an organization values and promotes learning” (Calantone et al., 2002). Sinkula, Baker and Noordewier (1997) present commitment to learning as “a prerequisite” for organizational ability to improve understanding of the environment. A strong organizational commitment to learning fosters a climate that places a high value on growth and learning of firms. Thus, organizations are more likely to consider learning as a long-term investment and in those organizations actual learning will occur (Calantone et al., 2002; Sackmann, 1991; Sinkula et al., 1997). The basic principle of organizational learning is based on “whether an organization places value on learning” (Becker and Huselid, 2006). Therefore, employees who work for organizations without a commitment to learning will not be encouraged to pursue learning activities (Calantone et al., 2002). Without a strong commitment to learning, it may be difficult for organizations to continue to grow in the competitive environment.

Various studies have shown that organizational-level values can increase the organizational-level of performance (e.g., Baker and Sinkula, 1999). However, as an attempt to examine the relationship between organizational value and individual-level of performance, studies have found that perceived organizational culture is positively associated with the individual employee behavior (Harrison and Shaffer, 2005; Odom et al., 1990). This finding supports the logic that organizational commitment to learning can increase organizational

learning and, therefore, increase expatriate adjustment. As noted by Kamoche (1997), learning organizations will prevent expatriates from repeating routine work and encourage them to be learning orientated. According to Magnini and Honeycutt (2003), since learning oriented expatriates will be more adaptable in the new environment using real-time training.

Recently “real-time training” has been proposed as an emerging training method (Magnini and Honeycutt, 2003; Mendenhall and Stahl, 2000). Real-time training refers to the practice in which an expatriate gets advice and information from various resources, such as internet chat room, local personnel, and other expatriates. The concept of “personal coaching” introduced in Germany in the mid-1980s is the basis for real-time training and has become an emerging management technique in the United States and the United Kingdom (Mendenhall and Stahl, 2000). Expatriates use various forms of real-time training to improve their communication skills, leadership, and problem solving skills (Mendenhall and Stahl, 2000). For proper use of real-time training, by which unexpected problems and uncertainty can be solved, expatriates are required to have active attitudes rather than passive attitudes. The commitment to learning of an organization will encourage expatriates to be motivated to learn and, thus, improve performance. Empirical research demonstrates that facets of an organization’s culture can influence individual-level attitudes and behaviors (Rashid et al., 2004). More specifically, evidence suggests that an organization’s commitment to learning can significantly influence an individual’s motivation to learn (Metcalf et al., 2009). As a result, hypothesis one is formulated based on previous studies:

H1: Organizational climate dimension of commitment to learning positively influences the adjustment of expatriate hotel managers.

H1-a: Organizational climate dimension of commitment to learning positively influences the general adjustment of expatriate hotel managers.

H1-b: Organizational climate dimension of commitment to learning positively influences the work adjustment of expatriate hotel managers.

H1-c: Organizational climate dimension of commitment to learning positively influences the interactional adjustment of expatriate hotel managers.

Shared Vision

The second dimension for building comprehensive organization-wide learning orientation is “shared vision” (Sinkula et al., 1997). Often referred to as shared values or mutual goals (Li, 2005; Morgan and Hunt, 1994), shared vision is defined as “an agreement of the business unit’s vision across all levels, functions, and divisions (Magnini, 2008).” Stressing the significance of shared vision that encompasses many aspects of a cooperative relationship, Li (2005) argues that shared visions provide shared representation, interpretation and systems of meaning among parties. In other words, a shared vision embodies organizational goals and aspirations of the members. Moreover, shared visions boost the coherence in organizations (Lambert, 2002). Research indicates that shared visions unify creative ideas which fail to implement due to diverse interests in different departments (Calantone et al., 2002). An example introduced by Calantone et al. (2002) is that various departments obtain different knowledge out of the same information because they have a different focus. A shared vision coordinates the focus of the departments so that great ideas can be translated between the departments.

Tsai and Ghoshal (1998) state that shared visions encourage the trusting relationship among members in the organizations as well as between members and the organization. Through the understanding of what the business is and where it is going (Sinkula et al., 1997), members

gain trust in the organization and, by extension, obliterate “the possibility of opportunistic behavior” (Ouchi, 1980).

According to Kamoche (1997), the nature of international assignments in a number of American and European firms prevent expatriates from having appropriate learning to achieve higher outcome. That is, given the characteristics of international assignments, such as short period tasks and the new living and work environment, expatriates are more prone to perform conventionally rather than competence creation. Kamoche (1997) also argues that it is likely that the appropriate learning mechanism in organizations can prevent expatriates from maintaining status quo. One way to enhance the learning mechanism is sharing values. Through an organizational culture with shared values, individual members can eliminate barriers to learning, and the individual members will also create other values within the organization (Kamoche, 1997).

Moreover, shared vision is an important aspect to increase expatriate motivation. International assignments can lead expatriates to have low motivation. One study shows that almost all the expatriates who responded to a survey answered that the concept of “international manager” is meaningless in their own career goal (Forster, 1997). This study also found that while only a few respondents recognize being an expatriate as an opportunity, many consider international assignments no more than just “experience.” That is, most expatriates cannot see any vision in the international assignment and, as a result, cannot be highly motivated. However, expatriates who have a commitment and agreement to the direction where the organization is going and what the organization is doing are more likely to focus on proactive learning, thus boosting motivation (Day, 1994; Sinkula et al., 1997).

In addition to Kamoche (1997) who emphasizes the importance of expatriate learning orientation to increase organization-wide learning orientation, Magnini and Honeycutt (2003) claim that an expatriate with high learning orientation is more likely to be successful in international assignments in the hospitality industry. High learning orientation is essential for expatriate success because the expatriate will likely accept any cultural ambiguity and frustration in the new environment. They also claim that training is good preparation, but the expatriates should be able to solve problems caused by cultural differences on their own. As a result, expatriates with low learning orientation are more likely to avoid an ambiguous situation and feel vulnerable in a culturally diverse environment. Organizational climate of shared vision, therefore, will increase organizational and individual level of learning as well as increase the adjustment of expatriate managers. This logic relies on the notion that organizational climate not only influences the organizational-level of performance but also the individual-level of performance (Sheridan, 1992). Based on previous studies, the second hypothesis formulated is:

H2: Organizational climate dimension of shared vision positively influences the adjustment of expatriate hotel managers.

H2-a: Organizational climate dimension of shared vision positively influences the general adjustment of expatriate hotel managers.

H2-b: Organizational climate dimension of shared vision positively influences the work adjustment of expatriate hotel managers.

H2-c: Organizational climate dimension of shared vision positively influences the interactional adjustment of expatriate hotel managers.

Open-mindedness

Research indicates that organizations should also have open-mindedness (Sinkula et al., 1997). Open-mindedness refers to “the willingness to critically evaluate the organization’s operational routine and to accept new ideas” (Calantone et al., 2002). To remain competitive in today’s business environment, organizational strategy, notion and supports must be continually evaluated. That is, only organizations with open-mindedness are not reluctant to question and criticize old routines, seeking to improve business practices (Magnini, 2008). Open-mindedness also encourages organizations to be active learners. Organizations with open-mindedness are more likely to avoid repeating old ways and to update their practices based on new knowledge (Calantone et al., 2002).

As explained in the commitment to learning, expatriate learning orientation is critical for successful adjustment. Among the several methods which boost expatriate learning orientation, the concept of single loop learning vs double loop learning is closely related to organizational open-mindedness. “Single-loop learning” refers to the individual or organizational learning in a way to try to improve the efficiency of existing operations and capabilities such as skill learning, whereas “Double-loop learning” generates learning from developing new capabilities and new approaches (Argyris and Schön, 1997).

According to Wong (2005), organizations with the rigid climate hinder achieving Double-loop learning. In an organization without open-mindedness, members tend to stick to the current mode of reasoning without any desire for double-loop learning (Wong, 2005). Thus, expatriates from an organization without open-mindedness may feel overwhelmed in the new work environment because they have not been encouraged to use double-loop learning. Although expatriates are assigned by the parent company, they have to learn from and interact with local

staff during the international assignment. Organizational open-mindedness will encourage expatriates to explore double-loop learning, which will assist in adjusting to the new environment.

Harris and Mossholder (1996) demonstrate that a major form of the relationship between the organizational culture and individual member affective outcomes is “focusing on the affective implications of particular cultural content.” That is, organizational cultures perceived by employees have a positive influence on individual member performance, and therefore, create positive affective outcomes (Harris and Mossholder, 1996). As a result, it follows that organizational open-mindedness can also increase individual creativity and positively influence expatriate adjustment.

In addition, the rising interest in organizational learning and expatriate knowledge has resulted in a growing body of research (e.g., Kamoche, 1997; Lazarova and Tarique, 2005). Knowledge gained from international assignments and experiences as well as adjustment to the multicultural environment are critical advantages for multinational enterprises (Kamoche, 1997). Lazarova and Tarique (2005) suggest individual repatriate readiness to transfer knowledge and organizational receptivity to international knowledge are two major requirements for the successful transfer of knowledge. The authors also state that the organization should have the right tools to capture new knowledge and provide incentives to motivate repatriates. However, before providing an increase knowledge transfer, organizations must understand the importance of the knowledge and have the desire to accept them. Organizational open-mindedness, as a result, is needed to welcome the new knowledge and accept the changes. Moreover, organizations with open-mindedness would more likely initiate using repatriates to transfer knowledge, and, therefore, expatriates who experience a positive organizational climate for

open-mindedness would be motivated. Again, empirical research demonstrates that facets of an organization's culture can influence individual-level attitudes and behaviors (Rashid et al., 2004).

Based on previous studies, the hypothesis three is formulated:

H3: Organizational climate dimension of open-mindedness positively influences the adjustment of expatriate hotel managers.

H3-a: Organizational climate dimension of open-mindedness positively influences the general adjustment of expatriate hotel managers.

H3-b: Organizational climate dimension of open-mindedness positively influences the work adjustment of expatriate hotel managers.

H3-c: Organizational climate dimension of open-mindedness positively influences the interactional adjustment of expatriate hotel managers.

Innovativeness

Peter Drucker (1954) states that the only purpose of business is to create customers, and to achieve this purpose, the business enterprise has only two basic functions: (i) marketing and (ii) innovation. An increased interest has emerged in organizational change and innovation recently, creating several definitions of innovation. The most widely used definition is "the intentional introduction and application within a role, group, or organization of ideas, processes, products, or procedures, new to the relevant unit of adoption, designed to significantly benefit the individual, group, organization or wider society" (West and Farr, 1990). However, Hansen and Wakonen (1997) criticize this definition and state that it is impossible to create things identically, meaning any change can be innovative activities. Thus, Crossan and Apaydin (2010) construct a comprehensive definition of innovation as the "production or adoption, assimilation, and

exploitation of a value-added novelty in economic and social spheres; renewal and enlargement of products, services, and markets; development of new methods of production; and establishment of new management systems.” This definition includes not only visible innovation such as production and adoption but also internal benefit such as adding values to the firms.

A wide range of studies have revealed that organizational innovation is critical for successful performance (Calantone et al., 2002; Crossan and Apaydin, 2010; West and Farr, 1990). Victoria (2009) asserts that organizational innovativeness provides opportunities for a higher quality of service in the hotel industry where customers are more quality sensitive. Also, research indicates that a firm’s innovativeness is positively related to the firm’s performance, when measured by objective items such as ROE, ROI and ROS (Calantone et al., 2002). Moreover, sustained innovation is counted as the most important source of competitive advantage for business success (Elenkov and Manev, 2009). That is, organizational innovativeness is required for organizations to continuously grow. This is especially true for expatriate hotel managers, who must accept new ideas to succeed in the competitive environment.

That is, it is impossible for organizations with rigid cultures to become innovative. According to King and Anderson (1995), employees are more productive and creative when they are sincerely motivated. King and Anderson also assert that a reward system can increase employee innovation as well as provide a positive organizational climate to increase the individual’s creativity. As more innovative organizations are more likely to accept new ideas and not to be afraid of accepting change, it is reasonable that expatriates with positive organizational climate for innovativeness would not hesitate to provide creative suggestions. Those experiences are accumulated through organizational support of innovative ideas and lead to an increase in the innovativeness of individual members (Scott and Bruce, 1994). Also, this logic is supported by

research which has found that organizational culture is associated with a positive individual-level of performance including job satisfaction, commitment to the organization, and intention to stay (Harris and Mossholder, 1996; Sheridan, 1992). Specifically, innovation-oriented cultures show a strong influence on employee behavior (Odom et al., 1990). As a result, it is reasonable to claim that expatriates within a positive organizational climate for innovativeness are prone to accept uncertainty when in a new environment rather than avoid those circumstances. The last hypothesis formulated based on previous literature is:

H4: Organizational climate dimension of innovativeness positively influences the adjustment of expatriate hotel managers.

H4-a: Organizational climate dimension of innovativeness positively influences the general adjustment of expatriate hotel managers.

H4-b: Organizational climate dimension of Innovativeness positively influences the work adjustment of expatriate hotel managers.

H4-c: Organizational climate dimension of Innovativeness positively influences the interactional adjustment of expatriate hotel managers.

The effects of training on organizational climate

There has been increasing interest in training programs as a method to improve the effectiveness of expatriates since the knowledge and skills of an organization have become essential to remain competitive in the present business environment (Tharenou et al., 2007). Research suggests that successful organizations have made higher investments in training and development than other organizations (Kraiger et al., 2004); and that a substantial investment is

made each year on training worldwide (Tharenou et al., 2007). Thus, there has been a wide range of research regarding the effectiveness of training programs.

A meta-analysis demonstrates that training improves employee learning and increases the organizational performance such as profitability, sales and labor productivity as well as individual levels of outcome such as commitment, motivation and satisfaction (Tharenou et al., 2007). Cross-cultural training has been widely studied in the expatriate literature due to its importance; and, as stated above, there has been contradictory findings regarding the effectiveness of training programs.

Earley and Mosakowski (2004) argue that without recognizing a lack knowledge regarding cultural differences, organizations could have misunderstanding of partners which may eventually harm the organization. Thus, training programs are recommended to increase expatriates' knowledge regarding different cultures. In addition, expatriate training has also been proposed as a means of influencing the level of adjustment (e.g., Black and Mendenhall, 1990). More specifically, a number of studies suggest that by providing a series of cross-cultural training programs, organizations can increase expatriate adjustment (e.g., Rita et al., 2000; Yavas and Bodur, 1999). However, contradictory results have been found in the expatriate literature regarding the influence of such training programs on expatriate adjustment.

Contrary to research emphasizing the importance of expatriate training, studies have also found that expatriate training may not provide a significant benefit for expatriate adjustment. Empirical research argues that there is not much difference in the level of expatriate adjustment between expatriates with and without cross-cultural training (Hu et al., 2002). That is, the expatriates who have completed a training program do not have a higher level of satisfaction in the new environment compared to those expatriates without cross-cultural training. Moreover,

Morris and Robie (2001) conduct a meta-analysis with 16 studies (total n = 2270) to see if cross-cultural training has a significant influence on expatriate psychological comfort. The results from the meta-analysis demonstrate that the effectiveness of cross-cultural training is weaker than expected in spite of the wide use of cross-cultural training. These findings do not match with results from research arguing the effectiveness of expatriate training. Thus, further research into the role of expatriate training is required.

Organizational climate not only directly influences the individual level of performance but also act as a mediator. Gelade and Ivery (2003) show the influence of training on organizational performance through organizational climate. In their study, training is positively related to the overall organizational performance by strengthening the organizational climate. As more research regarding the influence of cross-cultural training on expatriate adjustment is needed, the mediating effect of organizational climate between expatriate training and adjustment will be investigated.

Summary

This chapter summarizes the literature on expatriate adjustment and perceived organizational climate. From this, important concepts and dimensions are identified. First, the literature review indicates that expatriate adjustment is positively related to the success of the international assignment and expatriate performance. Along with individual factors that increase the level of adjustment, the perceived organizational climate has been found to have an influence by a wide range of literature. Various dimensions have been developed to measure the organizational climate. However, the open-system model in the competing growth model

(Patterson et al., 2005; Quinn and Rohrbaugh, 1981) is identified to be suitable for this study since its focus on the growth and the desire to develop are critical in the current competitive environment. What is more, four dimensions, commitment to learning, shared vision, open-mindedness, and innovativeness, are identified as predictors for the adjustment of hotel managers.

CHAPTER III

Methodology

The primary purpose of this study is to investigate the relationship between perceived organizational climate and the adjustment of expatriate hotel managers. To investigate more meaningful organizational climate in the highly competitive international environment, the dimensions of the climate in the open-system model that indicates the extent of organizational focus to growth need to be measured. This chapter discusses the methods employed to carry out the research process by measuring the appropriate indicators. It is divided into the following four sections: (i) research questions and hypotheses, (ii) research design, (iii) instrument and (iv) sampling.

Research Questions and Hypotheses

This study is designed to investigate the relationship between the perceived organizational climate and the adjustment of expatriate hotel managers. This section discusses the research questions and hypotheses. The theoretical model for this study illustrated in Figure 3-1 and demonstrates the series of hypotheses employed here.

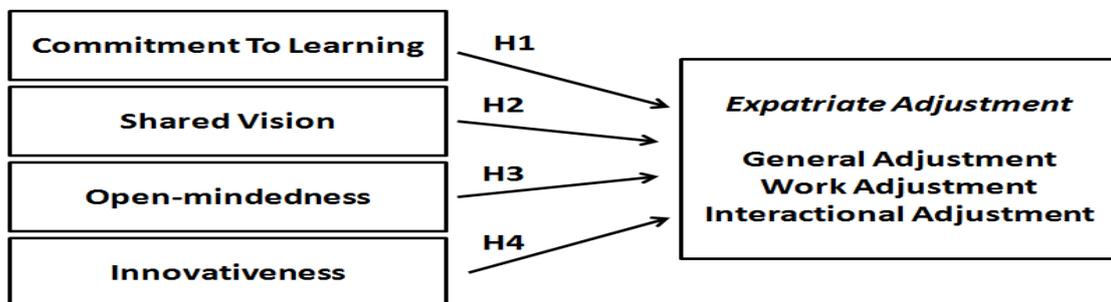


Figure 3-1 Theoretical Framework

Research Questions

This study addresses the following research questions:

1. Is there a relationship between perceived organizational climate of expatriate hotel managers and their adjustment?
2. To what extent does perceived organizational climate influence the adjustment of expatriate hotel managers?
3. To what extent does perceived organizational climate influence work adjustment of expatriate hotel managers?
4. To what extent does perceived organizational climate influence interactional adjustment of expatriate hotel managers?

Proposed Hypothesis

Based on the research questions for this study, four main hypotheses are developed to investigate the relationship between the perceived organizational climate and the adjustment of expatriate hotel managers. Each main hypothesis has three sub-hypotheses, measuring expatriate adjustment in detail. The hypotheses this study proposes are as follows:

H1: Organizational climate dimension of commitment to learning positively influences the adjustment of expatriate hotel managers.

H1-a: Organizational climate dimension of commitment to learning positively influences the general adjustment of expatriate hotel managers.

H1-b: Organizational climate dimension of commitment to learning positively influences the work adjustment of expatriate hotel managers.

- H1-c: Organizational climate dimension of commitment to learning positively influences the interactional adjustment of expatriate hotel managers.
- H2: Organizational climate dimension of shared vision positively influences the adjustment of expatriate hotel managers.
- H2-a: Organizational climate dimension of shared vision positively influences the general adjustment of expatriate hotel managers.
- H2-b: Organizational climate dimension of shared vision positively influences the work adjustment of expatriate hotel managers.
- H2-c: Organizational climate dimension of shared vision positively influences the interactional adjustment of expatriate hotel managers.
- H3: Organizational climate dimension of open-mindedness positively influences the adjustment of expatriate hotel managers.
- H3-a: Organizational climate dimension of open-mindedness positively influences the general adjustment of expatriate hotel managers.
- H3-b: Organizational climate dimension of open-mindedness positively influences the work adjustment of expatriate hotel managers.
- H3-c: Organizational climate dimension of open-mindedness positively influences the interactional adjustment of expatriate hotel managers.
- H4: Organizational climate dimension of Innovativeness positively influences the adjustment of expatriate hotel managers.

H4-a: Organizational climate dimension of Innovativeness positively influences the general adjustment of expatriate hotel managers.

H4-b: Organizational climate dimension of Innovativeness positively influences the work adjustment of expatriate hotel managers.

H4-c: Organizational climate dimension of Innovativeness positively influences the interactional adjustment of expatriate hotel managers.

Research Design

The study will utilize self-administrated surveys to collect data and address the research questions of this study. Based on the literature reviewed in Chapter I and II, the survey instruments are adapted to measure the perceived organizational climate and expatriate adjustment. All independent variables adapt the measurement developed Sinkular et al. (1997), except innovativeness which adapt the measurement developed by Hurt et al. (1977). The three facets of expatriate adjustment developed by Black (1988) are utilized to measure the extent of adjustment of expatriate hotel managers. One of the major challenges of this study is to design a survey to address the research objectives without biasing the opinions of respondents who have various backgrounds. As a result, additional survey instruments are used as control variables. These additional instruments are cultural distance, past experiences, and the length of current international assignment.

Instrument

The questionnaire consists of three major parts: Organizational Climate, Expatriate Adjustment and General Information for respondents. First part of the survey is designed to

measure the perceived organizational climate, followed by the extent of adjustment of the expatriate hotel managers. General information is divided into two areas: (i) control variables and (ii) demographic information. At the beginning of the survey, clear definitions of the terminology will be presented to respondents. For example, the term “organization” in the questionnaire refers to the parent company.

Commitment to learning

Commitment to learning serves as an independent variable in the perceived organizational climate. Responses will be based on a seven-point Likert-type scale: 1 = “strongly disagree”, 7 = “strongly agree”, asking how respondents agree with statements given. The four items of commitment to learning are as follows:

CO1: Managers basically agree that our organization's ability to promote learning is the key to our competitive advantage.

CO2: The basic values of this organization include learning as a key to improvement.

CO3: The sense around here is that employee learning is an investment, not an expense.

CO4: Learning in my organization is seen as a key commodity necessary to guarantee organizational survival.

Shared Vision

Shared vision serves as an independent variable in the perceived organizational climate. Responses will be based on a seven-point Likert-type scale: 1 = “strongly disagree”, 7 = “strongly agree”, asking how respondents agree with statements given. Four items of shared vision are:

VSI: There is a commonality of purpose in my organization.

VS2: There is total agreement on our organizational vision across all levels, functions, and divisions.

VS3: All employees are committed to the goals of this organization.

VS4: Employees view themselves as partners in charting the direction of the organization.

To aid in reducing the likelihood of a common method bias, the current research will reverse code these four shared vision items in one half of the surveys that are sent to expatriates. A lack of statistical difference between responses generated from the reverse-coded questionnaires and the non-reverse coded questionnaires could serve as an indicator that common method bias did not inhibit sound hypothesis testing.

Open-mindedness

Open-mindedness serves as an independent variable in the perceived organizational climate. Responses will be based on a seven-point Likert-type scale: 1 = “strongly disagree”, 7 = “strongly agree”, asking how respondents agree with statements given. Two items of open-mindedness are as follows:

OMI: We are not afraid to reflect critically on the shared assumptions we have made about our customers.

OM2: Personnel in this enterprise realize that the very way they perceive the marketplace must be continually questioned.

Innovativeness

Serving as an independent variable in the perceived of organizational climate, the variable, innovativeness, utilize the measurement developed by Hurt et al. (1977). Six items are employed in the evaluation of innovativeness asking how respondents feel about the following statements: 1 = “strongly disagree” to 7 = “strongly agree”. Also, one item (IF5) is a reverse question.

IV1: Our company frequently tried out new ideas.

IV2: Our company seeks out new ways to do things.

IV3: Our company is creative in its methods of operation.

IV4: Our company is often the first to market with new products and services.

IV5: Innovation in our company is perceived as too risky and is resisted

IV6: Our new product introduction has increased over the last 5 years.

Expatriate Adjustment

As the dependent variable, expatriate adjustment will be assessed by the scales developed from literature (Black, 1990; Black and Stephens, 1989), the scale consists of fourteen seven-point (1 = “I am very unadjusted”, 7 = “I am very adjusted”) Likert-type items that measure adjustment to general living conditions, interaction with host country nationals and to work. General adjustment will be measured by seven items indicating the extent to which expatriates have adjusted to things such as the transportation system in the host country. Work adjustment will be measured by three items indicating the extent to which the expatriate has adjusted to job responsibilities and position. Interactional adjustment will be measured by four items indicating the extent to which the expatriate has adjusted to the new environment requiring interacting with

the locals, and working with locals. It is prudent to note, that the current study will factor analyze the entire scale to confirm its dimensionality before hypothesis testing. All 14 items are as follows:

General Adjustment

EA1: Living condition in general

EA2: Housing condition

EA3: Food

EA4: Shopping

EA5: Cost of living

EA6: Entertainment/recreation facilities and opportunities

EA7: Health care facilities

Interactional Adjustment

EA8: Socializing with host nationals

EA9: Interacting with host national on a day-to-day basis

EA10: Interacting with host nationals outside of work

EA11: Speaking with host nationals

Work Adjustment

EA12: Specific job responsibilities

EA13: Performance standards and expectations

EA14: Supervisory responsibilities

Cultural Distance

Research indicates that the cultural distance, the difference between the culture of the home country and that of host country, is positively related the expatriate stress level and, therefore, influences expatriate adjustment (Peltokorpi, 2008). As a result, it is necessary to calculate the distance between each expatriate's culture and that of the assignment country to measure unbiased opinions regarding the influence the organizational climate and adjustment.

Kogut and Singh (1988) developed a cultural distance formula by creating a composite index based on the deviation along each of the four cultural dimensions; power distance, uncertainty avoidance, masculinity/femininity, and individualism. Hofstede's indicators for each dimension of the host and home countries are used to create the composite index. The index of cultural distance can be calculated as followed:

$$CD_j = \sum_{i=1}^4 \left\{ (I_{ij} - I_{iu})^2 / V_i \right\} / 4$$

Where I_{ij} stands for the index for the i^{th} cultural dimension and J^{th} country, V_i is the variance of the index of the i^{th} dimension, u indicates the United States. CD_j is cultural difference of the j^{th} country from the United States. To measure cultural distance using the formula developed by Kogut and Singh (1988), this study will ask respondents where they are from (their home country) and where they currently work (their host country). Hofstede's indicators required for a composite index will be collected from the official online source provided by Itim International, a culture and management consulting firm (<http://www.geert-hofstede.com>).

Previous overseas experience

A meta-analysis reveals that past overseas experience for expatriates influences three facets of adjustment, although the influence is not very strong (Hechanova et al., 2003). As a

control variable, the number of previous overseas experiences will be measured in an open-ended question.

Months on assignment

The meta-analysis also shows that the length of international assignment is associated with work adjustment of expatriates (Hechanova et al., 2003). As a control variable, how long expatriates have worked for the current international assignment will be measured in an open-ended question. If a respondent has worked less than a year, a total number of months will be counted.

Expatriate training

Since much of the current expatriate adjustment literature focuses upon training, the perception toward training programs will be measured. Respondents will be asked whether the parent company provided expatriate training which was above the industry standard. A seven-point Likert-type scale will be used to measure expatriate training ranging from 1 = “I strongly disagree” to 7 = “I strongly agree”.

Language proficiency

Language proficiency is considered one of the important factors for expatriate success in many studies (e.g., Hechanova et al., 2003). Thus, respondents will be also asked to indicate the extent of fluency in the language of the host country when they began the current assignment with a seven-point Likert-type scale (1 = “not fluent at all”, and 7 = “fluent”).

Sample and Data Collection

In this study, hotel properties from countries around the globe comprise the sampling frame. Through internet sites, a sufficient number of hotels in 101 countries was found, and 8600 e-mail addresses were extracted. The hotels were selected to include sizes, brands, management structures, ownership structures, and various property types - business hotels versus resort hotels. The main reason for collecting different type of hotels is to avoid response bias influenced by corporate culture. Since this study focuses on perceived organizational climate and expatriate adjustment, different characteristics and demographics of hotels are more suitable to observe the relationships. Although different levels of organizational climate can be created in an organization, various types of hotels will clearly show the different level of organizational climate dimensions. An e-mail will be sent to each hotel on the list asking to complete the questionnaire.

To test our hypothesized relationships, three regression models will be calculated. In the first model, commitment to learning, shared vision, open-mindedness, and innovativeness will serve as independent variables, cultural distance, previous oversea experience, and months of assignment will be control variables, and general adjustment will be the dependent measure. The second model will be consistent with the first except that the dependent variable will be interactional adjustment. Lastly, the dependent variable in the third model will be work adjustment with all other variables consistent with previous. It is prudent to note that the assumptions of linear regression, (i) linearity, (ii) independence, (iii) homoscedasticity, and (iv) normality, will be assessed before hypothesis tests.

Chapter IV

Results

The primary purpose of this study is to investigate the relationship between perceived organizational climate and the adjustment of expatriate hotel managers. Due to the importance in the competitive environment, four dimensions in the open-system model are examined regarding expatriate adjustment. This chapter presents the results of the data analysis used to test the research hypotheses proposed in the prior chapter. This chapter is divided into the following sections: (i) response rate, (ii) general demographics, (iii) perceived organizational climate of expatriate hotel manager, (iv) level of expatriate adjustment, and (v) hypothesis testing.

Response Rate

Of the 7,988 total online-survey invitation emails sent to hotels in 101 countries from 10 Mar, 2011 to 22 Mar, 2011, 0.9 percent (N=73) were completed by managers including revenue managers, reservation managers and general managers. After conducting thorough data screening, 71 out of 73 responses were available for data analysis.

To embrace the purpose of this study, collecting data with the help of international chain hotels was avoided because hotel managers would not provide an honest opinion with the knowledge that the survey is conducted through the organizations; and the result from the survey maybe is biased. Thus, the low response rate is somewhat inevitable as the study depends on voluntary response, without any tangible benefits to the expatriate hotel manager.

Furthermore, the comparably small sample size is not uncommon in expatriate literature in the hospitality industry. Hu et al. (2002) conducted a study regarding cross-cultural impact and expatriate adjustment with a survey from 60 expatriate hotel employees while Causin and Ayoun (2011) conducted a study with 66 expatriate representatives of the lodging association. Magnini (2009) presents a study on the use of real-time training for expatriates in the hotel industry and reported a response rate of 0.4percent, resulting in a sample size of 19.

General Demographics

Table 4-1 illustrates the demographic profile of hotel managers who participated in this study. In this study, 51 respondents are male (75%) and 17 respondents are female (25%). Of respondents in this study, the majority are married (N=34, 60.7%) while 39.2 percent (N=22) are single. Respondents who are separated or divorced are considered single. Regarding the length of the current assignment, about 30.2 percent (N=19) of respondents answered less than a year. Almost 17 percent of respondents had worked at their current assignment between two and three years (N=11). Also, 13.8 percent (N=9) of respondents had worked at their current assignment for more than four years, and 20 percent (N=13) of respondents had worked at their current international assignment more than 5 years.

In terms of the number of years working in the hospitality industry, 27.9 percent (N=19) responded less than five years, followed by six to ten years (N=14, 20.6%), and 11 to 15 years (N=10, 14.7%). However, 11.8 percent of the expatriate hotel managers participating in this study (N=8) have worked more than 26 years in the hospitality industry. As shown in Table 4-1, the number of previous expatriate assignment varied in this study. Although 37.1 percent of respondents (N=23) have no previous experience, 16.1 percent (N=10) have had three previous

expatriate assignments. 16.1 percent (N=8) have had three previous expatriate assignments while 11.3 percent (N=7) have had two. Surprisingly, 8.1 percent of respondents (N=5) have had more than 6 previous expatriate assignments.

There was a great cultural diversity in this study. Table 4-2 illustrates the native and host countries of respondents. Native country of respondents varies from Belgium and Germany (N=6 each) to the Republic of Srpska (N=1). Likewise, respondents have international assignments in various countries such as Thailand (N=6), China (N=5), and Oman (N=5).

Table 4-1 Demographic Profile of respondents

	Frequency	Percent (%)
<i>Gender (N=68)</i>		
Male	51	75.0
Female	17	25.0
<i>Marital Status (N=56)</i>		
Married	34	60.7
Single	22	39.3
<i>Length in current assignment thus far (N=65)</i>		
Less than a year	19	30.2
13 to 24 months	7	10.8
25 to 36 months	11	16.9
37 to 48 months	6	9.2
49 to 60 months	9	13.8
More than 61 months	13	20.0
<i>Years of industry experience (N=68)</i>		
Less than 5 years	19	27.9
6 to 10 years	14	20.6
11 to 15 years	10	14.7
16 to 20 years	10	14.7
21 to 25 years	7	10.3
More than 26 years	8	11.8
<i>Number of previous expatriate assignment (N=62)</i>		
None	23	37.1
1	7	11.3
2	8	12.9
3	10	16.1
4	3	4.8
5	4	6.5
6	2	3.2
More than 6 times	5	8.1

Table 4-2 Native and Host Country of Respondents

Native Country	Number of Expatriates	Host Country	Number of Expatriates
Australia	1	Algeria	2
Austria	1	Argentina	2
Belgium	6	Australia	1
Brazil	1	Bahrain	1
Canada	1	Cambodia	1
Easter Island	1	Chile	1
Egypt	1	China	5
Finland	1	Czech Republic	1
France	3	Ecuador	1
Germany	6	Egypt	1
Greece	1	Estonia	1
India	5	Greece	1
Italy	2	Hong Kong	1
Lebanon	1	Hungary	1
Mauritius	1	India	2
Mexico	1	Indonesia	2
Portugal	2	Italy	1
Republic of Srpska	1	Japan	1
Russia	1	Kenya	2
Spain	3	Laos	1
Switzerland	3	Malaysia	3
Tanna Island	1	Malta	1
Thailand	2	Netherlands Antilles	2
The Capitol	1	New Zealand	2
The Netherland	5	Nigeria	1
The Philippines	1	Oman	5
UK	6	Panama	1
USA	5	Bosnia and Herzegovina	1
Vietnam	1	Saudi Arabia	1
		Singapore	1
		Sri Lanka	4
		Thailand	6
		the Netherlands	1
		UAE	2
		UK	2
		USA	1
		Vanuatu	1
		Vietnam	1

Table 4-3 shows the current position title for all respondents. Not surprisingly, the majority of respondents were general managers (N=44, 69.84%) followed by food and beverage managers (N=9, 14.29%). General administrative managers involved in this study; director of sales and marketing, and human resources manager each have two respondents (3.17%); and reservation manager and revenue manager each have three respondents (4.76%).

Table 4-3 Current Position of Respondents

	Frequency	Percent (%)
<i>Current Position title (N= 63)</i>		
Director of sales and Marketing	2	3.17%
F&B Manager	9	14.29%
G.M.	44	69.84%
HR Manager	2	3.17%
Reservation Manager	3	4.76%
Revenue Manager	3	4.76%

Respondents were also asked to indicate the extent of fluency in the language of their host country when they began their current assignment. As shown in Table 4-4, expatriate hotel managers in this study showed a relatively low level of fluency in the host language (M=4.16, SD=2.56). However, since the standard deviation is high, some respondents are fluent in the host language. 30.4 percent (N=21) answered they speak fluently in the host language (range 7) followed by 11.6 percent (N=8) that marked their level as 6, with level 7 being fluent. The respondents who are not fluent at all in host language was 31.9 percent (N=22). As also shown in Table 4-4, expatriate hotel managers in this study received relatively neutral level of training provided prior to the current assignment when compared to the industry standard (M=4.3, SD=1.91).

Table 4-4 Language competency of respondents

		Frequency	Percent (%)	Mean	SD
<i>The level of training provided prior to current assignment is above industry standard (N=69)</i>					
Strongly Disagree	1	8	11.6		
	2	7	10.1		
	3	6	8.7		
Neutral	4	16	23.2		
	5	8	11.6		
	6	15	21.7		
Strongly Agree	7	9	13.0	4.30	1.91
<i>The level of fluency in host language (N=69)</i>					
Not fluent at all	1	22	31.9		
	2	4	5.8		
	3	2	2.9		
	4	4	5.8		
	5	8	11.6		
	6	8	11.6		
Fluent	7	21	30.4	4.16	2.56

Perceived Organizational Climate of Expatriate Hotel Managers

As explained in chapter III, four dimensions of organizational climates are measured in this study; (i) commitment to learning, (ii) shared vision, (iii) open-mindedness, and (iv) innovativeness. Each dimension was measured using a seven-point Likert-type scale ranging from 1= “I strongly disagree” to 7= “I strongly agree”. As shown in Table 4-5 the highest degree of perceived organizational climate is commitment to learning with a mean of 5.63 and standard deviation of 1.23, followed by open-mindedness (M=5.20, SD=1.31) and Innovativeness (M=5.10, SD=1.06)

Table 4-5 Perceived Organizational Climates

	N	Mean	SD
Commitment to learning	70	5.63	1.23
Shared vision	70	4.90	1.33
Open-mindedness	70	5.20	1.31
Innovativeness	70	5.10	1.06

To measure commitment to learning, this study used four items designed by Sinkula et al. (1997). The mean score for each item ranges from 5.43 to 5.84. The highest mean score (M=5.84, SD=1.21) is related to the statement, *“The basic values of this organization include learning as a key to improvement,”* followed by the statement (M=5.63, SD=1.41), *“Managers basically agree that our organization’s ability to promote learning is the key to our competitive advantage.”* The lowest mean score (M=5.43, SD=1.47) is associated with the statement, *“Learning in my organization is seen as a key commodity necessary to guarantee organizational survival.”*

Perceived shared vision was also measured with four items designed by Sinkula et al. (1997). As illustrated in Table 4-7, the highest mean score (M=5.20, SD=1.54) is associated with the statement, *“There is a commonality of purpose in my organization,”* followed by the statement (M=5.00, SD=1.56), *“All employees are committed to the goals of this organization.”* The least agreed statement (M=4.56, SD=1.57) is *“Employees view themselves as partners in charting the direction of the organization.”*

Table 4-6 Commitment to Learning Scale Items

	N	Mean	SD
Overall commitment to learning	70	5.63	1.23
Managers basically agree that our organization's ability to promote learning is the key to our competitive advantage.	70	5.63	1.41
The basic values of this organization include learning as a key to improvement.	70	5.84	1.28
The sense around here is that employee learning is an investment, not an expense.	70	5.61	1.52
Learning in my organization is seen as a key commodity necessary to guarantee organizational survival	70	5.43	1.47

Table 4-7 Shared Vision Scale Items

	N	Mean	SD
Overall shared vision	70	4.90	1.33
There is a commonality of purpose in my organization.	69	5.20	1.54
There is total agreement on our organizational vision across all levels, functions, and divisions.	69	4.86	1.62
All employees are committed to the goals of this organization.	69	5.00	1.56
Employees view themselves as partners in charting the direction of the organization	70	4.56	1.57

This study used two items to measure open-mindedness using a seven-point Likert-type scale asking how much respondents agree with statements given. More respondents agreed with the statement (M=5.50, SD=1.45), *“We are not afraid to reflect critically on the shared assumptions we have made about our customers.”* Mean score of the other statement, *“Personnel in this enterprise realize that the very way they perceive the marketplace must be continually questioned.”* is 4.85 with a standard deviation of 1.53.

Table 4-8 Open-mindedness Scale Items

	N	Mean	SD
Overall open-mindedness	70	5.20	1.31
We are not afraid to reflect critically on the shared assumptions we have made about our customers.	70	5.50	1.45
Personnel in this enterprise realize that the very way they perceive the marketplace must be continually questioned.	69	4.87	1.53

Table 4-9 shows the six items used to measure perceived innovativeness of parent companies of expatriate hotel managers. There are two statements (M=5.74 each) that the most respondents agreed with: (i) *“Our company frequently tried out new ideas”* (SD=1.39) and (ii) *“Our company seeks out new ways to do things”* (SD=1.43). The lowest mean score is related to the reverse statement, *“Innovation in our company is perceived as too risky and is resisted”* (M=4.90, SD=1.77), followed by the statement, *“Our company is often the first to market with new products and services.”* (M=5.01, SD=1.79).

Table 4-9 Innovativeness Scale Items

	N	Mean	SD
Overall innovativeness	70	5.10	1.06
Our company frequently tried out new ideas.	70	5.74	1.39
Our company seeks out new ways to do things.	70	5.74	1.43
Our company is creative in its methods of operation.	69	5.57	1.48
Our company is often the first to market with new products and services.	70	5.01	1.79
Innovation in our company is perceived as too risky and is resisted	70	4.90	1.77
Our new product introduction has increased over the last 5 years.	69	5.38	1.52

Expatriate Adjustment

This study focuses on to what extent expatriate hotel managers adjust to a new environment. There are three measures of adjustment: general, interactional and work adjustment. The widely adopted method of Black (1988) was used for this study with seven-point (1 = “I am very unadjusted”, 7 = “I am very adjusted”) Likert-type items.

General adjustment was measured by seven items indicating the extent to which expatriates have adjusted to things such as the transportation system in the host country. As Table 4-10 illustrates, the overall mean general adjustment is 5.60 with a standard deviation of 1.10. The most adjusted item was reported to be living conditions in general with the mean score of 6.23 and the standard deviation of 1.21, followed by food (M=6.13, SD=1.21). The least adjusted item in general adjustment was entertainment/recreation facilities and opportunities (M=4.92, SD=1.62), followed by health care facilities (M=4.99, SD=1.77).

Interactional adjustment was measured by four items indicating the extent to which the expatriate has adjusted to interacting and working with locals in the new environment. The mean score of the overall interactional adjustment is 5.41 with a standard deviation of 1.29. The

highest mean score was associated with the statement (M=5.71, SD=1.32), "*Interacting with host national on a day-to-day basis,*" and the statement (M=5.43, SD=1.58), "*Speaking with host nationals*" comes after. The statement "*Interacting with host nationals outside of work*" has the lowest mean score (M=5.29, SD=1.54).

Work adjustment, measured by three items indicating the extent to which the expatriate has adjusted to job responsibilities, achieved the highest level of adjustment (M=6.19, SD=1.03). As Table 4-10 shows, expatriate hotel managers reported the highest work adjustment level (M=6.27, SD=0.99) with the item "*specific job responsibilities.*" The statement "*Performance standards and expectations*" was related to the lowest work adjustment (M=6.08, SD=1.18).

Table 4-10 Expatriate Adjustment

	N	Mean	SD
Overall general adjustment	71	5.60	1.10
Living condition in general	71	6.23	1.21
Housing condition	71	6.10	1.38
Food	69	6.13	1.21
Shopping	70	5.56	1.67
Cost of living	71	5.31	1.81
Entertainment/recreation facilities and opportunities	71	4.92	1.62
Health care facilities	70	4.99	1.77
Overall interactional adjustment	71	5.41	1.29
Socializing with host nationals	69	5.29	1.54
Interacting with host national on a day-to-day basis	70	5.71	1.32
Interacting with host nationals outside of work	71	5.28	1.55
Speaking with host nationals	70	5.43	1.58
Overall work adjustment	71	6.19	1.03
Specific job responsibilities	71	6.27	0.99
Performance standards and expectations	71	6.08	1.18
Supervisory responsibilities	71	6.18	1.11

Scale Reliability

Reliability refers to a measurement that is free from error and provides consistent results (Zikmund, 1997). That is, reliability analysis measures how consistent results are yielded over time and across situations. Research commonly suggests that Cronbach alphas that exceed 0.7 yield good reliability (Nunnally, 1978). Table 4-11 details the scale reliabilities for this study.

The reliability of overall perceived organizational climate measured by Cronbach alpha is 0.93. More specifically, Cronbach's alpha is over 0.7 for each variable with the exception of open-mindedness. Commitment to learning has the Cronbach's alpha of 0.89 while reliability for

shared vision is over 0.9 ($\alpha=0.97$). Although Cronbach's alpha for open-mindedness is below 0.7, it is very close ($\alpha=0.69$). Thus, this study did not delete any items to increase the reliability of variables. Variables for expatriate adjustment show strong reliability. Cronbach's alpha for general adjustment is 0.85, for interactional adjustment is 0.87, and for work adjustment is 0.93.

Table 4-11 Scale Reliability

	Cronbach's Alpha	N of items
Organizational climate of open system model	0.93	16
Commitment to learning	0.89	4
Shared vision	0.97	4
Open-mindedness	0.69	2
Innovativeness	0.75	6
General adjustment	0.85	7
Interactional adjustment	0.87	4
Work adjustment	0.93	3

Hypothesis Testing

This section discusses the results of the statistical analysis undertaken to address the research hypotheses. The first hypothesis focuses on the relationship between perceived organizational climate and the general adjustment of expatriate hotel managers. The second hypothesis examines the relationship between perceived organizational climate of expatriate hotel managers and their interactional adjustment, while the last hypothesis investigates the relationship between the organizational climate and the work climate.

As listed in Table 4-13, the hypotheses predicting influences on general adjustment (Hypotheses 1-a, 2-a, 3-a, and 4-a) were tested using multiple regression analysis with (i) general

adjustment as the dependent variable, (ii) commitment to learning, shared vision, open-mindedness, and innovativeness as the independent variables, and (iii) months on the current assignment, number of previous expatriate assignments, language fluency when starting the current assignment, and cultural distance as the control variables.

Hypotheses predicting influences on interactional adjustment of expatriate hotel managers (Hypotheses 1-b, 2-b, 3-b, and 4-b) were tested using multiple regression analysis with (i) interactional adjustment as the dependent variable, (ii) commitment to learning, shared vision, open-mindedness, and innovativeness as the independent variables, and (iii) months on the current assignment, number of previous expatriate assignments, language fluency when starting the current assignment, and cultural distance as the control variables. The result is shown in Table 4-13.

Similarly, as depicted in Table 4-14, the hypotheses predicting influences on work adjustment (Hypotheses 1-c, 2-c, 3-c, and 4-c) were tested using multiple regression analysis with (i) work adjustment as the dependent variable, (ii) commitment to learning, shared vision, open-mindedness, and innovativeness as the independent variables, and (iii) months on the current assignment, number of previous expatriate assignments, language fluency when starting the current assignment, and cultural distance as the control variables.

The overall adjustment was also tested (Hypotheses 1, 2, 3, and 4). Table 4-12 illustrates the result of the multiple regression analysis with (i) overall adjustment as the dependent variable, (ii) commitment to learning, shared vision, open-mindedness, and innovativeness as the independent variables, and (iii) months on the current assignment, number of previous expatriate assignments, language fluency when starting the current assignment, and cultural distance as the control variables.

Table 4-12 Multiple Regression Results with Overall Adjustment as the DV

	Sum of Squares	d.f.	Mean Square	F	Sig.
Regression	30.045	8	3.756	5.540	.000 ^a
Residual	21.015	31	.678		
Total	51.060	39			

Variables	B	SE	Beta	t	Sig.
(Constant)	1.431	.725		1.974	.057
Commitment to learning	.196	.191	.236	1.023	.314
Shared Vision	-.256	.191	-.310	-1.341	.190
Open-mindedness	.483	.156	.592	3.100	.004
Innovativeness	.193	.163	.198	1.185	.245
Months on the current assignment	.002	.003	.114	.945	.352
Previous expatriate assignment	.041	.052	.094	.775	.444
Language fluency	.107	.055	.241	1.940	.061
Cultural distance	.190	.116	.210	1.643	.111

R²=0.588, adjusted R²=0.482

As shown in Table 4-12, eight predictors together account for 59percent of the variance in the overall adjustment of expatriate hotel managers. The overall regression is statistically significant (F=5.540, P<0.05). Hypothesis 1 predicts that the organizational climate dimension of commitment to learning influences the overall adjustment of expatriate hotel managers. However, since it is not statistically significant (B=0.196, P>0.05), H1 is not supported. According to these data, the organizational climate of commitment to learning does not have a significant influence on the overall adjustment. Like H1, H2, which predicts that the organizational climate dimension of shared vision positively influences the overall adjustment of expatriate hotel managers, is not

supported ($B=-0.256$, $P>0.05$). According to these data, it can be said that the organizational climate of shared vision does not have a significant influence on the overall adjustment.

However, H3 is supported. Hypothesis 3 predicts that the organizational climate dimension of open-mindedness positively influences the overall adjustment of expatriate managers. As listed in Table 4-12, organizational climate of open-mindedness is statistically significant showing a positive relationship with overall adjustment ($B=0.483$, $P<0.05$). H4 predicts the positive relationship between the perceived organizational climate dimension of innovativeness and the overall adjustment. Table 4-12 indicates that the relationship is not statically significant ($B=0.193$, $P>0.05$). Therefore, H4 is not supported. In other words, the organizational climate of innovativeness does not have a significant influence on the overall adjustment of expatriate hotel managers. Table 4-12 also indicates that there are no statistically significant control variables for the overall adjustment of expatriate hotel managers.

Table 4-13 Multiple Regression Results with General Adjustment as the DV

	Sum of Squares	d.f.	Mean Square	F	Sig.
Regression	32.263	8	4.033	4.826	.001 ^a
Residual	25.907	31	.836		
Total	58.170	39			

Variables	<i>B</i>	<i>SE</i>	Beta	t	Sig.
(Constant)	1.477	.805		1.836	.076
Commitment to learning	.205	.212	.232	.968	.341
Shared Vision	-.334	.212	-.378	-1.574	.126
Open-mindedness	.519	.173	.596	2.997	.005
Innovativeness	.249	.181	.240	1.381	.177
Months on the current assignment	.000	.003	.006	.051	.960
Previous expatriate assignment	.045	.058	.097	.770	.447
Language fluency	.065	.061	.136	1.054	.300
Cultural distance	.246	.128	.254	1.915	.065

R²=0.545, adjusted R²=0.440

Table 4-13 provides the results of the multiple regression analysis on the general adjustment of expatriate hotel managers. Four organizational climate dimensions and four control variables together account for 54.5percent of general adjustment. The overall regression is statistically significant (F=4.826, P<0.05). However, with the exception of open-mindedness, the organizational climate dimensions are not statistically significant. Thus, H1-a, H2-a, and H4-a are not supported. That is, according to the statistical analysis, there is no significant relationship between the organizational climate of commitment to learning and the general adjustment of expatriate hotel managers. Since H2-a is not supported, it is clear that the organizational climate dimension of shared vision does not have a significant influence on the

general adjustment of expatriate hotel managers. Likewise, the organizational climate dimension of innovativeness does not have a significant influence on the expatriate general adjustment. Open-mindedness has a positive influence on the general adjustment of expatriate hotel managers ($B=0.519$, $P<0.05$). Thus, H3-a is supported. There is no statistically significant relationship between general adjustment and the four control variables, (i) month on current assignment, (ii) the number of previous expatriate assignment, (iii) language fluency when starting current assignment, and (iv) cultural distance.

Table 4-14 Multiple Regression Results with Work Adjustment as the DV

	Sum of Squares	d.f.	Mean Square	F	Sig.
Regression	32.082	8	4.010	5.357	.000
Residual	23.207	31	.749		
Total	55.289	39			

Variables	<i>B</i>	<i>SE</i>	Beta	<i>t</i>	Sig.
(Constant)	2.088	.762		2.741	.010
Commitment to learning	.095	.201	.111	.475	.638
Shared Vision	.114	.201	.132	.567	.575
Open-mindedness	.340	.164	.401	2.078	.046
Innovativeness	.096	.171	.095	.562	.578
Months on the current assignment	.003	.003	.151	1.247	.222
Previous expatriate assignment	.068	.055	.151	1.230	.228
Language fluency	.025	.058	.054	.428	.671
Cultural distance	.133	.122	.141	1.096	.282

$R^2 = 0.580$, adjusted $R^2 = 0.472$

Work adjustment of expatriate hotel managers regresses on commitment to learning, shared vision, open-mindedness, innovativeness, month on the current assignment, previous

expatriate assignment, language fluency, and cultural distance. As Table 4-14 indicates, commitment to learning ($B=0.095$, $P>0.05$), shared vision ($B=0.114$, $P>0.05$), and innovativeness ($B=0.096$, $P>0.05$) are not statistically significant predictors of work adjustment. Thus, H1-b, H2-b, and H4-b are not supported. According to these data, the organizational climate of commitment to learning does not have a significant influence on the work adjustment of expatriate hotel managers. Since H2-b is not supported, it is clear that the organizational climate dimension of shared vision also does not have a significant influence on the work adjustment of expatriate hotel managers. Likewise, it was found that the organizational climate dimension of innovativeness does not have a significant influence on the work adjustment of expatriate hotel managers. Open-mindedness has a positive influence on interactional adjustment ($B=0.340$) with a P-value of 0.056. Therefore, it can be said that H3-b is borderline supported.

Table 4-15 Multiple Regression Results with Interactional Adjustment as the DV

	Sum of Squares	d.f.	Mean Square	F	Sig.
Regression	39.236	8	4.905	3.421	.006
Residual	44.447	31	1.434		
Total	83.683	39			

Variables	B	SE	Beta	t	Sig.
(Constant)	.836	1.054		.793	.434
Commitment to learning	.247	.278	.233	.890	.381
Shared Vision	-.383	.278	-.362	-1.380	.177
Open-mindedness	.519	.227	.497	2.289	.029
Innovativeness	.170	.237	.137	.720	.477
Months on the current assignment	.006	.004	.214	1.563	.128
Previous expatriate assignment	.015	.076	.028	.202	.841
Language fluency	.242	.080	.425	3.010	.005
Cultural distance	.135	.168	.116	.801	.429

R²=0.469, adjusted R²=0.332

Multiple regression analysis of interactional adjustment on commitment to learning, shared vision, open-mindedness, innovativeness, month on the current assignment, previous expatriate assignment, language fluency, and cultural distance is statistically significant (F=3.421, P<0.05). Table 4-15 shows that commitment to learning (B=0.247, P>0.05), shared vision (B=-0.383, P>0.05), and innovativeness (B=0.170, P>0.05) are not statistically significant predictors for the interactional adjustment of expatriate hotel managers. Therefore, H1-c, H2-c, and H4-c are not supported. That is, according to these data, there is no significant relationship between the organizational climate dimension of commitment to learning and the interactional adjustment of expatriate hotel managers. As H2-c is not supported, it can be said that the organizational

climate dimension of shared vision does not have a significant influence on the interactional adjustment of expatriate hotel managers. Likewise, the organizational climate dimension of innovativeness does not have a significant influence on the expatriate interactional adjustment.

Open-mindedness was predicted as a positive influence on interactional adjustment of expatriate hotel managers in H3-c. As seen in Table 4-15, open-mindedness is statistically significant ($B=0.519$, $P<0.05$). That confirms the positive relationship between open-mindedness and interactional adjustment, supporting H3-c. Moreover, unlike the other control variables, language fluency ($B=0.242$, $P<0.05$) is a positive influence on the interactional adjustment of expatriate hotel managers. As depicted in Table 4-15, perceived organizational climate of open-mindedness has a stronger influence on interactional adjustment than language fluency does.

Collinearity

Before beginning the hypothesis testing it was verified that the data did not violate any of the assumptions of the linear regression. That is, tests were performed to determine whether (i) there is a linear relationship between the dependent and independent variables, (ii) there is no serial correlation between the error terms (interdependence), (iii) the error terms have constant variance (homoscedasticity), and (iv) the errors are normally distributed (Hair, Anderson, Tatham, and Black, 1998; Hair, Bush, and Ortinau, 2006). After checking the assumptions, it was determined that the independent variables were correlated.

Table 4-16 Correlations among Independent Variables

		Commitment to learning	Shared Vision	Open-mindedness	Innovativeness
Commitment to learning	Pearson Correlation	1	.777**	.711**	.603**
	Sig. (2-tailed)		.000	.000	.000
	N	70	70	70	70
Shared Vision	Pearson Correlation	.777**	1	.710**	.608**
	Sig. (2-tailed)	.000		.000	.000
	N	70	70	70	70
Open-mindedness	Pearson Correlation	.711**	.710**	1	.494**
	Sig. (2-tailed)	.000	.000		.000
	N	70	70	70	70
Innovativeness	Pearson Correlation	.603**	.608**	.494**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	70	70	70	70

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

Table 4-16 shows the collinearity among the four variables: commitment to learning, shared vision, open-mindedness, and innovativeness. In particular, three of the variables are highly correlated with a Pearson's R over 0.7. A high Pearson R among independent variables indicates that the variables are not truly independent. That is why one of the assumptions of multiple regression is not having a serial correlation between the error terms (interdependence). To reduce collinearity among variable, factor analysis is conducted in this study.

Table 4-17 Two New Factors of Organizational Climate: Vision and Innovation

Variables	VARIMAX rotated loadings	
	Factor 1	Factor 2
There is total agreement on our organizational vision across all levels, functions, and divisions	.860	
Learning in my organization is seen as a key commodity necessary to guarantee organizational survival	.847	
There is a commonality of purpose in my organization	.826	
The sense around here is that employee learning is an investment, not an expense	.798	
Personnel in this enterprise realize that the very way they perceive the marketplace must be continually questioned	.789	
The basic values of this organization include learning as a key to improvement	.571	
Our company is often the first to market with new products and services		.787
Our company is creative in its methods of operation		.773
Our new product introduction has increased over the last 5 years		.719
Our company seeks out new ways to do things		.674
Our company frequently tried out new ideas		.665

This study used VARIMAX rotation which is the most popular method to extract factors. From factor analysis, conducted to reduce the correlation among variables, two factors are extracted. Table 4-17 displays the two factors and the factor loading for each item. After removing double loaded items, it is found that the first factor is comprised of three variables: commitment to learning, shared vision, and open-mindedness. The variable, innovativeness, becomes the second factor. That is, based on the survey responses in this study, two dimensions of organizational climate are found. These dimensions are named factor 1 ‘Vision’ and factor 2 ‘Innovation.’

Results of Multiple Regression with Vision and Innovation as IVs

Table4-18 Multiple Regression Results of New Factors with Overall Adjustment as the DV

	Sum of Squares	d.f.	Mean Square	F	Sig.
Regression	24.790	6	4.132	5.190	.001
Residual	26.270	33	.796		
Total	51.060	39			

Variables	B	SE	Beta	t	Sig.
(Constant)	2.187	.699		3.129	.004
Vision	.372	.170	.430	2.183	.036
Innovation	.163	.170	.193	.957	.346
Months on the current assignment	.003	.003	.154	1.185	.244
Previous expatriate assignment	.016	.056	.036	.280	.781
Language fluency	.066	.058	.149	1.147	.260
Cultural distance	.154	.126	.170	1.222	.231

R² =0.486, adjusted R²=0.392

Overall adjustment of expatriate hotel managers regresses on vision, innovation, months on the current assignment, previous expatriate assignment, language fluency, and cultural distance. The overall regression is statistically significant (F=5.190, P<0.05). As Table 4-18 indicates, innovation (B=0.163, P>0.05) is not statistically significant predictors of overall adjustment. According to these data, the organizational climate of innovation does not have a significant influence on the general adjustment of expatriate hotel managers. Organizational vision has a positive influence on interactional adjustment (B=0.372) with a P-value of 0.036.

Table4-19 Multiple Regression Results of New Factors with General Adjustment as the DV

	Sum of Squares	d.f.	Mean Square	F	Sig.
Regression	26.099	6	4.350	4.476	.002
Residual	32.070	33	.972		
Total	58.170	39			

Variables	<i>B</i>	<i>SE</i>	Beta	t	Sig.
(Constant)	2.317	.772		3.002	.005
Vision	.392	.188	.425	2.083	.045
Innovation	.159	.188	.177	.845	.404
Months on the current assignment	.001	.003	.044	.329	.744
Previous expatriate assignment	.012	.062	.027	.202	.841
Language fluency	.021	.064	.045	.337	.738
Cultural distance	.218	.139	.225	1.564	.127

R² =0.449, adjusted R²=0.348

Table 4-19 provides the results of the multiple regression analysis on the general adjustment of expatriate hotel managers. Two organizational climate dimensions and four control variables together account for 34.8 percent of general adjustment. The overall regression is statistically significant (F=4.476, P<0.05). However, the organizational climate dimension of innovation is not statistically significant (B=0.159, P>0.05). Organizational climate of vision has a positive influence on the general adjustment of expatriate hotel managers (B=0.392, P<0.05). There is no statistically significant relationship between general adjustment and the four control variables, (i) month on current assignment, (ii) the number of previous expatriate assignment, (iii) language fluency when starting current assignment, and (iv) cultural distance.

Table 4-20 Multiple Regression Results of New Factors with Work Adjustment as the DV

	Sum of Squares	d.f.	Mean Square	F	Sig.
Regression	30.603	6	5.100	6.818	.000
Residual	24.686	33	.748		
Total	55.289	39			

Variables	B	SE	Beta	t	Sig.
(Constant)	2.475	.677		3.654	.001
Vision	.466	.165	.518	2.822	.008
Innovation	.133	.165	.152	.809	.424
Months on the current assignment	.004	.003	.180	1.486	.147
Previous expatriate assignment	.063	.054	.139	1.156	.256
Language fluency	-.007	.056	-.016	-.128	.899
Cultural distance	.084	.122	.089	.685	.498

R² =0.554, adjusted R²=0.472

Table 4-20 demonstrates the link between organizational climate and work adjustment of expatriate hotel managers. 47.2 percent of the work adjustment of expatriate hotel managers is explained by two dimensions of organizational climate and four control variables (F=6.818, P<0.05). Like other adjustments shown above, organizational climate of vision is the only statistically significant predictor (B=0.466, P<0.05). There is no statistically significant relationship between general adjustment and the four control variables, (i) month on current assignment, (ii) the number of previous expatriate assignment, (iii) language fluency when starting current assignment, and (iv) cultural distance.

Table 4-21 Multiple Regression Results of New Factors with Interactional Adjustment as the DV

	Sum of Squares	d.f.	Mean Square	F	Sig.
Regression	30.973	6	5.162	3.232	.013
Residual	52.710	33	1.597		
Total	83.683	39			

Variables	<i>B</i>	<i>SE</i>	Beta	t	Sig.
(Constant)	1.707	.990		1.725	.094
Vision	.267	.241	.242	1.108	.276
Innovation	.194	.241	.180	.806	.426
Months on the current assignment	.007	.004	.251	1.746	.090
Previous expatriate assignment	-.011	.079	-.020	-.139	.891
Language fluency	.199	.082	.349	2.431	.021
Cultural distance	.095	.179	.082	.531	.599

R² =0.370, adjusted R²=0.258

The interactional adjustment of expatriate hotel managers regresses on vision, innovation, months on the current assignment, previous expatriate assignment, language fluency, and cultural distance. The overall regression is statistically significant (F=3.232, P<0.05). As Table 4-21 indicates, organizational climate dimensions of vision (B=0.267, P>0.05) and innovation (B=0.194, P>0.05) are not statistically significant predictors of the interactional adjustment of expatriate hotel managers. Also, there is no statistically significant relationship between interactional adjustment and three control variables, month on current assignment, the number of previous expatriate assignment, and cultural distance. Language fluency has a positive influence on the interactional adjustment of expatriate hotel managers (B=0.199, P<0.05).

Mediating effects

There has been contradicting research regarding the effectiveness of expatriate training. A wide range of studies emphasize the importance of cross-cultural training (Mendenhall and Stahl, 2000; Okpara and Kabongo, 2011); on the other hand, empirical research also argues there is not much difference in the level of expatriate adjustment between expatriates with and without cross-cultural training (Hu et al., 2002). These findings reinforce the need to investigate other approaches that may influence expatriate adjustment. In this study the role of expatriate training was tested.

In this study mediating effect was tested with the level of training provided by the parent company to the expatriate hotel manager. The mediating effect indicates that cross-cultural training affects expatriate adjustment through perceived organizational climate. In other words, the organizational climate of expatriate hotel managers mediates cross-cultural training on expatriate adjustment.

To test the mediating effect, this study employed Baron and Kenny's (1986) procedure. The procedure calls for the calculation of a series of three linear regression models. The procedure mandates three regression models. The first condition is to show that there is a significant relationship between the independent variable and dependent variable. The next condition is to show a significant relationship between the mediator and the independent variable. The final condition consists of demonstrating that the mediator influences the dependent variable when both the independent and dependent variables are included in the model. In this step the previously significant relationship between independent variable and dependent variable is greatly reduced with the mediator controlled (often, this condition is counted as fourth condition). Maximum evidence for mediation occurs if the previous relationship becomes insignificant.

In this study a series of mediating effects were tested. First and foremost, the influence of training on the overall adjustment through organizational climate of the open-system model was tested. Also, the mediating effects of the four organizational climate dimensions (commitment to learning, shared vision, open-mindedness, and innovativeness) on the three types of adjustment (general adjustment, interactional adjustment, and work adjustment) are tested.

Table 4-22 shows that cross-cultural training influences the overall adjustment through the perceived organizational climate. In the first regression equation training does exert a significant influence on overall adjustment, indicating the first of Baron and Kenny's (1986) mediation conditions is met. In the second regression model shown in Table 4-22, training has a statistically significant influence on the perceived organizational climate of open-system model. That is, the second of Baron and Kenny's (1986) mediation conditions is also met. Finally, in the third regression model, training exerts a statistically significant influence on overall adjustment of expatriate hotel managers when controlling the perceived organizational climate of open-system model. Since perceived organizational climate does show a significant influence on overall adjustment in the third regression model, it can be said that the third and fourth of Baron and Kenny's (1986) mediation conditions are met. It is notable that perfect mediation is demonstrated in this analysis.

Table 4-22 Mediation Analysis: Training → Organizational Climate → Overall Adjustment

Predictor	B(Std.Err)	t
Overall adjustment		
Training	0.17(0.06)	t=2.96**
Perceived organizational climate of open-system model		
Training	0.28(0.06)	t=4.72**
Overall adjustment		
Training	0.03(0.06)	t=0.491
Perceived organizational climate of open-system model	0.51(0.10)	t=4.992**

**P<0.01

Likewise, organizational climate dimensions are individually tested to determine whether each dimension mediate expatriate adjustment. Three different adjustments as well as the overall adjustment are added to test organizational climate dimensions as mediators. The resulting mediating effect of each dimension is displayed in Tables 4-23, 4-24, 4-25, and 4-26. In these Tables, mediation analysis shows that training influences expatriate adjustment through the four organizational climate dimensions. To test the mediating effect of organizational climate dimensions, four types of adjustments, (i) overall, (ii) general, (iii) interactional, and (iv) work adjustment, are used as the dependent variable.

Table 4-23 shows that the organizational climate of commitment to learning perfectly mediates training on overall adjustment (t=4.17, P<0.01). Perfect mediating effects were demonstrated on general adjustment (t=2.617, P<0.01) and work adjustment (t=4.17, P<0.01).

This means that expatriate training increases the organizational climate of commitment to learning; and, therefore, the organizational climate of commitment is able to influence the general adjustment of expatriate hotel managers. However, organizational climate of commitment to learning does not mediate training on interactional adjustment since no

significant relationship exists between training and interactional adjustment ($t=1.33$, $P>0.05$). That is, expatriate training cannot influence the interactional adjustment of expatriate hotel managers through the perceived organizational climate dimension of commitment to learning.

Table 4-23 Mediation Analysis: Training → Commitment to learning → Adjustment

Predictor	B(Std.Err)	t
Overall adjustment		
Training	0.17(0.06)	t=2.96**
Commitment to learning		
Training	0.28(0.07)	t=3.97**
Overall adjustment		
Training	0.07(0.06)	t=1.15
Commitment to learning	0.37(0.09)	t=4.17**
General adjustment		
Training	0.19(0.07)	t=2.79**
Commitment to learning		
Training	0.28(0.07)	t=3.97**
General adjustment		
Training	0.11(0.07)	t=1.477
Commitment to learning	0.29(0.11)	t=2.617**
Interactional adjustment		
Training	0.11(0.08)	t=1.33
Commitment to learning		
Training	0.28(0.07)	t=3.97**
Interactional adjustment		
Training	-0.03(0.08)	t=-0.34
Commitment to learning	0.49(0.13)	t=3.80**
Work adjustment		
Training	0.22(0.06)	t=3.56**
Commitment to learning		
Training	0.28(0.07)	t=3.97**
Work adjustment		
Training	0.11(0.06)	t=1.75
Commitment to learning	0.39(0.09)	t=4.17**

**P<0.01

Like commitment to learning, organizational climate of shared vision perfectly mediates training on overall adjustment (t=3.40, P<0.01). As Table 4-24 illustrates, perfect mediating effects were demonstrated on general adjustment (t=2.15, P<0.05) and work adjustment (t=3.78, P<0.01). However, organizational climate of shared vision does not mediate training on

interactional adjustment since no significant relationship exists between training and interactional adjustment ($t=1.33$, $P>0.05$).

As seen in Table 4-25, organizational climate of open-mindedness perfectly mediates training on overall adjustment ($t=4.92$, $P<0.01$) and general adjustment ($t=3.51$, $P<0.01$). Also, it was demonstrated that training influences work adjustment through organizational climate of open-mindedness ($t=4.89$, $P<0.01$). There was no mediating effect of open-mindedness on interactional adjustment ($t=1.33$, $P>0.05$).

Table 4-26 shows that organizational climate of innovativeness performs as a perfect mediator of training on overall adjustment ($t=3.25$, $P<0.01$), general adjustment ($t=2.76$, $P<0.05$), and work adjustment ($t=3.40$, $P<0.01$). As with the other organizational climate dimensions, no mediating effect of innovativeness between training and interactional adjustment was found.

Table 4-24 Mediation Analysis: Training → Shared Vision → Adjustment

Predictor	B(Std.Err)	t
Overall adjustment		
Training	0.17(0.06)	t=2.96**
Shred Vision		
Training	0.32(0.08)	t=4.18**
Overall adjustment		
Training	0.08(0.06)	t=1.29
Shared vision	0.29(0.09)	t=3.40**
General adjustment		
Training	0.19(0.07)	t=2.79**
Shred Vision		
Training	0.32(0.08)	t=4.18**
General adjustment		
Training	0.12(0.07)	t=1.57
Shared vision	0.23(0.11)	t=2.15*
Interactional adjustment		
Training	0.11(0.08)	t=1.33
Shred Vision		
Training	0.32(0.08)	t=4.18**
Interactional adjustment		
Training	-0.01(0.09)	T=-0.11
Shared vision	0.37(0.12)	t=3.01**
Work adjustment		
Training	0.22(0.06)	t=3.56**
Shred Vision		
Training	0.32(0.08)	t=4.18**
Work adjustment		
Training	0.11(0.06)	t=1.75
Shared vision	0.34(0.09)	t=3.78**

*P<0.05, **P<0.01

Table 4-25 Mediation Analysis: Training → Open-mindedness → Adjustment

Predictor	B(Std.Err)	t
Overall adjustment		
Training	0.17(0.06)	t=2.96**
Open-mindedness		
Training	0.24(0.08)	t=2.98**
Overall adjustment		
Training	0.08(0.05)	t=1.54
Open-mindedness	0.38(0.08)	t=4.92**
<hr/>		
General adjustment		
Training	0.19(0.07)	t=2.79**
Open-mindedness		
Training	0.24(0.08)	t=2.98**
General adjustment		
Training	0.11(0.07)	t=1.64
Open-mindedness	0.34(0.10)	t=3.51**
<hr/>		
Interactional adjustment		
Training	0.11(0.08)	t=1.33
Open-mindedness		
Training	0.24(0.08)	t=2.98**
Interactional adjustment		
Training	0.01(0.08)	t=0.09
Open-mindedness	0.43(0.12)	t=3.74**
<hr/>		
Work adjustment		
Training	0.22(0.06)	t=3.56**
Open-mindedness		
Training	0.24(0.08)	t=2.98**
Work adjustment		
Training	0.12(0.06)	t=2.20*
Open-mindedness	0.39(0.08)	t=4.89**

*P<0.05, **P<0.01

Table 4-26 Mediation Analysis: Training → Innovativeness → Adjustment

Predictor	B(Std.Err)	t
Overall adjustment		
Training	0.17(0.06)	t=2.96**
Innovativeness		
Training	0.29(0.06)	t=4.93**
Overall adjustment		
Training	0.07(0.06)	t=1.04
Innovativeness	0.37(0.11)	t=3.25**
General adjustment		
Training	0.19(0.07)	t=2.79**
Innovativeness		
Training	0.29(0.06)	t=4.93**
General adjustment		
Training	0.08(0.08)	t=1.08
Innovativeness	0.37(0.14)	t=2.76**
Interactional adjustment		
Training	0.11(0.08)	t=1.33
Innovativeness		
Training	0.29(0.06)	t=4.93**
Interactional adjustment		
Training	-0.01(0.09)	t=-0.08
Innovativeness	0.41(0.17)	t=2.46*
Work adjustment		
Training	0.22(0.06)	t=3.56**
Innovativeness		
Training	0.29(0.06)	t=4.93**
Work adjustment		
Training	0.13(0.07)	t=1.92
Innovativeness	0.30(0.13)	t=2.40*

*P<0.05, **P<0.01

Figure 4-1 summarizes the mediating effect of this study. As explained above, the four organizational climate dimensions mediate training on general adjustment and work adjustment. Although a perfect mediating effect was demonstrated on overall adjustment, organizational climate could not mediate training on interactional adjustment.

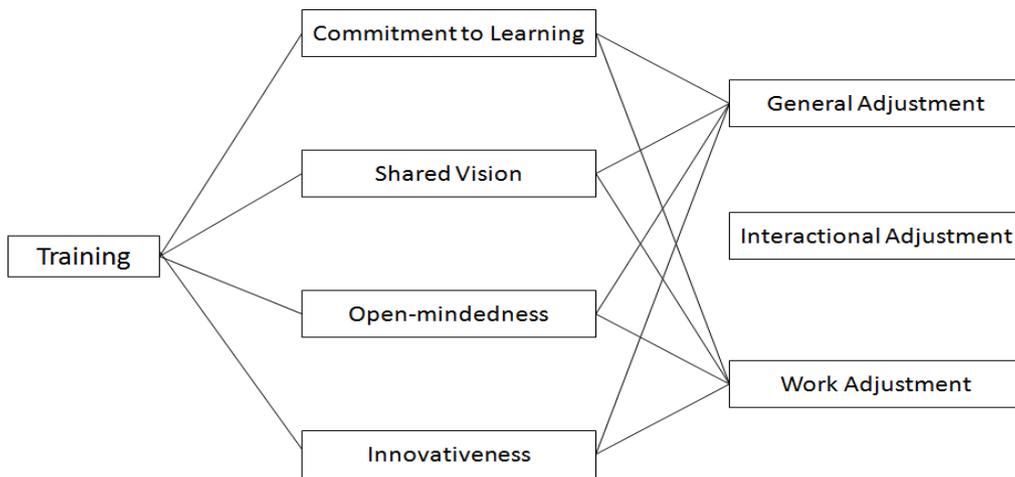


Figure 4-1 Mediating effect: Training → Organizational Climate → Adjustment

More specifically, Figure 4-2 indicates the mediating effect of the overall organizational climate to the overall adjustment of expatriate hotel managers. Expatriate training has a significant influence on the overall adjustment of expatriate hotel managers through the overall perceived organizational climate.



Figure 4-2 Mediating effect: Training → Organizational Climate → Adjustment

As explained above, the organizational climate dimensions of commitment to learning, shared vision, open-mindedness, and innovativeness perform as mediators between expatriate training and the general adjustment of expatriate hotel managers. Figure 4-3 summarizes the relationship that expatriate training perfectly influences the general adjustment of expatriate hotel managers through the organizational climate dimensions of commitment to learning, shared vision, open-mindedness, and innovativeness.

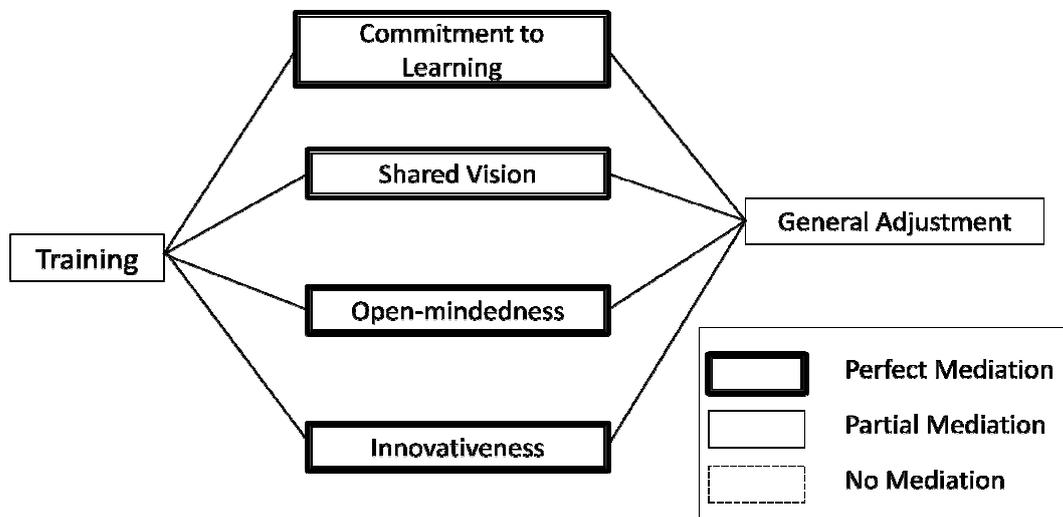


Figure 4-3 Mediating effect: Training → Organizational Climate → General Adjustment

Unlike other types of adjustment, interactional adjustment does not receive significant benefit from expatriate training even through the perceived organizational climate. As Figure 4-4 shows, the four dimensions of perceived organizational climate do not demonstrate any mediating effect. According to the results found in this study, it is clear that expatriate training

cannot influence expatriate interactional adjustment through the perceived organizational climate dimensions of commitment to learning, shared vision, open-mindedness, and innovativeness.

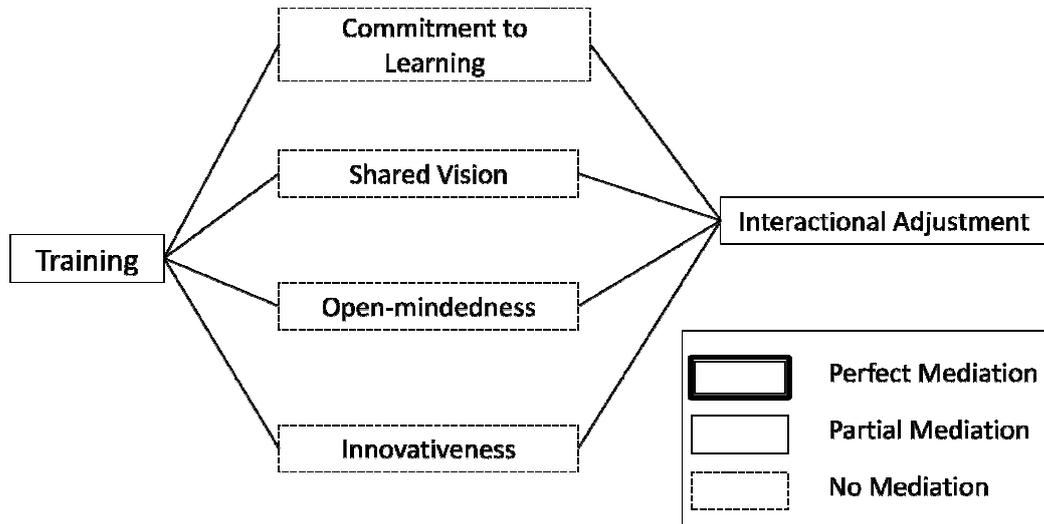


Figure 4-4 Mediating effect: Training → Organizational Climate → Interactional Adjustment

As depicted in Figure 4-5, perfect mediating effects were found in the relationship among expatriate training, the organizational climate dimensions of commitment to learning, shared vision, and innovativeness. In other words, expatriate training perfectly influences the work adjustment of expatriate hotel managers through the organizational climate dimension of commitment to learning, shared vision, and innovativeness. Although the dimension of open-mindedness has a significant mediating effect, the mediating effect is not a perfect mediating effect.

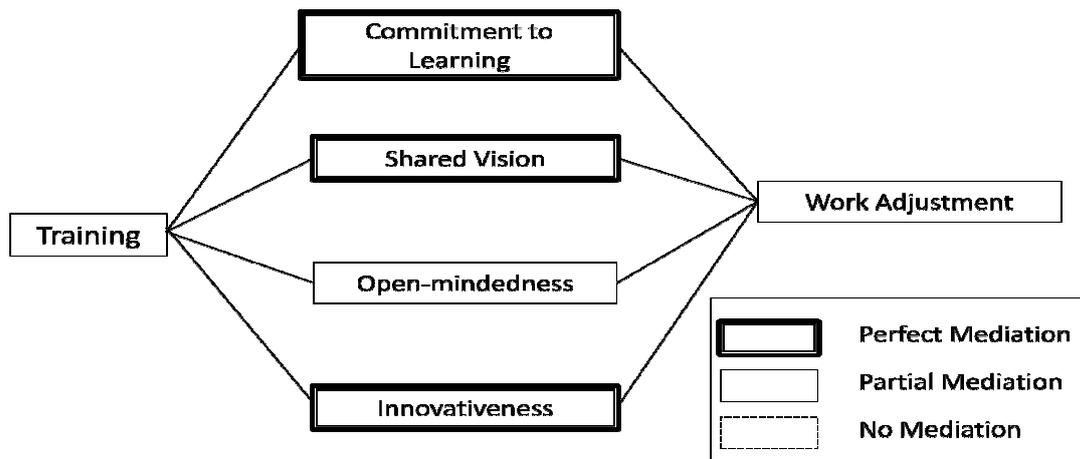


Figure 4-5 Mediating effect: Training → Organizational Climate → Work Adjustment

Summary

This chapter presented general demographics of respondents, as well as frequency and descriptive information concerning the main constructs. Four hypotheses with three sub hypotheses each were tested using multiple regression analysis. A statistically significant relationship was found between the overall organizational climate and adjustment of expatriate hotel managers. Open-mindedness was also demonstrated as a significant predictor of general, interactional and work adjustment. Mediating effect was tested to investigate whether expatriate training influences adjustment through perceived organizational climate. Four organizational climate dimensions, commitment to learning, shared vision, open-mindedness, and innovativeness mediate training on general adjustment and work adjustment.

Chapter V

The previous chapters provided a literature review on expatriate adjustment, the proposed theoretical framework, research questions and hypotheses, the methods used to conduct this study, and an analysis of the statistical results based on the collected data. This chapter discusses the findings, implications, limitations of the study, and topics for future research.

The purpose of this study was to determine if perceived organizational climate influences expatriate adjustment. For such a purpose, an online survey of expatriate hotel managers was collected and multiple regression analysis was utilized to test the relationship. Moreover, the mediating effect that tests if expatriate training mediates expatriate adjustment through perceived organizational climate was tested using Baron and Kenny's procedure (1986).

Discussion of Findings

This study found that expatriate hotel managers have a marginally positive perception toward the parent companies' organizational climate of open system model. Organizational climate of shared vision has the lowest mean score among the four dimensions, indicating that the organizations does not share its goals and values with expatriate employees. Expatriate hotel managers reported that they adjust well to new environments. Especially, expatriate managers adjust well to the new work environment than interactional adjustment. The reason that expatriates have a higher level of adjustment in work environment may be that interactional adjustment is closely related to the level of language ability which cannot be achieved in a short space of time. Not only are language skills related to interactional adjustment, body language and

communication style are also included. However, those factors also require appreciable time and effort to develop.

Perceived organizational climate and expatriate adjustment

Research indicates that organizational-level values can increase not only the organizational-level of performance (e.g., Baker and Sinkula, 1999) but also the individual-level of performance (Harrison and Shaffer, 2005; Odom et al., 1990). Rashid et al. (2004) argue that facets of an organization's culture can influence individual-level attitudes and behaviors which are positively related to performance. What is more, a positive organizational climate can encourage employees to become more motivated, thereby increasing their overall performance (Day, 1994; Sinkula et al., 1997).

Since the term 'adjustment' refers to psychological comfort (Brislin, 1981), Expatriate adjustment is a measure of the degree to which expatriates are psychologically comfortable with the new environment (Black et al., 1991; Black, 1988). The perception of individual effects behavior and, thus, influences the adjustment to the new environment. According to Martin, Jones and Callan (2005), the positive psychological climate of individual employees increases their adjustment during organizational changes. The results of this study shown in Chapter IV support this notion in the sense that climate can influence adjustments.

It was demonstrated that a positive organizational climate influences the overall adjustment of expatriate hotel managers. That is, a positive perception toward the parent company significant influences an expatriate's overall adjustment despite the long physical distance. However, unlike the dimensions of commitment to learning, shared vision, and innovativeness, only the dimension of open-mindedness was a significant predictor of expatriate

adjustment. As the willingness to critically evaluate repetitive routines and to accept new ideas (Calantone et al., 2002), open-mindedness aids in the psychological comfort of expatriate hotel managers related to (i) the general environment such as transportation, shopping and food, (ii) different communication styles, and (iii) the new work environment including different work values, and job responsibilities.

As Hechanova et al. (2003) argue that the influence of a number of previous international assignments is not a strong indicator of expatriate adjustment, the results presented here also demonstrate that previous experience does not have a significant influence on expatriate adjustment. Moreover, the length of the current assignment completed thus far and cultural distance were not important factors influencing expatriate adjustment. Not surprisingly, the language skills of the expatriate show a significant influence on interactional adjustment as well as a marginal influence on general adjustment.

Mediating effect: Training → Perceived organizational climate → Expatriate adjustment

There has been contradicting research regarding the effectiveness of expatriate training. A wide range of studies emphasize the importance of cross-cultural training (Black et al., 1991; Mendenhall and Stahl, 2000; Waxin and Panaccio, 2005). Consistent with results stated previously, Okpara and Kabongo (2011) assert that expatriate adjustment could be predicted from expatriate training no matter the form of training.

Contrary to the research emphasizing the importance of expatriate training, studies have also found that expatriate training may not provide a significant benefit. Empirical research argues there is not much difference in the level of expatriate adjustment between expatriates with and without cross-cultural training (Hu et al., 2002). Moreover, Morris and Robie (2001) conduct

a meta-analysis with 16 studies (total n = 2270) to see if cross-cultural training has a significant influence on expatriate adjustment. The result from the meta-analysis demonstrates the effectiveness of cross-cultural training is weaker than expected in spite of the wide use of cross-cultural training. These findings reinforce the need to investigate other approaches that may influence expatriate adjustment. In this study the role of expatriate training was tested.

The findings of this study clearly show that perceived organizational climate mediates expatriate training on the adjustment of expatriate hotel managers. Specifically, all four dimensions of organizational climate, (i) commitment to learning, (ii) shared vision, (iii) open-mindedness, and (iv) innovativeness, mediate training on general and work adjustment. That is, expatriate training programs positively influence organizational climate; and the positive perceived organizational climate increases the level of expatriate adjustment. This finding indicates that although expatriate training may not be as important as other factors which directly influence expatriate adjustment, training programs increase expatriate adjustment by increasing the individual's perception toward the work environment. The mediating effect of organizational climate, however, was not significant for interactional adjustment. The lack of significance may be because interactional adjustment is related to language skill and understanding communication style which are too subtle to learn in a short period of time.

Implications

This section presents both managerial and theoretical implications drawn from the results of this study. As organizations become more international, more employees are exposed to a wide breadth of cultures. The hospitality industry in particular faces a strong challenge with the need for a high international standard of service, which requires embracing customers worldwide.

Along with these trends, there has been profuse research regarding expatriate adjustment. This research provides theoretical implications not only within the hospitality industry but also in the area of management in general by increasing the current level of knowledge in existing expatriate literature.

As addressed by Black et al. (1991), expatriate adjustment is determined by variables related to the individual, the job, the organization's culture, and the organization's socialization. An organization's culture as described by Black et al. (1991) refers to support for the expatriate from the organization or co-workers. In this study, organizational climate is used to describe the aggregated perception of individuals toward the organization. There has been a lack of studies which focus on the relationship between expatriate adjustment and perception of the parent company. Therefore, this research has contributed to the current theoretical knowledge by examining the link between the perceived organizational climate and expatriate adjustment.

In addition, this research has theoretical implications by providing additional perspective when planning and implementing expatriate training initiatives. Although much of the theoretical research surrounding time has investigated the influence of cross-cultural training on the level of expatriate adjustment, no explicit conclusion was possible due to contradictory results among studies. By presenting the perfect mediating effect, this research has broadened the boundary of the existing knowledge. In other words, the link connecting training to the perceived organizational climate and expatriate adjustment has not been investigated in the extant literature. As suggested by Hu et al. (2002), a new approach is required to identify if expatriate training works. The finding that organizational climate exerts perfect mediation advances the indirect effect of expatriate training programs on expatriate adjustment.

Research with the intended focus of exploring the factors influencing expatriate adjustment is significant on managerial levels as well due to the importance of expatriate success and the increasing reliance on expatriates to contribute to the success of international corporations. It has been discussed that factors influencing expatriate adjustment must be considered when hiring and training expatriates (Avril and Magnini, 2007). The present study has added an important new factor that managers must consider: perceived organizational climate. The positive perception of expatriates toward the parent company appreciably increases general, interactional, work adjustment as well as the overall adjustment. This finding recommends that managers can increase the overall organizational climate in order to raise both expatriate performance and psychological well-being of expatriates.

Furthermore, it appears that expatriates with higher perceptions of the organizational climate dimension of open-mindedness adjust better to new environments. This finding is especially significant because the sample of this study includes many experienced expatriates. Over 50 percent of respondents in the current study have had at least two prior expatriate assignments, and more than half of respondents have worked in the hospitality industry for more than 10 years. Those experienced expatriate hotel managers suggested that organizational open-mindedness positively affects their adjustment. This may be attributed to the fact that even experienced expatriates must face difficult situations in the unfamiliar environment; and open-minded organizations allow expatriates to accept challenges and changes without being afraid of blame for failure. Therefore, managers must provide the organizational supports to foster an environment of organizational open-mindedness.

Managers, however, need to be cognizant of the fact that the study results are based on the respondents' perceptions. That is, the actual performance of organizations may not match the

organizational climate as perceived by employees. Nevertheless, since perceptions within an organization drive many factors such as motivation, and turnover intent, perceptions become organizational reality. Although an organization sincerely tries to present a positive image of open-mindedness, a positive climate for open-mindedness cannot be formed without the aggregated perception of individuals. Thus, managers must deploy the proper channels to communicate effectively with expatriates.

The findings of this study reveal that language skill increases overall adjustment; and specifically influences interactional adjustment. This means language skill can be an optional factor to assess general and work adjustment. Tung (1987) argues hiring expatriate based solely on work competence increases expatriate failure. Thus, managers must understand the job position that expatriates will perform and determine if language fluency is a mandatory skill. For example, for those expatriates who will have a short term assignment with office job tasks, language skill is not necessarily priority.

Consistent with several existing studies (Black et al., 1991; Mendenhall and Stahl, 2000; Waxin and Panaccio, 2005), another important managerial implication is that organizations should develop expatriate training programs to help maximize expatriate adjustment. Due to the amount of cost and time, organizations are reluctant to accept a series of cross-cultural training. That is why some organizations employ CD-ROM training despite evidence that it is less effective than in-class training (Avril and Magnini, 2007). Moreover, recent studies are skeptical about the effectiveness of expatriate training (Hu et al., 2002; Puck et al., 2008). The findings presented here suggest that managers should, in fact, utilize expatriate training. The benefits of cross-cultural training may not appear to be worth the time and cost. However, training significantly influences organizational climate; therefore increasing expatriate adjustment. To

achieve improved expatriate performance, managers must provide expatriate training which will be mediated by a positive perception of the organization.

Limitation and Future Study

This study provides important insight into the relationship between organizational climate of expatriate hotel managers and their adjustment to the new work environment. However, several limitations exist in this research.

The first limitation involves the limited sample size. The response rate of 0.9 percent is due to the research design. This study is designed to examine the perceived organizational climate of expatriate managers. To embrace the purpose of this study, collecting data with the help of international chain hotels should be avoided. That is, if hotel managers have knowledge that the organization that they work for support this research, it would be difficult for them to provide an honest opinion, and the result from the survey maybe is biased. Thus, the low response rate is somewhat inevitable as the study depends on voluntary response, without any tangible benefits to the expatriate hotel manager. Although this research includes respondents from various host countries with many different nationalities, the limited sample size prevents this study from generalizing to the whole population. As a result, future studies should be conducted with a higher number of respondents.

The perceived organizational climate in this study focuses on the open system model in the competing value model (Quinn and Rohrbaugh, 1983). The open system model is considered a priority since the emphasis on growth is inevitable for international firms. However, the other quadrants of the competing value model need to be tested to clarify the relationship with

expatriate adjustment. Thus, future research should include dimensions from different models to test the influence of organizational climate on expatriate adjustment.

Another limitation of this study is associated with industry characteristics. The hospitality industry has its own unique characteristics. The main difference with other industries is that managers in the hospitality industry have contacts with not only other colleagues but also customers. As this study was not able to test whether the findings can be applicable to other industries, future research should be conducted to see if results can be generalized to include other industries.

As with all survey research, there is a possibility that common method bias exists. However, like the assertion of Nauman (1993), there is no reason to believe this research contains more or less common method bias than other survey research. Although the questionnaire used in this study has been well validated previously, it is evident that more research needs to be conducted to test common method bias.

Finally, these results are based on expatriate adjustment with organizational-level of influence. That is, individual characteristics are not controlled. Some studies have argued that personal characteristics such as personality and value orientations are important factors to predict expatriate adjustment (Black, 1990; Yavas and Bodur, 1999). However, those personal characteristics could not be investigated because the emphasis of this study is the organizational-level factors. Future studies could be conducted with both organizational-wide factors and individual-wide factors as predictors for expatriate adjustment.

Conclusion

The major contribution of this study is to help fill the gap in the existing literature by investigating the relationship between perceived organizational climate and expatriate adjustment. Through an online survey of expatriate hotel managers, It was revealed that positive perception of an organization significantly influences expatriate adjustment. In addition, the organizational dimension of open-mindedness is a significant predictor of general, interactional and work adjustment. Moreover, this study added theoretical knowledge by demonstrating that expatriate training influences adjustment to the new environment through perceived organizational climate. This is a novel approach to examine expatriate training since previous studies have failed to provide a precise conclusion whether training increases expatriate adjustment. Therefore, in order to increase expatriate adjustment, organizations need to focus on developing a positive organizational climate.

Although outside of the hospitality context, Amazon.com CEO Jeff Bezos once said: "It has always seemed to me that your brand is formed primarily, not by what your company says about itself, but what the company does." In other words, as indicated by the results of the current study, the climate within an organization should be managed, cultivated and understood by those throughout the organization. A healthy climate can serve many positive roles such as being the difference between an expatriate training program that aids expatriate adjustment and one that does not.

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Appendix A

Email Requesting Participation

Dear Expatriate Hotel Manager,

I am a master's student at Virginia Tech University in the USA and I am conducting a research thesis on the subject of hotel expatriate manager adjustment and training. If you are an expatriate manager, could you please click on the below link and complete the **3-4 minute** survey? You will not be asked to provide identifying information such as your name or your firm's name on the survey.

<https://www.surveymonkey.com/s/vtHTM>

This project cannot be completed without at least 75 completed surveys from hotel expatriate managers. Therefore, I would very much appreciate your cooperation. Further, it would also be very appreciated if you could forward the survey link to other hotel expatriate managers who you may know.

Please do not hesitate to contact me with questions about this project.

Thank you; best regards,

Hyounae Min

Hyounae Min

Master's student
Department of Hospitality & Tourism Management
Pamplin College of Business
Virginia Tech, Blacksburg, VA 24061

Appendix B

Reminder Notification

Dear Expatriate Hotel Manager,

I would like to encourage those of you who have yet to complete the survey to take 3-4 minutes to do so (the survey can be accessed at <https://www.surveymonkey.com/s/vtHTML>). I thank those of you who have already responded. I apologize if you have received multiple copies of this email. Again I appreciate your assistance providing data for my MS thesis. For reference, email announcement can be found below.

Sincerely,

Hyounae Min

Hyounae Min

Master's student
Department of Hospitality & Tourism Management
Pamplin College of Business
Virginia Tech, Blacksburg, VA 24061

Appendix C

A survey of Expatriate Hotel Managers

Part I. Your Adjustment in the Host Country

		I am Not Adjusted At all					Neutral		I am Very Well Adjusted	
		1	2	3	4	5	6	7		
1	Living conditions in general	1	2	3	4	5	6	7		
2	Housing conditions	1	2	3	4	5	6	7		
3	Food	1	2	3	4	5	6	7		
4	Shopping	1	2	3	4	5	6	7		
5	Cost of living	1	2	3	4	5	6	7		
6	Entertainment/recreation facilities and opportunities	1	2	3	4	5	6	7		
7	Health care facilities	1	2	3	4	5	6	7		
8	Socializing with host nationals	1	2	3	4	5	6	7		
9	Interacting with host national on a day-to-day basis	1	2	3	4	5	6	7		
10	Interacting with host nationals outside of work	1	2	3	4	5	6	7		
11	Speaking with host nationals	1	2	3	4	5	6	7		
12	Specific job responsibilities	1	2	3	4	5	6	7		
13	Performance standards and expectations	1	2	3	4	5	6	7		
14	Supervisory responsibilities	1	2	3	4	5	6	7		

Please complete the following sentence:

“The key to being a successful hotel expatriate is _____”

Part II. Perceptions of Your Firm's Corporate Climate

		Strongly Disagree		Neutral			Strongly Agree	
1	Managers basically agree that our organization's ability to promote learning is the key to our competitive advantage.	1	2	3	4	5	6	7
2	The basic values of this organization include learning as a key to improvement.	1	2	3	4	5	6	7
3	The sense around our organization is that employee learning is an investment, not an expense.	1	2	3	4	5	6	7
4	Learning in our organization is seen as a key commodity necessary to guarantee organizational survival.	1	2	3	4	5	6	7
5	There is a commonality of purpose in our organization.	1	2	3	4	5	6	7
6	There is total agreement on our organizational vision across all levels, functions, and divisions.	1	2	3	4	5	6	7
7	Employees view themselves as partners in charting the direction of the organization.	1	2	3	4	5	6	7
8	We are not afraid to reflect critically on the shared assumptions we have made about our customers.	1	2	3	4	5	6	7
9	Personnel in this enterprise realize that the very way they perceive the marketplace must be continually questioned.	1	2	3	4	5	6	7
10	Our company frequently tries out new ideas.	1	2	3	4	5	6	7
11	Our company seeks out new ways to do things.	1	2	3	4	5	6	7
12	Our company is creative in its methods of operation.	1	2	3	4	5	6	7
13	Our company is often the first to market with new products and services.	1	2	3	4	5	6	7
14	Innovation in our company is perceived as too risky and is resisted.	1	2	3	4	5	6	7
15	Our new product/service introduction has increased over the last 5 years.	1	2	3	4	5	6	7
16	Our company offers expatriate training above industry standards.	1	2	3	4	5	6	7

Part III. Respondent Information

1. What is the country for your current international assignment? _____
2. How much time have you already completed on your current expatriate assignment?

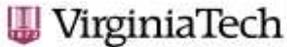
3. How many previous expatriate assignments have you completed? _____
4. What is your native country? _____
5. What is your gender?
Male _____ Female _____
6. How many years have you worked in the hospitality industry?
_____ Years
7. What is the title of your current position? _____
8. Please indicate your level of fluency in the host language when you began your current assignment?

1	2	3	4	5	6	7
Not fluent At all						Fluent
9. (Optional) what is your marital status? _____
10. (Optional) how many children (under age of 19) do you have? _____

Thank you!

Appendix D

IRB Approval Letter



Office of Research Compliance
Institutional Review Board
2000 Kraft Drive, Suite 2000 (0497)
Blacksburg, Virginia 24060
540/231-4606 Fax 540/231-0959
email: irb@vt.edu
Website: www.irb.vt.edu

MEMORANDUM

DATE: February 25, 2011

TO: Vincent Magnini, Hyoun Ae Min

FROM: Virginia Tech Institutional Review Board (FWA00000572, expires October 26, 2013)

PROTOCOL TITLE: Expatriate Adjustment and Perceived Organizational Climate

IRB NUMBER: 11-200

Effective February 24, 2011, the Virginia Tech IRB PAM, Andrea Nash, approved the new protocol for the above-mentioned research protocol.

This approval provides permission to begin the human subject activities outlined in the IRB-approved protocol and supporting documents.

Plans to deviate from the approved protocol and/or supporting documents must be submitted to the IRB as an amendment request and approved by the IRB prior to the implementation of any changes, regardless of how minor, except where necessary to eliminate apparent immediate hazards to the subjects. Report promptly to the IRB any injuries or other unanticipated or adverse events involving risks or harms to human research subjects or others.

All investigators (listed above) are required to comply with the researcher requirements outlined at <http://www.irb.vt.edu/pages/responsibilities.htm> (please review before the commencement of your research).

PROTOCOL INFORMATION:

Approved as: **Exempt, under 45 CFR 46.101(b) category(ies) 2**

Protocol Approval Date: **2/24/2011**

Protocol Expiration Date: **NA**

Continuing Review Due Date*: **NA**

*Date a Continuing Review application is due to the IRB office if human subject activities covered under this protocol, including data analysis, are to continue beyond the Protocol Expiration Date.

FEDERALLY FUNDED RESEARCH REQUIREMENTS:

Per federal regulations, 45 CFR 46.103(f), the IRB is required to compare all federally funded grant proposals / work statements to the IRB protocol(s) which cover the human research activities included in the proposal / work statement before funds are released. Note that this requirement does not apply to Exempt and Interim IRB protocols, or grants for which VT is not the primary awardee.

The table on the following page indicates whether grant proposals are related to this IRB protocol, and which of the listed proposals, if any, have been compared to this IRB protocol, if required.

Invent the Future

VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY
An equal opportunity, affirmative action institution