Adjustment Process for Cross-Cultural Management: The PhilippineExample

Erturk, Mustafa Ismail

Ateneo de ZamboangaUniversity, School of Management andAccountancy, Development Management in Business, Zamboanga, Philippines
Corresponding Author:Erturk

ABSTRACT: *This study aimed to explore how Turkish expatriates adjusted tocross-cultural business management practices in a foreign setting, with a particular focus on cross-cultural adjustment, which is necessary in sustaining a stable business in a country, such as the Philippines. The study analyzed three major factors of "in-country adjustment", which included: non-work factors, organizational or work factors and individual factors. The principal instrument of the study is the Interview Schedule which consisted of twenty-seven (27) items, using open-ended questions, intended to gather primary data from the personal accounts of ten (10) Turkish business expatriates. Findings based on a qualitative study revealedthat individual factors covered personal perceptions, adaptation to the Filipinos' cultural practices and problem-solving strategies and approaches. On the other hand, job/organizational factors encompassed the fit on job functions, scope of work and responsibilities, creation of business networks, performance standards and expectations, verbal communications and work-problem strategies. Moreover, non-work factors focused on the Filipino culture and environment, independent living, actual living conditions in the Philippines, and the facilitation of spousal adjustment. Based on the research findings, this study managed to disclose and propose a simplified adjustment process along with predictable and effective methods of cross-cultural management for all start-up business entrepreneurs, managers and company owners. The aim of this newly proposed adjustment process is to increase the sustainability, productivity and success of Turkish expatriates in cross-cultural business management within the Philippine business setting.*
KEYWORDS: *Cross-Cultural Management, Adjustment, Turkish Expatriates, Adaptation*

I. INTRODUCTION

As a consequence of the globalization phenomenon, numerous firms are currently working in more than one country. According to Pal Singh and Kaur (2016), the multinational organization concept emerged as a result of the different companies crossing geographical boundaries in pursuit of business expansion opportunities. Essentially, the concept of a multicultural organizationis characterized by a diverse community of workers and employees who originally came from various countries.While it may be true for many companies that business expansion outside the country is beneficial and attractive, it is certainly more risky and difficult to manage a global business than a local organization. As asserted by Rizk(2013) it is necessary for expatriate managers to not only be strongly aware of their employees' cultural values but also to adapt these values and integrate them in their actual management practices (as cited in Maude, 2011). This highlights the importance of flexibility as a key trait of all expatriate managers. It may be recalled that various cultures respond differently to management techniques which is why an important key towards achieving management success is finding one specific strategy or technique that works effectively for two varying cultures.

It was mentioned by Maclachlan (2010) that many international organizations acknowledge the advantages of deploying skilled employees outside of national borders for the purpose of establishing new offices, winning new businesses, as well as managing the local teams. It may be perilous to simply assume that all employees sent for expatriation already have the necessary competencies and skills for their role. Each culture has its own set of unique working practices and values which may be difficult to recognize, adapt, and even manage, especially in cases when the expatriate fails to have adequate preparation interculturally. One of the most important and common challenges encountered by expatriates is 'culture shock' which is inevitably experienced when relocating to a different country. The differences in language, food, environment, and lifestyle may be considered as key factors that bring about the experience of 'culture shock' which need to be recognized not only by the expatriates but also the organizations that sent them. Such recognition is important in order to avoid issues related to the performance of these employees especially within a different cultural setting. Failed expatriation is likely to happen when employees deployed abroad are unable to cope with the experience

of 'culture shock', which may ultimately lead to a substantial financial loss for companies. Moreover, culture serves as a huge influencing factor when it comes to the working practices of employees. One good example is the employees' attitudes with regard to time which may vary between culture to culture. Problems such as misunderstandings, frustrations, and other related issues, may also be experienced when two cultures are brought together in the absence of appropriate global mobility trainings and expatriate intercultural programs.

This study seeksto present a different viewpoint of the cultural dimensions of Turkish business expatriates in the Philippines and the cross-cultural adjustment process in understanding Turkish cross-cultural management adaptation. The study focuses on the following specific objectives:

To identify the individual adjustment factors utilized by Turkish business expats in adapting to the Filipino business culture,

To analyze the work/organizational adjustment factors considered by the Turkish business owners and managers in adapting to the Filipino business culture, and,

To identify the non-work adjustment factors recognizedby the Turkish business owners and managers in adapting to the Filipino business culture.
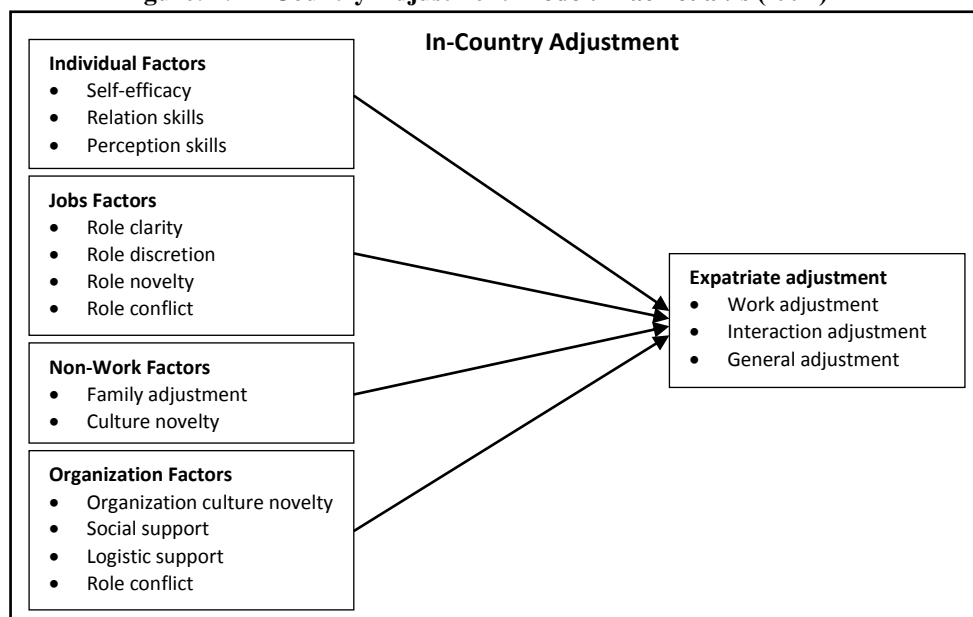
II. REVIEW OF RELATED LITERATURE

Hanberg and Osterdahl(as cited in Black &Gregersen, 1991) asserted that expatriates deployed to foreign countries, especially for a long-term period, will most likely need time adjusting to a new setting. Anexpatriate, in most cases, brings with him his family, including his or her children and spouse, and they will relocate and adjust in a new country with a completely new setting and eventually learn to properly intermingle with the host-country nationals. Aside from this, the foreign employee will most likely be subjected to adjustments needed in a new work environment. As defined by Li (2016), expatriate adjustment is a process wherein a manager enters an unfamiliar cultural environment after leaving a familiar setting. It also refers to an apparent degree of familiarity and psychological comfort in working within a completely new culture (Black et al., 1991).

2.1. In-Country Adjustment

Based on the study conducted by Li (2016), there are certain factors which influence the process of expatriate adjustment and these are based on four different aspects/factors: (1) organizational (2), job-related, (3) non-work and (4) individual (Black et al., 1991). As shown in the in-country adjustment model (refer to Figure 1), it is vital to take note that each of the previously mentioned factors have varying impacts on the various aspects of expatriate adjustments :(i.e., work, general and interaction).

Figure: 1. In-Country Adjustment Model: Black et al.'s (1991)

In-Country Adjustment

Individual Factors
- Self-efficacy
- Relation skills
- Perception skills

Jobs Factors
- Role clarity
- Role discretion
- Role novelty
- Role conflict

Non-Work Factors
- Family adjustment
- Culture novelty

Organization Factors
- Organization culture novelty
- Social support
- Logistic support
- Role conflict

Expatriate adjustment
- Work adjustment
- Interaction adjustment
- General adjustment

Individual Factors: KrishnaveniandArthi (2015) stated that individual factors refer to the broad classification of behaviors and personal attributes which are acquired by expatriates through their origins, living conditions, climatic conditions, nationality and other related aspects. All of these individual factors have a crucial role to play when it comes to new workplace adaptation given that expatriates need to interact, communicate, and perform work together with nationals residing in the host country whose habits, lifestyle practices and values

immensely differ from theirs. This particular group of factors is considered influential and, in most cases, predominant, especially when assessing the expatriates' suitability for a specific position.

The report from Black (1988) presented a review of the different individual factors which were hypothesized to perform a crucial part in enabling adjustment among the expatriates. This report summarized these factors as the following: (1) the desire to undergo adjustment, (2) managerial and technical competence (Haysascited in Black, 1988), (3) an individual's orientation on social relations skills, (4) one's tolerance and open-mindedness on ambiguity and vagueness(Ratiu, 1983), and (5) one's self-confidence/assurance. The authors, Mendenhall &Oddou (1985) also conducted a review on individual skills necessary for managers to possess in order to become effective within a cross-cultural setting. In this particular study, the skills identified were categorized into specific dimensions: (1) 'self-dimension'that includes skills necessary for expatriates in maintaining their psychological and mental health, self-efficacy as well as their effective management on stress, (2) 'relationship dimension' which comprises of a wide range of skills necessary in fostering relationships with the host nationals and (3) 'perception dimension' which encompasses the expatriates' cognitive abilities that enable them to perceive correctly as well as evaluate their host environment as well as its actors (Mendenhall &Oddou, 1985).

Job-Related Factors: Based on the review conducted by Black (1988), specific job-related factors have been theorized to make an impact, that is, either prevent or facilitate effective expatriate adjustment in both the context of domestic adjustment and international adjustment. The same author also proposed four (4) factors that are job-related which may heighten the expatriates' lack of familiarity, uncertainty, inability to predict and inability to control the roles and responsibilities attributed to a new work role. These job-related factors include:(1) role novelty (i.e., that which highlights the differences between an employee's new and past role), (2) role conflict, (3) role ambiguity, and (4) role overload. Moreover, the same author Black (1988) presented other crucial job-related factors which may potentially reduce uncertainties and help in facilitating adjustment among expatriates. Such factors are discretion on roles, pre-departure insights, and formerwork experience or deployment abroad. According to Gregersen and Black (1992), certain procedural and policy conflicts involving parent companies are associated with many international assignments. The authors, Bhaskar-Shrinivas, et al. (2005) also explained that clarity on roles pertains to the proper view of the various requirements in a job position while discretion on job roles involves an employee's autonomy for decision-making. On the other hand, novelty of roles pertains to the gaps between the work roles in the host and native country while role conflict denotes cues that are incompatible in relation to job expectations. All of these factors are expected to significantly impact these foreign employees' experience and their ability to completely adapt to a new work environment.

Organizational Factors: Selection mechanisms and criteria also prove to be a vital influencing factor when it comes to expatriate adjustment within organizations. According to Black et al. (1991), chosen expatriates must be able to match the organization's needs in order for them to easily adjust to their international assignment. It is hypothesized that the greater the differences between the subsidiary company's organizational culture in a foreign country and that of the company in its home country, the greater the chance that expatriates are more likely to experience difficulty in foreign adjustment (Black et al., 1991). In addition, the parent organizations' assistance with the expatriates' daily living which include aid on the school, housing, and grocery needs of their employees along with other forms of logistical support coming from the organization, are also believed to reduce uncertainties related to international assignments, thus, effectively facilitating adjustment of expatriates (Black et al., 1991). Moreover, social support from other employees and the logistical aid from the parent company may play vital roles when it comes to easing expatriate adjustment. This is because by means of providing the expatriates with adequate cultural information about the proper behavior and norms in the workplace context, they would be able to reduce uncertainties that may emanate from their new work setting. Furthermore, logistical support is believed to effectively assist in the expatriates' adjustment process by means of promoting the availability of the most crucial resources in times of necessity, thereby meeting the new environment's demands. Guzzo et al. (1994) also added that the expatriates' perceived judgment on the adequacy of the benefits provided by their employer as well as their overall perceived level of support from the organization significantly influence their intent to leave or stay in the company as well as their organizational commitment. Social support from an organization pertains to the sources and quality of relationships that act as"stress buffers"which indirectly impact certain strains including job satisfaction.

Non-Work Factors: This current research tackles the "non-work" factors which impact adjustment of expatriates based on two specific contexts: one is the adjustment of the foreign employees' family including their spouse, children, etc., and the other isthe host's culture novelty.

(a) Family adjustment of the expatriates–The spouse's cross-cultural adjustment difficulties and problems are more likely to put constrain or even inhibit a successful expatriate adjustment process. Based on the survey research conducted by Tung (1982) among American multinational executives, it was found out that many executives believed that their partners' failure to adapt in a new culture serves as the top reason why most expatriates are unable to fulfill their international assignments. Similarly, it was also claimed in the same

research that the failure of the foreign employees' family to adapt also serves as a vital reason as to why many expatriates are unable to make a successful transition (Tung, 1982). Black (1988) also echoed the same research findings and contended that the inability of the expatriate's family to smoothly adjust into a new country or culture creates a huge impact on the overall adjustment and work transition of the expatriate. The authors, Black and Stephens (1989) conducted an investigation involving a huge research sample comprised ofexpatriates from America deployed on international assignments in various countries, together with their husbands or wives. Based on their findings, a significant relationship exists between spousal adjustment in the "cross-cultural" context and the expatriates' adaptation. Moreover, the same study also emphasized the fact that most of the expatriates consider family situation as a vital contributor in the success of an assignment in an international country. Furthermore, the research performed by Bhaskar-Shrinivas et al. (2005) which utilized data from among 8,474 expatriates within 66 different studies presented supporting evidences with regard to the strong correlation that exists between expatriate adjustment and spousal adaptation.

(b) Culture novelty–There are many evidences that have been derived in support of the assertion that differences in culture serve as key barriers to many expatriates engaged in business. For example, the Chinese culture is known to be highly-opposite of the Western cultures, specifically that of the Western European and American cultures. Consequently, many expatriate managers from the West tend to experience a "high culture novelty" especially while working in a country with a different cultural background, such as China. According to Mendenhall &Oddou (1985), the term"culture novelty" denotes robustness in the cultural context which suggest that certain countries (i.e., China), are more difficult to adapt in terms of culture, as compared to others. These authors also claimed that the higher the culture novelty, the more it becomes difficult to facilitate expatriate adjustment due to the significant differences between the home country and host country's cultures. Moreover, Torbiorn (1988) also noted that as a concept, culture novelty is recognized for creating a large impact on the expatriates' adjustment process, particularly in the first few years of their international assignments; afterwards, the culture novelty impact somehow lessens. On the other hand, there are also those who question the effectiveness of immersion strategies in the culture (Pires& Stanton, 2005). They argue that cultural norms and values within the individuals are, in most cases, not easily changed or altered by means of learning another culture's language or by living within that culture.

According to Boncori (2013), many foreigners opt to spend more time with their co-expatriates instead of integrating themselves with their host nationals. The authors, Ward and Kennedy (1996) also associated this with the individuals' personal traits, cognitive perceptions and emotional states. Gregersen and Black (1996), in another study, also found out that expatriates who are from different nationalities tend to demonstrate varying reactions when it comes to the distinctive aspects of expatriate adjustment. Hence, in this study, it was concluded that many expatriates who choose to interact and spend most of their time with their co-expatriates, especially those from the same home country, only do so because of their natural inclination towards people who can very well relate and understand them. In other words, it is only normal for these expatriates to rely more on their co-expatriates who are from the same country. Furthermore, inadequate corporate and social supports are more likely to bring about feelings of loneliness, anxiety, frustration and "being lost" especially during the first stages of the foreign assignment experience.

III. METHODOLOGY

The research design of the study is descriptive-qualitative as it attempts to describe the experiences of the Turkish business expatriates, in making cross-cultural adjustments in the Philippines. Calderon and Gonzales (2006) defined that descriptive research is fact-finding using adequate information. It goes beyond data gathering, and involves reflective thinking and arriving at the true meaning of the data being collected. It is further defined as a purposive process of gathering, classifying, tabulating and analyzing data about prevailing conditions, processes, practices, beliefs, cause-effect relationship, trends and then making adequate and accurate interpretation about such data with or without the aid of statistical methods. The qualitative research method is also reflected in the real events, actions, and experiences of the participants in managing business in the Philippines. According to Blaxter(2006), the qualitative method or approach is naturalistic, subjective, the "insider-perspective," and holistic. This study qualifies to this definition as the respondents of this study are all Turkish business expatriates, who have been doing business in the Philippines for at least three years. In this study, the researcher sent prior notification to the identified Turkish business owners and/or managers to schedule an appointment. Upon confirmation from the prospective respondents, a face-to-face interview was conducted. The respondents were given a form to fill out for their personal background under the supervision of the researcher. An interview proceeded following the questionnaire made by the researcher. The same procedure was observed throughout the gathering of data among the ten (10) Turkish companies located in Manila, Cebu and Cagayan deOro.

IV. DATA ANALYSIS

The study employed a qualitative data analysis, inclusive of the use of the stream analysis which according to Porras (1987) is a tool for helping organizational members diagnose and solve problems to show the relationships of the concepts shared by the respondents. Stream analysis is premised on the idea that organizational arrangements describes the way the organization works, involving behavior of individuals and the function of different parts of the organization. It takes into consideration the following: goals of the organization, strategies, formal structure, administrative policies and procedures, administrative systems, and the rewards systems. More importantly, it shows the social factors of the organization, involving culture (norms, rituals, symbols, jargons, stories, myths, history), interaction processes (communication, conflict-resolution, problem-solving, decision-making), social patterns and networks (attitudes and beliefs, feelings, and behavioral skills).

Narratives from the 10 participants were collected, and these included the descriptions, opinions, and even interpretations aligned to the questions given in the Interview Schedule. Responses were grouped together according to the sub-questions of the statements of the problems, and were presented in a matrix format for easy referencing. A stream analysis of each question was then conducted, producing a total of 27 paradigms. The analysis was conducted in a systematic way particularly using the responses of the respondents regarding personal and business experiences. These were used to explore and gain insight on the depth, richness, and complexity inherent in the experiences of Turkish business owners/managers.

V. CONCLUSION AND RECOMMENDATIONS

This research aimed to explore the experiences of the Turkish expatriates' business management practices in the Philippines particularly on the cross-cultural adjustment process.

5.1. For the Turkish Business Expatriates

It is necessary that the Turkish expatriates possess a deep understanding about people of different cultures and business approaches, especially in terms of customs and traditions. Since the Philippines is a "breeding-ground" of different cultures, Turkish expatriates are expected to deal with multicultural people and this existing set-up must be understood properly. This must be accomplished so that the Turkish business expatriates will not experience 'culture shock' when they deal with Filipinos.

The Turkish business expatriates must properly evaluate their ability to live independently in the country. In this manner, the expatriates will have time to make strategic plans on how their businesses will be established. A deep knowledge on the Philippines' living condition may also be used by business expatriates as a factor in deciding the kind of business that is conducive or attractive to the host-nationals' way of living.

The Turkish expatriate must develop a good business network with the government and non-government agencies despite differences in the functions of both networks as this will give benefits such as business incentives, trade fairs, etc. Moreover, Turkish business expatriates must maintain a strong business network with non-government agencies composed of clients, suppliers and unions in order to sustain, develop, and grab new opportunities.

Every nation has its own performance standards, and the Turkish expatriates must be aware of this reality. Naturally, Filipinos are affected with the kind of environment that they have which directly affects the expatriates' performance standards in terms of slackness in their work environment. Hence, this requires more patience for Turkish expatriates.

A good communication skill is important which should incorporate both verbal and non-verbal communication that is deeply rooted in the Filipino culture. The Turkish expatriates must consider the tone of voice and the gestures because these are part and parcel of the culture. An intensive study and understanding of the way host-nationals communicate will lead the Turkish expats to establish an ideal communication strategy as far as communication with host-nationals is concerned.

The internal problem-solving covers employees and customers which must be processed mentally through discovering, analyzing, organizing skills, knowledgeand developing strategies in order to overcome challenges and find possible solutions that best resolve the problem. The Turkish expatriates' internal problem-solving strategy must be coordinated with the professional local managers in order to discover, analyze, develop strategies, as well as organize skills and knowledge for the purpose of overcoming obstacles and finding valuable solutions that best resolve key issues on employees' concerns and addressing customer demands. It is important to remember that these problems must be dealt with immediately and uncompromisingly; otherwise, concerns may escalate and the resolution may not be executed on time.

The realities of work pressures that Turkish business expatriates might encounter in doing business in the Philippines must be addressed well by engaging themselves on activities like sports and other recreational events. These will help them be relieved of stress, develop their mental well-being, increase their self-esteem and develop their relationship with others.

The Turkish business expatriates must consider hiring diligent workers rather than follow the kind of society where the business is established (i.e., either fraternal or maternal). Also, employees who demonstrate the capacity to work under pressure and independently without the expatriates' constant supervision must be commended.

5.2. For the Spouse

The Turkish Expatriates' spouses who relocate with them must also have the ability to adjust in a new environment. The spouses' adaptation ability may positively affect the businessmen's capacity to face challenges in the Philippines. As it was observed in most cases, Turkish expatriates who are married to Filipino women generally become more successful in their careers and business pursuits. This implies that the Turkish expatriates' spouses play a crucial role in the businessmen's emotional and material support.

5.3. For the Turkish Government

The Philippines' visa-free privileges for visitors may only be extended for one month (within the 30-day period). However, these visa-free privileges do not provide sufficient time for visitors to explore and discover the real business setting of the country. Thus, the Turkish government may coordinate with the Philippine government in asking permission for an extension of the visa period to at least three (3) months.

BIBLIOGRAPHY

[1]. Bhaskar-Shrinivas, P., Harrison, D., Shaffer, M., &Luk, D. (2005). Input-Based and Time-Based Models of International Adjustment: Meta-Analytic Evidence and Theoretical Extensions.The Academy of Management Journal,48(2), 257-281.
[2]. Black, J. S. (1988). Work role transitions: A study of American Expatriate Managers in Japan. Journal of International Business Studies, 19, 277–294.
[3]. Black, J. S., &Gregersen, H. B. (1991). Antecedents to Cross-Cultural Adjustment for Expatriates in Pacific Rim Assignments. Human Relations, 44(5), 497-515.
[4]. Black, J. S., & Stephens, G. K. (1989). The Influence of The Spouse on American Expatriate Adjustment and Intent to Stay in Pacific Rim Overseas Assignments. Journal of Management, 15(4), 529-544.
[5]. Blaxter, L. Hughes, C. and Tight, M (2006). How to Research. Berkshire, Open University Press McGraw-Hill Education.
[6]. Boncori, I. (2013). Expatriates in China, Experiences, Opportunities and ChallengesUniversity of Essex, UK,Palgrave Macmillan.
[7]. Calderon, J.F. and Gonzales, E.C (2006), Method of Research and Theses Writing.MandaluyongCity National Book Store Inc. Experience. Academy of Management Journal, 48 (1): 85–101.
[8]. Gregersen, H. B., & Black, J. S. (1996). Multiple Commitments Upon Repatriation: The Japanese Experience. Journal of Management, 22(2), 209-229.
[9]. Guzzo, R. A., Noonan, K. A., &Elron, E. (1994). Expatriate Managers and The Psychological Contract. Journal of Applied Psychology, 79(4), 617.
[10]. Krishnaveni, R., &Arthi, R. (2015). An Overview of Multidimensional Factors Influencing Effective Performance of Expatriates. Management: Journal of Contemporary Management Issues, 20(2), 135-147.
[11]. Li, Y. (2016). Expatriate Manager's Adaption and Knowledge Acquisition: Personal Development inMulti-National Companies inChina. Doi 10.1007/978-981-10-0053-9-2
[12]. Maclachlan, M. (2010). Getting Your Expatriates Ready for An International Assignment. Retrieved from Https://Www.Communicaid.Com/Cross-Cultural-Training/Blog/Getting-Your-Expatriates-Ready-For-An-International-Assignment/.
[13]. Mendenhall, M., &Oddou, G. (1985). The Dimensions of Expatriate Acculturation: A Review Academy ofManagement Review, 10, 39–48.
[14]. Österdahl, G &Hanberg, C. (2009). Cross-Cultural Training of Expatriates: A Case Study ofEricsson
[15]. Pal Singh &Kaur. (2016). Managing Cross-Cultural: Issues andChallenges inGlobal Organizations. 2Vol-2 Issue-3 2016 IJARIIE-ISSN(O)-2395-4396
[16]. Pires, G. D., &Stanton, P. J. (2000). Ethnicity and Acculturation inA Culturally Diverse Country: Identifying Ethnic Markets. Journal ofMultilingual andMulticultural Development, 21(1), 42-57.
[17]. Porras, J. (1987). Stream Analysis: A Powerful Way toDiagnose andManage Organizational Change. Cambridge, MA: Addison-Wesley, 1987. 163 Pages.
[18]. Ratiu, I. (1983). Thinking Internationally: A Comparison of How International Executives Learn. International Studies ofManagement andOrganization, 13 (1–2): 139–150.
[19]. Rizk. (2013). Cultural Challenges forExpatriate Managers Operating Within Projects
[20]. Takeuchi, R., Tesluk, P. E., Yun, S., &Lepak, D. P. (2005). An Integrative View of International
[21]. Tung, R. L. (1982). Selection and Training Procedures OfUS, European, And Japanese Multinationals. California Management Review, 25(1), 57-71.
[22]. Ward, C., &Kennedy, A. (1996). Crossing Cultures: The Relationship between Psychological and Socio-Cultural Dimensions of Cross-Cultural Adjustment.