Chapter 5

Discussion and Recommendations

The main aim of this study was to examine individual, organizational, and environmental factors that influence expatriates’ culture–adjustment and job performance of Thai expatriates in Indonesia. It is also to estimate the influences of Thai expatriates’ cross-cultural adjustment toward job performance and to investigate the role of cross-cultural adjustment as mediators between individual, organizational, and environmental factors and expatriate job performance. The research was a survey research using an online survey questionnaire to collect data from Thai expatriate employees who were currently working at Thai multinational companies during November 2016 to January 2017. One hundred and sixty-five questionnaires were distributed to Thai expatriates in Java island. 117 questionnaires were completed and returned, accounting for 70.9 per cent response rate. The study analyzed data variables through used Statistical Package for Social Science (SPSS). The results from the SPSS program represented the cause relationships between the Thai expatriates’ characteristics and factors that influence the expatriates’ culture–adjustment and job performance. The respondents’ characteristics were analyzed using descriptive analysis, which used frequency and percentage. Linear Regressions were employed to test hypotheses. A significance level of 0.05 is used to test the null hypotheses, as explained in chapter 4. This chapter is composed of two sections: the conclusion and recommendations for future study as below.
5.1 Discussion

The results were compiled and presented as follows:

5.1.1 Demographic Characteristics of Respondents

Results from descriptive analysis found that the majority of the respondents were males (85.5%) and married (62.4%). Their ages were between 30 to 49 years old (71.8%), Buddhist (90.6%), graduated in tertiary education (95.9%), working at manager level (60%), more than 10 years of working experience in the parent company (53.8%), and more than 6 months working at this company in Indonesia (80.3%), more than 6 months total time on current assignment, previous overseas working experience (59.8%), not living together with spouse in Indonesia (73.97%), and no previous cross-cultural training before working in this company (70.1%).

5.1.2 Influence of Individual, Organizational, Environmental Factors towards Cross-Cultural Adjustment, Job Performance and Intention to Complete Assignment

In this study, individual, organizational, and environmental factors included expatriates’ cultural intelligence, language ability (English and Indonesian language), perceived organizational support, and spouse adjustment. These factors were analyzed the extent of Thai expatriates’ cross-cultural adjustment, job performance, and intention to complete assignment in order to estimate hypotheses by using
regression analysis and correlation analysis. The results were compiled and presented as follows:

1. Cultural intelligence:

Hypothesis 1 is to study whether cultural intelligence influences towards Thai expatriates’ cross-cultural adjustment. Hypothesis 1 was rejected due to the results revealed that there had not influence of cultural intelligence towards Thai expatriates’ cross-cultural adjustment in Indonesia. The result from this study were inconsistent with a previous study done by Poonpol (2014) who studied “cultural intelligence as an influential factor on cross-cultural adjustment and job performance among expatriates in Thailand” and found that cultural intelligence was a predictor for expatriate cross-cultural adjustment in which all three dimensions of adjustment. Ramalu and colleagues (2010 and 2011) also found that cultural intelligence of expatriates working in Malaysia is a vital cross-cultural competency that facilitates expatriates adjustmnet in international assignment.

As primary data of this study, most of Thai expatriates had worked in Indonesia more than 6 months. They might pass adjustment stage of U-curve adjustment (Black & Mendenhall, 1991) and be coming into mastery stage. Therefore, they might adapt gradually to the new culture and learning how to behave appropriately according to the cultural norms of Indonesia. They might get accustomed and function effectively in Indonesian culture and not then perceive the importance of the cultural knowledge that affects their adjustment, especially in work adjustment. For instance, a Thai expatriate who work in Indonesia almost 6 years
argued that the cultural knowledge was likely not related with adjusting in his working. He felt that he did not have to adjust in interaction with Indonesians due to they generally contact with the regular customers who knew each other for a long time and Indonesians compromised with the foreigner in term of culture and norms. Furthermore, Thai expatriates worked with Thai expatriates and/or customers and suppliers from other nations. In other words, they may be working internationally and less worry about culture.

However, it cannot say that cultural intelligence would not affect to Thai expatriates’ adjustment in Indonesia in every companies. This study found that there was the weak positive correlation among some cultural intelligence dimenstions and cross-cultural adjustment. Furthermore, some of Thai expatriates mentioned that they need to know about Indonesian culture, especially working style. They argued that their supplier and customer are Indonesian. They need to know Indonesian cultural working style. For instance, “jam karet” (rubber time) means time waiting patiently or expected, rather than wasted (Heggie, 2004). Thai expatriates told that they adjust themselves and accept the Indonesian working style in order to good cooperation with Indonesian staffs, co-workers, suppliers as well as customers. Therefore, cultural intelligence may be a criterion in selecting the employee for overseas assignment in the company.

Hypothesis 2 is to study whether cultural intelligence influences towards Thai expatriates’ job performance. The results revealed that it was not found influence of cultural intelligence towards Thai expatriates’ job performance even though it was found weak positive association. The result from this study, therefore, agreed with
Poonpol (2014) study that found that cultural intelligence (CQ) had not a direct significant impact on expatriate job performance. But it was inconsistent with Ramalu et al., (2011) found out that contextual performance in expatriates was predicted by metacognitive and behavioral cultural intelligence while task performance was not. Ang et al., (2007) found that metacognitive CQ and behavioral CQ predicted task performance. There were inconsistent each particular study. It might be cause of using different variable operationalization and rating. For instance, Ramalu et al., (2011) used measure of Black and Porter’s (1991) for task performance and used measure of Caligiuri’s (1997) for contextual performance. Ang et al., (2007) used measure of Williams and Anderson (1991) for task performance. Furthermore, it may have other influencing factors of Thai job performance. A Thai expatriate stated that deadline of this project/assignment, career opportunity received (for example promotion), and organizational support (for example, incentives and relocated allowances) for expatriate employee are the factor that affects their job performance. However, this study found the correlation between cultural intelligence and job performance. It may have the invisible barrier or obstacle culture issue especially in negotiation that Thai expatriates have to face with when working in Indonesia. In other words, when the level of their capability in adjusting is low, it may associate the decrease in their performance. Therefore, the company should not neglect the importance of employees’ cultural intelligence in selecting Thai expatriates for international assignment in Indonesia.
2. Language ability:

Hypothesis 3 is to study whether language ability influences towards Thai expatriates’ cross-cultural adjustment. The results revealed that Indonesian language ability and English language ability did not affect Thai expatriates’ cross-cultural adjustment in Indonesia. For Indonesian language ability, the result from this study was surprisingly due to it was different with previous studies which argued about positive relationship between local language ability and cross-cultural adjustment. For instance, Takeuchi, Yun and Russel (2002) found that the English skills of Japanese expatriates facilitated their work-related adjustment in the USA. Selmer (2006) found that Western business expatriates’ language ability had a positive relationship with their sociocultural adjustment (general, interaction, and work adjustment).

When considering about primary data of this study, it shows that more than half Thai expatriates use English language in working or daily life. It might be cause of lack Indonesian language training before working in Indonesia. Thai expatriate told in the interview that they were assigned this assignment urgently. They had a very few month for preparation. Some of them got Indonesian language course while majority of them did not get it before working in Indonesia. Additionally, Thai expatriate received language training course mentioned that they got valuable information in the course besides Indonesian language for instance, Indonesian working style and working with Indonesian. They stated that the period of language course should be extended more than only several times per month. For English language ability, it was different from the primary data and Thai expatriates’
narration. The primary data in this study shows that English language is used in working as well as daily life. It is supported by Thai expatriates’ narration. They stated that English language ability is very important in adjusting working in Indonesia. It is also consistent with result of this study which explored that it correlated with work adjustment positively. Moreover, they argued that using English language might not affect with communication with locals because Indonesian generally have a good English skill.

Furthermore, this study found that Indonesian language ability affected intention to complete assignment negatively while English language ability affected intention to complete assignment positively. Many Thai expatriate agreed with importance of English language ability for their intention to complete assignment positively. A Thai expatriate told that one reason that a Thai former engineer in his company decided to return to Thailand before finishing the assignment, was poor English language ability that leads to be unable work properly. Negative relationship between Indonesian language ability and intention to complete assignment might be course of lack the Indonesian language training course. Thai expatriates argued that even though English language ability affected to finish assignment, having good Indonesian language skill will be easier to learn these rules and regulation of Indonesia and behave accordingly and communicate with local colleagues, superiors, customers, and subordinates. Also, it is one of condition that the company using to consider extension of assignment.
3. Perceived organizational support:

The hypothesis 4: is to study whether perceived organizational support influences towards Thai expatriates’ cross-cultural adjustment. The results revealed that only financial perceived organizational support towards Thai expatriates’ overall cross-cultural adjustment. While previous study for instance, Kawai (2014) that studied about expatriates working at the German subsidiaries of Japanese MNCs found that career perceived organizational support has a direct positive influence on work adjustment and affective commitment.

In context of working in Indonesia, Thai expatriates mentioned in the same way that organization’s financial support was very important in adjusting for them and their family in Indonesia. They told that it is fair in repaying their sacrifice in accepting an international assignment in Indonesia. They complained about the expenditure paid for living in Indonesia to get a well-being like a home in Thailand. For instance, the clean and fresh foods, quality of hospitals, traffic jam, and entertainment surrounding their company and apartment. To avoid food poisoning and diarrhea, some of them prefer to eat in mall’s restaurants that they believed that cleaner and fresher. When getting sick, they prefer going to see a doctor in private popular hospitals in Jakarta city or go back to Thailand for a while in order to make sure that they will get a proper medical care. They stated that there was terrible medical care of hospital surrounded company. Going to entertainment center, for instance pub, café or restaurant need to spend money especially alcoholic beverages that they stated that liquor or beer price is rather expensive when comparing in
Thailand. All of the complaints relate a large amount of money, which spent in living in Indonesia. Therefore, they expected financial support from company for adjusting in Indonesia. They specified some needed supports that international insurance included sending the patient to the particular hospital for them and their accompanying spouse, relocated allowances, ticket and rest day for going back to hometown and so on.

The hypothesis 5: is to study whether perceived organizational support influences towards Thai expatriates’ job performance. The results revealed that there had not influence of perceived organizational support towards Thai expatriates’ job performance. The result from this study was not consistent with a previous study done by Wu and Ang (2011) that found that expatriate supporting practices were positively related to job performance. Also, it was inconsistent with Kawai (2014) studies that found that career perceived organizational support had a statistically significant positive impact on (self-rated) perceived task performance and perceived contextual performance.

However, this study found the positive correlation between organizational support and job performance even though the correlation was rather weak. Working in overseas is likely associated advancement and an increase of salary and allowances. Thai expatriate argued that organizational support affected their performance due to the repay their sacrifice in accepting an overseas assignment. At the same time, some of them told that their job performance also affected organizational support. Particularly allowance (financial support), a Thai project
engineer mentioned that he needed to complete the project in Indonesia on time in order to be considered to work in Indonesia. He preferred to work in Indonesia due to the relocation allowance is rather than domestic allowance. For career development (one of the career support), the companies generally selected employee on overseas assignment from their domestic performance, expanded overseas assignment, as well as got promoted. To maintain working on abroad, the expatriate must maintain and enhance their performance. A Thai manager gave one reason that he wanted to work in Indonesia continuously. He said that he has been working in Indonesia to accumulate previous international experience due to it is one of the conditions in getting advancement. In his company, it is not easy to get promoted. Getting stuck as general manager position means the slight increase of salary. Therefore, working on board is the way to receive high income. In general, total income (salary and allowances) is rather than total domestic income 3 times. Therefore, the job performance may relate with organizational support.

4. Spouse Adjustment

The hypothesis 6: is to study whether spouse adjustment influences towards Thai expatriates’ cross-cultural adjustment. The results revealed that there had not influence of spouse adjustment towards Thai expatriates’ cross-cultural adjustment. The result from this study was not consistent with previous studies that generally mentioned about relationship between spouse adjustment and cross-cultural adjustment. For instance, Palthe (2004) demonstrated that spouse–family adjustment
influenced towards general and interaction adjustment of expatriates. Rejection of this hypothesis might be cause of a few married expatriates who have not brought their spouse to live in Indonesia. This study shows that only 26 percent of married expatriates. Thai married expatriates gave the reason which they have not brought their spouse. The company prefers expatriate to live in Indonesia without spouse or children by repaying them with the larger number of supports allowances and incentives, such as ticket and rest day for going home.

This study was not found that spouse adjustment affected cross-cultural adjustment of Thai expatriates in Indonesia, it found that spouse adjustment affected intention to complete assignment. It is consistent with the married expatriates’ narration from private interview. Thai married expatriates who their spouse accompanying to live together in Indonesia mentioned that their spouse adjustments is very important for the decision to complete the assignment or return to his or her home country before the assignment has been completed. The personal causes of maladjustment are, for instance, seriously ill spouse, an unhappy spouse, and so on. A married expatriate told about the illness of his spouse. Due to a low quality of hospital surrounded the company and unreasonable medical expense, his spouse needed to go back to Thailand to cure. It affected to hesitation to complete an assignment in time.

5. Cross-Cultural Training
This study found that cross-cultural training influenced towards interaction and work adjustment. According primary data in this study, Thai expatriates did not get any
cross-cultural training, such as Indonesian language or knowledge before working in Indonesia. Some of Thai expatriates, however, remarked that they would have prepared and adjusted themselves better if they had received some training course and information about working with Indonesian and working environment before working in Indonesia. Besides language training courses, which indicated that it had influence of adjustment of Thai expatriates, this study found out that Thai expatriates had less information and cultural knowledge (cognitive cultural intelligence) about Indonesia and working with Indonesian staffs. That information had effect to their working in Indonesia. Some Thai expatriates mentioned that district government has effect on their business. For instance, Karawang’s Regent Regulation (Peraturan Bupati (Perbup)) No. 8 year 2016 and the Regional Regulation (Peraturan Daerah (Perda)) No. 1 year 2011 obligate that 60 percent of employees in company must be local resident that the company located (Karawang Plus, 2016). In fact, not all of local residents has the skill that the company required that leads to increasing expense from technical skill training said a Thai top manager in Automotive spare part company. Furthermore, it is not easy to specific and develop human development and what it was like when compared to Thailand due to cultural diversity in Indonesia (more than 200 ethnic groups, 250 other regional languages and dialects are also spoken (Pruetipibultham, 2012)). Therefore, it is very important that Thai companies should emphasize on cross-cultural training courses involved cultural information about working with Indonesian and working environment, especially in the area which company located, for Thai employees who will be assigned to work in Indonesia besides English and Indonesian language courses.
5.1.3 Influence of Cross-Cultural Adjustment towards Job Performance and Intention to Complete Assignment

The hypothesis 7: is to study whether cross-cultural adjustment influences towards Thai expatriates’ job performance. The results revealed that there had not influence of cross-cultural adjustment towards Thai expatriates’ job performance (supervisor-rated). The result from this study, therefore, agreed with a previous study done by Kraimer and Wayne (2004) found that relationship between expatriate adjustment and (supervisor-rated) job performance (task performance and contextual performance) was not statistically significant. In contrast, this study result is inconsistent with Kawai et al. (2014) study that found that work adjustment was positively related to (self-rated) task performance.

Rejection this hypothesis might be cause of the data used for Thai expatriate’s job performance in this study was not evaluated individually from their supervisor due to limit of access information source (their supervisor). In online survey, the person who can access to the job performance questions is Thai expatriate who answered “yes” in a question “do you have Thai subordinate?” It means that persons who answer job performance questions were the supervisors of Thai expatriate. One supervisor might have more than a Thai subordinate but they had to evaluate their subordinates’ performance in one form. Furthermore, the supervisor of Thai expatriates might not access the questionnaire, for instance they may not Thai people. Furthermore, there are other factors may affect Thai expatriates’ job performance rather than cross-cultural adjustment. For instance, big five personal traits, cultural
flexibility, selection board ratings, tolerance for ambiguity, ego strength, peer nominations, task leadership, people leadership, social adaptability, and interpersonal interest (Mol, Born, Willemsen, & Van der molen, 2005). However, this study found that overall cross-cultural adjustment had significantly weak positive correlation with job performance (task performance and contextual performance). Moreover, a Thai expatriate manager told that cross-cultural adjustment (especially, work and interaction adjustment) is very important for their work. It is not easy to supervise or transfer knowledge to local staffs if they cannot adjust in working with Indonesian. Therefore, it may have other factors that play as mediator or moderator between Thai expatriates’ cross-cultural adjustment and predict job performance, such as job satisfaction and organizational commitment.

The hypothesis 8: is to study whether cross-cultural adjustment influences towards Thai expatriates’ intention to complete assignment. The results revealed that there had influence of cross-cultural adjustment towards Thai expatriates’ intention to complete assignment. In this study, it is surprisingly that work adjustment affected intention to complete assignment positively while interaction adjustment affected intention to complete assignment negatively. The result from this study agreed partially with a previous study done by Kraimer and Wayne (2004) found that causal relationship between expatriate adjustment and intentions to complete the assignment was significant and positive. In other research, Pruetipibultham (2012) found that Thai expatriates in Indonesian tend to return to Thailand early before finishing assignment due to maladjustment. In other words, intention of Thai expatriates in Indonesian to finish assignment related to their adjustment positively. For interaction
adjustment, it was totally supported by Thai expatriates. Some of them mentioned that adjusting properly in interaction with local staffs help them to supervise and transfer knowledge easier. It leads satisfaction in working and expectation in achieving the target (complete assignment or finish the project on time).

5.1.4 Role of Cross-Cultural Adjustment as Mediator between Individual, Organizational, Environmental Factors and Job Performance

The hypothesis 9: is to study whether role of cross–cultural adjustment as mediator between individual, organizational, environmental factors and expatriate job performance. The results revealed that there had not a role of cross–cultural adjustment as mediator between individual, organizational, environmental factors and expatriate job performance. The result from this study, therefore, disagreed with a previous study done by Bhatti, Battour, and Ismail (2013) study that is indicated that expatriate adjustment (work, general and interaction) mediate the relationship between individual factors (previous international experience, self-efficacy, social network and cultural sensitivity) and organizational factor (direct and indirect support) and (supervisor rated) expatriate performance. In other research, Kawai, 2014 found that work adjustment fully mediated the effect of career perceived organizational support on (self-rated) task performance.

Rejection of this hypothesis may because of expatriate adjustment mediates some of the relations between the other influencing factors and other expatriate success or other expatriate success mediates some of relations between job
performance and other influencing factors. For instance, Kraimer and Wayne (2004) found that expatriate adjustment mediated some of the relations between the exogenous variables and intentions to complete the assignment and commitment to the foreign facility mediated some of the relations between the exogenous variables and contextual performance. Also, expatriate adjustment may play as other role, such as the moderator.

5.2 Recommendation

The recommendations in this study were divided into three parts based on the groups that are most likely to benefit the results of this study as follows.

Human resource department

This study contributes to HR practices by focusing on: (a) cross-cultural training course, (b) selection and (c) organizational support. The details of the implications are described below:

a. Cross-Cultural Training Course

In this study, it shows that almost of Thai expatriates did not received any training course involved with Indonesian language and culture before working in Indonesia. The result of this study demonstrated the importance of cross-cultural training in adjusting in working in Indonesia and interaction with Indonesian coworkers and their Indonesian subordinates directly. Work adjustment affects then intention to complete assignment of Thai expatriates in Indonesia.
Language ability is one of training course that it may affect their intention to complete assignment. Both of English language and Indonesian language ability are important for Thai expatriates’ decision on return to Thailand earlier. Thai expatriates usually used English language in working and in daily life rather than Indonesia language due to they mostly haven’t received the Indonesian language training before working in Indonesia. Even though English language ability of Indonesian are good in general such as in big cities (Bandung, Surabaya, the Greater Jakarta area or Jabodetabek (Jakarta, Bogor, Depok, and Bekasi), Indonesian language still is important especially for employees assigned to work in rural area. Besides language courses, this study found out that Thai expatriates, the respondents, had less information and cultural knowledge about Indonesia and working with Indonesian staffs. Due to cultural diversity in Indonesia and democratic decentralization, there are influence of the district government of each province has on foreign businesses and their expatriates.

Therefore, HR staffs should provide cross-cultural training course that enhanced the employees' English language ability and relevant needed information. Needed information is, for instance, working with Indonesian, especially local residents surrounded company in term of culture and norms, and local legal and regulation in the area in order to the employees can prepare themselves before working. To provide the cross-cultural training, HR staffs should understand about basic knowledge of Indonesia and should visit the company in Indonesia. Additionally, the cross-cultural training courses should be provided before the Thai employees who will be assigned to work in Indonesia.
arrive in Indonesia as well as they are working in Indonesia country. The studying frequency should more than several times per months.

b. Selection

HR staffs should emphasize on the English language ability of the employees as criterion in selecting employees on international assignment. Furthermore, the company should not neglect the importance of employees’ cultural intelligence in selecting Thai expatriates for international assignment in Indonesia especially, the employees who never had previous international experience and never visited in Indonesia.

c. Organizational Support

This study demonstrated that increase of sufficiently providing support from company influenced towards their adjustment in Indonesia and then enhanced their job performance. Therefore, human resources department in the company should provide the efficient support especially financial support for the Thai expatriates that covered to their family in order to increase their adjustment in Indonesia. Thai expatriates specified some supports needed, such as the international insurance included sending the patient to the particular hospital for them and their accompanying spouse, relocated allowances, other perks, such as ticket and rest day for going back to hometown, and so one. For career support, this study shows that Thai expatriates, respondents, needed increase the extent of company cares about their career development. HR staffs should increase monitor their working and provide assistances/helps properly when they have problem.
Moreover, HR should update information available for them, such as vacant position, relevant training, conditions required for advancement, and so on.

**Future researches**

This study suggests future research to:

1. To focus on random sampling from a larger number of target organizations and in another island that Thai companies located and sent employees to work, such as Kalimantan Island and Sumatera Island due to the data in this study were collected from the Thai expatriates working at Thai companies in Java island, Indonesia. There can be differences with Thai expatriates working in another island.

2. To replicate this investigation using other host contexts of Southeast Asia country besides Indonesia. There can be differences with Thai expatriates working in other country in order to develop broader insights for Thai businesses in the underexplored business region of Southeast Asia.

3. To investigate influence of other factors towards cross-cultural adjustment of Thai expatriates in Indonesia as well as another expatriate success (job performance and intention to complete assignment). Influencing factors may be examined, such as big five personal traits, self-efficacy, cross-cultural training, cultural similarity, organizational socialization and so on.

4. To explore cross-cultural adjustment in another role, such as the moderator.
5. To investigate other factors that may play as mediator between cross-cultural adjustment and job performance, such as job satisfaction or organizational commitment.

6. To explore adjustment of Indonesian employees who working with Thai expatriates at Thai companies in Indonesia and its influencing factors.

7. To replicate this investigation of relationship between cross-cultural adjustment and job performance. The evaluation of Thai expatriates’ job performance should be evaluated by their supervisor individually due to this study was not evaluated individually by their supervisor due to limit of access information source (their supervisor).

8. To replicate this investigation of relationship between spouse adjustment and cross-cultural adjustment by score of questionnaire should be rated by accompanying spouse.

5.3 Research Limitations

1. Owing to the difficulty of retrieving questionnaires causing only 70.9 percent rate of return, not complete 100 percent, it was difficulty to access the Thai expatriates due to their working locations were scattered around Java island. high level position.

2. The data were collected from the Thai expatriates working at Thai companies in Indonesia. There can be differences between Thai expatriates and other national
expatriates in Indonesia. Also, it may differ with Thai expatriates working in other country.

3. It should be noted that the sample for this study is quite small. It is only Thai expatriate in java island, not included Thai expatriates working and in Indonesia’s other islands even though the respondents working at Thai companies in various industries, such as building materials, chemical, Automotives, bank, food etc.

4. The method for collect data in this research is online survey which is better than mail survey. It was convenience of respondents to fill but it can’t specify that when it complete.

5. The data used for Thai expatriate’s job performance in this study was not evaluated individually from their supervisor due to limit of access information source (their supervisor). In online survey, the person who can access to the job performance questions is Thai expatriate who answered “yes” in a question “do you have Thai subordinate?” It means that persons who answer job performance questions were the supervisors of Thai expatriates. One supervisor might have more than a Thai subordinate but they had to evaluate their subordinates’ performance in one form. Furthermore, the supervisor of Thai expatriates might not access the questionnaire, for instance they may not Thai people.

6. Due to an evaluation of spouse adjustment derived from the expatriates, the data may not the same with any true introspection from the accompanying spouse.
References


Ramalu, S., Rose, R., Kumar, N., & Uli, J. (2010, January). Doing business in global arena: an examination of the relationship between cultural intelligence and


