



UNIVERSITI PUTRA MALAYSIA

**CROSS-CULTURAL CHALLENGES AND ADJUSTMENTS AMONG
EXPATRIATES IN MALAYSIA**

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By

AIDA HAFITAH BINTI MOHD TAHIR

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DEDICATION

Syukur alhamdulillah to Allah SWT for giving me the perseverance and strength to complete this thesis. My deepest gratitude and love to my mother, Hapsah Mohd Nawawi, my father, Mohd Tahir Hj Ahmad and my brother, Ainol Hatta Mohd Tahir for their patience, understanding, encouragement, guidance and positive criticisms.

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fulfilment of the requirement for the degree of Master of Science

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Faculty: Educational Studies

The globalization process focuses on the transformation of the economic environment worldwide. Malaysia in this new global era has opened its market to free trade and foreign investments in order to achieve its Vision 2020 of becoming an industrialized nation. As a result of this new advancement, more expatriates are sent to Malaysia every year to help the process of technology transfer internationally and to maintain the quality of the products generated in this country. With the new environment, expatriates are bound to face challenges and to make adjustments in their lifestyles. As such, a study was conducted with the objectives of understanding the meaning of expatriates' experiences in terms of cross-cultural challenges and to understand how they got adjusted staying in Malaysia.



This study applies the qualitative research methodology. The data were collected through interviews of sixteen expatriates as informants for the study and who are currently working in Malaysia. The interviews were conducted by using an interview guide. These interviews were recorded and later transcribed. The results of the study indicated that the informants faced with the following challenges with regard to a) attitudes of Malaysians, b) the custom and the religious issues, c) addressing social status d) gender issues, e) Malaysian working habits, and f) cross-cultural training programs.

As a result of these challenges the study pointed out that, the expatriates adapted to the situations through the following adjustments: a) acquiring more cultural knowledge regarding Malaysia, b) using the knowledge of previous experiences in the host country, c) becoming more tolerant and optimistic about the people and the new environment, d) establishing strong support system from own organization, friends and family members. In conclusion, it is therefore suggested, future programmes of expatriates in Malaysia can be improved by having more intellectual discourse regarding cross-cultural issues and organizing concise and systematic cross-cultural training sessions in order to create awareness of the cultural differences among the participants of foreign assignments to Malaysia. It is hoped that such efforts will achieve a win-win situation for the expatriate's country of origin and the host country.

Abstrak thesis yang dikemukakan kepada Senat Universiti Putra Malaysia
sebagai memenuhi keperluan untuk ijazah Master Sains

**CABARAN DAN PENYESUAIAN SILANG-BUDAYA DI KALANGAN
EKSPATRIAT DI MALAYSIA**

Oleh

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Proses globalisasi menitikberatkan perubahan suasana ekonomi di seluruh dunia. Malaysia dalam era globalisasi telah membuka pasaran perdagangan bebas dan pelaburan asing untuk mencapai wawasan 2020 sebagai sebuah negara industri. Dengan adanya kemajuan ini, lebih ramai pegawai dagang atau ekspatriat dihantar ke Malaysia setiap tahun untuk membantu proses pemindahan teknologi di peringkat antarabangsa dan mempertingkatkan mutu produk keluaran negara ini.

Ekspatriat akan menghadapi pelbagai cabaran dan perlu membuat beberapa penyesuaian silang budaya di negara baru. Menyedari hakikat ini, satu kajian telah dijalankan dengan objektif untuk memahami erti pengalaman ekspatriat

berdasarkan cabaran yang ditempuhi dan juga memahami penyesuaian silang budaya yang dilalui oleh ekspatriat yang bekerja di Malaysia.

Kajian ini menggunakan kaedah penyelidikan kualitatif. Data dikumpulkan dengan menemubual enam belas orang informan ekspatriat yang bekerja di Malaysia. Temubual dijalankan dengan mengemukakan set soalan panduan temubual. Segala temubual telah dirakam dan ditranskripsikan. Dapatan kajian menunjukkan bahawa informan menghadapi beberapa cabaran berkaitan dengan a) sikap rakyat Malaysia, b) budaya dan keagamaan, c) panggilan kepada pangkat tertentu, d) isu gender, e) tabiat bekerja rakyat Malaysia dan f) program latihan silang budaya.

Kajian juga mendapati ekspatriat membuat beberapa penyesuaian seperti berikut; a) mendapatkan pengetahuan yang lebih berkenaan budaya Malaysia, b) bersikap toleran dan optimistik dengan rakyat Malaysia dan persekitarannya, c) mewujudkan sistem sokongan dari organisasi bekerja, rakan serta ahli keluarga.

Adalah dicadangkan program ekspatriat di Malaysia boleh diperbaiki dengan mengadakan lebih banyak perbincangan berkenaan isu silang budaya, mengadakan kursus silang budaya yang sistematik supaya dapat memahami kelainan budaya di kalangan ekspatriat di negara ini. Dengan ini diharapkan



kedua belah pihak yang terlibat iaitu negara asal ekspatriat dan negara penerima akan menerima faedah daripada cadangan yang dikemukakan.

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LIST OF ABBREVIATIONS

MNC	=	Multinational Corporation
CCT	=	Cross-cultural Training
UPM	=	Universiti Putra Malaysia
UK	=	United Kingdom

CHAPTER I

INTRODUCTION

Background of the Study

Most countries around the world today believe in expanding their political, economic and social relations abroad. The focus of expansion is often on the economic sector specifically where globalization of businesses takes place. According to Bartol and Martin (1998), the globalization process refers to "worldwide integration strategy" where the purpose involves, "at developing relatively standardized products with global appeal, as well as rationalizing operations throughout the world" (p. 652). In achieving this objective, organizations require to send their designated representatives for overseas assignments in order to maintain the standard of their product or services abroad.

Malaysia, aiming to achieve its Vision 2020 in two decades to come, is among those countries that opens its market to free trade and foreign investments. As a result, at present there are many international organizations that have expanded their businesses along with establishing their reputation in this country.

In this era of globalization and Malaysia's efforts to be an industrialized nation, there is a need to acknowledge various new advancements in technology. Since majority of the skills and knowledge of new technologies come from the well-developed nations, Malaysia requires the human expertise in various fields, in order to achieve the objective of becoming highly competitive along with other developed nations. Hiring expatriates from abroad is one of the ways to expose the Malaysian workforce towards foreign expertise.

Bartol and Martin (1998), defined 'expatriates' as "individuals who are not citizens of the countries in which they are assigned to work" (p. 660). Another definition of 'expatriate' given by Shephard (1996) is:

...anyone who is working outside (ex) his own nation. He may be sent or may have requested a posting overseas because his skills and expertise are required. Some multinational organisations or international agencies refer to expats as 'International Officers' (p. 145).

Roles of an Expatriate

The expatriates are expected to offer new knowledge for the locals to adapt thus the local Malaysians have high respect towards them at the workplace. In the public sector, the expatriates mainly hold diplomatic posts in foreign embassies or as consultants for government agencies.

Whereas in the private sector, the expatriate managers are mostly positioned in Multinational Corporation (MNC) that run their business operations here. The role of an expatriate is regarded as distinctively significant since the main task is to act upon maintaining the organizational structure and philosophy of the MNC, locally and subsequently monitoring the stability between practices of the MNC and the local needs (Aycan, 1997). In addition, Shephard (1996), elaborates that expatriates' roles in MNC are generally involve in monitoring and controlling the financial distribution and profit gain of the companies and extending their knowledge and skills in technology transfer.

Growth of Expatriates in Malaysia

At present, Malaysia acknowledges the inflow of the expatriates into this country to meet the needs for skilled and professional manpower. Since there is an increase in the foreign investments and industrialization efforts in Malaysia, this may result in the increase of expatriates working in the public or private sectors, for 10 to 20 years to come (Shephard, 1996). However after the economic downturn in 1997, the intake of expatriates into this country has been affected. Nonetheless, due to various upcoming and continuing developmental projects during the economic recovery, there is still a need for foreign technical and management expertise in Malaysia. It is reported that there were 21,859



approved expatriate postings in Malaysia in 1999 alone as compared to 20,625 in 1998 (Immigration Department of Malaysia, 1999; Immigration Department of Malaysia, 2000). This showed an increase in foreign-service admissions in various sectors of employment in this country as compared to the previous year.

In terms of the growth of expatriate managers, Malaysia went through three waves or phases of incoming expatriates. Initially, the Britons represented the first group of expatriates that came to Malaysia. For the past 10 years or so, they are substantially located in the private sector where big organizations are concerned, such as Shell, ICI, Dunlop, Guthries, Harrison and Crosfield and British Petroleum. Nonetheless, in the government sector, the expatriates are mainly posted as advisors, diplomats, academics and technical specialists (Shephard, 1996).

At a later stage, the second wave arrived. They were among those who came from United States of America and other European countries whom were assigned in large multinationals such as, Phillips, Siemens, East Asiatic, Volvo, Nestle and Esso. Finally, the third wave of expatriates came to Malaysia which were mainly represented by the Asian group of managers mainly from Japan, Taiwan and Korea along with some other European and American expatriates. This third wave resulted from the "Look East" policy by the Government in 1980s as well as due to closer relations with Australia and the Newly Industrialized Countries in Asia

specifically, and along with the high growth of electronics industry in Malaysia (Shephard, 1996).

Expatriate Adjustment

Since the expatriates' stay in Malaysia will be for a long period of time, subsequently they will need to learn to adapt themselves with the local culture. This does not only apply to the Malaysian culture in general but more significantly towards the local organizational culture with regard to the expatriates' assigned roles and tasks.

In completing assignments abroad, undoubtedly requires the expatriates to adjust to the new surroundings and life-style. When an individual arrives into a new environment, there are bound to be problems and challenges encountered. Thus, this is when adjustments towards the situation take place, especially among those who came from a very distinct set of culture and values. As Aycan (1997) points out, **expatriate adjustment** can be explained as follows:

In the specific context of expatriation adjustment is conceptualized as the degree to fit between the expatriate manager and the new environment in both work and non-work domains. Such a fit is marked by reduced conflict and stress and increased effectiveness (p. 436).

Adjustments consume time, effort and money. Moreover, it requires patience and interest of the expatriates to make the adjustments a

success. One way for the expatriates to perform effectively towards their assignments is the need to get well adjusted before hand. Adjustments are made with regard to the types of challenges that the expatriates face.

In order to make successful adjustments the expatriates need to be exposed to possible challenges and consequences that are bound to occur when posted abroad. This is normally done through the process of cross-cultural training (at pre or post departure). It is to familiarize the expatriates with the new culture and values of the foreign country. It is important to focus upon the effect of a culture towards expatriate managers, since it can influence the process of socializing and adjusting to the working environment abroad (Katz & Seifer, 1996). Harrison (1996) adds that:

...the goal of CCT (Cross-Cultural Training) is to minimize "culture shock" when on foreign deployment and enhance the managers' cross-cultural experience. In terms of behavior, the ultimate objective is to improve the functional skills of managers on overseas' assignments (p. 19).

When appropriate training is given to the expatriates, it makes the challenges easier and readily to overcome.