

**The Role of Regulatory Focus and its Influence on the Cultural Distance**  
**– Adjustment Relationship for Expatriate Managers**

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**ABSTRACT**

*This paper theoretically and empirically adds to the pertinent international management literature by introducing regulatory focus (RF) theory as a specific personality trait-like orientation impacting the expatriate management experience. Drawing on data from a sample of 223 expatriate managers across 34 countries, the findings disclose that promotion-focused expatriates appear to manage interaction adjustment better than prevention-focused individuals, and that the impact of cultural distance on general adjustment is not significant for promotion-focused expatriates. Theoretical and practical implications for RF theory and international human resource management practices are mined from the research and several avenues are suggested for forthcoming research.*

Keywords: expatriates, adjustment, regulatory focus, cultural distance.

## **Introduction**

There is little doubt in recent times that globalization involving multinational enterprises (MNEs) has emerged as a central topic in the international management and business literature (Verbeke, Coeurderor and Matt, 2018). Whilst MNEs have frequently benefitted from assigning their managers to international postings, and although early return rates among expatriate executives (expats) tend to be quite low (Brookfield, 2010; Brookfield, 2014) (Tung and Stahl, 2018), the cost associated with such ex-pat withdrawals can be substantial (Hill, 2001; Beugelsdijk, Ambos and Nell, 2018; Verbeke, Coeurderor, and Matt 2018). Additionally, while scholars estimate that as many as 33% of expatriates do not return early, they significantly fail to deliver against their performance objectives (Stroh, Black, Mendenhall and Gregersen, 2005; Bader and Schuster, 2015).

Notwithstanding such direct costs, the influence of any psychological effect caused by withdrawal on expatriates can also be detrimental to their organization, the individual concerned and their immediate family (Stroh et al., 2005). The significance of understanding these pertinent factors that can affect expatriation realization is something that international organizations are constantly trying to address, and represents an area that this study intends to shed further light upon (Hippler, Brewster and Haslberger, 2015).

Although expatriate managers often enjoy certain benefits from international exposure, they also seem to experience a high level of discontent (Verbeke, Coeurderor and Matt, 2018). In their key article, Black, Mendenhall and Oddou (1991) conceptualised expatriate (mal)adjustment and identified antecedents that can increase or decrease uncertainty. However, just as important are adjustment's success outcomes, namely: job satisfaction, performance and withdrawal cognitions (Ones and Viswesvaran, 1997).

Understanding such factors affecting adjustment may therefore prove useful for organizations in contributing to the successful management of their expatriate workers.

The main purpose of this study is to introduce regulatory focus (RF) (Higgins, 1997) as a personal trait-like orientation that can affect expatriate adjustment. RF theory indicates that individuals who are promotion focused, attain goals related to positive end states, are people often willing to take risks, tend to be persistent when facing difficulties and frequently explore alternative solutions. In contrast, prevention-focused people have a tendency to pursue end states that avoid negative results, are more risk averse, relatively less persistent when facing difficulties and are often more willing to quit (Higgins, 1997).

Previous research suggests that few personality attributes have been examined in the framework of expatriate adjustment (Beugelsdijk, Ambos and Nell, 2018; Bader and Schuster, 2015; Lee and Kartika, 2014). Therefore, by utilizing regulatory focus (RF) theory, this study aims to illustrate RF theory's relevance to expatriation management. We posit from a theoretical viewpoint that RF theory can highlight particular behavioral differences that are relevant to expatriates. Through adding RF as a personal trait-like orientation, this study adds to the literature in contributing further to our understanding of expatriate adjustment, as it is important to steer away from the fragmented and oversimplistic treatment of culture surrounding international business research (Tung and Stahl, 2018). This study therefore focuses more on managers at an individual level, and refrains from the atomistic fallacy of trying to extrapolate findings to those of a company, state or nation.

Research by Black, Mendenhall and Oddou (1991) discovered that the novelty associated with people experiencing a different culture could also have an influence on

adjustment. Since this pioneering work, the relationship between cultural distance (CD) and expatriate adjustment has further been examined with somewhat inconsistent results (Peterson and Barreto, 2018). While there is an argument that higher CD results in lower adjustment, findings from the scientific literature are often counter-intuitive (Selmer, 2001; Selmer, 2002; Selmer, 2007; Selmer and Luring, 2009). For example, Selmer (2007) found no significant differences in adjustment levels among American and German expatriates in Canada. The second purpose of this study is therefore to provide fresh insights surrounding this debate on the cultural distance – expatriate adjustment (CD-EA) relationship, which complements previous work through adding the notion of regulatory focus as a moderating variable the CD-EA equation.

In the subsequent sections, we follow Black et al.'s. (1991) seminal study which they portrayed CD as an antecedent of adjustment. This model is common in many expatriate studies. However, we expand this model by adding RF into this picture. Hence, this study illustrates how and why RF can be used to explain individual differences in expatriate adjustment, and specifically regarding the relationship amid expatriate adjustment and cultural distance. It is believed that RF theory can usefully explain some of the inconsistent results surrounding relationships between CD and expatriate adjustment in prior studies. RF theory thus provides a suitable basis for enriching the expatriate literature, and can also prove useful for assisting decision making relating to expatriate management practices, and specifically for appointing individuals with personal traits to send on international assignments which may be best suited to that task.

This study contributes to the existing expatriation literature in numerous ways. First, by adding regulatory focus to the relationship between cultural distance and

expatriate management, this investigation extends knowledge relating to the cultural facets in an expatriate setting. Second, through adopting regulatory focus theory to explain expatriate management research, this study brings a new theoretical lens to this area, which is not commonly seen in human resource management (HRM) studies. Third, by studying Israeli managers, a relatively under-researched group of individuals, this study expands on other expatriate research that typically involves North American or European managers. Specifically, this study focuses on expatriates from the Middle East, a context where more research needs to be undertaken in order to increase our awareness of such cultures in linking West and East. In brief, this study seeks to address the following research question: what are the effects of RF as a personal trait-like orientation on expatriate adjustment, and on the cultural distance – expatriate adjustment relationship?

### **Literature Review and Hypotheses Development**

The underpinning literature suggests that two sets of factors tend to influence work behaviour i.e., organizational or individual aspects, and non-work aspects. With regards to individual or organizational factors, their influence on self-initiated expatriate embeddedness has been well documented and understood (e.g. Chen and Shaffer, 2017). In particular, Kraimer and Wayne (2004) studied the influence of factors such as the individual, their family and social capital on expatriate adjustment and performance. The moderating effects of psychological contracts and organizational support have also been examined, as have competing hypotheses involving group task struggle and group relationship engagement (Choi and Cho, 2011; Lee and Kartika, 2014).

With regards to non-work factors, some studies have explored how home culture can foster expatriate adjustment through bolstering relational security (see Fu, Morris and Hong, 2015), and other research has looked at process models which can explain expatriate adjustment, and specifically the reduction in cultural cognitive dissonance (Maertz Jr, Hassan and Magnusson, 2009). A host of scholars have examined cultural issues, including language ability and expatriate adjustment (Selmer and Luring, 2015), the Yin Yang effect (Fang, 2012), and a plethora of work has attempted to explore new theories of cultural value orientations and how cultural differences can affect expatriate business and management procedures (Schwartz, 2008; Trompenaars and Hampden-Turner, 2013).

Further, critiques of cultural difference also exist, including those on Hofstede's culture dimensions (Fang, 2003), extensions of stereotyping to place cultural sense-making into context (Osland and Bird, 2000), negations of the "cage" of collective cultural mind programming (McSweeney, 2016), observations of paradoxes and change in national cultures (Fang, 2006), and examinations of whether national culture is still relevant to management in a global context via case studies of individual countries such as Switzerland (Chevrier, 2009).

### ***Expatriate Adjustment and Cultural Distance (CD)***

Expatriate adjustment is delineated by Bhaskar-Shrinivas, Harrison, Shaffer and Luk (2005, p. 257) as "the degree of comfort or absence of stress associated with being an expatriate". It is comprised of three components: interaction, work and general adjustment (Black and Stephens, 1989; Black, 1988; Black and Gregersen, 1991). *Work adjustment* concerns the mental comfort expatriates' sense within the situation related to their job in the foreign country. Specifically, it embraces comfort with expectations and performance

standards and supervisory responsibilities, particularly those surrounding work and additional job loads (Selmer, 1999).

*Interaction adjustment* relates to an expatriates' psychological well-being and interactions with host country nationals (HCNs), both outside and within the workplace. *General adjustment* is defined as the expatriates' psychological well-being regarding non-work factors, such as food, transportation and healthcare, and has often been studied by relying on the stressor-stress-strain framework (see for example Harrison, Shaffer and Bhaskar-Shrinivas, 2004). Maladjustment (or stress) has its outcomes (strain), which have commonly been referred to in the expatriate literature as success or dependent outcome measures, and include job satisfaction, intention to quit or withdraw and performance (Ones and Viswesvaran, 1997). Many studies have demonstrated that expatriate adjustment is positively related to success outcomes (see meta-analyses in Hechanova, Beehr and Christiansen, 2003; Harrison et al., 2004; Bhaskar-Shrinivas et al., 2005). Ergo, understanding the factors that affect expatriate adjustment is considered important for improving the success rates surrounding international expatriate responsibilities (Shay and Tracey, 1997).

Research suggests that the cultural novelty associated with a country, or the cultural togetherness of expatriates can influence expatriate aptitudes to adjust (Church, 1982, Mendenhall and Oddou, 1985, Black and Gregersen, 1991) In essence, cultural novelty captures the differences between an expatriate's home and host countries in various aspects of culture, including beliefs, core values, customs and rituals (Hofstede, 1984; Peterson and Barreto, 2018). Based on such research, lower levels of cultural novelty reduce

uncertainty and stress that is manifested by higher levels of adjustment, especially general adjustment.

The reasons for such findings occurring may appear somewhat intuitive, and several studies have confirmed this. For example, a meta-analysis by Bhaskar-Shrinivas et al. (2005) found that cultural novelty was negatively related to general adjustment and less associated with interaction and work adjustment. Further, Hechanova et al. (2003) found negative and weak relationships for general, interaction and work adjustment. In such studies, cultural novelty was operationalized as a subjective, self-reported measure (Babiker, Cox and Miller, 1980, Torbion, 1982).

From a sample of New Zealand expatriates using CD – as measured by Kogut and Singh (1988) – Jenkins and Mockaitis (2010) discovered that CD was highly correlated with overall expatriate adjustment, which in turn significantly influenced the difficulty of such adjustment. Moreover, Froese and Peltokorpi (2011) claimed that there is a significant negative relationship between job satisfaction and cultural distance. Although adjustment was not measured directly, they found job satisfaction to be an outcome of expatriate adjustment (Bhaskar-Shrinivas et al., 2005). Collectively, these findings support the proposition that CD is negatively related to expatriate adjustment.

However, findings from other studies differ. For example, neither Peltokorpi (2008), nor Puck, Kittler and Wright (2008) find significant correlations between CD and adjustment. When controlling for background variables such as age, gender and time, research suggests that expatriates from similar cultures do not show higher adjustment levels than those originating from different cultures (Selmer and Luring, 2009; Selmer,



2007). In particular, one study discovered that Western expatriates in China appeared to adjust better than individuals of a Chinese origin do (Selmer, 2002).

The same author also found that British, German and North American expatriates in China had better interaction adjustment than French expatriates, while no differences were found between the British, Germans and North Americans (Selmer, 2001). A qualitative study also revealed that business managers from Hong Kong assigned to Mainland China reported significant difficulties in their adjustment, and this was despite some cultural similarity between these two managerial groups (Selmer and Shiu, 1999). Furthermore, a study by Hemmasi and Downes (2013) found support for all four cultural distance hypotheses, i.e., that CD usefully predicts negative relationships between CD and adjustment; positive relationships between CD and adjustment; no relationship; and that the effect of CD is not symmetrical.

Some scholars claim that the negative results of CD are overemphasized, due to a negative bias researchers have towards the effects of higher CD and that in reality adverse consequences are prevalent (e.g. Stahl and Tung, 2015). Although some rationale exists to explain why such bias exists, conflicting results here may suggest that cultural distance *per se* is not acting alone in its influence on expatriate adjustment (Selmer, 2007). The effect of CD is therefore more complex than it may appear. Several explanations for these conflicting results are provided. One is that expatriates coming from highly distant cultures are treated more carefully and receive more attention by locals, while those coming from relatively more close cultures have to fend for themselves (Selmer and Shiu, 1999).

Other suggestions include improved communication due to the Internet, the popularity of cross-cultural training programs, and English becoming the *lingua franca* of

business. Another explanation is that organizational culture (and the existence of a common technical language, such as in the IT sector) can moderate or even erase the influence of national culture (Gerhart, 2009). All these attributes can somewhat mask cultural differences (Selmer, 2001). As a compliment to help explain such conflicting results, this study suggests a different theoretical perspective which may shed further light on expatriate adjustment and its relationships with cultural distance by drawing on regulatory focus theory.

### ***Expatriate Adjustment and Regulatory Focus (RF) Theory***

Regulatory-focus theory (Higgins, 1997) posits two distinct categories of regulatory systems that are concerned with meeting the basic needs for either a) gain and nurturance, or b) safety and security. Individuals with nurturance needs are “promotion focused”, and those with security needs are more “prevention focused”. The two self-regulation structures fulfil these desires through the quest for different goal types, use dissimilar behavioural means and are characterized by dissimilar emotional experiences and evaluations.

A promotion focused individual actively pursues hope and has positive wishes and aspirations. Such people are concerned with the absence (or presence) of achievement, positive consequences or accomplishment. Individuals tend to follow “ideals”, such as succeeding at school and they vigorously pursue opportunities for progression toward these objectives, such as looking for time to revise for college examinations (Higgins, 1997). On the other hand, prevention focused individuals follow in the search of “duties”, responsibilities, or obligations, and show apprehension with the absence (or presence) of loss. They often strive for safety and look to avoid negative outcomes. Viewing success in

an exam as a duty results in behaviours for avoiding conditions that may cause loss (Higgins, 1997).

As RF “is conceptualized as a chronic, trait-like orientation as well as a momentary, state-like orientation” (Fay, Urbach, and Scheithauer, 2019, p. 2), individuals may thus have different regulatory systems depending on their personality. Regulatory-focus can also be primed provisionally (Higgins, 1997) by presenting tasks as either gain/non-gain e.g., you will gain one dollar for each correct word you build in an anagram – triggering promotion, or loss/non-loss e.g., you will lose one dollar for each incorrect word you build – triggering prevention. Promotion-focused people, being enthusiastic to match the desired end-states, try all avenues of development and are prepared to take on additional risks (Higgins, 1997). Prevention-focused individuals meanwhile are more sensitive to undesirable results and thus cautiously avoid making errors (Higgins, 1997).

In establishing the fundamentals of RF theory, Higgins (1997) emphasizes numerous behavioural variances that are central to RF theory and may be related to how expatriates adjust to new settings. First, promotion-focused people pursue more alternative resolutions to problems. Promotion-focused expatriates may therefore try to find more alternative solutions to communicate with host country nationals, to resolve problems at work or in their daily life. Second, there are variations in how individuals react in response to perplexing situations (Crowe and Higgins, 1997). For example, “when a task becomes difficult one can expect promotion focused individuals to persevere, where prevention focused individuals may quit more readily” (Higgins, 1997, p. 1286). Hence, we may expect promotion-focused expatriates to persevere despite the difficulties they encounter. Third, empirical research suggests that the performance relating to promotion-focused

individuals before and after errors is the same, while performance for prevention-focused people tends to be worse after making mistakes (De Lange and Van Knippenberg, 2009). Therefore, promotion-focused expatriates are likely to pursue contact with host nationals despite any mistakes they make in their communication, and prevention-focused individuals meanwhile are less likely to do so.

Fourth, intergroup bias is manifested in different ways, depending on RF (Sha, Brazy and Higgins, 2004), as individuals that are promotion focussed seek proximity to in-groups and experience more cheerful-related emotions towards them, but do not avoid out-groups. In contrast, individuals that are prevention-focused wish to remain distant from out-groups and feel more agitated towards out-groups. Therefore, prevention-focused expatriates are more likely to avoid host country nationals than promotion-focused individuals, and this will be manifested in their ability to adjust.

Summarizing the above, in the expatriation setting, promotion-focused individuals frequently persevere when faced with difficulties and tend to seek alternative solutions to complex situations and therefore adjust well to local conditions and systems. The performance of promotion-focused individuals often remains the same, even after making errors, leading them to readily adjust to different work settings, new job responsibilities and working standards. They won't feel agitated by outgroups, which allows them to better integrate, feel comfortable and adjust. This is not the case for prevention-focused expatriates, who vigilantly avoid making mistakes, tend to quit more readily when faced with difficulties, seek fewer alternative solutions, perform worse after making mistakes and remain distant from locals – behaviours which may lower their adjustment.

Where there is a negative association between cultural distance and adjustment (Black et al., 1991), the same above-mentioned reasoning may be used. We believe that this negative effect will be weaker for promotion than prevention-focused expatriates. This is because promotion-focussed individuals will persevere, seek out alternative solutions when faced with difficulties, maintain their performance standards after making mistakes and do not avoid locals - despite the cultural distance they experience. Based on this discussion, the following hypotheses are posited (see Figure 1)<sup>1</sup>:

*Hypothesis 1: Expatriates that are promotion-focussed adjust better to international assignments than prevention-focussed individuals.*

*Hypothesis 2: Regulatory Focus (RF) has a significant moderating effect on the relationship amongst cultural distance (CD) and expatriate adjustment (EA). This relationship is weaker for promotion than prevention-focussed expatriates.*

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## **Method**

Israeli managers were chosen as a sample for this study. By studying such expatriates, a relatively under-researched group of individuals, this work builds on prior research that has been undertaken predominantly in both the US and Europe. Whilst recent work has tended to focus on China, India and Africa, a focus on expatriate managers from Israel that reside overseas offers potential to further contribute to the understanding and knowledge of this discipline.

Through taking a sample of Israeli respondents, this study avoids any unnecessary potential confounding effects that could be associated with samples of respondents from different nationalities. Additionally, research involving Israeli expatriates is somewhat neglected, as historically many people of Israeli origin have tended to work outside their home country. Hence, this is one of the first studies to focus on such individuals. Finally, because of their culture and diversity, individuals of an Israeli origin are in an ideal position to bridge the gap between East and West, and as a result this makes this study influential in terms of offering fresh \* cultural (?) \* insights for both scholars and practitioners alike.

Thirty-eight Israeli organizations that regularly send their managers overseas on long-term international assignments were initially approached and asked to participate in this research study. The headquarters for each were located in Israel and headed by Israeli managers. In total, thirteen organizations from multiple industrial sectors agreed to take part, and included hi-tech firms, heavy industry businesses and governmental sector organizations. These organisations agreed to administer the survey with their expatriate executives who were posted overseas, an approach which yielded a total of 223 respondents, of which 166 were male and 57 females.

These expatriate executives were located in over 30 countries, including North America, the U.K., Australia, Europe and Asia, and such respondents had been in their current post for between one and five years. Their average age was slightly below 40 years (see Appendix A). Of the 223 study participants, 75% were born and raised in Israel, with the other 25% immigrating to Israel from other countries. Only 18% of the immigrants (i.e. around 4% of the whole sample), immigrated less than 10 years ago. Hence the vast majority of these participants had absorbed Israeli culture.

Most of the participants were reached via email through their own HR department, and each respondent was invited to participate in an online survey. A follow-up email was sent to all non-respondents after two weeks of the initial participation request. The effective response rate was 56%. Each construct and item in the study had been extensively used before, and are presented in Appendix B along with the source of such measures.

*Regulatory Focus (RF)* was operationalized through adopting the Schwartz Portrait Questionnaire (SPQ), based on Schwartz, Lehmann and Roccas (1999) and the Hebrew form by Van-Dijk and Kluger (2004). The scale consists of 15 items; seven for promotion, such as, 'I frequently imagine how I will achieve my hopes and aspirations', and eight for prevention, for example, 'I am anxious that I will fall short of my responsibilities and obligations' (anchored on a 1-7 scale where 1 = strongly disagree, 7 = strongly agree). The SPQ was then followed, which has a technique for categorizing participants as either 'prevention' or 'promotion' focused.<sup>2</sup>

*Cultural Distance (CD)*: Certain studies have tended to use objective measures of CD, and in those that have, results have been inconsistent. Research by Waxin (2004) suggests that country of origin significantly affects interaction adjustment among expatriate managers in India, but nothing was concluded regarding whether expatriates with high CD had low interaction adjustment. The approach of using subjective, self-reported measures (Babiker et al., 1980, Torbion, 1982) has its advantages, as doing so captures expatriate perceptions of how different home - host cultures are, and also captures regional and individual differences (Shenkar, 2001).

However, a researcher who wishes to examine how cultural distance is affected by personal traits takes the risk that a subjective cultural distance measure may already be

confounded by mind-sets or personal characteristics, which include cross-cultural motivation (Chen, Kirkman, Kim, Farh and Tangirala, 2010), cultural intelligence (Early, 2002), or other personal characteristics that could influence expatriates' cultural perceptions (Peterson and Barreto, 2018). Further, the subjective measure may be more exposed to common method bias, since an expatriate who perceives the new foreign environment to be a very novel culture may feel that s/he is not at all adjusted. Hult and colleagues (2008) highlight certain data collection equivalence issues in cross-cultural studies, one of which is construct equivalence and relates to whether a concept is the same in all contexts and cultures. Clearly, using an objective CD measure eliminates this problem.

In order to avoid such potential issues, a cultural distance measure based on objective attribute differences between the expatriate's home country and host country culture could be used. It should be noted that using objective CD measures has been criticized as well. McSweeney (2002) for example criticizes Hofstede's dimensions for lacking theoretical background, Baskerville (2003) argues that culture cannot be represented by distinct dimensions, and similar arguments are raised by Fang (2005) stating that the 'onion' approach should be replaced by an 'ocean' approach to culture. Yet, objective CD measures have their advantages, and have been widely used since the publication of the culture dimensions by Hofstede (1984), which is the most mentioned in the Social Science Citation Index (Parboteeah, Hoegl and Cullen, 2008).

Since this study deals with how personal traits interact with CD in their influence on expatriate adjustment, an objective CD measure was preferred in order to avoid confounding effects and common method bias as much as possible. As an objective cultural



distance measure, two different measures were used. First, Hofstede's (1984) four dimensions of culture were used, which has been referred to as "one of the most influential frameworks in international business research" (Leung, 2006, pp. 881). As the primary measure, the approach offered by Kogut and Singh (1988) was adopted (see Appendix C), who computed a formula to measure Cultural Distance and named this variable CD.<sup>3</sup> However, Hofstede's dimensions of culture - of: Power Distance, Masculinity, Uncertainty Avoidance, and Individualism were separated. The CD for each dimension was computed by subtracting the home country dimension (Israel) from the host country's dimension, resulting in "Power Distance CD" and "Masculinity CD" etc.

Second, House, Hanges, Javidan, Dorfman and Gupta's (2004) GLOBE study of 62 societies was used, which was cited by Leung, (2006, p.881) as "probably the most sophisticated project undertaken in international business research". The GLOBE research has nine culture dimensions, each with a description of "should be" (ideals, values), and "as is" (practice). Since the current study concerns the impact of CD on attitudes and feelings of expatriates, the "as is" readings of the nine GLOBE variables were used, i.e., Assertiveness, Future Orientation, Performance Orientation, Institutional Collectivism, Gender Egalitarianism, Humane Orientation, In-Group Collectivism, Power Distance, and Uncertainty Avoidance. The CD for each dimension was computed in the same way as for Hofstede's (1984) individual culture dimensions. The GLOBE attributes were adopted to address limitations associated with using Hofstede's cultural dimensions (Tung and Stahl, 2018). Finally, following Shenkar (2001), the following control variables were used: age, gender, education, religiosity, seniority (managerial level), host language fluency, previous foreign experience, country of residence and time residing in an overseas country.

## **Results**

### *Adequacy of Measures: Reliability, Validity and Common Method Bias*

Numerous steps were taken to enhance reliability and data validity. First, Cronbach's alpha was used to test internal reliability, which provided estimates between .76 and .86. These figures exceed the .60 cut off value proposed by Bagozzi and Yi (1988). Subsequently, following Fornell and Larcker (1981), the average variance extracted (AVE) was calculated to check for discriminant validity (see Table 1). The factor loading estimates from the confirmatory factor analysis (CFA) were substantive and statistically significant ( $p < .001$ ). The AVEs for work adjustment, interaction adjustment and general adjustment were .53, .59 and .51 respectively. These AVEs are all higher than each of the squared Pearson correlations, indicating discriminant validity, and that these three dimensions relating to expatriate adjustment are indeed different sub-constructs (see Table 2).

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Second, confirmatory factor analysis was employed to evaluate the overall fit indexes of the measurement model (Anderson and Gerbing, 1988). Despite the significant chi-square statistic ( $\chi^2(71)=138, p=.000$ ), which is often common with large samples, the fit indexes were adequate (CFI=.949, FNI=.901, TLI=.934, RMSEA=.064) and the measurement model was considered acceptable (Byrne, 2016). The ratio of the chi-square to degrees of freedom was 1.94, which offers further evidence of a respectable model fit

(Carmines and McIver, 1981). In total, these results suggest some degree of confidence in the measurement model adopted.

Third, a concern of common method variance (CMV) or common method bias (CMB) may be raised due to the fact that data was drawn from a single source. To mitigate these concerns, CFA was used to consider whether CMB was present (Meade, Watson and Kroustalis, 2007). Utilizing the correlated uniqueness factor method (Podsakoff, MacKenzie, Lee and Podsakoff, 2003), the data suggests that differences between the factor loadings and correlations with and without a common factor did not exceed 0.1. These results imply that the data does not have significant CMB or CMV. As discussed previously, the CFA statistics exposed a good fit and each construct was different from one another.

A partial correlation technique was administered on the data (Lindell and Whitney, 2001), in which a marker variable is chosen, i.e. a variable that is theoretically unrelated to at least one research variable, so a zero correlation is expected. In this study, religiosity was selected, i.e., how orthodox the expatriate reports he/she is on a 1-7 scale serve as a marker variable. Theoretically, as there is no reason for religiosity to be related to work adjustment, the correlation with work adjustment was used as an estimate of the correlation with the common latent factor. The CMV - adjusted correlations were then calculated amongst the research variables using the calculations provided by Malhotra, Kim, and Patil (2006) (see Table 2). The differences between the unadjusted and CMV-adjusted correlations were small (below .10) and not significantly different at the  $p < .05$  level. Finally, it is also noted that CMV is less likely to exist in complex models with multifaceted relations (Siemsen, Roth and Oliveira, 2010).

### Hypothesis Testing

The correlations and descriptive statistics among all the investigated variables<sup>1</sup> are illustrated in Table 2. As in some other studies, CD was negatively correlated only with general adjustment. Specifically, work adjustment was correlated with seniority and less with time on mission and age ( $r=.33$   $p<.01$ ,  $r=.21$   $p<.01$ ,  $r=.16$   $p<.05$  respectively). Interaction adjustment was correlated with native language articulatory and seniority ( $r=.38$   $p<.01$ ,  $r=.31$   $p<.01$  respectively), and general adjustment was negatively correlated with cultural distance and religiosity ( $r=-.35$   $p<.01$ ,  $r=-.26$   $p<.01$  respectively).

To test the first hypothesis, hierarchical regression was performed on adjustment, first inserting the control variables and using RF as the independent variable. The results are shown in Table 3. As seen, after controlling for the contextual variables, regulatory focus was a significant predictor of interaction adjustment, but not of work or general adjustment. This supports hypothesis H1 for interaction adjustment only. In order to test the second hypothesis, the product variable RF\*CD was added to the equation in step 3. As can be seen in this regression step, RF was a significant moderator of the cultural distance – general adjustment relationship. Using Aiken and West's (1991) method for interpreting interaction effects, it was found that for prevention-focused expatriates, the relation between CD and general adjustment was negative and significant ( $\beta =-.43$ ,  $p<.001$ ), whereas for promotion-focused expatriates this relation was non-significant (see Table 4). These results are also depicted in Figure 2, where the simple slope for prevention-focused expatriates is negative and significant, while for promotion-focused ones such a

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<sup>1</sup> The relationships between RF and all CD dimensions were examined. None were found to be significant.

relationship is practically non-existent ( $\beta = -.17, p > .05$ ). These findings support hypothesis H2 for general adjustment only.

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Using Alternative Measures of CD

In his critical review of CD studies, one of Shenkar's (2001) recommendations was to not consider an aggregate CD measure, but rather to test individual culture dimensions. Hence, a *post-hoc* analysis was used to examine in more detail which of the four CD dimensions affects general adjustment and interacts with RF. Moreover, the results from the Hofstede (1984) and GLOBE (House, Hanges, Javidan, Dorfman and Gupta, 2004) dimensions were compared. Specifically, adjustment was regressed with CD, and Hofstede's (1984) four dimensions (power distance, uncertainty avoidance, individualism and masculinity) and the nine GLOBE measures (uncertainty avoidance, power distance, institutional collectivism, assertiveness, performance orientation, in-group collectivism, humane orientation, future orientation and gender egalitarianism) as independent variables (after controlling for the other contextual variables). Similar to results obtained for the combined CD variable, Hofstede's four dimensions and the GLOBE nine dimensions were not related to work and interaction adjustments. The results for general adjustment as a dependent variable are shown in Table 4.

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The findings reveal that each of the four CD dimensions was a significant predictor of general adjustment ( $\beta = -.52, .52, .58, -.40, p < .001$  for power distance, individualism, masculinity and uncertainty avoidance respectively), and the interaction with RF was also significant for each of the four. It can also be seen that the impact of each dimension on general adjustment was not significant for promotion-focussed individuals (except for power distance). In contrast, and for the majority of the cases relating to prevention-focussed expatriates, the CD dimensions had a significant influence. In particular, the effect of individualism, masculinity and uncertainty avoidance was non-significant for expatriates with a promotion focus. When all four dimensions were entered into the regression together, they all appeared statistically significant. In short, the findings suggest that for this study, Kogut and Singh's (1988) combined CD measure captures adequately the difference between promotion and prevention-focused expatriates.

Furthermore, the process was repeated for the nine GLOBE dimensions individually (see Table 4). The results confirm that except for assertiveness, humane orientation and future orientation, all the other dimensions were significant predictors of general adjustment. Moreover, apart from institutional collectiveness and these same three dimensions, the interaction with RF was significant and the simple slope for the promotion-focused expatriates was non-significant, while it was significant for prevention-focused individuals.

When all nine GLOBE dimensions were introduced into the regression equation, only in-group collectivism came out significant ( $-.36, p < .001$ ), again showing a significant effect for prevention-focused expatriates ( $-.49, p < .001$ ) but none for promotion-focused ones ( $-.14, p > .05$ ). Altogether, when considering the combined CD measure i.e., using the

four individual culture dimensions of Hofstede (1984) and the nine individual GLOBE culture dimensions (House et al., 2004), the findings suggest there is strong support for hypothesis H2.

## **Discussion**

Tung and Stahl (2018) claim that to better understand how performance is affected by cultural diversity, one should examine factors at the individual level. In order to address this issue, this study had two hypotheses. The first posited that expatriates who are promotion-focussed adjust better to international assignments than prevention-focussed individuals. The study found support for better interaction adjustment in promotion-focussed expatriates. The second hypothesis postulated RF as a moderator of the CD-adjustment relationship, where such negative relationships would be expected to be stronger for prevention than promotion-focused expatriates. This relationship was supported for general adjustment.

The rationale behind these outcomes was that when faced with difficulties, promotion-focused individuals tend to persevere (Higgins, 1997); they seek alternatives when they encounter problems (Crowe and Higgins, 1997), do not overly worry if they make mistakes (De Lange and Van Knippenberg, 2009) and do not feel agitated towards out-groups (Shah, Brazy and Higgins, 2004). The study findings thus suggest that interaction and general adjustment are more affected by such behaviour. When expatriates seek alternatives, they may find other ways to communicate with host country nationals (as part of the interaction adjustment process), familiarize themselves with transportation systems (part of general adjustment), and doing so may not necessarily contribute to their understanding of job requirements i.e. work adjustment.

Similarly, when expatriates are less hindered by mistakes, they may still try to communicate with locals despite making such mistakes, but are likely to feel uncomfortable with their supervisory responsibilities, which forms part of their work adjustment (Selmer, 1999). Although psychic distance is claimed to significantly affect the choice of location and is defined by the perceived distance that one holds regarding a particular country, this can also change in context, for example when one crosses national borders (Beugelsdijk, Ambos and Nell, 2018). However, a possible explanation why work adjustment is less affected by CD is that the work environment may not necessarily be as culturally distant as the general living and interaction environments facing expatriates. Individuals may therefore more readily adjust to organizational cultures across borders. English may also be the main communication language used at work (as evidenced by the low correlation between work adjustment and local language fluency). This circumstance may potentially mask promotion - prevention focussed individual differences, and remains an open question for future research to investigate.

Previous studies that used objective measures of cultural distance found inconsistent results regarding the relationships between CD and expatriate adjustment. As stated earlier, a fairly recent study provided evidence to suggest that four types of such relationships exist (Hemmasi and Downes, 2013). In an attempt to reconcile these inconsistent results, scholars have provided several *ad-hoc* explanations (Selmer and Shiu, 1999; Selmer, 2001), and some have criticized existing perceptions regarding CD (Shenkar, 2001). Further, other studies have proposed certain personal characteristics that may be related to the CD-adjustment relationship, such as cultural intelligence (CQ) (Zhang, 2013) or cultural incentive (Chen et al., 2010). This study adds to the literature



surrounding national culture and cultural values of Israeli respondents in the context of the cultural frameworks of Hofstede (1980) and GLOBE.

The findings from this study reveal a number of issues arising which warrant further consideration and research, both in theory and in practice. From a theoretical perspective, this study provides unique insights surrounding the influence of regulatory focus on the cultural distance - adjustment relationship in the setting of expatriate management. It has specifically found that regulatory focus theory can be relevant in explaining expatriate adjustment efforts at least for interaction and general adjustment. As the extant literature has only recently included regulatory focus theory within an expatriate management setting, more work could be done to further embed this theory in the field (Silbiger et al., 2017).

The study findings are consistent with the observation that understanding cultural distance may not always be sufficient for comprehending expatriate adjustment, as other factors such as RF could indeed play a role too (Selmer and Luring, 2015). The application of regulatory focus theory to cultural distance and expatriate management thus helps to empirically explain the phenomena of Israeli expatriate manager attitudes and in turn, leads to the potential non-obvious re-conceptualization and consideration of existing relationships posited from previous studies (Corley and Gioia, 2011; Cornelius and Durand, 2014).

Our results also reveal that specific CD dimensions have different effects on general adjustment. Here, power distance and uncertainty avoidance had a negative effect on general adjustment, individualism and masculinity had a positive effect. While these relationships were not originally hypothesized and this test was undertaken *post-hoc*, the

findings herein make sense, where general adjustment is defined as the psychological comfort with respect to leisure, health-care and daily routines. This is because where expatriates that come from cultures with high levels of individualism, such people are often less concerned about the society as a group, and those with high masculinity tend to be assertive and aim to achieve. As such, these expatriates may possess characteristics that allow them to adjust better to their general living conditions. Of course, while high levels of uncertainty avoidance obviously make adjustment somewhat challenging, the authors are not aware of any previous studies that have tested the effects of specific CD dimensions on expatriate general adjustment.

As clearly articulated in this study, RF theory can be directly applied to the dilemmas faced by practicing managers and other organizational practitioners in expatriate management. The empirical evidence reported signals expatriate adjustment as a real-life phenomenon that is highly pertinent to business (Corley and Gioia, 2011). In the light of RF, organizations therefore need to consider recruiting people with specific individual traits that are likely to best serve them on international assignments. There is some evidence to suggest in this study that those that are more promotion than prevention-focussed may be better equipped to adjust to the new business environment, at least in terms of their general adjustment and interaction with others. The theoretical framework used thus provides utility and pragmatic value for business, as it stems from a desire to reduce expatriate adjustment failure rates globally (Corley and Gioia, 2011), and may encourage other researchers to combine theory with practice to advance knowledge and provide fresh insights.

### *Limitations, future research and implications for practitioners*

One limitation of this study is that all members come from the single country of Israel, and reflects the quite common use of a single-country sample (e.g. Jenkins and Mockaitis, 2010, Kim and Froese, 2011; Selmer, 1999, 2007). While one may raise a concern that this sample prohibits generalization to additional cultures, it also has a constructive side, as effects arising from home culture dissimilarities are reduced, and also solves issues related to data equivalence (Hult et al, 2008). For example, the translation component of measurement equivalence is eliminated, since a single language of Hebrew is used for the entire sample. Also, data collection equivalence across cultures is of no concern, since all participants come from a single culture.

Nonetheless, future research studies are recommended to incorporate other cultures and subcultures in their research designs. In contrast, it is also arguable that more research could be undertaken among Israeli managers to understand further about the cultural attributes surrounding such individuals. It is thus acknowledged here that research with Israeli expatriates is scant and more such work could be done. A second limitation is that the results could differ based on other demographic characteristics such as age, gender, educational level, industrial sector and other socio-cultural settings. Further research could therefore be undertaken to study these characteristics in the future.

A third limitation, as explained earlier, is that using an objective measure for CD was done intentionally in order to avoid any confounding effects arising. It should also be noted that a previous study revealed a high correlation between CD, as measured in the present research, and perceived cultural distance (Jenkins and Mockaitis, 2010). It is believed that repeating this study using other objective measures combined with subjective

CD measures would help to provide further understanding of the impact that cultural differences may have.

A fourth and final limitation is that RF could be related to the coping behaviour of expatriates (Stahl and Caligiuri, 2005). For example, it may be that promotion-focussed individuals, when setting positive goals, use problem-focussed behaviour, while prevention-focussed individuals use emotion-focussed behaviour, which is known to be less effective to expatriate adjustment, especially when CD is high (Stahl and Caligiuri, 2005). This explanation could form another potential moderating effect that is worthy of future investigation. Such further research in these areas have the potential to make a significant impact on the relevant international management literature.

#### *Implications for practitioners*

The study findings signal that promotion as opposed to prevention-focussed individuals have better interaction and general adjustment, and promotion-focussed individuals also tend not to be influenced by cultural distance, and both are findings noteworthy for managerial practice. This is because organizations may find it beneficial to appropriately frame expatriate goals in pre-assignment briefing meetings, and these could regularly be reviewed during the assignment, as doing so could help induce a promotion-focus and potentially strengthen expatriate adjustment. Moreover, taking into account that a significant number of multinational enterprises identified finding and selecting the right candidates to send on overseas assignments as their biggest challenge (GMAC, 2008), the finding that RF plays a significant role in expatriate adjustment can therefore be used by organizations to better recruit the right individuals, with appropriate personality traits for

such assignments. Selection and recruitment of expatriate executives founded on specific personality traits is somewhat of an unknown phenomenon and relatively not well-understood in the current human resource and expatriate management literature.

### ***Conclusions***

This study has examined the cultural distance - adjustment relationship through a regulatory focus lens and in doing so has attempted to shed new light on such relationships. The findings revealed that the relationships between CD and adjustment may be more complex than simple intuition, because regulatory focus moderates such relationships, i.e., the negative relationship between CD and general adjustment existed purely for prevention-focussed expatriates. This study therefore contributes to the existing expatriation literature in several ways. First, it offers new findings to the limited number of expatriation studies that use an objective CD measure. Second, this study enables greater understanding of CD-adjustment relationships. In particular, it illustrates that apart from obvious personal characteristics, personal traits that may appear somewhat unrelated do seem to play a role. Third, the results infer that regulatory focus, over and above all other contextual variables (including host language fluency), served as the most influential predictor of interaction adjustment.

### **Endnotes:**

1. It is not uncommon to propose personal traits as both predictors and moderators (Caligiuri, 2000a; Caligiuri, 2000b).
2. Respondents' raw data underwent the SPQ process i.e., the response provided from each individual was standardized based on their average, then each individual was categorized as above or below the total promotion and prevention items average. This resulted in two dichotomous variables, i.e. prevention and promotion. Based on these dichotomous variables, each participant

could be classified as either promotion-focused (49%) (namely, “Promotion”=1 and “Prevention”=0) or prevention-focused (51%).

3. While Hofstede later added two further dimensions i.e., Long Term Orientation and Indulgence, this research followed Kogut and Singh (1988) who utilized the first four variables in order to examine the findings with earlier studies.

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Table 1: Adjustment Measurement and Confirmatory Factor Analysis

Construct and Item.	Factor Loading	Z Value
7-point Likert scale. 1=Not at all adjusted; 7=Very well adjusted		
<b>General Adjustment.</b> Variance Extracted=.24 , $\alpha = .79$ , AVE=.53		
General living conditions in the host-country	0.67	6.6
Housing conditions in general	0.56	5.9
Food in the host-country	0.66	6.6
Shopping in the host-country	0.77	7.0
Cost of living in the host-country	0.48	5.3
Entertainment/recreation in the host-country	0.62	6.4
Health care facilities in the host-country	0.52	7.0
<b>Interaction Adjustment.</b> Variance Extracted=.22 , $\alpha = .86$ , AVE=.59		
Socializing with host nationals	0.84	13.5
Interacting with host nationals on a day-to-day basis	0.46	6.9
Interacting with host nationals outside of work	0.92	14.5
Speaking with host nationals	0.78	7.2
<b>Work Adjustment.</b> Variance Extracted=.15 , $\alpha = .76$ , AVE=.51		
Specific job responsibilities	0.77	8.7
Supervising host-nationals	0.74	8.6
Performance standards and expectations in the foreign facility	0.67	8.7
<b>Model Fit Index</b>		
$\chi^2(71)=138$ , $p=.000$ , NFI=.901, CFI=.949, TLI=.934, RMSEA=.064		

Note: AVE=Average variance extracted. NFI=Normed fit index. CFI=Comparative fit index. TLI=Tucker Lewis index. RMSEA=Root mean square error of approximation.

Table 2: Descriptive Statistics, Pearson Correlations, and Common Method Bias-Corrected Correlations

	M	SD	1	2	3	4	5	6	7	8	9	10
1 Work Adj.	6.1	0.81		(0.35)	(0.11)	(-0.01)	(0.09)	(-0.07)	(-0.08)	(0.28)	(0.03)	(0.00)
2 Interaction Adj.	5.2	1.26	.40**		(0.17)	(-0.04)	(0.02)	(-0.15)	(0.33)	(0.26)	(0.06)	(0.06)
3 General Adj.	5.6	0.86	.17**	.23**		(-0.45)	(-0.14)	(-0.03)	(0.05)	(-0.12)	(-0.07)	(-0.35)
4 Cultural Dist.	2.8	1.01	.06	.03	-.35**		(0.02)	(-0.05)	(-0.12)	(0.10)	(0.07)	(0.04)
5 Age	38.7	8.80	.16*	.09	-.07	.08		(0.16)	(-0.15)	(0.16)	(0.40)	(-0.20)
6 Education Years	15.8	1.40	.00	-.07	.04	.02	.22**		(-0.03)	(-0.10)	(-0.05)	(0.03)
7 Local Language	3.9	1.16	.00	.38**	.11	-.04	-.08	.04		(-0.07)	(-0.12)	(0.11)
8 Seniority	3.1	1.34	.33**	.31**	-.04	.16*	.22**	-.02	.00		(0.16)	(0.09)
9 Previous Missions	0.5	0.83	.09	.13	.01	.13	.44**	.03	-.04	.22**		(-.07)
10 Religiosity	1.3	0.62	.07	.13	-.26**	.10	-.12	.09	.17*	.15*	.00	
11 Time on Mission	1.8	1.29	.21**	.05	.10	-.02	.27**	-.10	-.01	.20**	.12	-.12

Note. N=223. \*  $p < .05$ . \*\*  $p < .01$

Zero-order correlations are reported below the diagonal; correlations adjusted for common method bias (Malhotra, Kim, and Patil, 2006) are reported above the diagonal.

Table 3: Hierarchical Regression for Adjustment

Dependent variable Predictor variable	Work Adj.	Interaction Adj.	General Adj.
Step1: Control Variables			
$\beta$ Age	n.s.	n.s.	n.s.
$\beta$ Education	n.s.	n.s.	n.s.
$\beta$ Gender <sup>a</sup>	n.s.	n.s.	n.s.
$\beta$ Language Fluency	n.s.	.37***	n.s.
$\beta$ Previous Assignments	n.s.	n.s.	n.s.
$\beta$ Seniority	.27***	.30***	n.s.
$\beta$ Religiosity	n.s.	n.s.	-.23***
$\beta$ Time Abroad	.16**	n.s.	n.s.
$\beta$ Cultural Distance	n.s.	n.s.	-.31***
$r^2$	.11***	.23***	.16***
Step 2:			
$\beta$ Regulatory Focus <sup>b</sup>	n.s.	.14*	n.s.
$\Delta r^2$	n.s.	.02*	n.s.
Step 3:			
$\beta$ RF*CD	n.s.	n.s.	.18*
$\Delta r^2$	n.s.	n.s.	.02*

Note. N = 223. (a) 0=male, 1=female. (b) 0=prevention focus, 1=promotion focus.  
 \*  $p < .05$ . \*\*  $p < .01$ . \*\*\*  $p < .001$  (two tailed)

Table 4: Standardized Regression Coefficients for General Adjustment as a Dependent Variable with CD, Cultural Dimensions, and RF as Independent Variables (IVs)

	Main Effect	Interaction <sup>a</sup>	Simple Slope for Prevention	Simple Slope for Promotion
	$\beta$ for the whole Sample	$\beta$ for IV*RF	$\beta$ for Prevention	$\beta$ for Promotion
Hofstede – Combined CD (Kogut and Singh, 1988)				
CD	-.31***	.18*	-.43***	-.17
Hofstede – Individual Dimensions				
Power Distance	-.52***	.17*	-.53***	-.23*
Uncertainty Avoidance	-.40***	.19*	-.38***	-.12
Individualism	.52***	-.25**	.49***	.18
Masculinity	.58***	-.35***	.51***	.12
GLOBE				
Power Distance	-.28***	.32**	-.42***	-.14
Uncertainty Avoidance	.21**	-.21*	.38***	.10
Institutional Collectivism	-.21***	.11	–	–
In-Group Collectivism	-.36***	.25**	-.49***	-.14
Assertiveness	-.04	-.10	–	–
Performance Orientation	.21**	-.29**	.46***	.07
Humane Orientation	.05	-.01	–	–
Future Orientation	.04	.12	–	–
Gender Egalitarianism	.22**	-.25**	.44***	.11

Note: N=223. (a) 0=prevention focus, 1=promotion focus. \*p<.05, \*\*p<.01, \*\*\*p<.001 (two tailed)



Figure 1: Framework

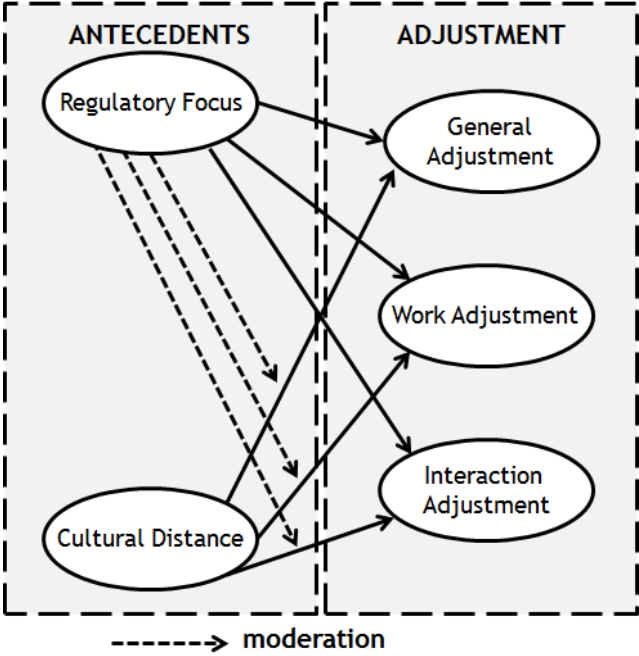
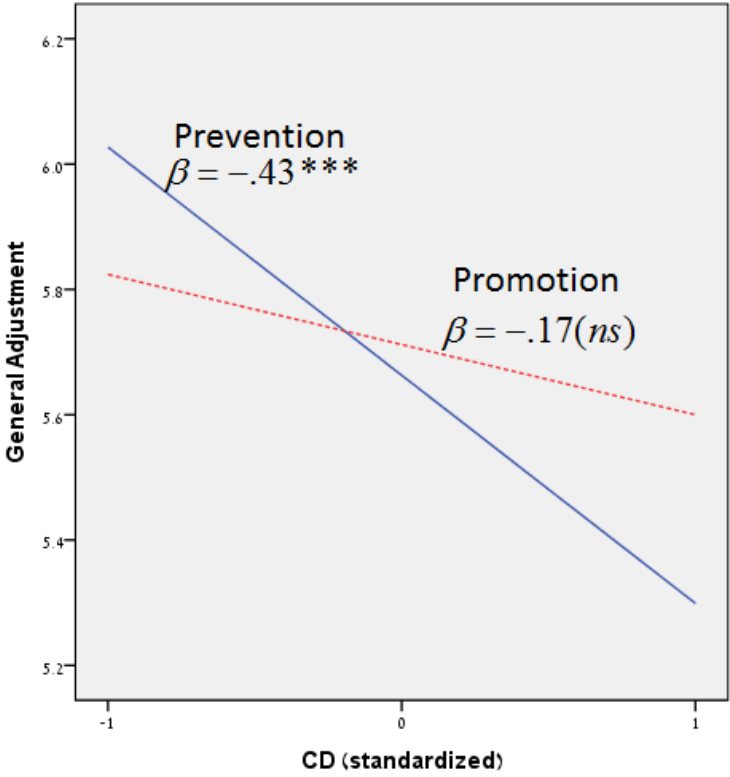


Figure 2: Relationships between General Adjustment and CD for Promotion and Prevention-Focused Expatriates



Note: \*\*\*p<.001

Appendix A: Demographic Data for each Geographical Cluster

Geographical Cluster	Participants		Avg. Age	Avg. Years of Education	% Females	Seniority <sup>a</sup> [1-5]	Time Abroad [years]	Lang. Fluency <sup>b</sup> [1-5]
	Number	%						
<b>Countries</b>								
<b>Anglo</b> Australia, Canada, New Zealand, South Africa, UK, USA	117	52.5	37	15.9	27.4%	3	1.8	4
<b>Southern Asia</b> India, Indonesia	6	2.7	43	15.7	16.7%	4	2.8	2
<b>Confucian Asia</b> China, HK, Japan, South Korea, Taiwan	18	8.1	40	15.8	22.2%	3	1.4	2
<b>Eastern Europe</b> Hungary, Romania, Russia	29	13.0	42	16.1	27.6%	4	1.8	4
<b>Germanic Europe</b> Germany, Netherlands, Switzerland	11	4.9	38	15.6	18.2%	3	2.3	2
<b>LATAM</b> Argentina, Brazil, Chile, Colombia, Mexico, Peru, Uruguay, Venezuela	24	10.8	38	15.4	25.0%	3	1.3	5
<b>Latin Europe</b> Belgium, France, Italy, Spain	14	6.3	40	15.6	21.4%	3	1.6	4
<b>Middle East</b> Turkey	2	.9	47	16.0	50.0%	4	2.3	2
<b>Sub-Saharan Africa</b> East and West Africa	2	.9	49	14.5	0.0%	5	2.3	3

Note: (a) 1=Low managerial level, 5=High managerial level. (b) 1=Low, 5=High  
Removing all clusters with less than ten participants did not change the overall results.

## Appendix B: Questionnaire Items

GENERAL ADJUSTMENT (Source of measure: Black and Stephens, 1989)
General living conditions in the host-country
Housing conditions in general
Food in the host-country
Shopping in the host-country
Cost of living in the host-country
Entertainment/recreation in the host-country
Healthcare facilities in the host-country
INTERACTION ADJUSTMENT
Socialising with host nationals
Interacting with host nationals on a day-to-day basis
Interacting with host nationals outside of work
Speaking with host nationals
WORK ADJUSTMENT
Specific job responsibilities
Supervising host-nationals
Performance standards and expectations in the foreign facility

REGULATORY FOCUS (Source of measure: Schwartz, Lehmann and Roccas, 1999)
In general, I am focused on preventing negative events in my life
I am anxious that I will fall short of my responsibilities and obligations
I frequently imagine how I will achieve my hopes and aspirations
I often think about the person I am afraid I might become in the future
I often think about the person I would ideally like to be in the future
I typically focus on the success I hope to achieve in the future
I often worry that I will fail to accomplish my goals at work
I often think about how I will achieve success at work
I often imagine myself experiencing bad things that I fear might happen to me
I frequently think about how I can prevent failures in my life
I am more oriented toward preventing losses than I am toward achieving gains
My major goal at work right now is to achieve my ambitions
My major goal at work right now is to avoid becoming a failure
I see myself as someone who is primarily striving to reach my “ideal self”—to fulfil my hopes, wishes, and aspirations
It’s important to me to get along with people around me
I see myself as someone who is primarily striving to become the self I “ought” to be—to fulfil my duties, responsibilities, and obligations
In general, I am focused on achieving positive outcomes in my life
I often imagine myself experiencing good things that I hope will happen to me
Overall, I am more oriented toward achieving success than preventing failure
I am very cautious not doing major or crucial mistakes in life
I usually prefer doing unusual things
I usually try to fulfil my ambitions even if the risk of failure is large

Appendix C: CD between Israel and Host Countries (Kogut and Singh, 1988).

Host Country	CD
ARGENTINA	0.9
AUSTRALIA	1.6
BELGIUM	2.0
BRAZIL	2.1
CANADA	1.4
CHILE	2.3
CHINA	5.3
COLOMBIA	2.8
EAST-AFRICA	2.5
FRANCE	2.0
GERMANY	0.9
HONG-KONG	4.1
HUNGARY	2.5
INDIA	3.7
INDONESIA	3.9
ITALY	1.6
JAPAN	3.3
MEXICO	3.5
NETHERLANDS	2.2
NEW-ZEALAND	1.1
PERU	2.2
ROMANIA	3.9
RUSSIA	4.3
SOUTH-AFRICA	1.8
SOUTH-KOREA	1.9
SPAIN	1.2
SWITZERLAND	1.0
TAIWAN	1.0
TURKEY	1.9
UK	2.5
URUGUAY	1.9
USA	2.0
VENEZUELA	4.2
WEST-AFRICA	3.5