

Grinstein, Amir; Wathieu, Luc

Working Paper

Cosmopolitanism, Assignment Duration, and Expatriate Adjustment: The Trade-Off between Well-Being and Performance

ESMT Working Paper, No. 08-011

Provided in Cooperation with:

ESMT European School of Management and Technology, Berlin

Suggested Citation: Grinstein, Amir; Wathieu, Luc (2008) : Cosmopolitanism, Assignment Duration, and Expatriate Adjustment: The Trade-Off between Well-Being and Performance, ESMT Working Paper, No. 08-011, European School of Management and Technology (ESMT), Berlin, <https://nbn-resolving.de/urn:nbn:de:101:1-201106143550>

This Version is available at:

<https://hdl.handle.net/10419/96575>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.

December 9, 2008



ESMT WORKING PAPER

ESMT No. 08-011

Cosmopolitanism, Assignment Duration, and Expatriate Adjustment: The Trade-Off between Well-Being and Performance

Amir Grinstein, Guilford Glazer School of Business and Management,
Ben Gurion University of the Negev
Luc Wathieu, ESMT

ISSN 1866-3494

Abstract

Cosmopolitanism, Assignment Duration, and Expatriate Adjustment: The Trade-Off between Well-Being and Performance

Authors*: Amir Grinstein, Guilford Glazer School of Business and Management,
Ben Gurion University of the Negev
Luc Wathieu, ESMT

This paper questions the notion that expatriates should adjust to their host country, by showing that adjustment and its consequences are affected by cosmopolitanism and expected assignment duration. A study of 260 expatriates in the U.S. reveals that cosmopolitans expecting shorter (longer) assignments adjust more (less) to both work and non-work aspects of their host country, and that this is associated with increased well-being. In contrast, for non-cosmopolitans, more well-being occurs when longer (shorter) expected assignments are accompanied by increased (decreased) work and non-work adjustment. Further, from the findings emerges a clash between two aspects of successful expatriation - well-being and professional success: while non-work adjustment is not always associated with well-being, work adjustment is positively related to assignment performance across conditions and subjects.

Keywords: Expatriates, international assignment, cosmopolitanism, cross-culture adjustment, multinational corporations, preference persistence, assignment duration, survey method

JEL Classification: D23

* Contact: Luc Wathieu; ESMT, Schlossplatz 1, 10178 Berlin, Germany; Tel: +49 (0)30 212 31-1284
Email: wathieu@esmt.org.

INTRODUCTION

Expansion of the global economy has led to increasing levels of expatriation, and expatriate assignments play an increasingly critical role in the execution of international business strategies and the development of global managers as well as in the development and mobility of knowledge across countries (Bolino, 2007; Harzing, 2001; Richardson and McKenna, 2006; Stahl et al., 2002). Business expatriates are employees and managers sent to a foreign country by multinational corporations (MNCs) with the intent of controlling the company operations and providing technical and administrative services (Jun et al., 2001). They often carry with them skills that are critical for the success of an MNC's subsidiary, and often the international assignment serves as an important tool for developing the global managers who will lead these organizations in the future (Bolino, 2007; Harzing, 2001). Self-initiated expatriates are people who have sought an overseas position independently such as academic researchers, students and to some extent company employees (Inkson et al., 1997). These expatriates are important to the global economy because many of them are involved in the creation of new knowledge, which then diffuses across countries (Inkson et al., 1997; Richardson and McKenna, 2006). Beyond the growth in the volume of expatriates and their important contribution for MNCs and the global economy, the costs of moving overseas and maintaining expatriation, and the costs associated with premature repatriation are very high (see Birdseye and Hill, 1995: 788; Jun et al., 2001: 369; Mezias and Scandura, 2005: 520). Thus, it is very important for the expatriate and the MNC assigning the expatriate that the international assignment be successful and that the expatriate and his family have a positive experience (Birdseye and Hill, 1995; De Cieri et al., 1991). Overall, the above calls for a better understanding of expatriates' motivations, attitudes and behaviors, and how these, in turn, lead to successful expatriation.

A basic tenet of previous research on expatriates is that successful expatriates adjust to the host country (e.g., Birdseye and Hill, 1995; Black et al., 1991; Jokinen et al., 2008; Jun et al., 2001; Stahl et al., 2002; Stahl and Caligiuri, 2005; Takeuchi et al., 2008; Tung, 1998; Van Vianen et al., 2004). Failure to adjust successfully has been suggested to lead to negative consequences such as lowered mental health, identity confusion, dissatisfaction and eventually turnover (Birdseye and Hill, 1995; Black and Stephens 1989; De Cieri et al., 1991; Jun et al., 2001). Despite the overwhelming support in the literature for the view that expatriates should adjust to the host country, some researchers have suggested that the relationship between international assignments and their personal and organizational consequences might be rather complex, and that it is unlikely that all expatriate assignments are equivalent (e.g., Bolino, 2007; Takeuchi et al., 2008). Further, there are indications that many expatriates do not adjust to the host country (between 16% and 40%; Black and Stephens, 1989) – would it be the case that for some of them maladjustment may actually represent a better strategy than adjustment? What are the conditions that might lead expatriates to adjust more or less and how do higher or lower adjustment levels under those conditions affect the success of the assignment? In this study we examine in tandem the role of two forces that are highly relevant in shaping expatriates' adjustment decision but that have not gained research attention in the context of expatriates and their joint effect have never been studied before: cosmopolitanism and expected assignment duration. Cosmopolitans are people whose orientation, pattern of behavior and consumption transcends any particular culture or country (Cannon and Yaprak, 2002; Thompson and Tambyah, 1999). While the literature on international assignments often discusses the increased demand for business leaders with a high level of global awareness and well-honed international skills (e.g., Bolino, 2007; Gregersen et al., 1998) it has never integrated the highly related concept of cosmopolitanism nor tested how different levels of cosmopolitanism among expatriates can

affect degree of adjustment to the host country and adjustment's personal or organizational consequences. Concerning duration of assignment, very few studies have discussed time on assignment as an important factor that impact assignment success (Bhaskar-Shrinivas et al., 2005; Bolino, 2007; Bolino and Feldman, 2000; Feldman and Thompson, 1993; Stahl and Caligiuri, 2005) and none have studied the impact of expected assignment duration. While time on assignment and expected assignment duration are likely to be correlated, the main advantage for expatriates and MNCs from studying the former is that it can help detecting prior to the assignment, the assignment's likelihood of success. Furthermore, we suggest that the interaction between expatriates' expected assignment duration and degree of cosmopolitanism may even be more important than duration itself in explaining expatriates' behavior and success.

Our findings suggest that under certain conditions emerges a clash between two key goals of expatriates that encompass successful expatriation: well-being and professional success. While we find that in general work adjustment in the host country leads to better professional outcomes, non-work adjustment does not always lead to improved personal outcomes. Specifically, we find that cosmopolitan expatriates who expect long assignments and non-cosmopolitan expatriates who expect short assignments typically do not adjust to the host country's non-work, general lifestyle environment and that this maladjustment is, however, consistent with a decrease in their well-being. In contrast, an alignment between non-work adjustment and well-being is found for cosmopolitan expatriates that expect short assignments and non-cosmopolitan expatriates that expect long assignments. These findings have important implications for MNCs and expatriates in terms of expatriate selection, length of assignment and success in international assignments.

The paper is organized as follows. We first provide some theoretical background, outlining research in international business and in organizational behavior relevant to expatriates' adjustment and its outcomes - focusing on non-work and work adjustment, and their associated consequences - well being and assignment performance. When we discuss the concepts of cosmopolitanism and expected assignment duration, we include insights from the consumer behavior literature on preference adaptation to new contexts and on the influence of temporal perspectives on decision making. We then develop two sets of hypotheses regarding (1) the interaction effect of expatriates' cosmopolitanism and expected assignment duration on their adjustment to the host country, and (2) the interaction effect of expatriates' cosmopolitanism, expected assignment duration and adjustment on their well-being and assignment performance. Next we test our hypotheses using data on business and self-initiated expatriates in the U.S., and discuss the empirical study, its findings and its implications for MNCs and expatriates. Finally, we discuss the study's limitations and offer future directions for research.

THEORETICAL BACKGROUND

Expatriates and Adjustment to the Host Country

Research on expatriation has devoted substantial attention to the study of business expatriates and only limited efforts to the study of self-initiated expatriates (Jokinen et al., 2008; Peltokorpi, 2008; Suutari and Brewster, 2000). Similar to business expatriates, however, self-initiated expatriates are increasing in numbers, are widely used by organizations, and have important impact on knowledge creation and dissemination across countries (Jokinen et al., 2008; Richardson and McKenna, 2006). While there are differences between the two groups on individual background variables, employer and task variables,

motivation and repatriation, there are also many similarities, such as in authority over locals, performance-based evaluations and the need to communicate effectively (Jokinen et al., 2008; Mendenhall, 1996; Richardson and McKenna, 2006; Suutari and Brewster, 2000). Thus, recent research on expatriation emphasizes the benefits from studying both groups of expatriates (Richardson and McKenna, 2006).

The relationships between expatriation, adjustment to the host country and various personal and organizational consequences constitute one of the most researched areas in the literature on expatriation (Bhaskar-Shrinivas et al., 2005; Black et al., 1991; Jun et al., 2001; Shaffer et al., 2006; Stahl and Caligiuri, 2005; Van Vianen et al., 2004). Adjustment can be conceptualized as changes in a direction of reduced conflict and increased fit between the expatriate and the new work or non-work environment in the host country (Aycan, 1997). A key dimension of cross-country adjustment that has typically been studied is work or professional adjustment. This involves adjustment in working standards and practices, language, and communication and interaction with local employees (Black, 1988; Black and Stephens, 1989; Van Vianen et al., 2004). Relatively fewer studies have examined non-work or general lifestyle adjustment practices in the host country (Andreason, 2008; Tung, 1998). Still, this is a central dimension of the expatriate's life and her/his family, and it is likely to significantly affect their well-being (Andreason, 2008; Black and Stephens, 1989; Takeuchi et al., 2008). Non-work adjustments might include, for example, changes in housing conditions, cost of living, shopping, food and entertainment (Black, 1988; Black and Stephens, 1989).¹

The literature is quite unanimous with respect to benefits associated with the adjustment of expatriates to the host country. From the organization's perspective, successful adjustment is expected to positively affect expatriates' organizational commitment, task productivity and quality, as well as overall job performance (Bhaskar-Shrinivas et al., 2005; Black and Gregersen, 1991; Jun et al., 2001). Similarly, Black and Stephens (1989) suggest that the longer it takes the expatriate to make the adjustment, the greater the costs to the organization and that these costs are quite substantial if the employee fails to make the adjustment at all. From the expatriate's perspective, because country/culture adjustment is a social cognitive process that reduces uncertainty and an affective process that reduces anxiety, the outcomes of adjustment to the host country often include well-being and satisfaction (De Cieri et al., 1991; Gao and Gudykunst, 1990; Van Vianen et al., 2004). Failure to adjust may lead to negative consequences such as lowered mental health status, feelings of marginality and alienation, heightened psychosomatic symptoms and identity confusion (Berry et al., 1987; Jun et al., 2001). These feelings, in turn, often negatively affect assignment performance and completion (Birdseye and Hill, 1995; Black and Stephens, 1989; Mezias and Scandura, 2005; Stahl and Caligiuri, 2005).

Prior research has examined a number of factors that influence cross-country/ cultural adjustment such as individual characteristics, international experience, family situation, country difficulty, similarity to home country, job characteristics, pre-departure selection and training, mentoring and support during the international assignment (e.g., Birdseye and Hill, 1995; Black and Gregersen, 1991; Black et al., 1991; Caligiuri, 2000a, 2000b; De Cieri et al., 1991; Jun et al., 2001; Mendenhall and Stahl, 2000; Mezias and Scandura, 2005; Stahl et al., 2002; Stahl and Caligiuri, 2005; Van Vianen et al., 2004). But conditions under which adjustment to the host

¹ While researchers often suggest a third dimension of adjustment – social interaction (e.g., Black and Stephens, 1989; Black et al., 1991; Takeuchi et al., 2008) this study did not follow this tripartite classification. The reason is that it was important for us to clearly distinguish between work and non-work adjustment so it would be possible to differentiate between their respective consequences: professional and personal. The inclusion of social interactions, that can be associated with each of the two other aspects of adjustment, would have made our distinction less clear cut.

country might not be the preferred strategy for the expatriate, her/his family or the MNC, have not been identified or discussed before.

Cosmopolitanism

The notion of cosmopolitanism has received some attention in the consumer research area. Cosmopolitan consumers are “citizens of the world” – consumers whose orientation transcends any particular culture or setting (Cannon and Yaprak, 2002). This identity as consumers appears central to the cosmopolitan's self-development, personal fulfillment, sense of life purpose and leisure enjoyment (Thompson and Tambyah, 1999). Cosmopolitans have the willingness to explore and experience the panoply of transcultural diversity. They consume cultural differences in a reflective, intellectualizing manner, they can afford the experiment, and do not stand to lose a treasured new and exciting cultural experience (Hannerz, 1990; Thompson and Tambyah, 1999). However, by definition, cosmopolitans can not be expected to permanently adjust to local conditions.

Research on cosmopolitanism and expatriation has developed more or less independently over the years although the two are inherently interrelated. Indeed, in order to deal effectively with the globalization of the world economy, organizations need to develop managers with a global perspective (Tung, 1998). More specifically, Kanter (1995) has posited that organizations need to develop a new breed of managers who are cosmopolitans, and that an effective way of developing cosmopolitan managers is to send them to international assignments where they can assume a broader range of duties, responsibilities and skills. Also, Hannerz (1990) has suggested that the concept of expatriate may be the most readily associated with cosmopolitanism.

From a psychological perspective, the problem of the expatriate is to find a new equilibrium after a deep environmental change. The incentive to search for a satisfying local lifestyle may be hindered by resistance to change, or “preference persistence,” the tendency to conserve the same pattern of behavior when it might no longer be optimal (Muthukrishnan and Kardes, 2001). When consumers have developed local preferences that are unambiguously situated in their environment, such lack of ambiguity in the initial choice condition is likely to result in a biased search in the new environment, characterized by a preference for the status quo -i.e., non-adjustment- (Samuelson and Zeckhauser, 1988; Muthukrishnan, 1995). Indeed, non-cosmopolitan expatriates, who move from a less ambiguous situation to a more ambiguous situation, can be expected to resist change and hold on to their preference and familiar items, in the short run at least. The cosmopolitan's lifestyle, in contrast, is less situated (it is adopted in reference to a broader, more diffuse perspective on the initial context) and thus cosmopolitans are necessarily more ambiguous in his preferences, and therefore more open to change in the new environment, and probably less dependent on established products/brands and ways of life (Muthukrishnan and Wathieu, 2007).

Assignment Duration

Little research attention has been devoted to expected duration of international assignment and its consequences (Bhaskar-Shrinivas et al., 2005), despite abundant research on the role of time perspective in economic behavior (e.g., Loewenstein and Elster, 1992). One might assume that longer assignments would be correlated with better performance and lower turnover. Indeed, new expatriates need time to acquire job-related know-how as well as information about expected behaviors and attitudes. It takes time for expatriates to understand

the foreign operations and establish themselves in the local organization. For this reason, expatriates who have been on their assignments for only short periods of time are more likely to be engaged in simply learning their jobs and are less likely to be fully utilizing their skills and abilities (Bhaskar-Shrinivas et al., 2005; Feldman and Thompson, 1993). Conversely, expatriates with longer tenure in their overseas assignments are more likely to have become socialized to their international jobs, to have developed a rapport with the local staff, and to have more freedom in selecting or initiating projects for themselves. Further, they should afford expatriates more opportunities to develop skills and abilities (Bolino, 2007; Bolino and Feldman, 2000). Still, some have argued that too long assignments overseas may damage an expatriate's career development because they may experience an 'out of sight, out of mind' problem and because they may find it hard to successfully adjust when they finally come back home (Black et al., 1992; Bolino, 2007). A different view of the relationship between assignment duration and expatriates' adjustment suggests a non-linear association, specifically a U-curve (Torbiorn, 1982). Accordingly, expatriates' adjustment progresses through four sequential stages: "honeymoon," "culture shock," "adjustment" and "mastery." However, a meta-analysis of this relationship was not able to support a U-curve pattern, suggesting that the association between duration of stay and expatriate adjustment is more complex (Bhaskar-Shrinivas et al., 2005).

The behavioral literature on decision making suggests that consumers who encounter different time horizons will consequently adopt specific perspectives on the tradeoffs that they face. In particular, research on "temporal construals" (Trope and Liberman, 2000) has recently suggested that distant future self-representations (such as those occurring to expatriates sent on a long-horizon assignment) incorporate broader, more superordinate identities than do near-future self-representations (Wakslak et al., 2008). This suggests that prospective expatriates who tend to cultivate a cosmopolitan identity would be more likely to do so in the presence of a expected assignment duration, reducing the need to adjust. In contrast, a short expected duration is likely to induce expatriates to consider the more concrete benefits associated with their choices, leading to greater adjustment (Dhar and Kim, 2007; Liberman et al., 2007).

HYPOTHESES DEVELOPMENT

The Effect of Expatriates' Cosmopolitanism and Expected Assignment Duration on their Adjustment to the Host Country

The joint impact of our two constructs of interest – cosmopolitanism and expected assignment duration – on expatriates' adjustment to the host country is likely to yield two contradicting scenarios. First, the literature on cosmopolitans emphasizes their exploration and learning motivations but also the transcendent, cross-cultural nature of their values, interests and behaviors (Cleveland and Laroche, 2007; Hannerz, 1990). This ambivalent attitude is expected to play out differently depending on the expatriate's time horizon. During short-term assignments, cosmopolitan expatriates will tend to intensively adjust to the local country in order to satisfy their curiosity, motivation for exploration and learning, and search for the 'best of the specific locale.' But, once they have achieved a good sense of the new country and culture, cosmopolitan expatriates will return to their basic *modus vivendi*, dropping adjustment levels for the sake of international consumption patterns (e.g., buying global brands in international retail chains) and global working standards and expectations (Cannon and Yaprak, 2002; Thompson and Tambyah, 1999). As noted above, it is also easier for employees

to conceptualize themselves as cosmopolitans when they consider expatriation for the long haul (Wakslak et al., 2008).

Non-cosmopolitan expatriates are likely to behave in an opposite manner. Specifically, since they are home-country-oriented and less open to new global and cultural experiences, during short-term assignments they would most likely take advantage of their ability to 'get away without adjusting' and exhibit enduring patterns of preference persistence (Cannon and Yaprak, 2002; Hannerz, 1990). Indeed, the costs of a negative feedback resulting from inappropriate behavior are typically not high during the early stages of the assignment (Bhaskar-Shrinivas et al., 2005). Non-cosmopolitan expatriates will search for stores and products that they perceive to be reflective of their local culture, will mostly interact with other employees or immigrants from their home country and would hardly change working standards (Cannon and Yaprak, 2002). However, a long-term assignment substantially increases the costs of not adjusting for both work and non-work environments (Black and Stephens, 1989). Therefore, it is suggested that non-cosmopolitan expatriates will tend to increase adjustment to the host country when expecting long-term assignments. Based on the above discussion, we can hypothesize that:

H1: When the duration of assignment is expected to be longer (shorter), the effect of cosmopolitanism on expatriates' non-work adjustment to the host country becomes more negative (positive).

H2: When the duration of assignment is expected to be longer (shorter), the effect of cosmopolitanism on expatriates' work adjustment to the host country becomes more negative (positive).

The Effect of Expatriates' Cosmopolitanism, Expected Assignment Duration and Adjustment to the Host Country on Well-Being and Assignment Performance

We believe that the outcomes of expatriation (in terms of well-being or performance) are affected by the fit (or alignment) between cosmopolitanism, expected assignment duration and adjustment to the host country. This argument is inspired by the logic of 'strategic fit,' a core concept in normative models of strategy formation, which suggest that superior organizational outcomes depend on the ability of managers to appropriately fit, or align, organizational elements with environmental forces (Griffith and Myers, 2005).

Following the distinction between work and non-work adjustment, we suggest studying here two types of expatriation outcomes: well-being, which is expected to be more strongly related to non-work adjustment, and assignment performance, which is expected to be more strongly related to work adjustment (Andreason, 2008; Black and Stephens, 1989). As suggested, we observe two scenarios in which a fit exists and additional two in which a discrepancy exists. Accordingly, cosmopolitan expatriates feel more comfortable adjusting when expecting short-term assignments and non-cosmopolitan expatriates feel more comfortable adjusting when expecting long-term assignments. This fit, in turn, is likely to increase expatriates' well-being while also enhancing assignment performance. In addition, cosmopolitan expatriates feel less comfortable adjusting when expecting long-term assignments and non-cosmopolitan expatriates feel less comfortable adjusting when

expecting short-term assignments. This discrepancy, in turn, is likely to decrease expatriates' well-being while also damaging assignment performance. Formally stated:

H3: The interactive impact of expatriates' expected duration of assignment and non-work adjustment in host country on their well-being is higher for non-cosmopolitan expatriates than for cosmopolitan expatriates.

H4: The interactive impact of expatriates' expected duration of assignment and work adjustment in host country on their assignment performance is higher for non-cosmopolitan expatriates than for cosmopolitan expatriates.

METHODS

Sample and Data Collection

Data collection efforts were guided by the goal of reaching both business and self-initiated expatriates. We used two sources to generate our sample ($N=260$). We first identified two large foreign communities residing in the area where the authors lived during the time of the research (the Boston area in the U.S.): an Israeli and a Belgian community. Through the help of the local community associations, lists of Israelis and Belgians residing in the area were retrieved and invitations were sent via email asking business and self-initiated expatriates to participate in our survey. The lists included approximately 750 names. While many of those listed are not likely to be expatriates (some of them have immigrated to the U.S.) we believe the lists are an appropriate sampling frame. Ninety seven expatriates responded to the survey (a 13% response rate). About 30% of the respondents in this group defined themselves as business expatriates, 70% as self-initiated expatriates. The second source of our sample involved a group of internationals registered at the behavioral lab of the business school with which the authors were affiliated during the time of the research (also at the Boston area). Here, a list of 1,200 non-U.S. born subjects received via email the invitation to participate in our study. One-hundred and sixty three agreed to participate (a 14% response rate). Similarly to the first sub-sample, about 30% of respondents in this group defined themselves as business expatriates and 70% as self-initiated expatriates. In the analysis we report later we controlled for differences between the two sources of the sample and between business and self-initiated expatriates, showing that our results are robust across the groups. In addition, we ran all the analyses separately for the business expatriates sub-sample and for the self-initiated expatriates sub-sample, yielding results that were qualitatively similar to those based on the entire sample.

Measures

We made an effort to adopt existing measures. For an overview of the measures, the items and their loadings on the measures, as well as the measures' reliabilities see the Appendix. The correlation matrix appears in Table 1.

There is no established measure of *cosmopolitanism* (Cannon and Yaprak, 2002). In this study we measure cosmopolitanism based on four items taken from two sources. The first item asked respondents to refer to a text involving a characterization of a cosmopolitan (Cannon and Yaprak, 2002) and rate their agreement with the text on a seven-point Likert

scale (anchored by 1="strongly disagree," 7="strongly agree").² The other three items were adopted from Cleveland and Laroche's (2007) global consumer culture scale. These were also measured using seven-point Likert agreement scales. The exploratory nature of our measure may explain why its reliability is not very high (Cronbach's Alpha = 0.62). Still, in this case recombining items from two sources increased the construct's reliability.

For *expected assignment duration*, respondents were asked to assess, in years, the expected duration for their current assignment (typically whether working or studying). The expatriate literature suggests that there is a clear difference between short-term assignments and long-term ones. Assignments that last less than 1 year are typically considered short-term (Bolino, 2007). We took a more conservative approach and defined 2 years as the cut-off point beyond which an assignment can be viewed as long-term. Indeed, meta-analytic evidence suggests that for many expatriates the first year represents only the end of the "honeymoon" stage where they only begin to be familiar with the new foreign environment (Bhaskar-Shrinivas et al., 2005). This is also quite consistent with our data as the mean expected time of assignment by the studied expatriates was 3.7 years. We thus used a dummy code for long vs. short expected assignment duration. Two robustness checks were conducted for this measure. First, while we report in the analysis this dichotomous variable because of its importance to our theory, our analysis using a continuous time measure yielded qualitatively similar results. Second, we ran the analysis employing a 1 year cut-off point and yielded similar results. It is important to note that when our study took place, some of the respondents were already in the midst of their international assignment while others only started it. Thus, their expected duration of assignment was likely to be affected by time already spent abroad. Still, in our data there was a very moderate correlation between the two variables ($r = 0.12$).

Work and non-work adjustment in the host country were adopted from Black (1988). The first measure included 2 items (adjustment to job responsibilities and adjustment to performance standards and expectations), the second measure included 5 items (e.g., adjustment to housing conditions). Both were measured using a seven-point Likert scale (anchored by 1="no adjustment," 7="total adjustment").

Well-being was measured using two constructs. The first was adopted from Campbell et al.'s (1976) Index of General Affect (IGA). This six-item semantic differential scale measures 'happiness with life' (e.g., miserable-enjoyable). A second measure, named 'satisfaction with life' was adopted from Diener et al. (1985). This three-item measure is designed to assess cognitive aspects of well-being (e.g., In most ways my life is close to my ideal). It was measured using a seven-point Likert agreement scale (anchored by 1="strongly disagree," 7="strongly agree").

Assignment performance, whether in work or studies, was adopted from Black and Porter (1991). This measure included 4 items (e.g., completing tasks on time) based on a seven-point Likert scale (anchored by 1="poor performance," 7="outstanding performance").

² The text is as follows: "Many of my friends long to go home. I have no home. Or rather, I feel like my home is the world. I like to experience the best of what the world has to offer. I have friends all over the world, and I enjoy the texture and variety the world has to offer. I have my favorite foods, but they don't represent any particular culture. I simply like them because they are good. The same is true of my friends. I savor them when we can get together, even if that is only once every 10 or 20 years. We may communicate by email, or call, if the occasion arises, but I don't pine away when they are not around me. Life is too short for that. I live in Singapore, but I could live just as well in New York, Kiev, or Rio de Janeiro. I like to visit smaller, less cosmopolitan cities because they are interesting. But I wouldn't want to live there. They don't offer the variety or the level of excellence I have come to enjoy. Most of all, I like to travel. If I want culture, I go to London; if I want art, I go to Paris; if I want intellect, I go to Moscow. It's all out there. You just have to find out where."

We also collected data on a number of control variables that are often used in the expatriate literature or that are especially appropriate for this study. Based on Van Vianen et al. (2004) we controlled for *family status* (dummy for accompanied by relatives (coded as '0') vs. not accompanied by relatives (coded as '1')) and *previous international assignment* (dummy for previous international experience (coded as '0') vs. no previous international assignment (coded as '1')). Following Richardson and McKenna (2006) and Jokinen et al. (2008) we also monitored for *type of expatriate* (dummy for self-initiated expatriate (coded as '0') vs. business expatriate (coded as '1')). Finally, because we generated our sample from two sources we controlled for this difference using a dummy variable - the Israeli/Belgian communities (coded as '0') vs. the university behavioral lab (coded as '1').

[See Table 1 in the annex]

Measurement Model Validation

The confirmatory factor analysis (measurement model that includes all our scales) is very satisfactory: $\chi^2_{(237)}=411.48$, $p<0.05$; CFI=0.950; IFI=0.951; RMSEA=0.053. Using the estimated measurement model we assessed the convergent validity of the constructs. All the item-to-construct loadings were found to be significant - the lowest t-value was 4.70, demonstrating adequate convergent validity. Finally, we confirmed the discriminant validity of the constructs by running a series of models involving a comparison between pairs of constructs. Specifically, models with construct correlations constrained to 1.00 (suggesting that two constructs can actually be represented by a single construct) were compared to unconstrained models. In all the cases, this led to a significant increase in Chi-square and LM-tests revealing that these constraints should be removed. Thus, all constructs exhibited discriminant validity.

Analysis

To test our hypotheses we ran two sets of models. First, for testing H1 and H2 we ran models 1 and 2:

$$(1) \text{ADJ_NONWORK} = \alpha_0 + \alpha_1(\text{COSMO}) + \alpha_2(\text{TIME}) + \alpha_3(\text{COSMO} \times \text{TIME}) + \alpha_{4-8}(\text{CONT}_i) + \varepsilon_1$$

$$(2) \text{ADJ_WORK} = \beta_0 + \beta_1(\text{COSMO}) + \beta_2(\text{TIME}) + \beta_3(\text{COSMO} \times \text{TIME}) + \beta_{4-8}(\text{CONT}_i) + \varepsilon_2$$

where

ADJ_NONWORK = expatriates' non-work adjustment in host country,

ADJ_WORK = expatriates' work adjustment in host country,

COSMO = expatriates' cosmopolitanism levels,

TIME = expatriates' expected duration of assignment,

COSMO x TIME = the interaction between expatriates' cosmopolitanism levels and their expected duration of assignment,

CONT_i = the control variables: family status, previous international assignment, type of expatriate and source of sample.

For testing H3 we ran models 3a and 3b, and for H4 model 4. These models were employed after splitting the overall sample to expatriates with low vs. high cosmopolitanism levels (based on a median split). We ran the models on each of the two sub-samples³:

$$(3a) \text{ WELLBE}_1 = \delta_0 + \delta_1(\text{ADJ_NONWORK}) + \delta_2(\text{TIME}) + \delta_3(\text{ADJ_NONWORK} \times \text{TIME}) \\ + \delta_{4-8}(\text{CONT}_i) + \varepsilon_3$$

$$(3b) \text{ WELLBE}_2 = \varphi_0 + \varphi_1(\text{ADJ_NONWORK}) + \varphi_2(\text{TIME}) + \varphi_3(\text{ADJ_NONWORK} \times \text{TIME}) \\ + \varphi_{4-8}(\text{CONT}_i) + \varepsilon_4$$

$$(4) \text{ PERFORM} = \lambda_0 + \lambda_1(\text{ADJ_WORK}) + \lambda_2(\text{TIME}) + \lambda_3(\text{ADJ_WORK} \times \text{TIME}) + \lambda_{4-8}(\text{CONT}_i) + \varepsilon_5$$

where

WELLBE₁ = expatriates' happiness with life,

WELLBE₂ = expatriates' satisfaction with life,

PERFORM = assignment performance,

ADJ_NONWORK = expatriates' non-work adjustment in host country,

ADJ_WORK = expatriates' work adjustment in host country,

TIME = expatriates' expected duration of assignment,

ADJ_NONWORK x TIME = the interaction between expatriates' non-work adjustment in host country and their expected duration of assignment,

ADJ_WORK x TIME = the interaction between expatriates' work adjustment in host country and their expected duration of assignment,

CONT_i = the control variables: family status, previous international assignment, type of expatriate and source of sample.

The analyses are based on hierarchical regression analysis. The first stage in the analysis involved regressing only the control variables on the dependent variables. The second stage involved the addition of the main effects (i.e., cosmopolitanism levels and expected assignment duration in models 1 and 2; expected assignment duration, and non-work or work adjustment in host country in models 3a, 3b and 4). The third and last stage involved adding the interaction terms (i.e., cosmopolitanism X expected assignment duration in models 1 and 2; expected assignment duration X non-work adjustment in host country in models 3a and 3b; expected assignment duration X work adjustment in host country in model

³ We also ran a model involving a three-way interaction (ADJ_NONWORK/ADJ_WORK * TIME * COSMO) on the entire sample, yielding similar results. Still, we report in more detail the analysis involving the split sample because this split helps us to get the greatest insight into the data and to present our results in a much clearer way.

4). Following conventions (Aiken and West, 1991), we mean-centered the relevant variables (i.e., those that are not dummy coded: cosmopolitanism, non-work adjustment in host country, work adjustment in host country) before creating the interaction terms, and then tested for multicollinearity (variance of inflation factors (VIF) and Tolerance were below harmful levels). Overall, findings that the third-stage full-model, which includes the controls, main effects and interactions, outperforms the partial models (i.e., there is a significant increase in R-square: the partial F-value is significant) would indicate that the addition of the interaction terms contributes substantially to the explanation of the dependent variables, supporting the hypotheses.

RESULTS

Our results supporting H1 and H2 are reported in Table 2. Accordingly, the tendency of expatriates to adjust to the host country, either to the non-work, general lifestyle environment or to the work environment, depends on the combination of our key constructs of interest: expatriates' cosmopolitanism levels and their expected duration of assignment. Specifically, we find, as the results of model 1 illustrates, that the more (less) cosmopolitan the expatriate, the more she/he will tend to adjust to the local non-work environment when expecting short-term (long-term) international assignments ($\alpha_3 = -0.201$, $p < 0.05$). As model 2 suggests, this is also likely to be the case for adjustment to local working/studying patterns ($\beta_3 = -0.202$, $p < 0.05$).

[See Table 2 in the annex]

Our results generally supporting H3 are reported in Table 3.⁴ Accordingly, as models 3a and 3b suggest, non-cosmopolitan and cosmopolitan expatriates, generally report higher well-being levels (happiness and satisfaction) when adjusting to local non-working patterns *only* when there is a fit between cosmopolitanism levels and expected time assignment duration. That is, among non-cosmopolitan expatriates, adjustment during long-term expected assignments increases happiness and satisfaction while adjustment during short-term expected assignments decreases these positive personal outcomes ($\delta_3 = 0.203$, $p < 0.05$, for happiness; $\phi_3 = 0.196$, $p < 0.05$, for satisfaction). Conversely, among cosmopolitan expatriates, adjustment during short-term expected assignments increases satisfaction (the impact on happiness is not significant) while adjustment during long-term expected assignments decreases this positive personal outcome ($\phi_3 = -0.273$, $p < 0.05$, for satisfaction; $\delta_3 = -0.095$, $p > 0.10$, for happiness).

[See Table 3 in the annex]

Our results not supporting H4 are also reported in Table 3. Specifically, for both non-cosmopolitan and cosmopolitan expatriates, expected time of international assignment does not affect the performance of their professional activity (i.e., work, studies). Interaction effects for both groups in model 4 are insignificant ($\lambda_3 = 0.140$, $p > 0.10$, for non-cosmopolitan expatriates; $\lambda_3 = -0.108$, $p > 0.10$, for cosmopolitan expatriates). Because of the

⁴ Because lack of space we report only the full models in Table 3. Still, we report the changes in the full models' R-square compared with the more partial models to indicate whether a full model is better than its partial model).

importance of performance outcomes for the professional development and career of expatriates as well as for the assigning MNC, this latter finding encouraged us to explore in more depth the relationship between expatriates' work adjustment in host country and their performance consequences. Specifically, we ran an additional model on the entire sample, regressing the control variables and three main effects – expatriates' cosmopolitanism, their expected assignment duration and work adjustment in host country – on assignment performance. Our results, reported in the last column of Table 3 suggest a direct positive effect of work adjustment in the host country on expatriates' performance ($\beta = 0.170$, $p < 0.05$). This finding suggests that beyond expatriates' level of cosmopolitanism and expected assignment duration, work adjustment increases performance outcomes of international assignments. An interesting issue stemming from the above results, which we will discuss in the next section in more detail, involves the conflict between personal outcomes for the expatriate such as well-being, which might actually result from lack of work or non-work adjustment in the host country, and professional outcomes such as better performance that is typically associated with work adjustment.

DISCUSSION

Our study has supported the notion that cosmopolitan expatriates with a longer expected duration of assignment as well as non-cosmopolitan expatriates with a shorter expected duration of assignment are less inclined to adjust to their host country (in both work and non-work domains), with the implication that less adjustment in that case is associated with greater well-being. This result conflicts with existing assumptions and results in the expatriate literature, which considered adjustment as unambiguously good. Nevertheless, the result matches contemporary psychological knowledge regarding the effect of time horizon on people's tendency to think about themselves in terms of abstract identity concepts such as cosmopolitanism (e.g., Wakslak et al., 2008). When they consider a long assignment, expatriates who (don't) view themselves as cosmopolitan appear to be more likely to adopt a (non) cosmopolitan perspective and not to adjust to local habits. The above finding is in line with recent research that views expatriation and expatriate adjustment as issues far more complex than prior studies have suggested (e.g., Bolino, 2007; Takeuchi et al., 2008).

Our findings constitute a unique attempt to study preference persistence in real life contexts. People's adjustment when they move to a different context has been shown in experimental research to be stronger when feelings towards the original choices are more ambiguous (Muthukrishnan, 1995). Not so surprisingly, cosmopolitans can thus be expected to better adjust to a new place. However, our research adds the new insight that preference persistence is also influenced by the anticipated length of stay in the new context, in such a way that a longer assignment will reduce (improve) adjustment of (non) cosmopolitan expatriates.

One of our hypotheses could not be substantiated: it turns out that work adjustment is positively associated with assignment performance across all the studied conditions. As a result, cosmopolitans who adjust less to their new working environment when expecting a long horizon assignment or non-cosmopolitans who adjust less to their new working environment when expecting a short horizon assignment tend to underperform in their expatriate assignment. Therefore, we face conflicting outcomes associated with the cosmopolitan expatriate's maladjustment, who is satisfied but not well performing. This is reminiscent of Tung's (1998, pp. 138-139) observation that a discrepancy might exist between overall satisfaction of expatriates and the success of expatriation.

From a managerial point of view, our findings pose an interesting dilemma. On the one hand, cosmopolitans form a prime target for expatriate assignments - they have a global perspective and as their motivation for expatriation is presumably more personal/experiential (Stahl et al., 2002; Tung, 1998) it can compensate for the perceived career risk implied by overseas assignments (Stahl et al., 2002). On the other hand, our findings suggest that cosmopolitans might require and enjoy longer assignments only at the expense of predictably lower degree of adjustment and performance at work. Using the same logic, MNCs and the expatriate herself/himself should consider more carefully short-term assignments when the expatriate is non-cosmopolitan as she/he might enjoy shorter assignments only at the expense of lower degree of adjustment and performance at work. Furthermore, in the context of the trend toward shorter international assignments, which is part of the movement to reduce expenses in response to economic conditions (GMAC Global Relocation Trend Survey, 2008), MNCs may consider paying more attention to level of cosmopolitanism among the potential expatriates. Based on our findings, cosmopolitans are likely to be highly suitable candidates for short-term assignments.

While our results suggest important implications for MNCs and expatriates in terms of expatriate selection, assignment duration, and the expected performance of international assignments, one might speculate that there are additional implications regarding the location of expatriate assignments. Short assignment of non-cosmopolitans to cosmopolitan cities (where adjustment is easier) and long assignment of cosmopolitans to less cosmopolitan cities (where maladjustment is more costly) might, based on our analysis, to have special merits from a performance point of view.

LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

This survey-based study has allowed us to discuss important variables in real contexts where they matter most. However, one drawback of such studies is that causality is not being addressed. Our results might also be plagued with self-selection and endogeneity biases, e.g., if cosmopolitans who do not need adjustment naturally value (or are preferably selected for) assignments of long duration. Another limitation of this work is that there might be specific effects associated with business vs. self-initiated expatriates.

One potentially interesting venue for future research would be to study social networks of expatriates, to understand if their function is related to the phenomena suggested here. The specific effect of such networks on well-being and performance would be a matter of interest by itself.

Cultural differences, as well as background conditions of uncertainty and ambiguity might moderate the effects found here. There might be effects implied by the proximity or distance between the home and the host country.

In general, it appears that studies of expatriates (not only cross-sectional but also longitudinal studies) can be fertile grounds for insights useful for contemporary MNCs, while at the same time involving variables of great general theoretical interest (such as psychological and physical distance, or the general phenomenon of preference and habit adaptation).

REFERENCES

Aiken, L. and West, S. (1991) *Multiple regression: testing and interpreting interactions*, Newbury Park, CA: Sage Publications.

Andreason, A.W. (2008) 'Expatriate adjustment of spouses and expatriate managers: an integrative research review', *International Journal of Management* 25(2): 382-395.

Aycan, Z. (1997) 'Expatriate adjustment as a multifaceted phenomenon: individual and organizational level predictors', *International Journal of Human Resource Management* 8(4): 434-456.

Berry, J.W., Kim, U., Minde, T. and Mok, D. (1987) 'Comparative study of acculturative stress', *International Migration Review* 21: 491-511.

Bhaskar-Shrinivas, P., Harrison, D., Shaffer, M.A. and Luk D.M. (2005) 'Input-based and time-based models of international adjustment: meta-analytic evidence and theoretical extensions', *Academy of Management Journal* 48(2): 257-281.

Birdseye, M.G. and Hill, J.S. (1995) 'Individual, organizational/work and environmental influences on expatriate turnover tendencies: an empirical study', *Journal of International Business Studies* 26: 787-813.

Black, J.S. (1988) 'Workrole transitions: a study of American expatriate managers in Japan', *Journal of International Business Studies* 19: 277-294.

Black, J.S. and Stephens, G.K. (1988) 'The influence of the spouse on American expatriate adjustment and intent to stay in Pacific Rim overseas assignments', *Journal of Management* 15(4): 277-294.

Black, J.S. and Porter, L. (1991) 'Managerial Behaviors and job performance: a successful manager in Los Angeles may not succeed in Hong Kong', *Journal of International Business Studies* 22: 99-114.

Black, J.S. and Gregersen, H.B. (1991) 'Antecedents to cross-cultural adjustment for expatriates in Pacific Rim assignments', *Human Relations* 44: 497-515.

Black, J.S., Mendenhall, M. and Oddou, G. (1991) 'Toward a comprehensive model of international adjustment: an integration of multiple theoretical perspectives', *Academy of Management Review* 16: 291-317.

Black, J.S., Gregersen, H.B. and Mendenhall, M.E. (1992) 'Toward a theoretical framework of repatriation adjustment', *Journal of International Business Studies* 23: 737-760.

Bolino, M.C. (2007) 'Expatriate assignment and intra-organizational career success: implications for individuals and organizations', *Journal of International Business Studies* 38: 819-835.

Bolino, M.C. and Feldman, D.C. (2000) 'The antecedents and consequences of underemployment among expatriates', *Journal of Organizational Behavior* 21(8): 889-911.

- Caligiuri, P.M. (2000a) 'The big five personality characteristics as predictors of expatriate's desire to terminate the assignment and supervisor-rated performance', *Personnel Psychology* 53(1): 67–88.
- Caligiuri, P.M. (2000b) 'Selecting expatriates for personality characteristics: A moderating effect of personality on the relationship between host national contact and cross-cultural adjustment', *Management International Review* 40: 61–80.
- Campbell, A., Converse, P.E. and Rodgers, W.L. (1976) *The Quality of American Life: Perception, Evaluation, and Satisfaction*, New York: Sage.
- Cannon, H.M. and Yaprak, A. (2002) 'Will the real-world citizen please stand up! The many faces of cosmopolitan consumer behavior', *Journal of International Marketing* 10(4): 30-52.
- Cleveland, M. and Laroche, M. (2007) 'Acculturation to the global consumer culture: scale development and research paradigm', *Journal of Business Research* 60: 249-259.
- De Cieri, H. Dowling, P.J. and Taylor, K.F. (1991) 'The psychological impact of expatriate relocation on partners', *International Journal of Human Resource Management* 2(3): 377-414.
- Dhar, R. and Kim, E.Y. (2007) 'Seeing the forest or the trees: implications of construal level theory for consumer choice', *Journal of Consumer Psychology* 17(2): 96-100.
- Diener, E., Emmons, R.A., Larsen, R.J. and Griffin, S. (1985) 'The satisfaction with life scale', *Journal of Personality assessment* 49(1): 71-75.
- Feldman, D.C. and Tompson, H.B. (1993) 'Expatriation, repatriation, and domestic geographical relocation: An empirical investigation of adjustments to new job assignments', *Journal of International Business Studies* 24:507–529.
- Gao, G. and Gudykunst, W.B. (1990) 'Uncertainty, anxiety, and adaptation', *International Journal of Intercultural Relations* 14: 301-317.
- GMAC Global Relocation Services (2008) *Global Relocation Trends 2008 Survey Report*, GMAC Global Relocation Services, National Foreign Trade Council, and SHRM Global Forum: Oak Brook, IL. Available at: http://www.gmacglobalrelocation.com/insight_support/global_relocation.asp
- Gregersen, H.B., Morrison, A.J. and Black, J.S. (1998) 'Developing leaders for the global frontier', *Sloan Management Review* 40(1): 21-32.
- Griffith, D.A. and Myers, M.B. (2005) 'The performance implications of strategic fit of relational norm governance strategies in global supply chain relationships', *Journal of International Business Studies* 36: 254-269.
- Hannerz, U. (1990) 'Cosmopolitans and locals in a world culture', *Theory Culture and Society*, 7: 237-251.
- Harzing, A.-W. (2001) 'Of bears, bumble-bees, and spiders: the role of expatriates

in controlling foreign subsidiaries', *Journal of World Business* 36: 366-379.

Inkson, K., Arthur, M.B., Pringle, J. and Barry, S. (1997) 'Expatriate assignment versus overseas experience: contrasting models of international human resource development', *Journal of World Business* 32: 351-368.

Jokinen, T., Brewster, C. and Suutari, V. (2008) 'Career capital during international work experience: contrasting self-initiated expatriate experience and assigned expatriation', *The International Journal of Human Resource Management* 19(6): 979-998.

Jun, S., Gentry, J.W. and Hyun, Y.J. (2001) 'Cultural adaptation of business expatriates in the host marketplace', *Journal of International Business Studies* 32: 369-377.

Kanter, R.M (1995) *World class: thriving locally in the global economy*, New York: Simon and Schuster.

Liberman, N., Trope, Y. and Wakslak, C. (2007) 'Construal level theory and consumer behavior', *Journal of Consumer Psychology* 17(2): 113-117.

Loewenstein, G. and Elster, J. (1991) *Choice over time*, New York: Russell Sage Foundation.

Mendenhall, M.E. (1996) 'The foreign teaching assistant as expatriate manager', in Landis, D. and Bhagat, R.S. (Ed.), *Handbook of Intercultural Training*, Sage, Thousand Oaks: 231-244.

Mendenhall, M.E. and Stahl, G.K. (2000) 'Expatriate training and development: where do we go from here?', *Human Resource Management* 39: 251-265.

Mezias, J.M. and Scandura, T.A. (2005) 'A needs-driven approach to expatriate adjustment and career development: a multiple mentoring perspective', *Journal of International Business Studies* 36: 519-538.

Muthukrishnan, A.V. (1995) 'Decision ambiguity and incumbent brand advantage', *Journal of Consumer Research* 22(1): 98-109.

Muthukrishnan, A.V. and Frank R. Kardes (2001) 'Persistent preferences for product attributes: the effects of initial choice context and uninformative experience', *Journal of Consumer Research* 28 (June), 89-104.

Muthukrishnan, A.V. and Wathieu, L. (2007) 'Ambiguity aversion and the power of established brands (November 29, 2007), ESMT Working Paper No. 07-005, Available at SSRN: <http://ssrn.com/abstract=1072909>.

Peltokorpi, V. (2008) 'Cross-cultural adjustment of expatriates in Japan', *International Journal of Human Resource Management* 19(9): 1588-1606.

Richardson, J. and McKenna, S. (2006) 'Exploring relationships with home and host countries: a study of self-directed expatriates', *Cross Cultural Management* 13(1): 6-22.

Samuelson, W. and Zeckhauser, R. (1988) 'Status quo bias in decision making', *Journal of Risk and Uncertainty* 1: 7-59.

Stahl, G.K. and Caligiuri, P. (2005) 'The effectiveness of expatriate coping strategies: the moderating role of cultural distance, position level, and time on the international assignment', *Journal of Applied Psychology* 90(4): 603-615.

Stahl, G.K., Miller, E.L. and Tung, R.L. (2002) 'Toward the boundaryless career: a closer look at the expatriate career concept and the perceived implications of an international assignment', *Journal of World Business* 37: 216-227.

Suutari, V. and Brewster, C. (2000) 'Making their own way: International expatriates through self-initiated foreign assignments', *Journal of World Business* 35: 417-436.

Takeuchi, R., Shay, J.P. and Li, J. (2008) 'When does decisions autonomy increase expatriate managers' adjustment? An empirical test', *Academy of Management Journal* 51(1): 45-60.

Thompson, C.J. and Tambyah, S.K. (1999) 'Trying to be cosmopolitan', *Journal of Consumer Research* 26(3): 214-241.

Torbiorn, I. (1982) *Living abroad: personal adjustment and personnel policy in the overseas setting*. New York: Wiley.

Trope, Y., and Liberman N. (2000) 'Temporal construal and time-dependent changes in preference', *Journal of Personality and Social Psychology* 79: 876-889.

Tung, R.L. (1998) 'American expatriates abroad: from neophytes to cosmopolitans', *Journal of World Business* 33: 125-144.

Van Vianen, A.E.M., De Pater, I.E., Kristof-Brown, A.L. and Johnson, E.C. (2004) 'Fitting in: surface- and deep-level cultural differences and expatriates' adjustment', *Academy of Management Journal* 47(5): 697-709.

Wakslak, C., Nussbaum, S., Liberman, N. and Trope, Y. (2008) 'Representations of the self in the near and distant future', *Journal of Personality and Social Psychology* 95: 757-773.

Tables

Table 1: Correlation matrix and descriptive statistics of the study's key constructs

Table 2: Results of regression analyses for testing the interaction effect of expatriates' cosmopolitanism and expected assignment duration on adjustment to host country

Table 3: Results of regression analyses for testing the interaction effect of expatriates' cosmopolitanism, expected duration of assignment and adjustment to host country on expatriates' well-being and assignment performance

Table 1: Correlation matrix and descriptive statistics of the study's key constructs

| Constructs | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
|---|---------|----------|---------|---------|---------|---------|--------|---------|--------|-------|----|
| 1 Cosmopolitanism | 1 | | | | | | | | | | |
| 2 Expected duration of assignment | -0.081 | 1 | | | | | | | | | |
| 3 Non-work adjustment in host country | 0.231** | 0.093 | 1 | | | | | | | | |
| 4 Work adjustment in host country | 0.087 | 0.125* | 0.557** | 1 | | | | | | | |
| 5 Well-being ₁ (happiness with life) | 0.145* | 0.031 | 0.097 | 0.126* | 1 | | | | | | |
| 6 Well-being ₂ (satisfaction with life) | 0.132* | 0.050 | 0.094 | 0.038 | 0.660** | 1 | | | | | |
| 7 Assignment performance | 0.115† | 0.171** | 0.223** | 0.218** | 0.402** | 0.284** | 1 | | | | |
| 8 Family status | 0.187** | -0.220** | 0.076 | -0.067 | -0.034 | -0.086 | -0.055 | 1 | | | |
| 9 Previous international assignment | 0.321** | -0.098 | 0.158** | 0.120† | 0.067 | 0.014 | 0.065 | 0.078 | 1 | | |
| 10 Type of expatriate | 0.087 | 0.084 | 0.098 | 0.094 | -0.041 | 0.086 | 0.106† | -0.091 | -0.047 | 1 | |
| 11 Source of sample | 0.266** | -.128** | 0.123* | -0.148* | -0.145* | -0.111† | -0.078 | 0.310** | 0.044 | 0.035 | 1 |
| Mean | 4.81 | - | 5.33 | 5.57 | 5.89 | 4.99 | 6.03 | - | - | - | - |
| SD | 1.35 | - | 1.06 | 1.47 | 0.99 | 1.41 | 0.86 | - | - | - | - |

† = p < 0.10, * = p < 0.05, ** = p < 0.01

Table 2: Results of regression analyses for testing the interaction effect of expatriates' cosmopolitanism and expected assignment duration on adjustment to host country

| | | | | Non-work adjustment in host country (model 1) | | | Work adjustment in host country (model 2) | | |
|---|--|--|--|---|-------------------|---------------------|---|---------------------|---------------------|
| Control variables | | | | | | | | | |
| Family status | | | | 0.049 (0.749) | 0.056 (0.854) | 0.059 (0.902) | -0.026 (-0.402) | -0.017 (-0.259) | -0.014 (-0.220) |
| Previous international assignment | | | | 0.153* (2.486) | 0.112† (1.751) | 0.104 (1.624) | 0.134* (2.183) | 0.111† (1.707) | 0.102 (1.580) |
| Type of expatriate | | | | 0.102† (1.66) | 0.076 (1.235) | 0.090 (1.471) | 0.106† (1.721) | 0.088 (1.472) | 0.102 (1.580) |
| Source of sample | | | | 0.089 (1.374) | 0.062 (0.958) | 0.063 (0.968) | -0.143* (-2.213) | -0.158* (-2.403) | -0.158* (-2.418) |
| Main effects | | | | | | | | | |
| Cosmopolitanism | | | | - | 0.166* (2.483) | 0.318** (3.321) | - | 0.104 (1.538) | 0.257* (2.655) |
| Expected assignment duration | | | | - | 0.137* (2.202) | 0.140* (2.258) | - | 0.109† (1.735) | 0.112† (1.787) |
| Interaction effect | | | | | | | | | |
| Cosmopolitanism X expected duration of assignment | | | | - | - | -0.201* (-2.201) | - | - | -0.202* (-2.192) |
| R ² | | | | 4.7% | 8.7% | 10.4% | 4.9% | 6.9% | 8.6% |
| F-value | | | | 3.14* | 3.99** | 4.17** | 3.26* | 3.09* | 3.38* |
| ΔR ² | | | | - | 4.0% | 1.7% | - | 2.0% | 1.8% |
| Partial F-value (for ΔR ²) | | | | - | 5.48* | 4.84* | - | 2.67† | 4.81* |
| N | | | | 260 | 260 | 260 | 260 | 260 | 260 |

We report standardized coefficients (t-values are in parentheses).

† = p < 0.10, * = p < 0.05, ** = p < 0.01

Table 3: Results of regression analyses for testing the interaction effect of expatriates' cosmopolitanism, expected duration of assignment and adjustment to host country on expatriates' well-being and assignment performance

| | <u>Cosmopolitans</u> | | | <u>Non-cosmopolitans</u> | | | <u>Entire sample</u> |
|--|-------------------------|----------------------------|--------------------------|--------------------------|----------------------------|--------------------------|--------------------------------------|
| | Happiness (model 3a) | Satisfaction (model 3b) | Performance (model 4) | Happiness (model 3a) | Satisfaction (model 3b) | Performance (model 4) | Performance (only direct effects) |
| Control variables | | | | | | | |
| Family status | -0.123 (-1.344) | -0.219* (-2.454) | -0.042 (-0.461) | 0.180† (1.835) | 0.210* (2.176) | 0.020 (0.217) | -0.09 (-0.142) |
| Previous international assignment | -0.049 (-0.537) | -0.072 (-0.813) | -0.016 (-0.176) | 0.131 (1.486) | 0.123 (1.418) | 0.098 (1.127) | 0.035 (0.539) |
| Type of expatriate | -0.013 (-0.145) | -0.013 (-0.149) | 0.127 (1.395) | -0.101 (-1.163) | 0.135 (1.571) | 0.016 (0.187) | 0.074 (1.183) |
| Source of sample | -0.222* (-2.421) | -0.110 (-1.229) | -0.110 (-1.229) | -0.192* (-2.021) | -0.233* (-2.488) | 0.030 (0.328) | -0.063 (-0.954) |
| Main effects | | | | | | | |
| Non-work adjustment in host country | 0.055 (0.538) | 0.161 (1.619) | - | 0.068 (0.680) | 0.087 (0.885) | - | - |
| Work adjustment in host country | - | - | 0.119 (1.121) | - | - | 0.210* (2.258) | 0.170* (2.691) |
| Expected assignment duration | -0.080 (-0.886) | 0.009 (0.100) | 0.054 (0.586) | 0.120 (1.287) | 0.058 (0.625) | 0.233* (2.623) | 0.149* (2.356) |
| Cosmopolitanism levels | - | - | - | - | - | - | 0.114† (1.674) |
| Interaction effects | | | | | | | |
| Non-work adjustment in host country X expected assignment duration | -0.095 (-0.928) | -0.273* (-2.716) | - | 0.203* (2.157) | 0.196* (2.111) | - | - |
| Work adjustment in host country X expected assignment duration | - | - | -0.108 (-1.041) | - | - | 0.140 (1.495) | - |
| R ² | 7.4% | 11.2% | 7.5% | 12.4% | 9.5% | 16.8% | 9.1% |
| F-value | 1.40 | 2.20* | 1.38 | 2.40* | 2.89* | 3.34* | 3.49** |
| ΔR ² (compared to the more partial model) | 0.7% | 5.4% | 0.8% | 3.4% | 3.2% | 1.6% | 6.7% |
| Partial F-value (for ΔR ²) | 0.86 | 7.37* | 1.08 | 4.65* | 4.46* | 2.23 | 5.97* |
| N | 130 | 130 | 128 | 128 | 128 | 125 | 253 |

We report standardized coefficients (t-values are in parentheses).

† = p < 0.10, * = p < 0.05, ** = p < 0.01

Appendix: Measures

| Measures and their Items | Sources | Loadings | Cronbach's Alpha |
|--|--|-----------------|------------------|
| Cosmopolitanism | | | |
| My experience is similar to the one described in the attached text ("being a cosmopolitan") | Cannon and Yaprak (2002) Cleveland and Laroche (2007) | $\lambda=0.578$ | 0.62 |
| I extensively visited countries other than my home country | | $\lambda=0.430$ | |
| I have resided in countries other than my home country | | $\lambda=0.558$ | |
| In the future there is great likelihood that I will live in countries other than my home country | | $\lambda=0.645$ | |
| Expected assignment duration | | | |
| What is the expected duration for the current assignment | - | - | - |
| Non-work adjustment in host country | | | |
| Living conditions in general | Black (1988) | $\lambda=0.897$ | 0.80 |
| Housing conditions | | $\lambda=0.860$ | |
| Food | | $\lambda=0.504$ | |
| Cost of living | | $\lambda=0.441$ | |
| Entertainment | | $\lambda=0.604$ | |
| Work adjustment in host country | | | |
| Specific job/studying responsibilities | Black (1988) | $\lambda=0.875$ | 0.89 |
| Performance standards and expectations | | $\lambda=0.913$ | |
| Well-being₁ (happiness with life) | | | |
| My life is: Miserable--Enjoyable | Campbell et al. (1976) | $\lambda=0.739$ | 0.93 |
| Useless--Worthwhile | | $\lambda=0.797$ | |
| Empty--Full | | $\lambda=0.833$ | |
| Discouraging--Hopeful | | $\lambda=0.877$ | |
| Disappointing--Rewarding | | $\lambda=0.917$ | |
| Doesn't give me much chance--Bring out the best in me | | $\lambda=0.833$ | |
| Well-being₂ (satisfaction with life) | | | |
| In most ways my life is close to my ideal | Diener et al. (1985) | $\lambda=0.847$ | 0.86 |
| So far I have gotten the important thing I want in life | | $\lambda=0.829$ | |
| If I could live my life over, I would change almost nothing | | $\lambda=0.803$ | |
| Assignment performance | | | |
| Overall performance | Black and Porter (1991) | $\lambda=0.733$ | 0.90 |
| Completing tasks on time | | $\lambda=0.805$ | |
| Quality | | $\lambda=0.908$ | |
| Achievement of work goals | | $\lambda=0.878$ | |
| Control variables | | | |
| Family situation ("accompanied/not accompanied by relatives") | Van Vianen et al. (2004) | - | - |
| Previous international assignment ("previous/no previous international assignment") | Van Vianen et al. (2004) | - | - |
| Type of expatriate ("self-initiated expatriate/business expatriate") | Jokinen et al. (2008) Richardson and McKenna (2006) | - | - |
| Source of sample ("Israeli or Belgian communities/university behavioral lab") | - | - | - |

Recent ESMT Working Papers

| | ESMT No. | Competence Center |
|--|-------------|---------------------------------|
| <p>Cosmopolitanism, Assignment Duration, and Expatriate Adjustment: The Trade-Off between Well-Being and Performance</p> <p>Amir Grinstein, Guilford Glazer School of Business and Management, Ben Gurion University of the Negev Luc Wathieu, ESMT</p> | 08-011 | Leadership |
| <p>Trust and Creativity: Identifying the Role of Trust in Creativity-oriented Joint-developments</p> <p>Francis Bidault, ESMT Alessio Castello, Georgia Tech France</p> | 08-010 | Management and Technology |
| <p>Career Entrepreneurship</p> <p>Konstantin Korotov, ESMT Svetlana Khapova, ESMT Visiting Professor and Associate Professor at VU University Amsterdam Michael B. Arthur, Sawyer School of Management, Suffolk University</p> | 08-009 | Leadership |
| <p>Technology Commercialization Strategy in a Dynamic Context: Complementary Assets, Hybrid Contracts, and Experiential Learning</p> <p>Simon Wakeman, ESMT</p> | 08-008 | Management and Technology |
| <p>Organizational Redesign, Information Technologies and Workplace Productivity</p> <p>Benoit Dostie, HEC Rajshri Jayaraman, ESMT</p> | 08-007 | Management and Technology |
| <p>Resource and Revenue Management in Nonprofit Operations</p> <p>Francis de Véricourt, ESMT Miguel Sousa Lobo, Duke University</p> | 08-006 | Management and Technology |
| <p>Nurse-To-Patient Ratios in Hospital Staffing: A Queueing Perspective</p> <p>Francis de Véricourt, ESMT Otis B. Jennings, Duke University</p> | 08-005 | Management and Technology |
| <p>Critical Mass</p> <p>Michał Grajek, ESMT Tobias Kretschmer, Ludwig-Maximilians-Universität München</p> | 08-004 | Management and Technology |
| <p>The Rhythm of the Deal: Negotiation as a Dance</p> <p>Erik H. Schlie Mark A. Young, Rational Games, Inc.</p> | 08-003 | Leadership |
| <p>Legacy Effects in Radical Innovation: A Study of European Internet Banking</p> <p>Erik H. Schlie, ESMT Jaideep C. Prabhu, Tanaka Business School, Imperial College London Rajesh K. Chandy, Carlson School of Management, University of Minnesota</p> | 08-002 | Management and Technology |
| <p>Upsetting Events and Career Investments in the Russian Context</p> <p>Konstantin Korotov, ESMT Svetlana Khapova, ESMT Visiting Professor and Assistant Professor at VU University Amsterdam</p> | 08-001 | Leadership |
| <p>Ambiguity Aversion and the Power of Established Brands</p> <p>A. V. Muthukrishnan, Hong Kong University of Science and Technology Luc Wathieu, ESMT</p> | 07-005 | Management and Technology |
| <p>Accelerated Development of Organizational Talent</p> <p>Konstantin Korotov, ESMT</p> | 07-004 | Leadership |



ESMT
European School of Management
and Technology GmbH

Schlossplatz 1
10178 Berlin
+49 (0)30 212 31-0
+49 (0)30 212 31-1279

www.esmt.org