The Relationship Between Foreign Workers’ Perceived Organizational Support, Cross-cultural Adjustment, and Performance in Hospitality Industry

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Abstract

Foreign workers make up a substantial portion of the labor force in developed countries and emerging markets’ hospitality industries. Hence, managing international employees has received the attention of scholars and multinational companies in this field. The goal of this study is to examine the association between the foreign workers' perceived organizational support (POS), cross-cultural adjustment, and job performance. This study used structural equation modeling to analyze sample data of ninety-nine hospitality workers from Indonesia who were mainly living and working in Melbourne and Sydney, Australia. The result of the study indicated that perceived organizational support positively influences cross-cultural adjustment. Also, the cross-cultural adjustment has been found to positively influence workers' job performance. Interestingly, this study found that there was an association between perceived organizational support and job performance. Lastly, cross-cultural adjustment moderates the relationship between perceived organizational support and workers' job performance. This research is one of the first studies that examine the Indonesian hospitality foreign workers’ perception of organizational support, cross-cultural adjustment, and job performance. Our findings shed a new perspective on one antecedent of foreign workers’ job performance. Our findings also serve to elucidate the roles of cross-cultural adjustment in a multicultural workplace.

Keywords

perceived organizational support, cross-cultural adjustment, job performance, hospitality foreign workers.
1. Introduction
Globalization and advancements in technology have facilitated the connection between people from many cultures worldwide (Nguyen et al., 2018). Moving and working in another country has been increasingly popular as international travel becomes more convenient in today's global world (Tausóvá et al., 2019). Since more individuals choose to work and live abroad, the topic of international employee management becomes increasingly essential for corporate managers and scholars (Hua et al., 2019; Setti et al., 2020; Shen et al., 2014). To boost the productivity and performance of foreign workers, a company must develop appropriate techniques to increase not only their dedication to work but also to the organization in the host culture (Hou et al., 2018).

There are various problems faced by foreign workers who are working in a foreign country or culture (Setti et al., 2020; Vu & Nguyen, 2020). For instance, social exclusion, discrimination, and distributive injustice are challenges and issues faced by foreign workers (Devine et al., 2007; Sadi & Henderson, 2005). Hence, managing these workers has become more challenging for the company (Y.-S. Lee, 2021). This study investigated the foreign workers’ work adaptation and its impact on their job performance. Moreover, the role of cross-culture adjustment in the relationship between the aforementioned constructed was tested. Foreign workers are employees who seek foreign employment without the sponsorship of a company in their home country, who hold temporary work visas, and who do not have permanent residency status in the host country (Ang et al., 2003).

This study focused on Indonesian workers who working in hospitality businesses in Melbourne and Sydney, Australia under the temporary migrant scheme. In response to the country’s recent economic troubles, the Australian government implemented a skilled migration program. This program is aiming to better target talented and skilled employees required by the economy, particularly in high-demand industries such as tourism and hospitality.

This research sought to address the predictors of the Indonesian workers' job performance in the Australian hospitality industry and fill the research gap by investigating an underrepresented sample population. Muchtar & Dalimunthe (2020) the main difficulty faced by Indonesian workers is that the stigma of being low-skilled and poorly educated workers. This stigma most likely exists due to a large number of Indonesian workers working overseas in a low-paid job industry such as domestic workers. Hence, the outcomes of the current study are expected to contribute to existing limited knowledge of the influence of Perceived Organizational Support (POS) on foreign workers’ cross-cultural adjustment and job performance in hospitality, particularly that focuses on foreign workers from Indonesia.

Scholars have suggested that foreign workers are a valuable source of innovation and that these workers can significantly contribute to the business growth of the organization and the hospitality industry (Baum et al., 2007). Nevertheless, foreign workers in the hospitality sector generally do not receive adequate support because hotel management typically considers them to be a temporary source of revenue (Devine et al., 2007).

The job performance of foreign workers is critical to the organization's growth. However, working overseas presents a unique work environment, and these international employees should not be treated the same way they are treated at a company in their home country (Takatsuka & Yimcharoen, 2021). Besides excitement and curiosity, the foreign workers also encounter various misunderstandings and frustration in their new workplace abroad, thus, they may need to make changes in their emotional, behavioral, and cognitive functioning (Shi & Franklin, 2014).

1.1 The Objectives
This study focused on Indonesian workers who working in hospitality businesses in Melbourne and Sydney, Australia under the temporary migrant scheme. Furthermore, this research also sought to address the predictors of the Indonesian workers' job performance in the Australian hospitality industry and fill the research gap by investigating an underrepresented sample population. At the last, all of this paper needs to be accomplish is examined the relationship between perceived organizational support (POS) and foreign workers’ job performance.

2. Literature Review
2.1 Perceived Organizational Support (POS) and Job Performance
The social exchange theory developed by Blau (1964) has been widely used to explain the interaction between an organization and its employees for more than five decades. It also has been applied to a wide range of topics. The most common type of construct that this theory discusses is Perceived Organizational Support (POS). ‘Employees' collective belief about how much value the organization places on their job contribution and member achievements,
as well as how much the organization is interested in their well-being as a means of compensation for their contribution and achievements”, is defined by researchers as Perceived Organizational Support (Eisenberger et al., 1986). Meanwhile, Allen et al. (2003) defined POS as “the extent to which the organization values and cares about its personnel”.

Perceived organizational support has sparked considerable attention among psychologists, scholars, and managers (Allen et al., 2003; Colakoglu et al., 2010). For instance, Burmeister & Deller (2016) revealed that POS is critical for achieving knowledge benefits upon repatriation. Employees who believe that their employer is concerned about their well-being recognize their contributions and make efforts to assist them in performing their job will demonstrate higher job satisfaction, and job performance than other employees (Baran et al., 2012).

This study examined the relationship between perceived organizational support (POS) and foreign workers’ job performance. In the context of foreign workers in the hospitality industry, Perceived Organizational Support (POS) has been argued to influence job performance (Chiang & Hsieh, 2012; Kim et al., 2016; Loi et al., 2014). Additionally, foreign workers in the hospitality industry, are oftentimes overlooked by their organization's and society's support systems, and in general, local employees receive more adequate support from their organization (Au et al., 1998, Berry and Bell, 2012). The lack of support received by foreign workers in comparison to local employees suggests that providing organizational support to foreign workers can be an effective means of facilitating their better and faster adjustment to their new jobs and job performance. Based on a review of the available literature, the following hypotheses were developed:

H1: There is a positive relationship between perceived organizational support (POS) and the work performance of foreign workers in the hospitality industry.

2.2 Cross-cultural Adjustment
Cross-cultural adjustment can be defined as the degree of foreign workers’ psychological well-being and familiarity with any aspect of a new environment in a host country during their time working and living abroad (Black et al., 1991). It represents the capacity to adapt to working and social settings in the host culture (P.-Y. Lee et al., 2018). An individual who possesses a high degree of cross-cultural adjustment has the capability to absorb and adapt to the new culture, while someone with a low degree of cross-cultural adjustment will find the adaptation to a new culture is challenging (Taushová et al., 2019). In other words, when it comes to cross-cultural adjustment, it is frequently related to an individual's ability to survive and prosper in a new setting (Hou et al., 2018). Furthermore, a significant component in foreign workers’ survival and growth in a foreign environment has been highlighted as one of the most crucial factors (Khilji et al., 2010). Nevertheless, establishing cross-cultural adjustment skills continues to be a significant difficulty for foreign workers due to the unpredictability and risks inherent in living and working abroad (Koveshnikov et al., 2014). The examination of potential antecedents that may influence expatriate cross-cultural adjustment has therefore received considerable interest from scholars (P.-Y. Lee et al., 2018).

In hospitality industry literature, there are a few studies have investigated the relationship between foreign employees’ Perceived Organizational Support (POS) and their cross-cultural adjustment. Some findings from research in managing diversity at the workplace have argued that there is a positive relationship between these constructs. Hua et al. (2019) argue that one of the main factors that may help foreign workers in adapting to the local social and working environment is a cross-cultural adjustment (Hua et al., 2019). As a result of adjusting their attitudes and behaviors to work environments, foreign workers may develop a deeper understanding of and emotional attachment to their coworkers, the workplace environment, and the business. Therefore, international workers may be able to devote more time, energy, and effort to their jobs and organizations as a result of this (Hua et al., 2019). Another study by Janta et al. (2011) that surveyed foreign workers in the UK hospitality industry, found that supportive companies and local employees play a significant role in the adjustment process. Therefore, based on the discussion above, the following hypothesis is developed:

H2: There is a significant positive relationship between Perceived Organizational Support (POS) from the hospitality firm and foreign workers' cross-cultural adjustment.

Moreover, foreign workers who can adjust to the host country's culture may establish an attachment to the organization as a result of their familiarity with their jobs and work environment (Palthe, 2004). This situation may also potentially lead to an increase in foreign workers' job performance. It is often considered that job performance and cross-cultural
adjustment are inextricably related. However, the previous research has mainly focused on factors that influence cross-cultural adaptation, and only a few studies have examined the relationship between cross-cultural adaptation and the job performance of foreign workers (Shi & Franklin, 2014). The current study argues that when foreign workers have the capability to adjust and transition to their new environment, they are expected to have less anxiety and confusion. As consequence, foreign workers will be able to fully contribute and devote themselves to the job at hand. According to L.-Y. Lee & Kartika (2014), foreign workers who have successfully adapted to their new employees are more likely to perform well on their job than those who have struggled to do so in their previous jobs (Lee and Kartika 2014; Wu and Ang 2011). Based on the discussion of the works of literature above, the following hypothesis is proposed:

H3: Hospitality foreign workers’ cross-cultural adjustment will be positively related to their job performance.

In the context of Indonesian hospitality foreign workers in Australia, many of these workers encountered culture shock. The differences between their home country and their host country frequently lead to stress and confusion. Misunderstanding in communication due to language barriers also may cause frustration among these workers. For instance, the managers and local employees may use specific slang language that cannot be understood by Indonesian workers. In addition, the differences in cultural power distance (Hofstede, 2011; Khatri, 2009) may also influence the Indonesian workers' cross-cultural adjustment. To put it another way, it is more difficult to adjust when the host country is more culturally distant (Wang & Varma, 2019). This may lead to a situation where a form of support received from the hospitality company is being interpreted differently by the Indonesian hospitality workers, subsequently, it will impact their job performance. On the contrary, if these workers have a high degree of cross-cultural adjustment, then the cultural misunderstanding at the workplace can be mitigated. In other words, the weak relationship between Perceived Organizational Support and Job performance will be strengthened by cross-cultural adjustment. Thus, the following hypothesis is proposed:

H4: The relationship between foreign workers’ Perceived Organizational Support (POS) and job performance will be moderated by the level of cross-cultural adjustment.

The framework of this research, as shown in Figure 1. Below, is formulated based on the argument that foreign worker's job performance requires organizational support and cross-cultural adjustment.

3. Methods
The sample of this study consist of Indonesian foreign workers who were working in the hospitality industry in Melbourne and Sydney, Australia. The respondent contact was gathered using one of the author's networks. Survey questionnaires were written in English and distributed through Qualtrics (a web-based survey). The questionnaire was self-administered and contained questions about constructs; Perceived Organizational Support (POS), Job Performance, and Cross-cultural adjustment. Using a 5-point Likert scale (1 being strongly disagreed and 5 is strongly agreed), the researchers assessed all of the items under each construct. Before completing the questionnaire, we gathered informed consent from them. We also warrant the anonymity and confidentiality of their responses. Data from the questionnaire were obtained within two months, from January to the end of February 2021. We distributed the survey to 145 foreign workers. Of them, ninety-nine foreign workers filled up and completed the survey. There
were five respondents being excluded due to an incomplete survey. Of the ninety-nine research participants, 37.5 were female, and 62.5 were male. Regarding the age of the respondents, 31.8% were in their 20s, and 48.7% were in their 30s, also there were 19.5% of them in their 40s.

4. Data Collection

The questionnaire was compiled by the researchers based on a previous literature review, and some of the items were modified for the purpose of this study. Participants completed the Survey of Perceived Organizational Support (SPOS) scale developed by Eisenberger et al. (1986). Two examples are "the organization values my contribution to its well-being" and "the organization genuinely cares about my well-being. Moreover, cross-cultural adjustment measurements were developed based on the instrument created by Lee Olson & Kroeger (2001). Two examples are “I have my own cultural, new verbal, and nonverbal communication skills to adapt to another culture” and “I have two or more cultural frames of reference, and I feel positive about cultural difference”. Lastly, Job performance measurement was adopted from the work of (Y.-S. Lee, 2021). The sample of the items are “I can accomplish tasks” and “I uphold the highest professional standards”.

5. Results and Discussion

Both the measurement model and the structural model were constructed using the partial least squares path modeling approach and bootstrapping. Data analyses were conducted using SmartPLS. A convergent validity test was carried out at the beginning of the study to determine its validity. The loadings of the items, the average variance extracted (AVE), and the composite reliability (CR) were all critically examined in this test. Table 1 below contains the outcomes of the study. According to the previously mentioned table, the loadings of the items were greater than 0.6, which corresponded to the figure advised by Hair Jr et al. (2014). In terms of the AVE threshold, the AVE should be more than 0.5. Joseph F Hair Jr et al. (2017). The AVEs in this investigation were in the range of 0.585 and 0.664, which was considered to be acceptable. The CR value also varied between 0.875 and 0.925, which was similar to the value suggested by Hair et al. (2011).

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Items</th>
<th>Loadings</th>
<th>AVE</th>
<th>CR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived Organizational Support (POS)</td>
<td>POS 1</td>
<td>0.813</td>
<td>0.585</td>
<td>0.875</td>
</tr>
<tr>
<td></td>
<td>POS 2</td>
<td>0.729</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>POS 3</td>
<td>0.742</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>POS 4</td>
<td>0.763</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>POS 5</td>
<td>0.772</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cross-cultural adjustment</td>
<td>CCA 1</td>
<td>0.824</td>
<td>0.664</td>
<td>0.887</td>
</tr>
<tr>
<td></td>
<td>CCA 2</td>
<td>0.871</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>CCA 3</td>
<td>0.875</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>CCA 4</td>
<td>0.671</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job performance</td>
<td>JP 1</td>
<td>0.756</td>
<td>0.641</td>
<td>0.925</td>
</tr>
<tr>
<td></td>
<td>JP 2</td>
<td>0.652</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>JP 3</td>
<td>0.825</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>JP 4</td>
<td>0.802</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Structural Model and Hypothesis Testing

According to the results, as shown in Table 2, surprisingly, there was no significant relationship between Perceived Organizational Support (POS) and job performance ($\beta = 0.080$, $t = 0.833$, $p > 0.05$). Therefore, this study rejected Hypothesis 1 (H1). Moreover, the result indicated that there was a significant positive relationship between Perceived Organizational Support (POS) and cross-cultural adjustment ($\beta = 0.357$, $t = 15.074$, $p < 0.05$). Hence, Hypothesis 2 (H2) is supported. Furthermore, the outcome of the analysis also found that there was a significant positive relationship between cross-cultural adjustment and job performance ($\beta = 0.370$, $t = 4.213$, $p < 0.05$). Therefore, Hypothesis 3 (H3) is also supported. Lastly, this study found that cross-cultural adjustment significantly moderates the relationship
between perceived organizational support and job performance. \((\beta = 0.394, t = 3.903, p < 0.05)\). Thus, hypothesis 4 (H4) is supported.

### Table 2. Path coefficients

<table>
<thead>
<tr>
<th>Relationship</th>
<th>Std. Beta</th>
<th>Std. error</th>
<th>t-value</th>
<th>P Value</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 POS --&gt; Job Performance</td>
<td>0.080</td>
<td>0.091</td>
<td>0.833</td>
<td>0.377</td>
<td>Rejected</td>
</tr>
<tr>
<td>H2 POS --&gt; CCA</td>
<td>0.357</td>
<td>0.049</td>
<td>15.074</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td>H3 CCA --&gt; Job performance</td>
<td>0.370</td>
<td>0.088</td>
<td>4.213</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td>H3 Pos --&gt; CCA --&gt; Job performance</td>
<td>0.394</td>
<td>0.101</td>
<td>3.903</td>
<td>0.000</td>
<td>Supported</td>
</tr>
</tbody>
</table>

### 6. Conclusion

This study aims to examine the relationship between Perceived Organizational Support (POS), cross-culture adjustment, and job performance among foreign workers in the hospitality industry in Australia. This study found a significant positive relationship between POS and cross-cultural adjustment, POS, and workers’ job performance. A meta-analysis study examining the relationship between Perceived Organizational Support and job performance conducted by Riggle et al. (2009) found that there was a significant positive relationship between these variables. This finding was supported by Shen et al. (2014) who also found a significant positive relationship between perceived organizational support and expatriates’ job performance.

However, the current study found that there was no significant relationship between foreign workers’ perception of organizational support and their job performance. This result was not expected. Many Indonesian hospitality workers in Australia experienced culture shock as a result of their work. The contrasts between their home and host countries usually cause tension and bewilderment. Miscommunication due to a language barrier may also cause frustration among these workers. Managers and local staff, for example, may utilize slang language that Indonesian workers do not understand. Furthermore, inequalities in cultural power distance (Hofstede, 2011; Khatri, 2009) may have an impact on Indonesian workers' cross-cultural adjustment. To put it another way, when the host country is more culturally distant, it is more difficult to adjust (Wang & Varma, 2019). This may result in a situation in which the hospitality company's support is viewed differently by Indonesian hospitality workers, negatively impacting their job performance. On the contrary, if these workers have a high level of cross-cultural adjustment, workplace cultural misunderstanding can be reduced. In other words, the cross-cultural adjustment will increase the poor link between Perceived Organizational Support and Job Performance, thus, this study supported hypothesis 4 (H4).

The findings of this study have several implications. First, the research has contributed to the organizational and social exchange theories, as well as other fields. This study integrates the variables perceived organizational support, cross-cultural adjustment, and job performance in order to examine the social interchange between Indonesian hospitality foreign workers in Australia. Despite the importance of foreign workers in the hospitality business, past research on migrant worker POS, CCA, and job performance has been limited. To the best of our knowledge, this is the first study that examines these topics, especially in the context of Indonesian foreign workers in the hospitality industry. Second, the hospitality businesses that employ foreign workers should be more focused on cultural training at the work induction program. Also, hospitality managers should be aware that every employee who comes from many different cultural backgrounds may misinterpret the form of support due to cultural differences. Hence, it is crucial to conduct feedback sessions at the beginning of employment, either formally or informally.

At the last, for the future research it is recommended that the findings of the current study be tested on other foreign workers from different countries. The comparison study also would be required to differentiate the result based on the nation's culture. Lastly, since this study relies on quantitative data, which lacks certain amounts of perceptive information, qualitative data would be significantly important to be explored.

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**Biography**

Novita Indah Mulyaningrum teaches as lecturer in Hotel Management of Bina Nusantara University starting 2017. She was attained her bachelor’s degree in 2011 and her Master Degree in 2014 in Trisakti Institute of Tourism, Jakarta. Beforehand, she also has a background as hotelier in industry and nowadays in charge as Enrichment Program Officer for Hotel Management of Bina Nusantara University.

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Ichwan Masnadi well-known as an expert Front Office in many international chain hotels. After attained his Master Degree, he starts to be a lecturer in Hotel Management of Bina Nusantara University and in charge as a Laboratorium Officer for this program study.