

**Moving Concerns of Low-Skilled Immigrant Workers:
Application of Social Exchange View to a Two-Year Comparison**

Abstract

The social exchange view has effectively explained both the relationship between firms and employees and employees' behaviors and attitudes in the workplace. However, the theory has not yet been applied to the case of immigrant workers employed in foreign markets for limited-duration 3D tasks. The present research explored the psychometric facets of immigrant workers by comparing data provided by the IOM Migration Research and Training Centre in Korea for two years, 2010 and 2013. Within the limits of the available data set, we examined how economic or social factors could trigger diverse impacts on the attitudes of low-skilled immigrant workers in different work environments. The results in general support moving concern premises as well as the applicability of social exchange theory in helping us understand the attitudes of immigrant workers. Practical suggestions and discussions of the results are also included.

Keywords: low-skilled immigrant workers, economic exchange,
social exchange, justice perception, interpersonal conflicts,
Employment Permit System

Immigration of foreign labor¹ has become a ubiquitous concern. An increasing number of countries have undertaken their status from dispatching to importing countries (Massey, Arango, Hugo, Kouaouci, Pellegrino, & Taylor, 1993), including several Asian countries that have had traditionally homogeneous labor forces. Japan is reported to have experienced increases in immigrant labor, especially since the 1980s (Yamanaka, 1993), and had two million registered foreigners by the early 2000s (Kim, 2009). Korea, the site of the present research, also experienced a migration transition from a country dispatching its labor abroad from the 1960s to an importing nation in the late 1980s (Kim, 2009). The influx of foreign workers in Korea became notable beginning in 1993 with the advent of the Industrial Trainee System (Kim, Park, & Kang, 2007), and became strengthened and systematized in 2009 when the government adopted the Employment Permit System (EPS, hereafter). According to the Ministry of Justice, foreign residents numbered 2.18 million as of June 30, 2016, constituting 3.9% of the nation's population (*Korea Herald*, 2016.7.27).

Compared to the surge of immigrant workers in the global market, research results are significantly lagging, especially in the area of management. Notably, studies have reported that low-skilled immigrant workers possess a homogenous economic reason for immigrating, i.e., higher wages, and are employed mainly in manual or 3D (dirty, dangerous, and difficult) jobs for only a short, definite period of time (Ang, Dyne, & Begley, 2003; Elgersma, 2014). Mainly due to these characteristics, immigrant workers have been ignored in management research and studied exclusively from a macroeconomic angle (Aslund & Rooth, 2007; Djajic & Milbourne, 1988; Duleep & Dowhan, 2008; Elgersma, 2014; Massey et al., 1993; Mukoyama & Sahin, 2005). However, even though workers' initial motivation for immigrating was economic in nature, their attitudes inevitably are influenced by diverse factors after immigration, as they interact with local employees and supervisors. Despite the obvious phenomena, virtually nothing is known about the dynamics of low-skilled immigrant workers' psychology in the workplace after immigration.

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Several scholars have discussed the dynamic or moving nature of individuals' motivations (Kanfer & Chen, 2016; Mai, Ellis, Christian & Porter, 2016; da Motta Veiga & Gabriel, 2016), but empirical evidence in diverse work settings is still rare. We, in the present research, attempt to explore the dynamics of the psychometric facets of foreign workers in the workplace after immigration. We discuss the moving concerns frame along with the frame of social exchange (Blau, 1964; Dabos & Rousseau, 2004; Eisenberger et al., 1997; Kottke & Sharafinski, 1988; Mai et al., 2016; Shanock & Eisenberger, 2006; Stinglhamber & Vandenberghe, 2003; Wayne et al., 1997). Most existing studies on social exchanges have been performed with local employees or employees of global firms, but the present research goes further to explore the universal applicability of the frame for the case of immigrant workers employed in foreign markets for limited-duration 3D tasks. Thus, the present research contributes to enhancing the understanding of the dynamics of immigrant workers by incorporating social exchange view and explaining their moving concerns.

In addition to the theoretical contributions, the present research delivers messages for effective management of immigrant workers. Understanding the dynamic concerns of immigrant workers is important not just for boosting performance of the firms hiring them. Immigrant workers are closely connected to society as a whole because an influx of foreign workers is accompanied by social issues such as citizenship, marriage, national identity (Kim, 2009; Piper, 2004), and also a potential increase of illegal stays if not effectively managed (*Korea Herald*, 2011.8.4). Despite its importance, very few studies have been performed regarding the effective management of foreign workers. Therefore, the present research will provide enhanced understanding of immigrant workers, which will contribute to better management.

We utilized a data set collected by the IOM Migration Research and Training Centre. Jointly developed by the Korean government and the United Nations, the Centre is the official unit in Korea dealing with the policy issues of immigrant workers. The Centre performed the surveys with stratified sampling procedures to acquire sufficient representativeness of the population. Moreover, all the items were translated into the language of each foreign worker to improve understanding of the items. Therefore, even though the data were not panel in nature, the data can be regarded as valid, with sufficient representativeness for each year, allowing a reliable examination of the differences in the general psychology of foreign workers in the two years.

We specifically examine how the perceptions of immigrant workers show differences between the years of 2010 and 2013. The two years are characterized by distinct working conditions for foreign low-skilled workers in Korea. The details will be discussed later in this manuscript, but in sum, low-skilled immigrant workers' status in work environments had notably improved by 2013 in areas such as wage level, job security, work insurance, and overtime work. We assume that differences in the workplace would trigger impacts on the relative effects of economic and social factors, and we attempt to explain the changes using economic and social exchange perspectives. Figure 1 represents the research frame of the present research.

Insert Figure 1 about here

Hypotheses Development

Immigration and the Employment Permit System in Korea

Foreign workers are defined as employees who have no permanent residential status in the host country who seek overseas employment without sponsorship from any firm in their home nations (Ang, Dyne, & Begley, 2003; West & Bogumil, 2000). Foreign workers, especially low-

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skilled workers, are brought to the host country mainly to fill a shortage in the local labor market. Korea has experienced a marked influx of foreign workers since the 2000s. Facing a high labor shortage rate, the Korean government's Foreign Workforce Policy Committee initiated the EPS in March 2004 to facilitate the influx of foreign workers (Kim, Park, & Kang, 2007).

Although specific comparisons of the systems among countries lie beyond the scope of the present research, a few unique features of the EPS are worth mentioning. The EPS is a centralized system that includes the signing of a memorandum of understanding (MOU) with dispatching countries at the government level and heavy government restrictions in the implementation process. Unlike prior regulations, all activities, from registration of potential migrant workers and selection to pre-departure orientation and return, are strictly regulated by government agencies (Kim, 2009). Firms must prove that they failed to find native workers to hire before they can accept foreign workers. The Korean government then receives a list of job applicants from the countries with which the government has made MOUs. The employment service center recommends individuals on the list, and when selected by the firm, the Centre issues employment permits, and the firm offers employment contracts within three months. Most low-skilled foreign workers are hired by small firms that are not able to find local labor. A contract's maximum duration is four years and ten months, including three initial years, with the possibility of an extension upon request from the employers. The revision in 2012 enabled one-time re-entry after returning to the home country upon fulfillment of some requirements, resulting in a nine-year, eight-month work permit in Korea. The employment contract is signed by the foreign workers before they enter Korea. After they enter, foreign workers must work at the firms with which they have made contracts, but are allowed firm changes up to three times with permission from the government institute. A total of 15 countries have made MOUs with Korea through the EPS.

A notable factor is that the labor rights of foreign workers are improved under the system because it mandates equal treatment of foreign and local workers in the workplace (Chung et al., 2013; Kim, 2004). The EPS has stabilized policy issues related to foreign workers, increased the predictability of the influx of foreign workers, and improved the status of foreign workers in the domestic market. These features led to a United Nations Public Service Award being given to the EPS in 2011. In addition, scholars such as Kim (2004) have asserted that the EPS will gradually change the status of foreign immigrant workers from peripheral to semi-peripheral in the Korean market.

Economic and Social Exchanges

Scholars have long supported two distinct types of exchanges between firms and employees, economic and social. Tsui and colleagues (Tsui, Pearce, Porter, & Tripoli, 1997) explained economic exchange as a situation where an employer offers short-term, purely economic inducements, and the relationship between the firm and employees is defined in terms of specified activities for a predetermined compensation. The other exchanges are social, in which the employer offers inducements beyond short-term monetary rewards, and employees, in return, contribute more than expected from the prior set agreements. The classifications effectively explained the differences between economic and social exchanges but focused on the employer (p. 1091). The research did not explore the employees' perceptions from economic and social exchange views, but it is reasonably assumed that a firm's economic concerns should be aligned with its employees' economic concerns, considering the equilibrium premise that exists between the two parties (March and Simon, 1958). While economic exchanges focus on economic or monetary concerns, social exchanges represent the importance of interpersonal or

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relational facets. The social exchange view highlights the effects of support from organizations, supervisors, and peers and insists that employees show enhanced satisfaction, commitment, and performance in return for support from the organization or supervisors (Blau, 1964; Kottke & Sharafinski, 1988; Eisenberger et al., 1997; Shanock & Eisenberger, 2006; Stinglhamber & Vandenberghe, 2003; Wayne et al., 1997). Ang and colleagues (2004) insisted that foreign workers showed lower distributive justice, performance, and organizational citizenship behaviors than domestic workers and explained the results from the perspective of social exchange theory. The results are plausible in that most foreign workers occupy peripheral rather than core positions in firms, in which case firms exercise more control-based management, and social exchange is minimal.

The two exchanges have also been applied to the more practical issue of the psychological contract. A psychological contract indicates employees' perceptions of reciprocal obligations between themselves and their firms (Robinson, 1995). Psychological contracts contain transactional and relational components such that the former indicates short-term monetizable obligations, while the latter includes socioemotional elements (Morrison & Robinson, 1997). Employees hold both contracts, but studies have argued that the two elements are distinct, representing economic and social exchanges respectively (Dabos & Rousseau, 2004; Mai, Ellis, Christian & Porter, 2016; Shore & Tetrick, 1994).

Moving Concerns

Even though studies on the moving facets of diverse concerns are rare, we argue that changes in work conditions will influence the perceptions of low-skilled immigrant workers in the workplace. The assertion is largely supported by two views. First, the logic for moving concerns corresponds to Maslow's classic motivation theory. Maslow (1943) insisted that human needs are arranged in hierarchies and the appearance of one need usually rests on the prior satisfaction of another, more prepotent need. Maslow's theory mainly rests upon clinical or experimental designs and has been criticized for the lack of construct validity in the hierarchy of needs as well as for measurement deficiencies in the domination-gratification construct (Wahba & Bridwel, 1976). However, even though the hierarchical nature of human needs has been questioned, doubts about its authenticity do not entirely invalidate the premise of different interests becoming salient in different situations because moving concerns do not necessarily represent hierarchical changes. In other words, Maslow's work seems to support the premise that the salient needs of individuals may change in different situations. In a similar vein, Kanfer and Chen (2016) argued for the malleability of the psychological states of motives being influenced by individuals' experiences. Therefore, it seems reasonable to assume that individuals in different situations or with different experiences may perceive different interests, which can be applied to the case of low-skilled immigrant workers. That is, economic factors emerge as the most prevalent concern of immigrant workers when their employment is short term and pay is low and insecure, but their concerns may change as their employment is lengthened with improved levels of pay and security.

Second, more recent studies on motivation have argued for the dynamic nature of motivation change. For instance, within-individual observations of motivation in job searches proved that autonomous and controlled motivation triggered relatively different effects on metacognitive strategies in individuals with the passage of time (da Motta Veiga & Gabriel, 2016). The results indicated that individuals may perceive different interests as important as time passes. Studies on psychological contracts further strengthen the premise of looking at moving concerns from the social exchange perspective (Mai et al., 2016; Shore & Tetrick, 1994). The

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studies showed that employees tend to perceive either transactional exchanges (i.e., economic exchanges) or relational exchanges (i.e., social exchanges) more distinctly according to their work situations. That is, employees perceiving longer-term employment with their current organization are more likely to establish relational exchanges, while those with shorter-term goals are more likely to be concerned with economic exchanges.

Assertions on the malleability of the psychological states of motives, aligned with discussions of how transactional and social exchanges are influenced by the conditions of employment contracts, support the plausibility of immigrant workers being influenced by economic and social exchanges differently in different work situations. That is, when economic facets are inferior, immigrant workers may be predominantly influenced by economic factors, but as their economic situations improve and workers begin to receive longer employment contracts and higher levels of pay, economic concerns may diminish. In such situations, their social concerns emerge as important determinants of attitudes in the workplace.

Years 2010 and 2013

To test the hypothesis that low-skilled immigrant workers' concerns will evolve from economic to social interests, this study analyzed a two-year comparison with significant changes. The first is the modification of the EPS. The year 2010 represents an early stage of the system, and the Korean government modified the EPS in 2012 to allow foreign workers a second entry after they had gone back to their home countries. The revision in 2012 enabled a nine-year, eight-month work permit in Korea. The modification indicates a notable improvement in the status of immigrant workers. The obligation to leave the host country after completion of the short-term contract had been noted as a significant limitation on the human rights of foreign workers (Piper, 2004), and the modification in 2012 indicated a meaningful improvement in policy, signifying an upgrade in the labor rights of foreign workers. Thus, while the 2010 data of the present research represented those who were required to leave the country after the expiration of their contract with no allowance of re-entering, the 2013 data comprise workers who were eligible to re-enter after contract expiration.

In addition, the years 2010 and 2013 in the Korean market provide an appropriate setting for examining the research agenda because the two years are regarded as representing markedly distinct working environments for low-skilled foreign workers. Data from the IOM Centre have empirically shown the differences in working conditions between the two years. Table I shows that work conditions data are statistically different between 2010 and 2013: ① The average monthly payments increased. ② The delayed pay decreased. ③ Weekly work hours decreased. ④ Work insurance programs increased. ⑤ Violations of work contracts decreased. The data indicate general improvements in the working conditions of low-skilled immigrant workers in 2013 compared with conditions in 2010.

Insert Table I about here

As discussed above, the changing economic situation, along with the maturation of the EPS *per se*, might have influenced the relationships between employers and foreign employees, and thus it triggered impacts on the perceptions and attitudes of foreign workers. Their high economic interest would have become especially dominant in the early stages of the EPS system. In such situations, immigrant workers are highly attentive to economic transactions such as pay level or a gap in pay from their home income (i.e., an increase in pay after immigration). Therefore, it seems reasonable to discuss how in economically worse situations, both firms and

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employees are notably concerned with economic transactions, and immigrant workers are mostly influenced by economic factors. Thus, in 2010 foreign workers would have shown more concern for economic transactions such as total pay and increase in pay than for social concerns such as interpersonal conflicts or justice.

As stated, in 2012, the government allowed one more re-entry after foreign workers fulfilled initial contracts, and work environments significantly improved between 2010 and 2013. The prolonged employment period along with better conditions might have induced more concerns in immigrant workers about social exchange facets. Moreover, an influx of foreign workers has led to diverse social issues in the country. The EPS and foreign workers have drawn social attention and pressure, which have facilitated the implementation of the system. Foreign workers also have accumulated information regarding the reality of working in Korea, and their awareness might have resulted in an increase in social concerns. That is, foreign workers might have become concerned about something beyond money and economic transactions, and more aware of social perceptions such as justice or interpersonal relations. Supporting the premise, it is reported that in improved conditions, factors such as contract cognition prior to entry and comparisons with Korean workers regarding intensity and work hours may be important factors for foreign workers' workplace satisfaction and turnover intention (Chin, Chang & Chung, 2016).

Concern for social exchanges may include a desire for fair treatment and interpersonal conflict perceptions. Conflict is rooted in diverse causes, and cultural distance and language barriers may stand out as major sources of conflict. Without understanding differences in cultural values and behaviors in the workplace, interpersonal conflicts can easily occur (Hofstede, 2001). Social exchanges thus should include recognizing the cultural differences of the other party, and studies on foreign workers in Korea have consistently reported that cultural insensitivity as well as ethnocentric attitudes in Korean supervisors and colleagues can often result in violent behaviors (Chong, 2004). Therefore, interpersonal conflicts may represent a lack of positive social exchanges.

In addition, foreign immigrant workers' perceptions of justice must have been higher in 2013 than in 2010. Justice perception in the present research is a broader construct than the distributive amount, including general treatment or interactional treatment. The perception of justice has been regarded as one of the major factors influencing employee behaviors in the workplace, influencing outcomes such as job satisfaction or organizational commitment (Folger & Konovsky, 1989; Sweeney & McFarlin, 1993). To foreign workers, discrepancies between their treatment and that of domestic co-workers may emerge as a critical factor at the workplace because the foreign workers' pay levels are predetermined and thus not changeable. With economic factors largely beyond their control, foreign workers who have come to expect longer work experiences in the Korean market may become more aware of their unfair treatment in terms of work content or intensity compared with their Korean colleagues. Accordingly, the following was hypothesized:

Hypothesis 1. Immigrant workers' concerns will change over time such that

(a) the effects of economic exchange factors on work satisfaction will decrease in 2013 compared with 2010.

(b) the effects of social exchange perceptions on work satisfaction would have increased in 2013 compared with 2010.

Finally, the moving concerns of foreign immigrant workers will also be found in direct comparisons of each factor in the earlier and later year contexts. As explained, work conditions

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were inferior in 2010, and as a result, firms and foreign workers might have been more concerned with economic factors than with social exchange perceptions. In 2013, on the other hand, work conditions generally improved, which would have allowed room for more social concerns. Therefore, the effects of social exchange perceptions will be higher than those of the economic exchange factors. Therefore, we hypothesized the following:

Hypothesis 2. In the earlier year (2010), the effects of economic factors on work satisfaction will be stronger than the effects of social exchange perceptions.

Hypothesis 3. In the later year (2013), the effects of social exchange perceptions on work satisfaction will be stronger than those of economic factors.

Method

Data Collection

We analyzed data released by the IOM Migration Research and Training Centre. The Centre was established in 2009 through a partnership between the Korean government and the International Organization for Migration, and it is responsible for performing research and providing education on migration policy in Korea. We used the Centre's survey data for 2010 and 2013, which were commissioned by the Ministry of Justice in Korea. The merits of the surveys include systematic sampling procedures. In order to assure the representativeness of the population, the Centre utilized a multistage cluster area sampling, relying upon the probability proportional to size (PPS) method. The method blocks participation based on the size of the population and then takes a random sample from each block. Collecting sample data that is representative of the population, this method is considered more advantageous than the convenience sampling method (Groves et al., 2006). The Centre also provided the results of comparing characteristics of the sampled workers to those of the entire population, which supported the assertion that the differences between the sample and the population were not substantial (Chung et al., 2013). Therefore, it seems reasonable to conclude that the samples sufficiently represent the population of foreign workers.

In addition, the surveys were translated into the 15 languages of the foreign workers to reduce errors occurring due to language barriers, and trained experts visited each worker to provide assistance as well as to check the validity of responses. In comparing the two-year data, we needed to secure the independence of samples between the two years. Thus, we excluded individuals with longer than a three-year stay in Korea from the 2013 sample (i.e., 605 employees were excluded). Therefore, a total of 967 immigrant employees in 2010 and 770 employees in 2013 were used for the analyses. Appendix A shows the nationality composition of each sample. The highest number of foreign workers came from Vietnam and Indonesia in 2010 (18.9% and 18.7% respectively), while in 2013, the highest number were from Vietnam and Cambodia (22.7% and 13.7% respectively).

Measurements

Economic exchange factors. Two variables were measured for the economic exchange factors. The first, the current payment amount, was measured in the Korean currency, the won, and a log transformation was calculated for use in the analyses due to the huge number of units in the won. The second factor was the comparison of pay increase before and after immigration. The variable was measured on a 10-point scale, with 1 being similar to the pay in the home country, 2

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representing twice the pay, and up to 10 indicating more than ten times the pay in the home country.

Social exchange perceptions. Two variables were used to reflect the social exchange perception: justice perception and interpersonal conflict perception. Two items each were asked for the perceptions. Regarding justice perception, labor hours and intensity compared with those of Korean colleagues were asked. The items were measured on a 3-point Likert scale from very unfair to fair. Interpersonal conflicts were measured by asking whether the foreign workers had perceived conflicts with supervisors or colleagues in the workplace, and the items were each measured on dummy scales with 0 for “no” and 1 for “yes”.

Work satisfaction. Respondents were given one item asking about their general satisfaction at their current workplace. The item was measured on a 7-point Likert scale, from very unsatisfactory to very satisfactory.

Control variables. A total of seven variables were controlled in the analyses: education, age, gender, marital status, level of Korean language fluency, compound annual growth rate (CAGR) of the GDP per capita of the home country in the three most recent years, and countries with new contracts with Korea. Education was coded 1 for none, 2 for elementary school, 3 for middle school, 4 for high school, 5 for two years of college, and 6 for graduate-level education. Gender was coded 0 for male and 1 for female. Marital status was coded 0 for not married and 1 for married. Korean language skills were controlled. It is reported that destination language skills are an important form of human capital for foreigners, significantly influencing their socioeconomic status, including income earned in the foreign country (Chiswick & Miller, 2001). Moreover, unlike English, Korean is generally not spoken in other countries, which makes the language difficult to learn and fluency rare. Thus, language skills were measured by asking about fluency in verbal Korean on four scales, from 1 not capable to 4 very capable.

The compound annual growth rate of the GDP per capita of the home country in the last three years was controlled. Even though foreign immigrants may be more influenced by individual economic status than by GDP, the general economic status of their home country may trigger significant impacts on their perceptions of job choices there and also their work satisfaction. For instance, in fast-growing nations, individuals may perceive more job opportunities with higher pay in the home country than workers in stagnating or low-growth nations. These perceptions may influence foreign workers' work attitudes in foreign markets, and thus needed to be controlled in the analyses. The variables were measured from a secondary source, *IMF.org*.

Finally, Korea developed new MOUs with several more countries in 2012, and the variable of country with a new contract in 2012 was controlled. This variable needed to be controlled because workers from countries who made more recent agreements with Korea may have less experience with and information on Korean companies. That is, workers from countries with a longer history of migrating to Korea to join the labor market may have had more access to information regarding working in Korea, which may trigger significant impacts on their attitudes. This variable used measures developed by Chung et al. (2013) and was controlled in the analyses.

Results

The present research compares data sets from two years, 2010 and 2013, collected from surveys given to immigrant workers in Korea, and we first examined the issue of common-method bias. We tested for common-method bias using procedures suggested by Podsakoff and his colleagues (Podsakoff et al., 2003). Harman's single factor test showed that 24.2% of the

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covariance of the five variables was explained by the fixed single factor, suggesting that the model does not have a significant common-method problem (i.e., lower than 50%).

Descriptive statistics and correlation analyses results are presented in Table II. Notable results include negative correlations between gender and total payment ($r = -.10, p < .01$), indicating that females earned less income than males. Age showed a positive relationship with total payment ($r = .10, p < .01$). Marital status showed a positive relationship with work satisfaction ($r = .05, p < .05$), indicating that married workers were more satisfied with their work. Finally, education did not show a significant relationship with either justice perception or work satisfaction.

Insert Table II about here

Hypothesis 1 concerned cross-year comparisons, and we used the latent moderated structural equation analyses suggested by Klein and his colleagues (Klein & Moosbrugger, 2000; Klein & Muthén, 2007). We first tested the main effect model of economic exchange variables and social exchange variables on work satisfaction. We then examined a moderating effect model with “year” as a moderator (with 2013 coded 1) with the main effect model. All the analyses were performed using Mplus 7.4 (Muthen & Muthen, 1998–2015). Three criterion indices were selected to evaluate model fit: Akaike's Information Criterion (AIC), Bayesian information criterion (BIC), and sample-size adjusted Bayesian information criterion (SSABIC), as suggested in previous research (e.g., Kim & Muthen, 2009; Wang & Bodner, 2007). The moderating effect model indicates a good fit when the three criterion indices of the main effect model are smaller than the indices of the main effect model. The results of these comparisons in our research showed that the moderating effect model had lower AIC, BIC, and SSAIC than the main effect model (AIC 12,548.39, BIC 12,717.74, and SSABIC 12619.26 for moderating effect model, AIC 12,580.43, BIC 12,722.46, and SSABIC 12,639.86 for main effect model), demonstrating that the moderating effect model provided a superior fit to the data compared with the main effect model.

Table III showed that the interaction terms between economic exchange variables and year were significant ($\beta = -1.34, p < .05$ for total payment and $\beta = -.16, p < .05$ for increase in pay), indicating that the effect of total payment and increase in pay on work satisfaction were significantly reduced. Therefore, Hypothesis 1(a) was fully supported.

For social exchange variables, the interaction term between interpersonal conflict and year was significant ($\beta = -0.13, p < .01$) but the interaction term for justice perception was marginally significant ($\beta = .06, p < .10$), indicating that the negative effect of interpersonal conflict on work satisfaction was significantly increased and the positive effect of justice perception on work satisfaction was marginally increased in the later year (2013). Therefore, Hypothesis 1(b) was partially supported.

Insert Table III about here

To examine the directions of interactions, we developed interaction figures with year as a moderator. As shown in the following figures, all the interactions were consistent with the research hypotheses, supporting the results.

 Insert Figures 2, 3, 4, 5 about here

To examine Hypotheses 2 and 3, we first performed a structural equation modeling using Mplus because the social exchange constructs, justice perception and interpersonal conflict, were measured by asking two items each. Then, following the procedures suggested by Paternoster, Brame, Mazerolle, and Piquero (1998), we compared the standardized coefficients and SE of each variable to see whether the differences were significant.

Regarding model fit, the fit indices for the year 2010 show 70.96 of χ^2 , 39 of df ($p < .01$), .94 of CFI, .92 of TLI, .03 of RMSEA, and .03 of SRMR. The indices suggest that the model fits the data at a generally acceptable level. Hypothesis 2 predicted that in an earlier year (2010), immigrant workers would be influenced more by economic factors than by social exchange perceptions. Table IV shows the within-year comparisons. Both total payment and increase in pay showed significant effects on work satisfaction ($\beta = .12$, $p < .01$ for total payment and $\beta = .18$, $p < .01$ for increase in pay). Regarding social exchange perceptions, interpersonal conflict did not show a significant effect, and justice perception showed a significant effect ($\beta = .14$, $p < .01$). Comparisons of the coefficients showed that the absolute value difference between total payment and interpersonal conflict was significant ($Z = 2.78$, $p < .01$) but not with justice perception. Increase in pay showed a marginally significant difference with interpersonal conflict ($Z = 1.84$, $p < .10$) but not with justice perception. Therefore, Hypothesis 2 was partially supported.

Finally, Hypothesis 3 predicted that, in the later year (2013), foreign workers would be more influenced by social exchange perceptions than by economic factors. The fit indices for the 2013 model are 69.47 of χ^2 , 39 of df ($p < .01$), .94 of CFI, .91 of TLI, .03 of RMSEA, and .03 of SRMR. The indices indicate that the model fits the data at a generally acceptable level. According to Table IV, in 2013, total payment showed a significant effect ($\beta = .08$, $p < .05$), but increase in pay did not show a significant effect on work satisfaction. Regarding social exchange perceptions, on the other hand, both interpersonal conflict and justice perception showed significant effects on work satisfaction ($\beta = -.21$, $p < .01$ for interpersonal conflict and $\beta = .22$, $p < .01$ for justice perception). Comparisons of the coefficients showed that the absolute value differences between economic exchange factors and social interaction perceptions were all significant ($Z = -2.31$, $p < .05$ between interpersonal conflict and total payment, $Z = -3.22$, $p < .01$ between interpersonal conflict and increase in pay, $Z = -2.68$, $p < .01$ between justice perception and total payment, and $Z = -3.64$, $p < .01$ between justice perception and increase in pay). Therefore, Hypotheses 3 was supported.

 Insert Table IV about here

Discussion

Globalization of human resources is increasing, and cross-border migration of labor is inevitable. Managing foreign workers incurs difficulties and risks distinct from managing domestic labor, but very few studies exist regarding the issues involved in managing immigrant

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workers. Relying upon economic and social exchange views, the present research explored the moving concerns of foreign immigrant workers by comparing data for two years. In Korea, the site of the research, the EPS contributed to stabilizing the influx of foreign low-skilled workers and to improving their status. The EPS is a unique system in Korea, and we examined data collected by the IOM Migration Research and Training Centre. The Centre, the only official unit in Korea handling immigrant issues, performed nationwide surveys in 2010 and 2013. We examined the data sets to explore changes in the effects of economic and social factors on work satisfaction for foreign workers in Korea. The two years represent notably different situations. In 2012, the government modified existing regulations by allowing one-time re-entry after contract expiration, which advanced the status of foreign immigrant workers. In addition, work environments for foreign workers had significantly improved in 2013 when compared with 2010, and we assumed that these changes might have led to moving concerns for immigrant workers.

We performed latent moderated structural equations analyses and coefficients comparisons using Mplus 7.4 to examine the research hypotheses. Results in general support the moving concern premises. That is, the effects of economic factors such as total pay and pay increased after immigration, but decreased in 2013 compared with 2010. Regarding social exchange perceptions, the negative effect of interpersonal conflict significantly increased in the later year, while the positive effect of justice perception on work satisfaction only marginally increased. Moreover, in the earlier year (2010), comparisons of the coefficients showed that total payment showed stronger effects than interpersonal conflict but not justice perception. Increase in pay showed a marginally stronger effect than interpersonal conflict but not justice perception. In addition to the moving concerns, it is notable that the effects of justice perception on the work satisfaction of immigrant workers were consistently significant. In the later year (2013), on the other hand, coefficients comparisons showed that the effects of social exchange perceptions were all stronger than those of economic factors.

The present research makes two key contributions to existing research. First, from the social exchange view, the present research expanded the realm of the social exchange frame by examining the cases of low-skilled immigrant workers and supporting the importance of social exchanges for peripheral workers as well as for core or white-collar employees. In addition to the generalization of the social exchange frame, the present research, relying upon the assertion of malleable motivations, showed that foreign workers' concerns change along with changes in work conditions from economic exchange to social exchange concerns. Therefore, going beyond the paradigm of juxtaposing the two exchanges (e.g., Tsui et al., 1997), the present research contributed to exploring the moving facets of the two exchanges.

Second, while most studies on immigrant workers have been made from macroeconomic or sociological perspectives, including issues such as the effects on internal labor markets or local income structures (Aslund & Rooth, 2007; Duleep & Dowhan, 2008; Frijters, Shields, & Price, 2005; Stillman & Mare, 2009), the present research explored the psychometric facets of foreign workers. Relying upon changing motivations and social exchange frames, we analyzed the dynamic facets of foreign workers' perceptions in the workplace. Moreover, existing studies on cross-border labor immigration have exclusively focused on the adaptation issues of expatriates (Gong, 2003; Jun, Gentry, & Hyun, 2001; Shaffer, Harrison & Gilley, 1999) and highly-skilled or professional workers (Ang et al., 2004; Cerdin et al., 2014). Unlike expatriates, foreign low-skilled immigrants do not officially belong to any firms in their home countries, and unlike other peripheral workers such as part-timers, they work away from their home countries and family members. Low-skilled immigrant workers are more vulnerable than skilled immigrants or

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domestic part-timers because they are hired to work under more volatile conditions. Therefore, by directly examining the cases of low-skilled foreign workers, the present research expanded understanding of cross-border immigrant employees.

The practical implications of the present research are also noteworthy, especially for firms hiring foreign workers. The most common belief is that low-skilled immigrant workers' concerns are purely economic, which may not be entirely wrong. However, the study results indicate that higher wages are not always the main determinant of foreign immigrant workers' satisfaction, and that they are also concerned with social or interpersonal facets. This is a positive message for firms hiring foreign workers because wage level increases are not likely to be implemented in most cases. However, social exchange facets such as enhancing the perception of justice or reducing interpersonal conflicts may require fewer financial resources but trigger more significant impacts. In particular, justice perception triggered significant effects in both years, which highlights the importance of paying more careful attention in managing foreign immigrant workers because this perception may rely more on continuous communication and trust rather than formal documentation or formal rules. For instance, reciprocal communication will contribute to improving the perception of justice among foreign workers, especially in the cases of potentially harmful factors, such as overtime or changes in task intensity.

Moreover, cultural differences often cause misunderstandings and conflicts in the workplace, and, therefore, training Korean managers and workers regarding different cultures becomes especially important. In addition, the positive effect of language fluency on work satisfaction indicates the importance of providing language training programs for foreign workers. This form of support should be implemented at the governmental or community level, rather than at a firm level. After acquiring the local language, foreign workers may not only perceive less conflict with domestic colleagues but also be able to join in more difficult and challenging tasks. The consequences are beneficial for both firms and foreign workers. Thus, communicating frequently and openly to better understand the values and attitudes of foreign workers should be an integral part of managing the foreign workforce at the firm level, while the government should pay more attention to providing language training support.

Relatedly, the growing concern for social exchange requires more consideration of foreign workers' affective or cognitive states. In other words, their behaviors are largely influenced by relational networks with other foreign or domestic colleagues. As in the case of skilled workers (Ang et al., 2013), mentor programs or informal groups may be effectively utilized. Developing a mentor program with a Korean mentor and a foreign worker mentee may be effective not only in preventing intercultural conflicts at the workplace but in boosting the performance and adaptation of foreign workers. Clearly, effective management of low-skilled immigrant workers does not entirely indicate a heavy monetary or financial investment, but represents, rather, commitment-based management with a special focus on perceptions such as justice and trust.

Limitations and Suggestions for Future Research

The present research utilized survey data from the IOM Migration Research and Training Centre, which adopted a very sophisticated methodology for the sampling and survey procedures. As explained in the report by the Centre, the method showed no serious problem in providing a representative sample of the population (Chung, et al., 2013). However, the fact that data were not panel style remains a limitation in examining the moving concerns of individuals. Thus, the analyses should not be regarded as purely longitudinal. Future research is needed to confirm the changing nature of the psychometric aspects of foreign employees using a longitudinal panel data

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set. A longitudinal research frame will also allow more persuasive results regarding malleability of motives as well as the changing nature of motivation (Kanfer & Chen, 2016; da Motta Veiga & Giabriel, 2016).

In addition, a couple of measurement issues should be noted as limitations. The surveys were performed by the Centre, which operates as a supporting institute for policy development and implementation. Thus, some scales were not satisfactory from an academic point of view. Examples include interpersonal conflicts being measured by a categorical “yes” or “no” answer, overlooking the changing degrees of conflict intensity. If measured on a continuous scale, the variable may have provided greater insights. In addition, the single-item measurement of work satisfaction might have caused a response bias (Schwab, 1999). The measurement problems may not be serious barriers to fulfilling the survey objectives of the Centre but may limit comprehensive analysis of the perceptions and attitudes of foreign workers. In addition, the data may be bound by a common-method bias (Podsakoff and Organ, 1986) because information on the independent and dependent variables were collected from the same source for each year. Even though we followed the suggestions by Podsakoff and his colleagues (Podsakoff et al., 2003) to check for common-method bias and found results indicating that the model did not have a significant problem, the results may not fully resolve the concern of common-method bias.

Even though the present research adopted a social exchange frame, it did not sufficiently incorporate exchange constructs such as support from the organization or supervisors and organizational commitment. The reason seems to be that the surveys were performed by an institute supporting the government, and thus variables meaningful at the firm level were not sufficiently considered. In predicting that work satisfaction would be enhanced by perceiving more justice and less conflict with supervisors and peers, we assumed that immigrant workers' perceptions of social support must have triggered impacts on their attitudes. However, direct examination of social support variables at the firm level will enhance understanding of the social interactions between immigrant workers and hiring firms.

Another limitation is noted from a cross-cultural perspective. The present research did not explore differences that could have been caused by certain cultural factors of the immigrant workers' home countries. To control the bias arising from the different economic contexts of home countries, we included the compound annual growth rate (CAGR) of the GDP per capita of the home country, but the measurement may not comprehensively address the concern of national differences. The issue deserves more attention, including looking into the cultural or economic differences among the countries within the research frame. Relatedly, one notable feature of foreign immigrants is that, compared to domestic workers, their non-work life may trigger fundamental impacts on their work behaviors because they are living in a foreign country without family members. That is, factors such as cultural and social adaptation or forming networks with others of the same nationality may be important, and these personal factors may overwhelm their work life and performance, often more than the effects of effective human resource management. Such issues clearly cannot be entirely managed by firms, and need to be analyzed in coordination with the government, community, and schools. Thus, future research will benefit from fully considering those issues occurring outside the workplace.

The present research examined the moving concerns of low-skilled immigrant workers. Cross-border migration of labor is an inevitable trend in the global economy. The dual market theory explains that the influx of foreign labor has been prompted by local people's aversion to low-paying jobs, and, further, that the influx will increase along with labor shortages caused by an aging population (Kim, 2009). Thus, active interventions by the government are required for

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the more effective use of low-skilled foreign workers on a long-term basis in the wake of an aging population and low fertility rates (*Korea Herald*, 2016.3.28). Moreover, language and cultural differences may operate as significant barriers to immigrant workers' successful adaptation to foreign cultures, and language barriers may be especially prohibitive in Asian countries. In these countries, therefore, the initial entry disadvantage of foreign immigrants (Stillman & Mare, 2009) may become more difficult, and accordingly, the general "U-shaped pattern of occupational mobility" premise of subsequently moving into higher-paying occupations (Chiswick et al., 2005) may not be plausible, requiring even more active participation of governments and firms in Asian societies. The present research focused on the psychometric features of foreign immigrant workers entering the Korean market, but more comparative studies are required to examine the common and unique patterns of adaptations to local markets. Understanding the determinants of immigrant workers' satisfaction in the workplace is a challenging but essential task not only for enhanced theoretical understanding but also for effective management in the global market. Thus, the motivations of immigrant workers will become more important to a host country's firms. From a social exchange perspective, if firms understand that low-skilled immigrant workers' needs change over time with changes in work environments, firms can manage and motivate immigrant workers more effectively.

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Table I
Work Condition Comparisons

	2010	2013	F value
Monthly Pay Amount ^{a)}	144.26	154.32	54.13**
Delayed Pay ^{b)}	0.57	0.34	3.99*
Weekly Working Hours	60.53	58.83	4.41*
Insurance ^{b)}	0.48	0.53	73.80**
Violation of contract ^{b)}	0.33	0.18	7.16*

a) Korean Currency Won (in million)

b) 0 for no, 1 for yes

*p<.05 **p<.01

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Table II
Descriptive Statistics and Correlation Coefficients

Variables	Means	SD	1	2	3	4	5	6	7	8	9	10	11
1. Gender	.13	.34											
2. Age	31.13	5.67	-.06*										
3. Education	4.20	1.01	-.02	-.02									
4. Marriage Status	.43	.50	-.03	.28**	.01								
5. Language Skill	2.64	.83	-.03	.02	.02	.03							
6. CAGR of GNP	11.55	4.64	-.10**	-.08**	-.11**	.02	.07**						
7. New Outgoing Country	.12	.33	-.12**	-.01	.25**	-.01	.13**	-.24**					
8. Total Payment	4.97	.20	-.10**	.10**	-.07**	-.04	.05*	-.04	-.03				
9. Increase in Pay	4.36	2.12	-.07**	-.05*	-.02	-.07**	-.01	.12**	.08**	.12**			
10. Interpersonal Conflicts	.08	.22	-.06*	-.02	.03	.01	-.03	.03	-.01	.03	.04		
11. Justice Perceptions	2.44	.56	.05*	.02	.02	.03	-.01	.03	.06**	.03	.05	-.09**	
12. Work Satisfaction	4.69	1.35	-.02	.04	-.01	.05*	.06*	.05*	-.04	.13**	.05*	-.10**	.17**

*p<.05 **p<.01 n = ????

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Table III
Results of Structural Equation Model with Moderating Effect of Year

Variables	Path Coefficients	S.E.	Path Coefficients	S.E.
Control Variables				
Gender	-.02	.02	-.02	.02
Age	.02	.02	.03	.02
Education	.01	.03	.02	.03
Marriage Status	.05*	.02	.05*	.02
Language Skill	.06*	.02	.05*	.02
CAGR of GNP	.03	.03	.02	.03
Newly Contracted Country	-.06*	.03	-.06*	.03
Independent Variables				
Total Payment	.11**	.03	.17**	.03
Increase in Pay	.03	.03	.11**	.03
Interpersonal Conflicts	-.12**	.03	.00	.04
Justice Perceptions	.19**	.03	.12**	.04
Moderating Variable				
Year			1.47*	.62
Interaction Terms				
Total Payment*Year			-1.34*	.63
Increase in Pay*Year			-.16**	.06
Interpersonal Conflicts*Year			-.14**	.04
Justice Perceptions*Year			.06†	.03
AIC	12580.43		12548.39	
BIC	12722.46		12717.74	
SAABIC	12639.86		12619.26	

† p < .10, *p < .05, **p < .01

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Table IV
Results of Structural Equation Model in Year 2010 and in Year 2013 and Coefficient Differences Tests

Variables	2010		2013	
	Path Coefficients	S.E.	Path Coefficients	S.E.
Control Variables				
Gender	-.05	.03	.02	.04
Age	.10**	.04	-.04	.04
Education	.05	.03	-.03	.04
Marriage Status	.04	.04	.04	.04
Language Skill	.04	.03	.07*	.04
CAGR of GNP	.01	.04	.04	.04
Newly Contracted Country	-.06†	.03	-.04	.04
Independent Variables				
Total Payment	.18**	.03	.08*	.04
Increase in Pay	.12**	.03	-.02	.04
Interpersonal Conflicts	.01	.05	-.21**	.05
Justice Perceptions	.14**	.04	.22**	.04
Difference Test:				
Total Payment vs. Interpersonal Conflicts	2.78**		-2.31*	
Total Payment vs. Justice Perceptions	0.73		-2.68**	
Increase in Pay vs. Interpersonal Conflicts	1.84†		-3.22**	
Increase in Pay vs. Justice Perceptions	-.38		-3.64**	

*p<.05 **p<.01

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Figure 1
Research Frame

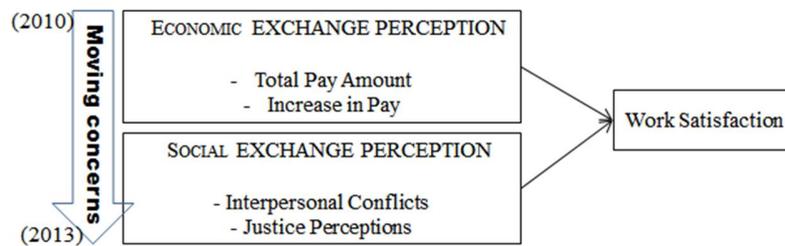
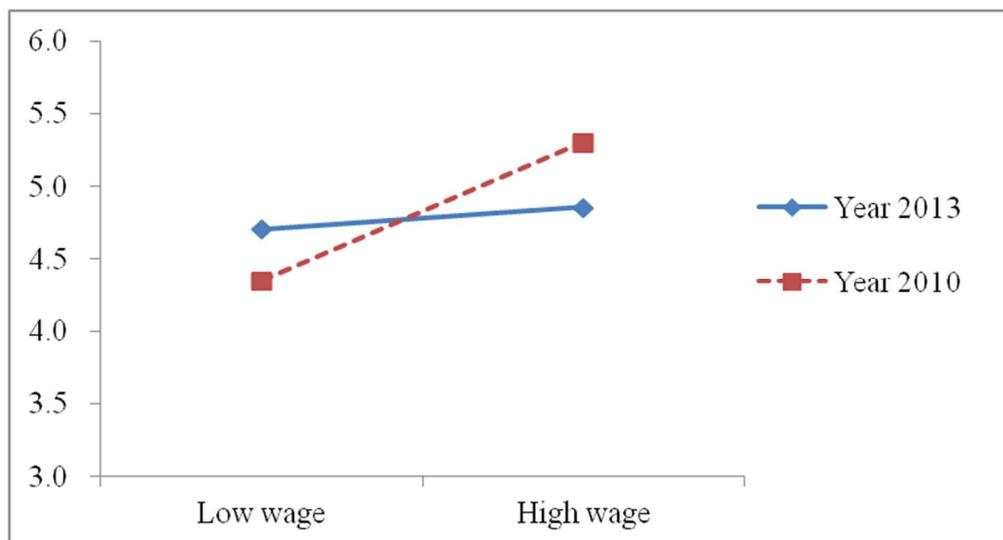


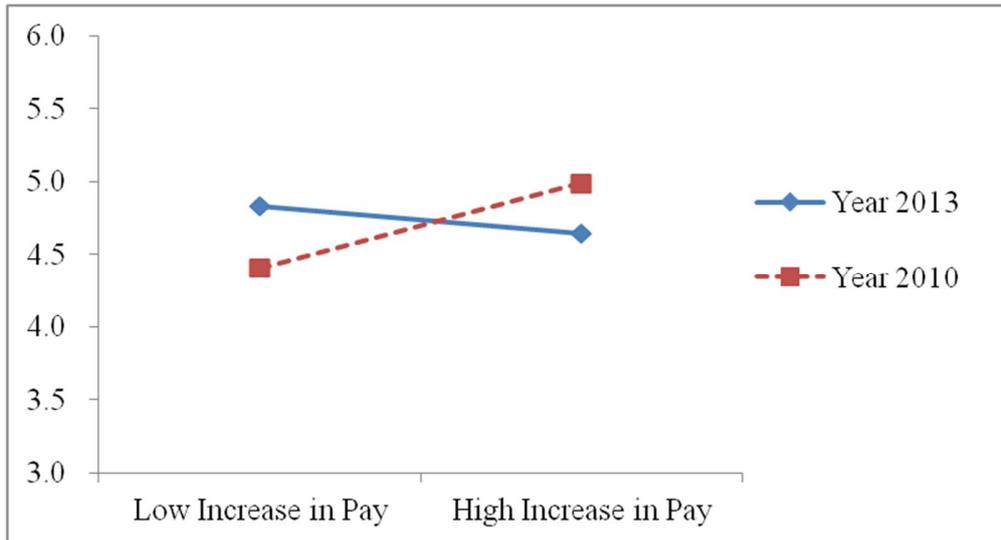
Figure 2
Moderating effect of year on the relationship between wage and work satisfaction



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Figure 3

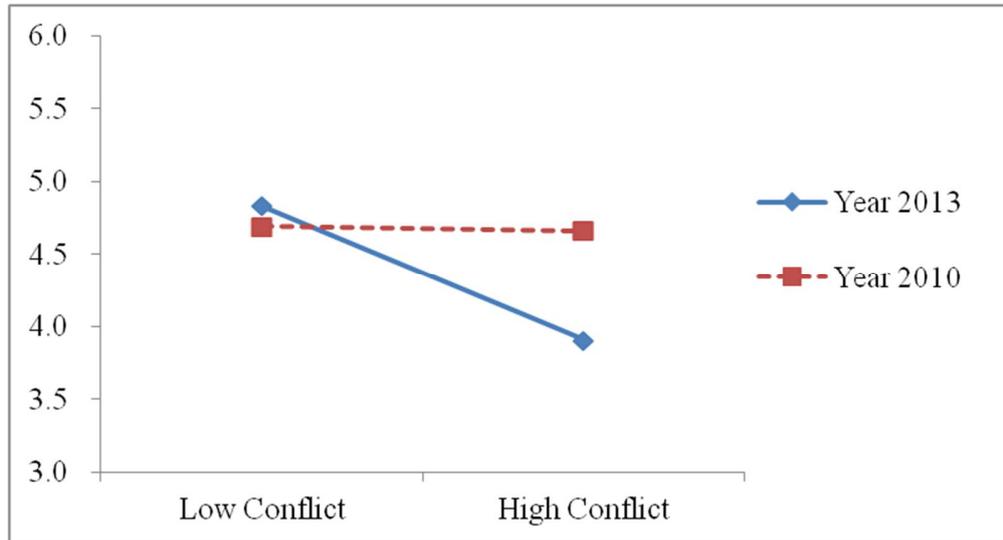
Moderating effect of year on the relationship between increase in pay and work satisfaction



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Figure 4

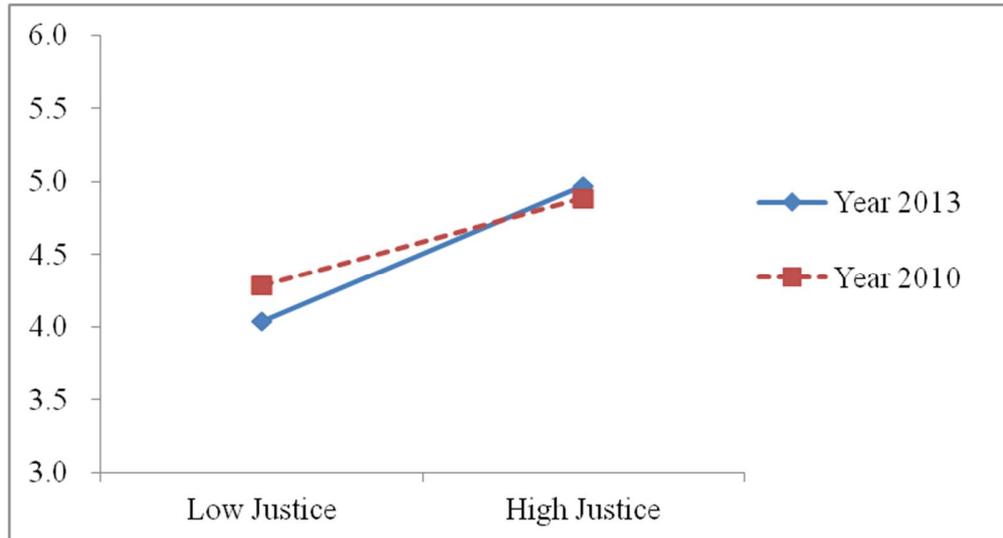
Moderating effect of year on the relationship between interpersonal conflict and work satisfaction



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Figure 5

Moderating effect of year on the relationship between justice perception and work satisfaction



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Appendix A *Nationality Distribution*

	2010		2013	
	Numbers	Percents (%)	Numbers	Percents (%)
Nepal	32	3.3%	97	12.5%
Mongolia	36	3.7%	15	1.9%
Myanmar	6	0.6%	30	3.9%
Bangladesh	30	3.1%	20	2.6%
Vietnam	183	18.9%	176	22.7%
Sri Lanka	68	7.0%	73	9.4%
Uzbekistan	31	3.2%	35	4.5%
Indonesia	181	18.7%	80	10.3%
China	47	4.9%	14	1.8%
Cambodia	19	2.0%	106	13.7%
Kyrgyzstan	0	0.0%	2	0.3%
Thailand	126	13.0%	56	7.2%
Pakistan	33	3.4%	12	1.5%
Philippines	175	18.1%	59	7.6%
Total	967	100.0%	775	100.0%

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Notes

¹ Foreign workers are classified in skilled or low-skilled groups. The two groups of foreign workers may trigger different impacts on a local economy, but the current research focuses on low-skilled foreign workers because they are especially subject to a very high risk of unemployment during recessions, constituting a vulnerable group (Piper, 2004; Mukoyama & Sahin, 2005); are under a more serious risk of repatriation (i.e., being forced to leave the country), as shown in Japan (Tabuchi, 2009); and are the only group targeted by the Employee Permit System in Korea.