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The Impact of Cultural Intelligence in Facilitating Expatriate Performance: The Mediating Role of Cultural Adjustment and Cultural Effectiveness

A thesis presented in partial fulfilment of the requirement for the degree of Master of Management (Management) at Massey University, Auckland, New Zealand

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ABSTRACT

Expatriate studies have primarily focused on cross-cultural adjustment. Meanwhile job performance of expatriates, a critical factor contributing to the success of organisations, has received limited attention. Previous research has acknowledged that cultural issues are one of the main factors associated with expatriate success. The recently developed concept, cultural intelligence (CQ) is a dynamic cultural competency that potentially sheds new light on complex expatriate literature. The primary objective of the present study is to examine the influence of CQ in facilitating expatriate job performance. In addition, the study seeks to investigate the mediating effects of cultural adjustment, job satisfaction, and cultural effectiveness, as well as the impact of social support on expatriate adjustment.

A sample of 226 Western expatriates from nineteen countries working for MNCs and resident in China completed the survey. Structural Equation Modelling was employed to test a model illustrating the causal relationship between key elements of expatriate effectiveness. The results of the study indicate that CQ is a significant predictor for cross-cultural adjustment and cultural effectiveness, which in turn affect job performance. Additionally, perceived organisational support was found to be a strong predictor of job satisfaction. Somewhat surprisingly, no direct relationship was found in the present study between job satisfaction and job performance.

This research contributes to expatriate literature by providing empirical evidence that CQ is a critical and direct predicting factor for cultural adjustment and effectiveness, and further, indirectly impacts work outcomes such as job satisfaction and job performance. This study provides international human resources management suggestions that MNCs should consider CQ as one of the key selection criteria for selecting potential expatriate candidates. Furthermore, the present study asserts that it is critical for MNCs to provide continuing cultural training and organisational support in order to assist expatriates adjust to local culture and thus deliver job performance, as well as enhance their job satisfaction.
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# TABLE OF CONTENTS

**ABSTRACT** ................................................................................................................................. I

**ACKNOWLEDGEMENTS** .................................................................................................................. II

**TABLE OF CONTENTS** ..................................................................................................................... III

**LIST OF FIGURES** ............................................................................................................................. V

**LIST OF TABLES** ............................................................................................................................... V

**LIST OF ABBREVIATIONS** .............................................................................................................. VI

1 **INTRODUCTION** ......................................................................................................................... 1
   1.1 Background of the Study ............................................................................................................. 1
   1.2 Statement of the Problem .......................................................................................................... 2
   1.3 Purpose of the Study ................................................................................................................. 4
   1.4 Theoretical Framework ......................................................................................................... 5
   1.5 Research Questions ................................................................................................................. 6

2 **LITERATURE REVIEW** ............................................................................................................... 7
   2.1 Overview of the Expatriate Literature ...................................................................................... 7
   2.2 Culture ....................................................................................................................................... 8
   2.3 Cross-cultural Adjustment ....................................................................................................... 10
      2.3.1 Adjustment Models .......................................................................................................... 11
      2.3.2 Adjustment as a Stress-coping Process ........................................................................... 12
      2.3.3 Adjustment as a Social Learning Process ......................................................................... 13
      2.3.4 Adjustment Patterns ....................................................................................................... 14
   2.4 Antecedents of Expatriate Adjustment ................................................................................... 14
      2.4.1 Work Factors .................................................................................................................. 14
      2.4.2 Individual Factors .......................................................................................................... 15
      2.4.3 Stable Competencies ..................................................................................................... 16
      2.4.4 CQ as a Dynamic Competency ..................................................................................... 16
   2.5 Situational Factor – Source of Support ................................................................................... 21
      2.5.1 Perceived Organisational Support .................................................................................. 21
      2.5.2 Co-worker Support ......................................................................................................... 24
      2.5.3 Social Support ............................................................................................................... 25
      2.5.4 Summary ....................................................................................................................... 27
   2.6 Outcomes of Adjustment ......................................................................................................... 28
      2.6.1 Job Performance ............................................................................................................. 28
      2.6.2 Job Satisfaction .............................................................................................................. 29
      2.6.3 Cultural Effectiveness .................................................................................................... 31
   2.7 Summary ................................................................................................................................... 35

3 **RESEARCH METHODS** .............................................................................................................. 37
   3.1 Research Design Overview .................................................................................................... 37
   3.2 Methods ..................................................................................................................................... 37
   3.3 Respondents ............................................................................................................................. 37
   3.4 Background to Data Collection ............................................................................................. 38
   3.5 Materials ................................................................................................................................... 38
      3.5.1 CQ Scale .......................................................................................................................... 39
      3.5.2 Cultural Adjustment ......................................................................................................... 39
LIST OF FIGURES

Figure 1. Conceptual Model of Expatriate Effectiveness ................................................................. 36
Figure 2. Structural Equation Model (Initial Model) ....................................................................... 56
Figure 3. Structural Equation Model (Final Model) ....................................................................... 59

LIST OF TABLES

Table 1. Descriptive, Skewness and Kurtosis ................................................................................. 46
Table 2. Construct Reliability ......................................................................................................... 49
Table 3. AMOS Output for Confirmatory Factor Analysis ............................................................ 51
Table 4. Correlations, Mean, and Standard Deviation .................................................................... 53
Table 5. AMOS Output (Initial Model): Summary Notes .............................................................. 56
Table 6. AMOS Output (Initial Model): Unstandardised and Standardised Estimates ............... 57
Table 7. AMOS Output (Final Model): Unstandardised and Standardised Estimates ............... 59
Table 8. AMOS Output (Final Model): Goodness-of-Fit Statistics ............................................... 60
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>CQ</td>
<td>Cultural intelligence</td>
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<tr>
<td>CCA</td>
<td>Cross-cultural adjustment</td>
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<tr>
<td>CEF</td>
<td>Cultural effectiveness</td>
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<tr>
<td>CFA</td>
<td>Confirmatory factor analysis</td>
</tr>
<tr>
<td>FDI</td>
<td>Foreign direct investment</td>
</tr>
<tr>
<td>HCN</td>
<td>Host country national</td>
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<td>HR</td>
<td>Human resource</td>
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<td>IHRM</td>
<td>International human resource</td>
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<td>MI</td>
<td>Modification index</td>
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<td>ML</td>
<td>Maximum likelihood</td>
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