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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

> Suhua Lu 2012

#### **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.

#### **ACKNOWLEDGEMENTS**

I would like to thank all those who assisted me with this project and in particular, the expatriates who participated, for giving up their time to complete the survey and for the interest, they showed in the research topic. I was privileged to have the opportunity to meet many of the participants in person or communicate with them online. This direct contact and support gave me the motivation to complete the project and provided valuable insights and suggestions for future related studies. I would like to extend a special thank you to the many participants from New Zealand, for their encouragement and willingness to be involved.

Dr. Darryl Forsyth, my Supervisor, has been very helpful and supportive and has provided valuable guidance for this research project. I would like to take the opportunity to acknowledge his research expertise, and useful feedback provided. Thank you to Kaye Thorn for her suggestions regarding participant recruitment.

Thank you to Jennifer Cuthbertson from Kea China for being supportive of this project and for agreeing to list the research on the Kea website.

Finally, I would like to thank my boyfriend James for his wonderful support and patience, and my dog Lulu for always being there by my side.

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## LIST OF ABBREVIATIONS

CQ Cultural intelligence

CCA Cross-cultural adjustment

CEF Cultural effectiveness

CFA Confirmatory factor analysis

FDI Foreign direct investment

HCN Host country national

HR Human resource

IHRM International human resource management

JS Job satisfaction

JP Job performance

MI Modification index

ML Maximum likelihood

MNC Multinational Corporation

SEM Structural equation modelling

SPSS Statistical product and service solutions

SUP Source of support

#### 1 INTRODUCTION

## 1.1 Background of the Study

Due to increasing globalisation in the world economy, many multinational corporations (MNCs) are integrating international operations in order to remain competitive and meet local demands. The UNCTAD report shows that 65,000 MNCs have set up approximately 850,000 foreign subsidiaries around the world. In order to integrate global business management, MNCs tend to post parent organisation nationals to overseas subsidiaries, which has become one type of viable control mechanism used in strategic international human resource management. According to Global Relocation Services survey (GMAC, 2010), 44 per cent of MNCs surveyed intend to increase the number of expatriate postings.

As key assets in globally integrated organisations, expatriate managers play a significant role in establishing and maintaining international operations. Specifically, this includes penetrating local markets, bidirectional transfer of knowledge, bridging communication between headquarters and subsidiaries, and minimizing risk derived from divergent cultures and goals of host nations (2004). In addition, expatriates may develop global leadership skills during their overseas assignment, a valuable human resource asset to organisations (Oddou & Mendenhall, 1991). This intangible asset is important because one of the top concerns of international organisations nowadays is the lack of culturally effective personnel (Caligiuri & Tarique, 2009; Scullion, Collings, & Caligiuri, 2010). Furthermore, the management strategy of using parent corporate employees can facilitate the consistency of parent organisation culture across the globe (Kobrin, 1988). Considering the significant contribution of expatriate managers, their effective management is critical to the success of MNCs (Caligiuri, Tarique, & Jacobs, 2009).

Despite the strategic importance of international operations, MNCs face persistent challenges concerning expatriate management. Although expatriation is considered a viable management strategy, research has shown that international assignments are frequently characterised by high premature return rates and poor overall assignment performance, which negatively influences affected organisations and expatriates (Black, Gregersen, Mendenhall, & Stroh, 1999; Kraimer & Wayne, 2004; Lazarova & Cerdin, 2007).

Reported costs associated with assignment failure vary widely, and this is largely due to differences in the measurement criteria applied. Research shows that up to 40 per cent of expatriates return prematurely, costing MNCs on average an estimated USD 250,000 to USD 1 million per failed posting (Hill, 2005). The cost of international assignment failure is five to ten times higher when compared with the cost of a local hire, (Carraher, 2005). In addition, organisations potentially incur indirect costs associated with assignment failure, which can be even greater, for instance loss of market share in the

host country, low productive and other intangible impacts on stakeholders (Dowling & Welch, 2004). Of those expatriates that remain in their overseas assignment, 30 to 50 per cent do not perform well, or are marginally effective due to psychological withdrawal (Deresky, 2002). Therefore, compared with assignment failure, the cost associated with under-performance could be even higher (Harzing & Christensen, 2004). Furthermore, 20 to 50 per cent of prematurely returning expatriates leave their organisation within one year following repatriation (Martin & Anthony, 2006; Tyler, 2006), resulting in a low return on investment. Research also shows intangible impacts on returning individuals such as loss of career opportunities and low self-esteem upon repatriation (Mendenhall & Oddou, 1985).

During the last two decades, the fast growing Chinese economy has offered new opportunities, attracting many MNCs. China, as the second largest destination for international assignments behind the United States, is ranked the number one favourite location for Foreign Direct Investment (FDI), with \$101 billion FDI in 2010 (UNCTAD, 2011). In contrast to China's strategic importance in foreign investment, it also has the highest international assignment failure rate, estimated at up to 80 per cent, compared with the 40 per cent global average (GMAC, 2010; Stuttard, 2000). Although there is a growing debate that the magnitude of expatriate failure might not as high as previously claimed, due to the conceptualisation concern (Harzing & Christensen, 2004; Scullion & Collings, 2006), expatriate failure has been reported as being higher in countries where greater cultural divergence exists (Hutchings, 2005; Kaye & Taylor, 1997).

Despite China's strategic importance and position as the world's largest market for foreign investment, MNCs often report poor rates of financial return from their Chinese subsidiaries. This may be due in part to sub-optimal expatriate performance. Therefore, it is critical for MNCs to improve expatriate performance in Chinese subsidiaries.

#### 1.2 Statement of the Problem

Given the high failure rate and high costs associated with international assignments, it is critical to investigate the underlying factors that predict success of expatriates. In contrast to the domestic environment, the characteristics of overseas assignment require an individual's ability to work effectively with local nationals in order to succeed (Tung, 1981). One of the primary reasons for the high failure rate of international assignments is that most expatriates lack cultural competencies, and they are overwhelmed by cultural differences, living conditions, and relationships with local nationals. Consequently, poorly adjusted expatriates tend to perform poorly and return prematurely (Caligiuri, 2000b; Clarke & Hammer, 1995; Shaffer & Harrison, 1998). Based on work-role transition theories (Dawis & Lofquist, 1984; Nicholson, 1984), research has identified cross-cultural adjustment as the fundamental factor associated with elements of expatriate success such as organisation commitment.

job satisfaction, turnover rate, and job performance in a cross-cultural context (Black, 1988; Black & Gregersen, 1991, 1999).

The primary focus of international human resource management (IHRM) is on technical and functional experience, neglecting the importance of cultural competency, results in a general lack of cultural competency among expatriates (Shaffer, et al.,2006; Mendenhall, Kuhlmann, Stahl, & Osland, 2002). The majority of human resource management departments in MNCs have not structured and consistent selection system specifically for international assignee, despite high failure rates for international assignments (Caligiuri et al., 2009; Caligiuri & Colakoglu, 2007).

Previous research has acknowledged and extensively studied cultural issues relating to expatriates effectiveness (Caligiuri, 2000a; Friedman, Dyke, & Murphy, 2009; Hutchings, 2005; Johnson, Lenartowicz, & Apud, 2006; Mol, Born, Willemsen, & Van Der Molen, 2005; Osland & Osland, 2005). The research however is inconsistent and sometimes flawed, pointing in different directions with respect to the key factors contributing to expatriate success. For instance, prior international experience and language skills are the primary focus of many past studies, as key factors contributing to expatriate adjustment (Black & Gregersen, 1991; Lee & Sukoco, 2010; Takeuchi, Tesluk, Yun, & Lepak, 2005). Nevertheless, recent studies have found little empirical evidence that these two factors are associated with cross-cultural adjustment (Bhaskar-Shrinivas, Harrison, Shaffer, & Luk, 2005; Hechanova, Beehr, & Christiansen, 2003; Selmer, 2002). Mendenhall et al., (2002) suggest a number of variables associated with expatriate adjustment such as cultural training, perceptual skills, and culture novelty. However, meta-analyses indicate that many of these variables lack empirical support, and suggesting individual factors believed to predict cross-cultural adjustment need investigation (Bhaskar-Shrinivas, et al., 2005; Morris & Robie, 2001).

While technical competencies in the form of work-functional factors have been the primary assessment criteria for expatriate selection (Caligiuri, et al., 2009), it is also critical to analyse non-work issues such as cultural competency, in order to predict expatriate adjustment in a cultural context, and to advance expatriate literature. The recently developed concept, cultural intelligence (CQ) is a dynamic cultural competency that sheds new light on complex expatriate literature (Ang, Van Dyne, Koh, & Ng, 2004; Ang, et al., 2007; Earley, 2003; Earley & Mosakowski, 2004). CQ refers to an individual's ability to interact effectively in culturally diverse situations, which has the particular relevance to expatriate literature (Earley & Ang, 2003). Empirical research of CQ within expatriate literature is still limited, with only a few studies conducted to date. The empirical evidence suggests that CQ is a critical individual factor in predicting cross-cultural effectiveness; however, the results regarding the relationship between CQ and expatriate success are somehow inconsistent. There is a need to validate further the impact of CQ as a dynamic cultural competency in expatriate effectiveness.

Although it is important to investigate factors predicting cultural adjustment, the work outcomes of cultural adjustment is even more critical. This is because adjusting to local culture is not sufficient to ensure the success of overseas assignment (Lee & Sukoco, 2008). In order to perform effectively whilst on assignment, expatriates are expected to fulfil specific role requirements. Expatriate job performance, as one of the most important criterions to measure expatriate effectiveness, is the ultimate goal of overseas assignments (Rose, Ramalu, Uli, & Kumar, 2010). Expatriate performance, although well recognized as a critical factor in the literature, is difficult to measure objectively and for this reason, studies in this field are limited.

There is theoretical and empirical evidence from previous research showing cross-cultural adjustment impacts on job performance (Black,1988; Black & Gregersen, 1991; Harrison & Shaffer, 2005; Kraimer, Wayne, & Jaworski, 2001). Nonetheless, the results are inconsistent concerning whether the relationship between cross-cultural adjustment and expatriate performance is direct. Meta-analyses further support this research concern shown that cross-cultural adjustment explains less than 15% of the variance in performance outcome (Bhaskar-Shrinivas, et al., 2005; Hechanova, et al., 2003). In addition, scholars advise caution concerning assumptions of a linear relationship between these variables (Takeuchi, 2010).

## 1.3 Purpose of the Study

The study seeks to investigate key factors that facilitate expatriate effectiveness, with the aim of contributing to the literature whilst providing practical recommendations in terms of expatriate selection and management.

- **Objective 1:** To investigate the effect of CQ as a cultural competency that predicts cultural adjustment of expatriates.
- **Objective 2:** To examine the impact of cross-cultural adjustment on expatriate job performance.

Expatriate effectiveness has a significant impact on the success of international organisations. Given the strategic importance of China and the particularly high failure rate for international assignments reported in this posting destination, the focus of the present study is Western expatriates working for MNC subsidiaries in China. In addition, the research topic derived from personal experience, having worked with Western co-workers and customers in China. It appears that in addition to language issues, there is often confusion and frustration caused by divergence in cultural values and views. The difficulties associated with expatriation in relation to cultural issues have been described as a "one-way street" rather than mutual understanding, when interacting and working with local nationals. The need to adjust to local culture distinguishes expatriation from other cross-cultural contexts, for

instance culturally diverse organisations and multicultural teams where mutual understanding is usually expected. Later, when living and working in New Zealand as a self-initiated expatriate, I have personally experienced a cultural journey of defining meaning, seeking acceptance and cultural learning. Concerning cultural interactions, I believe that being bicultural is far more important than bi-lingual.

#### 1.4 Theoretical Framework

Empirical research suggests a direct impact of CQ on cross-cultural adjustment (Ramalu, Rose, Kumar, & Uli, 2010a; Templer, Tay, & Chandrasekar, 2006), and on performance (Ang, et al., 2007; Lee & Sukoco, 2010; Rose, et al., 2010). However, due to the complexity of job performance, the present study assumes CQ alone will not be sufficient to predict job performance. Based on Kim et al.'s (2008) CQ model in which cultural adjustment served as the underlying mechanism mediating the effect of CQ, the present study proposes CQ as an individual factor predicting cross-cultural adjustment, which in turn predicts job performance.

Based on Uncertainty Theory (Berger & Calabrese, 1975), the stressor-stress-strain construct was developed from a psychological perspective, to rationalise the cross-cultural adjustment process and subsequent outcomes. This construct suggests that maladjusted expatriates suffer from anxiety derived from unfamiliar foreign environments and intercultural conflict, which in turn leads to dissatisfaction and the intention to quit (Bhaskar-Shrinivas, et al., 2005; Harrison & Shaffer, 2005; Hechanova, et al., 2003; Mendenhall, et al., 2002; Shaffer & Harrison, 1998; Takeuchi, Yun, & Tesluk, 2002). Validated as a critical predictor of performance in a domestic context, job satisfaction emerged as a mediator between expatriate adjustment and performance (Bhaskar-Shrinivas, et al., 2005; Hechanova, et al., 2003). Based on previous evidence, the present study proposes job satisfaction as an attitudinal factor mediating of the effect of cross-cultural adjustment on performance.

Communication ability and interpersonal skills are critical in cultural interaction (Kim, 2001), and directly relate to expatriate performance (Holopainen & Björkman, 2005; Mol, et al., 2005). Previous studies propose a path model, suggesting these two facets of cultural effectiveness mediate cultural adjustment and job performance (Lee & Sukoco, 2008, 2010). Although Lee and Sukoco's (2008, 2010) research shed new light on expatriate effectiveness research, the cultural similarity of Confucian cultures between Taiwanese expatriates and Asian host nationals may have caused sample errors. Research suggests that cultural distance, which refers to the extent of differences between two countries on various aspects for instance cultural values, rituals, legal and political systems, requires expatriates to adapt to novel cultural environments (Adler,2008; Shenkar, 2001). Previous studies found, that cultural distance influences cultural adjustment, and there is a moderating effect of CQ on job performance (Black, Mendenhall, & Oddou, 1991; Chen et. al.,2010; Kim, et al., 2008). There-

fore, based on Value Dimensions (Hofstede, 1980), the present study will examine the effect of CQ in a cultural context that differs significantly in cultural values (e.g., power distance & individualism).

Furthermore, previous studies show that various social supports are critical to reduce the stress and diminish the difficulties expatriates experience when on international assignment. Organisational support theory (Eisenberger, Huntington, Hutchison, & Sowa, 1986; Rhoades & Eisenberger, 2002; Shore & Shore, 1995) provides theoretical evidence for the associations between perceived organisational support and outcomes such as job satisfaction and job performance. In addition, social capital theory (Lin, Ensel, & Vaughn, 1981; Lin, Vaughn, & Ensel, 1981) suggests that social ties are valuable resources to fulfil individuals' objectives, and are direct channels providing informational, emotional, and instrumental supports to reduce stress, and help them successfully achieve acculturation (Adelman, 1988; Adler & Kwon, 2002).

Based on previous findings, the present study proposes organisational support, family support, and host national co-worker support, as key situational variables influencing cross-cultural adjustment (Guzzo, Noonan, & Elron, 1994; Kraimer, et al., 2001; Rhoades & Eisenberger, 2002; Shore & Shore, 1995; Takeuchi, Wang, Marinova, & Yao, 2009).

## 1.5 Research Questions

The following research questions guiding the present study were to investigate the effectiveness of Western expatriates working for an assignment in China.

- 1. Does cross-cultural adjustment mediate the effect of CQ on expatriate job performance?
- 2. Are job satisfaction and cultural effectiveness mediating the impact of cross-cultural adjustment on job performance?
- 3. To what extent is social support influencing cross-cultural adjustment of expatriates?

#### 2 LITERATURE REVIEW

## 2.1 Overview of the Expatriate Literature

During the past 20 years, continuing globalisation has highlighted the importance of international management studies. Studies of expatriate management have attracted research attention, inspired by the theoretical framework proposed by Black and associates (Black, 1988; Black, et al., 1991; Mendenhall & Oddou, 1985). The expatriate literature defines corporate expatriates as "those who are sent overseas on a temporary basis to complete a time-based task or accomplish an organisational goal" (Harrison, Shaffer, & Bhaskar-Shrinivas, 2004, p. 203).

Based on the theoretical model developed by Black et al. (1991), the majority of expatriate research to date focuses on cross-cultural adjustment as the critical factor influencing expatriate success (Kraimer, et al., 2001; Shaffer & Harrison, 1998; Van Vianen, De Pater, Kristof-Brown, & Johnson, 2004). Therefore, from an IHRM perspective, cultural adjustment became the key focus in expatriate selection and training (Black & Gregersen, 1991; caligiuri, 2000b; Kraimer, et al., 2001; Shaffer & Harrison, 1998; Shaffer, Harrison, Gregersen, Black, & Ferzandi, 2006). These studies highlighted two reasons believed to be associated with the poor cultural adjustment of expatriates. Firstly, the majority of organisations ignore the cultural competency of expatriates during the selection process (Black, et al., 1999; Mendenhall & Oddou, 1985). Secondly, cultural training is often not available, and even when provided it is often not effective (Littrell, et. al., 2006).

Considerable research has focused on predictors of expatriate adjustment, namely anticipatory, job, individual, organisational, and non-work factors, from a socio-cultural and psychological perspective (Black, 1988, 1990; Black & Gregersen, 1991). These findings lead to an improved understanding of the adjustment concept and further contribution to the literature. Nevertheless, studies on outcomes of expatriate adjustment are few, with less than a dozen identified (Bhaskar-Shrinivas, et al., 2005). Previous research highlights the difficulty in evaluating work outcomes of expatriates, contributing to the lack of research interest in this area (Harrison, et al., 2004; Takeuchi, 2010). Previous studies of cultural adjustment outcomes attempted to investigate withdrawal intention as the cognitive outcome, with the perception that psychological withdrawal would result in premature return (Shaffer & Harrison, 1998; Wang & Takeuchi, 2007). Even so, the empirical evidence shows that withdrawal intention has a relatively small influence on actual premature return, due to an individual's career and financial concerns (Bhaskar-Shrinivas, et al., 2005).

Recent research contributes to the literature by extending investigation of cultural adjustment to work-related outcomes such as job satisfaction, organisational commitment, and job performance (Caligiuri, 1997; Caligiuri, Joshi, & Lazarova, 1999; Harrison & Shaffer, 2005; Kraimer, et al., 2001; Shaffer & Harrison, 1998; Takeuchi, et al., 2009). Despite being the ultimate goal in expatriate management,

job performance received limited attention. The difficulty in obtaining objective and multi-source ratings of performance has likely hindered the advancement of expatriate effectiveness studies.

#### 2.2 Culture

Cultural adjustment issues highlight the need to understand culture because divergence in cultural values has the potential to constrain mutual understanding thus negatively affecting work relationships. Previous studies generally suggest that expatriates' perceptions of culture discrepancies or cultural distance affect their ability to adjust to a new cultural context (Black & Gregersen, 1991; Black, et al., 1991; Black & Stephens, 1989; Shaffer, Harrison, & Gilley, 1999). Lacking understanding of cultural differences, expatriates are likely to be overwhelmed by the unfamiliar cultural norms, rituals, and values. Simultaneously, perceptual distortion of behaviour and symbols may causes resistance of change (Liu & Lee, 2008). Therefore, those expatriates lacking cultural competencies confront greater difficulties in adjusting to the local culture. This is because according to Hofstede (1983), culture is the unconscious collective programming of the mind that differentiates individuals by a thinking pattern, which is determined by a cultural background.

Hofstede et al. (1990) visualised culture as a multilayered construct with symbols, heroes, and rituals as surface layers, whilst value is the core layer in this construct. Javidan and House (2001) also defined culture as a set of values shared by a community of people, and practices to support these values. Previous study supports this view suggesting that Western managerial practices are not likely to be effective in other cultures (Black & Porter, 1991). In order to be effective, expatriate managers need to integrate the existing management practice with cross-cultural skills (Osland, Snyder, & Hunter, 1998).

Research has shown both surface and core layers of cultural diversity are influential for cross-cultural integrations in the workplace (Harrison, Price, & Bell, 1998). Previous research also found that a deep level of culture diversity influences expatriate work adjustment, whilst surface level dissimilarities between cultures influence general and interaction adjustment (Van Vianen, et al., 2004). As an apparent characteristic, surface level cultural novelties are easily identified, and generally the focus of cross-cultural training, whilst deep level culture is not explicitly recognised, referring to values or underlying attributes that cannot be directly inferred. Therefore, in order to understand a culture comprehensively, values of the target culture should not be neglected, as they underlie the outward behaviours of individuals. This is because the inherited values or perceptions determine behaviours such as how individuals communicate, perpetuate, and develop attitudes (Geertz, 1973). This may explain why current cross-cultural training is unsatisfactory, as the surface level of culture such as symbols and rituals are usually the focus of those training programmes.

According to Hofstede (1983) 'Culture Value Dimensions', values differ in behavioural orientations in individual national cultures namely, Power Distance, Uncertainty Avoidance, Individual-collective, Masculinity and Confucianism dimensions. Previous cross-cultural studies typically focus on Power Distance and Individual-collective dimensions. Power Distance refers to the level of acceptance by a society of the unequal distribution of power, which determines the working relationships in organisations (Hofstede, 1983). Therefore, understanding cultural values of host nationals is particularly important for expatriates, to form a harmonious working relationship with local supervisors and subordinates, and to conform with local cultural values towards to a prevailing high level of hierarchical structure.

The Individual-collective dimension refers to a loose social framework, the tendency of be independent, and focus on self-achievement (Hofstede, 1983). Similarly, this cultural value is influential for work cultures. Previous research suggests that managerial practice in a collective society like China is based on belief in group decisions and working dependently, and forming a harmonious working relationship to facilitate higher performance (Earley, 1989). In order to be well adjusted in the work place, it is essential to understand local cultural values, which determine organisational behaviours and working culture.

Based on previous findings by Hofstede (2001; 1983), Trompenaars and Hampden-Turner (1998), Kluckhohn and Strodtbeck (1961) and others, the GLOBE project conducted by House et al. (2004) extends cultural values into nine dimensions. These cultural dimensions comprise Power Distance, Uncertainty Avoidance, Humane Orientation, Institutional Collectivism, In-Group Collectivism, Assertiveness, Gender Egalitarianism, Future Orientation, and Performance Orientation. The GLOBE project is the most comprehensive research on culture, which goes beyond national level and geographic segmentation, identifying 62 societal cultures and classifying them into 10 country clusters. The significance of the concept of societal culture and cultural clusters is that it enables comparison of the similarities and differences across societies. For instance, German speaking Switzerland is clustered as a Germanic culture while French speaking Switzerland is grouped into the Latin European cultural cluster. These cultural dimensions theories (Hofstede, 1983; House, et al., 2004) present a basic framework for understanding national and society cultures in general.

The GLOBE research project provides a more in-depth analysis of societal cultures, specifically with respect to organisational behaviour management. House et al. (2004) identified six leadership styles including Performance-Oriented, Participative, and Humane styles. For instance, the Confucian cultural cluster scores high in Team Oriented and Self-Protective leadership styles compared to Germanic and Anglo clusters. Furthermore, the findings of this research are significant with respect to perceptions towards leadership effectiveness across cultures. Twenty-two leader traits are universally considered as desirable, including trustworthy and decisive while eight traits are universally consid-

ered undesirable including loner and irritable. More importantly, thirty-five leader traits such as ambitious, cautious, and procedural are perceived as contingent on culture. For instance, more assertive and less in-group oriented cultures such as North American prefer direct leadership and are negative towards status conscious and elitist traits. By contrast, Chinese managers prefer an indirect, fraternal and friendly approach, and they are more authoritative and status conscious (House, et al., 2004).

It is critical for expatriates to understand national and/or societal level culture as well as culture-specific aspects of the leadership styles and organisational behaviour of the host country's national co-workers. Regardless of the nationality of organisation's ownership, the organisational culture of an overseas subsidiary will inevitably be influenced by the managerial beliefs and assumptions of host national managers (Schein, 1992). This is because both the socio-cultural and enterprise environment affects internal work culture. The effectiveness of leadership and employee performance, and organisational practices, are largely embedded in culture. The internal work culture is believed to affect significantly two fundamental organisational elements: the implementation of task, and human resource management. For instance, research (Aycan, et al., 2000) found that managers from high power-distance cultures, do not value job enrichment and empowerment and assume employee reactivity. Therefore, understanding culturally specific attributes of organisational behaviour is critical in cross-cultural or culturally diverse organisations.

As culture is dynamic and differs with respect to values, behaviours, and ritual social norms, individuals are less likely to understand different points of view and integrate into the local community in a given culture context without sufficient awareness and cultural knowledge. Therefore, understanding culture is critical for expatriates in order for them to integrate and interact with co-workers, customers, and locals successfully, which in turn reduces cultural conflict and difficulties in cultural adjustment (Goodall, Na, & Warner, 2006; Hutchings, 2005; Seak & Enderwick, 2008).

## 2.3 Cross-cultural Adjustment

The expatriate literature recognises cross-cultural adjustment as the most important factor in determining expatriate success (Aycan, 1997b; Bhaskar-Shrinivas, et al., 2005; Caligiuri, 2000b; Caligiuri, Hyland, Joshi, & Bross, 1998; Caligiuri, et al., 1999; Friedman, et al., 2009; Ramalu, Rose, Kumar, & Uli, 2010b; Selmer, 2005, 2006b; Takeuchi, 2010; Takeuchi, et al., 2002). Cross-cultural adjustment generally refers to a psychological acceptance of the cultural context, and the process of developing associated behavioural skills (Bochner, Lin, & McLeod, 1979; Brislin, 1981). From the psychological perspective, the most commonly applied definition of adjustment is the process of reducing stress and depression (Berry & Kim, 1988), and "the degree of psychological comfort and

familiarity" an individual experiences when exposed to an unfamiliar environment, including interaction with locals (Black & Mendenhall, 1990; Black & Stephens, 1989; Torbiörn, 1982).

Cultural adjustment, as a contextual-specific construct suggested by Black and associates (1988, 1990; 1999; 1989), comprises three dimensions, namely general, interaction, and work adjustment. General adjustment concerns becoming accustomed to host cultural and general living conditions such as housing, food, shopping, healthcare and transportation facilities, and so forth. Interaction adjustment refers to the degree of comfort when socialising and engaging with local hosts. Work adjustment is associated with adapting to the specific local work culture, expectations, and performance standards. Expatriate studies generally adopt this three-component conceptualisation of the adjustment construct (Black & Gregersen, 1991; Caligiuri, 1997; Harrison, et al., 1998; Harrison & Shaffer, 2005; Kraimer, et al., 2001).

Researchers generally argue that well-adjusted expatriates demonstrate higher satisfaction and performance levels and are less likely to quit (Hechanova, et al., 2003; Shaffer & Harrison, 1998). In contrast, maladjustment, linked to psychological or behavioural withdrawal, is one of the main causes of international assignment failure (Caligiuri, 1997; Holopainen & Björkman, 2005; Shaffer & Harrison, 1998). In addition, previous studies suggest that maladjustment is far more damaging than premature return, as psychological withdrawal has a significant negative impact on subsidiary performance and stakeholders (Harrison & Shaffer, 2005).

#### 2.3.1 Adjustment Models

Based on the Kühlmann (1995) and Stahl (1998) classification system, Mendenhall et al. (2002) classified the typology of cultural adjustment models into four broad categories: 1) learning, 2) stress-coping, 3) development, and 4) personality-based. Of these approaches, expatriate literature focuses on learning and stress-coping models. Mendenhall et al. (2002) also highlight that previous research in the field has been mainly single-disciplined, from the psychology, sociology, anthropology, or human resource management perspective. Furthermore, they suggest that to understand comprehensively the complexity of expatriate literature researchers need to adopt a more integrated approach. Therefore, the present study adopts a hybrid approach, integrating psychology and sociology disciplines along with human resource management. The present study asserts that, from a psychological perspective, expatriate adjustment involves coping with stress derived from cultural conflict; and from a socio-cultural perspective, that expatriate adjustment involves learning socially appropriate norms and salient schemas.

## 2.3.2 Adjustment as a Stress-coping Process

From a psychological perspective, overseas assignment frequently involves a stress-coping process, which refers to an attitudinal acceptance of and psychological coping with, divergence in a cultural context. Many studies of cross-cultural adjustment typically focus on stress literature, which follows a stressor-stress-strain sequence (Befus, 1988; Harrison, et al., 2004; Kraimer & Wayne, 2004). Previous studies have shown well-adjusted expatriates tend to have less stress, and higher job satisfaction and job performance (Hechanova, et al., 2003).

According to Uncertainty Reduction Theory (Berger & Calabrese, 1975), anxiety occurs when individuals encounter an unfamiliar environment. Based on this theory, stress-coping models argue that living abroad can be a chaotic experience, leading to confusion and stress caused by the uncertainty of salient social norms, information overload, and loss of control (Befus, 1988; Kühlmann, 1995; Walton, 1990; Weissman & Furnham, 1987). Etiologic "culture shock" is a reaction syndrome of psychological distress caused by the stress derived from uncertainty (Befus, 1988). Culture shock often results in poor adjustment, job dissatisfactory and sub optional work performance outcomes.

Early studies of stress models suggest that stress is dependent upon objective situations, and furthermore, they considered the coping process as passive avoidance. In contrast to earlier psychological stress models, the coping paradigm emphasises that stress coping is subjective behaviour, action-oriented, utilizing intra-psychic efforts to minimise internal demands and environmental conflict (Lazarus & Folkman, 1984; Lazarus & Launier, 1978). This approach suggests individuals have the ability to regulate emotions and proactively control stress by drawing from a repertoire of coping strategies (Feldman & Thomas, 1992; Kühlmann, 1995). Drawing on the stress-coping model (Lazarus, 1980), Kühlmann (1995) provides a range of specific strategies for facilitating cultural adjustment such as problem or symptom-focused, and person or situation-oriented behaviours. Aycan (1997a) suggests social support and temporary withdrawal as coping strategies for cultural adjustment.

In general, as a subjective approach to regulate stress and manage situational demands, this coping paradigm considers stress-coping strategies to differentiate effective and ineffective expatriates concerning attitudinal and behavioural outcomes (Lazarus, 1980; Lazarus & Folkman, 1984). From a psychological perspective, stress-coping models provide a rationalisation of an individual's differences with respect to cross-cultural adjustment, which in turn affects job satisfaction and job performance. Moreover, stress-coping models provide a useful framework for stress-coping training programmes (Befus, 1988; Walton, 1990).

There is an assumption that the stress perspective should be the primary, if not sole focus for expatriate studies (Harrison, et al., 2004; Kraimer & Wayne, 2004). However, evidence found in previous studies (Feldman & Tompson, 1993; Lazarus, 1980; Lazarus & Folkman, 1984; Tung, 1998) show

that the stress-coping approach is not without its limitations. Although psychological comfort leads to job satisfaction, it is not a sufficient predictor for work outcomes, instead, it only moderately relates to expatriate success (Mendenhall, 2001). Conflict arising from divergent management styles or misunderstanding due to the cultural diversity, compels cultural effectiveness skills in order to facilitate desired work outcomes. In addition, stress-coping models can be problematic as in general, an individual's disposition to cope with stress tends to be stabilising and not easily modified (Mendenhall, et al., 2002; Stahl, 1998).

## 2.3.3 Adjustment as a Social Learning Process

Thus, in addition to the stress-coping concept, the present study incorporates social learning as a critical process for cross-cultural adjustment during overseas assignments. Based on Social Learning Theory (Bandura, 1977), the present study argues cultural adjustment involves learning socially appropriate norms, and that social learning will enhance cultural effectiveness and job performance. As previous research suggested, that well-adjusted expatriates demonstrate a high level of learning capability to encounter challenges derived from cultural conflicts (Black, et al., 1991). This is because well-adjusted expatriates are proactively seeking instrumental and emotional support, as well as acquiring culturally acceptable skills and behaviours from host country nationals and co-workers.

From a behavioural perspective, early studies into cultural adjustment adopted psychological learning theories, grounded in the traditional propositions of behaviourism. These studies conclude that cultural adjustment is a massive behavioural change in the reinforcement of contingencies including accidents, novel behaviour, and changes (David, 1971, 1972, 1976; Guthrie, 1975). One major study conducted by Furnham and Bochner (1982), using the behavioural approach, suggests that learning ability is more critical than psychological adjustment as a means to understanding the process of acquisition of salient characteristics within a new culture. Based on the social skills model (Argyle & Kendon, 1967), Furnham and Bochner (1982) believe that socially unskilled individuals are poor learners and lack the ability to express socially acceptable attitudes, gestures, and ritualised routines in a host cultural context. Similarly, Dinges (1983) suggested that international assignment involves learning new skills and techniques to adapt to environmental changes. Social skill models contribute to expatriate literature by acknowledging that cross-cultural adjustment is more than passive psychological acceptance, and that social skills are critical during international assignments. This is because individual factors such as relational skills, self-efficacy, and motivation facilitate cultural adjustment by social interaction.

Based on Social Learning Theory (Bandura, 1977), and incorporating psychology and domestic work-role transition theories (Dawis & Lofquist, 1984; Nicholson, 1984), Black, Mendenhall and Oddou (1991) further develop a comprehensive learning model with nineteen propositions from work, non-

work, organisational, and individual perspectives. This model emphasises learning and rigorous training of new rules and values, suggesting that in new cultural environments, adjustment requires "observational-imitative learning" and utilisation of appropriate social norms (1991). This model suggests that cultural adjustment is primarily dependent on an individual's ability. Additional moderating factors are organisational and family factors, and co-worker support (1991). Although this model is comprehensive and widely adopted, meta-analysis of sixty-six studies based on this model found no empirical evidence to support predictors of adjustment such as previous international experience and language ability (Bhaskar-Shrinivas, et al., 2005).

In summary, as rationalised by Nicholson, Stepina, and Hochwarter (1990), cultural adjustment is a social information process that new information is required to form internal schematic scripts, which are critical to guide behaviours in the new cultural context. Therefore, the present study asserts that expatriate adjustment is also a learning process during overseas assignment. Following review of previous learning-based models, individual factors emerged as the critical elements in cross-cultural adjustment, as individuals' learning abilities differ.

## 2.3.4 Adjustment Patterns

Generally acknowledged by scholars, the progression of adjustment follows the predominant U-curve hypothesis, which refers to a sequence of four stages: "honeymoon, culture shock, adjustment, and mastery" (Black, 1988; Torbiörn, 1982). A recent meta-analysis study, using a longitudinal approach, defines a nonlinear process of cultural adjustment as a more "distended and flatter" sideways S-shape pattern, with a four-year adjustment period (Bhaskar-Shrinivas, et al., 2005). These adjustment patterns verify a positive correlation for length of stay and higher levels of expatriate adjustment. The timeframe of adjustment further highlights the importance of social learning as a critical element to enhance cultural adjustment during the process.

#### 2.4 Antecedents of Expatriate Adjustment

Black et al., (1991) suggests a multifaceted conceptualisation of adjustment comprising a range of predictors for cross-cultural adjustment from work, individual, family, and organisational perspectives. Based on this often-cited theoretical model, previous studies have explored a wide range of antecedents, such as individual, work and non-work related factors, to predict cross-cultural adjustment (Caligiuri, 2000b; Caligiuri, et al., 1999; Hechanova, et al., 2003; Mendenhall, et al., 2002; Shaffer, et al., 2006).

#### 2.4.1 Work Factors

Based on domestic Work-role Transition Theories (Nicholson, 1984), previous studies suggest that new roles are generally associated with uncertainty and unpredictability, which inhibit adjustment.

Past research has predominantly focused on work role factors such as role ambiguity, role discretion, role clarity, and role conflict as predictors of work adjustment (Black, 1988; Dawis & Lofquist, 1984). Even though there is evidence that work role factors can have detrimental effects on adjustment, they only correlate with the work adjustment facet (Hechanova, et al., 2003). Recent reviews of expatriate literature suggest that using work-related stressors as predictors for cultural adjustment are well-worn paradigms, and call for additional factors to predict expatriate effectiveness (Hechanova, et al., 2003; Takeuchi, 2010). In addition, role factors are more relevant to work outcomes such as job satisfaction and organisation commitment (Gregersen & Black, 1990).

#### 2.4.2 Individual Factors

Recent studies highlight individual abilities as underlying factors contributing to cross-cultural effectiveness, predicting cultural adjustment from a social and psychological perspective (Caligiuri, 2000b; Selmer, 2006b; Shaffer, et al., 2006; Wang & Takeuchi, 2007). However, most of these studies focus on individual factors are relatively few and are generally unsystematic. For instance, the majority of those studies and IHRM practice focusing on individual factors suggest that previous international experience and language ability are critical for expatriate adjustment. Despite the attention given, meta-analysis shows there is no empirical support for experience and language ability in predicting cross-cultural adjustment (Bhaskar-Shrinivas, et al., 2005). From a psychological perspective, previous studies suggest that without cultural competencies, previous international experience may impede adjustment into the culture of the current host nation (Befus, 1988; Lee & Sukoco, 2010). This is because "organisation gypsies" assume they are experienced and there is no need to adjust. In addition, previously obtained knowledge and experience may not be applicable in, and may even contradict, the new cultural setting. Inconsistencies in the literature may lie in the methodology applied, as researchers often ignore cultural differences between previous and current assignments.

Similarly, conflicting results exist with respect to language ability (Bhaskar-Shrinivas, et al., 2005; Mol, et al., 2005). Mendenhall (1985) suggests that basic language skills are primarily a gesture of friendliness, to develop a connection between communicators. Previous findings rationalised the influence of language fluency as being less important for English speaking expatriates working in non-English speaking countries (Bhaskar-Shrinivas, et al., 2005). This is because host nationals from non-English speaking countries are generally are more tolerant of limited language skills when interacting with expatriates from English speaking countries. This differentiated effect may explain the non-significant result for language skills, as the majority of expatriate studies focused on Western expatriates working in non-English speaking countries.

The assumption of using international experience and language ability as the individual factors predicting cultural adjustment are conceptualised on the rationale that these factors contribute to

understanding the dynamics of culture and reduce cultural conflicts. Even though results were not significant in the meta-analysis (Bhaskar-Shrinivas, et al., 2005), previous studies point in the direction that adjustment issues are primarily culture related. Therefore, cultural competency rather than proxies such as international experience and languages skills emerge as the fundamental factor to predict cross-cultural adjustment and work outcomes.

## 2.4.3 Stable Competencies

As suggested by previous studies, there is a need to identify additional factors and the process contributes to expatriate success. The expatriate literature indicates individual factors such as personality traits (Caligiuri, 2000a; Selmer, 2006a), self-efficacy (Hechanova, et al., 2003), task and people orientation (Shaffer, et al., 2006), and goal orientation (Wang & Takeuchi, 2007) may be important individual factors for expatriate effectiveness.

Adopted from domestic HR management, trait-like skills such as the Big Five personality traits (McCrae & Costa, 1987) are stable individual competencies, have been studied intensively and applied in cross-cultural context (Caligiuri, 2000a). However, research has found these personality traits, while important, are not sufficient to predict cultural adjustment. According to meta-analysis, personality traits such as self-monitoring, sociability (Caligiuri & Stroh, 1995), extroversion (Parker & McEvoy, 1993), and flexibility (Black & Mendenhall, 1989) are related to the general adjustment facet only (Hechanova, et al., 2003). In addition, without cultural competency, personality traits alone do not ensure cultural effectiveness. As previous research indicated, extroversion without sensitivity to the local culture could be, seen as rudeness and aggressiveness (Kim, et al., 2008). Furthermore, according to O'Sullivan (1999), trait-like individual factors are stable dispositions that may constrain trainability. Moreover, Social Learning Theory (Bandura, 1977) indicates that adjustment is a process of change reinforcement. Trait-like factors, defined as stable competencies, may constrain these changes.

## 2.4.4 CQ as a Dynamic Competency

State-like individual factors such as knowledge and intercultural competency are specific to the situation and are dynamic, and can potentially be attained through learning (O'Sullivan, 1999; Shaffer, et al., 2006). Described as a state-like individual factor, cultural intelligence (CQ) is related to, but distinct from, stable personality traits (Ang, et al., 2007). As a situation specific individual factor, CQ is likely to be a better predictor of expatriate effectiveness than trait-like skills (Kim, et al., 2008). Individuals are able to enhance CQ, by cultural training and international experience, and thus to improve cross-cultural adjustment. Studies on the dynamic CQ construct however limited.

Recently, interest in CQ as a promising attribute with respect to intercultural management, specifically international team performance (Flaherty, 2008; Rockstuhl, 2008) and global leadership (Alon & Higgins, 2005; Janssens & Cappellen, 2008) has grown. These studies concluded that individuals who possess higher levels of CQ tend to succeed in international management. Based on contemporary theories of intelligence (Gardner, 1993; Sternberg & Detterman, 1986), Earley & Ang (2003) developed the CQ construct, as a form of situational and culture-free, or etic construct (Berry, 1969; Gelfand, Erez, & Aycan, 2007; Ng & Earley, 2006), which refers to universal norms, behaviours, values, and symbols in different cultures. Therefore, the CQ construct is particularly relevant for cross-cultural contexts such as expatriate literature (Kim, et al., 2008; Shaffer, et al., 2006). Previous research has validated the CQ construct as a multidimensional construct comprising meta-cognitive, cognitive, motivational, and behavioural components (Ang, et al., 2007; Shannon & Begley, 2008; Van Dyne, Ang, & Koh, 2008; Ward, Fischer, Lam, & Hall, 2009).

## 2.4.4.1 Cognitive CQ

Consistent with intelligence-as-knowledge concept (Ackerman, 1996), cognitive CQ is the specific capacity of cultural knowledge to understand convergence and divergence across cultures (Brislin, Worthley, & Macnab, 2006). Cognitive CQ refers to knowledge structures of specific practices, norms and conventions acquired by experience and education, including cultural values, economic, legal, and social perspectives. Those high in cognitive CQ will be able to elaborate cultural schemes, and to understand other cultures better.

## 2.4.4.2 Meta-cognitive

Meta-cognitive CQ is a mental capability focused on higher-order cognitive processes that individuals use to acquire and understand cultural knowledge of, and control over, individual thought processes relating to culture (Ang, et al., 2007). This capacity involves planning, monitoring, and revising mental models of cultural norms. Selecting from multiple knowledge structures to accommodate expectations, those high in meta-cognitive CQ are able to identify when and how to apply cultural knowledge, and to look for additional cultural cues. These are critical capabilities of expatriates to reduce cultural conflicts (Ang, et al., 2007; Earley & Ang, 2003; Earley, Ang, & Tan, 2006). The ability to be aware of cultural preferences and question cultural assumptions, enables individuals to adjust their mental state accordingly and to understand work expectation accurately (Brislin, et al., 2006; Triandis, 2006). Therefore, those high in meta-cognitive CQ are likely to perform effectively in a diverse cultural context.

#### 2.4.4.3 Motivational CQ

As a critical problem solving factor (Geci, 1996), motivational CQ refers to the mental capacity that directs individuals to engage and adapt to other cultures. Social Learning Theory (Bandura, 1977)

indicates it is essential to learn and adapt to socially desirable behaviours by social learning processes. According to motivation theories (Kanfer & Heggestad, 1997), motivational states such as self-efficacy and intrinsic motivation affect individuals' social learning ability, and lead them to exert persistent effort toward to the goals. Therefore, the present study suggests self-efficacy and intrinsic motives states of CQ foster social learning of salient norms by proactively sourcing the information needed. This is consistent with previous findings that motivational CQ is a vital construct to predict cross-cultural adjustment (Ang, et al., 2004; Templer, et al., 2006).

#### 2.4.4.4 Behavioural CQ

Behavioural CQ refers to the capability to exhibit flexible manners that are culturally appropriate for particular situations (Sternberg & Detterman, 1986). According to the self-presentation theories (Goffman, 1959; Schlenker, 1980), behavioural CQ can reduce cultural conflict by presenting culturally appropriate verbal and nonverbal behaviours by incorporating cultural knowledge. Therefore, this conduct is viewed as less offensive and more adequate, which contributes to developing successful relationships with host nationals and co-workers. Hence, these relationships further affect cultural adjustment and outcomes such as job satisfaction, cultural effectiveness, and performance.

#### 2.4.4.5 Previous Findings of CQ Construct

Previous research on CQ has focused mainly on theories, which suggested CQ predicts cultural judgements, realistic team decisions, and training interventions (Earley & Peterson, 2004; Janssens & Brett, 2006; Kim & Slocum, 2008; Triandis, 2006). Given that the concept is relatively new, empirical evidence of CQ is limited. Based on theoretical findings of Earley and Ang (2003), previous studies investigated empirically the specific CQ dimensions as critical factors that contribute to expatriate effectiveness. Previous research has examined motivational CQ as a critical factor, predicting three adjustment dimensions (Templer, et al., 2006). Templer et al. (2006) study provided discriminant validity for motivational CQ; however, it left the other two CQ dimensions unexplored. Ward and Fischer (2008) found partial support for the findings of Templer et al. (2006), suggesting motivational CQ predict general adjustment. However, their research (Ward & Fischer, 2008), based on samples of international students, is not reflective of expatriate populations. Similarly, Ramalu et al. (2010a) suggested that motivational CQ is significantly related to all adjustment dimensions, while meta-cognitive and cognitive CQ is related only to general and interactional adjustment.

Although empirical evidence of all CQ dimensions is significant, there remain inconsistencies concerning the effect of specific CQ dimensions as predictors for cultural adjustment dimensions. Ang et al. (2007) provide evidence that behavioural CQ as a critical factor enables culturally appropriate verbal and nonverbal actions, therefore enhancing cultural adaptation. However, findings of Ramalu et al. (2010a) show that behavioural CQ is negatively related to general adjustment. Their

findings further suggested that mimicry behaviours, interpreted as insincere, promote rejection from locals in the new cultural context (Thomas & Ravlin, 1995).

Similarly, studies have explored the effect of particular CQ dimensions on expatriate effectiveness outcomes. A previous study concluded that the meta-cognitive and behavioural CQ predicts task performance (Ang, et al., 2007). Contrary to Ang et al.'s (2007) findings, other studies suggest only the behavioural CQ dimension predicts task performance, while meta-cognitive and behavioural CQ only predict contextual performance (Rose, et al., 2010).

Previous research acknowledged the impact of CQ on expatriate job performance; however, the direct relation has not been confirmed. For example, a study conducted by Rose et al. (2010) has shown that CQ directly affects job performance, while Kim et al. (2008), and Lee and Sukoco (2010) suggested that the impact of CQ is moderate, and that cultural adjustment mediate the impact of CQ on expatriate performance.

## 2.4.4.6 CQ as a Composite Measure

Although previous studies suggested that particular CO dimensions are more important than the others (Ang, et al., 2007; Ramalu, et al., 2010a; Templer, et al., 2006; Ward & Fischer, 2008), the present study asserts that all four dimensions of CQ are important and distinct concepts, with internal validity, that are interrelated and complement each other. Van Dyne, Ang, and Livermore (2010, p. 215) support the view that when the focus is on particular CQ dimensions, there is a potential risk of cultural ignorance rather than cultural enhancement. Therefore, in order to avoid contradictory results with respect to the impact of CQ on expatriate effectiveness, the present study examines CQ concept as composite construct. This approach is consistent with previous studies that examine CQ as a whole concept (Kim, et al., 2008; Lee & Sukoco, 2010). The meta-cognitive process and knowledge of specific culture norms are critical aspects of expatriate effectiveness, which enables individuals to make decisions and solve problems effectively during cross-cultural interactions. In addition, motivational states of CO such as self-efficacy and intrinsic motivation, enhancing individuals' strength and persistence to make the effort to learn cultural norms, and to effectively execute their assignments. Furthermore, drawing on the cultural knowledge acquired, behavioural states allow individuals to adapt and demonstrate culturally appropriate behaviours that are bound to the values and beliefs of a given cultural context, to facilitate relationships with locals (Earley & Ang. 2003). Therefore, culturally adjusted expatriates encounter less cultural conflicts in the work place, and this in turn facilitates job performance.

#### 2.4.4.7 CQ as a Predictor for Expatriate Effectiveness

As an individual capability in a culturally diverse context, CQ has been reported as an essential predictor for expatriate success. The present study proposes cultural intelligence as a dynamic cultural competency to enhance cross-cultural adjustment by reducing stress. This is because metacognitive and cognitive CO predicts cultural judgement and decision-making (Ang. et al., 2007). As an analytical process, meta-cognitive and cognitive CQ provides reasoning about potential differences with competent cultural knowledge, facilitating isomorphic attributions and preventing cultural stereotypes. Therefore, the psychological stress and cultural conflicts derived from divergent living conditions, language barriers, social and working environment can be minimised, which in turn can foster cross-cultural adjustment in both work and non-work domains. Consistent with the selfefficacy concept, motivational and behavioural CQ has particular relevance to cross-cultural adjustment. While the cognitive process provides understanding of divergent cultural situations, motivational CQ provides an intrinsic motive to initiate effort in intercultural interactions. Previous studies suggested that individuals who exhibit higher behavioural CQ demonstrate higher capacity of relational skills to conduct appropriate actions in cultural context (Ang, et al., 2007). Behavioural CQ is suggested as the critical ability because the definition of appropriate behaviour varied in cultures (Triandis, 1994). Therefore, the display of appropriate behaviours accordingly is essential to create positive impressions and develop successful relationships with culturally diverse individuals.

As previously stated, the present study argues that CQ as dynamic competency is a potential predictor for cross-cultural adjustment. This is in response to the suggestion from recent studies (Harrison, et al., 2004) that investigating additional variables associated with expatriate adjustment will contribute to expatriate literature. In addition, there is a need to conduct an in-depth investigation of the effect of this relatively new construct on expatriate effectiveness, thereby to contribute to the knowledge of CQ by further validation.

Hypothesis 1: Cultural intelligence has a significant impact on expatriate adjustment.

Although CQ holds the promise to explain cross-cultural adjustment and work outcomes, empirical evidence is still limited and not consistent. CQ still warrants further investigation in order to gain a full understanding of the significance of this concept. The present study suggests that CQ, as an individual cultural competency, is significant but not a sufficient predictor for job performance. This is because psychological adjustment, work-related and situational factors are also influential to predict job performance. Therefore, the present study proposes that the impact of CQ needs to be mediated by psychological comfort, attitudinal and behavioural outcomes, which further impact on job performance. Moreover, no other studies examine the moderating effects of contextual factors and attitudinal factors between CQ and expatriate effectiveness. Further investigation is needed to facilitate a

comprehensive understand of the effect of CQ on cultural adjustment and outcomes, from a cultural competency perspective.

## 2.5 Situational Factor – Source of Support

As literature review by Takeuchi (2010) highlighted, previous expatriate studies focus exclusively on expatriates themselves regarding adjustment and outcomes, determining particular characteristics associated with successful expatriation. These include bio-factors, personality traits, job factors international experience, and non-work factors (Black, et al., 1991; Caligiuri, 1997, 2000b; Shaffer & Harrison, 1998). However, expatriates' effectiveness and performance not only relates to individuals, but also to situational factors such as multiple stakeholders (Aycan, 1997a). Studies point out that research has generally focused on expatriate employees themselves, to investigate simple, linear relationships between expatriate adjustment and outcomes, whilst other elements related to social circumstances are largely ignored (Takeuchi, 2010; Takeuchi, et al., 2002). However, studies show situational factors such as family members (Caligiuri, et al., 1999; Shaffer & Harrison, 1998; Takeuchi, et al., 2002), corporate support (Hutchings, French, & & Hatcher, 2008; Kraimer & Wayne, 2004; Shaffer, et al., 1999; Takeuchi, et al., 2009) and host country nationals (Johnson, Kristof-Brown, Van Vianen, De Pater, & Rigsby, 2002; Liu & Shaffer, 2005) have a significant impact on expatriate adjustment. Previous studies have also shown that social support significantly affects job satisfaction and performance (Kraimer, et al., 2001; Li & Rothstein, 2009; Liu & Shaffer, 2005; Osman-Gani & Rockstuhl, 2008). Drawing on previous findings, investigation of social support is necessary in order to comprehend the role of these situational factors in expatriate adjustment and performance.

According to stress management literature (Fisher, 1985), expatriates encounter greater uncertainty and stress caused by the lack of social connection, loss of control, and confusion, inherent in international assignments. Therefore, the literature highlights support as an important factor in reducing expatriates' stress and achieving successful acculturation (Black & Gregersen, 1991; Fisher, 1985). From reviewing previous studies, there are three potentially important resources, which are organisational, co-worker, and family support emerge as being particularly important (Guzzo, et al., 1994; Kraimer, et al., 2001; Rhoades & Eisenberger, 2002; Takeuchi, et al., 2009). Therefore, based on previous studies, the present study proposes these three sources of support will moderate CQ on expatriate adjustment.

#### 2.5.1 Perceived Organisational Support

Organisations play an important role on employees' lives both on and off the job; in particular, expatriates can be heavily influenced by their organisations (Guzzo, et al., 1994). Based on the Social Exchange Theory (Befu, 1977; Ekeh, 1974; Gouldner, 1960), that individuals constantly seek "an ex-

change of effort and loyalty for tangible benefits and rewards", organisational support is a psychological contract to maintain a reciprocal relationship between employees and the employer.

Previous studies highlight that employees' perceptions concerning organisational support are critical. This is because Organisation Support Theory (Eisenberger, et al., 1986; Rhoades & Eisenberger, 2002) asserts that, from the employee's perspective, the psychological contract is highly subjective. Perceived organisational support is defined as employee perception concerning how organisations evaluate their contribution, and show concern for their well-being (Eisenberger, et al., 1986, p. 501). Perceived organisational support has been intensively studied as a critical factor in facilitating job outcomes in domestic human resource management (Rhoades & Eisenberger, 2002). Although highly relevant to the international assignment, perceived organisational support has received limited attention in the expatriate literature (Kraimer & Wayne, 2004; Kraimer, et al., 2001; Shaffer, Harrison, Gilley, & Luk, 2001).

In order to identify the relevance of perceived organisational support facets to the three dimensions of expatriate adjustment, the present study adopted the conceptualisation of work and non-work perceived organisational support from Takeuchi et al. (2009) and Guzzo et al. (1994) to assess its impact on work and non-work adjustment. Perceived organisational support studies in expatriate literature generally focus on work related aspects including work and career support, and non-work related aspects such as logistical, financial and adjustment support.

Previous studies found empirical support for all aspects of perceived organisational support predicting expatriate adjustment (Caligiuri, et al., 1999; Shaffer, et al., 1999). The present study however argues that financial and career support is less relevant to expatriate adjustment. Instead, financial and career support is relevant to work outcomes. This is because, financial and career support is less likely to influence cultural adjustment, which is defined as psychological comfort with respect to work and non-work situations. This is consistent with empirical evidence that career support predicts organisation commitment, and perceived financial support predicts task performance (Kraimer & Wayne, 2004; Rhoades & Eisenberger, 2002). Furthermore, expatriates are generally satisfied with the financial inducement and benefits offered as compensation for relocating overseas. Therefore, financial support is not the focus of the present study. Similarly, career support is not included, for the same rationale that the primary focus of the present study is to examine the effect of various supports that mediate CQ & expatriate adjustment.

## 2.5.1.1 Non-work Aspects of Organisational Support

The present study examines perceived adjustment and logistic support, as non-work support to predict general and interactional adjustment; and perceived work support, as work support to predict work adjustment. As suggested by a previous study, adjustment support is important to enhance interac-

tional adjustment (Takeuchi, et al., 2009). According to Uncertainty Reduction Theory (Berger & Calabrese, 1975), living abroad will inevitably increases stress significantly due to the variety of difficulties encountered, and a sense of isolation and loss of control. These emotions will be amplified as the result of loss of the social connections with families and friends from the home country. From the psychological perspective, suggested by Maslow's (1954) Hierarchy of Needs Theory, socialising, and the feelings of belongingness and acceptance, is emotional needs essential for individuals. Therefore, adjustment support from organisations to provide cultural training programmes and socialisation opportunities with locals, are critical to foster interactional adjustment for expatriates. This is particularly relevant to those expatriates posted to remote areas. In addition, stress management programs are essential to facilitate cultural adjustment, which enhance individuals' stress regulation by proactively drawing from a repertoire of coping strategies (Kühlmann, 1995).

Therefore, adjustment support provided by the organisation, is critical to facilitate cultural adjustment by meeting emotional needs and reducing stress level. However, organisations often place a heavy emphasis on financial support; and neglect to provide socialising opportunities for expatriates and their families, and efficient cultural training programmes prior to, and post departure (Aycan, 1997a). Furthermore, the stress management programmes are generally not available. The negative impact of the prominence of financial support is high expatriation cost and a low return on investment from the international assignment.

In addition to adjustment support, logistic support is also a critical non-work support, to help expatriates become accustomed to, and settle in the foreign environment (Erbacher, D'Netto, & España, 2006; Guzzo, et al., 1994; Kraimer & Wayne, 2004). As empirical evidence shows logistical assistance with housing, food, shopping, transportation, employment opportunities for spouse and schooling for children are particularly relevant to reduce stress and encourage expatriates to integrate into local lifestyles (Aycan, 1997a; Florkowski & Fogel, 1999; Guzzo, et al., 1994). Previous studies generally predict logistic support relates to general adjustment (Shaffer, et al., 1999).

#### 2.5.1.2 Work-related Aspects of Organisational Support

Furthermore, from a work domain perspective, work-related support is significant to foster work adjustment, as the work culture in foreign subsidiaries is often significantly different to the home organisation. As pointed out by Takeuchi et al. (2009), work-related resources are necessary to cultivate workplace communication, assign job responsibilities, and training to accomplish the assignment. This discretionary work-related support is a fundamental element of work adjustment, which reduces stress and conflict in workplace caused by well-acknowledged role factors such as role ambiguity, and role conflict (Black, 1988). Therefore, well-adjusted expatriates tend to generate positive work outcomes, and demonstrate higher job satisfaction and performance.

In summary, perceived organisational support is the extent to which an employee believes the organisation is committed to them in terms of valuing their contribution and caring about their wellbeing (Eisenberger, et al., 1986; Rhoades & Eisenberger, 2002; Shore & Shore, 1995). In addition, research suggests that employees highly value organisational support when these favourable treatments provided by the organisation are discretionary, and this in turn generates positive work outcomes as a norm of reciprocity (Cotterell, Eisenberger, & Speicher, 1992). The domain-specific concept is also consistent with previous findings, that work domain perceived organisational support predicts work adjustment, while non-work domain perceived organisational support predicts non-work adjustment (Takeuchi, et al., 2009).

## 2.5.2 Co-worker Support

Social relationships are critical to individuals' health and psychological wellbeing. According to Social Capital Theory (Lin, Ensel, et al., 1981; Lin, Vaughn, et al., 1981), social ties serve as direct channels providing informational, emotional, and instrumental support, to reduce uncertainty and stress, and to fulfil ultimate objectives (Adelman, 1988; Adler & Kwon, 2002; Lin, 2001).

The significance of co-worker support is well evidenced to predict work adjustment as co-workers have the resources to provide informational and instrumental support for work issues and the subsidiary's corporate culture (Black, 1988; Caligiuri & Lazarova, 2002; Lee & Van Vorst, 2010; Shaffer, et al., 1999). In addition, social ties with co-workers also relate to expatriates' general and interactional adjustment by informational, instrumental, and emotional support provided outside work (Bhaskar-Shrinivas, et al., 2005; Black, 1990; Johnson, et al., 2002; Lee & Van Vorst, 2010). This is supported by the findings of Black' (1990), that co-worker support was positively related to all three facets of adjustment. The Black, Mendenhall, Oddou' (1991) model, which is validated by a number of empirical studies, also indicates co-workers' support is one of the vital factors influencing expatriate adjustment.

Moreover, social support from co-workers has also found to be associated with work-related outcomes such as job satisfaction, involvement, and intention to stay (Abdel-Halim, 1982; Blau, 1981; House, 1981; LaRocco, House, & French Jr, 1980). Negative relationships were also found between social support and perceived work stress (LaRocco, et al., 1980; Seers, McGee, Serey, & Graen, 1983). Therefore, it is plausible to predict that, with support from co-workers, role-related stressors such as role ambiguity, role discretion, and role conflict (Fisher, 1985) will likely be reduced.

Given co-workers are one of essential resources that fosters expatriate adjustment in work and non-work situations (Black, 1990; Lee & Van Vorst, 2010), the present study proposes that co-workers are the primary sources of support for both work and non-work context. Social Learning Theory (Bandura, 1977) supports this view that, expatriates will learn and create a greater repertoire of

socially appropriate behaviours and form internal schematic scripts. This is essential to contribute to general and interactional adjustment of expatriates through social learning in the work place (Caligiuri, 2000b; Nicholson, et al., 1990; Searle & Ward, 1990). This is supported by other research that coworker support is associated with general adjustment and interaction adjustment (Johnson, et al., 2002). Further, the support from co-workers is beneficial for work adjustment and work-related outcomes, as they provide informational and instrumental support of salient working and managerial culture (Black, 1990; Lee & Van Vorst, 2010; Shaffer, et al., 1999). Therefore, the present study considers that social support from co-workers will moderate expatriate adjustment and thus affect the outcome of adjustment.

## 2.5.3 Social Support

Preliminary research suggests that expatriates having a large number of diverse relationship contributes to more support received, and greater adjustment experienced (Farh, Bartol, Shapiro, & Shin, 2010; Shaffer, et al., 2001; Wang & Kanugo, 2004). It is argued here that in addition to co-worker support from work context, support from individuals' social circles, for instance friends and families are important to provide expatriates with valuable assistance for living abroad. Social relationships, which expatriates build in the host country, typically serve as informational and emotional support (Johnson, Kristof-Brown, Van Vianen, De Pater, & Klein, 2003; Maney & Stevenson, 2001).

#### 2.5.3.1 Friends Support

Social ties with host country nationals (HCNs) are among the essential resources to provide help for expatriates to cope with stressful events, and to enhance psychological well-being (Caligiuri, 1997). Previous research generally suggests that HCNs support is crucial for expatriates in order to adjust, and for work outcomes (Black, 1988, 1990; Caligiuri & Lazarova, 2002; Chiu, Wu, Zhuang, & Hsu, 2009; Shaffer, et al., 1999). Research further suggested that the number of HCNs contacts the expatriate has, and the frequency of interaction, is critical and has a positive influence on expatriate adjustment and thus work performance (Johnson, et al., 2002; Li & Rothstein, 2009; Osman-Gani & Rockstuhl, 2008).

Although previous studies acknowledge the significance of HCNs support, there are inconsistent views with respect to the association between HCNs support and the three adjustment dimensions. Previous studies typically predicted that HCNs support relates to general and interactional adjustment, but not on work adjustment (Black, 1990; Johnson, et al., 2002; Osman-Gani & Rockstuhl, 2008). However, meta-analysis found that interaction with host nationals predicts all three facets of adjustment (Hechanova, et al., 2003). Although the results are significant, authors did not differentiate HCN co-workers from host nationals in a non-work context (2003). In order to eliminate the

inconsistency of HCNs support with respect to predicting adjustment dimensions, the present study categorises HCNs support as a source of social support from the non-work context only.

Research also suggests expatriates generally make contact and form relationships with other expatriates rather than HCNs, mainly due to the language difficulties, and the emotional need individuals have to share similar experiences (Hechanova, et al., 2003; Johnson, et al., 2002). Generally lacking breadth and depth, the relationship with HCNs thus may impede cultural adjustment, as expatriates are sometimes reluctant to acculturate into the new environment. Fellow expatriates are able to provide valuable emotional and informational help to new comers. Their potentially similar cultural background and overseas experience form a connection to satisfy emotional needs that are critical for psychological wellbeing of expatriates. Therefore, the present study proposes that developing a successful relationship with both fellow expatriates and HCNs is critical for the cultural adjustment of expatriates (Johnson, et al., 2002).

#### 2.5.3.2 Family Support

Expatriate adjustment research typically focuses on within-domain effect. This refers to work-related issues such as organisational support, role ambiguous, and role conflict impact on work adjustment. Likewise, non-work issues such as living conditions, relations with host nationals and family situation influence non-work adjustment. However, Role Stress Theory (Kahn, Wolfe, Quinn, Snoek, & Rosenthal, 1964) suggests that stressors in the non-work domain could have a cross-domain effect on work domain and vice versa. Several studies consider a cross-domain effect, for instance, Black et al. (1999) suggest a cross-domain effect such that non-work factors, for instance family issues, affect work adjustment and work outcomes.

The present study suggests a cross-domain effect, that family support as a non-work domain factor affect work domain expatriate adjustment, which in turn, affect expatriate work outcomes. Role Stress Theory (Kahn, et al., 1964) forms the foundation of work-life conflict literature, suggesting stress experienced in off work-life could trigger stress at work, and vice versa. From a psychological perspective, this is because well-adjusted expatriates will have less stress, and be better engaged emotionally in the cross-cultural settings, which have a crossover effect on both work and non-work domains (Takeuchi, et al., 2002). Therefore, support from family domain during international assignments is also essential, and should not be neglected.

Previous studies validate non-work factors such as family characteristics, as one of the most critical issues that influence expatriate adjustment, job satisfaction, performance, and intentions to quit (Black, et al., 1991; Black & Stephens, 1989; Caligiuri, et al., 1998; Mendenhall & Oddou, 1985; Shaffer & Harrison, 1998; Takeuchi, Wang, & Marinova, 2005; Takeuchi, et al., 2002). Meta-analysis further validates family support as a key factor, related to all three facets of adjustment (Hechanova, et al.,

2003). Family support is especially important for female expatriates because society determines gender roles concerning family commitment. In addition, according to previous studies male spouses of female expatriates are particularly isolated, as they may have limited social circles (Caligiuri, et al., 1998; Caligiuri, et al., 1999).

Therefore, the present study proposes that in general, family support will have a significant impact on expatriate adjustment. Empirical evidence typically shows that the impact of family support has a significant effect on expatriate adjustment (Bhaskar-Shrinivas, et al., 2005; Caligiuri, et al., 1998; Shaffer & Harrison, 1998). However, this influence of family members can be either positive or negative, a view supported by previous studies (Takeuchi, 2010; Takeuchi, Wang, et al., 2005; Takeuchi, et al., 2002).

Based on Role Stress Theory (Kahn, et al., 1964), when family members are maladjusted, family responsibility can serve as stressor, negatively impacting expatriates job outcome (Shaffer & Harrison, 1998). Work-family conflict literature (Frone, Russell, & Cooper, 1992) indicates a reciprocal relationship between employees and family that can have a significant effect on employee job performance, which is applicable to international assignment (Caligiuri, et al., 1999; Shaffer & Harrison, 1998; Shaffer, et al., 1999; Shaffer, et al., 2001). Therefore, the present study considers family support as a significant factor to predict expatriate adjustment and thus the work outcomes.

*Hypothesis 2:* Perceived organisational, co-worker and social support are three sources of support that directly affect cross-cultural adjustment.

#### 2.5.4 Summary

In summary, the present study based on Uncertainty Reduction Theory and stressor-strain-outcome rationales (Befus, 1988; Kühlmann, 1995), suggests that organisational and social support from friends and families will minimise work and non-work stressors during overseas assignment thereby lead to higher job satisfaction and job performance. Drawn on Social Learning Theory (Bandura, 1977) and previous research with this approach (Bhagat & Prien, 1996; Black & Mendenhall, 1990; Kealey & Protheroe, 1996), the present study argues that co-worker support actively fosters social learning processes, which further enhance cross-cultural adjustment and outcomes, such as cultural effectiveness and job performance.

Based on work-life conflict literature, both work domain and family domain support are critical, as the spill-over effect between these two domains has a significant impact on an individual's wellbeing and strain at work (Takeuchi, et al., 2009). Therefore, the present study examines work and non-work domains support as moderating factors that facilitate expatriate adjustment. As a result, well-adjusted expatriates will demonstrate higher levels of job satisfaction and job performance.

## 2.6 Outcomes of Adjustment

#### 2.6.1 Job Performance

Job performance, even though critical, has received limited empirical investigation in organisation studies (Guzzo, 1996; Ramalu, et al., 2010b). While previous studies have investigated adjustment and its antecedents intensively, expatriate performance did not attract much attention until the late 1990s when Arthur & Bennett (1997) suggested a two-dimensional construct as a framework to conceptualise job performance (Caligiuri, 1997; Caligiuri, et al., 1999). First dimension of task performance refers to fulfilling overseas duties as specified in the job description and second dimension of contextual performance refers to developing and maintaining successful social ties with host country nationals in the workplace (Borman & Motowidlo, 1993; Ones & Viswesvaran, 1997). Harrison and Shaffer (2005) further extend this framework to include an overall performance dimension. Expatriate performance is critical to MNC's success; however, evidence shows that international assignments frequently result in failure in terms of meeting job expectations and performance.

Likewise, little research has empirically tested the relationship between adjustment and performance (Kraimer & Wayne, 2004; Kraimer, et al., 2001; Takeuchi, Wang, et al., 2005). Studies using CQ as a predictor for expatriate performance are few. There are only two studies that directly measure the impact of CQ on performance (Ang, et al., 2007; Rose, et al., 2010); and two studies which suggest that CQ needs to be mediated by cultural adjustment and effectiveness to further impact on job performance (Kim, et al., 2008; Lee & Sukoco, 2010). Based on these empirical findings, the present study asserts that cultural adjustment mediates CQ, and therefore impact on job performance.

Although previous literature provides evidence that cross-cultural adjustment significantly influences expatriate performance (Black & Gregersen, 1991; Harrison & Shaffer, 2005; Kraimer, et al., 2001; Liu & Shaffer, 2005; Ramalu, et al., 2010b), the relationship is only partially supported by evidence found in a longitudinal study, that only work adjustment is positively related to job performance (Takeuchi, Wang, et al., 2005). Conversely, Kraimer & Wayne (2004) conclude that the relationship between adjustments and job performance is not significant. Therefore, further empirical research is needed to understand fully the relationship between adjustment and performance (Kraimer & Wayne, 2004; Kraimer, et al., 2001; Takeuchi, Wang, et al., 2005).

The present study asserts that the inconsistent conclusions with regard to the relationship between cross-cultural adjustment and performance may derive from potential mediators of these two variables. Although some scholars argue that cross-cultural adjustment directly affects job performance (Black, 1988; Black & Gregersen, 1991; Shaffer, et al., 2001), the correlation is generally small to moderate. This indicates that potential mediating variables provide promise and warrant further investigation. For instance, a meta-analysis of 30 primary studies conducted by Mol et al, (2005) show that three

facets of adjustment explain relatively small to moderate variance (r = .14, r = .24, r = .27 respectively) with expatriate job performance. This is consistent with the findings of Bhaskar-Shrinivas et al. (2005), based on meta-analysis of 66 studies, that three facets of adjustment correlate with expatriate job performance (r = .15, r = .15, r = .31, respectively). Despite the correlation between cross-cultural adjustment and job performance, empirical evidence shows cross-cultural adjustment is not a significant predictor. This is reinforced by the view that cross-cultural adjustment needs to be mediated by social skills (Holopainen & Björkman, 2005; Lee & Sukoco, 2008, 2010) and as well as attitudinal factors (Hechanova, et al., 2003) before having an impact on job performance. Therefore, the present study aims to investigate job satisfaction as an attitudinal factor from a stress management perspective; and cultural effectiveness as cross-cultural social skills from a social learning perspective, as mediators between expatriate adjustment and job performance.

#### 2.6.2 Job Satisfaction

From a psychological perspective, job satisfaction is a significant outcome of work-related issues associated with expatriate effectiveness (Naumann, 1993; Tett & Meyer, 1993), which is relevant to the present study. Previous international HR studies often report a high level of dissatisfaction among expatriate employees (Kraimer, et al., 2001; Shaffer & Harrison, 1998). Research suggests well-adjusted expatriates demonstrate a higher level of satisfaction and perceive a higher level of acceptance from host nationals, and are able to function during everyday activities (Aycan, 1997a; Brislin, 1981, p. 271; Dunbar, 1992). However, job satisfaction and perception of organisational support are highly subjective. Job satisfaction is generally described from a task environment perspective, as an overall evaluation or emotional state, resulting from one's job experiences (Locke, 1976).

In studies of domestic work issues, stress is a common antecedent negatively related to job satisfaction (Sullivan & Bhagat, 1992), which in turn predicts work outcome such as organisational citizenship and commitment, turnover, and performance (Hellman, 1997). Stress control is even more critical in international assignments, due to the uncertainty and the challenge derived from relocation to an unfamiliar cultural context and the loss of connection with social networks. Based on the significance of role job satisfaction in both domestic and expatriate studies, it is plausible to predict that well-adjusted expatriates exhibit higher job satisfaction and thus job performance.

*Hypothesis 3:* Cultural adjustment has a direct impact on job satisfaction.

Furthermore, this entails further investigation of job satisfaction as a potentially promising factor that explains the extra variance between expatriate adjustment and job performance. Scholars theoretically defined job satisfaction as the important attitudinal outcome of expatriate adjustment (Ashford & Taylor, 1990). Consistent with previous studies, the present study examines job satisfaction as an attitudinal outcome of successful adaption into the overseas job environment (Dunbar, 1992; Liu &

Lee, 2008; Shaffer & Harrison, 1998). Defined as a psychological comfort, cultural adjustment is highly relevant to job satisfaction. Based on role stress theory (Kahn, et al., 1964) and previous stress management models, well-adjusted expatriates have the capacity to employ stress control strategies efficiently, and obtain support from various sources such as organisation, co-worker, and family, hence to generate higher level of job satisfaction. Empirical evidence provides support that there is a linear relationship between adjustment and job satisfaction (Hechanova, et al., 2003; Liu & Lee, 2008; Takeuchi, et al., 2002). In contrast, a maladjusted expatriate who demonstrates a higher stress level, creates internally a negative evaluation of the stimulus. These internal evaluations of expatriates in turn cause job dissatisfaction and consequently result in psychological withdrawal, adversely affecting the assignment (Harrison & Shaffer, 2005). Meta-analysis also provides further empirical support suggest that cultural adjustment is a significant predictor for job satisfaction (Bhaskar-Shrinivas, et al., 2005). Despite the theoretical and empirical evidence, job satisfaction has received relatively limited attention from expatriate research.

Furthermore, domestic studies show that job satisfaction is significantly related to job performance with average .30 correlations (Judge, Thoresen, Bono, & Patton, 2001; McDaniel, Whetzel, Schmidt, & Maurer, 1994). Similar results are also found in expatriate literature with average 0.33 correlations (Bhaskar-Shrinivas, et al., 2005). As a psychological state, job satisfaction is primarily work-related, presuming higher attitudinal outcomes have a positive effect on work performance. This is because satisfied expatriates generally demonstrate a higher capability to regulate stress internally, and to utilise external resources constructively to reduce work role issues and conflicts. This is consistent with previous findings that those expatriates with higher job satisfaction will generate higher job performance (Aycan, 1997a; Shaffer, et al., 2001). In contrast, low job satisfaction generates destructive effects and induces exhaustion hindering the individual's ability to perform job responsibilities (Cohen & Wills, 1985).

Job satisfaction is generally operationalised as a multi-faceted global construct in expatriate studies, including satisfaction towards payment, career, and general satisfaction (Feldman & Tompson, 1993; Naumann, 1993). However, satisfaction towards to payment and career development are not relevant to the present study, which is focused primarily on cross-cultural adjustment and outcomes. Therefore, the present study suggests general satisfaction mediates the effect of cross-cultural adjustment, and thus predicts job performance. This is supported by the findings of meta-analyses that expatriate job satisfaction is a predictor of work-related outcomes such as turnover, organisational commitment, withdrawal intention and job performance (Bhaskar-Shrinivas, et al., 2005; Hechanova, et al., 2003).

**Hypothesis 4:** Job satisfaction mediates the effect of cultural adjustment on expatriate job performance.

## 2.6.3 Cultural Effectiveness

From a socio-cultural perspective, the present study predicts that CQ is a dynamic cultural competency that facilitates cultural skills and which in turn, impacts on job performance in a cultural context. Cultural effectiveness is particularly relevant to the present study, as research has empirically identified that social skills are a critical factor influencing cross-cultural interaction and expatriate effectiveness in international assignments (Black & Mendenhall, 1990; Hammer, 1989; Hannigan, 1990). In general, expatriates are competent technically; however, lack of social skills can impede their job performance. Based on the social skills model (Argyle & Kendon, 1967), previous studies argue that socially unskilled individuals are poor learners, and thereby cannot maintain a successful performance (Bochner, 1981).

Previous research proposes an intercultural efficiency model to determine cultural effectiveness for cross-cultural interaction (Hammer, Gudykunst, & Wiseman, 1978; Hammer, Nishida, & Jezek, 1988). This model comprises three dimensions: psychological stress control, effective communication ability, and establishing interpersonal relationship. Based on this model (Hammer, et al., 1978), previous studies reported these three capabilities as critical factors for expatriate success (Abe & Wiseman, 1983; Gudykunst & Hammer, 1984; Hammer, 1987; Lee & Sukoco, 2008; Stening & Hammer, 1992). As previous research suggests that it is beneficial to integrate varied disciplines in order to study expatriate issue comprehensively, the present study examines factors related to expatriate job performance from the socio-cultural perspective and the intercultural communication discipline (Mendenhall, et al., 2002).

Based on recent findings (Lee & Sukoco, 2008), the present study suggests communication and relational skills as two cultural effectiveness dimensions that predict job performance. This is consistent with previous studies that confirm these social skills are influential factors that directly affect expatriate performance (Holopainen & Björkman, 2005; Mol, et al., 2005). Furthermore, other studies have also recognized the relevance of cultural effectiveness, mediating the effects of cultural adjustment on performance (Holopainen & Björkman, 2005; Lee & Sukoco, 2008, 2010; Mol, et al., 2005). Findings from meta-analysis also support the association of relational skills and communication skills with expatriate success (Bhaskar-Shrinivas, et al., 2005). Thus, cultural effectiveness is highly relevant to the present study. With self-motivation, efficient cultural knowledge, and culturally adequate behaviour learned during the cross-cultural interaction, CQ enables expatriates to communicate and develop relations with host nationals successfully. Consequently, successful relationships and social skills facilitate job performance (Ones & Viswesvaran, 1997).

Despite evidence showing all three dimensions of cultural effectiveness may be relevant to expatriate success (Stening & Hammer, 1992), the present study has excluded the stress control dimension. In

contrast to earlier attempts that suggest cross-cultural adjustment predicts stress coping (Lee & Sukoco, 2008), the present study argues successful cultural adjustment, as a psychological comfort, will inevitably be the result of effective stress coping. According to Uncertainty Reduction Theory (Berger & Calabrese, 1975) and a considerable amount of literature, it is essential that individuals to cope with stress effectively, in order to be culturally well adjusted (Hechanova, et al., 2003).

## 2.6.3.1 Intercultural Communication Ability

As one dimension of cultural effectiveness, communication skills are critical to expatriate effectiveness. This is because diverse cultural contexts create obstacles, which complicate the work-related issues. In general, communication refers to the process of conveying meaning, attempting to create shared understanding. According to Greene and Burleson (2003), communication comprises three basic components the sender, the message, and the receiver. Sethi and Seth (2009) develop the concept further to incorporate new components in communication such as noise, response, and background factors, and suggest that these factors can distort and disrupt mutual understanding. Therefore, communication is considered a key criterion of effective HR management (Bambacas & Patrickson, 2009), and an essential process in work place functioning, which determines organisation performance (Hattersley & McJannet, 2005; Linstead, Fulop, & Lilley, 2004). Communication ability is also crucial in a cross-cultural context, as there the language, culture and values can serve as additional noise and background factors, can impeding communication (Abe & Wiseman, 1983; Hammer, 1989; Hammer, et al., 1978; Martin & Hammer, 1989). Nevertheless, though intercultural communication issues have been the foci of the communication discipline, this rarely draws attention from international management and IHRM studies. As suggested by Mendenhall et al. (2002), it will be beneficial to integrate cross-discipline knowledge to study expatriation.

Although previous research acknowledged the significance of cross-cultural communication (Kim, 2001), views differ on which are critical skills that foster cross-cultural communication. Language skills are generally considered as critical to facilitate communication, and are frequently seen as important criteria for expatriate selection (Black & Mendenhall, 1989). However, it is not feasible to focus on language skill as an expatriate selection criterion. This is because the shortage of global talent, as well as the global mobility, impedes the possibility to acquire advanced language skills for each international assignment. In addition, research that focuses predominantly on language as opposed to communication skills could hinder the advancement of intercultural communication. This is consistent with the findings of meta-analyses that language ability is not a significant predictor for cross-cultural adjustment (Bhaskar-Shrinivas, et al., 2005) and expatriate job performance (Mol, et al., 2005). As mentioned earlier, Bhaskar-Shrinivas, et al. (2005) provide further evidence that non-English speaking countries, as the destination of the majority of international assignments, are more tolerant of lack of language competency. Mendenhall & Oddou (1985) point out that specific

communication skills are rather critical. The authors (1985) denote the meaning of language skills is defined as gestures of friendliness that cultivate relationships, as well as the confidence to interact with host nationals and motivation to understand the dynamics of cultural values.

Therefore, the present study considers that intercultural communication ability is critical for expatriates to be able to effectively integrate with host national co-workers and thus achieve job performance. This is because intercultural communication ability enables an individual to initiate interaction with a stranger, to enter into meaningful dialogue, and to effectively deal with communication misunderstandings (Hammer, et al., 1978; Hammer, et al., 1988). In addition, Kim and Ruben (1988) believe that intercultural communication ability improves over time as individuals experience a process of adjustment to cultural differences. This is consistent with the belief that communication in a cross-cultural situation needs to comply with the host country's cultural values and customs, in order to be effective (Joynt & Warner, 2004; Trompenaars & Hampden-Turner, 1998). Social Learning Theory (Bandura, 1977) provides theoretical evidence for intercultural communication as individuals learn specific skills over time from social interaction. This is because culture underlies the specific coding process and the pattern of contextually appropriate communication and relational behaviours. For instance, according to Hall (1976), communication differs significantly in that lowcontext cultures tend to adopt a direct, explicit, and logical pattern, whilst high-context cultures prefer an indirect, implicit, and contextual pattern of communication strategies. Therefore, there is a need to acquire knowledge of diverse communication strategies and styles in a cultural context, in order to cultivate working relationships and thus enhance job performance.

#### 2.6.3.2 Relational Skills

Similarly, relational skills, the second dimension of cultural effectiveness, are contextual and culturally specific. Relational or interpersonal skills refer to the ability to establish and maintain interpersonal relationships, and work effectively with others (Hammer, et al., 1978). Relational skills also refer to showing respect, sincerity, empathy, patience, tolerance, and being non-judgemental towards others (Arthur & Bennett, 1995). Studies have identified relational skills as a critical competency, in a variety of literature such as leadership teamwork, anthropology and social psychology (Avolio, 2005; Bass & Riggio, 2006).

Relational skills are relevant for the present study because a harmonious relationship with host-nationals is identified as a significant factor relating to cross-cultural adjustment (Abe & Wiseman, 1983; Bhaskar-Shrinivas, et al., 2005; Hammer, et al., 1978; Mendenhall & Oddou, 1985; Stening & Hammer, 1992). In addition, relational skills determine success for expatriates (Arthur & Bennett, 1995; Dunbar, 1992; Mendenhall, Dunbar, & Oddou, 1987; Tung, 1987), which is consistent with the

"criterion space" model (Ones & Viswesvaran, 1997), that developing and maintaining relationships with host country nationals as well as fulfilling tasks are the core facets of expatriate performance.

As "relationship capital", that facilitates achievement of work goals and keeps channels functional, the present study believes relational skills are a key component to overcoming barriers and solving cultural conflict in cross-cultural work place by facilitating working relationships (Atkinson, 2004). Previous research recommended that the inherent or learned interpersonal skills such as sensitivity, tolerance, and respect towards other cultures, are effective strategies for building trust and managing interpersonal conflict (Javidan & House, 2001).

Furthermore, in the Chinese collectivism cultural context of the present study relational skills are likely to be a critical factor. This is suggested by previous expatriate study conducted in China that interpersonal skills are the strongest predictor of job performance compared to other predictors such as cultural empathy, problem-solving ability, and personality traits (Cui & Awa, 1992). Interpersonal conflicts derive from culture-related differences such as perception of urgency and implementation, negative stereotypes, and ethnocentricity. These interpersonal conflicts have a stronger effect on stress and job satisfaction, than other issues negatively related to adjustment such as foreign languages, and living conditions.

Moreover, relational skills are particularly critical attributes in cross-boundary resource exchanges (Johnson & Duxbury, 2010). This is because boundary-spanning roles require expatriates to gain an inward flow of information and exert influence, in dealing with dispersed external environments or constituents (Hocking, Brown, & Harzing, 2007; Lord & Ranft, 2000). Therefore, based on previous empirical evidence, the present study proposes that relational skills are critical during cultural interactions contributing to expatriate effectiveness.

## 2.6.3.3 Cultural Effectiveness as a Mediator for Cultural Adjustment and Job Performance

While previous research acknowledged the correlation between these social skills and cultural adjustment, there exist inconsistencies with respect to the causal relationship. The present study suggests a linear relationship where adjustment enhances communication and relational skills, which in turn affect job performance. This differs from the belief that communication ability and relationship skills progress cross-cultural adjustment. Although possessing these skills will be an advantage concerning cultural adjustment, these existing skills may not be effective unless transformed into culturally appropriate forms for the specific cultural context.

The underlying rationale is, without psychological acceptance of, and adjustment into cultural context, the existing communication and interpersonal skills possessed by corporate "gypsies" will contribute little to intercultural interactions. As suggested by a previous study, these experiences may instead

lead to resistance to learning new cultural knowledge and adapting culturally appropriate behaviours (Lee & Sukoco, 2010). This rationale derives from the premise that social skills are subjective and contextual phenomenon, determined by the cultural context. This is evidenced in Social Skill Theory (Argyle & Kendon, 1967), and Social Learning Theory (Bandura, 1977), where well-adjusted expatriates demonstrated higher ability to express socially acceptable behaviours and ritualised routines, by learning new cultural knowledge from the social interaction (Black, et al., 1991; Furnham & Bochner, 1982). Furthermore, intercommunication theories (Gudykunst, Ting-Toomey, & Chua, 1988) provide an important basis to understand that anxiety occurs during intercultural encounters with "strangers", which in turn, results in communication avoidance and simplistic information processing such as stereotyping. Therefore, cultural adjustment, as a psychological comfort, is important to facilitate intercommunication.

Therefore, the present study suggests, cultural intelligence fosters cultural adjustment, which in turn improves expatriate communication and relational skills. This linear relationship is consistent with previous findings that intercultural communication does not contribute to work adjustment issues (Mendenhall, et al., 2002; Selmer, 2006c). Lee & Sukoco (2010) also suggest that communication and relational skills mediate cross-cultural adjustment, which in turn influences job performance. Despite these findings, the authors (2010) do not clarify the causal relationship by differentiating intercultural communication competency from communication competency in general terms. As intercultural communication competency emerged as a critical component in expatriate literature, the present study proposes intercultural communication ability and relational skills as two dimensions of cultural effectiveness that mediate cultural adjustment and job performance.

Hypothesis 5: Cultural adjustment mediates the effect of CQ on cultural effectiveness.

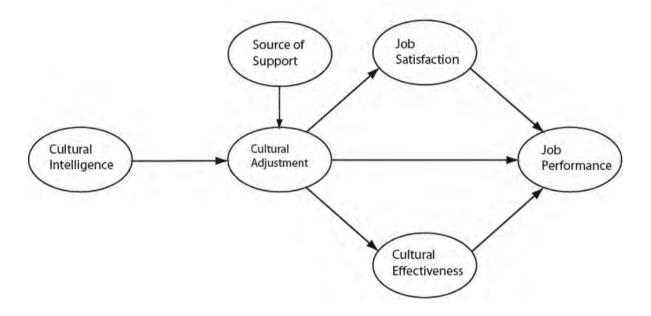
*Hypothesis* 6: Cultural effectiveness will positively affect expatriate performance.

# 2.7 Summary

Research indicates that CQ is related to cross-cultural adjustment and expatriate performance (Lee & Sukoco, 2010; Ramalu, et al., 2010a; Rose, et al., 2010). While cultural adjustment has received much attention, the interrelationship between CQ and job performance has received limited research (Kim, Kirkman, & Chen, 2006). Research shows CQ positively influences cultural adjustment and job performance between Taiwanese expatriates and employees from other Asian countries (Lee & Sukoco, 2010). Cultural similarities can yet moderate the effect of CQ on expatriate effectiveness with host nation employees (Johnson, et al., 2006). Therefore, studies based on highly contrasted cultural differences are recommended by previous research (Johnson, et al., 2006), to eliminate contextual influence. Research also shows cultural effectiveness is positively associated with expatriate performance, which in turn is associated with assignment success and MNC profitability (Lee &

Sukoco, 2010; Mendenhall & Oddou, 1985; Mol, et al., 2005). Thus, there is a need to test empirically the role CQ may play in expatriate effectiveness, for instance cultural adjustment and job performance. Considering generally unsatisfactory performance, high failure rate, and costs of expatriation, investigating potential factors that influence expatriates' success is critical in both academic and HR management practice for international organisations. The conceptual model of expatriate effectiveness is presented in Figure 1 below.

Figure 1. Conceptual Model of Expatriate Effectiveness



#### 3 RESEARCH METHODS

# 3.1 Research Design Overview

The purpose of this chapter is to detail the methodology employed to test the proposed Structural Equation Model (SEM) and hypotheses presented. This chapter comprises descriptions of the participants, measurements utilised for each variable, procedures employed.

The present study seeks to test the proposition and identify the potential of CQ as a dynamic predictor of expatriate job performance, as well as the mediating effect of cultural adjustment, job satisfaction, and cultural effectiveness. In addition, this study investigates how sources of support may affect expatriate adjustment. The Questionnaire was distributed online to ensure maximum reach among potential participants in China.

## 3.2 Methods

The majority of studies in this field have employed a quantitative research approach with large sample size to generate statistical significance. Although previous studies call for longitudinal research design, cross-sectional design is utilised due to the limitation of the scope. In a cross-sectional study to test the impact of CQ on expatriate effectiveness, the representative sampling technique is employed. In addition, in order to increase response rate, snowball sampling is also adopted to pass on the survey questionnaire to eligible expatriates by the initial contacts.

# 3.3 Respondents

Two hundred and twenty-six (226) Western expatriates working in China currently and recently completed the survey. All nationalities are represented and most of them from New Zealand (31.9 %), the United States(15.7%), United Kingdom(10%), Australia (11.6%), Germany (5.1%), France (5.1%), and other countries. Ninety three per cent of participants are Caucasian. Compared with previous studies, the major difference in nationalities is that New Zealanders are over-represented, while the percentage of this nationality has not been reported in previous expatriation studies. This is because the present study was conducted by a researcher from New Zealand University, and was administered through a New Zealander network website. As a result, the proportions of other nationalities are reduced significantly.

Participant demography shows a large proportion of males (80.6 %), of which 50.9 per cent have family accompanying them for a certain amount of time. The majority of participants (51.9%) are in senior managerial positions, 27.8 per cent in managerial and 20.4 per cent in non-managerial positions. The age ranges broadly from 21 to 64 years. The majority of participants (60.6%) are aged between 30-49 years, with a mean of 39.02 years (SD= 9.956). The majority of participants (69%) have little

or no local language skills and 18.1 per cent of them have basic local language skills prior to the assignment. Seventy-one per cent of participants have more than four months' previous international experience (M=4.640; SD=6.087). On average, the expected length of stay is 6.3 years (SD=6.213), and participants have been on current foreign assignment for 4.255 years (SD=4.33). This result is generally consistent with previous studies (Caligiuri, 2000b; Mendenhall, et al., 2002; Rose, et al., 2010; Shaffer, et al., 2006; Templer, et al., 2006).

# 3.4 Background to Data Collection

A multinational sample of Western expatriates currently working for international organisations in China is the targeted research population for the present study. Eligibility for expatriates is limited to those born in or from Western countries, which excluded the overseas Chinese expatriates, and expatriates from Eastern countries. The sixth census of National Bureau of Statistic of China (NBSC, 2010) shows there are 593,832 foreigners residing in China. Among those, Western expatriates represent 24.8% of all the expatriate population in China (AMCHAM, 2006). According to the Directory of Foreign Companies, the majority of MNCs are located mainly in the areas near metropolitan cities such as Beijing, Shanghai, and Guangzhou (SinoMedia, 2011).

The present study also gathers Western expatriates contact details from various sources possible to maximise sample frame. The Fortune Top 500 firm listing (CNNMoney, 2010), various directories of Chambers of Commerce in China and Foreign companies in China (SinoMedia, 2011) were used to identify international corporations operating in China. Websites for expatriate communities are also utilised as sources to identify potential participants. Potential participants are reached through a number of popular websites such as Expat Blog, Kiwi Expat Association, Beijing Stuff, The Beijingers, Expatriate in China, and Expat Network.

Due to the nature of international research, expatriate studies typically result in low response rate about 15-30% (Harrison & Shaffer, 2005; Seak & Enderwick, 2008; Selmer, 2006c). The objective of the present study is to connect maximum of targeted population as possible in order to meet the data requirement for SEM. The present study employs a snowball sampling technique to recruit participants. Initial contact was made by researcher's personal contacts, and through social events and survey in public areas. In addition, the participants contacted were requested to pass on the survey to eligible potential participants.

## 3.5 Materials

The main materials developed for this study was a research question how expatriates' CQ potentially affects their job performance. By reviewing the literature, cultural adjustment, job satisfaction, cultural effectiveness, and source of support merged as critical factors influencing the relationship

between CQ and expatriate job performance. A questionnaire comprising of six self-reported scales was used to test the causal relationship between these factors. Each scale, which was adopted from previous studies, was measured as a composite construct. Respondents were required to indicate the extent to which they agree with each statement on the scales. Demographic and background information were collected in the survey. Prior studies indicated that gender, position, prior overseas experience, length of current assignment, and education status influence expatriates' attitudes and behaviours (Kim & Slocum, 2008; Selmer, 2006b; Shaffer & Harrison, 1998; Takeuchi, Wang, et al., 2005). To avoid spurious findings, these five background variables were measured to control the possible effects.

## 3.5.1 CQ Scale

The present study adopts the 20-item self-reported Four Factor Model CQ Scale validated by Ang Van Dyne, and Koh (2006) and Ang et al. (2007). This CQ Scale exhibits high generalisability across nations, and internal reliability. This instrument was also adopted in a number of previous studies (Shannon & Begley, 2008; Van Dyne, et al., 2008; Ward & Fischer, 2008; Ward, et al., 2009). Coefficient alpha value for the composite measure of CQ was .91.

## 3.5.2 Cultural Adjustment

The most widely employed 14 item measurements with three factor structures of Black and associates (Black, 1988; Black & Stephens, 1989) are evaluated for the second scale to measure expatriate adjustment. Eight semantic differential items on a 7-point Likert-type scale are selected including one item each for general, three for interactional adjustment, and two for work adjustment. The coefficient alpha for the composite construct of this scale was measured at .89.

#### 3.5.3 Job Satisfaction

Job satisfaction was measured with three items, using a 7-points scale based on Hackman and Oldham's (1975) general job satisfaction scale. Participants were asked to indicate in general, how satisfied they were with their jobs. The coefficient alpha of this scale in the present study was 0.77, which is consistent with the finding of a meta-analysis of job satisfaction (Judge, et al., 2001) that reported the average reliability of job satisfaction to be 0.74 across all samples of 254 studies measured.

#### 3.5.4 Cultural Effectiveness

The fifth scales comprise six items to measure cultural effectiveness. Based on Hammer's model of intercultural effectiveness (Hammer, et al., 1978; Hammer, et al., 1988), three items were adopted to measure the effective communication ability, namely "initiation of communication", "meaningful communication", and "elimination of misunderstanding". Three items to measure relational ability

were adopted from Stening and Hammer (Stening & Hammer, 1992). The coefficient alpha of this scale was measured at .85.

# 3.5.5 Source of Support

The last scale uses seventeen items to measure three sources of support. A shortened version with seven items of the perceived organisational support scale developed by Eisenberger et al. (1986) was adapted to measure work and non-work perceived organisational support. This shortened scale was also used in the studies of Guzzo et al. (1994), Wang and Takeuchi (2007), and Takeuchi et al. (2009). The reliability of these items was reported as 0.88. Co-worker support was measured by the 4-item scale from Caplan et al. (1975), which is also used by Shaffer, Harrison, and Gilley (1999), Lee and Van Vorst (2010). Six items were adopted from the 4-item scale of Caplan et al. (Caplan, Cobb, French, Harrison, & Pinneau, 1975) on a 5-point Likert-type scale, to measure social support from friends and families. The reliability of this scale was 0.87.

#### 3.5.6 Job Performance

With respect to job performance scales, four items to measure task performance adopted from Black and Porter (Black & Porter, 1991). A 7-point Likert-type scale rate is used with '1' indicating poor and '7'indicating outstanding. The self-rating comprises three items for each indicator to measure task performance: (1) completing tasks on time, (2) quality of performance, and (3) achievement of work goals. Three items on contextual performance dimension are adopted from Caligiuri (1997). Sample items include "maintaining good working relationships with host nationals" refers to contextual performance. Coefficient alpha for the composite construct of this scale was 0.76.

This study used self-reported measures for performance ratings. Unlike performance review for domestic employees, expatriate studies often adopt self-reporting ratings due to the feasibility of data collection. Although there is potential for generating socially desirable answers, Latham and Wexley (1994) suggest that bias can be minimised by applying valid methodological procedures. Similarly, supervisor performance review could result in a subjective and bias evaluation of expatriates (Latham & Wexley, 1994; Shay & Baack, 2004). This is because the limited contact between expatriates and their supervisors or human resource managers as they are often located in the home country (Shay & Baack, 2004). Therefore, it is likely that supervisor assessments would fail to meet the three key rating criteria of reliability, validity, and freedom from bias (Latham & Wexley, 1994).

## 3.6 Procedures

#### 3.6.1 Ouestionnaires

A pilot test was conducted on ten expatriates who are from personal contacts of previous and existing expatriates working in China. The survey was updated with minus wording changes to ensure clarity understanding of key concepts, based on feedback.

Questionnaires have two parts comprising questions to measure variables, and demographic information at the end. Questionnaires were administered in English only, as there is perceived advanced language competency in English of expatriates working in MNCs. In addition, due to the heterogeneous sample targeted, it is not feasible to translate questionnaires into different languages without introducing translation errors.

## 3.6.2 Communication and Survey Distribution

Email was selected as the communication medium due to the advantages of low cost and efficiency enabling contact with a large population of dispersed participants. Eligible expatriates were invited voluntarily to participate in the survey outside working hours. Participants were requested to clarify eligibility as MNC expatriates from Western country origin.

The survey was administered on-line using the Qualtrics software for the advantage of reaching participants efficiently. This also allows for generating fast data collection, which can be uploaded into the data analysis programme directly without entry errors. In addition, the design of the survey allows reaching maximum potential snowball sampling by forwarding.

## 3.6.3 Sample Frame

China was selected as the target location to represent collectivist, high power distance and Confucius cultural dimensions (Hall, 1976), in contrast with individualist, low power distance Western culture. This is because highly contrasted cultural dimensions are recommended by previous research for a cross-cultural study (Earley & Ang, 2003; Johnson, et al., 2006).

For those MNCs operating in China who were identified through directories as suggested by previous studies, HR managers or managing directors were targeted in order to encourage participation of expatriates. This top down strategy is suggested for generating as high as 35 per cent response rates compared with typical 15-20 per cent response rates when targeting expatriates directly (Black & Gregersen, 1999). The purpose and benefit of the research was explained at the time of initial contact. Human resources managers from head-office of MNCs were asked to forward the hyperlink of the study to those eligible Western expatriates. In addition, potential participants reached from websites

of expatriate communities were also invited to participate voluntarily an online survey or to forward the survey hyperlink to eligible participants.

#### 3.6.4 Data Collection

The survey was conducted over a twelve-week period. Targeted MNCs were invited to participate in the study and human resource managers or managing directors from the companies were contacted. However, after two weeks, the Researcher found it difficult to persuade organisations to participate and only a few of those contacted responded. During this period, reminder emails were sent after one week. Of those that did respond, all refused to participate. This is perhaps because a large portion of the Invitation Letters did not reach senior management; the contact details of MNCs obtained from business directories and company websites are generally administrative contact email addresses and do not provide a means of access. In addition, the sensitivity of the research topic concerning expatriate effectiveness may have discouraged participation. Subsequently, in order to generate interest in the study and encourage participation, the Researcher sought assistance from several Chambers of Commerce and trade organisations and requested they forward the invitation to registered MNCs on the Researcher's behalf. Unfortunately, neither the Chambers of Commerce nor the trade organisations contacted agreed to forward the research citing the high number of such requests received from student researchers

Therefore, additional strategies of data collection are needed to recruit participants. Due to the difficulty of persuading organisations to participate this study, individual expatriates working in China were targeted from recruitment week three. Contact information for expatriate employees of registered organisations was obtained from the Chamber of Commerce Australia website and those expatriates were invited to participate in the study. In order to recruit more participants, the research project was posted in various social websites popular for expatriates working in China including Beijingers, Expat Blog, and Shanghai Expats. In order to increase the popularity of the posting the Researcher actively participated in various forum discussions, networking and assisting expatriates by providing suggestions regarding working and living in China. Forum members from those websites were personally invited to participate in the survey and they were encouraged to invite their expatriate friends and colleagues to participate also. In addition, personal contacts of the Researcher were also supportive and participated in the study.

Despite efforts made in data collection and interest received, recruitment was still short of the required number. A minimum 200 participants were required to achieve statistical significance for SEM. To ensure these numbers of participants were recruited, in addition to online data collection, paper-pencil version of survey was created to collect data in person.

Researcher travelled to China to collect additional data locally. Forty of paper version survey was completed during face-to-face interviews. Locations where it is likely to meet Western expatriates were targeted for data collection, for instance Shanghai International Airport and Western style pubs. The Researcher also utilised opportunities to meet Western expatriates working in China at expat tradeshows, expat gatherings meetings, Chambers of Commerce' social events and a Massey University Alumni Shanghai event. In particular, the All Black Supporters Club organised by Kea China during the Rugby World Cup (RWC) 2011 provided a good opportunity to meet expatriates' rugby supporters. As the research project is sponsored by a New Zealand university, where RWC was held, rugby supporters were supportive and agreed to participate in the study. To show appreciation for the time and effort required to complete the survey form, the Researcher presented each supporter that participated, with a RWC merchandise badge representing their rugby team.

## 3.7 Ethical Statement

The rights and well-being of participants in the study were safeguarded according to the professional codes of conduct for human research. Participation in the study was voluntary and this was clearly stated on the survey form. At the time of completing the online survey, participants could refuse to answer questions or withdraw completely from the study. Confidentiality and participant anonymity was assured to protect the privacy of information gathered. Subjects were considered as having provided informed consent to participate in the study upon completion of the questionnaire. This research project was reviewed by The Massey University Human Ethics Committee and classified as low risk. Therefore, there was no requirement for ethic approval.

#### 4 DATA ANALYSIS

## 4.1 Data Analysis Overview

Quantitative analysis using SPSS and Amos was employed for SEM and data analysis. Raw data was screened with data preparation as a critical procedure for correlation research methods. Missing data, non-normal distribution, outliers, and nonlinearity of data has potential impact on accurate analysis of SEM as attempted for the present study. Construct validity and reliability tests were performed using Cronbach's alpha and Confirmatory factor analysis (CFA) to ensure internal validity, convergent validity. Because data was collected from the common source, common method bias (Podsakoff, MacKenzie, Jeong-Yeon, & Podsakoff, 2003) was assessed to provide discriminant validity of the present study. Finally, SEM was used to analyse the goodness of fit and modifying of the hypothesised model.

# 4.2 Data Entry

In addition to online data exported directly from the database hosted on the Qualtrics website, forty copies of a paper-pencil version survey were entered manually to the SPSS programme. The accuracy of data entry was 100% checked by double entry into a spreadsheet followed by data field comparison. This satisfied the minimum requirement of greater than 95% accuracy for further statistical analysis (Tabachnick & Fidell, 2001). One reversed question for job satisfaction and three for organisational support were recoded by computing the lowest value to be the highest, to represent the intended values.

# 4.3 Missing Data

Uncompleted questionnaires or those non-ignorable missing data for measuring variables were removed completely from the raw data. Although the online questionnaire was designed using the forced response method, missing values still exist in a form of respondents' errors or the extreme values which were indicated by respondents as non-applicable questions. For instance, cases with score of '0' for length of current assignment indicate a missing value, and score of '99' indicated not applicable. Therefore, '0' was computed as missing data for length of current assignment and length of total expected assignment is assuming one month is the minimum period. Similarly, '99' was computed as missing data for length of previous overseas experience, assuming a '0' score is possible for this question. For the paper-pencil version of questionnaire, several were returned with missing data. The SPSS procedure for handling missing data (George & Mallery, 2011) suggests that imputation of variable mean values for a small number of data points, up to 15%, does not affect the outcome of data analysis. For the four (4) missing data points, accounting for just 1.7 per cent of total dataset, the mean score of all other subjects for that variable was imputed.

# 4.4 Data Normality & Linearity

Although the majority of data distribution up to seventy per cent is non-normal, the assumption and violation of data distribution, is seldom assessed in previous SEM articles (Breckler, 1990; Micceri, 1989). The normal distribution of the data is often the assumption of inferential statistics. In addition, the Maximum Likelihood (ML) estimation procedure the present study employed assumes normality and linearity. Therefore, the present study assessed all variables for normal distribution and linearity.

As a precondition for multivariate normality, a univariate normality test provides necessary assessment for further multivariate analysis, exploring the distribution patterns and indicating any problematic variable in isolation from the other variables (Johnson & Wichern, 1988). Descriptive statistics such as frequency table, histograms, means, standard deviation, the skewness, and kurtosis were assessed first to determine the normal distribution for all variables. Job performance has found with -1.269 degree of skewness and 2.922 degree of kurtosis, which is exceeded +/-1.0 acceptable level. This suggests a slight non-normal distribution for job performance. Slight Leptokurtosis issue has been found in the present data for job satisfaction with 1.555 reading, and cultural effectiveness with 1.009. This non-normal data may due to errors or responses.

Data transformation such as Logit or square root, are recommended as the best solution to correct skewness (Schumacker & Lomax, 2004). However, after data transformation, job performance and job satisfaction is still skewed and with higher level of Leptokurtosis. This is probably because Kurtosis is known as more difficult to solve with transformation. Compared with Platykurtic data, leptokurtic data is much less problematic, and can be examined by elliptical estimation.

Although outliers have potential to undermine conventional statistical methods, caution is needed when discarding any outliers from a data set (Sweet & Grace-Martin, 2008). This is because these values can also be the most substantively important observation. Because the violation of normality is caused by outliers rather than skewness, Z-score was formed which identified five outliers with score above +/-3.0. Mahalanobis distance test (Mahalanobis, 1936) was followed for multivariate normality test. Mahalanobis distance is a powerful tool with the advantage of independence of sample size (Stevens, 1996), to identify a set of scores from each individual respondent for the linear combinations of dependent variables (Burdenski, 2000). Mahalanobis distance test shows one case with 39.079 d-squared values, which is much higher than the average. Further, this test has also shown that those four cases with scores above +/-3.0 distance units violated multivariate normality, which indicate those cases, would have less than a 0.1 chance of belong to that group. Therefore, those five outliers with extreme scores were deleted from the data set. Skewness and kurtosis statistics were presented below in Table 1.

Table 1. Descriptive, Skewness and Kurtosis

	Mean	SD	Skev	vness	Kur	tosis
	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Cultural intelligence	5.5031	.76785	188	.166	594	.330
Cultural adjustment	5.6353	.79013	385	.166	462	.330
Cultural effectiveness	4.9591	.70638	530	.166	149	.330
Job performance	5.6867	.60945	562	.166	022	.330
Job satisfaction	5.3117	1.10836	556	.166	512	.330
Support	4.0750	.64613	183	.166	367	.330

Although descriptive statistics shows that skewness and kurtosis problems are solved, the Shapiro-Wilk statistic shows normality is still not satisfied because univariate normality alone is not sufficient to determine normality. Bivariate normality was followed for all possible combination of variables. Scatter plot results reveal job satisfaction is not bivariate normal with other variables and is widely scattered. Q-Q Plot confirmed job satisfaction contained five outliers. This may because of the questionnaire design of job satisfaction with only three measuring items. The Q-Q Plot tests were performed again for job satisfaction, and five cases outlier for job satisfaction were identified. The results show those scoring extremely low for job satisfaction generally received lower support.

The Multivariate normality test indicated farthest distance from means, specifically one case scored 29, and 5 cases scored above 18.0. The highest was deleted from the data set and the remaining cases were examined for the corresponding score for each variable. The low job performance of two cases seems to be associated with their low job satisfaction, cultural effectiveness, and cultural adjustment level. Therefore, four outliers that violate both univariate and multivariate normality, and one case that violates multivariate normality were removed from the data set. This eliminated the skewness and kurtosis issues. Multicollinearity and singularity were also assessed by examining correlations and squared multiple correlations. Low reading suggests these issues can be delimited. The data cleaning process made the final sample size 216.

#### 5 RESULTS

This chapter includes reliability and validity testing, Confirmatory Factor Analysis (CFA), common method bias test, and model testing. Low reliability and validity of a construct may bias the ML statistically (Kline, 1998). To examine the construct validity of variables, reliability was tested using Cronbach's alpha coefficient (Cronbach, 1951), which ranged from .745 to .892, therefore satisfying the minimum of .70 recommended (Hair, Black, Babin, Anderson, & Tatham, 2006). Construct validity and reliability were presented below in Table 2. CFA is the preliminary step of structural modelling and therefore it is important to first conduct CFA to test the convergent validity of measures and to yield a good fit model with fewer parameters. Secondly, and cited widely as a methodological concern in organisational research, the influence of common methods variance needs to be assessed to ensure construct validity. Thirdly, the initial model was tested with refined scales based on the results of CFA. Finally, analyses were tested with alternative models to provide a good fit of data, consistent with theoretical and empirical evidence.

# 5.1 Confirmatory Factor Analysis

First order CFA was employed for the analysis. Although each construct except job satisfaction is multidimensional in nature, each factor was examined as composite construct using item-level data as indicators. There are no firm guidelines for how to form manifest indicators for relevant latent constructs (Hall, Snell, & Foust, 1999). Measurement choices varied depending on the emphasis of assessment, either the relatively uni-dimensional core of the construct or the representativeness of all the facets covered by the construct (Little, Cunningham, Shahar, & Widaman, 2002). The present study does not consider the effect of individual dimensions on each factor, therefore, and the relationship between dimensions of each factor was not the focus of the present study. Of primary concern in the present study were relationships between factors predicting expatriate job performance.

CFA was conducted in two steps including factor loading for the entire model, and for each measurement scale. First, CFA was conducted with all factors loaded in AMOS, version 19. Contrary to the prediction, factor loading shows some indicators with low regression weights. In particular, factor loadings of social support items did not exceed .20. In addition, factor loadings of co-worker support were less than .50. Parameter change statistics related to the error covariance shown significant values for social support much higher than recommended 0.1 (Byrne, 2010), further confirmed that social support is problematic. Although demonstrating high construct validity, surprisingly, there is little evidence that social support is a predictor of expatriate effectiveness. Similarly, co-worker support items were shown to be less relevant to the model with factor loading below 0.5. Considering the criteria of CFA (Hair, et al., 2006) that the minimum factor loadings must be above .50, social and co-worker support were excluded from the rest of the analyses due to poor correlation with other factors found in the model.

In order to reduce parameters and to improve the confirmatory factor model fit, in the second step, CFA was conducted with AMOS 19 for each scale of six factors with the exception of job satisfaction. As four is the minimum number for variables required to derive mathematically valid information for an over-identified model in CFA (Byrne, 2010), it was not possible to conduct model fit for job satisfaction, which contains only three items. Each scale was examined with each item loaded on the facets that were designated to measure.

The highest factor loadings for each facet of latent variables were selected with three items each for meta-cognitive and motivational CQ; and with four items each for cognitive and Behaviour CQ. The cross-cultural adjustment scale adopted from Black et al (1989) contains 14 items for factors: General adjustment (GA), Interactional adjustment (IA), and work adjustment (WA). Although the cultural adjustment scale consistently shown to be reliable and valid, factor loading for items GA 7 was below .50, and GA6, WA3 and IA4 were relatively low, just above .50. Thus, these items were removed in order to achieve better-fit data. In addition, two items of perceived organisational support were removed due to relatively low factor loadings. Finally, five items each were selected for cultural effectiveness and job performance, and two items were selected for job satisfaction for the same reason.

 Table 2.
 Construct Reliability

Indicator		Construct	Standardised	Unstandardised	S.E.	C.R.	p	а
MCQ3	<	Cultural intelligence	.869	.792	.052	15.242	***	.892
MCQ2	<		.769	.733	.057	12.754	***	
MCQ1	<		.806	.817	.060	13.653	***	
CCQ6	<		.842	1.348	.091	14.783	***	
CCQ5	<		.827	1.227	.085	14.370	***	
CCQ4	<		.822	1.446	.102	14.239	***	
CCQ3	<		.830	1.301	.090	14.445	***	
BCQ5	<		.725	1.014	.086	11.791	***	
BCQ4	<		.912	1.046	.064	16.372	***	
BCQ3	<		.689	.714	.065	11.007	***	
BCQ2	<		.735	.875	.03	12.009	***	
MOCQ4	<		.731	.818	.054	13.459	***	
MOCQ3	<		.797	.815	.065	11.007	***	
MOCQ1	<		.613	.728	.053	11.531	***	
GA5	<	Cultural adjustment	.727	.700	.061	11.565	***	.884
GA4	<		.708	.834	.075	11.148	***	
GA3	<		.739	.996	.084	11.814	***	
GA2	<		.722	.669	.059	11.360	***	
GA1	<		.703	.703	.064	10.960	***	
IA3	<		.844	1.137	.077	14.702	***	
IA2	<		.874	1.075	.069	15.504	***	
IA1	<		.843	1.182	.081	14.680	***	
WA2	<		.783	.728	.062	11.779	***	
WA1	<		.904	.743	.054	13.726	***	

Indicator		Construct	Standardised	Unstandardised	S.E.	C.R.	p	а
CA3	<	Cultural effectiveness	.912	1.155	.103	11.195	***	.842
CA2	<		.665	1.000			***	
RA3	<		.795	1.000				
RA2	<		.758	1.033	.089	11.616	***	
RA1	<		.804	1.115	.090	12.345	***	
CP3	<	Job performance	.675	1.117	.114	7.765	***	.745
CP2	<		.686	1.009	.129	7.834	***	
CP1	<		.619	1.000				
TP3	<		.733	1.000				
TP2	<		.710	.851	.123	6.904	***	
JS2	<	Job satisfaction	.714	1.001	.110	9.115	***	.767
JS1	<		.885	1.000				
OS7	<	Organisational support	.721	.957	.095	10.085	***	.888
OS5	<		.791	1.032	.100	10.317	***	
OS3	<		.715	.913	.098	9.294	***	
OS2	<		.775	1.000	.057	17.506	***	
OS1	<		.813	1.000				

Notes: \*\*\*  $\rho < .000$ 

Modification indices (MI) including covariance, and standardised residual covariance was examined to identify misfit data. To achieve an over-identified model with more parameters, that covariance with highest MI between items in the same facet of the construct was related to allow them to be freely estimated. As recommended by Byrne (2010), this process was repeated systematically, one parameter at a time, to minimise Type I error. As a result, CFA modelling for each scale achieved a statistically significant goodness-of-fit. In order to produce a reliable result, multiple statistics were applied to assess the model fit of CFA for each scale and these are presented below in Table 3.

**Table 3.** AMOS Output for Confirmatory Factor Analysis

Factors	$\chi^2$	DF	P	CMIN /DF	IFI	TLI	CFI	RMSEA	PCLOSE
Cultural intelligence	99.0	62	.002	1.597	.979	.968	.978	.053	.390
Cultural adjustment	30.63	27	.287	1.134	.997	.995	.997	.025	.852
Cultural effectiveness	7.37	5	.194	1.474	.995	.989	.995	.047	.453
Job performance	4.06	3	.255	1.352	.996	.985	.995	.040	.466
Source of support	8.38	3	.039	2.793	.992	.973	.992	.091	.136

# 5.2 Common Method Bias Analysis

Because the present study employed cross-sectional research design and using a self-reported questionnaire, systematic measurement error or socially desirable answers may exist (Lindell & Whitney, 2001). In addition, high correlation above .50 suggested a possibility of common method bias. Common method variance is known account for about 14% of variation in the measures, which in turn results in a 26% bias in the observed relationship among constructs (Doty & Glick, 1998). This implies that variance in observed variables is only partially attributable to method effect. Although the level of bias does not necessarily invalidate research findings, and its prevalence is debatable (Doty & Glick, 1998; Spector, 2006; Williams, Cote, & Buckley, 1989), bias has potential to inflate or deflate the true correlation among variables (Podsakoff, et al., 2003).

In order to provide a valid statistical conclusion, multiple methods are recommended to assess the impact of common methods bias. The present study utilised the commonly used Harmon's single-factor test and CFA for assessing the presence of common methods variance and the magnitude of potential common methods bias. Firstly, Harmon's single-factor test was conducted in SPSS using principal component factor analysis with all variables loaded on a single factor. No single factor emerged from the analysis, and factor one only accounted for 24.87 % of the total variance. However, Podsakoff et al. (2003) point out that Harmon's single-factor analysis is insensitive and insufficient to prove that common methods variance is not pervasive. Second, a more sophisticated method,

common latent factor, was used to estimate variance, using the CFA model in AMOS. Finally, a correlational marker technique (Lindell & Whitney, 2001) was utilised to further estimate common methods bias. Lindell and Whitney's (2001) marker technique controls common methods bias by use of a marker variable that is theoretically unrelated to variables to be tested in a study (Williams, Hartman, & Cavazotte, 2010). CFA Marker technique provides further evidence that the measurement model satisfies discriminant validity.

# **5.3** Model Testing

The present study adopts a theoretically driven and alternative modelling approach, to test a priori models that best fit both theory and the data. Table 4 below presents the descriptive statistics including the Pearson correlation coefficient, means, and standard deviations among the variables. The present study uses IBM AMOS 19 software to conduct SEM to test the hypotheses. SEM is a powerful statistic tool incorporating multiple regression and factor analysis to determine variables that load on underlying factors, and at the same time identifies the portion of variance of independent variables explained by dependent variables. SEM has advantages to go beyond multiple regressions modelling by examining simultaneously several multiple regressions and explaining causal relationship between variables within a regression (Byrne, 2010; Kline, 1998). The present study adopts a theoretically driven and alternative modelling approach, to test a priori models that best fit both theory and the data.

ML is the default estimation procedure for AMOS and the preferred estimation for SEM. Estimation is a method using particular fitting functions to minimise the differences between the model-implied covariance matrix  $\Sigma$ , to be as close as possible to the sample covariance matrix S of the observed variables (Schumacker & Lomax, 2004). As a two-stage method developed by Fisher (1925), ML is considered as the most consistent, efficient, and unbiased statistical estimation procedure under all circumstances (Cam, 1990; Hald, 1999). ML method generates the same estimates of the multiple regression coefficients in the linear normal model. ML are scale free and assume asymptotic normality and optimality, linearity and homoscedasticity of observed variables, a correctly specified model, and a sample size of greater than 200 cases (Curran, Bollen, Paxton, Kirby, & Chen, 2002; Tabachnick & Fidell, 2001).

Due to the complexity of the model, for which each factor was formulated with primary rather than secondary data, more parameters are needed to define a construct. This is fundamentally because of the multidimensionality of all five constructs, which reflects high cross loading for items within the same dimension of latent variable, and more chances for residuals to be correlated when items were used to model a construct. According to advocates, a measurement technique using items as indicators produces much less acceptable model fit, smaller ratio of common-to-unique factor variance, lower communality and has psychometric and estimation disadvantages (Little, et al., 2002).

 Table 4.
 Correlations, Mean, and Standard Deviation

Variables	M	SD	1	2	3	4	5	6	7	8	9	10	11	12	13
Cultural intelligence	5.402	.824													
Cultural adjustment	5.796	.794	.652**												
Cultural effectiveness	4.957	.697	.496**	.392**											
Job performance	5.726	.627	.480**	.425**	.500**										
Job satisfaction	5.199	1.289	.045	.188**	.306**	.295**									
Support	4.758	1.240	.098	.178**	.096	.215**	.550**								
Age	39.02	9.96	.089	.247**	.095	.213**	.097	022							
Previous language proficiency	1.53	.959	.377**	.204**	.169*	.120	005	.059	171*						
Length of current assignment	4.255	4.330	.406**	.373**	.246**	.249**	.065	022	.369**	.149*					
Length of expected assignment	6.340	6.214	.273**	.293**	.228**	.227**	.119	.004	.308**	.065	.617**				
Length of previous assignment	4.640	6.087	.072	.096	.105	.125	.142*	.101	.430**	024	.080	.069			
Job role	2.31	.791	.122	.203**	.119	.191**	.080	.141*	.490**	118	.318**	.253**	.181**		
Gender	1.19	.397	.047	085	.027	.024	044	010	115	.179**	082	156*	030	.166*	
Family situation	35.930	43.103	.089	.142*	.052	.031	.109	.142*	.168*	016	.123	.042	.093	197**	080

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

<sup>\*.</sup> Correlation is significant at the 0.05 level (2-tailed).

However, item-based solution for measurement tend to be less biased and avoid arbitrariness by allowing sources of variance such as random and systematic errors to be represented in a given scale.

The present study proposed the effect of CQ would be mediated by cultural adjustment to have further impact on expatriate work outcome, which as a hybrid system comprises stress-coping process and a learning process. Therefore, both of the adjustment models were tested separately first and then these partial models are combined in a full model to better understand the path and configuration between CQ and job performance, and the effect of job satisfaction and cultural effectiveness.

# 5.3.1 Cultural Adjustment as a Stress-coping Model

As a stress-coping process, the present study believes CQ will have a direct impact on cultural adjustment, which will be mediated by job satisfaction to further impact job performance. In addition, the perceived organisational support will facilitate cultural adjustment to further impact the outcome of expatriate adjustment.

This model generated a reasonably good fit of model with overall  $\chi^2$  (918) = 1008.918,  $\rho$  = .000. A significant chi-square statistic suggests that a model is not supported by the variance-covariance matrix or a poor fit of data that  $\chi^2$  values is not close to the number of degrees of freedom. However, given the sensitivity of  $\chi^2$  goodness-of-fit test to sample size which is ideally with a sample size between 100 to 200, a randomly significant result is often found for a sample size larger than 200 (Kline, 1998; Tabachnick & Fidell, 2001). In addition, chi-squared statistics is in favour of saturated model (Bollen, 1989; Ketchen & Bergh, 2006). Therefore, it is very important to assess a range of statistics for the goodness of fit. The  $\chi^2$ /df = 1.818 is below maximum three, and overall goodness-of-fit indices have shown an acceptable model fit with IFI = .898, TLI = .882, CFI = .896, RMSEA = .062, PCLOSE = .001. All paths between latent variables are significant suggesting CQ is a strong predictor for cultural adjustment ( $\gamma$  = .501,  $\rho$  = .000;  $\beta$  = .724), cultural adjustment is a strong predictor for job satisfaction ( $\gamma$  = .861,  $\rho$ = .000;  $\beta$  = .409), and no relationship found between CQ and job satisfaction. Furthermore, job satisfaction is a modest to strong predictor for job performance ( $\gamma$  = .123,  $\rho$ =.000;  $\beta$  = .396), and the perceived organisational support affects cultural adjustment ( $\gamma$  = .096;  $\rho$  = .004;  $\beta$  = .197).

MI value 51.941 suggests the path flowing from perceived organisational support to job satisfaction needs to be freely estimated in order to achieve a significant parameter change at .547. Although the result differs from expected, this seems rational that given more support received from organisation, individuals will exhibit a higher level of job satisfaction. The initial model was revised to allow the path flow from perceived organisational support to job satisfaction to be freely estimated. This consequently increased the model fit with overall  $\chi^2_{(554)} = 936.055$ , a significant chi-square difference between initial and revised model is significant  $\Delta\chi^2_{(1)} = 72.8$ , goodness-of-fit indices suggesting a

good model fit with minimum of 0.9 achieved (IFI = .914, IFI = .914, TLI = .901, CFI = .913). RMSEA = .042 is within acceptable range (< 0.08) (Byrne, 2010), a significant  $\rho$  value PCLOSE =.042 is less satisfactory, slightly lower than the minimum .05. The regression weights confirmed a strong influence of perceived organisational support on job satisfaction ( $\gamma$  = .618, C. R. = 8.293;  $\beta$  = .639).

MI regression weights 45.952 between CQ and job performance indicates misfit in the model. MI estimation suggests a parameter change at .243 if the path from CQ to job performance is added. Therefore this model was revised with this path added, which confirmed that CQ has a strong and direct impact on job performance ( $\gamma = .286$ ; C.R. = 4.724;  $\beta = .606$ ). Again, this improved the model fit with a chi-square difference  $\Delta \chi^2$  (2) = 58.876. MI regression weights were checked again, and no further misfit suggested.

A review of standard estimates showed that perceived organisational support has a small impact on cultural adjustment ( $\beta$  = .126,  $\rho$  = .000). This indicates that perceived organisational support has a significant positive effect cultural adjustment; however is not a critical predictor. Therefore, Hypothesis 2 that proposed social support as a situational predictor for cross-cultural adjustment was partially supported, with perceived organisational support as a significant predictor for cross-cultural adjustment. The goodness-of-fit indices suggest revised model fits the data well with an overall  $\chi^2$  (553) = 877.179,  $\chi^2$  /df = 1.586, IFI =.927, TLI = .916, CFI = .926, RMSEA = .052, and PCLOSE = .283. The result partially supports the Hypothesised stress-coping cultural adjustment model. Hypothesis 1 was supported, namely that CQ directly affects cultural adjustment. The results found support for Hypothesis 3 that cultural adjustment predicts Job satisfaction and Hypothesis 4 that job satisfaction mediates the effect of cultural adjustment on job performance. In addition, CQ has shown having a strong direct effect on job performance.

## 5.3.2 Cultural Adjustment as a Learning Process

The second structural equation model examines the learning model and the sequence and configuration between CQ, cultural adjustment, cultural effectiveness, and job performance. The learning model generated a good fit of data with overall  $\chi^2$  (491) = 790.948,  $\chi^2$ /df = 1.611, IFI = .926, TLI = .914, CFI = .925, RMSEA = .053, and PCLOSE = .210. Results indicate that all paths are significant and that CQ is a strong predictor for cultural adjustment ( $\gamma$  = .557,  $\beta$  = .832), cultural adjustment has a strong impact on cultural effectiveness ( $\gamma$  = .714,  $\beta$  = .621), and cultural effectiveness has a strong impact on job performance ( $\gamma$  = .429,  $\beta$  = .775). A review of modification indices suggest no misfit of data found. Therefore, it is safe to conclude that support was found for Hypothesis 5 that cultural adjustment has a mediating effect of CQ on cultural effectiveness; and for Hypothesis 6 that cultural effectiveness has a positive effect on expatriate performance.

# 5.3.3 Cultural Adjustment Outcome as a Hybrid System

In order to understand fully the sequence and interaction between individual expatriate effectiveness factors, the present study combined two models into a hybrid system model comprises stress-coping and learning processes. The initial model, which is presented below in Figure 2 was tested and yielded a significant  $\chi^2 = 1167.674$  (df = 735),  $\rho = .000$  (see AMOS output summary below in Table 5). A non-significant result of  $\chi^2/df = 1.589$  which is below maximum three, indicates model fit. In addition, goodness-of-fit indices suggested a good fit of data with IFI = .915, TLI = .904, GFI = .914, RMESA = .052, and PCLOSE = .245.

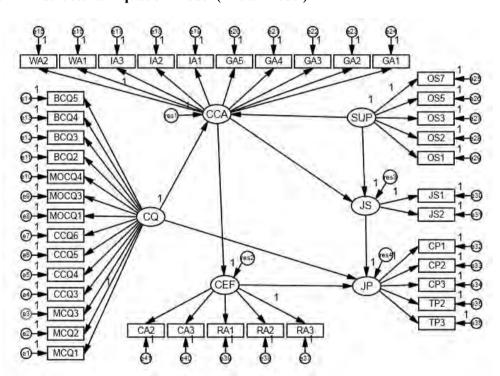


Figure 2. Structural Equation Model (Initial Model)

Table 5. AMOS Output (Initial Model): Summary Notes

Computation of degrees of freedom	
Number of distinct sample moments:	902
Number of distinct parameters to be estimated:	167
Result	
Minimum was achieved	
Chi-square	= 1167.674
Degrees of freedom	= 735
Probability level	= .000.

Review of the regression weights found that the direct impact of job satisfaction on job performance is less satisfactory with a small standardised regression weight ( $\beta = .116$ ). Further, unstandardised estimates suggest the impact of job satisfaction on job performance is non-significant ( $\gamma = .038$ ,  $\rho$ = .107). Regression weights of initial model are presented below in Table 6. Although evidence was found for Hypothesis 4 in the partial model with a stress-coping approach that job satisfaction mediates the effect of cultural adjustment on job performance, shown in the full model, the strong impact of cultural effectiveness may have influenced the impact of job satisfaction on job performance. In order to achieve a robust result, the initial model was modified with this path was removed. The chi-square difference between the initial model and the revised model (M1) is nonsignificant, which suggests that eliminating the path from job satisfaction to job performance is adequate. As a result, Hypothesis 4 that predicting job satisfaction mediates the effect of cultural adjustment on job performance was rejected. Except Hypothesis 4, the remaining paths in the stresscoping partial model were supported. The results of the full model confirmed further Hypothesis 1 that CQ has a strong and significant impact on cultural adjustment ( $\gamma = .546$ ,  $\rho = .000$ ,  $\beta = .810$ ), and Hypothesis 3 that cultural adjustment shows a moderate and significant impact on job satisfaction (γ = .397,  $\rho$  = .000,  $\beta$  = .195). The results also partially confirm Hypothesis 2 that perceived organisational support is the only source of support, which predicts cultural adjustment.

Table 6. AMOS Output (Initial Model): Unstandardised and Standardised Estimates

			Structural paths (Regression	on Weights)		
			Estimate	S.E.	C.R.	P
CCA	<	CQ	.546	.090	6.070	***
CCA	<	SUP	.065	.030	2.145	.032
JS	<	SUP	.621	.075	8.249	***
JS	<	CCA	.397	.172	5.108	***
CEF	<	CCA	.671	.108	6.234	***
JP	<	CEF	.309	.067	4.621	***
JP	<	CQ	.144	.045	3.221	.001
JP	<	JS	.038	.023	1.610	.107
			Standardized Regression	n Weights		
			Estimate			
CCA	<	CQ	.810			
CCA	<	SUP	.136			
JS	<	SUP	.635			
JS	<	CCA	.195			
CEF	<	CCA	.597			

		St	ructural paths (Regressi	on Weights)		
			Estimate	S.E.	C.R.	P
JP	<	CEF	.527			
JP	<	CCA	.324			
JP	<	JS	.116			
			Factor covarian	ce		
SUP	<>	CQ	.181	.082	2.195	.028
			Factor correlation	ons		
			Estimate			
SUP	<>	CQ	.185			

<sup>\*\*\*</sup> Probability < .000

To test the Hypothesis 5 that CQ needs to be mediated by cultural adjustment to have a further impact on cultural effectiveness, Model one (M1) was modified with a direct path added from CQ to cultural effectiveness. This generated a better model fit for Model 2 (M2) with overall  $\chi^2$  (735) value of 1152.705 and chi-square difference between M1 and M2 is statistically significant ( $\Delta\chi^2$  (3) = 18.055). Regression estimates suggested that CQ has a strong and direct impact on cultural effectiveness ( $\gamma$  = .478,  $\rho$  = .000, C.R. = 3.970;  $\beta$  = .619). Differing from the prediction, the results of the full model showed that CQ does not need to be mediated by cultural adjustment to have an impact on cultural effectiveness.

A review of regression weights indicated that the path from cultural adjustment to cultural effectiveness became non-significant ( $\gamma$  = .028,  $\rho$  = .858, C.R. = .179;  $\beta$  = .025). The non-significant impact of cultural adjustment on cultural effectiveness seems to be affected by the direct influence of CQ. Thus, M2 was modified with this path removed, which generated a better fit of data of M3 with overall  $\chi^2$  (737) value of 1152.733, with  $\chi^2$ /df = 1.566, IFI = .918, TLI =.907, CFI = .917, RMSEA = .051 ( $\rho$  = .346). Therefore, Hypothesis 5 cultural adjustment mediates the effect of CQ on cultural effectiveness was not supported. Instead, the result confirms that CQ has a direct and positive impact on cultural effectiveness. The results of the full model confirmed Hypothesis 6, that cultural effectiveness is a strong predictor for job performance ( $\gamma$  = .311,  $\rho$  = .000, C.R. = 4.291;  $\beta$  = .535).

In order to test whether CQ has a direct impact on expatriate job performance, M4 was created based on M3 with a direct path from cultural adjustment to job performance. The result showed that cultural adjustment has a moderate effect on job performance ( $\gamma$  = .211,  $\rho$  = .020;  $\beta$  = .330). However, the result also showed that the direct path from CQ to job performance became non-significant ( $\gamma$  = .013,  $\rho$  = .842, C.R. = .199;  $\beta$  = .029). This indicated the direct impact of CQ on job performance was diluted by the effect of cultural adjustment on job performance. Thus, the model M4 was modified

with the path from CQ to job performance removed, which fitted the data of Final model M5 (see Figure 3 below) significantly better with overall  $\chi^2$  value of 1146.971(736),  $\chi^2/df = 1.558$ , IFI= .919, TLI = .909, CFI = .918, RMSEA = .051, PCLOSE = .385. Regression weights (Table 7) and goodness-of-fit statistics output (Table 8) for the final model M5 (Figure 3), are presented below.

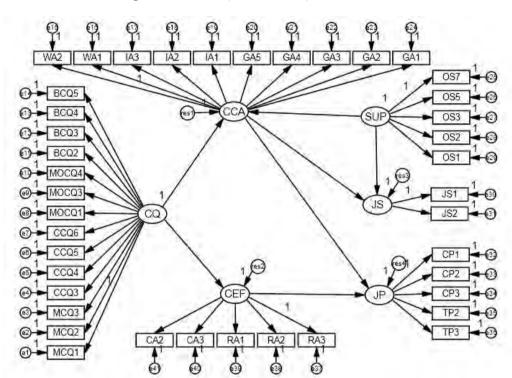


Figure 3. Structural Equation Model (Final Model)

Table 7. AMOS Output (Final Model): Unstandardised and Standardised Estimates

		S	tructural Paths (Regressi	on Weights)		
			Estimate	S.E.	C.R.	P
CCA	<	CQ	.521	.089	5.836	***
CEF	<	CQ	.499	.082	6.120	***
CCA	<	SUP	.065	.033	1.996	.046
JS	<	SUP	.623	.076	8.236	***
JP	<	CEF	.326	.068	4.794	***
JS	<	CCA	.351	.142	2.471	.013
JP	<	CCA	.223	.065	3.451	***
			Standardized Regression	n Weights		
			Estimate			
CCA	<	CQ	.742			
CEF	<	CQ	.640			

			Structural Paths (Regressi	on Weights)		
			Estimate	S.E.	C.R.	P
CCA	<	SUP	.133			
JS	<	SUP	.636			
JP	<	CEF	.569			
JS	<	CCA	.176			
JP	<	CCA	.350			
			Factor Covarian	ce		
			Estimate	S.E.	C.R.	P
SUP		CQ	.189	.081	2.350	.019
			Factor Correlation	ons		
			Estimate			
SUP		CQ	.198			

<sup>\*\*\*</sup> Probability < .000

Table 8. AMOS Output (Final Model): Goodness-of-Fit Statistics

Model	NPAR	CMIN	DF	P	CMINDF			
Default model	166	1146.971	736	.000	1.558			
Saturated model	902	.000	0					
Independence model	82	5837.362	820	.000	7.119			
Baseline Comparisons								
Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI			
Default model	.804	.781	.919	.909	.918			
Saturated model	1.000		1.000		1.000			
Independence model	.000	.000	.000	.000	.000			
		RMSEA						
Model	RMSEA	LO 90	HI 90	PCLOSE				
Default model	.051	.045	.057	.385				
Independence model	.169	.165	.173	.000				
		ECVI						
Model	ECVI	LO 90	HI 90	MECVI				
Default model	6.879	6.470	7.325	7.254				
Saturated model	8.391	8.391	8.391	10.428				
Independence model	27.913	26.801	29.056	28.098				

#### 6 DISCUSSION

International human resource literature frequently reports staffing issues concerning international assignment postings (Briscoe, Schuler, & Claus, 2009; Caligiuri, et al., 2009). A lack of culturally effective expatriates is the focus of management concern at individual level, in terms of cross-cultural adjustment and associated work outcomes (Caligiuri, 2000b; Caligiuri, Phillips, Lazarova, Tarique, & Bürgi, 2001; Lee & Sukoco, 2008). In order to understand the process that contributes to the expatriate success of their international assignments, the primary focus of the present study is to conceptualise and test a model, which aims to investigate the relationship between CQ and job performance. In addition, the study examines the effect of social support on cross-cultural adjustment.

# 6.1 CQ

The results of the present study indicate that CQ is a significant factor predicting expatriate cross-cultural adjustment and cultural effectiveness, which in turn directly influences job performance. The present study tends to disconfirm the findings of Rose, Ramalu, Uli, and Kumar (2010) that CQ directly affects job performance. The results reveal that expatriates with higher levels of CQ demonstrate better cultural adjustment during their overseas assignment (Earley & Ang, 2003; Lee & Sukoco, 2010). In contrast to predicted outcomes however, the effect of CQ does not need to be mediated by cultural adjustment, but directly impacts cultural effectiveness. This is inconsistent with previous studies (Lee & Sukoco, 2010) that suggest CQ has no direct relationship with cultural effectiveness, but instead is mediated by cultural adjustment. Cultural effectiveness is a behavioural outcome based on an individual's understanding of a particular cultural context, which is closely related to but perhaps not necessarily determined by psychological adjustment. Meta-analysis by Hechanova (2003) shows that both interpersonal and communication skills are moderately related to general and interactional adjustment; there is however no evidence for the causal relationship between these variables.

By comparison, as a dynamic cultural competency, CQ seems to be sufficient to enable communication and interpersonal skills in a cross-cultural interaction. This is probably because metacognitive and cognitive aspects of CQ provide a knowledge base for gathering and interpreting cultural cues accurately, while motivational CQ reflects the self-efficacy to engage others from a different culture (Kim, et al., 2008; Templer, et al., 2006; Triandis, 2006). Furthermore, behavioural CQ warrants a repertoire of culturally acceptable behaviours to ensure that individuals function effectively during communication and interpersonal contact in a culturally diverse situation (Ang, et al., 2007; Earley & Ang, 2003). Therefore, expatriates are more likely to attain effectiveness in a cross-cultural context provided cultural competency is possessed. The present study offers support for the view that CQ is not sufficient to determine the success of international assignments (Kim &

Slocum, 2008; Shaffer & Miller, 2008); instead, the effect of CQ needs to be mediated by cross-cultural adjustment and cultural effectiveness in order to affect job performance.

# 6.2 Cross-cultural Adjustment

The causal relationship tested in the present study shows that cross-cultural adjustment is a significant factor predicting expatriate job satisfaction and job performance. The present study supports previous research that cross-cultural adjustment is a fundamental underlying factor predicting expatriate success (Black & Mendenhall, 1991; Hechanova, et al., 2003; Kraimer, et al., 2001; Mendenhall, et al., 2002; Shaffer, et al., 1999). The present study disconfirms the findings of Liu and Lee (2008) which suggests that job satisfaction predicts expatriate cultural adjustment. This is because the limitation of the multiple regression analysis employed by the Liu and Lee (2008) cannot determine a causal relationship between these factors. Cultural adjustment, defined as feelings of acceptance of the new culture (Brislin, 1981), and psychological comfort (Black & Gregersen, 1991), would be likely to affect an individual's well-being and mental health, and this has a positive impact on their level of satisfaction at the workplace. Evidence was also found in studies focus on work-role transitions in local organisations, Ashford and Taylor (1990) concluded that adjustment to new jobs is an important determinant of that job satisfaction.

#### 6.3 Job Satisfaction

Inconsistent with previous findings, job satisfaction as a mediator between cultural adjustment and job performance is, only partially supported in the present study. In the present study, cultural adjustment is a strong predictor of job satisfaction, whereas the mediating effect of job satisfaction on job performance was relatively small, compared with previous expatriate studies (Bhaskar-Shrinivas, et al., 2005; Hechanova, et al., 2003). The partial structural model with a stress-coping approach produced similar results to previous studies that cross-cultural adjustment is a moderate predictor for job satisfaction, which in turn is a moderate to strong predictor of performance. However when the direct path from CQ to job performance was incorporated into one model, this strain-stress effect on job performance seems to be weakened to a small to moderate level.

A possible reason for this non-significant effect of job satisfaction is that CQ rather than job satisfaction explains the adverse effect of job stress levels. This finding suggests those high in CQ will be able to cope reasonably well with the cultural shock and anxiety caused by uncertainty in the new cultural context, and thereby deliver satisfactory job performance. In addition, there are various causes of job dissatisfaction other than those associated with foreign culture, which are beyond the scope of the present study. Further, as has been proposed by researchers, other factors such as strain and organisational commitment, may mediate the relationship between job satisfaction and job performance (Cooper & Marshall, 1976; Hechanova, et al., 2003; O'Driscoll & Beehr, 1994; Ostroff,

1992). Although job satisfaction has demonstrated a significant mediating effect between cultural adjustment and job performance in expatriate literature, no previous studies the Researcher is aware of have examined the effect of CQ and job satisfaction simultaneously on job performance. Therefore, the present study suggests the non-significant effect of job satisfaction on job performance in the present study was possibly caused by the much greater influence of CQ.

Furthermore, when integrating the stress-coping and social learning models into a fully consolidated structural model, the strong influence of cultural effectiveness on job performance further buffers the impact of job satisfaction on job performance. The results suggest that for this model, job satisfaction has no practical value as a mediator for predicting job performance. Therefore, although Bhaskar-Shrinivas et al.'s (2005) meta-analysis shows that job satisfaction mediates relationship between cross-cultural adjustment and job performance, and this is not the case when comparing the effect of CQ and cultural effectiveness in a structural equation model. Instead, CQ and cultural effectiveness is more important attributes in determining expatriates' work outcomes than attitudinal factors such as job satisfaction.

#### 6.4 Cultural Effectiveness

The findings of the present study support previous studies suggest that intercultural communication and relational skills are critical for expatriates to succeed in a cross-cultural context (Clarke & Hammer, 1995; Goodall, et al., 2006; Holopainen & Björkman, 2005). Because perceptions and cultural background determine how individuals interpret and respond to situations encountered, effective communication competency is an essential skill to address challenges in a culturally diverse organisation (Matveev & Nelson, 2004). The willingness to communicate and the accuracy of information gleaned from the conversation with host national co-workers, is likely to increase mutual understanding, and reduce uncertainty. The ability to establish working relationships with host national co-workers is likely to minimise conflict and promote cooperation at the work place. Therefore, communication and relational skills are strongly predictive of work outcomes.

# 6.5 Perceived Organisational Support

Previous studies generally assert that perceived organisational support has a positive and direct impact on cross-cultural adjustment (Caligiuri, et al., 1999; Shaffer, et al., 1999). The present study yielded a similar result to previous studies that perceived organisational support predicts cross-cultural adjustment (Kraimer, et al., 2001; Takeuchi, et al., 2009; Wang & Takeuchi, 2007). Although evidence was found for the Hypothesis 2 that perceived organisational support predicts expatriate adjustment, this "buffering effect" of perceived organisational support, seems to be weak when compared with the strong impact of CQ.

Results of the present study show perceived organisational support has a strong and direct impact on job satisfaction, which was seldom reported previously. This is probably because most perceived organisational support studies in expatriation literature are generally dedicated to cross-cultural adjustment (Kraimer & Wayne, 2004; Kraimer, et al., 2001; Takeuchi, et al., 2009). However, 'social support' in general has been reported as having a significant impact on job satisfaction. For instance, Wang and Sanglang (2005) have found that social support from Canadian home nationals predicts job satisfaction. Similarly, Li and Rothstein (2009) have found evidence that social support is positively related to the expatriates' job satisfaction. Although it received limited attention in expatriate literature, organisational researchers have frequently advocated perceived organisational support as a critical factor for job satisfaction in domestic studies (Eisenberger, Cummings, Armeli, & Lynch, 1997; Jones, Flynn, & Kelloway, 1995). In addition, meta-analysis of 70 studies conducted by Rhoades and Eisenberger (2002) provides a comprehensive overview that beneficial treatment and support received by employees were associated with outcomes favourable to employees such as positive mood and job satisfaction.

The rationale of the association between perception of organisational support and job satisfaction is derived from organisational support theory (Eisenberger, et al., 1986; Shore & Shore, 1995). This is because while the organisation expects employees to be loyal and deliver performance, employees also have expectations of the organisation's commitment and support to them. This organisation's commitment to employees is manifested by rewards and favourable job conditions provided by organisations such as recognition, job enrichment, job security, training, and promotion. Social exchange theory may be useful in explaining the initiation and maintenance of relationships between individuals and their organisation, and the norm of reciprocity to fulfil socio-emotional needs as well as to meet performance-reward expectancies (Eisenberger, et al., 1997). Employees are more likely to be emotionally committed and derive a feeling of obligation to the organisation if they perceive sufficient support from the organisation and those favourable job conditions provided are genuine and discretionary rather than under legal constraints (Eisenberger, Armeli, Rexwinkel, Lynch, & Rhoades, 2001; Eisenberger, et al., 1997).

Previous studies (Rhoades, Eisenberger, & Armeli, 2001) have found that perceived organisational support is associated with outcomes favourable to the organisation such as job performance, which however the direct relationship is not supported in the present study. As suggested by Armeli, Eisenberger, Fasolo, and Lynch (1998), this is probably because the association between perceived organisational support and job performance is more relevant for employees who demonstrate higher level of socio-emotional needs.

#### 6.6 Theoretical and Managerial Implications

The present study contributes to expatriate management and CQ literature by presenting a model that confirms CQ is a key factor predicting expatriate effectiveness. As a relatively new concept, CQ literature has received limited attention. The majority of previous studies examined specific CQ dimensions as predictors for expatriate effectiveness; the present study however suggests that all CQ dimensions are critical (Ang et al., 2007; Templer, et al., 2006; Rose et al., 2010; Ward & Fisher, 2008). In contrast to previous studies of CQ that targeted students as the sample population (Ang et al., 2007; Kim et al., 2008; Ward & Fisher, 2008), the present study recruited corporate expatriate participants exclusively.

The present study provides supporting evidence for Lee and Sukoco's (2010) CQ model that suggests CQ is a critical predicator for expatriate job performance. Whilst this area of research has not been extensively explored, it is nonetheless important to the literature to suggest other potential predictors of expatriate effectiveness. Findings from previous studies assert that cultural distance moderates the effect of CQ on expatriate effectiveness (Earley & Ang, 2003; Kim, Kirkman & Chen, 2008). Therefore, the present study advances the findings of the Lee and Sukoco (2010) by examining expatriates working in contrasting cultural contexts. In addition, Lee and Sukoco (2010) suggest that cultural effectiveness mediates the relationship between CQ and expatriate job performance. By contrast, the present study asserts that there is a direct relationship between these two variables. Furthermore, the present study is the first to incorporate the variables source of support and job satisfaction as mediating factors influencing the impact of CQ on expatriate effectiveness.

One of the important implications of this research is that it contributes to the criteria for the selection of candidates for international assignments. A large proportion of international organisations have limited or inadequate selection procedures or merely focus on technical and managerial experience as the key criteria (Shaffer, et al., 2006). Whereas, organisations that recognise the importance of cultural understanding tend to focus more on previous international experience and language proficiency (Black & Gregersen, 1991; Selmer, 2002; Shaffer, et al., 1999). Previous international experience however does not necessarily predict an individual's cultural effectiveness because experience gained from past assignment may not be applicable for the specific cultural context during the current assignment (Takeuchi et al., 2005). By contrast, CQ reflects an ability to interpret and reason behaviours and cultural cues. Without cultural competencies, a technically skilled candidate may not be able to overcome cultural conflict and fulfil the objectives of the assignment. Therefore, for overseas assignment, potential candidates with high cultural intelligence are more likely to make sense of, and adapt well to foreign culture and be more effective when communicating and socialising with local nationals.

In addition, findings of the present study highlight the importance of CQ training in facilitating expatriate effectiveness. Although culturally intelligent personnel should be preferred for international assignments, a current shortage of culturally effective candidates is a major concern for multinational organisations (Caligiuri, et al., 2009; Littrell, et al., 2006; Scullion & Collings, 2006). Based on social and experiential learning theories, as proposed by Bandura (2002) and Kolb (1984) respectively, an individual's CQ can be improved over time by cross-cultural interaction, practice, and a dedicated positive attitude (Earley & Ang, 2003; Elenkov & Manev, 2009). Providing expatriates with CQ training is likely to assist the work transition process, increase internalisation of cultural norms, and facilitate acceptance of cultural novelty. When equipped with cultural knowledge, expatriates are likely to enhance their cultural effectiveness. Furthermore, CQ training also assists sponsor organisations to develop future global leaders (Alon & Higgins, 2005; Elenkov & Manev, 2009).

Unfortunately, cross-cultural training programs provided by international organisations, especially training in the posting locale, are often likely to be limited. For example providing ongoing training may be necessary because the process of developing cultural sensitivity is believed to be a nonlinear process, shaped by social interactions (Thomas, 2006). International organisations should place more emphasis on cultural training in the posting locale, as information obtained post-departure is more indepth and accurate, and this contributes significantly to information analysis and decision making (Black, et al., 1999; Gudykunst, Guzley, & Hammer, 1996; Mendenhall, 1999; Mendenhall & Stahl, 2000).

Organisations could consider implementing various training methods for expatriates, for instance, experiential learning, case studies, role-plays, simulations, and personal coaching, to motivate cultural learning and develop cultural intelligence (Alon & Higgins, 2005; Filipczak, 1998; Marlinghaus, 1996). Trompenaars and Woolliams (2000) proposed a three-step process, and similarly, Brislin, Worthley, and MacNab (2006) developed a four-step procedure to explain the development of cultural intelligence. In addition, training programs should highlight various attributes as suggested by previous research, for instance, expectation of misunderstanding, suspending judgment, and confusion acceptance, to foster CQ training (Brislin, et al., 2006; Elenkov & Manev, 2009; Triandis, 2006). Finally, in order to encourage active learning among trainees, including cultural training in performance appraisals would raise awareness that developing cultural intelligence is beneficial for their personal career success in the future (Alon & Higgins, 2005).

Furthermore, the present study suggests that intercultural communication and relational skills are critical factors for expatriate job performance. However, expatriates report that they rely primarily on fellow expatriates for informational and emotional support (Hechanova, et al., 2003; Johnson, et al., 2002). In order to assist expatriates to communicate and build relations with host national co-workers,

organisations could consider assigning culturally competent host national co-workers as mentors. In addition, international organisations should promote organisation socialisation in the host country to encourage expatriates to integrate with host national co-workers, build trust, develop mutual understanding, and cultivate working relationships (Lee & Sukoco, 2010). Developing social ties and an informal network with host national co-workers is likely to be beneficial for expatriates in order to receive the affective support necessary to accomplish work functions (Au & Fukuda, 2002; Bhaskar-Shrinivas, et al., 2005).

Moreover, the present study suggests that organisations should provide sufficient support to expatriates. The significant impact of perceived organisational support on job satisfaction highlights the concerns of expatriates regarding the extent of the organisation's commitment and benevolence towards them. Although the association with job performance is not supported in the present study, job satisfaction is important because it reflects the wellbeing and psychological health of employees, as well as the organisation's culture and values regard to fair treatment (Spector, 1997). Organisations should offer support and be aware of how employees perceive this because organisational support increases job satisfaction as well as affective and calculative involvement, organisational citizenship and innovation, while reducing strain and withdrawal behaviours (Eisenberger, et al., 1997; Eisenberger, Fasolo, & Davis-LaMastro, 1990; Rhoades & Eisenberger, 2002; Rhoades, et al., 2001; Shore & Shore, 1995). Underlying psychological processes determine these outcomes of perceived organisational support such that employees feel obligated to the organisation, desire fulfilment of their socio-emotional needs and want to meet performance-reward expectancies. As Rhoades and Eisenberger (2002)' literature review indicates, employees' perception of organisational support could be realised by providing favourable treatments such as procedural justice, organisation politics, supervisor support, recognition, promotions, autonomy and job enrichment. Furthermore, as recommended in previous studies, these supports should be highly discretionary as the readiness of organisations to provide favourable treatment is much more effective than simply complying with legal regulations (Eisenberger, et al., 1997).

#### 6.7 Limitations and Suggestions for Future Research

It is recognised that the present study has several inherent limitations. For instance, the lack of randomness of sample may bias the result. Because of the difficulty in reaching large numbers of potential participants located overseas, a representative sampling technique was employed. In addition, recruitment of more than 200 participants was particularly challenging given the limited time-frame available for a Master's Thesis project. Compared to previous expatriate studies (Black, 1990; Kraimer, et al., 2001; Rose, et al., 2010; Takeuchi, et al., 2009), the sample size of 226 in the present study is acceptable, however relatively small for SEM. The default estimation procedure of SEM requires a minimum of 200 samples, with 10 cases minimum and preferably 20 cases per model

parameter (Curran, et al., 2002). Therefore, the small sample size may reduce the statistical power of this study with the non-central Chi-square distribution (Arbuckle & Wothke, 1999). However, the present study has applied various statistical analysis techniques including univariate, bivariate and multivariate normality testing, and in addition, data transformation to assess distribution normality. With the multivariate normality analysis employed in the present study, ML estimates procedure is robust and statistically unbiased, producing asymptotically efficient and consistent results (Curran, et al., 2002; West, Finch, & Curran, 1995). Due to the small sample size, it is not possible for the present study to conduct the Alternative Approaches recommended by Breckler (1990), to test the model with two randomly divided subsamples. It is suggested that for future studies the model is tested on an asymptotically large sample.

Cited widely as a methodological concern in organisational research, self-rating responses and cross-sectional design may have introduced common method bias (Lindell & Whitney, 2001; Podsakoff, et al., 2003). The data collected in the present study was based on self-rating responses, which may introduce the possibility of participants providing socially desirable responses and this should be considered when applying the results of the present study. Although supervisor rated assessments are commonly utilised for domestic organisational studies, this may not be the suitable evaluation method for expatriates. As suggested by Latham and Wexley (1994), supervisors or human resource managers who are often located in home countries (Shay & Baack, 2004) may not be able to provide an objective and unbiased evaluation due to limited interaction with expatriates. Latham and Wexley (1994) further suggest that potential bias can be minimised by methodological procedures such as common method variance analysis.

As Hechanova et al. (2003) pointed out, 34 out of 37 expatriate studies adopting cross-sectional design examined in their meta-analysis may have introduced bias into the results. Previous research (Doty & Glick, 1998; Spector, 2006) suggests that the possibility of common method variance biasing the results is relatively small. Nevertheless, the present study utilised recommended procedures to assess the potential common method bias that may have be introduced using self-rated responses and a cross-sectional design. The results from Harmon's single-factor test, CFA, and marker factor method satisfied the criteria of the common method bias. However, it would be valuable for future studies to consider longitudinal design.

The present study focuses on Western expatriates working in China only and does not capture the specific characteristics of other cultures. Therefore, the findings may not apply to other ethnic or cultural contexts. For instance, host country language proficiency may be less relevant to Western expatriates working in China because local MNC employees usually possess intermediate to advanced English language skills. This however may not be the case for non-English speaking expatriates working in an English speaking country where local language competency is critical (Bhaskar-

Shrinivas, et al., 2005). It is recommended that future studies consider testing the generalisability of findings to other countries, particularly in less researched cultural contexts, for instance expatriates from developing countries working in developed countries. Compared to previous studies that focused on expatriates working in countries similar to their cultural background (Lee & Sukoco, 2010); the present study provides findings that are more reliable by controlling the potential moderating effect of cultural distance. This is because previous studies suggest that cultural distance can moderate the effect of CQ on expatriate effectiveness due to the greater challenge it would be for expatriates to adjust to the local culture (Earley & Ang, 2003; John, et al., 2006; Kim et al., 2008).

Moreover, contrast to prediction, low factor loadings of social support and co-worker support items indicated that these factors were less relevant to the present study. From psychometric perspective, the high percentage of New Zealand and Australian expatriates may have invalided social and co-worker support as a predictor for cultural adjustment because these nationalities are known as valuing their independence highly. According to the Value Dimension (Hofstede, 1980), nationals from highly individualist countries, highly value personal initiative and achievement. However, there is no previous empirical evidence to suggest that nationality as a variable could moderate the association between social and co-worker support, and cultural adjustment.

Finally, future studies should extend these findings by investigating additional factors that relate to CQ and expatriate effectiveness. For example, the relationship between job satisfaction and job performance, shown to be insignificant in the present study, may in fact be mediated by other factors for instance organisational commitment. With the evidence found in both expatriate literature and domestic studies, that organisational commitment is strongly related to job satisfaction and job performance (Hechanova, 2003; Ostroff, 1992), organisational commitment warrants further research as a mediating factor for expatriate work outcomes.

#### 7 CONCLUSION

As international organisations expand their global operations, various strategies emerge including acquisition, shifting production operations, and transnational mergers. This increases the demand for expatriate personnel with the necessary competencies to implement organisational business strategies. Selecting and effectively managing global talent is particularly important for international organisations in order to succeed in a competitive global market.

Expatriation as an international human resource management strategy faces challenges and is generally characterised by inadequate selection procedures and a high failure rate. Consequently, this can compromise achievement of organisational goals. Cultural differences, communication difficulties, and isolation from home often pose great challenges for expatriates. Despite the high failure rates commonly reported, and the increasing trend of employing local nationals, expatriation can still be an effective mechanism to manage overseas operations. Using parent organisation nationals offers advantages in the coordination of subsidiary operations and in the implementation of a consistent organisation culture. It also provides opportunities for expatriates to develop into culturally attuned leaders with a global mindset.

The present study contributes theoretical and practical knowledge to the expatriate literature by examining CQ as a predictor of job performance, as well as the mediating effects of organisational support, cultural adjustment, cultural effectiveness, and job satisfaction. The structural equation modelling techniques utilised in this study provide the possibility to examine simultaneously, the causal relationships between these key factors that explain and predict expatriate effectiveness. The present study supports previous findings that CQ holds promise as a critical factor to foster expatriate adjustment, which in turn predicts job performance. This provides further empirical evidence for the validity and reliability of the CQ construct in cross-cultural interactions. The present study extends the research on CQ and expatriate job performance by demonstrating that cultural effectiveness is a critical mediator between these two factors. To the best of the Researcher's knowledge, how CQ affects job satisfaction and perceived organisational support has not been examined in previous research. Therefore, these findings provide empirical evidence for future expatriate studies to investigate the relationship between these factors.

In the current era of increasing globalisation, MNCs should consider embracing cultural intelligence as a strategic resource offering competitive advantage to ensure the success of overseas operations. As a critical cultural competency, it is beneficial for international organisations to consider CQ as one of the key criteria for selecting candidates, and to provide ongoing CQ training to facilitate expatriate effectiveness. It is recommended that international organisations provide sufficient support to assist expatriates adjust to host the nation culture and therefore increase job satisfaction.

It is the Researcher's wish that the evidence of CQ as a critical predictor for expatriate effectiveness, as demonstrated in the present study, will attract more research attention to examine further CQ as a critical cultural competency in a cross-cultural context. Although much of the research has focused on expatriate adjustment and related outcomes, there has been little research on job performance due to the difficulty of defining and measuring this outcome. As the fundamental measure of overseas assignment, and a critical element contributing to organisational success, expatriate job performance warrants further research to examine its determinants.

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#### **SECTION 1:**

Please read the following statements regarding your co-workers and select the extent to which you agree or disagree (1 = strongly disagree; 5 = strongly agree)

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
My co-workers go out of their way to make my work life easier.	0	0	0	0	0
2) My co-workers are easy to talk to.	0	0	0	0	
3) My co-workers can be relied on when things get tough at work.	0	0	0	0	0
4) I can express my feelings freely to them.	0		<b></b>		

Please read the following statements and select the extent with which you agree or disagree (1 = strongly disagree; 5 = strongly agree).

People close to you in your personal life (e.g. family and friends):

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
5) Acted in ways that show they appreciate what you do.	•	0	0	0	0
6) Treated you with respect.	0				
7) Cared about you as a person.	0	0	0	0	
8) Gave you useful information and advice when required.	0	0	0	0	0
9) Helped out when too many things needed to get done.	0	0	0	•	0
10) Listened when you wanted to confide about things that were important to you.	0	0	0	0	•

Next

lisagree; 7 = strongly agree)				Neither			
	Strongly disagree	Disagree	Slightly disagree	agree nor disagree	Slightly agree	Agree	Strongly agree
11) The organisation really cares about my well-being.	0	0	0	0	0	0	0
12) The organisation strongly considers my goals and values.	0	0	0	0	0	0	0
13) The organisation would ignore any complaints from me.	<b></b>			0	0		0
14) The organisation disregards my best interests when it makes decisions that affect me.	0			©	<b></b>	0	0
15) The organisation shows very little concern for me.	0			0	0		0
16) Help is available from the organisation when I have a problem.	0			0	0		0
17) The organisation cares about my opinions.	0				0		

#### **SECTION 2:** Please read the following statements and rate your ability accordingly (1 = unable; 6 = very able). Not at all Neither able able Unable nor unable Able Quite able Very able 1) I am able to initiate conversation with a stranger. 2) I am able to enter into meaningful dialogue with other people. 3) I am able to deal effectively with communication misunderstandings. Please read the following statements and rate your ability accordingly (1 = unable; 6 = very able). Not at all Neither able Unable nor unable Able Quite able able Very able 4) I am able to develop and maintain satisfying interpersonal relationships. 5) I am able to accurately understand others' feelings. 6) I am able to work effectively with other people. Back Next

https://eu.qualtrics.com/SE/?SID=SV\_8dgQTomqW1jmPWs&Preview=S...

	Strongly disagree	Disagree	Slightly disagree	Neither agree nor disagree	Slightly agree	Agree	Strongly agree
7) General speaking, I am satisfied with my job.	0	0	0	0	0	0	0
8) I frequently consider quitting this job.	0	0		0		0	
9) I am generally satisfied with the kind of work I do in this job.	0	0	0	0	0	0	0
Read each of the following	statements ar	nd rate your	performanc	e level (1 =	very poor; 7	= outstand	ling).
	Very poor	Poor	Less than average	Average	Better than average	Good	Outstanding
10) How do you rate yourself at completing work tasks on time?	0	0	0	0	0	0	0
11) How do you rate the quality of your performance in regard to job responsibility?	©	0	©	©	•	0	0
12) How do you rate yourself at achieving work goals?	0	0	0		0		0
13) How effective are you at maintaining good working relationships with Chinese?	0	0		0	0	0	0
14) How effective are you at communicating with and keeping co-workers informed?	©	0		0	0	•	0
15) How effective are you at supervising and developing Chinese subordinates?	0				0	0	©

#### **SECTION 3:**

	Not adjusted at all	Disadjusted	Slightly disadjusted	Neither adjusted nor disadjusted	Slightly adjusted	Adjusted	Very well
1) In general, how adjusted are you to living in China?	0	0	0	0	0	0	0
2) How adjusted are you to the housing conditions?	0			0	0		0
3) How adjusted are you to the food in China?				0	0		0
4) How adjusted are you to shopping in China?	0		0	0	0	0	0
5) How adjusted are you to the cost of living in China?	•		0	0	0	0	0
6) How adjusted are you to the entertainment available in China?	©			0	0	0	0
7) How adjusted are you to the healthcare facilities available in China?	•	0		•	0	0	0
8) How adjusted are you when socialising with Chinese people in general?	©			0	0	0	0
9) How adjusted are you in getting along with locals on a day-to-day basis?	©		0	0	0	0	0
10) How adjusted are you in getting along with Chinese outside your company?	0	0	0	0	0	0	
11) How adjusted are you when speaking with locals?	©			•	0	0	0
12) How adjusted are you to your job and responsibilities?	©			0	0	0	0
13) How adjusted are you in regard to performance standards and expectations?	0			©	0		0
14) How adjusted are you when supervising Chinese subordinates?	0	•	•	0	0	0	0
	Not adjusted at all	Disadjusted	Slightly disadjusted	Neither adjusted nor disadjusted	Slightly adjusted	Adjusted	Very wel

#### **SECTION 4:**

Read each of the following statements and indicate the extent with which you agree or disagree (1=strongly disagree; 7= strongly agree):

	Strongly disagree	Disagree	Slightly disagree	Neither Agree nor disagree	Slightly agree	Agree	Strongly agree
1) I am conscious of the cultural knowledge I use when interacting with people from different cultural backgrounds.	0	0	0	0	0	0	0
2) I adjust my cultural knowledge when I interact with people from a culture that is unfamiliar to me.	0	•		©	•	0	0
3) I am conscious of the cultural knowledge I apply to cross-cultural interactions.	0			©	0	0	0
4) I check the accuracy of my cultural knowledge as I interact with people from different cultures.	0			©	0	0	0
5) I know the legal and economic systems of Chinese culture.	0			0	0		
6) I know the rules of Chinese language (e.g., vocabulary, grammar).	0	0		0	0		0
7) I know the cultural values and religious beliefs of Chinese culture.	0	0		0	0		0
	Strongly disagree	Disagree	Slightly disagree	Neither Agree nor disagree	Slightly agree	Agree	Strongly agree
8) I know the marriage systems of Chinese culture.	0						
9) I know the arts and crafts of Chinese culture.	0	0		0	0	0	0
10) I know the rules for expressing nonverbal behaviours in Chinese culture.	0		0	0	0	0	0
11) I enjoy interacting with people from different cultures.	0	0	0	0	0	0	
12) I am confident that I can socialise with locals in a culture that is unfamiliar to me.	0	0	0	0	0	0	0
13) I am sure I can deal with the stresses of adjusting to a culture that is new to me.	0				0	0	0

12	Survey	y   Qualtrics Su	rvey Software				
14) I enjoy living in cultures that are unfamiliar to me.	0	0		0	0		0
	Strongly disagree	Disagree	Slightly disagree	Neither Agree nor disagree	Slightly agree	Agree	Strongly agree
15) I am confident that I can become accustomed to shopping conditions in a different culture.	0		0		0	0	•
16) I change my verbal behaviour (e.g., accent, tone) when a cross-cultural interaction requires it.	0	•	0	0	0	0	0
17) I use pause and silence differently to suit different cross-cultural sitiations.	0	0	0	•	0	0	0
18) I vary the speed at which I speak when a cross-cultural situation requires it.	0				0	0	•
19) I change my nonverbal behaviour when a cross-cultural situation requires it.	0	0	0	•	0	0	0
20) I alter my facial expressions when a cross-cultural interaction requires it.	0	0	0	•	0	0	0
Back Next							

SECTION 5:											
Q1. What is your ethnici	itv?										
QI. What is your cumo	ty:										
•											
Q2. What is your nation	alitv (t	hat is. 1	the cou	ntrv vo	u besti	identifv	with ra	ther th	an nec	essarilv	vour country
birth)?		,		, ,		,				,	,
		•									
Q3. Which year were yo	u borı	n?									
•											
Q4. What is your gende  Male Female	r?										
iviale o Female											
Q5. What was your leve	l of Ch	ninese I	languaç	ge prof	iciency	upon a	rrival ii	n China	1?		
•											
Q6. If you were accomp	anied	by a sp	oouse/p	artner,	as a p	ercenta	ge, hov	v much	time ir	n total d	lid your
spouse/partner spend wi	ith you	ı in Chi	na? (S	elect "	0" if yo	u were	not acc	ompan	ied by	a spous	se/partner)
	0	10	20	30	40	50	60	70	80	90	100
								1			1
Time your partner											
spent with you in China											
Q7. How would you bes	t cate	gorise y	our job	?							
▼											
Q8. How long have you	been	working	g in Chi	ina?							
Years											
Months											

Q9. What is the to	otal expected du	ıration of your	assignment in C	China?		
Years						
Months						
Q10. How many	years had you sp	ent working a	broad before thi	s assignment	?	
<b>Q10. How many</b> y	years had you sp	ent working a	broad before thi	s assignment	?	
	years had you sp	ent working a	broad before thi	s assignment	?	
Years	years had you sp	ent working a	broad before thi	s assignment	?	

#### APPENDIX B: INVITATION LETTER

From: Sophia Lu

To: marc.allen@boeing.com

**Subject:** Western corporate expatriates working for an assignment in China

**Date:** Sunday, 17 July 2011 11:41:29 a.m.

Attachments: image003.png



#### Western corporate expatriates working for an assignment in China

Dear Mr. Allen,

An international human resource management (IHRM) study is currently being conducted by a researcher from Massey University, New Zealand. This study attempts to investigate key factors that influence the effectiveness of Western corporate expatriates working on assignment in China. I believe Boeing China may be interested in this study.

This study is aiming to investigate key factors to contribute knowledge and provide suggestions to IHRM practices in order to improve expatriates cross-cultural adjustment, job satisfaction and job performance. Further, improving expatriates effectiveness will result in better overall performance for subsidiaries, and ultimately contribute to the success of international corporations.

Western expatriates working on assignment in China for international corporations currently or in past year, are being invited to participate in an online survey. The questionnaire takes approximately 8 minutes to complete. Participating corporations will be able to receive a summary of the results once the study is completed.

Participation in this research study is voluntary. Information collected in the survey will be kept confidential. Research results will be reported with only combined results.

Boeing China' participation would be appreciated. If you have any questions, please feel free to contact Principal Researcher Sophia Lu via email: <a href="mailto:sophia.lu.2@uni.massey.ac.nz">sophia.lu.2@uni.massey.ac.nz</a>.

Thank you for your time.

Sincerely

Sophia Lu Principal Researcher

#### APPENDIX C: EMAIL CORRESPONDENCE

### Sophia Lu

From: Kea China [china@keanewzealand.com]
Sent: Tuesday, 12 July 2011 1:18 a.m.

To: Sophia Lu

Subject: Re: Research in international human resource management

#### Hi Sophia

Can you please confirm if you want me to send this out to targeted individuals/families I know of or just send out the link with our News letter? (circulation 1600 in China but includes every thing form teachers to corporates) If you could answer this bit really quick it would be great as I am sending out a news letter tomorrow (Tuesday).

Please also suggest a deadline (China expats empty out over July August to escape the heat). Also is this also targeting the spouses or just the corporates? As with my observations it seem to be get the spouses settled and the placements last longer.

I know a few very recently returned to NZ that might be highly valuable to this study if you want me to target them to.

Regards

Jennifer Cuthbertson

On Mon, Jul 11, 2011 at 7:41 PM, Sophia Lu <sophia0628w@hotmail.com> wrote:



Western corporate expatriates working in China

#### Dear Sir or Madam

I am a Masters student studying at Massey University New Zealand. I am currently conducting an online research project to investigate the factors influencing cultural adjustment and work outcome of Western corporate expatriates working for an assignment in China.

This research is valuable because literature suggests international assignments are frequently characterised by maladjustment in foreign countries, high premature return rates and poor overall assignment performance, which costing affected organisations on average an estimated USD 250,000 per failed posting. This research aims to contribute knowledge and provide suggestions to human resource management practices in order to improve expatriates job satisfaction and work outcome. Furthermore, improving expatriates effectiveness will result in better overall performance for subsidiaries, and ultimately contribute to the success of corporations. This will also be beneficial for New Zealand corporations to better manage global teamwork.

Participation in this research study is voluntary. Information collected in the survey will be kept confidential. Research results will be reported with only combined results.

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#### APPENDIX D: EMAIL REMINDER

Subject: Re: A kind reminder - Survey of Western corporate expatriates working

in China

From: "Edward Orange" <edwardo@nz1.ibm.com>

**Date:** Thu, August 18, 2011 6:56 am **To:** Sophia.Lu.2@uni.massey.ac.nz

**Priority:** Normal

Sincerely Sophia Lu

Massey University (Albany Campus)

Options: View Full Header | View Printable Version | Download this as a file | View as HTML

### Hi Sophia I have move from China to Sydney 6 months ago.... so not really relevant for me anymore. Kind Regards, Edward Orange GM Software Group Australia and New Zealand Tel: +649 359 8668 Mobile: +6421 943 043 Tie Line: 6929 8668 Email: :edwardo@nz1.ibm.com Mail: 1st Floor , 82 Wyndam Street , Auckland, New Zealand From: Sophia.Lu.2@uni.massey.ac.nz Edward Orange/New Zealand/IBM@IBMNZ To: 17/08/2011 10:50 p.m. Subject: A kind reminder - Survey of Western corporate expatriates working in China Hello Edward, Just a kind reminder for the international HR management survey regarding Western corporate expatriates work in China, which I sent to you recently. I understand how busy you are, I just wondering if you could participate when you have some free time. Attached the invitation letter below for your information. I would very much appreciate your support of this study. Thank you in advance for your help. Follow this link to the Survey: http://masseybusiness.qualtrics.com/SE/?SID=SV 8dgQTomqW1jmPWs

#### APPENDIX E: LOW RISK NOTIFICATION



15 June 2011

Suhua Lu 1/188 Onewa Road Birkenhead AUCKLAND 0626

Dear Suhua

Re: The Impact of Cultural Intelligence in Facilitating MNCs Expatriate Job Performance: The Mediating Role of Cross-Cultural Adjustment, Job Satisfaction and Cultural Effectiveness

Thank you for your Low Risk Notification which was received on 30 May 2011.

Your project has been recorded on the Low Risk Database which is reported in the Annual Report of the Massey University Human Ethics Committees.

The low risk notification for this project is valid for a maximum of three years.

Please notify me if situations subsequently occur which cause you to reconsider your initial ethical analysis that it is safe to proceed without approval by one of the University's Human Ethics Committees.

Please note that travel undertaken by students must be approved by the supervisor and the relevant Pro Vice-Chancellor and be in accordance with the Policy and Procedures for Course-Related Student Travel Overseas. In addition, the supervisor must advise the University's Insurance Officer.

#### A reminder to include the following statement on all public documents:

"This project has been evaluated by peer review and judged to be low risk. Consequently, it has not been reviewed by one of the University's Human Ethics Committees. The researcher(s) named above are responsible for the ethical conduct of this research.

If you have any concerns about the conduct of this research that you wish to raise with someone other than the researcher(s), please contact Professor John O'Neill, Director (Research Ethics), telephone 06 350 5249, e-mail humanethics@massey.ac.nz".

Please note that if a sponsoring organisation, funding authority or a journal in which you wish to publish requires evidence of committee approval (with an approval number), you will have to provide a full application to one of the University's Human Ethics Committees. You should also note that such an approval can only be provided prior to the commencement of the research.

Yours sincerely

John G O'Neill (Professor)

J'vell

Chair, Human Ethics Chairs' Committee and

Director (Research Ethics)

cc

Dr Darryl Forsyth School of Management Albany

Prof Claire Massey, HoS School of Management PN214

Massey University Human Ethics Committee Accredited by the Health Research Council