ABSTRACT

This paper investigates the relationship between cultural intelligence and job performance, and the mediating role of cross-cultural adjustment in that relationship. Based on sample of 332 expatriates working in Malaysia, cultural intelligence predicts job performance, and both the interaction and work adjustment mediates the relationship. The findings of this study contributes to the body of knowledge in the cross-cultural management field as well as practical implication to expatriating firms especially in the area of selection and training of international candidates.

Keywords: Cultural Intelligence, Cross-Cultural Adjustment, Job Performance

1. INTRODUCTION

Globalization and liberalization of trade and services in many part of the world has created an opportunity for multinational corporations (MNCs) to operate in diverse geographical environments (Maertz, Hassan & Magnusson, 2009). This effort requires presence of globally competent workforce, and with it, the intensive use of expatriates (Froese & Peltokorpi, 2011). Expatriates identified as sojourner who leaves his or her country, under assignment, for business purpose, with the intent of eventual return (Aycan & Kanungo, 1997). Many MNCs acknowledged that the effectiveness of expatriates on international assignments is an important source of competitive advantage for them (Zhang & Dodgson, 2007). Some of the advantages that companies can gain from sending their employees abroad are establishing new international markets, spreading and sustaining corporate culture, facilitating organizational coordination and control, and transferring of technology, knowledge and skills (Huang, Chi & Lawler, 2005; Shay & Tracey, 2009).
Research on determining factors of expatriate effectiveness recently found that cultural intelligence (CQ) is a vital intercultural competency contributing to expatriate success on the international assignments (Ang et al., 2007). The concept of CQ represents an individual’s capability for successful adaptation to new and unfamiliar cultural settings and ability to function easily and effectively in situations characterized by cultural diversity (Earley & Ang, 2003; Ang et al., 2007). It involves openness to experience and a capability to deal effectively with culturally diverse situations (Ang, Van Dyne & Koh, 2006). Cultural intelligence is a theoretical extension of existing facet models anchored on the theory of multiple intelligences (Gardner, 1993). Cultural intelligence, however, is distinct from other forms of non-academic intelligence, including social intelligence and emotional intelligence, in that CQ requires the ability to switch from one national cultural environment to another (Earley & Ang, 2003; Brislin, Worthley, & MacNab, 2006; Thomas, 2006). There is evidence that CQ is a vital intercultural competency that can predict attitudes and behaviors of individuals working on international assignments (Alon & Higgins, 2005).

Cultural intelligence is a multidimensional construct consist of meta-cognitive, cognitive, motivational, and behavioral component (Earley & Ang, 2003). First of these, the meta-cognitive CQ defined as one’s knowledge or control over cognitions that leads to deep information processing relating to culture (Ang, Van Dyne, Koh, & Ng, 2004). It consists of the cognitive strategies that used to acquire and generate coping strategies (Ng & Earley, 2006). Ang et al. (2004) further stated that meta-cognitive CQ is the individuals’ cultural conscious and awareness, and is thus manifest in the ability to question cultural assumptions. Relevant capabilities include planning, monitoring, and revising mental models of cultural norms for countries or groups of people (Ang et al., 2007).

The cognitive cultural intelligence reflects knowledge of the norms, practices and conventions in different cultures gained from both the experience and formal education, those universal as well as culture-specific (Ang et al., 2004; Ang et al., 2007). This includes knowledge of the economic, legal, and social systems of different cultures and subcultures (Triandis, 1994) and knowledge of basic frameworks of cultural values. Those with high cognitive CQ understand similarities and differences across cultures (Brislin et al., 2006).

Motivational cultural intelligence goes beyond recognizing cultural differences, and deals with the motivation behind cognitive processes and cognitive knowledge; it reflects the interest in engaging others and the desire to adapt to the other cultures (Ang et al., 2007). This facet of CQ includes three primary motivators: enhancement (wanting to feel good about oneself), growth (wanting to challenge and improve oneself), and continuality (the desire for continuity and predictability in ones’ life) (Earley, Ang, & Tan, 2006). According to Earley and Ang (2003) and Ng and Earley (2006), this component directs and motivates one’s adaptation to a new cultural settings. Kanfer and Heggestad (1997, p. 30 cited in Ang et al., 2007, p. 338) argued that such motivational capacities ‘provide agentic control of affect, cognition, and behavior that facilitate goal accomplishment’.

Lastly, the behavioral aspect involves the capability to engage in adaptive behaviors in accordance with cognition and motivation based on cultural values of specific settings. This
includes having a wide and flexible repertoire of behaviors. According to Earley and Ang (2003), those with high behavioral CQ capable at exhibit situational appropriate behaviors based on their broad range of verbal and nonverbal capabilities, such as displaying culturally appropriate words, tone, gestures, and facial expressions.

In the past, cultural intelligence has been associated with cultural judgment and decision-making (e.g., Ang et al., 2007; Ang et al., 2004), cultural adaptation (e.g., Ward, Fischer, Lam, & Hall, 2008; Ang et al., 2007; Ang et al., 2004), cross-cultural adjustment (e.g., Lee & Sukoco, 2007; Templer, Tay, & Chandrasekar, 2006) and task performance (e.g., Ang et al., 2004; Ang et al., 2007).

This paper is concerned with how cultural intelligence and cross-cultural adjustment (CCA) affects the job performance of expatriates assigned to Malaysia. Job performance studied as a main dependent variable since meeting job performance is the ultimate goal of MNCs in sending their employees on the international assignments, hence achieving organizational goal (Caligiuri, 1997). As of to date, only two studies have been conducted on the relationship between CQ and job performance (e.g., Ang et al., 2004; Ang et al., 2007). However, in view of the inconclusive evidence based on these two studies, it is still uncertain whether CQ is the determinant of job performance. Moreover, in exception to Tahir and Ismail (2007), no study conducted in Malaysia. We believe that expatriate population in Malaysia is worth investigating, particularly because the country has become one of the preferred FDI destinations in the South East Asia region. Malaysia has to date attracted more than 5,000 foreign companies from more than 40 countries to establish their operations in the country (Malaysian Industrial Development Authority, 2009). This indicates that that the country will have to face a continuous increase in numbers of expatriates admitted in various sectors of employment. It reported that there were 35,583 approved expatriate postings in Malaysia in year 2007 (Immigration Department of Malaysia, 2008). Hence, we investigate how CCA and CQ related to the job performance of expatriates assigned to Malaysia. Specifically, the purposes of this study are to ascertain the nature of the relationships between CQ and job performance, and to examine the mediating effects of CCA in the relationships.

2. LITERATURE REVIEW

2.1. Cultural Intelligence and Job Performance

Few major studies that have dealt with the relationship between cultural intelligence and job performance are those of Lee and Sukoco (2010), Che Rose, Sri Ramalu, Uli and Kumar (2010), Ang et al. (2007) and Ang et al. (2004). In all these studies it was found that there is a significant positive relationship between CQ and job performance, implying that greater the level of CQ, greater the level of job performance. Meeting the role expectations is an important element in the assessment of individual job performance (Katz & Kahn, 1978). In the international assignments, individuals often receive poor job performance evaluation from their superiors when they have a different cultural background, do not understand cultural differences in role expectations and do not conform to role expectations (Stone-Romero, Stone & Salas, 2003).
This phenomenon is more obvious among individuals who came from cultures vastly different from the host country. Since expectations for performing role prescribed behaviours often differ across cultures, cultural intelligence will facilitate individuals to perform in their job because of its more context- or situation-specific nature characterized by cultural diversity. Our contention is in line with Barrick and Mount’s (1991) finding in domestic research that extraversion personality is more reliable in predicting performance specifically in sales contexts that require interaction with others. Individuals high on CQ have the capabilities to gather and manipulate information, draw inferences and enact on cognitive, emotive or behavioural actions in response to cultural cues of the host country (Earley & Ang, 2003). Relevant intercultural competencies such as ability to elaborate cultural schemes (cognitive CQ), question cultural assumptions (meta-cognitive CQ), focus attention and direct energy toward learning about and functioning in multicultural situations (motivational CQ) and display a flexible range of verbal and non-behaviours (behavioural CQ) are all expected to reduce the misunderstandings in role expectations and eventually enhance the job performance. In order to establish the mediating role of CCA on the relationship between CQ and job performance, we have decided to test the presumed relationship as follows:

H1: Cultural intelligence related to job performance.

2.2. Cross-Cultural Adjustment as Mediator of the Relationship between Cultural Intelligence and Job Performance

We hypothesize that cross-cultural adjustment mediates the effects of cultural intelligence on job performance. Cross-cultural adjustment conceptualized as the degree of psychological comfort an expatriate has with the various aspects of a host culture (Black & Stephens, 1989; Gregersen & Black, 1990). Three specific areas of CCA distinguished in the literature (Black & Stephens, 1989): Adjustment to (1) general environment (degree of comfort with general living conditions, such as climate, health care facilities, and food); (2) interaction with host country nationals; and (3) work (performance standards, job, and supervisory responsibilities).

Cross-cultural adjustment suggested as a key determinant of expatriate success in their international assignments. Past research indicated that CCA is a temporal and primary outcome in an expatriate’s assignment that would influence the development of secondary or more distal expatriate adjustment (Templer et al., 2006). Among the spillover effects of CCA are strain (e.g., Hechanova, Beehr & Christiansen, 2003), job satisfaction (e.g., Takeuchi, Yun, & Tesluk, 2002), organizational commitment (e.g., Naumann, 1993; Shaffer & Harrison, 1998), job performance (e.g., Shay & Baack, 2006; Kim & Slocum, 2008), and premature return from assignment (e.g., Black & Stephens, 1989; Hechanova et al., 2003).

Albeit limited, the available research has indicated a relationship between cultural intelligence and cross-cultural adjustment (e.g., Ang et al., 2004; Templer et al., 2006; Ang et al., 2007; Lee & Sukoco, 2007; Ward, Fischer, Lam & Hall, 2008; Sri Ramalu, Che Rose, Kumar & Uli, 2010). In general, these results showed that CQ is positively related to CCA implying that the greater the CQ level, greater the CCA level. According to Church (1982), cross-culturally
adjusted expatriates”... represent a more integrative approach to a new culture, (they) are open to the host culture, but integrate new behavior, norms and roles into the foundation provided by (their) home cultures” (p. 542). Since CQ is a person’s capability to adapt effectively to new cultural contexts (Earley & Ang, 2003), individuals high in CQ is expected to adjust better in new cultural environment in their international assignment. Additionally, based on stress management theories of psychological stress perspective, since intercultural interactions involves a series of stress-provoking life changes that draw on adjustive resources and require coping responses; CCA, therefore, is conceptualized by successfully coping with change. Based on Ang et al.’s (2007) analysis, certain CQ facets such as motivational and behavioral CQ expected to negate psychological stress, thus leads to higher level of CCA.

The relationship between cross-cultural adjustment and job performance has been studied by many researchers in the past (e.g., Parker & McEvoy, 1993; Caligiuri, 1997; Kraimer, Wayne & Jaworski, 2001; Bhaskar-Shrinivas, Harrison, Shaffer & Luk, 2005; Shay & Baack, 2006; Kim & Slocum, 2008; Lee & Sukoco, 2010). The results of the studies reveals that CCA is positively related to job performance implying that the greater the CCA level, greater the job performance level. According to stress literature (Cohen, 1988), inability to cope with the stress associated with adjusting to an overseas assignment may result in personal and professional withdrawal behaviors (e.g., depression, absence) and that these behaviors may inhibit job performance. This is because stress experienced due to inability to adjust to new cultural environment will create cognitive fatigue and rob the energy and effort required for successful implementation of work, hence job performance is affected (Kraimer et al., 2001).

The function of a mediator variable is to explain the relationship between a predictor and a criterion; mediators should explain why such an effect might occur (Baron & Kenny, 1986). In this paper, we hypothesize that CCA function as mediator in the relationship between CQ and job performance. Past research has indicated that there are significant relationships between CCA and both CQ and job performance. Given the pattern of relationships, we strongly believe that the relationship of CQ to job performance mediated by CCA. Previous research has suggested that CCA might mediate the relationship between various individual differences and diverse expatriate assignment effectiveness (Kim, Kirkman, & Chen, 2006; Kraimer et al., 2001; Bhaskar-Shrinivas et al., 2005). Indeed, few researchers have provided the evidence for the mediating role of CCA on the relationship between individual differences and job performance of expatriates (Shaffer, Harrison, Gregersen, Black, & Ferzandi, 2006; Kim & Slocum, 2008; Wang & Takeuchi, 2007). Despite this development, the evidence on the mediating role of CCA on the relationship between CQ and job performance has been absent in the literature, hence gap of the study. Viewing from the work-role transition hypothesis (Nicholson, 1984), individual with a higher level of CQ expected to perform in their job through a successful work transition to new international assignments because they are more capable of adapting effectively to a new cultural context. Drawing from above argument, we hypothesize that:

H2: Cross-cultural adjustment mediates the relationship between cultural intelligence and job performance.
3. METHODOLOGY

3.1. Sample

The participants in the study were expatriates currently working and residing in Malaysia. A total of 500 mail and 500 online questionnaires were distributed. Of these, 339 questionnaires replied. The initial response rate was 34%, which is consistent with other typical response rates (20-30%) in most expatriate studies (e.g., Harrison & Shaffer, 2005). Out of 339, 7 were unusable responses, resulting in final sample of 332, representing a 33% return rate. The sample included 252 (75.9%) men and 80 (24.1%) women. Participants age included 122 (36.7%) between 42-52 and 103 (31.0%) between 31-41 years old. Participants marital status included 251 (75.6%) married and 54 (16.3%) unmarried. In terms of prior overseas experience, 251 (75.6) has previous international experience and 81 (24.4%) has no experience. Participants job status included 169 (50.9%) in managerial position and 163 (49.1%) in non-managerial position. Participants education status included 119 (35.8%) with degree and 85 (25.6%) with masters degree. Distribution of sample by industry sector included 112 (33.7%) working in service sector, 109 (32.8%) in other sector and 84 (25.3%) in manufacturing. Participants length of stay in Malaysia ranged from 2 to 24 years ($M=4.80$, $SD=3.40$). Tenure with present organization ranged from 2 to 25 years ($M=7.25$, $SD=4.45$). The participants are come from various countries with majority 51 (15.4%) are from India, 39 (11.7%) from UK, 32 (9.6%) from Australia, and 200 (63.3%) from some other 42 countries.

3.2. Instrumentation

Four background variables (gender, prior overseas experience, length of stay in Malaysia and language proficiency) identified as correlates of expatriate attitudes and behaviors controlled for in this study (Hechanova et al., 2003; Shaffer & Harrison, 1998; Takeuchi, Tesluk, Yun & Lepak, 2005). This is to avoid our findings from be spuriously attributed to various background characteristics.

The predictor variable, cultural intelligence measured with the 20-item, self-reported Four Factor Model of Cultural Intelligence Scale developed and validated by Ang et al. (2007). The scale includes four items for meta-cognitive CQ, six for cognitive CQ, five for motivational CQ, and five for behavioral CQ. Sample items include “I am conscious of the cultural knowledge I apply to cross cultural interaction” for meta-cognitive CQ; “I know the legal and economic systems of other cultures” for cognitive CQ; “I enjoy interacting with people from different cultures” for motivational CQ; and “I change my verbal behavior when a cross-cultural interactions requires it” for behavioral CQ. Respondents were asked to use a seven-point Likert-type scale range from strongly disagree (1) to strongly agree (7) to indicate the extent to which each item describes their capabilities. Cronbach’s alphas for meta-cognitive, cognitive, motivational, and behavioral CQ were 0.76, 0.76, 0.79, and 0.77 respectively (Ward et al., 2008).

Seventeen items measured the dependent variable, job performance. Of these, five items were adapted from work of Black and Porter (1991) and twelve items from work of Caligiuri (1997).
The scale includes five items for task performance, five for contextual performance, and seven for assignment-specific performance. Sample items include “your effectiveness at completing tasks on time” for task performance; “your effectiveness at fostering organizational commitment among host country nationals” for contextual performance; and “your effectiveness at transferring information across strategic units” for assignment-specific performance. Respondents were asked to rate their perceived ability in each of the job performance items in comparison to their peers in similar positions on seven-point Likert-type scale ranging from 1 (much worse than most) to 7 (much better than most) for each item. Cronbach’s alpha for task, contextual and assignment-specific performance was 0.86, 0.63, and 0.67 respectively (Caligiuri, 1997; Shay & Baack, 2006).

The mediator, cross-cultural adjustment measured with 14-item, self-reported Expatriate Adjustment Scale adopted from Black and Stephens (1989). Seven items assessed general adjustment (e.g. housing, food, and shopping); four items assessed interactions adjustment (e.g. socializing with people from the host culture); and three items assessed work adjustment (e.g. job responsibilities and performance standards/expectations). Respondents asked to use a seven-point Likert-type scale to indicate the extent to which each item indicates their adjustment to various living and working conditions in the new environment abroad. Response choice alternatives ranged from 1 (very unadjusted) to 7 (completely adjusted). Cronbach’s alphas for general adjustment, interactions adjustment, and work adjustment were 0.91, 0.82, and 0.86 respectively (Black & Stephens, 1989).

3.3. Data Analyses

After standardizing all of the control variables, hierarchical multiple regression analyses conducted to test the hypotheses. Support for the mediation hypothesis required the following condition: the independent variable must significantly impacts the mediating variable in the first step; the independent variable must significantly impacts the dependent variable in the second step; and in the third step, the mediating variable must significantly impacts the dependent variable. Additionally, in the third step the impact of independent variable on the dependent must either become insignificant (total mediation) or become significant but the effect of the independent variable on the dependent variable would be reduced in size (partial mediation) (Baron & Kenny, 1986). Thus, H2 supported by an initially significant CQ effect on job performance that became non-significant when CCA entered the equation in third step. The Sobel (1982) z test conducted to test whether the mediator carries the influence of the independent variable to dependent variable.

4. RESULTS

Table 1 presents the means, standard deviations, and bivariate correlations among the study variables. Support for H1 required a significant relationship between CQ and job performance. This hypothesis was accepted, as the results indicated that CQ was positively related to job performance before and after control ($r = 0.27, p < 0.01$ and $\beta = 0.29, p < 0.01$).
H2 predicted that cross-cultural adjustment would mediate the relationship between cultural intelligence and job performance. Three equations estimated for each dimension of CCA (general, interaction, and work adjustment). The estimators of the parameters involving mediator variable of general adjustment derived from equation 1A, 1B, and 1C. Meanwhile equation 2A, 2B, and 2C estimated for analysis involving interaction adjustment as the mediating variable. Finally, equation 3A, 3B, and 3C involves work adjustment as the mediator variable. Consistent with Baron and Kenny’s (1986) procedure for testing mediating effect, interaction adjustment (β=0.16, p<0.05) and work adjustment (β=0.26, p<0.01) are significantly related to job performance in step three (see Table 2). The predictor variable (CQ) in step three is significant and the beta value has reduced in size when the mediating variables (interaction and work adjustment) entered in the equation (see model 2c and 3c). This indicates that both the interaction and work adjustment partially mediates the relationship between CQ and job performance. The Sobel (1982) z test (not shown) conducted to test whether the mediator (interaction and work adjustment) carries the influence of the CQ to job performance shows the results are all significant, p < 0.05. Hence, it is fair to conclude that H2 partially supported.

Table 1: Descriptive statistics, reliability coefficients and correlations (N=332)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>0.76</td>
<td>0.43</td>
<td>-</td>
<td></td>
<td></td>
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<tr>
<td>Experience</td>
<td>0.76</td>
<td>0.43</td>
<td>0.12*</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Length</td>
<td>4.80</td>
<td>3.40</td>
<td>0.03</td>
<td>-0.03</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Language</td>
<td>3.57</td>
<td>0.70</td>
<td>-0.16**</td>
<td>0.21**</td>
<td>0.16**</td>
<td>-</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>CQ</td>
<td>5.54</td>
<td>0.51</td>
<td>-0.10</td>
<td>0.08</td>
<td>0.16**</td>
<td>0.32**</td>
<td>(0.89)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GA</td>
<td>5.71</td>
<td>0.70</td>
<td>-0.05</td>
<td>0.02</td>
<td>0.21**</td>
<td>0.31**</td>
<td>0.45**</td>
<td>(0.83)</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>IA</td>
<td>5.66</td>
<td>0.76</td>
<td>0.00</td>
<td>-0.03</td>
<td>0.28**</td>
<td>0.32**</td>
<td>0.55**</td>
<td>0.55**</td>
<td>(0.86)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WA</td>
<td>5.98</td>
<td>0.80</td>
<td>0.15**</td>
<td>0.08</td>
<td>0.16**</td>
<td>0.06</td>
<td>0.23**</td>
<td>0.24*</td>
<td>0.29**</td>
<td>(0.90)</td>
<td></td>
</tr>
<tr>
<td>Performance</td>
<td>5.58</td>
<td>0.56</td>
<td>0.19**</td>
<td>0.01</td>
<td>0.14*</td>
<td>0.04</td>
<td>0.27**</td>
<td>0.10</td>
<td>0.28**</td>
<td>0.34**</td>
<td>(0.911)</td>
</tr>
</tbody>
</table>

Notes: Coefficient alphas are presented along the diagonal *p < .05 **p <.01
CQ=cultural intelligence; GA=general adjustment; IA=interaction adjustment; WA=work adjustment

Table 2: Results of mediated regression analyses for cultural intelligence on job performance (N=332)

<table>
<thead>
<tr>
<th>Independent variables</th>
<th>GA (1A)</th>
<th>IA (2A)</th>
<th>WA (3A)</th>
<th>JP (1B, 2B &amp; 3B)</th>
<th>JP (1C)</th>
<th>JP (2C)</th>
<th>JP (3C)</th>
</tr>
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<tbody>
<tr>
<td>Controls</td>
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</tr>
<tr>
<td>Gender</td>
<td>0.02</td>
<td>0.09</td>
<td>0.16**</td>
<td>0.21***</td>
<td>0.21***</td>
<td>0.20***</td>
<td>0.17***</td>
</tr>
<tr>
<td>Experience</td>
<td>-0.04</td>
<td>-0.11*</td>
<td>0.05</td>
<td>-0.03</td>
<td>-0.03</td>
<td>-0.01</td>
<td>-0.04</td>
</tr>
<tr>
<td>Length</td>
<td>0.12*</td>
<td>0.17**</td>
<td>0.12*</td>
<td>0.09</td>
<td>0.10</td>
<td>0.06</td>
<td>0.06</td>
</tr>
<tr>
<td>Language</td>
<td>0.19***</td>
<td>0.18***</td>
<td>-0.01</td>
<td>-0.03</td>
<td>-0.02</td>
<td>-0.06</td>
<td>-0.02</td>
</tr>
<tr>
<td>Predictor</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>CQ</td>
<td>0.37***</td>
<td>0.49***</td>
<td>0.23***</td>
<td>0.29***</td>
<td>0.31***</td>
<td>0.21**</td>
<td>0.23***</td>
</tr>
<tr>
<td>Mediator</td>
<td></td>
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<tr>
<td>GA</td>
<td>-0.04</td>
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<tr>
<td>IA</td>
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<tr>
<td>WA</td>
<td></td>
<td>0.16*</td>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>ΔR²</td>
<td>0.12***</td>
<td>0.21***</td>
<td>0.07***</td>
<td>0.00</td>
<td>0.02</td>
<td>0.06***</td>
<td>0.26***</td>
</tr>
<tr>
<td>R²</td>
<td>0.25***</td>
<td>0.38***</td>
<td>0.13***</td>
<td>0.13***</td>
<td>0.14***</td>
<td>0.19***</td>
<td>0.19***</td>
</tr>
</tbody>
</table>

Notes: *p < .05; **p < .01; CQ=cultural intelligence; GA=general adjustment; IA=interaction adjustment; WA=work adjustment; JP=job performance
5. DISCUSSION AND CONCLUSION

The purpose of this paper is to enhance our knowledge of the individual determinants of job performance for expatriates assigned to Malaysia. We examine how CQ influences job performance both directly and indirectly. In this study, both the interaction and work adjustment found to partially mediates the relationship between CQ and job performance. This means the variance in job performance attributable to CQ is partly a direct effect, and partly an indirect effect mediated through interaction and work adjustment. Therefore, in this study it can be concluded that in addition to the direct effect, CQ (independent variable) predicts CCA (mediator variable), and CCA in turn predicts job performance (dependent variable) among expatriates in Malaysia. The results of this study appears to be in line with stress theories (Cohen, 1988) contention that individual differences (e.g., knowledge, skill, ability, personality) helps to negate psychological stress experienced in the new cultural environment. The ability to cope with stress associated with uncertainty and ambiguity in new cultural environment will result in better CCA. The spillover effects suggest that this successful transition to new cultural environment helps individuals to perform in their job as more energy and focus given in accomplishing the task. Hence, the fit achieved between individual differences and CCA is necessary in order for the expatriates to perform in their job. The results of the study are generally congruent with the findings of studies examining the mediating effect of CCA in the western context although does not involve individual difference of CQ (Shaffer et al., 2006; Wang & Takeuchi, 2007; Kim & Slocum, 2008).

Given these results, there are few implications for organizations and individuals considering international assignments. The interrelationships among CQ, CCA and job performance suggest that both the CQ and CCA are important in enhancing job performance. Those with high CQ tended to adjust better to new cultural environment and more likely to perform in their job. Expatriating firms can consider the use of selection methods that include testing for CQ. Organizations may also benefit in providing adequate training to enhance CQ in the preparation of potential candidates for international assignments. Organizational developmental programs such as mentoring or coaching from both the home and host country supervisors and peers may help expatriates adapt and perform better in different cultural environment. Role play for instance has been suggested as one of training approach to enhance one’s CQ level (Earley & Peterson, 2004). The evidence found on the mediating role of CCA on the relationship between CQ and job performance suggests that organizations need to take necessary action to improve the CCA so that a higher level of job performance achieved. Organizational social support (e.g., host country manager support) and logistical help (e.g., housing, schooling and spousal employment) will help expatriates to overcome the stress and uncertainty experienced during their CCA process to a new cultural environment (Shaffer, Harrison, & Gilley, 1999; Bhaskar-Shrinivas et al., 2005). The implication of the findings of the study is not only extended to organizations, but also to expatriate employees. The findings of this study may offer expatriates an opportunity to prepare and to compensate for personal deficiency in the CQ before departing from home country and while on an international assignment. Better understanding of perceived job fit before taking up an international assignment can help employees to avoid the emotional, psychological and career-oriented repercussions of failure while on an international assignment.
This study has certain limitations that provide venues for future research. First, job performance is not the only criterion for expatriate effectiveness. Other criteria such as job satisfaction, organizational commitment, and turnover intention should be included in the future study. Second, we acknowledge that some concerns might exist in that self-reported measures (i.e., CQ, CCA, job performance) have social desirability and common method bias problem. Therefore, future research should include assessment from multiple sources including peers, subordinates, and superiors. Third, a cross-sectional study design restricts the ability to prove a cause-effect relationship. Future research should considering longitudinal study since CQ is a dynamic competency that is malleable capability and therefore their affects on CCA and job performance may vary over time. A longitudinal study would provide better knowledge on these changes that took place over the time. Finally, since this study assesses expatriates perceived ability in CQ and various effectiveness criterions, conducting a qualitative study using interview or observation may provide broader understanding of how CQ affects these outcomes.

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