

**EFFECT OF SUPPORT AND CULTURAL INTELLIGENCE ON THE  
ADJUSTMENT AND PERFORMANCE OF EXPATRIATES AND THEIR  
FAMILY MEMBERS IN MALAYSIA**

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**JUNE 2011**

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### **Thesis Summary**

Theory suggests that people fear the unknown and no matter how experienced one is, the feelings of anxiety and uncertainty, if not managed well would affect how we view ourselves and how others view us. Hence, it is in human nature to engage in activities to help decipher behaviours that seem contrary to their beliefs and hinder the smooth-flowing of their work and daily activities. Building on these arguments, this research investigates the two types of support that are provided by multinational corporations (MNCs) and host country nationals (HCNs) to the expatriates and their family members whilst on international assignments in Malaysia as antecedents to their adjustment and performance in the host country. To complement the support provided, cultural intelligence (CQ) is investigated to explain the influence of cultural elements in facilitating adjustment and performance of the relocating families, especially to socially integrate into the host country.

This research aims to investigate the influence of support and CQ on the adjustment and performance of expatriates in Malaysia. Path analyses are used to test the hypothesised relationships. The findings substantiate the pivotal roles that MNCs and HCNs play in helping the expatriates and their families acclimatise to the host country. This corroborates the norm of reciprocity where assistance or support rendered especially at the times when they were crucially needed would be reciprocated with positive behaviour deemed of equal value. Additionally, CQ is significantly positive in enhancing adjustment to the host country, which highlights the vital role that cultural awareness and knowledge play in enhancing effective intercultural communication and better execution of contextual performance. The research highlights the interdependence of the expatriates' multiple stakeholders (i.e. MNCs, HCNs, family members) in supporting the expatriates whilst on assignments. Finally, the findings reveal that the expatriate families do influence how the locals view the families and would be a great asset in initiating future communication between the expatriates and HCNs. The research contributes to the fields of intercultural adjustment and communication and also has key messages for policy makers.

**Key Words:** expatriates, host country nationals, perceived organisational support, social support, cultural intelligence,

## **DEDICATION**

To my husband and soulmate, Rahim and my angels, Kiki, Nana and Lala. Thank you for keeping me grounded and believing in me. Girls, thanks for keeping me entertained whenever mummy is feeling down. This is for all of you, with love.

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## Glossary of Terms

Term	Definition
Expatriate	A specially chosen individual who is sent temporarily on international assignments abroad and who is expected to fulfil a specialised organisational function or career enhancement exercise across countries and cultures.
Cultural Intelligence (CQ)	A system of interacting knowledge and skills, linked by cultural metacognition, that allows people to adapt to, select and shape the cultural aspects of their environment.
Host country national (HCN)	The local people of the country where the expatriate is assigned to.
Perceived organisational support (POS)	Employees global beliefs concerning the extent to which the organisations value their contributions and care about their well-being and is believed to be the contributing element to increased feelings of commitment and engagement of positive behaviours that supports organisational goals
Multinational corporation (MNC)	A business organisation that has business activities in various countries abroad.
Adjustment	The degree of comfort or absence of stress associated with being an expatriate. Is further segregated into three categories; general, interaction and work adjustment. Adjustment can also mean becoming adjusted to the host country's cultural norms and values.
Expatriate task performance (ETP)	The effectiveness with which expatriates perform activities that contribute to the organisation's technical core, either directly by implementing a part of its technological process, or indirectly by providing it with needed materials or services.
Expatriate	Activities that are directed at maintaining the interpersonal

Contextual Performance (ECP)	and psychological environment that needs to exist to allow the technical core to operate. Can sometimes be viewed as relationship-based performance.
Host country	The country where the MNC has a subsidiary in. The MNC in this case will be referred to as the parent company.
International assignment	A specialised assignment or task for expatriates in a host country which can function as knowledge transfer, competence development, problem solving or career enhancement exercise for the assigned individual.
Anxiety	Generalised or unspecified sense of disequilibrium or 'imbalance'. It stems from the feelings of uneasy, tense, worried or apprehensive about what might happen.
Uncertainty	A cognitive phenomenon where it affects the way we think about strangers and depends on what we want to be able to predict, what we can predict and what we might be able to do about it.
Mindfulness	Being more open to new information and making more distinctions about a stranger's differences and adding more sub-categories rather than making general assumptions to our present mindset.
Norm of reciprocity	A felt obligation to reciprocate behaviours deemed of equal value to compensate initial positive behaviour.
Spillover effects	A working spouse's experiences carried over into the home; likewise, home experiences influencing a person's work life.
Power distance	The extent to which the less powerful person in a society accepts inequality in power and considers it as normal.
Collectivist	Collectivist cultures assume that individuals through birth and possibly later events belong to one or more close 'in-groups,' from which they cannot detach themselves. The in-

	group (whether extended family, clan or organisation) protects the interest of its members, but in turn expects their permanent loyalty. A collectivist society is tightly integrated.
Individualist	Individualist cultures assume individuals look primarily after their own interests and the interests of their immediate family (husband, wife, and children). An individualist society is loosely integrated.
Uncertainty avoidance	Refers to how comfortable one is facing ambiguous and risky situations.

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## **CHAPTER 1: INTRODUCTION TO RESEARCH**

*“The realization that he is white in a black country, and respected for it, is the turning point in the expatriate's career. He can either forget it, or capitalise on it. Most choose the latter.”*

(Paul Theroux 1967, p.15)

### **1.1 Chapter and Research Overview**

Despite the continuous pressure of cutting back costs and severe budget restrictions, international assignments remain a crucial aspect of multinational corporations' global strategy, even with their high costs. While multinational corporations (MNCs) must consider the advantages and disadvantages of hiring local employees for specific roles, there will always be a need for expatriate employees in the foreseeable future. In addition, the significance of an international assignment is amplified due to many MNCs considering an overseas assignment as a prerequisite for advancing one's career (Chen, Choi and Chi 2002). American expatriates alone, one of the highest deployed groups are estimated to be over two million people at any given time (McCallum and Olson 2004). Therefore, due to the importance of global assignments for both individual's career growth and MNCs' global success, much effort have been undertaken to ensure success in foreign assignments (Shaffer, Harrison, Gregersen, Black and Ferzandi 2006; Takeuchi 2010).

One of the most common reasons expatriates give for prematurely terminating their foreign assignment is poor cross-cultural adjustment or adaptation (Takeuchi, Yun and Tesluk 2002). Another reason given is family-related problems, i.e. the inability of spouse and children to adapt to the host country's culture, family instability and inadaptability and lack of language skills (Flynn 1995; Takeuchi et al. 2002; Tung

1987). Pomeroy (2006) stressed that 51% of expatriates had problems in performing in the host country (HC) because they lacked the ability to adapt to the various aspects of the host country. Judging on some of the common reasons for an expatriate's inability to adjust in the host country, there seems to be a common theme that links all these plausible reasons together. Expatriates' inability to adjust in the host country is predominantly caused by sociocultural factors and this inability to adjust is independent from the expatriates' professional work skills. Despite the general understanding that globalisation makes the world 'smaller', cultural differences and specific host country values and norms remain critical aspects that should not be overlooked by expatriating families.

Previous studies (Black, Gregersen and Mendenhall 1992; Takeuchi 2010; Tung 1981) have shown that the need to improve the ability to predict success of international assignments is vital because of the fact that many global assignments fail. Takeuchi (2010) further reiterates that it still remains a great mystery why some expatriates adjust well to the foreign environment when others fail miserably. These failures go well beyond monetary expense but also create negative impact on future interactions between MNCs and the host countries (Zeira and Banai 1985) and have repercussions for the expatriates' future career progression, self-esteem and prestige among peers (Mendenhall and Oddou 1985). Inability to perform on international assignment can also mean the possibility of damaging the MNC's reputation among its related entities; i.e. local government, suppliers, customers and communities (Black, Gregersen and Mendenhall 1992) and act as psychological barriers for expatriates to take up future assignments and concentrate on the existing ones (Hemmasi, Downes and Varner 2010). The rising number of failed assignments and the difficulty to pinpoint the probable reasons for these failures compound the need to accurately predict

expatriate performance in order to minimise premature returns and expatriate failures (Mol, Born and Van de Molen 2005).

On that note, it is highly crucial that a study on the adjustment of expatriates and their family members in the host country be undertaken to increase the predictive capability of ensuring expatriation success. Therefore, this research endeavours to increase the possibility of ensuring expatriation success by focusing on the support from the expatriate's multiple stakeholders such as the multinational corporations, host country nationals and family members; utilising their support to manage and minimise the feelings of anxiety and uncertainty that comes from being relocated to a new cultural environment and being mindful of these cultural differences to facilitate intercultural communication and cross-cultural adjustment. Theoretical elements and constructs investigated for this research will be provided in greater detail in chapters two and three. The following sections will explicate the research background and the motivation for undertaking this study and its possible contributions to the existing literature on expatriate research.

Despite expatriate related research spanning over three decades, it was not until in the late 1980s to the mid-1990s that they had gained momentum partly due to the globalisation of businesses where expatriates are deployed for numerous reasons ranging from trouble shooter, knowledge transfer, structure reproducer and to jumpstart subsidiary operations (Takeuchi 2010). Hays (1974) in his seminal article categorised expatriate selection according to the environment, the task and the individual. The environment is referring to the host country where the MNCs have operations, the task denotes what needs to be done at the specific subsidiary and warrants the expertise of expatriates and lastly, the individual signifies the type of expatriate that is suited to the environment and the task.

Hays (1974) noted that the environment and task are always neglected by MNCs, instead only historically focusing on the individual due to the fact that this element is the most controllable one. Nevertheless, despite not accorded the attention that is needed, the other two elements are just as important because the interaction of all three, if managed well could maximise expatriation success. Black (1988) and colleagues (e.g. Black and Stephens 1989; Black and Gregersen 1991a, 1991b; Black, Mendenhall and Oddou 1991; Black and Porter 1991) have helped pave the way for more interest in the field of expatriate research. The adjustment model put forth by Black, Mendenhall and Oddou (1991) remains the most cited and most influential model to explain theoretical elements of expatriate experiences in a host country (Bhaskar-Shrinivas, Harrison, Shaffer and Luk 2005; Chen 2010).

The main issues discussed in expatriate related research could be summarised by the meta-analytic reviews by Hechanova, Beehr and Christiansen (2003), Bhaskar-Shrinivas et al. (2005) and Takeuchi (2010). In a meta-analytic review of antecedents and consequences of adjustments of foreign assignments, Hechanova, Beehr and Christiansen (2003) viewed adjustment as a 'temporal' or primary outcome on expatriates' assignments, which in turn are a precursor to the development of distal adjustment related outcomes such as job performance, job satisfaction, commitment, strain and intent to return early. They identified five common predictors of successful adjustment which consist of self-efficacy, family adjustment, interaction with host country nationals (HCNs), interpersonal skills and language skills. Out of these predictors, three factors necessitate the need to interact with the people around the expatriates whilst on assignments. This emphasises that expatriates, who often regard themselves as just passing through their country of assignments should immerse

themselves with the local surroundings in order to gain trust and appreciate what the country has to offer (Boxberger 1997).

Hechanova et al. (2003) further reiterates that despite MNCs' heavy reliance on technical skills as the main criteria to hire expatriates, previous studies have proven that interaction with the HCNs can, to a great extent help to reduce uncertainty and facilitate adjustment in the host country. Schell and Solomon (1996) concurred and urged MNCs to also include individual and family factors as criteria to select expatriates for overseas assignments. Continuing from where Hechanova and colleagues (2003) left off, Bhaskar-Shrinivas et al. (2005) found that sociocultural adjustment is the underlying construct that helps to predict costs and rewards of expatriation to expatriate individuals, trailing family members and the MNCs. They tested five antecedents of adjustment in the form of anticipatory, individual, job, organisational and non-work factors and found that these factors influenced all or some facets of job satisfaction, withdrawal cognitions, task performance, relationship performance and overall performance. Bhaskar-Shrinivas and colleagues (2005) stressed that although previous international experience up to some degree is advantageous to aid adjustment, it is the quality of experience and the contextual factors in the host country that are critical in determining how well expatriates adjust. Length of time spent in the host country should only be seen as enhancing work adjustment but cannot be construed as an indication of how well the expatriates know the host country's sociocultural elements.

Evidence from Bhaskar-Shrinivas et al. (2005) indicate that despite being one of the most researched variables to predict expatriate performance, adjustment leaves 85% to 90% of unexplained variance in performance. Au and Fukuda (2002) urge researchers to include social ties and informal network structures of assignees and the

HCN colleagues as a predictor of performance. Echoing the earlier findings by Hechanova et al. (2003), Bhaskar-Shrinivas and colleagues (2005) contend that expatriates should cease viewing expatriation as a temporary set-up in their career because this perception may create an underlying resistance to learning the norms and values of the host culture. They also emphasise the importance of relational skills for expatriates because expatriates on the periphery of their work units' social networks may be less likely to receive local job knowledge. This view is further supported by Varma, Pichler, Budhwar and Biswas (2009) where a study on Chinese HCNs revealed that the locals are more favourable and willing to provide assistance to expatriates who are deemed to be in their in-groups. Consequently, MNCs and expatriates are therefore urged to tap into the wealth of information that only HCNs possess in order to successfully operate in the host country (Toh and DeNisi 2007; Vance, Vaiman and Andersen 2009).

In a recent review of expatriate adjustment, Takeuchi (2010) postulates that despite extensive studies that span more than three decades, most of the expatriate-related research has been predominantly 'expatriate-centric' and have neglected other expatriate stakeholders that include accompanying spouse, host country nationals and the parent company or MNCs. These stakeholders can affect expatriates or are affected by the expatriates' actions thus it is apt that expatriate-related research scope is extended to include these primary stakeholders. By extending the boundary of the research scope, there is a possibility that an enhanced understanding of the reasons why some expatriates still do not perform while on assignments would be achieved due to the influence of these stakeholders. Takeuchi (2010) further notes a trend that can be assumed from the meta-analytic reviews by Hechanova et al. (2003) and Bhaskar-Shrinivas et al. (2005) is the concentration on adjustment as an end itself and

not as a means to an end. Takeuchi (2010) proceeds to advocate that more significance should be placed on the consequences of expatriate adjustment which may include poor performance, disillusionment with parent company support and possible consequences on other elements of their social circumstances (Harrison, Shaffer and Bhaskar-Shrinivas 2004). Takeuchi (2010, p.5) stresses that the introduction of multiple stakeholders in relation to expatriate adjustment and outcomes would be “beneficial to moving the field forward and develop a set of research ideas to illustrate potential future research directions.” He further suggests that looking from social-exchange and person-situation-interaction perspectives are some good ways to link these different multiple stakeholders to the existing expatriate studies.

## **1.2 Research Background**

Based on the above analysis, there is a consensus emerging which indicates that expatriates should not be studied as a solitary entity because expatriates may affect or be affected by the actions of others. These stakeholders can include but are not limited to accompanying family members, parent company or the MNCs and the host country nationals (Takeuchi 2010). Previous studies (Black and Stephens 1989; Caligiuri, Hyland, Joshi and Bross 1998; Fukuda and Chu 1994; Haslberger and Brewster 2008; Hays 1974; Lazarova, Westman and Shaffer 2010; Shaffer and Harrison 1998; Tung 1984) have advocated the inclusion of family members’ well-being and adjustment to be studied alongside expatriate adjustment as family members normally experience the stress linked to relocating to a new environment abroad. Therefore, the inclusion of family members’ adjustment and linking them with expatriate-related adjustment antecedents and consequences is a step in the right direction to examine a more holistic picture of relocating expatriate families.

There are various reasons why MNCs send expatriates on foreign assignments. These may consist of fulfilling the roles of knowledge carrier, transfer facilitator, boundary spanner, trouble-shooter and liaison (Fang, Jiang, Makino and Beamish 2010). The pressure to execute these roles is exacerbated by non-work factors like family adjustment and cultural novelty (Bhaskar-Shrinivas et al. 2005). Colakoglu and Caligiuri (2008) contend that operating in a culturally distant country increases the possibility of deploying expatriates. However, the dependency on expatriates in a culturally distant country is negatively correlated to subsidiary performance; so much so that the subsidiary's performance is compromised due to the ethnocentric approach that the MNC engages in. Regardless of the specific role that expatriates are expected to fulfil in the host country, expatriates are first and foremost the representative of the MNCs whose actions will be closely monitored by the local entities and construed as a reflection of the MNCs. As a result, the MNCs' reputation will be at stake whenever expatriates are deployed to fulfil their intended roles in the host country. In light of this 'intermediary' role that expatriates play, MNCs are constantly pursuing for the key success factors that could enhance expatriates' adjustments and contribute to better performance whilst on assignments.

Past studies (Toh and DeNisi 2007; Vance, Vaiman and Andersen 2009; Varma, Toh and Budhwar 2006) found support for the role information and liaison role that HCNs play in facilitating expatriate adjustment and integration into local work and social environment. Long gone are the days of expatriates coming in to a host country and expecting the HCNs to blindly follow instructions to the letter. Further studies have documented evidence that expatriates were not functioning effectively due to not getting sufficient cooperation from the local employees thus making it impossible for them to effectively transfer the knowledge from the parent companies to the

subsidiaries (Adkins and Naumann 2001; Louis 1980; Toh, Varma and DeNisi 2004; Varma et al. 2009). Most of the time, making the newly relocated expatriates feeling more at home in a host country is not considered as a formal job function of the HCNs and boils down to the willingness of these employees to impart some valuable local knowledge that they are privy to (Varma et al. 2006). Recent studies (Bonache, Sanchez and Zarraga-Oberty 2009; Vance et al. 2009) have urged MNCs to include and consider HCNs when deploying expatriates to the subsidiaries because it is crucial that these HCNs have favourable perception of the newly appointed expatriates for smoother transition of the parent company's policies and work practices to the subsidiaries. This also gives impetus to the significant role that the HCNs play in facilitating the integration of expatriates into the subsidiary's work environment.

Takeuchi (2010) notes that there is still a need to study expatriate adjustment despite gaining popularity over past decades partly because of the negative consequences that are linked to failed expatriations and the trend to deploy expatriates are predicted to continue in the foreseeable future. However, some critical issues remain to be addressed, for instance the inclusion of multiple stakeholders for expatriate research to move forward and not to be complacent and heavily treading on clichéd paths (Harrison et al. 2004; Takeuchi 2010). Black and Stephens (1989) define expatriate adjustment as the degree of fit, psychological comfort and familiarity that individuals feel toward the various aspects of foreign culture. Therefore, being adjusted to the host country means the expatriate needs to be accustomed to the new surroundings and finding a comfortable fit within all of the new cultural norms and values. Despite the attention that has been given on expatriate adjustment over the past couple of decades (Black 1988; Kraimer, Wayne and Jaworski 2001; Shaffer et al. 2006; Searle and Ward 1990), expatriates are still having problems attuning

themselves to the new surroundings. Many have resorted to isolating themselves from local culture for fear of making a mockery of the host country's cultural values and norms or were treated with prejudice stemming from the host units' resistance to expatriates (Florkowski and Fogel 1999; Richards 1996).

Relocating to a new environment, having to temporarily leave behind loved ones and having to start anew in an alien surrounding are some of the reasons why expatriates and their family members are overtly anxious and sometimes reluctant to take up international assignments (Borstoff, Harris, Field and Giles 1997). The crux of the issues surrounding taking up the expatriate position are the feelings of anxiety and uncertainty, not knowing what to expect in the host country both in work and non-work settings (Black 1988; Osland and Osland 2005). These feelings are not only felt by the novice; even the more experienced expatriates would tend to feel anxious of any new posting simply for the fact that no two cultures are alike and no amount of cultural training could sufficiently prepare expatriates for the real cultural situations. For seasoned expatriates, the pressure to acclimatise to a new surrounding is perhaps greater because there are higher expectations placed on them by the MNCs. In international assignments, expatriates often experience job uncertainty and stress due to the differences in language, cultural values and expectations of appropriate behaviours (Adler 2007). These uncertainties can also transcend to include non-work activities and situations where the relocating expatriate families are exposed to cross-cultural encounters the moment they set foot on foreign grounds (Brown 2008).

Black (1988) contended that in order to feel comfortable with the new culture, expatriates need to reduce their uncertainties and make some changes to their behaviours. Gudykunst (1988, 1993) concurred that anxiety and uncertainty are critical factors in understanding effective communication and intercultural adjustment. The

lesser the anxiety and uncertainty, the easier it is for expatriates to adjust to the new environment and continue with the roles and tasks that they are expected to fulfil and execute. Gudykunst (1993) reiterated that in any initial encounters, there bound to be anxiety and uncertainty because people tend to feel insecure and unsure of how to behave. Marris (1996) contended that “what constitutes uncertainty depends on what we want to be able to predict, what we can predict, and what we might be able to do about it” (p.16). Referring to the intercultural interactions as encounters between strangers and hosts, the feelings of anxiety and uncertainty are magnified in encounters that take place between people of different cultures because people are hyperaware of these cultural differences and tend to overestimate the effect of cultural identity while blurring individual distinctions (Gudykunst 1993). Gudykunst (1993) assumed that at least one person in an intercultural encounter is a stranger. Borrowing from Simmel’s (1908/1950) notion of strangers, strangers possess the contradictory qualities of both near and far simultaneously; physically they are close but they have different values and ways of doing things.

As such, expatriates and their family members can be physically close to the HCNs; however, how they lead their daily lives and how they execute their work could be poles apart. Herman and Schield (1961) contend that a lack of security which stems from being in a new situation is exacerbated with ignorance of the potentialities inherent in a situation, an unawareness of the means to reach a goal and the possible outcomes of the intended action increases the anxiety and uncertainty that strangers face in encounters with hosts. As such, to reduce the anxiety, uncertainty and the feelings of insecurity, strangers engage in behaviours that could help to manage the above feelings. However, some authors caution against the act of reducing or minimising anxiety and uncertainty contending that a certain amount of anxiety and

uncertainty will help to safeguard ourselves from others (Levine 1985), maintain power over strangers (Eisenberg 1984) or consistently motivate ourselves to communicate effectively with others (Gudykunst 2005).

The anxiety/uncertainty management (AUM) theory by Gudykunst (1988, 1993, 1994, 1995, 1998a, 2005; Gudykunst and Hammer 1988; Gudykunst and Kim 1997) was first coined to improve the quality of communication and adjusting to living in new cultures. The basic premise of the AUM theory is that when strangers (e.g. sojourners, expatriates) can manage their anxiety and uncertainty, they will feel comfortable with the host culture, which in turn will improve their intercultural adjustment with the hosts (host country nationals). Ideas for the AUM theory were formed based on the uncertainty reduction theory (URT) by Berger and Calabrese (1975) where the URT was extended to include intergroup communication (Gudykunst 1985). Culturally adjusted expatriates would most likely perform their tasks effectively (Black 1988; Black and Mendenhall 1990) and are able to achieve work and non-work satisfaction (e.g. Naumann 1993; Shaffer and Harrison 1998; Takeuchi et al. 2002), organisational commitment (Shay and Baack 2006; Takeuchi, Wang, Marinova and Yao 2009), minimise withdrawal cognitions (e.g. Shaffer and Harrison 1998; Wang and Takeuchi 2007) and performance (Caligiuri 1997; Kraimer et al. 2001; Kraimer and Wayne 2004; Shay and Baack 2006).

In relation to the above, Osman-Gani and Rockstuhl (2009) summarised that there are three general approaches that can be used to reduce the uncertainty, anxiety and stress that expatriates commonly face. The first is to directly reduce role ambiguity (Hechanova et al. 2003), the second is to increase individual coping capabilities (Bhaskar-Shrinivas et al. 2005; Osman-Gani and Rockstuhl 2006) and the third is to ensure that these expatriates have sufficient social support from those in their vicinity

(Gilley, Harrison and Shaffer 1999; Osman-Gani and Tan 2005). Gudykunst and colleagues (1988, 1993, 1994, 1995, 1998a; Gudykunst and Hammer 1988; Gudykunst and Kim 1997) via the AUM theory have identified many superficial causes that can influence the amount of anxiety and uncertainty that strangers (e.g. expatriates) experience in their interactions with host country nationals (HCNs) in the host country. The superficial causes include self and self-concept, motivation to interact with others and reactions to hosts. When the superficial causes are addressed, the anxiety and uncertainty that expatriates face while on assignments could be effectively managed thus increasing the possibility of effective cross-cultural communication and adjustment in the host country (Gudykunst 1998a).

Extending from the discussions above, in order to reduce anxiety and uncertainty, and to increase individual coping capabilities and reduce role ambiguity, it is only natural that expatriates and their families turn to those in their vicinity for support. Studies by Copeland and Norell (2002) and Harvey (1985) highlight that expatriates and their family members are constantly struggling with the loss of social support provided by family and friends and need the social support provided by the local community in order to lead normal everyday lives. Black and Gregersen (1991) concurred that with international assignments, due to typically having to separate from their routines and support structures, expatriates are more desperate to find a sense of continuity that could help them put things into better perspective. Other studies proposed that due to the changing nature of the environment, expatriates turn more to their organisations for support and the employer becomes more central to the employee's daily life (Eisenberger, Stinglhamber, Vandenberghe, Sucharski and Rhoades 2002; Guzzo, Noonan and Elron 1994). Hence, in light of the above, this research will investigate the influence of support from both MNCs and HCNs towards

the relocating expatriate families and the link to their cross-cultural adjustment in the host country.

To incorporate the suggested multiple stakeholder perspective by Takeuchi (2010), as antecedents to adjustment, support from both the MNCs and HCNs will be examined to ascertain the degree of influence they have on facilitating adjustment of the relocating expatriate families. The investigation of the support from the MNCs and HCNs are predicted to reduce anxiety and uncertainty which may stem from cultural differences due to relocating to a new country. When exposed to culturally related situations, the relocating expatriate families do not know what to anticipate and are unsure of the appropriate behaviours that are expected of them. Gudykunst (2005) contended that the basic process of communication is similar across cultures but each culture has predetermined rules for interpreting the content of communication. Therefore, expatriates who are well versed with the home country's way of executing tasks may feel flabbergasted when the same tactics would not apply at the subsidiaries. They also tend to have the constant nagging feeling that local employees are waiting for them to make mistakes and render them ineffective (Evans, Pucik and Björkman 2010). Spouses who are used to have their own careers will feel that they are rendered useless because they are in the host country accompanying their spouses and not on their own merits.

Haslberger and Brewster (2008) suggested that expatriate spouses would experience both overload and underload of cognitive demands due to the relocation; overload due to the demands of learning a new culture and the settling in of family life and underload due to more time on their hands and loss of professional status. Hence, being aware of the numerous support networks that are made available to them from the MNCs and the local community would make it easier for them to concentrate on

the task at hand. As for the accompanying family members, as at least 79% of expatriates are accompanied by their spouse whilst on assignments (Brookfield Global Relocation Survey 2010), it is beneficial to investigate how MNCs and HCNs could facilitate adjustment for the increasingly important group of people that tend to be overlooked (Haslberger and Brewster 2008; Copeland and Norrell 2002). Despite commonly believed as a good predictor and a major determinant of expatriate performance (Osman-Gani and Rockstuhl 2009), expatriate adjustment in relation to performance is seldom tested (Bhaskar-Shrinivas et al. 2005; Lazarova, Westman and Shaffer 2010). This research will investigate the influence of expatriate and the spouse cross-cultural adjustment on expatriate performance whilst in the host country.

To enhance interaction with the HCNs, cultural intelligence (CQ) will be investigated as a potential variable that could help to predict the understanding of cultural interaction and facilitate adjustment while in the host country, as suggested by Bhaskar-Shrinivas et al. (2005). Defined as a person's capacity to adapt to new cultural settings and a person's capability to adapt effectively to new cultural contexts, CQ acknowledges the practical realities of globalisation and focuses on a specific domain; i.e. intercultural settings (Earley 2002; Earley and Ang 2003). In addition, CQ is deemed as an important variable that is paramount to the reduction of anxiety and uncertainty and socially integrating in the host country's environment because the outcomes of culturally intelligent behaviours include good personal adjustment, good interpersonal relationships with culturally different others and effective task-completion goals (Thomas et al. 2008).

The main concept that is discussed in this research is that the reduction of anxiety and uncertainty will lead to better cross-cultural adjustment and effective intercultural communication; an idea that comes from the work of Gudykunst (1988,

1993, 1994, 1995, 1998a, 2005; Gudykunst and Hammer 1988; Gudykunst and Kim 1997) and referred to as the anxiety/uncertainty management theory. The two antecedents that are proposed to reduce both anxiety and uncertainty of the expatriates and their family members are support from MNCs and HCNs and cultural intelligence (CQ) knowledge and skill. Hence, this research will be focusing on the cross-cultural adjustment of expatriates and their family members with a special focus on support from both MNCs and HCNs and CQ as antecedents and a form of catalyst for successful cross-cultural adjustment and smooth transition for expatriates and their family members on international assignments. In addition, the research will also be focusing on the outcome variables, namely the expatriates' task and contextual performance as part of the outcomes of cross-cultural adjustment. The reasons why the above factors are chosen to be the antecedents and the outcome variables for this proposed study will be discussed in detail in the consequent sections. Although efforts have been made to gather a co-worker rating on expatriate performance to minimise self-rating bias, statistical findings have indicated that co-worker ratings were not significantly correlated with the rest of the constructs used in this research. Hence, expatriate self rating on performance was utilised instead. More explanation regarding possible reasons for this inconsistency and statistical details in this regard are provided in section 5.8 chapter five, section 7.4 chapter seven and in appendix 3.

This research will then focus on expatriates and their accompanying family members who are assigned to work by their organisations in Malaysia. Malaysia is chosen for numerous reasons, 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 forty countries to establish their operations in the country (Malaysian Industrial Development Authority

2009). This indicates that the country will continue to face an increase in the numbers of expatriates admitted in various sectors of employment. The growing trend in the number of expatriates and international assignments in Malaysia has heightened the need for research in order to understand how expatriates perform during their assignments in Malaysia. In addition, Malaysia which has a unique multicultural, multiethnic population would be an interesting location to investigate on cultural related variables so as to determine the impact of the host country environment on the relocating expatriate families especially on how the families would acclimatise to such a unique set-up.

### **1.3 Research Objectives**

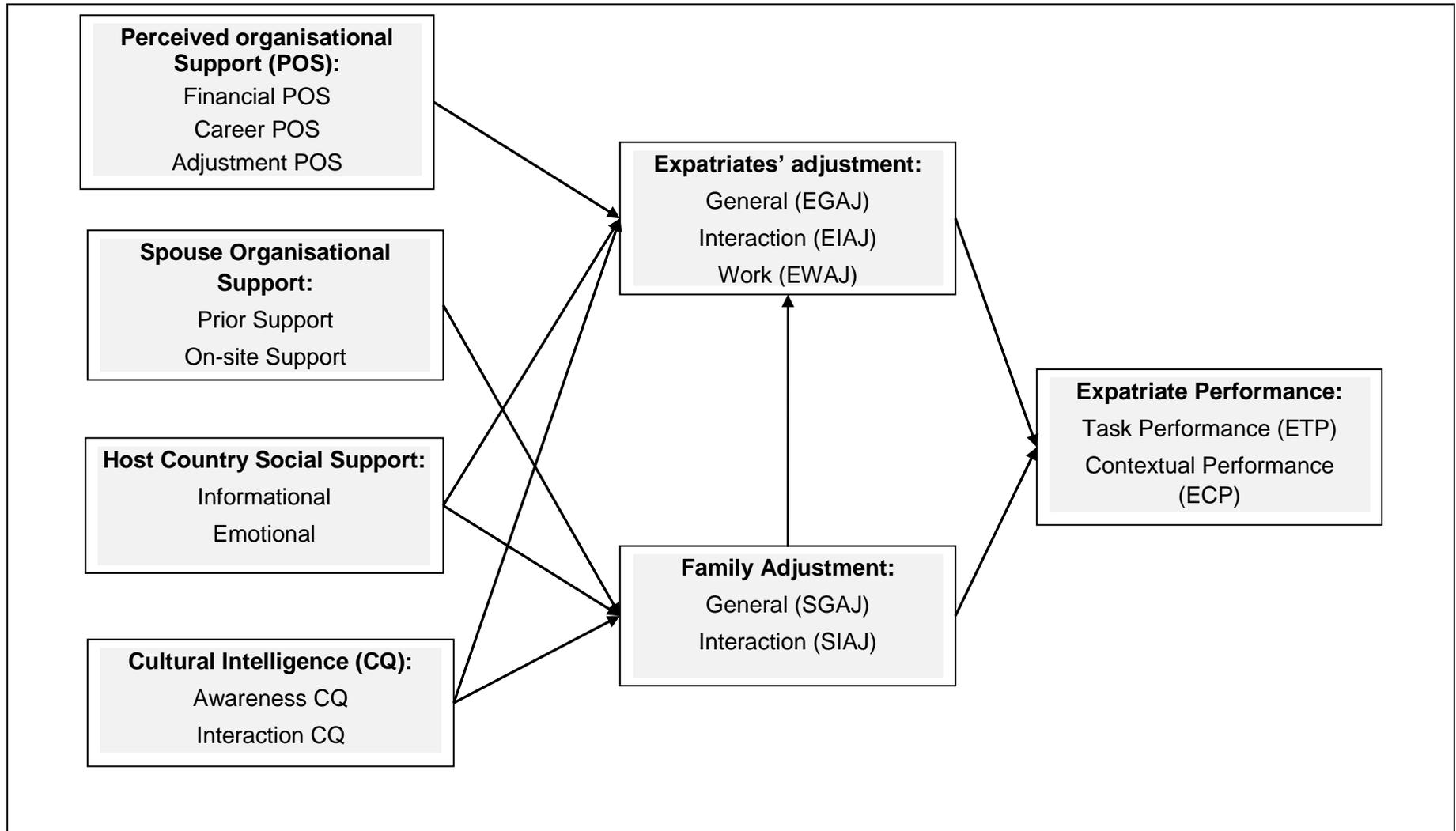
In light of the above, this thesis develops an integrative theoretical framework based on the central theme of AUM theory put forth by Gudykunst and colleagues where the basic assumption that managing uncertainty and anxiety is necessary and sufficient for effective communication and cross-cultural adjustment. Therefore, to effectively manage anxiety and uncertainty while in the host country, the following research variables are investigated to determine their influential links to both expatriate and their family adjustments and the expatriate performance as the ultimate outcome of the research. Hence, the objectives of this research are as follows:

- (1) To investigate the influence of MNCs' perceived organisational support (POS) on expatriate and spousal cross-cultural adjustment in the host country.
- (2) To determine the influence of HCNs' social support on the expatriate and spouse cross-cultural adjustment in the host country.

- (3) To investigate the effect of CQ skill and knowledge on both expatriate and spouse cross-cultural adjustment in the host country.
- (4) To ascertain the influence of expatriate and spouse adjustment on expatriate performance in the host country.
- (5) To establish the extent of spouse adjustment influences the expatriate adjustment.
- (6) To determine the type of organisational support offered by MNCs deemed significant to the expatriate family's social integration in the host country.

Figure 1.1 depicts the operational framework to achieve the above-mentioned research objectives. This framework will be detailed later at the end of section 3.8 (in Figure 3.1) of chapter three on hypotheses development.

**Figure 1.1 Operational Framework of Antecedents of Expatriate and Spouse Adjustment and Performance**



The antecedents put forth in this research are chosen specifically to contribute to the reduction of anxiety and uncertainty of the expatriates and the family members whilst in the host country. Consequently, when the anxiety and uncertainty are reduced and effectively managed, it is predicted that expatriates and accompanying family members have better understanding of the cultural issues that are prevalent in the host country. In addition, with better understanding of the intercultural encounters with the HCNs, the relocating expatriate families will be physically and psychologically more comfortable with their surroundings thus making it easier for them to predict and comprehend the actions of culturally different others (Hammer, Wiseman, Rasmussen and Bruschke 1992).

Gudykunst (1998a) reiterated that it is vital for strangers or expatriates to acknowledge how they manage their uncertainty and anxiety will influence their ability to adapt to the new culture. Without understanding this important link, expatriates would still be grappling to find ways to socially integrate in the host country's environment. Reduction of anxiety and uncertainty which originated from relocating to a new environment will eventually lead to less confusion when dealing with work and non-work activities and better execution of assigned tasks for the expatriates (Feldman and Thomas 1992; Fisher and Shaw 1994) and better sense-making, an increase in self-esteem and enhanced adjustment to the host country for the spouses (Black 1990; Shaffer and Harrison 2001; Yu, Yi, Chiao and Wei 2005). Kahn (1992) contends that expatriates who are devoid of anxiety will have a better opportunity to be fully engaged with their assigned duties and those who are fully engaged in their jobs would be more willing to open up to others. Lazarova, Westman and Shaffer (2010) claim that expatriates who are not fully adjusted would not be able to accurately predict what is expected of them and are most unlikely achieve meaningful participation in their roles.

#### **1.4 Expected Theoretical Contributions**

With regards to the suggestions put forth earlier, this research will be primarily based on Gudykunst (1988, 1993, 1994, 1995, 1998a, 2005) anxiety/uncertainty management theory and supported by social exchange perspective (Blau 1964; Homans 1961) and cross-cultural management perspective (Hofstede 1983; House, Hanges, Javidan, Dorfman and Gupta 2004) in order to improve cross-cultural adjustment and enhance intercultural interactions of expatriates and their family members while in the host country. Black (1988, 1990) and colleagues (e.g. Black and Gregersen 1999; Black and Stephens 1989) reiterate that successful cross-cultural adjustment comprised of the feelings of comfort, control and degree of familiarity within the host culture.

Maertz, Hassan and Magnusson (2009) contend that in order to improve expatriates' cross-cultural adjustment, it is vital to understand the psychological processes they go through while trying to 'fit in' with the host culture. Berry (1997) concurred that acknowledging the significance of understanding what causes this acculturative stress is a prerequisite to some level of identification with host nationals and the culture along with continued interaction with the locals. Gudykunst and Hammer (1988) claimed that acculturative stress stemmed from being cognitively unsure of how to behave (i.e., they have uncertainty) and experience the feeling of lack of security (i.e., they have anxiety) in intercultural encounters. Therefore, in conjunction with this, expatriates need to effectively manage these stresses and their feelings of anxiety and uncertainty in order to better perform in the host country.

Primarily based on the notion of AUM theory (Gudykunst 1993), this research would like to extend the current understanding of expatriate adjustment by including family adjustment and focussing on the two important elements which could enhance

intercultural communication and adjustment; support and CQ. Support from the MNCs and HCNs are investigated to draw attention to the influence of multiple stakeholders in expatriate research as expatriates should not be treated in isolation (Takeuchi 2010). CQ, a skill which is a recent addition to the wide array of skills that a successful expatriate manager should possess (Ang, Van Dyne, Koh and Ng 2004; Earley and Peterson 2004; Elenkov and Manev 2009), has been conceptually proven to facilitate adjustment, but lacks empirical evidence (see Lee and Sukoco 2010; Templer, Tay and Chandrasekar 2006 for exceptions). The concept of CQ has not been empirically tested on expatriate spouse adjustment, all the while tested on expatriates but overlooking the fact that spouses go through most or even more changes that the expatriates are facing in the host country (Haslberger and Brewster 2008).

Lee and Sukoco (2010) note that the issues of how CQ affects cultural adjustment, cultural effectiveness and expatriate performance have not been empirically validated. Thus, this research aims to empirically test the CQ variable on both expatriate and spouse adjustment in the host country. While only focusing on the first two superficial causes featured in Gudykunst's AUM theory: self-concept and motivation to interact, the antecedents chosen will depict the basic requirements that expatriates and the trailing family members need to better manage their anxiety and uncertainty whilst in the host country. Subsequently, reduction and better management of anxiety and uncertainty will lead to effective intercultural communication and cross-cultural adjustment and ultimately to better expatriate performance. Central to the AUM theory is the pervasive influence of cultural values and norms that are inherent in any country. To elucidate this influence, this research will utilise the findings of two renowned cultural related studies; dimensions of national culture (Hofstede 1985) and the GLOBE study (House et al. 2004) by linking the findings of both these studies (see

Hofstede 1985, House et al. 2004; Kennedy 2002; Lim 2001) with the findings of this particular research in emphasising that cultural issues are very much influencing how newcomers; in this case, the expatriates and their family members socially integrate into the work and non-work setting of a host country. Additionally, it is of extreme importance to recognise the influence of cultural aspects on how the expatriates and their family members acclimatise to the host country because cultural values and norms are aspects which are deeply ingrained in an individual since youth and are unlikely to change (Triandis 1994). Hence, it is important to find some common understanding between these cultural differences so that the expatriates, their families and the host country nationals could learn to look beyond these differences and find ways on how they could complement each other for the benefit of all parties concerned.

## **1.5 Structure of the Thesis**

This thesis consists of seven chapters and this introductory chapter will be followed by the theoretical framework chapter. The second chapter discusses the relevant theories which present the theoretical framework that guides the formulation of hypotheses investigated in this research. Chapter two also highlights the main theoretical perspective, the AUM theory by Gudykunst (1993) to give an overview of the reason why variables are chosen for investigation in this research. Chapter three discusses all the variables pertaining to this research with the clear intention of building a good foundation on which the hypotheses will be developed. The relevant literature pertaining to the variables used in this research will be presented in a sequential manner starting with the adjustment antecedent variables, followed by the cross-cultural adjustment variable and concluding with the adjustment outcome variable.

Chapters two and three will provide the direction of the research and help to identify research gaps and develop research questions that need to be answered. Chapter four, on the research methodology, explicates how this research is designed and gives justifications of the reasons why the research is undertaken in a specific manner. This chapter also deals with the issues surrounding using surveys as a method of data collection. In addition, this chapter summarises the number of responses gathered and the demographic profile of the respondents. It also discusses the various methods used to test for reliability and validity.

The consequent chapter, five, elucidates the findings gathered from the data analysis and from the hypotheses tested. This results chapter is presented in a sequent manner starting with the preliminary findings followed by the path analyses findings. For the purpose of clarity, the path analyses are divided into three categories: the combined expatriate spouse adjustment model, the expatriate adjustment model and the spouse adjustment model. Chapter six encompasses detailed discussions pertaining to the findings presented in the preceding chapter. The concluding chapter, ties all the chapters together for a coherent representation of the whole thesis. This final chapter summarises the findings gathered from this research and suggestions are offered for both theoretical and practical purposes. In addition, this chapter also addresses any present limitation that can inhibit the viability and generalisability of this research. Finally, this chapter concludes with several recommendations that are feasible for future research endeavours in order to move the research field relevantly forward.

## **1.6 Summary**

This chapter gives an overview of the thesis and summarises the main ideas that underpins the variables that would be studied in this research. Additionally, this chapter sets the background for the ensuing chapters and gives a general understanding of how this research will be undertaken and what objectives it would like to fulfil.

## **CHAPTER 2: THEORETICAL FRAMEWORK**

### **2.1 Chapter Overview**

This chapter is divided into two sections. The first section outlines the relevant theories that underpin the research ideas behind the variables investigated in this research. The first section further develops the research aims presented in the first chapter (i.e. to determine the influence of support and cultural intelligence on the adjustment of expatriates and their families while in the host country). The second section reviews the literature and present pertinent information on Malaysia with regards to the scope of this research. This section gives a brief overview of why Malaysia is chosen as the venue of this research and to provide information on previous research that were based on expatriate-related aspects in Malaysia. Both these sections would be significant in providing a foundation on which the remaining chapters of this thesis will be based. Ultimately, this research aims to determine whether the antecedents proposed in this research have influence on the expatriate performance.

This chapter commences with an introductory section dedicated to give an overview of the expatriate research field before embarking to explicate the encompassing theory, the anxiety/uncertainty management (AUM) theory proposed by Gudykunst (2005) that forms the basis of discussions for the variables examined in this research. The antecedents of adjustments probed are in the form of support from the multinational corporations (MNCs) and the host country nationals (HCNs) and the cultural intelligence (CQ) skills that an expatriating family may possess. The type of host country adjustments are in the form of general, interaction and work adjustments for the expatriates and general and interaction adjustments for the expatriate spouses.

The adjustment outcomes examined are both contextual and task performance of the expatriates whilst in the host country (HC). This chapter's emphasis is then to provide a thorough explanation on justification of the chosen antecedents. The adjustment and performance variables are only explained in passing as the main aim of this research is to investigate the variables that could enhance adjustment and performance and not the outcome itself. The ensuing sections explicate the theoretical concepts applied in this research. More information on the second part of this chapter will be detailed at the end of the first section.

## **2.2 Introduction to the Expatriate Research Field**

Expatriate is simply defined in the Oxford Dictionary as a 'person who lives outside of his native country'. In Latin, 'ex' means out of and 'patria' is motherland. In a study by Harrison, Shaffer and Bhaskar-Shrinivas (2004), expatriates are defined as 'employees of business organisations who are sent overseas on a temporary basis to complete a time-based task or accomplish an organisational goal' (p.203). Going along these lines, Pucik and Saba (1998) define expatriate as an executive who is able to assume a leadership position in fulfilling international assignments across countries and cultures whether for specialised functional positions to 'fix' problems or for career enhancement. Based on the above definitions, this research is defining expatriates as specially chosen individuals that are sent temporarily on international assignments abroad and are expected to fulfil specialised organisational function or career enhancement exercise across countries and cultures.

The reasons why companies send their executives abroad on international assignments are varied. Evans, Pucik and Barsoux (2002) have classified expatriates according to the duration sent and assignment purpose i.e. knowledge transfer,

competence development, problem solving or career enhancement. Mirroring the above classification, Armstrong and Murlis (2007) segregate the need for expatriate deployment into three categories; normally for developmental, management function or skills transfer. Basing on the above motives on why an expatriate is sent abroad, one can assume that an expatriate is sent on an assignment with the main objective of fulfilling the motives that are parallel to his/her skills, experience and the duration that the candidate has served in the organisation. Therefore, one can further assume that an expatriation is like a cycle; a novice will start with competence development then going up one step further with knowledge transfer while those who are ranked as seniors will go as a problem solver to 'fix' things in the newly opened subsidiary or to revive a troubled one. Fulfilling the motives of career enhancement would involve expatriates of all stages as foreign assignment experience would definitely be an added advantage on one's curriculum vitae.

With globalisation and the opening of borders for foreign direct investments or other strategic business partnerships between foreign and local partners, the need for expatriates in fulfilling any of the above-mentioned roles would escalate and any changes in forms of assignments would be reflective of current economic conditions. However, the most important factor that an organisation has to consider is whether the deployment of an expatriate is justified. Previous research has shown that expatriation costs are skyrocketing with an estimation of between US\$250,000 to US\$ 1 million (Hill 2001), depending on the level of the manager concerned and the speed of getting a replacement which would further escalate in terms of both quantifiable and additional costs in the long run (Storti 2001). Shaffer et al. (2006) claim that replacing an expatriate who returns early whilst on assignment would reach US\$250,000. It is very difficult to pin down a figure that could represent the cost involved in sending

expatriates on international assignments but Armstrong and Murlis (2007) have come up with several recommendations in order for organisations to devise competitive salary packages for expatriates which would be fair to expatriates and as a guideline for organisations to ascertain the would be costs for sending expatriates on assignments. Organisations devising remuneration packages for expatriates should consider the following for a fair policy; expatriates should be neither better nor worse off when taking up a job offer and their presence in the host country should be justified with higher responsibility that could not be undertaken by a local employee and commendable performance that cannot be achieved through other means.

The most important factor that organisations have to get out of an expatriate deployment is the cost effectiveness factor; the expatriates should be providing the organisations with the fulfilment of duties and responsibilities that would justify the costs involved in sending them on assignments. In addition, according to Armstrong and Murlis (2007), apart from the base salary, expatriates are entitled to some form of allowances that could compensate for the hardship of relocating to a different country or enduring the different conditions expatriates working abroad are subjected to which may include cost-of-living, relocation and incentive premium allowances and relevant benefits such as the cost of educating children and rest and recuperation leave after working in a high hardship territory. Therefore, by providing expatriates with the base salary, allowances and benefits that are common in expatriate assignments, the costs involved in sending expatriates on assignments would be 3 or 4 times that of a package in the home country (Armstrong and Murlis 2007).

Much has been said about expatriate failures in previous studies (Flynn 1995; Takeuchi, Yun and Tesluk 2002; Tung 1987), however many may still argue that the failure rates are not as high as previously claimed (Daniels and Insch 1998; Forster

1997; Harzing and Christensen 2004). Reasons such as premature returns (Mendenhall and Oddou 1985), inability to function effectively (Tung 1981), returned early due to poor adjustment and job dissatisfaction (Black and Gregersen 1999), cross-cultural adjustment problems (Harzing and Christensen 2004) and low productivity (Fukuda and Chu 1994) have been used to constitute expatriate failure. However, Harzing and Christensen (2004) argue that although many studies have been devoted to the understanding of expatriate failure concept, in reality the problem lies in not having a group of definitions that could be used to describe a failure that may be different for each expatriate depending on other surrounding circumstances. Therefore, a more accurate definition that could truly define what constitutes an expatriate failure is not possible given the ever-changing context of expatriation.

The Oxford dictionary defines a failure as a 'lack of success and the omission of action that is required or expected'. Based on this definition, an expatriate is considered a failure when there is a lack of success in achieving actions that are required or expected from an expatriate. Going back to the definitions that were given earlier from previous scholars, there are elements of the dictionary definition in how scholars have defined what is considered as a failure. While the expatriate related research field has not been deprived of the various definitions of failure, a systematic understanding of the concept of expatriate failure seems to be lacking (Harzing and Christensen 2004). It can prove difficult to relate this to the main reasons for considering an expatriate as opposed to hiring a local employee; knowledge transfer, competence development, problem solving or career enhancement (Evans, Pucik and Barsoux 2002). For instance, one is expected to transfer his/her knowledge and skills to the other employees in the local subsidiary, but to what extent does one know that the transfer has taken place and whether the knowledge transferred is sufficient and

meaningful for to locals? It is not as clear as one would expect which can pose a problem for organisations in determining whether an expatriate has been successful in the assigned responsibilities abroad. Since what is expected of the expatriates is considered subjective, it is very important for organisations to clearly provide sufficient and specific information as to what the organisations require an expatriate to accomplish.

Normally, when an employee is being offered an expatriate position, the organisation will come up with written documents that state the nature of the contract, the duration, the responsibilities involved and a remuneration package, however, the organisations and the employee might not be on the same page regarding their expectations (Harzing and Christensen 2004). Going further, the mismatch in terms of what is expected of an assignment may pose a problem for an organisation to ascertain whether an expatriate has succeeded or failed in the assigned role abroad. Therefore, in order to be fair to all parties involved, an expatriate's performance should be reviewed contextually; with the reason for deployment of expatriates seen as something that changes accordingly with reference to the human resource practice of expatriate selection, training and appraisal and compensation (Harzing and Christensen 2004).

Bhaskar-Shrinivas and colleagues in their 2005 study have listed expatriates' failures deemed by organisations hiring them as suggested by previous researchers below. First, is the non-performing or under-performing expatriates where the hired expatriates were not up to the expectations of the MNCs (Bhaskar-Shrinivas et al. 2005). Next is premature return when the expatriates returned without completing the full term assigned to them (Harzing 1995). Going further down the list, an expatriate is considered a failure when there is a mismatch between the expatriate and the job

requirements. Fourth is lack of integration with the host country i.e. with the environment, locals and the cultural aspects. This simply means that for the three or four years that the expatriates were in the host country, the expatriates were living in an 'expatriate bubble' closed off from the day-to-day integration with the host country environment (Bhaskar-Shrinivas et al. 2005). Looking from an economic point of view, MNCs will consider the expatriates as failures if the costs of hiring the expatriates were more than what the company gains in terms of economic return (Groh and Allen 1998). The sixth type of expatriate failure is when the expatriates are experiencing cross-cultural problems where they are unable to perform to their fullest ability. The final type of expatriate failure is when the expatriates contribute to dysfunctional turnover, at least from the company's view. This happens when the company experience loss of human resources when performing expatriates have been 'poached' and accepted job offers from competing companies.

Extending the above suggestion, the definition of expatriate failure of this research will mirror the definition put forth by Harzing and Christensen (2004) who suggested the definition of expatriate failure as 'the inability of the expatriate or repatriate to perform according to the expectations of the organisation' (p.625). In addition, for this research, an expatriate is also considered a failure when he/she is unable to socially integrate with the host country's environment and is deemed to be cost ineffective. Therefore, based on the above evidence on the importance of minimising expatriate failures, it is crucial to conduct research on the factors that could enhance expatriates' success factors; specifically on their adjustments, integration and performance whilst on assignment in the host country. As expatriates' inability to adjust has remained one of the biggest reasons for their failure (GMAC 2007), this research is going to investigate on two main variables: support from MNCs and HCNs and CQ

which are predicted to positively influence expatriates and their family members' adjustments as well as work-related performance in the host country. The following sections explicate the relevant theories that form the basis of the research framework, hypotheses development and future discussions.

### **2.3 Anxiety/Uncertainty Management (AUM) Theory**

Despite the exorbitant costs related to the hiring of expatriates and the recent flagging economic conditions, organisations are still convinced that the deployment of expatriates on international assignments is still one of the better measures to manage subsidiaries and this belief has resulted in the rising number of international assignees on assignments abroad (Deresky 2011; Olsen and Martins 2009). Therefore, it is imperative that organisations take the necessary measures to minimise any issue that could hinder expatriates from performing to their fullest capabilities thus ensuring higher success rates for international assignments. In line with this, this research would like to investigate variables that could possibly contribute to a more effective cross-cultural adjustment and performance in the host country. The following sections will elucidate the relevant theories and concepts that underpin the investigated variables.

One of the major determinants of expatriate performance effectiveness is how well they adjust to function effectively in the host country's culture (Osman-Gani and Rockstuhl 2009). Commonly defined as 'the degree of comfort or absence of stress associated with being an expatriate' (Bhaskar-Shrinivas, Harrison, Shaffer and Luk 2005, p.257), expatriate adjustment has always been a commonly researched variable and remains significant in ensuring expatriation success. Several authors support this by reiterating that expatriate adjustment is an important predictor of expatriate

performance (Bhaskar-Shrinivas et al. 2005; Hechanova, Beehr and Christiansen 2003). Shin, Morgeson and Campion (2007) share the sentiment and found support which assumed that expatriates need to adjust to new cultural environments by adapting their behaviour to fit the host country's cultural norms and values. Therefore, fitting in with the host country's environment seem to be the deciding factor that could encourage or hinder expatriate adjustment and performance. However, other expatriate studies have linked the quest to fit in with the new country's environment with increased feelings of anxiety and uncertainty and can be extremely stressful (Adler 2007; Black 1988; Gudykunst 2005; Sin et al. 2007). Therefore, we feel there is a need to understand what causes these feelings of anxiety, uncertainty and stress and how we could go about managing them thus increasing the chances of improving adjustment with regards to the host countries' cultural and social aspects and contributing to better expatriate job performance.

Based on the above findings, we have identified the anxiety/uncertainty management (AUM) theory developed by Gudykunst (1988, 1993, 1994, 1995, 1998a, 2005) and colleagues (Gudykunst and Hammer 1988; Gudykunst and Kim 1997) to help explain how the negative feelings associated with relocating to new environment be better managed and contribute to successful expatriation. The investigated variables chosen in this research would indicate the possible predictors that could influence adjustment and performance of expatriates in a host country. In international assignments, expatriates and their family members are exposed to new situations in which they are uncertain of which behaviours are acceptable or not (Adler 2007). Herman and Schield (1961) stress that the immediate psychological result of being in an alien situation is the feeling of a lack of security. Gudykunst (1998) contends that anxiety and uncertainty are critical factors that need to be understood well for effective

intercultural communication and adjustment to take place. Scholars suggest that reduction of uncertainty is the key to better adjustment and performance (Black and Gregersen 1991a; Gudykunst 1998) and Gudykunst (2005) further reiterates that by better managing the anxiety and uncertainty that we face in a new environment instead of just focusing on reducing them will lead to improved intercultural adjustment and effective communication.

Gudykunst (1995) assumes that in any initial interaction of people, it is a face-off between a stranger and a host. A stranger is somebody that has no knowledge of the host's background while a host is a member of the in-group. Borrowing Simmel's concept of the 'notion of the stranger' (1908/1950), Gudykunst (1991, 1995, 1998b) contends that the anxiety and uncertainty that people generally face in communicating is mainly due to communicating with people we do not know and who are in an environment unfamiliar to us. Simmel (1908/1950) views strangers as possessing the contradictory qualities of being both near and far simultaneously. Strangers represent the idea of being physically close but at the same time subscribe to different values and ways of doing things. Therefore, when a stranger meets a host in a new situation, their interactions will be characterised by anxiety and uncertainty. Berger and Calabrese (1975), in their uncertainty reduction theory (URT) identified two types of uncertainties that strangers experience in a new environment. First, predictive uncertainty where strangers are unable to foretell which of the several alternative behaviours that the hosts would employ and second, strangers would encounter explanatory uncertainty where they are unable to elucidate the reason why a host behaved in a certain manner. In addition, when strangers communicate with hosts, they will not only face uncertainties, but they also experience anxiety. Anxiety is the affect or emotional state of uncertainty (Gudykunst 2005). Turner (1998) defines

anxiety as a 'generalised or unspecified sense of disequilibrium or imbalance' (p. 61). It stems from feelings of unease, being tense, worried or apprehensive about what might happen. Similar to uncertainty, the anxiety level should be at the optimum level between the minimum and maximum thresholds to be useful in interactions with others. The right level of anxiety will motivate us to care about ensuring effective communication with strangers by processing information cautiously (Gudykunst, 2005).

Gudykunst (2005) claims that uncertainty is a cognitive phenomenon where it affects the way we think about strangers. He further argues the extent that what one values uncertainty varies across cultures, ethnic groups and individuals. In addition, Gudykunst (1991) emphasises that the maximum and minimum thresholds for uncertainties vary across cultures and individuals. Hofstede's national cultural dimension of uncertainty avoidance (1985) which refers to how comfortable one is when facing ambiguous and risky situations supports this notion. Gudykunst (1991, 2005) emphasises that one's uncertainty tolerance should be at the optimum level between the maximum and minimum thresholds to be beneficial in interactions with others. The optimal level of uncertainty would allow for a better prediction of a stranger's behaviours, making us more comfortable with the interactions but at the same time stopping us from being complacent knowing that there are some novelty situations that we might face in future interactions.

Gudykunst (1985b) utilises Berger and Calabrese's (1975) uncertainty reduction theory (URT) as a focal point for anxiety/uncertainty management (AUM) theory building. Gudykunst (1993) extends Berger and Calabrese's (1975) uncertainty reduction theory (URT) by highlighting the maximum and minimum thresholds that uncertainty and anxiety levels should be to make effective communication possible. Gudykunst (1998) assumes that communication is influenced by our cultures and

group memberships as well as structural, situational and environmental factors. Therefore, we need to be highly conscious of our communication and choose how we can communicate. Gudykunst (1995) incorporates Langer's (1989) concept of mindfulness to improve the AUM theory by highlighting that due to the anxiety and uncertainty that strangers face in communicating with the host, they tend to be overly cautious and more attuned to their feelings. Langer (1989) contends that being mindful allows us to be more open to new information and making more distinctions about the stranger's differences and adding more sub-categories rather than making general assumptions based on our present mindset. Langer (1997) states there are five ways where a person can be mindful; openness to novelty, alertness to distinctions, sensitivity to different contexts of messages, being implicitly and explicitly aware of multiple perspectives and orientation in the present. These behaviours are interrelated and would allow us to be more receptive to changes in situations and making us more aware of subtle cues in interactions with others that could help us to better predict, understand and explain the stranger's behaviours. Being mindful is making an effort to ensure that the other party share similar meanings about the messages that are being transmitted during interactions. The process of negotiating meanings to conversations becomes more complicated when the participants are native speakers of different languages or come from different ethnic or social classes (Gudykunst 2005).

Gudykunst's AUM theory (1988, 1993, 1994, 1995, 1998a, 2005) is distinct from Berger and Calabrese's uncertainty reduction theory (URT) (1975) on the following aspects. Firstly, AUM theory stresses on managing anxiety and uncertainty as opposed to reducing them. Second, the theory emphasises on ensuring the levels of anxiety and uncertainty that a person experiences are between the minimum and maximum thresholds to make communication with those of different culture more

effective. Thirdly, AUM theory utilises the concept of mindfulness where an individual is more open to new information and is more aware of alternative perspectives during interactions with others. AUM theory (see Gudykunst 1993) was designed to be a practical theory where individuals could apply it to improve the quality of their communication. In order to effectively explain the AUM theory, Gudykunst (1993) isolates the causes influencing effective communication and intercultural adjustment as basic causes and superficial causes. Basic causes are how we manage anxiety and uncertainty while superficial causes consist of a person's take on the following aspects; self-concepts, motivation to interact, reactions to strangers, social categorisation of strangers, situational processes, connections with strangers, ethical interactions, and anxiety, uncertainty, mindfulness and effective communication. The different causes that effect communication and adjustment in an intercultural setting are also influenced by cross-cultural variability across cultures. At this juncture, it is important to highlight the significance of ensuring successful interactions with strangers in a new environment.

Tajfel (1978) asserts that we as humans strive to portray the most positive self images to others as a way of protecting ourselves and to increase self-esteem. For expatriates who are regarded by the local employees as experts specially selected for international assignments, there is immense pressure for them to succeed whilst in the host country. A schematic representation of Gudykunst's AUM theory is provided in figure 2.1.

**Figure 2.1 – A Schematic Representation of AUM Theory**



*Source : Gudykunst (2005)*

The following theories are selected to complement the gist of AUM theory (see Gudykunst 1993) that advocate better management of anxiety and uncertainty which stem from interaction with culturally different others and will greatly improve communication and adjustment in a new environment. Consequently with better adjustment and communication, individuals could spend more time on achieving positive outcomes in terms of improved work performance, higher job satisfaction and

better interpersonal relationship with those in their vicinity. In order to manage anxiety and uncertainty that originates from the feelings of not knowing what to expect and having no control of situation, we have identified variables that could help assist the expatriating families becoming more attuned with the new environment. Support from MNCs and HCNs and being culturally intelligent are the identified predictors that could influence adjustment in the host country. There are more discussions on these variables in the following sections.

## **2.4 Support During Expatriation**

Previous scholars found support which proves that expatriates go through the processes of learning and exhibiting new behaviours in order to 'fit in' with the host culture, which for most of the time contribute to the reduction of acculturative stress (see Berry 1997; Black and Mendenhall 1990; Black, Mendenhall and Oddou 1991). Maertz Jr., Hassan and Magnusson (2009) contend that the pressure to 'fit in' with host culture becomes more complex when internal conflicts occur when culturally appropriate behaviours are inconsistent with a person's values, attitudes and beliefs of behavioural norms. The onus for expatriates to perform well and integrate with the host country's environments is very much expected by the MNCs and HCNs and has proved to be a challenging feat (Bhaskar-Shrinivas et al. 2005; Earley and Patterson 2004). Takeuchi (2010) asserts that expatriates' well-being and adjustment in the host country are very much linked to the expatriate-related multiple stakeholders in the form of spouse/family, parent organisations and host country nationals (HCNs) because the expatriates and the stakeholders do effect or are affected by the actions of the other party. Other scholars have proved that expatriates do rely on family members, organisations and HCNs to provide them with the desired support especially in the

initial stage of relocating to the host country (Kupka and Cathro 2007; Kraimer and Wayne 2004; Toh and DeNisi 2005). There seems to be a pattern of reciprocal behaviours which govern how one party behaves in regards to the other party and these exchanges of acts could possibly contribute to the better management of anxiety and uncertainty that is highlighted in the preceding Gudykunst's AUM theory (2005). The following sections explicate the theories that support this view.

#### **2.4.1 Social Exchange Perspective**

Simmel (1908/1950) remarks that social equilibrium and cohesion will not exist without the reciprocity of goods and service and all men are indirectly connected with the conducts of giving and returning the equivalence. Gouldner (1960) shares this view by stressing that the social functions of the norm of reciprocity is that it serves as a group stabilising function and also as a starting mechanism upon which social interaction is initiated. Indeed, in any society, people are continually brought together in new juxtapositions and combinations that will bring about new social systems which warrants for the utilisation of the norm of reciprocity to create social order (Gouldner 1960). With these new social systems, the norm of reciprocity obliges the one who first received a benefit to repay it at some time whilst simultaneously providing confidence to those who first impart valuables and such to be rest assured that they will be repaid in due course (Gouldner 1960). However, Gouldner (1960) and a few others (see Durkheim 1958; Parsons 1951) noted that with the norm of reciprocity, there is a possibility of reciprocity imbalance and assigning a value on the equivalence of exchanges. There will also be a problem when power differences might invite exploitation (Gouldner 1960). Although, initially there will be feelings of not being equally compensated, over time, the other party will respond with other means that will

replace the return of the original favour or risk the feeling of forever being indebted to the giver (Gouldner 1960). It is important to note that the norm of reciprocity's basic principle of 'one good turn deserves another' need not necessarily be a one-off thing. If implemented right, the reciprocal series of behaviours will span a certain period where once a stable relation of mutual gratification has been established, the system is self-perpetuating (Parsons 1951). Expatriates and their relocating family members who anticipate adjustment problems in the host country will thus turn their attention to those behaviours that they feel could be the starting mechanism of a social interaction. Takeuchi (2010) remarks that expatriates are in a unique position to be dealing with multiple stakeholders in the forms of MNCs, HCNs and family members while on assignments and any interaction, behaviour or the like should be harnessed to be beneficial to all parties involved. Blau (1964) contends that social exchanges can take place in a new setting although with similar actors. Therefore, whatever previous relationships that the expatriates have with the organisations, host country colleagues or the family members need to be seen in a different light during the course of expatriation due to differing circumstances. Reverting back to Gudykunst's AUM theory (2005), expatriates and their family members will engage in behaviours that could help them to reduce anxiety and uncertainty and ensuring social interaction and communication success would be one of the better alternatives.

Guzzo, Nelson and Noonan (1992) contend that expatriates and their organisations share unique and complicated employer-employee relationships where the organisations are extensively involved and have significant influence on employees' lives, both on and off the job from day one. Therefore, the sense of loyalty and commitment that expatriates show towards their organisations may be more than just repaying monetary benefits. Guzzo, Noonan and Elron (1994) conclude that more

often than not, much of what is provided to expatriates and their family members are explicitly intended to influence off-the-job experiences while on location. Subsequently, the terms of an employer-employee exchange may be quite broad and tend to be complicated. Guzzo, Noonan and Elron (1994) assert that expatriates and their employers share not just transactional contracts; i.e. normal work contracts that are stable over time and concern highly specific matters of narrow scope but also include relational contracts; contracts which go beyond monetary benefits and include personal, socioemotional and value-based considerations (Rousseau and Parks 1993). Relational contracts can be viewed as embodying the concept of a psychological contract, which is defined as matters pertaining to the unwritten expectations held by employers and employees about the nature of their exchange (Schein 1980). As such, particularly in unfamiliar circumstances like working in an overseas subsidiary, certain expectations may be met, but may also be subjected to perceptions of insufficiency. Consequently, the feelings of not being appreciated by their organisations intensify when the organisations are not providing the relocating families with they support that is badly needed (Guzzo, Nelson and Noonan 1992). However, Rousseau (1989) cautions that since a psychological contract tends to be overtly subjective, the meaning is defined by the individual and understood from the individual's viewpoint, employers tend to be judged based on the unmet expectations rather than what they had done and there is always an increased risk of violations and intense reactions to perceived violations. Therefore, it is plausible that expatriate related attrition may be due to perceived violations of the expatriates' expansive psychological contract due to the nature of their employer-employee relationship with the sending organisation (Rousseau 1989; Schein 1980). A detailed discussion of the theoretical stance of an employer-employee relationship is explicated in the following section.

#### **2.4.2 Perceived Organisational Support**

Eisenberg and colleagues (1986) developed the concept of perceived organisational support (POS) to explain the employee commitment to an organisation. POS, defined as an employee's global beliefs concerning the extent to which the organisations value their contributions and cares about their well-being and is believed to be the contributing element to increased feelings of commitment and engagement in positive behaviours that supports organisational goals (Wayne, Shore and Liden 1997). For expatriates, it is expected for them to maintain good relationship with their organisations especially when on assignments to ensure expatriation success (Rhoades and Eisenberger 2002). Blau (1964) and Rousseau (1989) note that the pattern of reciprocity between an employer and employee may take a longer time to develop because most employees place more focus on the long term approach to social exchange relationships in determining the perceived balance in exchanges.

POS can be linked to organisational support theory that supposes organisation's readiness to reward employees increased work effort and willingness to meet socioemotional needs will be reciprocated with a felt obligation to care about the organisation's welfare and to strive towards meeting or exceeding the organisations targets, goals and objectives (Eisenberger et al. 1986; Shore and Shore 1985). Thus, going back to the social exchange perspective (Blau 1964) and the norm of reciprocity (Gouldner 1960), expatriates would be more obliged to reciprocate with positive behaviours that go beyond the call of duty when organisations offer various support to the relocating expatriate families at a period when they would feel most vulnerable i.e. the initial stage of relocation. Other social theorists concur that resources received from others are more highly valued if they are based on discretionary choice rather than forced or based on circumstances that are beyond the giver's control. Such

actions would be viewed as a positive indication that the giver thinks highly of and respect the receiver (Blau 1964; Eisenberger, Cotterell and Marvel 1987; Gouldner 1960). Rhoades and Eisenberger (2002) conclude that organisational support theory also addresses psychological processes underlying consequences of POS. Firstly, POS supports the norm of reciprocity where upon receiving support from the organisations, there exists a felt obligation to be concerned about the organisation's welfare. This is then followed by positive behaviours contributing to the organisation's goals. Secondly, the positive feelings of belonging to the organisation would fulfil socio emotional needs by enhancing organisational membership and role status into the employees' social identity. Thirdly, POS should strengthen the employees' beliefs that their increased efforts in attaining the organisation's goals would be rewarded and acknowledged and this mutual respect goes beyond the scope of duty and would be beneficial for both parties.

It is important to note that the relationships between employer and employee which is formed based on mutual respect and trust would be more significant in contributing voluntary actions towards attaining the organisation's goals and objectives and the employees' personal career targets. One of AUM theory's superficial causes of anxiety and uncertainty highlights the importance of understanding the factors that contribute to the stranger's motivation to interact with culturally different others (in this case we are referring to the expatriating families). Linking this to the POS concept, an expatriate would feel more motivated to interact with the local employees when the MNCs provide suitable platforms that can foster social interactions with the local co-workers outside of the workplace prior to officially reporting for duty at the subsidiary. Argyyle (1991) contends that cooperating with HCNs to attain company's goals when there is institutional and normative support for interacting with strangers would result in

the decrease of anxiety and increase confidence in predicting the strangers' behaviours. Consequently, this newfound confidence in predicting the strangers' behaviours would very much likely assist expatriates in executing their daily operational tasks and would be very valuable in future interactions of the same nature.

### **2.4.3 Host Country Support**

The current dominant model of expatriate adjustment (see Black, Mendenhall and Oddou 1991) has found evidence that HCNs may play a role in providing support that could assist expatriates' adjustments in the host country (Olsen and Martins 2009). Other researchers have provided empirical evidence on how HCNs might contribute to these adjustments or the relevant factors that might advocate or hinder HCNs' willingness to provide support to expatriates (Toh and DeNisi 2003, 2005; Varma, Budhwar, Pichler and Biswas 2009; Varma, Toh and Budhwar 2006). It is important to emphasise that the nature of the contact with the HCNs affects the amount of anxiety and uncertainty one experiences (Gudykunst 1988). This contact can be intimate, pleasant and share common goals or can be the opposite, both can set the tone for future interactions. As interaction with HCNs would potentially be the most common type of interaction that are expected by the MNCs (see GMAC 2007), it is important for the expatriates and their family members to ensure that these interactions, be it to transfer technology, knowledge and organisational culture, building local business relationships or going about with their daily lives, are pleasant and free from cultural faux pas for all parties concerned (Olsen and Martins 2009).

Social identity theory (SIT; Tajfel and Turner, 1979; Turner, 1985) offers a theoretically-robust explanation on understanding HCN support and how individuals derive their sense of self through social groups. At its basic inception, SIT seeks to

explain intergroup behaviour and is based on the assumptions that individuals seek a positive self-concept, group memberships tend to carry with them socially defined positive or negative evaluations and individuals evaluate their own groups by way of comparisons with other groups (Tajfel and Turner 1979). One important contribution of SIT is the provision of explaining why there is favouritism shown toward one's own group whilst discriminatory acts are exhibited against the relevant out-groups (Tajfel and Turner 1979). Ashforth and Mael (1989) argue that these biases against a particular group have important implications in organisations and gives impact on facilitation or inhibition of cooperative and supportive behaviours towards a newcomer. Hogg and Terry (2000) and Turner (1985) contend that at the personal level, individuals tend to categorise themselves into groups and as a result, their so-called group memberships are more widely used in order to categorise them to be members of in-groups or out-groups. This group prototypicality is more evident as a basis for others to form judgements thus influencing their willingness to be associated with and to render assistance to an individual.

Based on this premise, previous studies have attempted to explain expatriates' experiences with HCNs ranging from HCNs' classification of the expatriates as a member of in-group (Toh 2003), HCNs' organisational citizenship behaviour and facilitation of expatriates' adjustments (Toh and DeNisi 2003) and theoretical explanation on which HCN behaviour towards expatriates are explicated (e.g. Toh and DeNisi 2003; Varma et al. 2006). Tajfel and Turner (1979) assert that in the initial stage, it is highly likely that the salient and most observable characteristics such as demographics will be used for categorisation purposes because these characteristics are 'observable or readily detectable attributes' (Miliken and Martins 1996, p.403). Therefore, based on their salient characteristics i.e. demographic variables, expatriates

would be judged as a foreigner or a member of the out-group, making them more vulnerable to be considered as an outsider and treated as such in the eyes of the HCNs (Toh and DeNisi 2003, 2005; Varma et al. 2006). Olsen and Martins (2009) claim that this initial categorisation can work for or against the expatriates based on the cultural related aspects of a particular country. For example, some cultures view foreigners as part of a prestigious group thus affording and going out of the way to make them feel welcomed. On the other hand, others who are more collectivist-inclined such as Asians, seem to regard membership to the in-groups as a privilege, by invitation and may take some time. Ashforth and Mael (1989) reiterate that the initial categorisation of members will prevail unless there is a stronger bond of identity; i.e. organisational identity, that could be shared amongst members and override the initial salient identity categorisation thus changing how members view other members and upgrade their social mobility status (Tajfel and Turner 1979).

SIT (Tajfel and Turner 1979) posits that individuals strive to portray the most positive self-images so that others will categorise them favourably thus leading to increase in their self-esteem. Based on the need to be included in the in-groups, individuals tend to be more motivated to interact with others (Turner 1988). Gudykunst (2005) link this motivation to interact with others as fulfilling four needs central to AUM theory (see Gudykunst 2005); (1) our need for a sense of predictability (or trust), (2) our need for a sense of group inclusion, (3) our need to avoid or diffuse anxiety, and (4) our need to sustain our self-conceptions. Thus, in this case, expatriates, recognising the importance of HCNs as a significant informational source and liaison to the local networks (Pyöriä 2007; Toh and DeNisi 2005, 2007; Vance and Ensher 2002; Vance, Vaiman and Andersen 2009) would make efforts to engage in behaviours that could increase their chances to be included in the in-groups. Turner (1988) reiterates

that by actively seeking ways to minimise the gaps between in-groups and out-groups, individuals will engage in behaviours that are going to help them manage their anxiety and uncertainty thus making strangers' behaviours more predictable. This will consequently lead to helping them making informed judgements of behaviours that are acceptable for a particular group.

It is important to make sure that efforts to understand strangers' behaviours and ensuring anxiety and uncertainty are reduced and managed as suggested by Turner (1988) are in line with the gist of AUM theory by Gudykunst (1988, 1993, 1994, 1995, 1998a, 2005) and colleagues (see Gudykunst and Hammer 1997; Gudykunst and Kim 1997) whereby individuals who are more attuned with the behaviours surrounding them are more susceptible to better adjust to new environments. Therefore, expatriates who view relocating and adjusting to a new environment as a big obstacle in their expatriate careers (Bhaskar-Shrinivas et al. 2005; Hechanova, Beehr and Christiansen 2003) would be more apprehensive of the appropriate behaviours that they should exhibit in a cross-cultural encounter, thus expending more effort and energy to learn them. Coupled with the drive to portray a positive image to be accepted by the in-groups as advocated in the social identity theory (Tajfel and Turner 1979), the relocating expatriate families would be inclined to observe the behaviours around them and try to emulate them. The act of observing and emulating the behaviours of those in their vicinity is the basic principle of social learning theory put forth by Bandura (1977). Bandura's social learning theory (SLT) has perhaps become the most influential theory of learning and development that justifies direct reinforcement could not be accounted for all types of learning. Bandura (1977) argues that people can learn new information and behaviours by watching other people. Known as observational learning (or modelling), this type of learning can be used to explain a wide variety of behaviours.

Bandura (1977) identified three basic models of observational learning: (1) A live model, which involves an actual individual demonstrating or acting out a behaviour; (2) A verbal instructional model, which involves descriptions and explanations of a behaviour; and (3) A symbolic model, which involves real or fictional characters displaying behaviours in books, films, television programs, or online media.

Bandura (1977) claims that an individual's learning and behaviour are influenced by external, environmental reinforcement and intrinsic reinforcement such as pride, satisfaction, and a sense of accomplishment. This emphasis on internal thoughts and cognitions help connect learning theories to cognitive developmental theories. Despite the fact that fellow behaviourists (e.g. Sears 1951; Yarrow and Yarrow 1955) believed that learning led to a permanent change in behaviour, Bandura (1977) contends that observational learning demonstrates that people can learn new information without demonstrating new behaviours. Not all observed behaviours are effectively learned. Factors involving both the model and the learner can play a role in whether social learning is successful. Certain requirements and steps must also be followed. Observational learning and modelling process has four components. Each of these components has a role to play either in the acquisition of information about events and of rules or in the decision to put this information to use in guiding behaviour. The following steps are involved in the observational learning and modelling process: (1) Attention – in order to ensure learning takes place, full attention is warranted. Any distractions would cause negative effect on observational learning. The possibility of observational learning is increased when the model is interesting or when there is the element of novelty involved. Television, for example, is a compelling medium for capturing and holding attention; (2) Retention – the ability to store information is also an important part of the learning process. Retention can be affected by a number of

factors, but the ability to pull up information later and act upon it is vital to observational learning; (3) Reproduction - the outcome of observational learning can actually be seen when the individual actually performs the behaviour he/she has observed. This can be further improved through reinforcement and repeat behaviours. For instance, motorised reproduction of complex actions are much less likely to be successful than that of simple actions: Finally, (4) Motivation - in order for observational learning to be successful, the drive to imitate the behaviour that has been modelled needs to be present. Reinforcement and punishment play an important role in motivation. While experiencing these, motivators can be highly effective, as well as observing others experience some type of reinforcement or punishment. For example, by seeing others who demonstrate a particular behaviour get rewarded, there exists the drive to display such behaviour in the hope of receiving the same attention. Hence, to emphasis on Bandura's contribution in connecting thoughts to behaviours, Grusec (1992) summarises that Bandura's analysis of modelling draws strongly on concepts of information coding, information storage, and development of rule-governed behaviour. His descriptions of how human beings select and transform information and how they generate rules to guide their own behaviour has been a major achievement in understanding social developmental processes. Grusec (1992) concludes that although Bandura did not break new ground in his specific cognitive formulations that relate directly to current information-processing approaches, he was nevertheless a pioneer in his fundamental interest in relating thought to behaviour.

Social learning theory, when applied to an expatriate context, posits that expatriates will 'learn' appropriate behaviours through interaction with and observation of host country nationals (Grusec 1992). The act of observing and emulating those behaviours around them is more than mimicry of actions but involves some cognitive

elements whereby these behaviours would act as stimuli and cues for future behaviour (Bandura 1977). Grusec (1992) asserts that the more HCNs the expatriate interacts with and the more diverse these contacts are, the greater the repertoire of acceptable actions he or she will have to draw upon, thus increasing the possibility for displaying appropriate responses to culturally related encounters. Additionally, the development of deeper relationships with HCNs may allow the expatriate to gain insights into cultural or communication norms. In 1990, Black and Mendenhall used social learning theory (Bandura 1977) to explain the theoretical underpinnings for how pre-departure cross-cultural training could have a positive impact on the interactions expatriates would have with host nationals. Black and Mendenhall (1990, p.120) suggest that 'cross cultural training enables the individual to learn both content and skills that will facilitate effective cross-cultural interaction by reducing misunderstandings and inappropriate behaviours.' In the case of cross-cultural adjustment, according to social learning theory, the cross-cultural trainees would develop both the confidence in themselves to behave appropriately in the host country and the appropriate behaviours necessary for interacting successfully with host nationals, prior to going overseas (Black and Mendenhall 1990). Although pre-departure cross-cultural skills training are important for cross-cultural adjustment, many organisations simply do not provide it for their expatriates (Black and Mendenhall 1990). Therefore, most of the expatriates' learning of culturally appropriate behaviours happens in the host country; The 'trainers' will be the host nationals themselves; the venue for training will be their daily interactions with their host national colleagues, neighbours, friends and so forth. Although there is a shift in venue, from pre-departure training to in-country learning, the social learning process still takes place albeit through a change of scenery. Nevertheless, the social learning process described by Black and Mendenhall (1990)

remains essentially the same. The expatriates' cultural lessons will be more hands on and involves interactions with the local people with the emphasis of displaying behaviours that have been modelled before. As such, in this research, emphasis is on how expatriates and their family members strive to display appropriate behaviours that can be observed and learnt from those in their vicinity as a way for them to be accepted into the in-groups thus facilitating their adjustment and work related performance.

## **2.5 Cultural Intelligence**

Marris (1996, p.16) contends that “uncertainty is created by our own preconceptions...because events only appear uncertain in some context of purposes, and expectations of orderliness”. He reiterates that “what constitutes uncertainty depends on what we want to be able to predict, what we can predict, and what we might be able to do about it” (Marris 1996, p.16). Gudykunst (2005) claims that uncertainty is a cognitive phenomenon where it affects the way we think about strangers. Schlenker and Leary (1982) contend that social anxiety happens because we want others to have a favourable impression of us but we doubt our ability to deliver that. Gudykunst (2005) suggests that intergroup interactions have the potential to create tense social anxiety because we do not want to be prejudiced or perceived as incompetent communicators.

As such, to transcend these cultural boundaries, expatriates should have the ability to appropriately address and react to intercultural situations and cultural intelligence (CQ) may be the skill that can help to improve the capability for successful adaptation (Peterson 2004; Thomas and Inkson 2004). In this research, the researcher argues that the various components of CQ would positively influence the general,

interaction and work adjustments of the expatriates and their family members in the host country and consequently improve the expatriates' performance whilst assigned to the host country. It is proposed that by being culturally intelligent, expatriates and their accompanying family members would therefore manage their anxiety and uncertainty associated with relocating to a different cultural background thus putting in more effort for work related task accomplishment and/or socially integrating into the new environment.

Hofstede's (1980) cultural dimensions study is now one of the most widely known cultural related studies that is often used to describe the cultural differences in terms of shared values and beliefs of those from different societies. However, while Hofstede's work (1980) is more subjectively inclined, Triandis' (1972) broader view of culture consists of both subjective and objective components that probably go down better with scholars who are more comfortable with the observable and visible artefacts of cultures (Leung and Ang 2008). Ang and Inkpen (2008) consider the cultural objective components as a human-made aspect of the environment; the economic, political and legal institutions in addition to the social customs, arts, language, marriage and kinship systems. Based on these cultural related views, there is strong support indicating that more in-depth knowledge and understanding is required to appropriately address cultural related issues.

Sternberg and Detterman (1986) argue that intelligence should not only be demonstrated in classrooms and in academic settings but should also be displayed at specific content domains, such as social intelligence (Thorndike and Stein 1937), emotional intelligence (Mayer and Salovey 1993) and practical intelligence (Sternberg et al. 2000). This renewed interest on intelligence has spurred the conceptualisation of an intelligence concept that could gauge a person's capability to differentiate cultural

related behaviours in intercultural settings. Cultural intelligence, motivated by the practical reality of globalisation in the workplace (Earley and Ang 2003) is a set of skills that are useful for individuals to find success at work and in personal relationships in an increasingly interdependent world. To function effectively, individuals need to be socially apt in deciding on the most appropriate behaviour that is suitable in an intercultural interaction (Earley and Ang 2003). Ang and Van Dyne (2008) suggest CQ as a complementary form of intelligence that could explicate the variability in coping with diversity and functioning in a new cultural setting. As such, with CQ, due to its cultural specific properties, it is considered more effective in explaining cross-cultural behaviours than its predecessors; i.e. emotional intelligence or social intelligence (Ang and Van Dyne 2008). In addition, despite being able to perceive and understand emotional cues, emotional intelligence is somewhat lacking in terms of poor translation of emotional aspects from one culture to another impending on ones effectiveness in comprehending cultural-related emotion-laden events in unfamiliar cultures, therefore a person who has high EQ in one culture may not be so in another. Although, similar to emotional intelligence and general mental ability due to its nature as a set of capabilities rather than preferred ways of behaving (Mayer, Salovey and Caruso 2000), CQ is not culture bounded and can be adjusted with relevance to situations characterised by cultural diversity (Earley and Ang 2003). Therefore, in this particular research, CQ is used to demonstrate that the feelings of anxiety and uncertainty stemming from relocating to a new cultural environment can be reduced or better managed when the expatriates and the accompanying family members put in more effort and recognise that to successfully interact with culturally different others, they should be more culturally intelligent.

### **2.5.1 Multiple Intelligence Theory**

Ang et al. (2007) operationalise CQ as a four-factor model that includes metacognitive, cognitive, motivational and behavioural components. Based on Sternberg and Detterman's (1986) framework of the multiple-loci of intelligence, these four complementary dimensions allow for specific cultural related behaviours that are pertinent for coping in a new cultural setting. Sternberg and Detterman (1986) proposed four complementary ways to conceptualise individual-level intelligence (1) metacognitive CQ or CQ strategy reflects the mental capability to acquire and understand cultural knowledge; (2) cognitive CQ or CQ knowledge indicates general knowledge and knowledge structures about culture; (3) motivational CQ reflects individual capability to direct energy toward learning about and functioning in intercultural situations; and (4) behavioural CQ reflects individual capability to exhibit appropriate verbal and nonverbal actions in culturally diverse interactions. The first two components represent the elements of having the knowledge of different cultures and being aware of these differences while the latter two CQ dimensions are mainly the drive to exhibit appropriate behavioural aspects of knowing that cultural differences do exist and each intercultural related situation warrants a different response. Collectively, these four dimensions would be helpful to explain the process that individuals go through when dealing with intercultural related situations. Consequently, a person has four different types of intelligence within them that vary according to their level of knowledge, willingness to exert or sustain energy in solving 'real-life' problems and the person's outward manifestations in the forms of action (Ceci 1996; Sternberg and Detterman 1986). Each of the CQ dimensions represent different levels of cultural awareness and whether it signifies mental or behavioural capabilities (Ang and Van Dyne 2008). Gardner (1993) concurs and recognises Sternberg and Detterman's

contribution in highlighting multiple forms of intelligence as a way to explicate the synchronisation of both cognitive and behaviour domains of intelligence as a better way to explain intergroup interactions and consequent behaviours.

Metacognitive CQ signifies an individual's level of cultural awareness during cross-cultural interactions and personifies a person's mental capability to adjust cultural knowledge when encountering cultural related behaviours (Ang and Van Dyne 2008). Flavell (1979) contends that metacognitive CQ reflects mental processes that individuals use to comprehend cultural knowledge and control the consequent thought process. Previous scholars (see Brislin, Worthley and Macnab 2006; Triandis 2006) advocate that those with high metacognitive CQ are capable of differentiating between cultural preferences and norms of different societies and consequently supplementing this capability with adjusted mental models derived from experience. Ang and Van Dyne (2008) claim the influential role that metacognitive CQ contributes to the overall CQ process is critical to the understanding of what drives an individual to see culturally different others beyond the rigid cultural boundaries and actively adjusting mental models based on previous experiences in anticipation of future cultural related encounters.

Unlike metacognitive CQ that focuses on higher-order cognitive processes, cognitive CQ is more on the knowledge of various cultures' norms, practices and daily life activities (Ang and Van Dyne, 2008). Triandis (1994) asserts that every society shares some common universal needs like communications patterns, economic activities and methods of getting food that might contribute to the fulfilment of basic physiological needs. Consequently, societies invent systematic ways in fulfilling these basic physiological needs and how these are manifested in the daily activities of the society are reflected in the education systems, economic activities and how the society

interacts with one another. Basic courtesy dictates that a person has to pay for whatever products that they have taken from a store and this way of living remains true in many parts of the world. As such, cognitive CQ is a set of knowledge and understanding of a society's culture which is derived from educational and previous experiences. Therefore, those with high cognitive CQ would be able to interact better with culturally different others.

The third type of CQ, motivational CQ, is the drive to exhibit appropriate behaviour when dealing with culturally infused situations. Eccles and Wigfield (2002) summarise motivational CQ as a capability that stems from the expectancy-value theory of motivation which explains when a person channels his energy in demonstrating behaviours fitting of a society's norm, they are aware of the expectations associated with such behaviour and the resulting value linked with that particular's behaviour. Therefore, motivational CQ is a critical component of CQ due to the drive that 'triggers effort and energy directed toward functioning in novel cultural setting' (Ang and Van Dyne 2008, p.6). The last CQ element, behavioural CQ is the capability to 'exhibit appropriate verbal and nonverbal actions when interacting with people from different cultures' (Ang and Van Dyne 2008, p.6). Behavioural CQ is critical to complement the three above-mentioned CQ components because cognitive thoughts and knowledge of various culture aspects without the display of appropriate verbal and non-verbal actions would be futile as appropriate behaviours are not reflected effectively in intercultural situations. Hall (1959) asserts that mental capabilities for cultural understanding and motivation must be complemented by the ability to display appropriate verbal and nonverbal actions befitting the specific cultural setting.

To recapitulate, CQ that stems from Sternberg and Detterman's (1986) framework of the multiple-loci of intelligence tells of four capabilities that complement each other well and encompassing the appropriate cognitive processes that would eventually translate to the proper verbal and nonverbal actions in a specific cultural setting. Coming back to the main theory underpinning this research concept, Gudykunst's anxiety/uncertainty management (AUM) theory (1988, 1993, 1994, 1995, 1998a, 2005), all four factors of CQ seem to affect a host of intermediate or intervening variables such as apprehension to cross-cultural communication, and the feelings of anxiety and uncertainty related to encounters with strangers which then consequently influence individual and interpersonal outcomes in the forms of performance and various cultural adjustments (Ang and Van Dyne 2008). As a result, CQ would be influential in facilitating the expatriates and their family members' adjustments and consequent job performance in the host country.

Additionally, an important element that is covered in Gudykunst's AUM theory is the concept of mindfulness, originally coined by Langer (1997), this highlights the importance of understanding strangers' perspectives in order to communicate effectively with them. Langer (1997) contends that being mindful involves '(1) openness to novelty; (2) alertness to distinctions; (3) sensitivity to different contexts; (4) implicit, if not explicit, awareness of multiple perspectives; and (5) orientation in the present' (p.23). These processes are all interrelated and lead us to be 'receptive to changes in an ongoing situation' (p.23). Linking Langer's concept of mindfulness to the concept of cultural intelligence shows similar requirements that an individual should fulfil in order to be mindful and culturally intelligent. Both concepts emphasis on the act of thinking beyond the normal scope and not being bounded by 'what is normal and currently accepted by a society', being more sensitive and being more aware of the

differences around us and try to display appropriate behaviours based on previous experiences and learning. As such, the researcher feels that CQ would tremendously facilitate the expatriate and their family members' quest to manage their anxiety and uncertainty stemming from intercultural encounters with strangers in the host country and consequently achieve better adjustment and increased performance while working and residing in the host country.

However, it is worthwhile to point out that the problems of not adjusting well to the host country seem to originate from being culturally different from the locals. Cross-cultural adjustment has been identified as a crucial aspect of expatriate satisfaction and success, as it often influences other contributors to expatriate failure (Naumann 1992; Shaffer, Harrison and Gilley 1999; Anderson,2005). In fact, inability to adjust was among the top reasons for premature return of expatriates; 50% of firms employing expatriates indicated this as a reason second only to dissatisfaction of one's spouse (GMAC Global Relocation Services 2008). Therefore, this clearly warrants a better understanding of what constitutes these cultural differences and how the issues stemming from these differences can be minimised and be treated as opportunities rather than obstacles. The following section is dedicated to explicate what makes a culture unique and why it is relevant to the expatriates and their family members' adjustment and performance.

### **2.5.2 Cross-Cultural Perspective**

Ferraro (2010) asserts that despite the thinking that globalisation makes the world smaller and that people are becoming physically closer through the advancement in technology, transportation and communications, what remains challenging is the quest to establish the understanding of culturally different others.

The term culture has been defined in a variety of ways. One of the earliest definitions of culture, offered by Tylor (1871), views culture as ‘that complex world which includes knowledge, belief, art, morals, law, custom, and many other capabilities and habits acquired by man as a member of society’ (p.1). Ferraro (2010) shares his view of culture as ‘everything that people, have, think, and do as members of their society’ (p.16). Thus, he concludes that culture is thus made of (1) material objects; (2) ideas, values, and attitudes; and (3) normative or expected patterns of behaviour. However, Ferraro (2010) warns that ‘all cultures, to one degree or another, display ethnocentrism – the tendency of people to evaluate a foreigner’s behaviour by the standards of their own culture and to believe that their own culture is superior to all others (p. 30). The central belief of ethnocentrism where ethnocentric people believe their way of doing things is right, proper and normal and those practices by cultural different others are wrong and inferior proves to be the biggest obstacle to be overcome. As such, every individual, when confronting a new environment, should aspire to confront ‘their predicaments as strangers and engage in new learning for an improved goodness-of-fit and begin to undergo a gradual process of personal transformation beyond their original cultural perimeters and toward a more inclusive and less categorical self-conception and self-other orientation’ (Kim 2005, p.375). In order to comprehend why others behave the way they do, it is beneficial to look at some cultural related aspects that could enhance our understanding of people’s behaviours in cultural related encounters.

Geert Hofstede’s (1980) *Culture’s Consequences*, one of the most cited sources in the Social Science Citation Index, is one of the most influential works to date in the study of cross cultural management (Fang 2003). Hofstede’s initial four dimensions of national cultural variability, i.e. power distance, uncertainty avoidance, individualism

and masculinity, derived from his unique and extensive empirical investigations at IBM subsidiaries in 53 countries has been widely cited as one of the most thorough works on cultural aspects (Fang 2003; Punnett 1999; Triandis 1993). Hofstede (1980) defines culture as the collective mental programming of the mind which distinguishes one group or category of people from another. Hofstede (1980, p.78) maintains that his cultural dimensions broadly characterise national culture in terms of its 'average pattern of beliefs and values'. The four dimensions of national culture are as follows: Power distance is a characteristic of a culture that defines the extent to which the less powerful person in a society accepts inequality in power and considers it as normal. Inequality exists within any culture, but the degree of which that is tolerated varies between one culture and another. "All societies are unequal, but some are more unequal than others" (Hofstede 1980, p.136). Individualism, a characteristic of a culture that is in opposed to collectivism tells of individualist cultures that assume individuals look primarily after their own interests and the interests of their immediate family.

Conversely, collectivist cultures assume that individuals, through birth and possibly later events, belong to one or more close 'in-groups,' from which they cannot detach themselves. The in-group (whether extended family, clan or organisation) protects the interest of its members, but in turn expects their permanent loyalty. A collectivist society is tightly integrated; an individualist society is loosely integrated. Masculinity, as a characteristic of a culture, opposes femininity. Masculine cultures use the biological existence of two sexes to define very different social roles for men and women. They expect men to be assertive, ambitious and competitive, to strive for material success and to respect whatever is big, strong and fast. They expect women to serve and to care for the nonmaterial quality of life, for children and for the weak. Feminine cultures, on the other hand, define relatively overlapping social roles for the

sexes, in which neither men nor women need to be ambitious or competitive. Both sexes may go for a different quality of life than material success and may respect whatever is small, weak and slow. In both masculine and feminine cultures, the dominant values within political and work organisations are those of men. In masculine cultures these political/organisational values stress material success and assertiveness. In feminine cultures they stress other types of quality of life, interpersonal relationships, and concern for the weak: Finally, uncertainty avoidance, as a characteristic of a culture, defines the extent to which people within a culture are made nervous by situations that they consider to be unstructured, unclear, or unpredictable, and the extent to which they try to avoid such situations by adopting strict codes of behaviour and a belief in absolute truths. Cultures with a strong uncertainty avoidance are active, aggressive, emotional, security-seeking, and intolerant. Cultures with weak uncertainty avoidance are contemplative, less aggressive, unemotional, accepting of personal risk, and relatively tolerant (Hofstede 1984). Malaysia, according to Hofstede's study has achieved high score in power distance and collectivism which may be useful in explaining the influences of these two dimensions on the treatment of foreigners i.e. expatriates and their family members by the host country nationals.

The debate on whether Hofstede's study on national culture dimensions is still ongoing as some believe that the research is peppered by methodological flaw (see Tayeb 1994; 2000) and McSweeney (2002), one of Hofstede's most vocal critiques argues that Hofstede has demonstrated very limited characterisation of culture and failed to convince readers that data from a single organisation could represent the average national culture. Nevertheless, Hofstede (2002) argues that "what was measured were differences between national cultures. Any set of functionally

equivalent samples from national populations can supply information about such differences. The IBM dataset consisted of unusually well matched samples for an unusually large number of countries. The extensive validation in the updated version of said study will show that the country scores obtained correlated highly with all kinds of other data, including results obtained from representative samples of entire national populations” (p.2). Despite its flaws, Hofstede’s national culture dimensions remain a study that provides a good foundation for cultural-related studies such as the Global Leadership and Organisational Behaviour Effectiveness (GLOBE) study (House et al. 2004) to build upon. Four out of the five national culture dimensions established by Hofstede (1980) are still widely used in cultural comparative studies as presently, not many researchers have managed to produce a study of that scale (Gudykunst, Ting-Toomey and Nishida 1996; Triandis 1993).

To recapitulate, the three dimensions investigated as antecedents of adjustment and expatriate performance for this study; perceived organisational support from MNCs, social support from HCNs and cultural intelligence goes well together with the concept of reducing and managing causes of anxiety and uncertainty established by Gudykunst (2005) in his anxiety and uncertainty management (AUM) theory. The gist of the AUM theory emphasises that when anxiety and uncertainty of individuals stem from the fear of interactions with culturally different others and changes that might occur in a new environment are managed well within the minimum and maximum thresholds, positive outcomes include more effective intercultural communication, better adjustment within the host country and possibly better work related outcomes can be achieved. Support from MNCs and HCNs as multiple stakeholders are needed to ensure the expatriating families are able to continue with their daily activities with minimal disruptions. Cultural intelligence, on the other hand would ensure that the

expatriating families are more mindful in their interactions with the HCNs and potentially be the skill that is needed to socially integrate with the HCNs thus increasing the possibility of them being accepted by the in-groups in their vicinity. Collectively, these three investigated variables would assist the relocating expatriate families to manage their anxiety and uncertainty better thus facilitating their adjustment and work performance in the host country. This next section is dedicated to give background information on expatriate related aspects in a Malaysian context. This would allow for a better understanding why such context is chosen for this research.

## **2.6 The Malaysian Context**

In the Malaysian context, expatriates have become more and more important as Malaysia has been involved in international business activities extensively for the past few decades and international trade has been synonymously linked with Malaysia for many years. It has contributed to the substantial growth and prosperity of Malaysian economy. This can be traced back in the mid-1980s where there was a significant flow of foreign direct investment (FDI) into the country that has spurred the economic growth until the recent economic turmoil. Sending expatriates on assignments to Malaysia is not an uncommon occurrence. Organisations which have operations in Malaysia might have set up their operations due to the following reasons; (1) Government's pro-business business policies; (2) a vast network of well-maintained highways and railways; and (3) well-equipped seaports and airports (Malaysian Industrial Development Authority Report 2008).

Malaysia has received three waves or phases of expatriation for the past fifteen years or so where the expatriates were normally sent by MNCs like Shell, Dunlop, Guthrie and British Petroleum and are mostly Britons (Mohd Tahir and Ismail 2007). In

a 2008 World Bank Doing Business Report, Malaysia is ranked number 20 out of the 181 economies surveyed. The report looked at ten business regulation categories concerning investors such as starting a business and dealing with construction permits (World Bank Doing Business Report 2008). Malaysia continues to be a major recipient of foreign direct investment (FDI) with an equivalent of USD 12.9 billion in incoming FDI in 2008 as opposed to USD 8.4 billion in 2007 in various sectors (UNCTAD Report 2009). In a recent HSBC Bank International Expat Explorer Survey 2009, with response from more than 3,100 expatriates, Malaysia is newly ranked as number 10 in the overall league table even beating China in terms of quality of life which was determined by four factors; annual income, disposable income, ability to save and possession of luxury items (HSBC Bank 2009). All of the above factors contributed to the many reasons why Malaysia is a good destination for FDI and the sending of expatriates.

The above statistics testify that international trade has been an essential element in Malaysia's economy. In addition, many MNCs like Sony, Motorola, Intel, Matsushita and Seagate have subsidiaries operating in Malaysia and the number of foreign owned companies operating in Malaysia is increasing (Malaysian Industrial Development Authority Report 2009). Malaysia has to date attracted more than 5,000 foreign companies from more than 40 countries to establish their operations within the country (Malaysian Industrial Development Authority 2009). The growing numbers of foreign companies and Malaysian multinationals have necessitated the hiring of expatriates for international assignments. In addition, due to different local environments for every posting, it is necessary to identify the right candidates with the right traits and competencies that can best suit Malaysian cultural environment. Apart from maintaining control of the MNCs and to ensure subsidiaries are operated smoothly in

accordance to the headquarters' policies and regulations, expatriates are an excellent source of referrals and extend the transfer of knowledge and skills needed to enhance the local employees' work performance. Hence, expatriates are respected upon their contributions to the local subsidiaries' performance (Shephard 1996).

Malaysian culture is different from many other cultures and this is one of its appealing qualities that attract foreigners to work and live in the country. A key aspect in learning to adjust to working and living in Malaysia is the ability to deal effectively with the Malaysian culture, both in terms of business and general living. Being well prepared for the cross-cultural experience allows expatriates and their families to predict likely areas of difficulty to minimise the adverse effects of cultural differences. Knowledge of local customs is important in any culture (Malaysian Industrial Development Authority Report 2009). There are many different practices found within the various cultures of Malaysia. Identifying and acknowledging the differences within any group of Malaysians is very important for expatriates living and working in the country (Abdullah 1992a). Some practices pertaining to specific ethnic groups have now been adopted by all Malaysians (Abdullah 1996).

In a study on national culture dimension by Hofstede (1980), Malaysia has been classified as being high in power distance and collectivism. Therefore, Malaysia is a society where inequality of power is readily accepted and the group dynamics in terms of social harmony and special treatment of in-groups are practiced. This would highly impact the way that local employees should be managed by their managers i.e. expatriate bosses and thus is significant in the enforcement of an organisation's policies and guidelines. In addition, the acceptance of strangers or outsiders to the in-groups may be deferred until the outsiders have shown qualities that demonstrate they

can be trusted and therefore earn a place alongside the other in-group members (Kennedy 2002; Lim 2001).

Therefore, bridging cultural gaps, knowledge and skill gaps between local and expatriate employees is the key to building and harnessing local advantages for global competitiveness. This study on Malaysia is also important to the adjustment of expatriates' well being and in reducing their intention to prematurely terminate the assignment and early return prior completion. Hence, organisations could take the necessary measures and actions to make sure expatriates become better adjusted to working and living in Malaysia. Two expatriate-related studies in Malaysia, Mohd Tahir and Ismail (2007) and Sri Ramalu et al. (2010) shed some light on the challenges and the general well-being of expatriates and the influence of personality traits on the cross-cultural adjustment of expatriates respectively. Although a study by Che Rose et al. (2010) was on cultural intelligence and expatriate performance, their research scope was limited to investigating the effects of different dimensions of CQ on expatriate performance whilst this study aims to verify that CQ collectively with support from various quarters would be more significant in enhancing adjustment and intercultural communication thus reducing anxiety and uncertainty stemming from relocating to a new environment. To date there has been no known investigation focusing on the specific case of Malaysia with regards to the support from an expatriate's multiple stakeholders in the form of MNCs, HCNs and cultural intelligence as antecedents of expatriates and their family members' adjustment and subsequent work performance. Therefore, the investigation of these constructs would allow for a better explanation of adjustment in a multicultural, developing country like Malaysia. In addition, this research scope represents an interesting angle to study because cultural diversity in Malaysia needs to be understood and interpreted in a way that it is rather

different from other countries due to the fusion of multiracial, multiethnic background which may affect how expatriates and their family members are treated and accepted by the host country nationals.

In summary, this section has described the background of Malaysia cultural perspective and the impact upon expatriates working in Malaysia. The contribution of MNCs in Malaysia to total output, FDI and exports within the country were also discussed to demonstrate why there is a significant impact to study expatriates in the Malaysian context. This section provided evidence that expatriates have continued to play a significant role in the Malaysian economy as over the years, Malaysia has proven to be an attractive location for foreign investors.

## **2.7 Summary**

This chapter's objectives have been twofold; (1) to capture the essence of the theoretical elements that has contributed to the investigation of the chosen variables; and (2) to provide background information on expatriate related research in the Malaysian context. Collectively, this chapter has provided justification of the theoretical stance underpinning the dimensions investigated in this research whilst providing foundation for the hypotheses development in the following chapter. In the next chapter, hypotheses development will continue from where this chapter left off by providing rationalisation of each hypothesised relationship and providing a more thorough understanding of the contribution of each construct in fulfilling the primary objective of this research which is the investigation of antecedents that could enhance the expatriates and the family members' adjustment and work performance in the host country.

## **CHAPTER 3: HYPOTHESES DEVELOPMENT**

### **3.1 Chapter Overview**

Continuing from the previous chapters, this chapter presents the justifications of each hypothesised relationship. Following the order of the stated objectives in chapter one, this chapter will commence with the antecedents in the forms of perceived organisational support (POS), social support from host country nationals (HCNs) and cultural intelligence (CQ) positively influencing the various adjustments of the expatriates whilst in the host country. The second part of this chapter deals with the same antecedents mentioned above positively influencing the general and interaction adjustments of the expatriate family members; here the response from the family members are represented by the expatriate's spouse or partner. Then the relationships between the expatriates and the family adjustments and expatriate task and contextual performance are discussed highlighting the rationale of why each hypothesis is investigated. Another important relationship in the form of the various adjustments of family members on the three types of expatriate adjustment will be discussed at length in order to prove why each relationship is warranted. The chapter concludes with the presentation of a framework depicting each hypothesised relationship and providing a platform for the presentation of research methodology, findings, discussion of results and relevant concluding material in the following chapters.

### **3.2 Support from MNCs And HCNs**

This chapter investigates the role of support by MNCs and HCNs in influencing and increasing expatriates' cross-cultural adjustment and subsequent performance. It also extends the current research setting by looking at the influence of family on-site

cross-cultural adjustment on the expatriate adjustment and willingness to remain on assignments and to take up future assignments. Although there are various reasons given for poor performance and adjustment in the host country, one of the most common reasons expatriates give for prematurely terminating their foreign assignments is due to poor cross-cultural adjustment or adaptation (Takeuchi, Yun and Tesluk 2002). Other stated reasons given are linked to family-related problems, i.e. the inability of spouse and children to adapt to the host country's culture, family instability, inadaptability or the lack of language skills (Flynn 1995; Takeuchi et al. 2002; Tung 1987). Studies by Copeland and Norell (2002) and Harvey (1985) highlight that expatriates and their family members are constantly struggling with the loss of social support provided by family and friends and they need the social support provided by the local community in order to lead normal everyday lives. Without the relevant social support, expatriates and their accompanying family members would face a daunting task of fitting in the host country. As proven in the meta-analytic study by Bhaskar-Shrinivas et al. (2005), spouse adjustment is very critical in predicting all three facets of expatriate adjustment. On that note, it is highly imperative that a study on the adjustment of expatriates and their family members be undertaken especially in the context of a developing country and specifically on the organisational support and the social support from HCNs.

This research has focused on the cross-cultural adjustment of expatriates and their family members with the emphasis on social support from both the MNCs and HCNs as antecedents and a form of catalyst for successful cross-cultural adjustment and smooth transition for expatriates and their family members on international assignments. In addition, the research has also focused on the outcome variables namely the expatriates' task and contextual performance as part of the outcome of

cross-cultural adjustments. The reasons why the above factors are chosen as the antecedents and the outcome variables for this research will be discussed in detail in the ensuing sections. In keeping with this theme, the research could possibly contribute to an enhanced understanding regarding what the expatriates and their family members are experiencing with regards to relocating to a new country and what could be done by interested parties i.e., the expatriates' organisations and the host country's government in order to make international assignments more bearable and beneficial for those concerned.

Taking a cue from what is suggested by Takeuchi (2010), this research investigates the support expected and offered by multiple stakeholders in the form of MNCs and HCNs that might affect or are affected by the actions of the other party. Previously, expatriates have been studied in isolation as if to show they are solo entities; however in reality, expatriates' actions are influenced by those in their vicinity and may be in the forms of family members, the hiring organisations i.e. MNCs and the local people that they encounter both at the workplace or socially. Realising these relationships might be overlooked in the past, it is worthwhile to investigate input that can be contributed from these multiple stakeholders which might positively facilitate the expatriates' adjustment and subsequent work performance. Hence the inclusion of various types of support from the MNCs and HCNs in their basic forms are rationalised which are posited to give positive impact of the expatriates' adjustment and performance whilst in the host country.

According to Beehr and Glazer (2001), social support can be segregated into two main support categories; structural and functional. Structural support comes from the presence of others in our lives be it in religious activities, at the workplace or in the local community. Functional support can be further divided into two support sections;

informational and emotional support. While structural support is more in the presence of others, functional support is in the form of tangible and non-tangible assistance provided by those in the vicinity. For example, providing financial means, temporary accommodation and helping in baby-sitting in the earlier months of expatriating would be the some forms of instrumental support while giving encouragement, allocating time for heart-to-heart talks and just being there when needed are examples of emotional support. Common providers for both types of support would be from MNCs, local co-workers and the expatriate local communities.

### **3.2.1 Support from Multinational Corporations (MNCs)**

More and more MNCs are sending expatriates abroad on international assignments due to various reasons ranging from career development to problem solving with the assignments ranging between six months to five years or more depending on the reasons they were sent. Although most MNCs do provide expatriates with some form of training prior to relocation, there are still cases where expatriates experience adjustment problems and fail to contribute as expected and have to prematurely return from the designated host countries. MNCs seemed to be doing well in ensuring that expatriates are technically competent and have the expertise in running the subsidiaries parallel to the MNCs' policies, rules and regulations. However, past studies have proven that even technically competent candidates may prove to be a disappointment to the company. Normally, expatriates that are sent on assignments are at the top of their game and have passed stringent tests and would be an asset to any subsidiary. Nevertheless, adjustment-related problems occur due to the nature of the local environment and regardless of the work support that MNCs provide, there are non-work elements that proved to be overlooked and disregarded. Bhaskar-Shrinivas

et al. (2005) suggest that MNCs should now turn to providing social support and non-work related support as an addition to the work related support that the companies have been providing.

More recently, researchers have begun to question the notion that expatriate failures should not only be defined in terms of premature returns from overseas but have begun to seriously expand the meaning to include those indirect costs of expatriates who remain for the duration of the assignment but performed poorly or under par (Andreason 2003). In retrospect, what seems to be the key of retaining expatriates' focus and motivation is via adequate follow through in the form of direct (organisation-sponsored) and indirect (organisation-encouraged) in-country support for both employees and their spouses. Examples of direct support include pre-departure training, career development activities and continuous in-country language and culture training. In-direct support is in the form of getting involved in international clubs, getting involved in local community activities and keeping a record journal.

This social support concept, which stems from the social capital theory (Lin, Cook and Burt 2001) is about the social exchanges between a group of people that will lead to a more supportive and conducive environment and are nurtured over time. The relationships formed out of the trust that is built over a long period will give a positive impact on the expatriate's performance and adjustment in the host country (Liu and Shaffer 2005). Beehr and Glazer (2001) cited in Glazer (2006) noted that there are differences in terms of individuals perceptions of social support across cultures. These differences may be in the form of the individual's receipt, acceptance and the different perceptions of the type of source of support where for example the supervisor's emotional support may play a role in buffering the negative relationships between the stress on strains in Western countries but the findings were inconclusive in a non-

Western setting. These differing perceptions of what constitutes social support in certain cultures should be noted by organisations which send expatriates on international assignments as the type of social support offered by organisations should not go against the countries' norms.

Caligiuri and Lazarova (2002) state that social support is one of the major contributors in helping expatriates to adjust better in the host country while on assignments. Copeland and Norell's study in 2002 on relocated women showed that social support is important in helping them to adjust better in the host country. This is important due to the rising number of female expatriates in the twentieth century and the steady increasing figure of expatriates who relocate with their family. Glazer (2006) concludes that social support should not be relegated to unimportant functions in international assignments as it is just as important in helping to reduce early return rates and nonperforming expatriates while on assignments.

A related study by Kraimer and Wayne (2004) examines companies' support in the form of perceived organisational support (POS), i.e., employees' global belief that the organisation values their contributions and cares about their well-being. The study showed that there is a positive relationship between POS and commitment to the parent company, task performance and the intention to complete the assignment. POS, which is derived from the organisation support theory, will work on the basis of the reciprocity norm (Eisenberger, Huntington, Hutchison and Sowa 1986; Shore and Shore 1995). An employee who feels that the organisation is genuinely concerned of his/her well-being and socioemotional needs will feel an obligation to reciprocate in terms of performing to their best in order to fulfill the organisation's objectives (Rhoades and Eisenberger 2002). Previous studies have shown that POS may lead to desire to remain in the same organisation (Witt 1991,1992) and increase of voluntary

favorable actions to the organisations that could lead to increase in job performance (Rhoades and Eisenberger 2002). Research by Wang and Nayir (2006) suggests that MNCs' international human resource management (IHRM) policies and practices should reflect the differences found in the expatriation destinations and strategically utilise resources in order to facilitate their expatriates' adjustment. All the above studies highlight that firms do play a fundamental role in ensuring expatriation success. This is especially so in the wake of escalating costs of maintaining expatriates on overseas postings and to minimize failure rates and lessen the 'out of sight, out of mind' syndrome. The following hypotheses are developed due to the importance of organisational support to the expatriates and the family members in order to ease adjustment process.

Hypothesis 1 – Expatriate perceived organisational support (EXPOS) will be positively related to the expatriate adjustment (EXPADJ), specifically:

*H1a - Financial perceived organisational support (POSFIN) will be positively related to the expatriate general adjustment (EGAJ).*

*H1b - Financial perceived organisational support (POSFIN) will be positively related to the expatriate interaction adjustment (EIAJ).*

*H1c - Financial perceived organisational support (POSFIN) will be positively related to the expatriate work adjustment (EWAJ).*

*H1d - Career perceived organisational support (POSCAR) will be positively related to the expatriate general adjustment (EGAJ).*

*H1e - Career perceived organisational support (POSCAR) will be positively related to the expatriate interaction adjustment (EIAJ).*

*H1f - Career perceived organisational support (POSCAR) will be positively related to the expatriate work adjustment (EWAJ).*

*H1g - Adjustment perceived organisational support (POSADJ) will be positively related to the expatriate general adjustment (EGAJ).*

*H1h - Adjustment perceived organisational support (POSADJ) will be positively related to the expatriate interaction adjustment (EIAJ).*

*H1i - Adjustment perceived organisational support (POSADJ) will be positively related to the expatriate work adjustment (EWAJ).*

### **3.2.2 Support from Host Country Nationals (HCNs)**

Apart from MNCs, social support from HCNs is another supporting element that could help to facilitate adjustment in foreign location (Shaffer and Harrison 2001). Social support has been defined by Shumaker and Brownell (1984) as an exchange of resources between at least two individuals in order to enhance the well-being of the recipient. Copeland and Norell (2002, p.255) identify social support as a 'buffer against stress and positive associate of emotional well-being'. Daily social interactions can address the immediate everyday needs of expatriates, such as assisting in house repairs or providing information about day-to-day activities. These daily functional interactions are secondary ties with people outside the expatriate's primary social circle, who can nevertheless be helpful in the adjustment process. (Adelman 1988). Toh and DeNisi (2005) have suggested types of support that can be provided by HCNs in order to create a more conducive work and living environment for both expatriate

and the local communities. First and foremost is the importance of the local employees as socialising agents. Although sometimes passed on as a group that are more focused on providing job assistance in order to complete tasks rather than to manage, the local employees have the upper hand of knowing the cultural aspects of the operating in the host country.

Host countries, especially those that are culturally distant, have an intricate system of developing business relationships and certain do's and don'ts both in the business and local environments which need to be adhered to in order to have pleasant business arrangements and a more conducive workplace. For example, Malaysia is a country where the concept of 'saving face' is often used. In simpler terms, 'saving face' means that Malaysians prefer not to be direct if by being so will create embarrassment to somebody. Therefore, it is advisable not to take anything at face value as the intender might not really mean what they say. For example, in a case study by Mohd Tahir and Ismail (2007), due to being high on power distance and uncertainty avoidance, there is a hierarchical way of getting work done and answering to the chain of command. Despite having prior international experiences, having been assigned to a new host country will always be a new ball game as culture is something unique in every country. Therefore, the local employees and the local people in certain aspects are the best people to show the ropes around the complicated and confusing ways of getting the locals to be on your side as having the support of these local people will help to minimise most cultural faux pas.

The second type of support, informational support is an extension of what the locals possess. Sometimes, informational support is similar to instrumental support whereby the locals may be the provider of information or assistance that could make a big difference whether the crucial, initial stages in an expatriate's adjustment in the

host country would be tolerable or not. Being born and bred in that particular country, locals know the local culture like the back of their hands. Rather than relying on information from the Internet regarding accommodation, schools or even shopping places that is basic information that the expatriate community would want prior to relocating, it would be sensible to obtain this information from the locals as sometimes information on the Internet may be 'exaggerated' in order to gain more profit for some business providers. Mohd Tahir and Ismail (2007) state that in Malaysia, there exists two separate unwritten rules; one for the locals and the other for the foreigners; i.e. expatriates and their family members. Sometimes, it helps to have a local intermediary when discussing business contracts as the local suppliers and government officials are more trusting towards their own kind.

Many cases show that sometimes in business contracts, a local company would prefer to reward the contract to a not so superior company which they had dealings before due to the familiarity factor (Abdullah 1996). Information of the local culture in periodicals may have been 'airbrushed' to suit certain quarters but may not necessarily be the utmost truth. Therefore, the expatriates should make sure that whatever information that was obtained from printed and on-line documents is approved by a local counterpart as a way to ensure that all information is accurate. For example, a case study by Mohd Tahir and Ismail (2007) suggest that information gathered from booklets and over the Internet is not as comprehensive as the information gathered from locals. The same can be said in the workplace. Expatriates who are showing more consideration and are willing to put aside their ethnocentrism to bridge the cultural gap in terms of working together with the local counterparts may be more welcomed by the local employees (Abdullah 1992a, 1992b, 1996). The locals are more willing to try to put cultural differences aside and work harder to be closer to the

organisational culture rather than sticking to their own cultural beliefs and norms. Locals would empathise more with the expatriates and are more willing to volunteer to help the expatriates acclimatise with the work environment rather than wait to be instructed to do so by the top management (Abdullah 1992a).

The third type of support is emotional support whereby locals could act as a buffer against experiencing the stress of having to adjust to cross-cultural differences. For example, an expatriate or his/her family members might not be aware of a specific dress code acceptable for various occasions in the host country or the acceptable way of female behaviour in public. They might be committing a cultural faux pas in terms of inappropriate dressing or misconduct of behaviour that warrant unwanted stares and glares from the locals. Due to that, the expatriate and their family members might be shunned or not waited upon in service establishments or might experience difficulties in getting information from the locals. Due to these treatments, the expatriates and their family members might have doubts on prolonging their stay in the host country or they might be miserable whilst leading their daily lives. These are the times when the expatriate community need emotional support from those around them so that things can be more bearable. Findings from Mohd Tahir and Ismail (2007) indicate that it was difficult for outsiders to be included in the in- groups due to being culturally different and perseverance and open-mindedness are the keys for fitting in.

Various sources can contribute to the social support of expatriates and their family members such as other expatriates, the IHRM department of the assigning company, and HCNs (Kupka and Cathro 2007). A study by Varma, Toh and Budhwar (2006) discuss how host country nationals categorise a female expatriate, (i.e., to be in the in-group or out-group), whether they were discriminated in any way and if the categorisation differed across nations. Findings from the study indicate that the

support from host country nationals does play a pivotal role in helping expatriates to gain a larger social knowledge on the host country and to some extent help the expatriates to adjust smoothly to the new surroundings. The same study also suggests that in both countries; i.e. India and United States, the host country nationals do perceive the incoming expatriates as having dissimilar values and do tend to categorise them in one way or another. Social support helps in mobilising psychological resources and serves to provide feelings of reinforcement, recognition and affirmation that can greatly enhance cross-cultural adjustment and act as a buffer against stress that may be a result of adjusting to the new environment and re-establishing their lives throughout the assignment (Caligiuri and Lazarova 2002).

Research carried out by Furnham and Bochner (1986) show that HCNs are essential in facilitating expatriates in the process of becoming acclimatised to the new environment. HCNs can take the role of trainers with their insights on local culture and ease the transition of a spouse. Black and Gregersen (1991) share this view by suggesting that social support from HCNs is also conducive to the cross-cultural adjustment of the family members. Furthermore, it has been suggested that an expatriate's interaction with HCNs facilitate expatriate adjustment and that social contacts and exchanges can be linked to successful foreign assignments (Ayman 1997b; Black 1990; Caligiuri 2000). Consequently, with the above research findings in mind, the following hypotheses are developed.

Hypothesis 2 – Expatriate host country national social support (EXHCS) will be positively related to the expatriate adjustment (EXPADJ), specifically:

*H2a - Expatriate host country informational social support (HCINFO) will be positively related to expatriate general adjustment (EGAJ).*

*H2b - Expatriate host country informational social support (HCINFO) will be positively related to expatriate interaction adjustment (EIAJ).*

*H2c - Expatriate host country informational social support (HCINFO) will be positively related to expatriate work adjustment (EWAJ).*

*H2d - Expatriate host country emotional social support (HCEMO) will be positively related to expatriate general adjustment (EGAJ).*

*H2e - Expatriate host country emotional social support ((HCEMO) will be positively related to expatriate interaction adjustment (EIAJ).*

*H2f - Expatriate host country emotional social support (HCEMO) will be positively related to expatriate work adjustment (EWAJ)*

### **3.3 Cultural Intelligence**

Previous studies have linked the quest of fitting in with the new country's environment with increasing feelings of anxiety and uncertainty and can be extremely stressful (Adler 2007; Black 1988; Gudykunst 2005; Shin, Morgeson and Campion 2007). Gudykunst (1995) assumes that in any initial interaction of people, it is a face-off between a stranger and a host. Borrowing Simmel's concept of the 'notion of the stranger' (1908/1950), Gudykunst (1995, 1998) contends that the anxiety and uncertainty that people generally face in communicating is mainly due to communicating with people we do not know and who are in an environment unfamiliar to us. Gudykunst (1998) argues that anxiety and uncertainty are critical factors that need to be thoroughly understood for effective intercultural communication and adjustment to take place. Scholars suggest that reduction of uncertainty is the key to better adjustment and performance (Black and Gregersen, 1991a; Gudykunst, 1998). Gudykunst (2005) further reiterates that better management of anxiety and uncertainty

that we face in a new environment instead of just focusing on reducing them will lead to improved intercultural adjustment and effective communication.

There is an emerged importance and evidence that expatriates are required to behaviourally adaptable to some aspects of the local culture (Shin, Morgeson and Campion 2007) and to do this; they should be having some kind of intelligence that would be used in order to conform to the host country's culture values and norms. Most previous research in the expatriate related area has focussed on the Big Five personality traits, technical skills and previous assignment experience as antecedents of expatriate adjustment in the host country (see Bhaskar-Shrinivas et al. 2005; Hechanova, Beehr and Christiansen 2003). While all this research is true and has lent some credibility to the current research body, it is high time that research stops looking only at the technical aspects and expatriate business related skills such as language ability and open-mindedness and start to focus on non-technical skills such as cultural intelligence (CQ) that could help ensure expatriates and their family members to adjust well to the local surrounding. Just like when we go for holidays abroad, we tend to browse some country related information regarding the place that we are going to visit; in doing so we try to learn some basic words that could help in our daily interaction with the locals. For example, in Rajadurai's (2007) study on the socio-linguistic perspective on variation in non-native varieties of Malaysia English found that it is common for Malaysians to speak English peppered with 'lah', 'kan' or ' what' in their daily interactions with those around them. A standard simple sentence would be like this, 'Don'tlah, I also want to go to the shop. Okay, what?' Translating this sentence in proper English would be like this, 'Do not go yet. I too want to go to the shop. I think that is acceptable'. Therefore, if expatriates are observant of the normal way of locals

using English, then it would not come as surprise to them if the English used is not grammatically sound.

It is the same as having to relocate for work purposes. An expatriate needs to be emotionally and culturally prepared before embarking on a journey to a host country. The initial stages of relocation to a host country would be very trying and emotionally charged. You do not want to be caught unaware at the airport check-in counters or waiting for a taxi where it is quite common for people not to queue or just jump in line in front of you when they see there is an opportunity to do so. Imagine that after a 22 hour direct flight from New York. In research on expatriates in Malaysia by Mohd Tahir and Ismail (2007), an expatriate lamented that the accepted rules of engaging behaviour in public is totally different for outsiders. The locals seem to like grouping all Western people irrespective of their country backgrounds using the term 'Mat Salleh' which when loosely translated means a Westerner even though there are vast differences between an American and a Briton. Therefore, being culturally intelligent means the expatriate and their family members would be able to avoid or minimise making cultural faux pas when interacting with the locals or when acting in public.

Despite the extensive research on culture and intelligence in organisational psychology, little attention has been given to integration of the two constructs (Ng and Earley 2006). Past research has demonstrated the impact of cultural values on a wide-ranging set of organisational behaviours (Bond and Smith 1996; Earley and Gibson 2002) and by introducing another important element, intelligence, it is highly possible to address imminent trends (eg.globalisation) faced by organisations today (Ng and Earley 2006). More recently, there is a renewed interest on non-academic intelligence such as emotional intelligence (Mayer and Salovey 1997) and practical intelligence (Sternberg and Grigorenko 2006) that have demonstrated to affect important

organisational behaviours such as leadership and managerial performance. While social and emotional intelligence share some attributes with CQ, these types of intelligence are only meaningful within one specific cultural setting and they may not apply to other settings (Thomas 2006). Thus, the cultural intelligence (CQ) element is posited to be of great influence on the way people manage across borders (Ng and Earley 2006).

CQ addresses a set of skills, from basic to advanced, that allow an individual to become effective at eventually transferring social skills from one cultural context to another. When well developed, the cultural intelligence set of skills allows for better cross-cultural respect, recognition and reconciliation or adaptation (Brislin, Worthley and Macnab 2006). Unlike a well-known predecessor of CQ; i.e. emotional intelligence (EI), the ability to encode and decode emotions in the home culture does not automatically transfer to unfamiliar cultures and a person with a high EI in one culture may not be so in another. On the contrary, CQ is not culturally bound to any particular country's culture and refers to a general set of capabilities with relevance to situations characterised by cultural diversity (Ang et al. 2007). Sternberg extended his views on multiple intelligences by coining the term successful intelligence (1997). Successful intelligence theory (Sternberg 1997) posits that individuals have the ability to flexibly changing the way they look at things and handling situations when needed. Based on these ideas, individuals with CQ capabilities should be able to distinguish whether their actions are in accordance to the surrounding environments.

There is relatively little research that focuses on factors that could improve intercultural encounters (Gelfand, Erez and Aycan 2007). More specifically, the small number of research that has been undertaken on individual capabilities for intercultural effectiveness is sparse and unsystematic, leaving a void on why some individuals are

more effective than others in culturally diverse situations (Ang et al. 2007). Previous research on CQ has focused on conceptual theorising (Brislin, Worthley and Macnab 2006; Ng and Earley 2006; Sternberg and Grigorenko 2006; Triandis 2006). Only few has been empirical research (Ang et al. 2006; Templer, Tay and Chandrasekar 2006; Ang et al. 2007). Therefore, doing empirical research on CQ as antecedents of expatriate adjustment and performance would be a welcoming effort in understanding how CQ could facilitate expatriate's adjustment and performance.

Thomas and Inkson (2005) say that people with high CQ are more attuned to the nuances of intercultural interactions that intuitively they know how exactly to behave in order not to raise any intercultural faux pas and to try to facilitate positive reactions. A study by Johnson, Lenartowicz and Apud (2006) suggest that aspects of CQ are antecedents to cross-cultural competence and can assist expatriates in performing better on international assignments. In addition, CQ acknowledges the practical realities of globalisation and focuses on a specific domain; i.e. intercultural settings (Earley and Ang 2003). A study by Templer et al. (2006) on motivational cultural intelligence and cross-cultural adjustment demonstrate the validity, generalisability and applicability of the motivational cultural intelligence concept on cross-cultural adjustment. However, other elements of the CQ have not been tested on cross-cultural adjustment, this provides an avenue for future research (Templer et al. 2006).

Reverting to the main theory utilised in this research, the AUM theory (see Gudykunst 2005), Gudykunst (1998) assumes that communication is influenced by our cultures and group memberships as well as structural, situational and environmental factors. As highlighted in chapter two, one important aspect of Gudykunst's AUM theory is the incorporation of Langer's (1989) concept of mindfulness in being aware of the surroundings and how to react to them. Hence, Langer (1989) contends that being

mindful allows us to be more open to new information and making more distinctions about a stranger's differences and adding more sub-categories rather than making general assumptions to our present mindset. Thus, we propose that by being culturally intelligent, the expatriates would better manage their anxiety and uncertainty which stems from being relocated to a new country, consequently leading to better adjustment and improved job performance. From this supporting evidence, the following hypotheses have been developed:

Hypothesis 3 – Expatriate cultural intelligence (EXPCQ) will be positively related to the expatriate adjustment (EXPADJ), specifically:

*H3a - Expatriate awareness cultural intelligence (CQAWARE) will be positively related to the expatriate general adjustment (EGAJ).*

*H3b - Expatriate awareness cultural intelligence (CQAWARE) will be positively related to the expatriate interaction adjustment (EIAJ).*

*H3c - Expatriate awareness cultural intelligence (CQAWARE) will be positively related to the expatriate work adjustment (EWAJ).*

*H3d - Expatriate interaction cultural intelligence (CQINTER) will be positively related to the expatriate general adjustment (EGAJ).*

*H3e - Expatriate interaction cultural intelligence (CQINTER) will be positively related to the expatriate interaction adjustment (EIAJ).*

*H3f - Expatriate interaction cultural intelligence (CQINTER) will be positively related to the expatriate work adjustment (EWAJ).*

### 3.4 Family Adjustment

Most organisations picture employees as isolated individuals; individuals without families and friends. When an organisation hires an individual, the individual is somebody's child, parent, sibling or spouse. Consequently, hiring an expatriate involves the family's well-being thus MNCs should be aware of the changes that the family members have to endure when relocating to the host country. Hence, family concerns are critical to understanding expatriate career trajectories because international assignments affect the family as a whole - especially since the family has been found to be one of the most important factors contributing to expatriate success (Brown 2008). Black and Gregersen's (1991b) study on a spouse's cross-cultural adjustment is a refreshing contribution to an otherwise under researched topic. Research by Shaffer and Harrison (2001, p.252) provides a summary of how a spouse feels having to undergo relocation due to her husband's work commitment and gives a clear picture about how expatriates' spouses view themselves; *'you become a nonperson, you are a nobody, no career, no money of your own, moving to lands where people hardly spoke English, no friends but on the plus side is that you can drop me down in any culture, any language, unknown script – I am not afraid and neither are now my adult kids'*. Numerous studies have examined the determinants of expatriates' success (e.g. Parker and McEvoy 1993; Usunier 1998), however, the studies that explicitly focused on expatriate spouses and children intercultural adaptation are relatively few (Ali et al. 2003; Black and Stephens 1989; Forster 1997). In fact, in a meta-analytic review of 12 predictors of adjustment for the expatriate employee, the spouse's adjustment was the most salient (Bhaskar-Shrinivas et al., 2005). Despite important consequences of spouse (mal)adjustment and the corresponding recognition that human resource policies which target spouses are

essential (e.g., Brett and Stroh 1995; Pellico and Stroh 1997), efforts to understand the experiences of spouses have been minimal (for an exception, see Black and Gregersen 1991b). This is in stark contrast to the considerable amount of theory (e.g., Aycan 1997; Black, Mendenhall and Oddou 1991; Parker and McEvoy 1993) and evidence (e.g. Shaffer, Harrison and Gilley 1999; Stroh, Dennis and Cramer 1994) that has accumulated about the expatriate adjustment process.

One useful, overarching framework that could sum up what the spouses go through while on assignments is the social identity theory (SIT). Stemming from research by Tajfel (1982) and Tajfel and Turner (1985), SIT posits that lost personal identity could be attributed to the lack of social identification. Therefore, spouses go through the motion of not being able to associate themselves with those in their direct contact in the host country. They feel that they are lacking in terms of social identification; the perception of being part of a larger collective or personal identification; the perception that they differ in terms of general physical features, abilities, interests and psychological traits with the rest of the host country community. Until and unless the spouses feel they belong to the society, the feelings of being an outsider cannot be helped and may contribute to the diminishing of one's self worth. Being a trailing spouse can be a lot harder than an expatriate because the spouses do not have the liberty of having an inherent set of responsibilities from the organisations and basically have to start filling roles and responsibilities that are different from what they did before the assignment.

In order to minimise the feelings of being isolated from family and friends and living in a foreign environment with different legal, political and social backgrounds, spouses do have to emulate those around them in order for them to be a part of the society. Therefore, expatriate spouses could be learning the culturally correct way of

doing things in the host country by emulating and observing behaviours of those around them. Due to the importance of expatriates' spouses and children's intercultural adjustment to the foreign assignments success and the scarcity of relevant studies contributing to this, it is imperative that this aspect of expatriate adjustment be given priority in future research. The same predictors of expatriate adjustment; organisational and host country support and cultural intelligence will be used to predict spouse adjustment. To avoid repetition, this chapter will go straight to the relevant hypotheses involving spouse.

### **3.5 Family Related Support from MNCs and HCNs**

As the number of accompanying spouses and dependents on international assignments keeps increasing, organisations should include spouses when making decisions regarding the expatriates' careers. This is especially helpful because the lives of the spouses and dependents would be affected when relocating to the host country and for spouses who have to temporarily leave their careers on the back burner for the duration of the assignments, organisational support would be a welcomed effort by the organisations to improve on the family's well-being. Organisational support for the spouse is segregated into prior support; the support offered prior to relocating such as documentation preparation and cultural and language training, and on-site support; continuous support that is offered the family members while on locations. The following hypotheses have been developed to determine the influence of organisational support on spouse adjustment.

Hypothesis 4 – Spouse organisational social support (SPOS) will be positively related to spouse adjustment (SPADJ), specifically:

*H4a - Prior spouse organisational social support (SOSPRIOR) will be positively related to spouse general adjustment (SGAJ).*

*H4b - Prior spouse organisational social support (SOSPRIOR) will be positively related to spouse interaction adjustment (SIAJ).*

*H4c - On-site spouse organisational social support (SOSONSITE) will be positively related to spouse general adjustment (SGAJ).*

*H4d - On-site spouse organisational social support (SOSONSITE) will be positively related to spouse interaction adjustment (SIAJ).*

### **3.5.1 Spouse-related HCN Support**

Expatriates generally arrive at a new assignment with a defined role, a set of responsibilities inherent in the job they are taking, and an established organisational support system, basically continuing from where they left off in the home country. In contrast, spouses usually do not have a job or have had to temporarily resign from their jobs by taking unpaid leave, so work-related constructs are not relevant to their adjustment. Spouses are generally more directly involved with the local environment on a daily basis in order for them to ensure the expatriate family can continue with their normal daily activities with the least of disruption. The spouses tend to have considerably different responsibilities than they did before the assignment. Isolated from family and friends and living in a foreign environment with different legal, political, and social (cultural and language) systems, the adjustment process for spouses may be especially frustrating and stressful (Albright, Chu and Austin 1993). The spouses would have a higher probability to socially integrate with the HCNs in running their daily activities. HCNs can also be considered as a group that are most conversant with

the host country's cultural aspects and as such would be the most suitable group for the spouses to get information from regarding the various aspects that they might encounter in the host country, especially in the initial stages of relocation. Host country social support is a form of informational support; support for providing information to make life easier in the host country and emotional support, non-tangible help that could make a difference to a newly relocated family. Shaffer and Harrison (2001) claim that interaction with host-country nationals builds an appreciation of and sensitivity to cultural differences; naturally it seems likely that deeper relationships with host country nationals would also facilitate adjustment. As Furnham and Bochner (1986) noted, relationships with host country nationals help to bridge the gap between the two cultures. Such relationships create a climate of mutual respect and understanding, thus increasing the likelihood of adjustment to the international assignment (Bell and Harrison 1996). Hence, based on the above findings, the following hypotheses are developed to investigate the impact of host country social support on spouse adjustment.

Hypothesis 5 – Spouse host country national social support (SPHCS) will be positively related to the spouse adjustment. (SPADJ), specifically:

*H5a - Spouse host country informational social support (SINFO) will be positively related to spouse general adjustment (SGAJ).*

*H5b - Spouse host country informational social support (SINFO) will be positively related to spouse interaction adjustment (SIAJ).*

*H5c - Spouse host country emotional social support (SEMO) will be positively related to spouse general adjustment (SGAJ).*

*H5d - Spouse host country emotional social support (SEMO) will be positively related to spouse interaction adjustment (SIAJ).*

### **3.6 Cultural Intelligence of Expatriate's Spouse**

Being aware of cultural aspects can be vital in helping newly relocated families to become more comfortable and to reduce cultural mistakes in the host country. Being culturally aware and exhibiting culturally sensitive behaviours could make the HCNs more welcoming towards the newly relocated expatriate families. This is especially helpful when the spouses need to depend on HCNs for support and information regarding cross-cultural situations as they are more directly involved with the local environment. In line with Tajfel and Turner's social identity theory (1982, 1986), spouses do want to be included in the in-groups in order to increase their self-worth and one's identity concept. Thus, factors like knowing the local language and cultural values could increase their chances of becoming accepted by the locals. Shaffer and Harrison (2001) noted that all spouses who had positive international experience whom they had interviewed had earlier acquired at least a basic repertoire in the host-country language; none of those who had a negative experience attempted to learn it. Additionally, being culturally intelligent could enhance individual interactions across cultures (Earley and Ang 2003) thus allowing for opportunities that could serve one's goals (Brislin et al. 2006) i.e. the acceptance by the in-groups of HCNs. With the above findings and the scarcity of empirical evidence relating to cultural intelligence, the following hypotheses have been developed to determine the influence of CQ on spouse adjustment.

Hypothesis 6 – Spouse cultural intelligence (SPCQ) will be positively related to the spouse adjustment (SPADJ), specifically:

*H6a - Spouse awareness cultural intelligence (SCQAWARE) will be positively related to the spouse general adjustment (SGAJ).*

*H6b - Spouse awareness cultural intelligence (SCQAWARE) will be positively related to the spouse interaction adjustment (SIAJ).*

*H6c - Spouse interaction cultural intelligence (SCQINTER) will be positively related to the spouse general adjustment (SGAJ).*

*H6d - Spouse interaction cultural intelligence (SCQINTER) will be positively related to the spouse interaction adjustment (SIAJ).*

### **3.7 Adjustment on Performance**

The ultimate aim of sending an expatriate on international assignment is for them to perform the expected task better than anticipated and fulfil all related tasks such as interacting with the local colleagues and ensuring there is a continuity of operations from the headquarters to the subsidiary. In order to ensure each expatriate will perform as expected, organisations should be able to predict or identify what are the relevant antecedents or stressors that could maximize expatriates' performance. Campbell (1990) defines job performance as a set of behaviours that are relevant for the goals of the organisation and the effectiveness of the outcomes that stem from these behaviours. Translating the latter definition to the realm of expatriates, a definition for expatriate effectiveness is the extent to which the expatriate's job performance reflects behaviours that are relevant to the organisation's goals. Linking expatriate adjustment with expatriate performance are stress management theories of psychological stress (Kraimer, Wayne and Jaworski 2001). Research on expatriates has found mental well-being to be positively correlated with all three dimensions of expatriate adjustment (Nicholson and Imaizumi 1993; Selmer 1998) suggesting that individuals who are

poorly adjusted may be experiencing psychological stress. Within the stress research, it has been suggested that when employees are learning new organisational roles or facing stressful life events, psychological stress may lead to decreased work performance (Bhagat 1983; Motowidlo, Packard and Manning 1986). Cohen (1980) proposed that stress may create cognitive fatigue thus robbing individuals of energy needed for job performance. In support of the negative relationship between psychological stress and performance, Motowidlo et al. (1986) found occupational stress to be negatively related to job performance. Thus, based on stress management theories, it is expected that individuals who feel well adjusted to the work and general environment will be able to perform at higher levels.

Borman and Motowidlo (1997) divide the performance domain into a contextual and a task domain. They define contextual performance as activities that are directed at maintaining the interpersonal and psychological environment that needs to exist to allow the technical core to operate and argue that contextual performance is important because it shapes the organisational, social, and psychological context that serves as a critical catalyst for task activities and processes (Borman and Motowidlo 1997). Contextual performance can sometime be viewed as relationship-based performance (Podsakoff et al. 2000). Task performance on the other hand is defined as the effectiveness with which job incumbents perform activities that contribute to the organisation's technical core either directly by implementing a part of its technological process, or indirectly by providing it with needed materials or services (Borman and Motowidlo 1997). Tucker, Bonial and Lahti (2004) note that the relationship between cross-cultural adjustment and job performance is complex and not very well understood. Research by Kraimer et al. (2001) found that there is a positive relationship between expatriate adjustments with performance however they find no

existing data on the relationship between spousal adjustment and expatriate performance. Interestingly, no confirmation was found for the hypothesis that spousal support would relate to expatriate work and general adjustment in a recent study of expatriate sources of support. Correlations with the expatriate task and contextual performance were negligible. As is the case with many supposed relationships between variables in the expatriate management domain, to date there is no data to back the claim that spousal adjustment is critical to expatriate job performance, perhaps it should be gathered more conscientiously and deserves more thorough attention to form possible conclusion (Kraimer et al. 2001).

Shay and Baack's (2006) research on expatriates adjustment and performance show that there are significant relationships between each dimension of adjustment to expatriate performance. This finding seems parallel to the arguments by Shaffer et al. (2001) that well-adjusted expatriates will have greater reserve of personal resources (time, effort, emotional investment) available to spend on the behaviours that facilitate job performance. However, in a critical review of expatriate adjustment and performance, Thomas and Lazarova (2006) stress that the relationship between adjustment and performance is still inconclusive. Nevertheless, Shin, Morgeson and Campion (2007) found explicit support in the expatriate literature for the fundamental assumption that expatriates need to adjust to new cultural environments by adapting their behaviour to fit the host country's cultural norms and values in order for them to be successful at work. Similar supports come from meta-analyses that show that expatriate adjustment is an important predictor of performance (Bhaskar-Shrinivas et al. 2005; Hechanova, Beehr and Christiansen 2003). As the majority of expatriates are in the host countries with their family members, their roles in supporting expatriate adjustment and performance could not be relegated aside. Punnett (1997) found that

with effective management from the organisations, spouses can contribute to expatriate adjustment and subsequent performance. Based on the above analysis, hypotheses seven and eight are developed.

Hypothesis 7 – Expatriate adjustment (EXPADJ) will be positively related to expatriate performance (PERFORM), specifically:

*H7a - Expatriate general adjustment (EGAJ) will be positively related to expatriate task performance (ETP).*

*H7b - Expatriate interaction adjustment (EIAJ) will be positively related to expatriate task performance (ETP).*

*H7c - Expatriate work adjustment will be positively (EWAJ) related to expatriate task performance (ETP).*

*H7d - Expatriate general adjustment (EGAJ) will be positively related to expatriate contextual performance (ECP).*

*H7e - Expatriate interaction adjustment (EIAJ) will be positively related to expatriate contextual performance (ECP).*

*H7f - Expatriate work adjustment (EWAJ) will be positively related to expatriate contextual performance (ECP).*

Hypothesis 8 – Spouse adjustment (SPADJ) will be positively related to expatriate performance (PERFORM), specifically:

*H8a - Spouse general adjustment (SGAJ) will be positively related to expatriate task performance (ETP).*

*H8b - Spouse interaction adjustment (SIAJ) will be positively related to expatriate task performance (ETP).*

*H8c - Spouse general adjustment (SGAJ) will be positively related to expatriate contextual performance (ECP).*

*H8d - Spouse interaction adjustment (SIAJ) will be positively related to expatriate contextual performance (ECP).*

### **3.8 Spouse Adjustment and Expatriate Adjustment**

Previous studies by Tung (1981, 1987) have highlighted the influence of a spouse on expatriate's adjustment and ultimately on the expatriate's performance. The importance of expatriate spouses before and during an international assignment has been well documented. With increasing numbers of dual-career couples, career issues are becoming a critical factor in decisions to accept an international assignment (Harvey 1997; Pellico and Stroh 1997). In most cases, the spouse has to give up a job or forgo continuing educational or other career-related pursuits to 'trail' after the expatriate. Previous scholars have concurred that poor spouse adjustment adversely affects expatriate adjustment (Arthur and Bennett 1995; Black and Stephens 1989; Caligiuri et al. 1998), potentially resulting in a number of negative consequences ranging from psychological withdrawal to reduced performance (Hulin 1991). The inability of the spouse to adjust has been cited in theories and anecdotal studies as a direct and indirect cause of expatriate turnover (e.g., Black 1988; Harvey 1985; Tung 1981), a growing body of empirical evidence supports these influences (e.g., Black and Stephens 1989; Shaffer and Harrison 1998). The influence of a spouse on an expatriates well-being and performance originate from a spillover theory which suggests that a working spouse's experiences will carry over into the home; likewise,

home experiences can influence a person's work life (Aldous 1969; Crouter 1984). Studies by Caligiuri et al. (1998) and Takeuchi et al. (2002) found spillover effects of spouse on expatriate adjustment and vice versa. Results of Takeuchi et al.'s study (2002) focused on two types of effects, i.e., the role of spillover effects between expatriates' work and non-work domains and crossover effects between spouse and expatriate cross-cultural adjustment and how they operate in the cross-cultural adjustment process. Takeuchi and colleagues (2002) also found rather reciprocal relationships between expatriates and spouses which implicate that there is a possibility for both negative and positive effects between spouses and expatriates in terms of cross-cultural adjustment. However, the main concern is that any negative effects going in either direction will ultimately lead to maladjustment, poor performance and possibly, the premature return of expatriates not forgetting low self-esteem and self-confidence in the long run. Hence, for this research, we hypothesise that spouse adjustment will positively influence expatriate adjustment whilst in the host country therefore, the following hypotheses have been developed.

Hypothesis 9 – Spouse adjustment (SPADJ) will be positively related to expatriate adjustment (EXPADJ), specifically:

*H9a - Spouse general adjustment (SGAJ) will be positively related to expatriate general adjustment (EGAJ).*

*H9b - Spouse interaction adjustment (SIAJ) will be positively related to expatriate general adjustment (EGAJ).*

*H9c - Spouse general adjustment (SGAJ) will be positively related to expatriate interaction adjustment (EIAJ).*

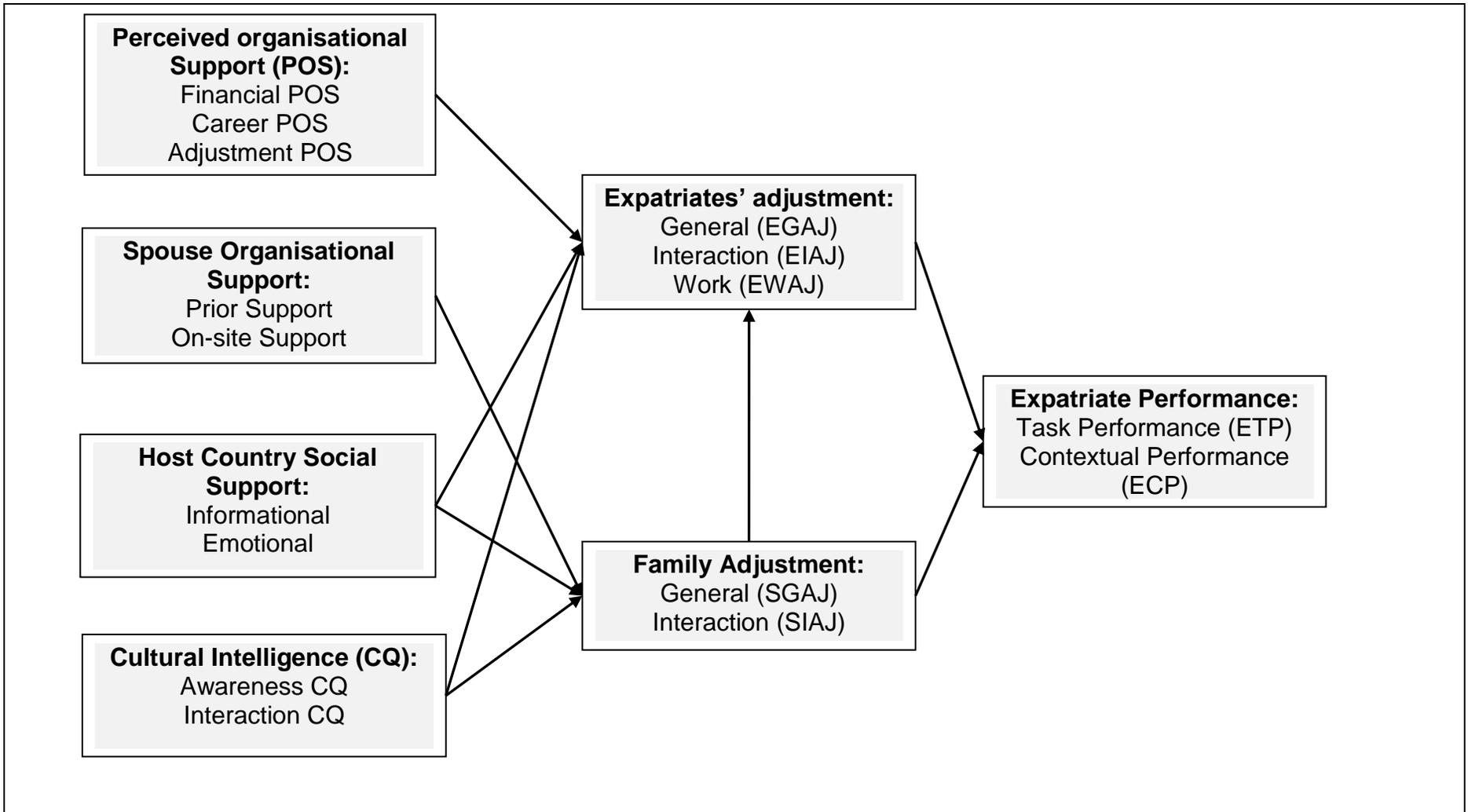
*H9d - Spouse interaction adjustment (SIAJ) will be positively related to expatriate interaction adjustment (EIAJ).*

*H9e - Spouse general adjustment (SGAJ) will be positively related to expatriate work adjustment (EWAJ).*

*H9f - Spouse interaction adjustment (SIAJ) will be positively related to expatriate work adjustment (EWAJ).*

Figure 3.1 summarises the hypothesised relationships between various constructs examined in this study.

**Figure 3.1 Framework of Hypothesised Relationships of Antecedents of Expatriate and Spouse Adjustment and Performance**



### **3.9 Conclusion**

This chapter discusses the main constructs used in this research with perceived organisational support (POS) from MNCs, support from HCNs and cultural intelligence as antecedents of an expatriate and their family members' adjustment and work performance whilst in the host country. These antecedents are predicted to have positive influences on expatriate and spouse adjustments and the subsequent outcomes. Spouse influence on expatriate adjustment and subsequent performance has also been investigated in order to determine how influential spouses are to expatriates' work and social environments. Measures and analysis that were undertaken to test these hypotheses are explained in depth in the following chapter.

## **CHAPTER 4: RESEARCH METHODOLOGY**

### **4.1 Chapter Overview**

This chapter provides detailed explanation regarding how this research was conducted. It starts by briefly explaining the different philosophical stances in conducting research, the differences between main research methods then narrowing to the specific research methods that this research has utilised. The ensuing sections of this chapter will continue from the previous chapters on why expatriates and their family members were selected as the respondents and why support and cultural intelligence were chosen for predictors of adjustments and the subsequent expatriation outcomes. In addition, this chapter explicates the data collection method, the conception of questionnaires and the analyses used to test the hypotheses. Where necessary, justifications were given on why a particular method or process was opted for instead of other alternatives. In summary, this chapter describes the series of decision-making choices that have taken place in order for this research to be carried out in the best possible manner. It involves some explanations on the type of research that was carried out, the nature of the data collected and how the data was analysed. Discussion on reliability and validity ends this chapter.

### **4.2 Research Design**

This research, positioned between the philosophical domains of positivism and realism reflects the belief that a researcher remains objective about the data gathered but simultaneously is aware of the existing influence of social forces and processes that might influence the interpretations and behaviours of the studied phenomena (Saunders, Lewis and Thornhill 2009). Positivism, which originated from Auguste

Compte, aims to identify research hypotheses and then attempt to come to conclusion that is fully supported by statistical, objective measures (Cavana, Delahaye and Sekaran 2001). Therefore, this research starts with a background search on the identified scope of study in order to identify the research problem, followed by the identification of related theories and the development of hypotheses, quantitative data collection and analysis, interpretation of findings, discussions of findings, suggestions with regards to the problem at hand and concluding remarks. Echoing the above is the definition of research design by Churchill (1979); the framework or plan of study that guides the quest to find answers of hypothesised problems through systematic data collection and data analysis. The realism stance, on the other hand, although shares some philosophical aspects with positivism through some objective, macro aspects of society, it adheres to the beliefs that people's socially constructed interpretations are influenced by some elements of social forces that perhaps constrain the nature of their views (Saunders et al. 2009). Therefore, for the interpretations of the data gathered, apart being unbiased and based purely on statistical evidence, there should also be an avenue to interpret data based on the broader social forces that might influence how people perceive the happenings around them.

Based on the research objectives which are mainly to investigate the influence of both support and cultural intelligence (CQ) skills on the expatriate and their family adjustments and the consequent expatriate work performance while in the host country, this research employs a cross sectional survey on expatriates and their family members who are based in Malaysia. According to Saunders et al. (2009), there are two research approaches; a deductive approach and the inductive approach. A deductive approach is when a researcher identifies a theory, develops hypothesis and designs a research strategy to test the hypothesis. An inductive approach on the other

hand, starts with data collection and theories are developed or implied from the data analysis (Saunders et al. 2009). Based on the research objectives, the research design is more suited to a deductive approach where there is a need to investigate causal relationships between the chosen variables. Creswell (1994) suggests that a research area where there is a wealth of literature from which you can define a theoretical framework and hypothesis lends itself to be more suited to deductive approach. This research was undertaken closely following the five sequential stages suggested by Robson (2002). It starts with deducing hypotheses from theory where testable propositions of relationships between two or more identified variables are investigated. These hypotheses are expressed in operational terms whereby relationships between investigated variables are proposed. The third stage involves testing the operational hypotheses on which specific data analyses are put forth. The next stage necessitates examining the specific outcome of the data investigation where a theory is confirmed or points to the need for modification. The last stage entails modifying the theory in light of the findings gathered from the earlier stages.

In relation to the research questions that this research would like to examine, there is a pertinent need to address the issues that surround expatriate adjustment failures and the two antecedents that have been identified which might explain what causes problems in adjustments are support and cultural intelligence. Despite expatriate adjustments being addressed since the mid-eighties by scholars like Black (1988) and colleagues (e.g. Black and Stephens 1989; Black and Gregersen 1990; 1991a; Black et al. 1991; Black and Porter 1991), there still remains some issues regarding adjustment difficulties by expatriates and their trailing family members. This research would like to contribute to addressing some of these incessant problems. Although there is an alternative method through the utilisation of secondary data in

addressing expatriate related research, due to the nature of this area where confidentiality of the expatriates is highly guarded by their organisations and the respective countries' immigration departments, not much data can be obtained thus making data gathering more challenging. In addition, reverting to the realism stance, interpretation of the investigated variables by the respondents involved would give a better picture of the causal relationships between the antecedents studied and the adjustment outcomes and hence highlighting the drawbacks of using only secondary data. In addition, the usage of secondary data would not allow for a more detailed and specific description of investigated constructs thus would be less meaningful to address specific issues.

To address issues relating research validity and reliability, Gill and Johnson (1997) suggest those embarking on the deductive approach to employ a highly structured methodology to facilitate replication. As such, care has been taken to ensure the collection of quantitative data through survey was carried out in line with the principle of scientific rigour. In addition, in order for the variables to be measured quantitatively, all variables are strictly defined in order to minimise confusion and as suggested by Saunders et al. (2009). The principle of reductionism is being followed where problems investigated are reduced to the simplest possible elements for better control and better understanding. It is important to point out that an alternative approach, the inductive method through interviews and observations can also be utilised for this research but in line with the research objectives that needed to be addressed, a quantitative approach is more fitting. Saunders et al. (2009) caution researchers going down the line of a deductive approach to be wary of putting definite labels on the cause-effect link between investigated variables without fully understanding of the way in which humans interpret their social world. In addition, the

reason why the deductive research approach is employed as compared to the inductive research approach was based on the nature of the research area.

Edmondson and McManus (2007) suggest three archetypes of methodological fit in field research which allow researchers to match their specific research area's theories with the most appropriate methodology; mature theory, intermediate theory and nascent theory. Mature theory is when well-developed constructs and models have been studied over time by a variety of scholars who seem to broadly agree with the cumulative knowledge gathered. Nascent theory, on the other hand is when the field of study is considered novel and existing researches merely suggest new connections among phenomena. Intermediate theory falls in between these two opposite continuums (Edmondson and McManus 2007). Research that falls in the mature theory category is usually quantitative in nature, relying on hypothesis testing of existing constructs and measures to test variables and data is analysed by means of statistical inferences and analyses. On the contrary, nascent theory typically employs qualitative research through the means of interviews or observations and normally uses one or more new measures and data are analysed through thematic content analysis coding for evidence of constructs. Intermediate theory typically employs the hybrid approach (Edmondson and McManus 2007).

Based on the above understanding, adjustment failure or problems inhibiting successful adjustment in the host country is not a new phenomenon and has been investigated heavily since the mid-eighties. What warrants more understanding is not what constitutes adjustment failure but the causes that lead to problems in adjusting to the various aspects of the host country by the expatriate and the accompanying family members. As such, conducting a survey on the identified variables and teaming them with the anxiety/uncertainty management (AUM) theory by Gudykunst (2005) would

possibly give a better understanding of the fundamental issues surrounding successful adjustment to the host country. In addition, as expatriates are not sole entities and are often being accompanied by their families whilst on assignments and realising that HCNs and MNCs do influence how expatriates adjust and perform in the host country as proven by previous authors (Andreason 2003; Black and Gregersen 1991; Bhaskar-Shrinivas et al. 2005; Shaffer and Harrison 2001; Varma et al. 2009; Takeuchi 2010), this encompassing research includes variables that are linked to family members, HCNs and MNCs as multiple stakeholders. Interviews and observations can be employed in future when certain issues that arise from the data gathered need further probing. More details on the survey method will be presented below.

#### **4.2.1 The Survey Method**

Based on earlier expatriate related research (see Black 1998; Kraimer, Wayne and Jaworski 2001; Shaffer and Harrison 1988), the majority of researchers used mail and web surveys to gain a response from expatriates concerning various expatriate related issues and this research is no exception. Researchers have long recognised the obvious advantages of surveys, which are low in cost, geographically flexible and can reach a widely dispersed sample simultaneously without the possible distortions of time lag (Kanuk and Berenson 1975; Saunders et al. 2009). In addition, business people and academic researchers prefer surveys to interviews for reasons of expediency, cost, less invasive, freedom from interviewer bias and promised anonymity (Watson 1965 cited in Kanuk and Berenson 1975). However, surveys are generally believed to be low in response rates with the problems of response bias and nonresponse bias (Dillman 2007). As suggested by Kanuk and Berenson (1975) and Dillman (2007), this particular research used various strategies in order to increase

response rates such as the usage of official support from a notable body to make the survey official (support from the Ministry of Tourism Malaysia – please refer to Appendix 4), return envelopes, free return postage, personalisation (usage of actual names of recipients), cover letter, promised anonymity, reminder cards and specific deadlines at the end of the cover letter.

In order to increase response rates, this research used both mail and web surveys. The reason for doing this was due to the understanding that the respondents are in the profession where they have constant web access and are thought to be more comfortable being contacted by emails due to the nature of the profession itself. Web surveys are said to be comparatively lower in cost due to eliminations of printing and postage costs, time saving due to returned survey data are already in an electronic format, elimination or minimising 'gatekeeper's' interferences and easily accessible to those who regularly use the internet (Kaplowitz, Hadlock and Levine 2004). However, web surveys have been linked to internet security and the receipt of electronic 'junk mail' or 'spams' (Sills and Song 2002). Although one of the drawbacks of web surveys is the inability to monitor who is filling out the surveys, Van Der Velde, Jansen and Anderson (2004) suggest researchers to protect the webpage from unintended recipients with a password and email the password to the intended recipients beforehand. Another way to protect the web surveys from being 'contaminated' by accidental visitors, Van Der Velde et al. (2004) suggest asking a series of control questions and exclude deviating answer forms from the analysis. Kaplowitz et al. (2004) found that web surveys can achieve comparable response rates to mail surveys when preceded by advance mail notification. Dillman (2007) suggests that web surveys can be used simultaneously with mail surveys to maximise response rates and counter the drawback of the other mode. However, Dillman (2007) also

cautions researchers that due to the fact that web surveys are still new compared to mail surveys, there might be a difference between the response rates of mail and web surveys due to the implementation approaches for mail surveys which might not be easily transferable to web surveys and more research and time should be spent in order to come up with implementation approaches that are fully customised to web surveys.

#### **4.2.2 Population and Sample**

The research population includes expatriates and their family members who are working and residing in Malaysia. The respondents would be those who have been living and working in a foreign country, i.e. Malaysia for more than six months. Why six months? According to the U-Curve theory of adjustment and the concept of culture shock (Black and Mendenhall 1991; Lysgaard 1955; Oberg 1960), the first few days and up to the sixth month is referred to as the 'honeymoon' stage. However, three months is the common duration of the honeymoon period (Black and Mendenhall 1991). During the 'honeymoon' stage, the expatriate and his or her family members are excited with the new and interesting aspects offered by the host country. At this stage, the feelings of being a 'tourist' cannot be avoided (Black and Mendenhall 1991); thus, selecting those who have just been relocated or moved to a new foreign assignment will not reflect the actual condition of the real environment. However, after the honeymoon stage is over, and when the true situation actually sinks in, the expatriates and their family members will be more susceptible to feelings of despair and the tolls of adjusting are becoming apparent. This stage, happening between the sixth month to a year is referred to as a 'crisis' phase (Copeland and Griggs 1985), thus highlighting the

importance of choosing expatriates who have been in the host country for more than six months in order to determine their actual situations.

The main research population will include expatriates and their family members who are working in MNCs in Malaysia. The sampling frame was from a combination of lists of expatriates gathered from expatriate organisations and associations such as the American Malaysian Chamber of Commerce and Malaysia Canada Business Council. There is no known list of the total number of expatriates working in Malaysia due to the following reasons. There might be lists that are compiled by the Malaysian Immigration Department and the various Embassies but the lists are not made known to the public due to security issues. The lists that are maintained by the expatriate associations and organisations may not reflect the actual number of expatriates in the country as membership is voluntary. However, the lists from the expatriate related associations and organisations were the best alternative that the researcher has, bearing in mind the confidentiality issues and the security of top notch foreign officials and representatives residing in Malaysia.

As there is no single authoritative source for the population, the sampling has to be carried out in several stages in order to get the real population. Hence the sampling design for this population was multistage, otherwise known as clustering, according to which the researcher needs to identify the respondents through several steps (Fink and Kosecoff 1985). Firstly, the researcher sorted the expatriates' organisations into type of entities; whether a multinational corporation (MNC), a government-related organisation, a small and medium enterprise (SME) or non-profit organisation. Only expatriates from MNCs are considered to be included in the main sampling population because expatriates from other organisations like SMEs and non-profit organisations are beyond the scope of the research study due to them being mostly self-initiated

expatriates. A census method was used to ensure that all the companies in the databases were included as the population. At this stage, all expatriates were identified from the above databases. The second stage involved filtering expatriates who have been in Malaysia for more than six months in order to better gauge the response with regards to their adjustment process in the host country. The expatriates who have been in the host country for less than six months were not considered as potential respondents as this research is mainly to determine the real adjustment issues that the expatriates go through while in the initial stages of being in a new environment.

Databases with information on when the expatriates have arrived in the host country were used to eliminate the newly relocated expatriate families. For those databases that do not have such information, all the expatriates were considered for the next round of sampling. The filtering process had to be conducted in order to get the real population that has the characteristics required for the research such as expatriates that have been sent by their organisations and not self-initiated ones and those who are working in MNCs only and have been in the host country for more than six months. There was also overlapping of expatriate details due to them being members of different associations or entities simultaneously; for example being a member of American Malaysian Chamber of Commerce and American Association of Malaysia. There was also the problem in classifying foreign workers as expatriates whereby foreign workers can mean those working as blue-collar workers in Malaysia who are mainly hired in the manufacturing and construction sectors but are not professionals. The initial databases that have around 5000 names were narrowed and filtered down to around 700 possible respondents.

The unit of analysis is the expatriate and the accompanying family members who have been assigned Malaysia in fulfilment of a foreign assignment. In order to capture

a more holistic picture of the adjustment process and the social support required and received by the expatriates and their family members and the linkage with the expatriate's performance, this research includes responses from the expatriate's spouse or partners in order to have a more comprehensive understanding from the lens of those that normally surrounds the expatriates. The expatriate's spouse or partner's responses will be assumed to represent the expatriate family responses as they are regarded to have better knowledge of what the other accompanying family members might feel regarding the arising issues resulting from relocating to a new environment. The original research design of this research had included expatriate co-workers to evaluate expatriate performance as a way to minimise self-rating bias, however, the findings gathered showed that co-worker ratings on expatriate performance were not significantly correlated with the rest of the constructs used in this research thus the co-worker ratings were dropped in lieu of expatriate self-rating performance. The possible reasons for this inconsistency will be further discussed in the findings and limitation sections (Please refer to Appendix 3 for a sample of the questionnaires distributed to the expatriate co-workers).

#### **4.2.3 Research Variables and Measures**

The measures for cross-cultural adjustment, support from MNCs and HCNs and cultural intelligence (CQ) as independent variables and expatriate performance as dependent variable are explained below. A detailed explanation for each of these constructs was explicated in chapter three. Samples of the expatriate, and spouse questionnaires are provided at the end of this thesis in Appendices 1 and 2.

#### 4.2.3.1 Cross-cultural Adjustment

Expatriate adjustment was measured by adopting the adjustment framework by Black and colleagues (Black 1988; Black and Gregersen 1991; Black and Stephens 1989) and an updated version of the same scale by Shaffer, Harrison and Gilley (1999). The 7-point Likert scale (1 = not adjusted at all, 7 = completely adjusted) measured adjustment to work (4 items), general environment (7 items) and interaction to HCNs (4 items). Family members' adjustment was operationalised with an extended version of a previously developed instrument by Black and Stephens (1989) and improved by Shaffer and Harrison (2001). The work adjustment items from the original scale by Black and Stephens (1989) were omitted to suit the nature of the expatriate family members. Sample items for the general adjustment include 'whether the respondents are adjusted with the living conditions in general and housing conditions', while the sample items for the interaction adjustments include 'whether the respondents are adjusted with socialising with country nationals (locals) and speaking with host country nationals (fluency of understood language)'. The sample items for the work adjustment include 'whether the expatriates are adjusted to the specific assignments responsibilities and performance standard and expectations'. Cronbach alphas for general adjustment are (Expats = .91, Spouse = .77), interaction adjustment are (Expats = .80, Spouse, .75) and work adjustment is (Expat = .88). The dimensions of adjustment were retained as separate variables following the footsteps of earlier researches (Black and Stephens 1989; Kraimer, Wayne and Jaworski 2001) in order to delve further into which type of adjustment is influenced by the different types of support and cultural intelligence elements. We are of the opinion that it is imperative for expatriate hiring organisations to be aware of the different types of adjustment that the expatriate and their family members are experiencing in order to identify which type

of adjustment is the most and the least troublesome. This segregation of adjustment types will be important in determining the antecedent and outcome factors that are significant specifically for a particular type of adjustment.

#### **4.2.3.2 Organisation Support**

Support is divided into two categories; i.e. from the organisations and from the HCNs. The questions for each social support provided for expatriates and their spouses are different due to the different circumstances of the respondent; i.e being the accompanied (expatriate) or the accompanying (spouse). For expatriates, social support from organisations was in the form of perceived organisational support (EXPOS) and consists of 12 items. The EXPOS was further divided into financial perceived organisational support (POSFIN), career perceived organisational support (POSCAR) and adjustment perceived organisational support (POSADJ). Each subscale consists of 4 items. Survey questions for perceived social support to expatriates are adapted from scales developed by Kraimer and Wayne (2004). Questions on a 7-point Likert scale (1 = strongly disagree, 7 = strongly agree) were posed to respondents aiming to gather their response for the various perceived social support from their organisations. Sample items for POSFIN include 'my organisation has taken care of me financially and my organisation gives me generous financial support'. Reliability alpha for POSFIN is .74. Sample items for POSCAR include 'my organisation cares about my career development and my organisation considers my career goals when making career decisions'. The cronbach alpha for POSCAR is .78. For the last perceived organisational support; the POSADJ, sample items include 'my organisation has shown interest on my family's well-being and my organisation

provides readily available help while living in the host country'. Cronbach alpha for this subscale is .81. Full scales are available in the sample questionnaire in Appendix 1.

Survey items for organisations' social support (SOS) and HCNs' social support (HCNS) to spouse/family members are adopted from earlier scales by House (1981), Kupka and Cathro (2007) and Wang (2001). The scales used for these dimensions are on a 7 point Likert scale where 1 = strongly disagree and 7 = strongly agree. The expatriate spouses/partners were asked to respond with regards to the support given by their spouse/partners' organisations prior to relocation and in their current overseas residence. Originally, there were 19 items representing organisation social support (SOS) for the spouse/partner. However, due to a relatively low response rate ( $n = 134$ ) and to fulfil the subject to item ratios of 10:1 or less, most of the variables needed to undergo exploratory factor analysis (EFA). This is intended to take a fairly large set of variables and reduce them to a smaller, more manageable number while retaining as much of the original variance as possible (Conway and Huffcutt 2003). The 19 items of the spouse organisational support (SOS) were subjected to the principal components analysis (PCA) using SPSS Version 16. Prior to performing PCA, the suitability of data for factor analysis revealed the presence of many coefficients of .3 and above. The Kaiser-Meyer-Olkin value was .85, exceeding the recommended value of .6 (Kaiser 1970, cited in Pallant 2007) and Bartlett's test of sphericity reached statistical significance, supporting the factorability of the correlation matrix (Pallant 2007). At this stage, 4 items; items number 1, 17, 18 and 19 were dropped due to having factor loadings of below .3. PCA revealed the presence of three components with eigenvalues exceeding 1, explaining 41.4%, 10.1% and 8.0% of the variance respectively. An inspection of the scree plot revealed a clear break after the second component. It was decided to retain two components for further investigation. This was

further supported by the results of parallel analysis, which showed only two components with eigenvalues exceeding the corresponding criterion values for a randomly generated data matrix of the same size (19 variables x 134 respondents).

The two-component solution explained a total of 51.3% of the variance, with component 1 contributing 41.2% and component 2 contributing 10.1%. To aid in the interpretation of these two components, oblique rotation was performed. The rotated solution revealed the presence of simple structure (Thurstone 1947 cited in Pallant 2007), with both components showing a number of strong loadings and all variables loading substantially on only one component. Upon further inspection, the 7 items loaded on component 1 described the support that is offered or given to the expatriates and their family members prior to relocating to the host country. These items have been grouped together to form the subscale prior to organisational social support (SOSPRIOR). Typical sample items for the scale are 'my spouse/partner's organisation consults the family before making any decisions regarding my spouse/partner's job-related matters and my spouse/partner's organisation provided sufficient time for us to pack and handle family matters before relocating to the host country'. The remaining 8 items that loaded on the second component were closely related to organisation social support given or offered to expatriate and their family members while in the host country. These 8 items were grouped together to form the subscale on-site spouse organisational support (SOSONSITE). Sample items for SOSONSITE include 'my spouse/partner's organisation provides support to our family members during work assignments and my spouse/partner's organisation provides on-site arrival assistance when we first relocated to this country'. Cronbach alphas for SOSPRIOR and SOSONSITE are both .74. (Please refer to Appendix 5 for organisation support related SPSS output).

In order to determine the type of support that was offered to the expatriate and their accompanying family members from the hiring organisations, the respondents, both expatriate and spouse/partner were asked to indicate out of the nine commonly offered support methods from the expatriate hiring organisations, which ones were actually offered to them. The examples of offered social support from the MNCs include coordinating work visa application, handling paperwork for work and residence permits and obtaining passports and providing assistance for spouses who wish to find assignments in the host country or to effectively manage their careers. The list of commonly offered support for relocating expatriates and their families were derived from expatriate relocation agencies whereby these types of companies offered services that could make it easier for expatriates and their family to relocate to the host country. The respondents were further requested to indicate which type of support that was not offered to them but they felt were relevant to ease transition to the host country's environment. The feedback from the expatriates and their accompanying family members will help to determine the type of support that was relevant to ease adjustment and identify whether there is any mismatch between what was offered by the organisations and what was actually needed by the relocating families.

#### **4.2.3.3 Host Country Support**

In order to gauge the influence of social support from the host country nationals to the expatriates and their accompanying family members, sixteen items were identified to relate closely to the support that was associated to the expatriate adjustment and their family adjustments in the host country. These items, adapted from earlier scales by House (1981), Kupka and Cathro (2007) and Wang (2001) were on a 7 point Likert scale with 1 = strongly disagree and 7 = strongly agree. Following

Conway and Huffcutt's (2003) suggestion, these 16 items were subjected to principal components analysis (PCA) using SPSS version 16. Upon looking at the communalities table, three items had to be dropped due to having loadings of below .3. This shows that these items do not fit well with the other items in its component (Pallant 2007). Removing these items will lead to an increase in the variance explained (Pallant 2007) and in this case, the variance explained has increased from 59.1% to 63.5%. Prior to performing PCA, the suitability of data for factor analysis revealed the presence of many coefficients of .3 and above. The Kaiser-Meyer-Okin value was .89, exceeding the recommended value of .6 (Kaiser 1970, cited in Pallant 2007) and Bartlett's test of sphericity reached statistical significance, supporting the factorability of the correlation matrix (Pallant 2007).

PCA revealed the presence of three components with eigenvalues exceeding 1, explaining 41.4%, 11.2% and 10.9% of the variance respectively. An inspection of the scree plot revealed a clear break after the second component. It was decided to retain two components for further investigation. This was further supported by the results of parallel analysis, which showed only two components with eigenvalues exceeding the corresponding criterion values for a randomly generated data matrix of the same size (13 variables x 134 respondents). The two-component solution explained a total of 52.4% of the variance, with component 1 contributing 41.2% and component 2 contributing 11.2%. Oblimin rotation was performed to assist the interpretation of these two components. The rotated solution revealed the presence of simple structure (Thurstone 1947, cited in Pallant 2007), with both components showing a number of strong loadings and all variables loading substantially on only one component.

At this juncture, looking closely at the remaining items and how they were loaded into the pattern matrix, there existed a clear pattern on items loaded onto two

components. These support items, further segregated into expatriate host country informational support (HCINFO) and expatriate host country emotional support (HCEMO) which were identified to gauge the influence of this type of support to the well-being and adjustment of expatriates in the host country. Likewise for the spouse specific support items; spouse host country informational support (SINFO) and spouse host country emotional support (SEMO). These two types of social support were supported by earlier researches by Adelman (1988), Beehr and Glazer (2001) and Caligiuri and Lazarova (2002) where tangible and non-tangible support could help in facilitating better adjustment to those who have just relocated to new environments.

Beehr and Glazer (2001) define informational support as tangible information in the form of basic information such as getting groceries or healthcare which could be very helpful to the newcomers in a society while emotional support include the non-tangible support that could be in the form of lending one's ears to listen to a newcomer's complaint regarding the culture of a country or putting time aside to help a newly relocated family get to know the neighbours. Sample items for the 7-item expatriate HCINFO include 'my co-workers/friends in the host country gave information on interpersonal relationships with HC co-workers and my co-workers and friends in the host country were clear about what was expected of me at work'. For the spouse host country informational support (SINFO), there were only six items because one work related item from the expatriate HCINFO items was dropped due to being irrelevant. A sample item from the SINFO subscale includes 'my spouse/partner's colleagues and friends in the HC gave information on where to buy things for my home'. The cronbach alphas for the HCINFO and SINFO are .79 and .78 respectively.

The remaining six out of the thirteen social support items from the host country nationals which were found to load onto the same component in the pattern matrix

contain emotional support related items. These items, still on a 7-point Likert scale gauged the response from both expatriate and their spouse/partner regarding the support that were offered from their host country co-workers or friends while assigned to Malaysia. These items were then segregated to form the expatriate host country emotional support (HCEMO) and spouse host country emotional support (SEMO) subscales. Sample items for expatriate HCEMO include 'my co-workers and friends in the host country were concerned with my well-being while in the HC and my co-workers and friends in the HC helped me in crisis situations even though it was not work related'. Sample items for SEMO include 'my spouse's/partner's colleagues listened when I needed to talk on personal things and my spouse's colleagues and friends in the HC are easy to talk to and helped me feel better when I was irritated with the local conditions'. Cronbach alphas for HCEMO and SEMO are .75 and .76 respectively. (Please refer to Appendix 6 for host country support related SPSS output).

#### **4.2.3.4 Cultural Intelligence**

CQ, which is based on the successful intelligence theory put forth by Sternberg (1997) originated from the notion that intelligence is the necessary ability to adapt to, as well as the selection and shaping of, an environmental context. An article by Thomas et al. (2008, p.126) define CQ as a '*system of interacting knowledge and skills, linked by cultural metacognition, that allows people to adapt to, select, and shape the cultural aspects of their environment*'. Cultural intelligence (CQ) was measured using a scale put forth by Ang et al. (2007) and Van Dyne (2005). The original CQ scale, consisted of 20 items were on a 7-point Likert scale ranging from 1 = strongly disagree to 7 = strongly agree. For this research, due to the relatively small sample size (n = 134), most scales used were subjected to exploratory factor analysis.

The expatriate CQ scale was no exception. The 20-item scale was subjected to principal components analysis, oblique rotated. The Kaiser-Meyer-Okin (KMO) measure of sampling adequacy value was .71 (.80 for spouse) and above the stipulated .6, and the Bartlett's test of sphericity value was significant ( $p = .000$ ) for both expatriate and spouse which showed that the data set was suitable for factor analysis (Pallant 2007).

Upon closer inspection of the scree plot, there was quite a clear break between the second and third components, hence we opted to retain only two components. This move has resulted in the increase of variance explained from 56.7% to 60.7% (55.7% to 61.5% for spouse). Upon inspection of the communalities table, 4 items needed to be dropped due to having extraction of below .3, which indicated that these items were not in-synch with the other items. 3 more items needed to be dropped further because there were no values for these items in the pattern matrix. The loadings for the spouse CQ mirrored the ones for the expatriate thus the items remaining for the spouse CQ are the same as the expatriate CQ. In addition, in order to see that the two components were not related, we looked at the component correlation matrix. The value here is .29 (.28 for spouse), which is below the cut-off point of .3. Therefore, it is safe to assume that the two components were not related (Pallant 2007). The remaining thirteen items which loaded onto two components were then segregated into two sub-scales and will further elaborated in the following paragraphs.

The original CQ scale (Ang et al. 2007; Van Dyne 2005) had four sub-scales which consisted of metacognitive CQ (4 items), cognitive CQ (6 items), motivational CQ (5 items) and behavioural CQ (5 items). The remaining thirteen items in this research had six items loaded into one component and the remaining seven items in the next component. Upon closer inspection of the groupings, the first component

included items that had belonged to the metacognitive and cognitive CQ sub-scales from the original CQ scale (Ang et al. 2007; Van Dyne 2005). Earley and Ang (2003) defined metacognitive CQ as the processes individuals use to acquire and understand cultural knowledge while cognitive CQ is a general knowledge and knowledge structures about culture. Thus, we have opted to label the first sub-scale of the CQ in this research as awareness CQ (CQAWARE) as both metacognitive and cognitive CQ refer to the elements that are inherent in a person when they are aware of the differences between cultures around them and are conscious of the adjustments that have to be made in a cross-cultural setting. The second CQ sub-scale used in this research consisted of items that belonged to the motivational and behavioural CQ sub-scales from the original CQ scale put forth by Ang et al. (2007) and Van Dyne (2005). Motivational CQ is the magnitude and direction of energy applied toward learning about and functioning in cross-cultural situations while behavioural CQ is the capability to exhibit appropriate verbal and nonverbal actions when interacting with people from different cultures (Earley and Ang 2003). Thus, this sub-scale was labelled as interaction CQ (CQINTER) due to the items being one step up from just being aware of these cultural differences but actually preparing oneself for the different cultural elements that will be present when one is interacting with those of a different cultural background. Both expatriate and spouse have similar items for the CQ sub-scale albeit with a slightly alteration in the name to show whether they were for the spouse or expatriate. The CQ sub-scales are labelled as expatriate awareness CQ (CQAWARE) and expatriate interaction CQ (CQINTER) while for spouse, it is labelled as spouse awareness CQ (SCQAWARE) and spouse interaction CQ (SCQINTER). Cronbach alphas are as follows; CQWARE (.78), CQINTER (.74), SCQAWARE (.73) and SCQINTER (.76). Some sample items used in this scale for awareness CQ include 'I

am conscious of cultural knowledge I use when interacting and I know the cultural values and religious beliefs of other cultures'. As for the interaction CQ, the sample items include 'I am confident that I can socialise with locals of other cultures and I use pause and silence to suit different cultures'. All items for these scales are available in Appendices 1 and 2 at the end of this thesis. (Please refer to Appendix 7 for cultural intelligence related SPSS output).

#### **4.2.3.5 Expatriate Performance**

Expatriate performance was measured using a combination of scales put forth by Caligiuri (1997), Kraimer et al. (2001) and Kraimer and Wayne (2004). The performance, segregated into task and contextual performance are on a 7-point Likert scale ranging from 1 = very poor to 7 = outstanding. The respondents were asked to rate their performance on how they are doing in their current roles. Sample items for the six item task performance (ETP) scale are overall assignment performance and meeting performance standards and expectations. For the four item contextual performance (ECP) scale, among others, respondents were asked to rate their performance in terms of interacting with host country co-workers and maintaining good working relationships with host country nationals. It was originally decided to use the co-workers' ratings for expatriate performance as a way to counter the disadvantage of self-reporting, however, further analysis showed that there was no significant correlations between the co-worker expatriate performance ratings and the various adjustment facets. Thus the co-worker ratings were dropped and the self performance ratings were used instead. More details on the co-worker ratings will be detailed in the preliminary analysis results reporting and the reasons why we thought that co-worker ratings were not feasible will be laid out in the discussion chapter. Cronbach alphas for

expatriates' self-report ETP and ECP are .79 and .86 respectively. A summary of all the scales used in this research is provided in Table 4.1.

**Table 4.1 – Summary of Scales Used in this Research**

Scale	Adapted from	Sample items
Expatriate General Adjustment ( <b>EGAJ</b> ) Spouse General Adjustment ( <b>SGAJ</b> )	Black and colleagues (Black 1988; Black and Gregersen 1991; Black and Stephens 1989) Kraimer, Wayne and Jaworski (2001) Shaffer, Harrison and Gilley (1999)	Whether adjusted to 'living conditions in general'.
Expatriate Interaction adjustment ( <b>EIAJ</b> ) Spouse Interaction Adjustment ( <b>SIAJ</b> )	Black and colleagues (Black 1988; Black and Gregersen 1991; Black and Stephens 1989) Kraimer, Wayne and Jaworski (2001) Shaffer, Harrison and Gilley (1999)	Whether adjusted to 'socialising with host country nationals (local people)'.
Expatriate Work adjustment ( <b>EWAJ</b> )	Black and Stephens (1989)	Whether adjusted to 'performance standard and expectations'.
Financial perceived organisational support ( <b>POSFIN</b> )	Kraimer and Wayne (2004)	My organisation 'provides good financial incentives and allowances to me'.
Career perceived organisational support ( <b>POSCAR</b> )	Kraimer and Wayne (2004)	My organisation 'considers my goals when making decisions about my career.'
Adjustment perceived organisational support ( <b>POSADJ</b> )	Kraimer and Wayne (2004)	My organisation 'has shown an interest in my family's well-being'.
Expatriate host country informational support ( <b>HCINFO</b> )	House (1981) Kupka and Cathro (2007) Wang (2001)	My colleagues / friends in the host country 'gave me information about local entertainment activities'.

Spouse host country informational support <b>(SINFO)</b>	House (1981) Kupka and Cathro (2007) Wang (2001)	My spouse's colleagues / friends in the host country 'gave me information about local customs'.
Prior spouse organisational social support <b>(SOSPRIOR)</b>  On-site spouse organisational social support <b>(SOSONSITE)</b>	House (1981) Kupka and Cathro (2007) Wang (2001)	My spouse's organisation 'provides sufficient information on the host country prior to the foreign assignment'.  My spouse's organisation 'provides support to our family members during work assignments'.
Expatriate host country emotional support <b>(HCEMO)</b> Spouse host country emotional support <b>(SEMO)</b>	House (1981) Kupka and Cathro (2007) Wang (2001)	My colleagues / friends in the host country 'helped me feel better when I was irritated working in the local conditions'. My spouse' colleagues / friends in the host country 'are easy to talk to'.
Expatriate awareness cultural intelligence <b>(CQAWARE)</b> Spouse awareness cultural intelligence <b>(SCQAWARE)</b>	Ang et al. (2007) Van Dyne (2005)	I am conscious of the cultural knowledge I apply to cross-cultural interactions.
Expatriate interaction cultural intelligence <b>(CQINTER)</b> Spouse interaction cultural intelligence <b>(SCQINTER)</b>	Ang et al. (2007) Van Dyne (2005)	I enjoy interacting with people from different cultures.
Expatriate task performance <b>(ETP)</b>	Caligiuri (1997) Kraimer <i>et al.</i> (2001) Kraimer and Wayne (2004)	How do you rate your performance in terms of : Meeting your job objectives.
Expatriate contextual performance <b>(ECP)</b>	Caligiuri (1997) Kraimer <i>et al.</i> (2001) Kraimer and Wayne (2004)	How do you rate your performance in terms of : Interacting with local co-workers.

#### **4.2.4 Control Variables**

An important characteristic of deductive approach is the employment of control variables to allow the testing of hypotheses (Saunders et al. 2009). For this particular study, variables were used to control for the effect of certain factors on the tests of relationships between variables. Control variables are normally represented by demographic factors of the respondents. For this research, time in the host country, having accompanying family members during assignments, fluency of local language and having previous experience act as control variables so they remain constant while testing for the relationships between variables carried out so that the results would be more reflective of the actual conditions. The choosing of these variables is in line with previous expatriate related research (Black and Mendenhall 1990; Caligiuri 2000; Mendenhall and Oddou 1985).

#### **4.2.5. Pilot Test**

A questionnaire should be piloted with a reasonable sample of respondents who come from the target population or who closely resemble the target population (Cavana et al. 2001). This exercise is important in order to refine the questionnaire so that respondents will have no confusion in answering the questions and as a way for the researcher to obtain some assessment of the questions' validity and the likely reliability of the data that will be collected (Saunders et al. 2009). Initially, a researcher should ask an expert or group of experts to comment on the representativeness and suitability of the questions in order to get feedback on the structure of the questionnaire before the pilot testing takes place. This will help establish content validity (Mitchell 1996) and enable the researcher to make necessary amendments prior to pilot testing.

Prior to distribution of surveys to expatriates in Malaysia, a pilot study sample consisting of Human Resource Management experts, expatriates and government officials were undertake to pre-test the instrument (n = 20). Pilot studies also allow for the testing of face validity when the items appear to reflect the construct as defined conceptually (Schwab 2005). Apart from suggestions to simplify certain statements and be consistent with certain terms, the respondents from the pilot study were satisfied with the survey items. For example, there were suggestions to only use the term foreign assignment instead of international assignment to describe overseas postings. Some respondents proposed to only use the term expatriate spouse instead of using expatriate spouse/partner to describe the accompanying spouse or partner. However, we opted to use both as we thought this was a sensitive issue. A short description for every section was also suggested as a way to minimise confusion as the proposed questionnaire had seven different sections. We had to restructure the questionnaire through the usage of a smaller font size, the omission of irrelevant repetitive items and the reduction of spacing between items in order for the finished questionnaire to appear less lengthy as to not discourage people from completing it. Care was taken to only ask for demographic details at the very end of the questionnaire as some people are very private and prefer to not divulge personal details to strangers. Emails were also sent to authors whose scales were used in the questionnaires for consent. As the scales used were adopted from other studies which were validated before, only reliability analyses were conducted to the discard items that were pulling the cronbach alphas down. Fortunately, for this study, all the scales used had acceptable cronbach alphas which can be seen in detail in Tables 4.2 and 4.3.

**Table 4.2 – Reliability Scores for Scales Used in Expatriate Surveys (N=134)**

<b>Scale</b>	<b>No.if items</b>	<b>Alpha</b>
Expatriate General Adjustment (EGAJ)	<b>6</b>	<b>.91</b>
Expatriate Interaction adjustment (EIAJ)	<b>4</b>	<b>.80</b>
Expatriate Work adjustment (EWAJ)	<b>4</b>	<b>.88</b>
Financial perceived organisational support (POSFIN)	<b>4</b>	<b>.74</b>
Career perceived organisational support (POSCAR)	<b>4</b>	<b>.78</b>
Adjustment perceived organisational support (POSADJ)	<b>4</b>	<b>.81</b>
Expatriate host country informational support (HCINFO)	<b>7</b>	<b>.79</b>
Expatriate host country emotional support (HCEMO)	<b>6</b>	<b>.75</b>
Expatriate awareness cultural intelligence (CQAWARE)	<b>6</b>	<b>.78</b>
Expatriate interaction cultural intelligence (CQINTER)	<b>7</b>	<b>.74</b>
Expatriate task performance (ETP)	<b>6</b>	<b>.79</b>
Expatriate contextual performance (ECP)	<b>4</b>	<b>.86</b>

**Table 4.3 – Reliability Scores for Scales Used in Spouse and Co-Worker Surveys (N=134)**

<b>Scale</b>	<b>No.if items</b>	<b>Alpha</b>
Spouse general adjustment (SGAJ)	<b>6</b>	<b>.77</b>
Spouse interaction adjustment (SIAJ)	<b>4</b>	<b>.75</b>
Prior spouse organisational social support (SOSPRIOR)	<b>7</b>	<b>.74</b>
On-site spouse organisational social support (SOSONSITE)	<b>8</b>	<b>.74</b>
Spouse host country informational support (SINFO)	<b>6</b>	<b>.78</b>
Spouse host country emotional support (SEMO)	<b>6</b>	<b>.76</b>

Spouse awareness cultural intelligence (SCQAWARE)	<b>6</b>	<b>.73</b>
Spouse interaction cultural intelligence (SCQINTER)	<b>7</b>	<b>.76</b>
Co-worker expatriate task performance (CWETP) *	<b>6</b>	<b>.92</b>
Co-worker expatriate contextual performance (CWECP) *	<b>4</b>	<b>.90</b>

*Note : \* Used initially but had to be dropped due to statistical related issues.*

#### **4.2.6 Data Collection**

Due to the lack of systematic documentation regarding the exact number of expatriates in Malaysia and the highly classified nature of the data, surveys were mailed to 700 expatriates whose names and contact details were obtained from online searches and databases from Malaysian based Chambers of Commerce, expatriate associations and the Malaysian Industrial Development Authority (MIDA). Initially there were around 5,000 names that were obtained from various sources but some of the names had to be excluded from the final mailing list due to not conforming to the intended population target and overlapping of details. This exclusion was due to them being in Malaysia as self-initiated expatriates meaning which that they were not assigned to Malaysia by their organisations but chose to go there due to a career change or seeking better career opportunities. The next group of potential respondents had to be excluded because they were not foreign professionals per se but were in Malaysia as foreign workers working in manufacturing and construction industries as blue-collared or manual workers. In addition, the last group of expatriates excluded from this research were those working with their countries' government-related organisations or working with non-governmental organisations (NGOs).

The expatriates received a survey pack which consisted of three types of questionnaires; one for themselves, the second for their spouse/partners and the third for their co-workers, three return envelopes and pamphlets explaining the objectives of

the research and what is required of them with contact details of the researcher for queries. Where it was impossible to get details of the expatriates of an organisation, the survey pack was addressed to the Human Resource Director/Manager or the Chief Executive Director. Emails, telephone calls and postcards were sent prior to distribution in order to create awareness and increase response rate prior and post distribution of surveys. Out of the 700 sent, around 100 were returned to the sender due to expatriates have gone back to their home countries and organisations have moved and no forwarding addresses could be found.

291 different types of questionnaires were received (i.e. the expatriates, spouse or co-workers) out of which only seventy full sets have the matching codes to form full sets. The rest were a combination of expatriate and spouse or expatriate and co-workers or just expatriates. Due to this low number of response, on-line versions of the questionnaires were created and emailed to the potential respondents using the email addresses obtained from the organisations' websites and online members' databases. In addition, the decision to use a web-based survey is a good alternative in order to get a response from potential respondents who are reluctant or refuse to give response to a prior collection mode (Dillman, 2007). The email addresses consisted of respondents who have been approached by postal mail previously but we thought were more receptive of on-line approach and about 100 were new respondents. The emails were sent to 700 respondents and the main addressees were then requested to forward the emails to their spouse/partner and co-workers. There are different links at the end of the email to link to the different on-line versions of the questionnaires (for expatriate, spouse/partner or co-worker). Reminder emails were sent after one week and the emails were *secure sockets layer* (SSL) encrypted in order to increase the security of

the information transmitted and to convince the respondents that it was safe to give response on-line.

An estimated fifteen percent of the emails bounced due to email addresses not known, inbox were full and the addressees gave apologies for not able to participate due to other pressing commitments or giving responses to surveys are against their organisations' policies. In addition, due to emails being very personal, it can be concluded that only the intended recipients have access to the emails; i.e. the expatriates themselves rather than their personal assistants who would normally delete such emails or relegated them aside as 'spam' or unimportant items. Therefore by emailing surveys, there would be a higher possibility for the expatriates to decide for themselves whether to participate in the data collection or not. This was the case for the postal mailings as it is normal for secretaries or personal assistants to act as the gatekeepers and often screen requests for survey participations, even without knowing what the request is all about (Dillman 2007). In addition, the usage of mixed-mode surveys provides an opportunity to compensate for the weaknesses of each method (Dillman 2007).

The data collection using both postal and web surveys took around five months and numerous attempts were made to increase the response rate throughout this period. Care was also taken to ensure that all the reminder emails and letters were not intrusive in nature by highlighting the relevance of such survey to be carried out, getting access from the proper channels and acknowledging the fact that the respondents value their time and privacy. Personal calls were also made to the respective companies' HR managers to ask for cooperation in encouraging their colleagues to respond. Of the 214 returned questionnaires, there were 16 full sets with matching codes while the remaining questionnaires were a combination of expatriate

and spouse, expatriate and co-worker and only expatriate. From the two data collection methods, 86 full sets (expatriate-spouse-co-worker triads) were gathered which were around thirteen percent of the total respondents contacted. Although this percentage is low, it is still acceptable due to the difficulty of getting expatriate related data. A study by Harzing (2000) which compares response rates of mail surveys of 22 countries found that managing directors from subsidiaries located in Latin America, South-East Asia and in the larger European countries are the least likely to respond to mail surveys as opposed to their counterparts that are located in the smaller European countries such as in Netherlands, Switzerland and Ireland. Although the said study did not include response rate in Malaysia, the response rates for its neighbouring countries like Thailand (16.3%) and Singapore (10-15%) should be of a comparable nature. The response rate is also quite similar to an expatriate-spouse-colleague triad study by Harrison and Shaffer (2005). The questionnaires which did not form a full set were put aside to be used in other research related purposes in the future. In summary, from both the postal and on-line surveys, we received 86 expatriate-spouse-co-worker triads, 134 matched expatriate-spouse pairs, 90 matched expatriate-co-worker pairs and 91 expatriate only responses.

Although initially we wanted to utilise the 86 triad sets which consist of responses from the expatriate, their spouse/partner and co-workers, we opted to conduct this research using an alternative dataset which consisted of 134 matched expatriate-spouse pairs due to having problems of non-significant correlations between the co-worker performance ratings and the various dimensions of expatriate and spouse adjustments. The increased number of respondents (n=134) allows us to run statistical analyses that were not possible before due to a small sample size. More on why we

thought the co-worker performance ratings were not significant will be discussed in the following analysis and discussions chapters.

#### **4.2.7 Reliability and Validity**

This section describes how the measure development, purification of scales and the general theory testing approach were adopted. All of the scales used in this research were adopted or adapted from established scales and care was taken to ensure that the scales used for addressing the research hypotheses in this particular research maintained the original scales' intended purpose within the limits of the gathered responses. Nevertheless, all of the scales were subjected to rigorous analysis, where the items were subjected to refinement and various aspects of reliability were evaluated prior to data analysis (Gerbing and Anderson 1988). The subsequent paragraphs detail how the measurements were assessed for their reliability, dimensionality and construct validity using established procedures.

##### **4.2.7.1 Exploratory Factor Analysis**

Gerbing and Anderson (1988) state that it is important to note that because the meaning of measure intended by the researcher may not reflect what the respondents perceive, it is imperative for scale development process to include an assessment of whether the multiple measures that define a scale can be acceptably regarded as alternative indicators of the same construct. Hattie (1985 p.49) cited in Gerbing and Anderson (1988) emphasised the importance of uni-dimensionality whereby a set of items forming an instrument all measure just one thing in common which is a most critical and basic assumption of measurement theory. One analysis that could help to achieve this is through exploratory factor analysis (EFA) whereby a large number of

indicators can be reduced to a more manageable size in the absence of sufficiently detailed theory about the relations of the indicators to the underlying construct (Gerbing and Hamilton 1996). EFA is also very useful to assist in recovering an underlying measurement model that can further be evaluated with confirmatory factor analysis (CFA). Following the suggestions by Gerbing and Hamilton (1996), EFA was conducted as a heuristic strategy for constructing multiple-indicator measurements as a precursor to CFA. Adopting the guidelines by Hair et al. (2005), EFA using principal components analysis and varimax rotation was conducted and variables with low factor loadings ( $<0.3$ ) were considered for deletion as were the variables that loaded significantly ( $>0.3$ ) onto more than one factor. The communalities of the variables were also examined and factors with low communalities ( $<0.4$ ) were considered for deletion.

#### **4.2.7.2 Item Analysis**

Reliability of scales needed to be verified in order to ensure the relationships of items representing respective constructs. This is to determine the extent to which the respective scales produce consistent results if measured repeatedly. Reliability is assessed by determining the association between scores obtained from different administrations of the scale; i.e. if the association is high, the scale yields consistent results and is therefore reliable. One of the widely used methods in measuring reliability as the measure of internal consistency is coefficient alpha ( $\alpha$ ). The coefficient varies from 0 to 1 with the value of 0.7 being used as the lowest acceptable value of alpha indicating adequate reliability (Nunnally 1978). Overall, each item measuring the related dimension exhibits acceptable level of internal reliability.

#### **4.2.7.3 Convergent Validity**

Confirmatory factor analysis (CFA) is an appropriate method to test the measurement properties identified in the EFA and provides guidelines for further model re-specification. Anderson and Gerbing (1998) suggest that CFA is done following EFA in order to assess the convergent validity of the measurements. Convergent validity is present when there is a high correspondence between scores from two or more different measures of the same construct (Schwab 2005). CFA extends the earlier method by EFA by providing a means for rigorously testing a model that must be specified a priori. Due to sample-size parameter constraints, the measurement models for the respective constructs were estimated individually using AMOS 16.0 (Arbuckle 2007). The goodness-of-fit indices showed that the hypothesised construct is an acceptable representation. Table 4.4 shows the goodness-of-fit indices of the constructs used in this study. The fit indices for all of the related constructs are quite good where most of the indices surpassed the recommended value of 0.90. In fact, with the exception of spouse cultural intelligence (SPCQ) and expatriate cultural intelligence (EXPCQ), all indices exceeded 0.95, which is considered very good.

**Table 4.4 Fit Indices of the Constructs (N=134)**

<b>Item</b>	<b>CFI</b>	<b>NFI</b>	<b>GFI</b>	<b><math>\chi^2</math> (d.f.)</b>
<i>Expatriate Perceived Organisational Support (POS)</i> Financial POS Career POS Adjustment POS	.98	.95	.96	17.86 (11)
<i>Expatriate Host Country Social Support</i> Informational Support Emotional Support	.97	.95	.95	25.79 (13)
<i>Expatriate Cultural Intelligence (CQ)</i> Awareness CQ Interaction CQ	.98	.94	.93	58.59 (43)
<i>Spouse Organisational Support</i> Prior Organisational Support On-site Organisational Support	.98	.97	.96	15.94 (4)
<i>Spouse Host Country Social Support</i> Spouse Informational Support Spouse Emotional Support	.96	.95	.96	12.99 (4)
<i>Spouse Cultural Intelligence (CQ)</i> Spouse Awareness CQ Spouse Interaction CQ	.89	.89	.87	67.53 (6)

#### **4.2.7.4 Hypotheses Testing**

In order to test and address the hypotheses, several relevant analyses are selected and conducted fitting for each hypotheses. Pearson correlation analyses are used to see the relationship between variables under investigation and to test the hypotheses. Scale reliability is tested using internal consistencies measures (cronbach coefficients). Exploratory factor analysis (EFA) is used initially to establish the principal

constructs, and then confirmatory factor analysis (CFA) was drawn upon to establish convergent and discriminant validity. Confirmatory factor analysis using AMOS software is used for every variable to test the goodness of fit of the whole model (Schumacker and Lomax 2004). Since the number of respondents is less than 150 (n=134), which is the minimum number required to run full SEM model (Anderson and Gerbing 1988), we have analysed the full model using path analysis, which is an alternative for looking at relationship of all variables simultaneously (Loehlin 2004). The following paragraphs justify the decision to analyse the hypothesised relationships using path analysis instead of using multiple regression analysis.

Path analysis is a variation of multiple regression analysis which allows a simultaneous test of a system of theoretical relationships involving multiple dependent variables (Singh and Wilkes 1996). In addition, a critical assumption underlying the use of regression analyses in calculating the coefficients is that the independent and dependent variables are measured without measurement errors (Cheng 2001). Path analyses which include the measurement errors will be more reflective of these relationships. Path analysis is also an extension of the regression model which researchers use to test the fit of a correlation matrix with a causal model that they test. The aim is to provide estimates of the magnitude and significance of hypothesised causal connections among sets or variables displayed through the use of path diagrams.

Path analysis as a methodology holds strength because it allows researchers to study direct and indirect effects simultaneously with multiple independent and dependent variables. It also allows the researcher to diagram a set of hypothesised relationships that can be translated directly into equations needed for the analysis (Stage, Carter and Nora 2004). However, path analysis cannot be used to infer

causality (Everitt and Dunn 1991) and cannot be used to distinguish which of the two distinct path diagrams is more correct (Stage et al. 2004). All constructs subsequently used in the path analysis had valid psychometric properties that help to mitigate the assumptions underlying path analysis. All the analyses were used in a complementary manner to compensate for the limitations of each method used in analysing and testing the hypothesised model. In the event that the analyses produce similar results, it would provide greater corroboration of the findings. Data analysis is performed using AMOS 16.0 from data files in SPSS 16.0 (Arbuckle 2007). All the hypotheses in this research are shown in Table 4.5 for ease of understanding and to avoid flipping back to earlier chapters. This table summarises each hypothesis and the analysis that is carried out in order to test the hypotheses.

**Table 4.5 – Hypotheses and the Analysis Conducted**

Variable	Hypothesis –(Description and abbreviation)	Statistical analyses
Support from MNCs (For expatriates)	<p>1 - Expatriate perceived organisational support (EXPOS) will be positively related to the expatriate adjustment (EXPADJ), specifically :</p> <p>a - Financial perceived organisational support (POSFIN) will be positively related to the expatriate general adjustment (EGAJ).</p> <p>b - Financial perceived organisational support (POSFIN) will be positively related to the expatriate interaction adjustment (EIAJ).</p> <p>c - Financial perceived organisational support (POSFIN) will be positively related to the expatriate work adjustment (EWAJ).</p> <p>d - Career perceived organisational support (POSCAR) will be positively related to the expatriate general adjustment (EGAJ).</p> <p>e - Career perceived organisational support (POSCAR) will be positively related to the expatriate interaction adjustment (EIAJ).</p> <p>f - Career perceived organisational support (POSCAR) will be positively related to the expatriate work adjustment (EWAJ).</p> <p>g - Adjustment perceived organisational support (POSADJ) will be positively related to the expatriate general adjustment (EGAJ).</p> <p>h - Adjustment perceived organisational support (POSADJ) will be positively related to the expatriate interaction adjustment (EIAJ).</p> <p>i - Adjustment perceived organisational support (POSADJ) will be positively</p>	<ul style="list-style-type: none"> <li>• Reliability analysis</li> <li>• Correlations</li> <li>• Exploratory factor analysis (EFA)</li> <li>• Confirmatory factor analysis (CFA)</li> <li>• Path analysis</li> </ul>

	related to the expatriate work adjustment (EWAJ).	
Social support from HCNs (For expatriates)	<p>2 - Expatriate host country national social support (EXHCS) will be positively related to the expatriate adjustment (EXPADJ), specifically :</p> <p>a - Expatriate host country informational social support (HCINFO) will be positively related to expatriate general adjustment (EGAJ).</p> <p>b - Expatriate host country informational social support (HCINFO) will be positively related to expatriate interaction adjustment (EIAJ).</p> <p>c - Expatriate host country informational social support (HCINFO) will be positively related to expatriate work adjustment (EWAJ).</p> <p>d - Expatriate host country emotional social support (HCEMO) will be positively related to expatriate general adjustment (EGAJ).</p> <p>e - Expatriate host country emotional social support ((HCEMO) will be positively related to expatriate interaction adjustment (EIAJ).</p> <p>f - Expatriate host country emotional social support (HCEMO) will be positively related to expatriate work adjustment (EWAJ).</p>	<ul style="list-style-type: none"> <li>• Reliability analysis</li> <li>• Correlations</li> <li>• Exploratory factor analysis (EFA)</li> <li>• Confirmatory factory analysis (CFA)</li> <li>• Path analysis</li> </ul>
Cultural intelligence (CQ) (For expatriates)	<p>3 - Expatriate cultural intelligence (EXPCQ) will be positively related to the expatriate adjustment (EXPADJ), specifically :</p> <p>a - Expatriate awareness cultural intelligence (CQAWARE) will be positively related to the expatriate general adjustment (EGAJ).</p> <p>b - Expatriate awareness cultural intelligence (CQAWARE) will be positively related to the expatriate interaction adjustment (EIAJ).</p>	<ul style="list-style-type: none"> <li>• Reliability analysis</li> <li>• Correlations</li> <li>• Exploratory factory analysis (EFA)</li> </ul>

	<p>c - Expatriate awareness cultural intelligence (CQAWARE) will be positively related to the expatriate work adjustment (EWAJ).</p> <p>d - Expatriate interaction cultural intelligence (CQINTER) will be positively related to the expatriate general adjustment (EGAJ).</p> <p>e - Expatriate interaction cultural intelligence (CQINTER) will be positively related to the expatriate interaction adjustment (EIAJ).</p> <p>f - Expatriate interaction cultural intelligence (CQINTER) will be positively related to the expatriate work adjustment (EWAJ).</p>	<ul style="list-style-type: none"> <li>• Confirmatory factory analysis (CFA)</li> <li>• Path analysis</li> </ul>
<p>Support from MNCs (For expat spouse/partner)</p>	<p>4 - Spouse organisational social support (SPOS) will be positively related to spouse adjustment (SPADJ), specifically :</p> <p>a - Prior spouse organisational social support (SOSPRIOR) will be positively related to spouse general adjustment (SGAJ).</p> <p>b - Prior spouse organisational social support (SOSPRIOR) will be positively related to spouse interaction adjustment (SIAJ).</p> <p>c - On-site spouse organisational social support (SOSONSITE) will be positively related to spouse general adjustment (SGAJ).</p> <p>d - On-site spouse organisational social support (SOSONSITE) will be positively related to spouse interaction adjustment (SIAJ).</p>	<ul style="list-style-type: none"> <li>• Reliability analysis</li> <li>• Correlations</li> <li>• Exploratory factory analysis (EFA)</li> <li>• Confirmatory factory analysis (CFA)</li> <li>• Path analysis</li> </ul>
<p>Social support from HCNs (For expat</p>	<p>5 - Spouse host country national social support (SPHCS) will be positively related to the spouse adjustment. (SPADJ), specifically :</p>	<ul style="list-style-type: none"> <li>• Reliability analysis</li> </ul>

spouse/partner)	<p>a - Spouse host country informational social support (SINFO) will be positively related to spouse general adjustment (SGAJ).</p> <p>b - Spouse host country informational social support (SINFO) will be positively related to spouse interaction adjustment (SIAJ).</p> <p>c - Spouse host country emotional social support (SEMO) will be positively related to spouse general adjustment (SGAJ).</p> <p>d - Spouse host country emotional social support (SEMO) will be positively related to spouse interaction adjustment (SIAJ).</p>	<ul style="list-style-type: none"> <li>• Correlations</li> <li>• Exploratory factor analysis (EFA)</li> <li>• Confirmatory factory analysis (CFA)</li> <li>• Path analysis</li> </ul>
Cultural intelligence (CQ) (For expat spouse / partner)	<p>6 - Spouse cultural intelligence (SPCQ) will be positively related to the spouse adjustment (SPADJ), specifically :</p> <p>a - Spouse awareness cultural intelligence (SCQAWARE) will be positively related to the spouse general adjustment (SGAJ).</p> <p>b - Spouse awareness cultural intelligence (SCQAWARE) will be positively related to the spouse interaction adjustment (SIAJ).</p> <p>c - Spouse interaction cultural intelligence (SCQINTER) will be positively related to the spouse general adjustment (SGAJ).</p> <p>d - Spouse interaction cultural intelligence (SCQINTER) will be positively related to the spouse interaction adjustment (SIAJ).</p>	<ul style="list-style-type: none"> <li>• Reliability analysis</li> <li>• Correlations</li> <li>• Exploratory factory analysis (EFA)</li> <li>• Confirmatory factory analysis (CFA)</li> <li>• Path analysis</li> </ul>
Expatriate job performance	<p>7 - Expatriate adjustment (EXPADJ) will be positively related to expatriate performance (PERFORM), specifically :</p> <p>a - Expatriate general adjustment (EGAJ) will be positively related to</p>	<ul style="list-style-type: none"> <li>• Reliability analysis</li> </ul>

(For expatriate)	<p>expatriate task performance (ETP).</p> <p>b - Expatriate interaction adjustment (EIAJ) will be positively related to expatriate task performance (ETP).</p> <p>c - Expatriate work adjustment will be positively (EWAJ) related to expatriate task performance (ETP).</p> <p>d - Expatriate general adjustment (EGAJ) will be positively related to expatriate contextual performance (ECP).</p> <p>e - Expatriate interaction adjustment (EIAJ) will be positively related to expatriate contextual performance (ECP).</p> <p>f - Expatriate work adjustment (EWAJ) will be positively related to expatriate contextual performance (ECP).</p>	<ul style="list-style-type: none"> <li>• Correlations</li> <li>• Confirmatory factory analysis (CFA)</li> <li>• Path analysis</li> </ul>
<p>Expatriate job performance</p> <p>(For expat spouse/partner)</p>	<p>8 - Spouse adjustment (SPADJ) will be positively related to expatriate performance (PERFORM), specifically :</p> <p>a - Spouse general adjustment (SGAJ) will be positively related to expatriate task performance (ETP).</p> <p>b - Spouse interaction adjustment (SIAJ) will be positively related to expatriate task performance (ETP).</p> <p>c - Spouse general adjustment (SGAJ) will be positively related to expatriate contextual performance (ECP).</p> <p>d - Spouse interaction adjustment (SIAJ) will be positively related to expatriate contextual performance (ECP).</p>	<ul style="list-style-type: none"> <li>• Reliability analysis</li> <li>• Correlations</li> <li>• Confirmatory factory analysis (CFA)</li> <li>• Path analysis</li> </ul>

<p>Expatriate adjustment and spouse adjustment</p>	<p>9 - Spouse adjustment (SPADJ) will be positively related to expatriate adjustment (EXPADJ), specifically :</p> <p>a - Spouse general adjustment (SGAJ) will be positively related to expatriate general adjustment (EGAJ).</p> <p>b - Spouse interaction adjustment (SIAJ) will be positively related to expatriate general adjustment (EGAJ).</p> <p>c - Spouse general adjustment (SGAJ) will be positively related to expatriate interaction adjustment (EIAJ).</p> <p>d - Spouse interaction adjustment (SIAJ) will be positively related to expatriate interaction adjustment (EIAJ).</p> <p>e - Spouse general adjustment (SGAJ) will be positively related to expatriate work adjustment (EWAJ).</p> <p>f - Spouse interaction adjustment (SIAJ) will be positively related to expatriate work adjustment (EWAJ).</p>	<ul style="list-style-type: none"> <li>• Reliability analysis</li> <li>• Correlations</li> <li>• Confirmatory factory analysis (CFA)</li> <li>• Path analysis</li> </ul>
<p>Type of organisational support offered and relevant to ease adjustment (For both expatriate and their spouse/partner).</p>	<p><b><i>(To answer the sixth objective)</i></b></p> <p>Respondents, both expatriate and their spouse/partner were requested to choose from a list of commonly offered social support from hiring organisations that were offered to them when they need to relocate to the host country. They were also requested to state which support were not offered by the hiring organisations but they felt could help to ease their adjustments in the host country.</p>	<ul style="list-style-type: none"> <li>• Frequencies and percentage</li> </ul>

### **4.3 Structure of Presentation of Findings**

In the following chapters, findings will be discussed and presented in the following manner. In chapter five – Results, will initially commence with an overview of the relationships between the investigated variables and the findings from the preliminary analyses based on the hypotheses tested. The second part of the chapter will be on the path analyses conducted to test all the hypotheses simultaneously. The path analyses will involve the presentation of both original and modified path models of three types of dataset; the combined expatriate and spouse dataset, the expatriate dataset and the spouse dataset. The segregation of the data gathered into three path models would allow for more clarity and investigations of the variables to be more reflective of the actual situations. In addition, the segregation of analyses according to three different dataset would allow for the testing of relationships posited in the sub-hypotheses. Due to sample size-parameter constraints and to combine both the expatriate and spouse data in one path model, all of the constructs had to be coalesced into single constructs. For example, expatriate perceived organisational support (EXPOS) can be segregated into financial perceived organisational support (POSFIN), career perceived organisational support (POSCAR) and adjustment perceived organisational support (POSADJ). Therefore, the segregation of path models into three separate models will be useful to capture relationships between variables in a more detailed manner which is not managed to be captured in the combined expatriate and spouse models due to insufficient statistical power.

For the discussion chapter, discussions presented will be in the same order of the research objectives that were presented in introductory chapter with the discussions of the five relationships posited in the main hypotheses. The discussed relationships would commence with perceived organisational support from the MNCs,

social support from the HCNs, cultural intelligence (CQ), impact of adjustment on performance and spouse adjustment on expatriate adjustment. For every discussed section, the findings from the combined expatriate and spouse dataset will be discussed first followed by the discussion of findings gathered from the expatriate and spouse dataset respectively. This thesis will conclude with a final chapter that will commence with a summary of the hypothesised relationships, overall conclusion gathered from the research, discussions of the theoretical and practical contributions and recommendations from the thesis. In addition, several caveats and limitations that could be drawn from the research will be offered as an effort to strengthen similar like research in the future. The final chapter will conclude with some suggestions for future research that could contribute to the strengthening of the research processes and maintaining the relevance of the specific research area. The thesis will finish with some concluding remarks of the whole thesis.

#### **4.4 Ethical Considerations**

This research is undertaken by adhering to the ethical guidelines imposed by the Economic and Social Research Council (ESRC), United Kingdom. Several ethical issues should be addressed from the outset with emphasis on the following ethical principles. First and foremost, the research is designed and undertaken with emphasis to ensure integrity and quality. All concerned parties should be fully informed about all matters relating to this research and confidentiality and anonymity of the information and respondents are highly regarded. Respondents should be made aware from the outset that the researcher will always guard the anonymity and confidentiality of whatever transpires in the data collection exercises. Any information obtained from the respondents should be treated on a strictly confidential basis and should be one of the

primary responsibilities of a researcher (Sekaran 2003). Participations of respondents should be on voluntarily basis and whenever possible, researchers should always obtain written consent upon obtaining verbal consent from potential participants (Miller and Bell 2002). Care must be taken to ensure that this research upholds the principle of benevolence where the research should do more good than harm. Prior to data collection, the survey instruments were presented to the Research Ethics Committee of Aston University for endorsement and the committee had agreed that this research was carried in accordance to the stipulated ethical guidelines for conducting research.

#### **4.5 Summary**

This chapter discussed the methodology adopted in this study and presented the arguments for choosing specific methods. Various issues concerning the refinement of the scales with respect to the reliability and validity were addressed. Analysis using both the exploratory and confirmatory factor analyses indicated that the measures were reliable and valid. Finally, path analysis was used to test the hypotheses simultaneously. This chapter is followed by the findings from the analyses conducted to address the hypotheses.

## **CHAPTER 5: FINDINGS**

### **5.1 Chapter Overview**

This chapter commences with the details of the preliminary analysis undertaken to address the hypotheses. It will also report the results of each hypothesis and conclude on whether the hypothesis has been accepted or rejected. The chapter is segregated into several sections. The chapter begins with the descriptive demographic details and correlations and is followed by the predictors of expatriate and spouse adjustments namely support from MNCs, social support from HCNs and level of cultural intelligence. After discussing the predicting variables, the ensuing sections would be on the adjustment outcome; specifically on expatriate task and contextual performances. The chapter will end with an extended analysis on each variable with confirmatory factor analysis and path analysis used to test the goodness of fit of the whole model.

As this research attempts to address both expatriate and spouse related issues simultaneously, the findings from the combined expatriate and spouse adjustment model will be presented first, followed by the expatriate adjustment model and the spouse adjustment model. However, to maintain continuity from the previous chapters, the order in which the variables in the path models are discussed will follow the order in which the research hypotheses are initially presented in the first chapter; support from MNCs on adjustment, social support from the HCNs on adjustment, cultural intelligence (CQ) on adjustment, adjustment on expatriate performance and spouse adjustment on expatriate adjustment.

In this chapter, the presentation of findings and discussions will follow the hypothesised relationships in the order that they were presented in the first chapter with discussions that cover the findings from the three datasets; combined

expatriate and spouse dataset, expatriate only dataset and spouse only dataset. Where relevant, summarised information in tabular forms will be provided to recap main points discussed for the hypothesised relationships.

## **5.2 Relationships between Variables**

This research is carried out to investigate predictors of both expatriates and their family members' adjustment and to see whether these predictors would influence the adjustment outcomes of expatriate task and contextual performances. The predictors investigated are perceived organisational support, social support from HCNs and CQ for both expatriates and their spouses/partners while in the host country. These predictors are investigated with regard to how they influence the expatriate and spouse general, interaction and work adjustments while in the HC and ultimately on how they influence the expatriate task and contextual performance.

## **5.3 Demographic Details**

Overall, 134 expatriate-spouse matched pairs responses were received from both the postal and on-line surveys. The findings will be presented with different sections for response from expatriates and spouses in order to show the different sources of responses gathered. For the expatriates' data, 76.1% were male and nearly fifty percent (47.8%) were in their forties. 41.8% of the expatriates were from one of the European countries with 18.7% came from the United Kingdom. 72.4% of the expatriates were non-Asians. More than one third of the expatriates (38.8%) were in their 6-12 months in the host country (HC) while a good 36.6% were in their 13-18 months in the HC making the majority of the expatriates were in the HC for less than 2 years when surveyed. 61.1% of the expatriates have been working for

5 years or more in their current organisations. In addition, a sizeable 98.6% of the respondents surveyed worked for a multinational corporation while the remaining were either working in a semi-government related organisation, a small medium enterprise or a non--profit organisation. More than half (56%) were first timers while 44% had at least two other previous overseas assignments. All of the expatriates were in the HC with at least their spouse or partner and a whopping 88.8% had their spouse and children or other dependent accompanying them. While only a small percentage (6.7%) were fluent in the HC language, which is Malay, 62.7% were partly fluent in the HC native language. Nearly all of them (98.5%) were contracted for at least 3 years or more in the HC. Around one third of the expatriates surveyed (32.1%) were attached as Operations personnel while around 91% were in the top or middle management posts.

As for the spouse, 61.1% were Non-Asian and 22.4% of them were British. 64.2% were accompanying their spouses for international assignments for the first time. While 30.6% were working part-time in the HC, almost thirty percent (29.9%) were involved in charity work and 37.3% had some form of employment; either working from home or were on unpaid leave. More than half (61.2%) had some form of domestic help while in the HC and 88.1% were parents and had their children with them in the HC. More than half of the spouse surveyed (51.5%) have at least one child of below 10 years of age. Nearly fifty percent (49.3%) of the spouse surveyed were willing to accompany their spouses for future assignments. Table 5.1 summarises the main demographic details and expatriate-related information of the respondents involved in this study.

**Table 5.1 - Demographic Details (N=134)**

<b>Variables</b>	<b>(in %)</b>	<b>Variables</b>	<b>(in %)</b>
Male	76.1	Was their first assignment	56.0
Female	23.9	<b><u>Average contract</u></b>	
Between 40-49 years	47.8	2-3 years contract	68.7
Between 30–39 years	33.6	<b><u>With spouse/dependents</u></b>	
Married	99.2	With at least spouse	11.2
<b><u>Headquarters origin</u></b>		With spouse/dependents	88.8
UK (HQ)	26.9	<b><u>Local language knowledge</u></b>	
USA (HQ)	16.4	Partly fluent	62.7, <b>(62.7)</b>
<b><u>Expatriate origin :</u></b>		<b><u>Type of industry</u></b>	
UK	18.7, <b>(22.4)</b>	Manufacturing	18.7
USA	12.7, <b>(8.2)</b>	IT	14.9
India	9.0	Education	11.2
Singapore	<b>(7.5)</b>	<b><u>Level in organisation</u></b>	
<b><u>Average tenure :</u></b>		Top	65.7
7 yrs	64.9	Middle	25.4
<b><u>Has been in the HC</u></b>		In country with at least 1 child	85.1
<b><u>for:</u></b>		Willingness to go for future assignments?	51.1 <b>(49.3)</b>
6-12 months	38.8, <b>(38.8)</b>		
13-18 months	36.6, <b>(32.1)</b>		

*\*Responses from spouse are in parentheses and in bold.*

#### **5.4 Preliminary Analyses**

We began our analyses by regressing all the four control variables (time in host country, having accompanying family members, local language fluency and previous experience) with both expatriate and spouse adjustment variables. The control variables were drawn from literature on expatriates (see Black and Mendenhall 1990; Caligiuri 2000; Mendenhall and Oddou 1985) and were thus deemed appropriate for inclusion in this study. None of the control variables had any significant impact on any of the adjustment variables. Basic statistical analyses were carried out to test the correlations between each variable, to determine the standard deviations and the frequencies the response given for each scale. Table 5.2 gives a summary of these figures prior to the results of each hypothesis and

only specific for the response from the expatriates. Table 5.3 on the other hand gives the basic analyses for responses from the expatriates' spouse or partner. Due to two of the hypotheses trying to determine the influence of spouse adjustment on both the expatriate adjustment and expatriate performance, these expatriate related variables - expatriate adjustment (EGAJ, EIAJ, EWAJ) and expatriate performance (ETP, ECP) are included in Table 5.3.

Tables 5.2. and 5.3 then summarise the correlations between the variables studied in this research. Correlations are used to describe the strength and the direction of relationships between two variables, however these relationships must not be interpreted as causal relationships (Pallant 2007). Preliminary analyses were performed to ensure no violation of the assumptions of normality (scores were normally distributed), linearity (relationships between two variables should be linear) and homoscedasticity (variability in scores for both variables were similar). From Table 5.2, which is specifically for the responses given by expatriates, we can see the relationships between the antecedents of expatriate adjustment namely perceived organisational support (POSFIN, POSCAR, POSADJ), host country social support (HCINFO, HCEMO) and cultural intelligence (CQAWARE, CQINTER) with the different facets of expatriate adjustment (EGAJ, EIAJ, EWAJ) and the subsequent expatriate job performance (ETP, ECP). Correlations between expatriate POS with expatriate adjustment ranges between .23\* to .33\*\* (\*\*  $p < .01$ , \*  $p < .05$ ). For the host country social support with expatriate adjustment, the correlations range between -.02 to .16, depicting relationships between these variables, although they were not significant. As for the expatriate cultural intelligence and expatriate adjustment, the correlations were ranged between -.18\* to .28\*\*. Looking at the various aspects of expatriate adjustment with the expatriate performance, both task and contextual, the correlations were between -.07 to .48\*\*.

This shows that there are significant relationships between some forms of adjustment with the expatriate performance.

Table 5.3 depicts the correlations of the various spouse related antecedents with spouse adjustment and expatriate performance. For social support from organisations and spouse adjustment, the correlations range between .07 to .41\*\* (with \*\* $p < .01$ , \* $p < .05$ ). As for the social support from host country nationals (HCNs) and the various facets of spouse adjustment, the correlation ranges between .21\* to .42\*\*, showing that social support from HCNs are significantly correlated to spouse adjustment. The same for spouse cultural intelligence and spouse adjustment; all readings were positively significant with correlations ranging from .33\*\* to .43\*\*. Moving on to spouse adjustment and expatriate performance, the correlations varies between .00 to .20\* depicting that only spouse interaction adjustment is positively correlated with expatriate contextual performance.

This study also aims to see the influence of spouse adjustment on expatriate adjustment and Table 5.3 shows the correlations between the various facets of spouse adjustment with the different dimensions of expatriate adjustment. Correlations between these variables range from -.03 to .27\*\* with significant positive correlations between expatriate interaction adjustment and both facets of spouse adjustment. The relationship between each variable will be tested further with the usage of both confirmatory factor and path analyses in the ensuing paragraphs.

**Table 5.2 - Scale Means, Standard Deviations, Reliability Estimates and Correlations (For Expatriates) (N = 134)**

Scales	Mean	SD	1	2	3	4	5	6	7	8	9	10	11	12
1.Financial POS	5.44	.87	(.74)											
2.Career POS	4.78	1.16	.55**	(.78)										
3.Adjustment POS	4.66	1.04	.45**	.37**	(.81)									
4.Info. Support	5.54	.71	.07	-.02	-.11	(.79)								
5.Emotional Support	5.34	.80	.10	-.03	-.04	.80**	(.75)							
6.Awareness CQ	5.54	.72	.22*	.07	.14	.15	.12	(.78)						
7.Interaction CQ	4.74	.84	-.04	-.09	-.04	.12	.11	.28**	(.74)					
8.General Adjustment	5.58	.91	.23*	.24**	.10	.08	.16	.27**	.23**	(.91)				
9.Interaction Adjustment	5.03	.74	.04	.06	.20*	-.02	.05	.28**	.28**	.41**	(.80)			
10.Work Adjustment	6.18	.79	.33**	.15	.28**	-.01	.02	.24**	-.18*	.10	-.03	(.88)		
11.Task Performance	6.17	.53	.16	.14	.13	-.05	.00	.14	-.10	-.07	-.12	.48**	(.79)	
12.Contextual Performance	5.48	.74	.13	-.00	.20*	-.05	.07	.23**	.28**	.20*	.38**	.09	.18*	(.86)

Notes – Reliability estimates are in parentheses. \*\*  $p < .01$ , \*  $p < .05$ .

POS = Perceived Organisational Support, CQ = Cultural intelligence, Info. Support = Informational Support

**Table 5.3 - Scale Means, Standard Deviations, Reliability Estimates and Correlations (For Expatriate Spouse/Partner)  
(N = 134)**

Scales	Mean	SD	1	2	3	4	5	6	7	8	9	10	11	12	13
1.Prior Orgn. Support	4.61	.83	(.74)												
2.On-site Orgn. Support	4.87	.72	.23**	(.74)											
3.Spouse Info.Support	5.37	1.26	.47**	.13	(.78)										
4.Spouse Emotional Support	5.08	1.05	.77**	.17*	.45**	(.76)									
5.Spouse Awareness CQ	5.33	.65	.45**	.27**	.23**	.46**	(.73)								
6.Spouse Interaction CQ	5.19	.80	.45**	.17*	.21*	.36**	.73**	(.76)							
7.Spouse General Adjustment	5.00	1.15	.26**	.10	.21*	.30*	.43**	.33**	(.77)						
8.Spouse Inter. Adjustment	4.23	1.20	.41**	.07	.25**	.42**	.43**	.33**	.53**	(.75)					
9.Expat General Adjustment	5.58	.91	.16	.22*	.10	.09	.09	.03	.06	.13	(.91)				
10.Expat Inter. Adjustment	5.03	.74	.34**	.31**	.20*	.31**	.20**	.16	.18*	.27**	.41**	(.80)			
11. Expat Work Adjustment	6.18	.79	-.03	.07	.04	-.09	.05	-.08	-.04	-.03	.10	-.03	(.88)		
12.Task Performance	6.17	.53	-.01	.17	.05	-.09	-.03	-.10	.00	.03	-.07	-.12	.48**	(.79)	
13.Contextual Performance	5.48	.74	.12	.26**	.24**	.07	.04	.11	.05	.20*	.19*	.38**	.09	.18*	(.86)

Notes – Reliability estimates are in parentheses. \*\*  $p < .01$ , \*  $p < .05$ .

CQ = Cultural intelligence, Info. Support = Informational Support, Inter. Adjustment = Interaction Adjustment, Orgn. = Organisation

## **5.5 Path Analyses of Hypothesised Relationships**

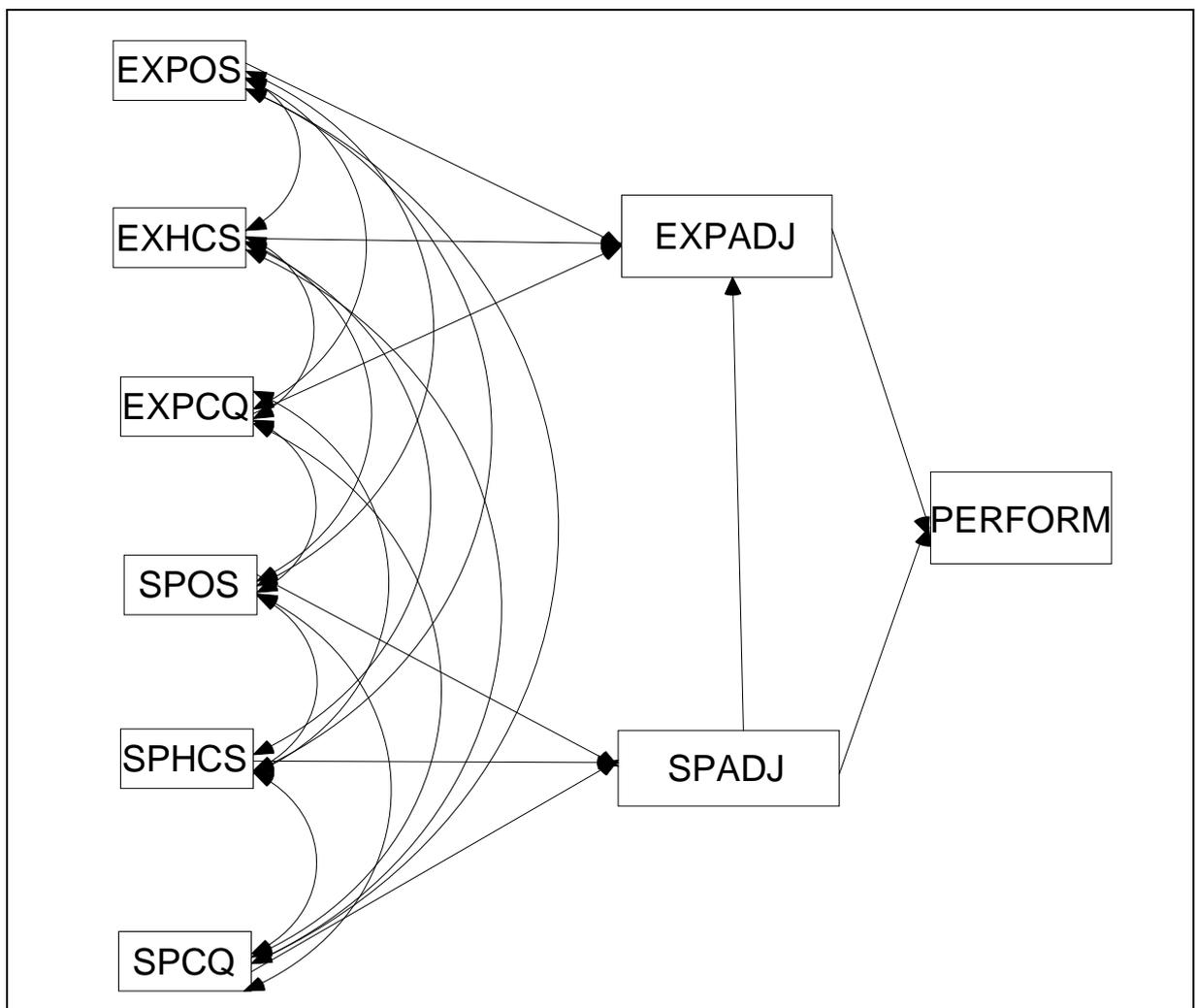
This research utilises two main analyses; correlations and path analyses. The hypothesised relationships were developed from the available literature on the basis that there are six predictors of expatriate and spouse adjustment and expatriate performance. Following correlations, three path models that consist of combined expatriate and spouse adjustment model, expatriate adjustment model and spouse adjustment model were analysed to test all hypothesised relationships simultaneously. The results of these analyses are reported in the ensuing sections. Path analysis, using AMOS 16.0, will allow the researcher to see the fit of the model as a whole and to determine whether there are any direct and indirect effects. Path analysis allows a simultaneous test of a system of theoretical relationships involving multiple dependent variables (Loehlin 2004; Singh and Wilkes 1996). The models are then re-tested using theory-trimming technique through the removal of non-significant hypothesised relationships suggested by James, Mulaik and Brett (1982) and adopted by Mavondo and Rodrigo (2001). For the path analysis findings, the results for the combined expatriate and spouse adjustment model will be presented first, followed by the expatriate adjustment model and then the spouse adjustment model. For the path models, when tested simultaneously, the emphasis here is to determine which predictor has more influence on the adjustment of the expatriates and their spouses and the subsequent expatriate performance.

### **5.5.1 Path Analysis for the Combined Expatriate and Spouse Adjustment Model**

The main aim of combining the expatriate and spouse adjustment model is to determine which predictor has more influence on expatriate and spouse adjustment and subsequent expatriate performance. It provides a better opportunity to compare

both the expatriate and spouse adjustment variables when linked with the same predictors of adjustment. This combined adjustment path model also provides an opportunity to determine if there are any spillover effects from the family to the work environment as suggested by Takeuchi, Yun and Tesluk (2002). The combined model is provided in Figure 5.1.

**Figure 5.1 - Expatriate and Spouse Adjustment Path Model (N=134)**



**Key :** EXPOS : Expat Perceived Organisational Support; EXHCS : Expat Host Country Social Support; EXPCQ : Expat Cultural intelligence ; SPOS : Spouse Organisational Support; SPHCS : Spouse Host Country Social Support; SPCQ : Spouse Cultural intelligence; EXPADJ : Expat Adjustment, SPADJ : Spouse Adjustment; PERFORM : Expat Performance.

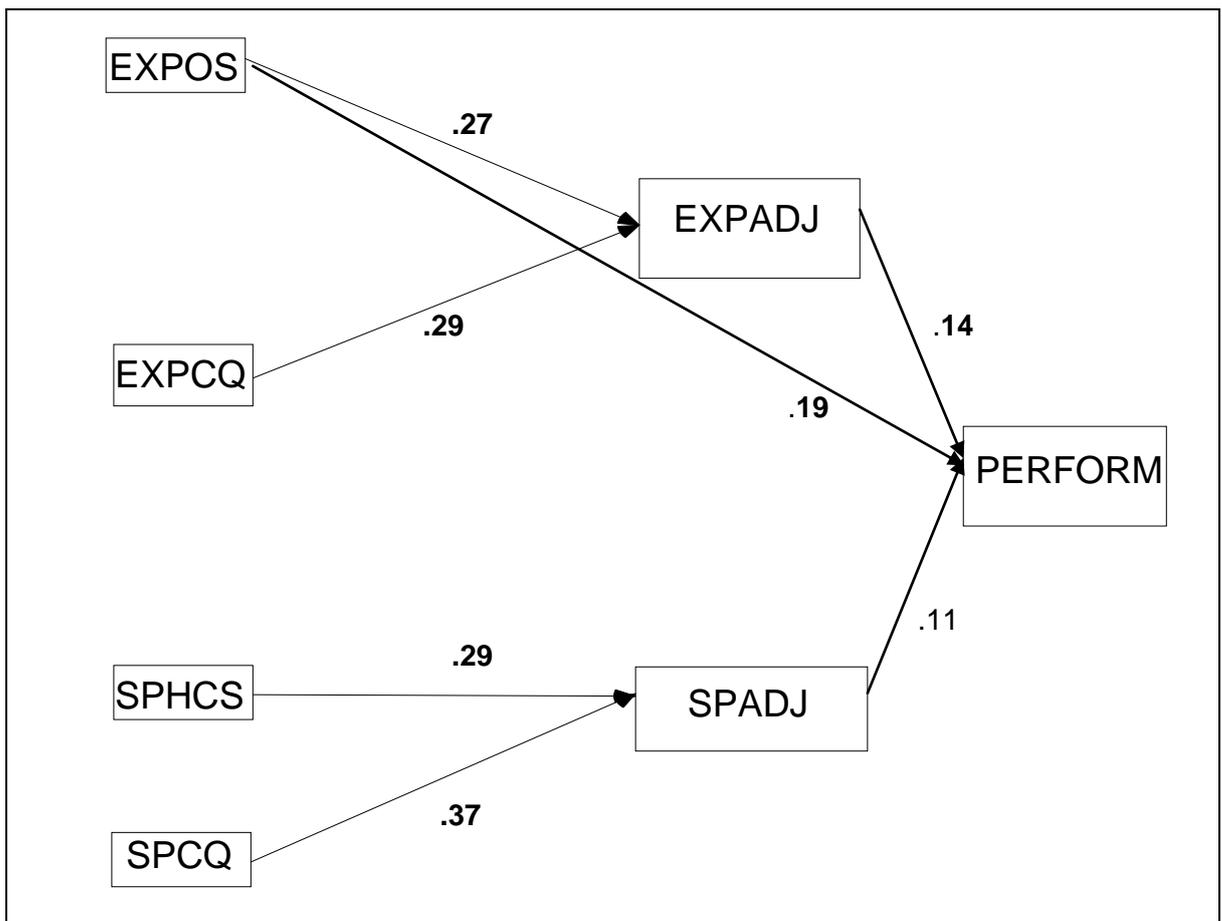
This combined expatriate and spouse adjustment model produced a non-significant  $X^2$  and adequate goodness-of-fit indices. Using theory-trimming techniques, the model was then re-tested in order to get a better fit through the removal of non-significant hypothesised relationships. Table 5.4 provides the goodness-of-fit indices for both the original and final models.

**Table 5.4 - Goodness-of-Fit Indices for the Original and Final Combined Expatriate and Spouse Adjustment Path Models (N=134)**

Goodness-of-fit test	Original model estimates	Final model estimate	Interpretation (Final model)
Model fit			
$X^2$ value	14.66 ( <i>df</i> =12, <i>p</i> =.26)	8.46 ( <i>df</i> =8, <i>p</i> =.39)	The final model indicates a very good fit with some indices very close to 1. The $X^2$ value is highly significant. The RMSEA and SRMR are almost zero, indicating a very good fit.
CFI	.98	.99	
Goodness-of-fit (GFI)	.98	.98	
Adjusted GFI	.91	.94	
Normed fit index (NFI)	.93	.92	
RMSEA	.041	.021	
Standardised RMR	.043	.040	

The final model is illustrated in Figure 5.2, where the figures on the model are standardised regression coefficients and are all significant to least 99.99% level with the exception of paths from expatriate adjustment (EXPADJ) to expatriate performance (PERFORM) and perceived organisational support (EXPOS) and expatriate performance (PERFORM) which were significant to 95% level. Although the path between spouse adjustment (SPADJ) to expatriate performance (PERFORM) is not significant, it is retained to complete the model. The results of the final model are summarised in Table 5.5, and a summary of the hypotheses supported and not supported is in Table 5.6.

**Figure 5.2 - Expatriate and Spouse Adjustment Final Path Model (N=134)**



**Key :** EXPOS : *Expatriate Perceived Organisational Support*; EXPCQ : *Expatriate Cultural intelligence* ; SPHCS : *Spouse Host Country Social Support*; SPCQ : *Spouse Cultural intelligence*; EXPADJ : *Expatriate Adjustment*, SPADJ : *Spouse Adjustment*; PERFORM : *Expatriate Performance*

\* *Bold figures indicate statistically significant relationships.*

The results suggest that expatriate perceived organisational support (EXPOS) and expatriate cultural intelligence (EXPCQ) have direct effects on expatriate adjustment (EXPADJ) and negligible indirect effects on expatriate performance (PERFORM). However, expatriate host country social support (EXHCS) had a non-significant relationship with expatriate adjustment. Even though spouse cultural intelligence (SPCQ) has a direct effect on spouse adjustment (SPADJ), the organisational support for the spouse is not supported. Spouse host country social support (SPHCS) seems to be more prevalent in helping them to adjust in the host country. Path analysis allows for all the hypothesised relationships to be tested

simultaneously and the results pointed that there is no effect whatsoever from spouse adjustment (SPADJ) to expatriate adjustment (SPADJ). This is in contrast to findings by Takeuchi, Yun and Tesluk (2002) where they found spillover effects from the family to work environment and vice versa.

However, an interesting finding that can be highlighted here is how expatriate and spouse rely on different sources of support in order for them to adjust in the host country. Due to them spending more time in the work environment, expatriates are more dependent on organisational support for them to better adjust and perform in the host country. Spouses, on the other hand are more exposed to encounters with the HCNs in their daily activities thus are relying more on the support provided by the HCNs. Another possible reason for organisational support not being significant in helping spouses to adjust was possibly due to the mismatch of support offered by the organisations during expatriation and the type of support that the spouse found to be more beneficial to them in facilitating adjustment in the host country. At the end of this chapter, there are more findings on the type of organisational support that the expatriate family found helpful in helping them to adjust better in the host country.

As for the expatriate performance (PERFORM), only expatriate adjustment (EXPADJ) has a direct effect on it as proven in the path analysis. Spouse adjustment (SPADJ) has no significant effect on expatriate adjustment possibly due to spouse leading a completely solitary life away from the expatriate work environment. Being relocated to new country can be scary, especially so if the cultural factors are really different. Extending the findings where spouses are more reliant on the host country nationals for support during expatriation, spouse is leading a life where they have their own network of friends and acquaintances so much so that even though they live in the same house, the spouse and expatriate

have their own set of activities that could help to stabilise their existence in the host country. A new finding that is suggested in modification indices is also retained where expatriate perceived organisational support (EXPOS) has a direct effect on expatriate performance (PERFORM) due to both being work related. The statistically high significance ( $p < .001$ ) of the four predictors (EXPOS, EXPCQ, SPHCS, SPCQ) to expatriate and spouse adjustment clearly shows that in order to achieve smooth adjustment in the host country, it is important for expatriate hiring organisations to identify the source of support that is prevalent to expatriate and spouse adjustment. It is also vital to emphasis on non-technical skills such as being culturally intelligent when hiring and selecting potential candidates for expatriation.

**Table 5.5 - Direct, Indirect and Total Effects for Combined Expatriate and Spouse Adjustment Path Model (N=134)**

	SPADJ	SPADJ	EXPADJ	EXPADJ	PERFORM	PERFORM
Construct	Direct	Indirect	Direct	Indirect	Direct	Indirect
SPCQ	.371	-ne-	-ne-	-ne-	-ne-	.042
SPHCS	.285	-ne-	-ne-	-ne-	-ne-	.032
EXPCQ	-ne-	-ne-	.286	-ne-	-ne-	.041
EXPOS	-ne-	-ne-	.269	-ne-	.185	.038
SPADJ	-ne-	-ne-	-ne-	-ne-	.113	-ne-
EXPADJ	-ne-	-ne-	-ne-	-ne-	.196	-ne-

**Key :** EXPOS : Expat Perceived Organisational Support; EXHCS : Expat Host Country Social Support; EXPCQ : Expat Cultural intelligence ; SPOS : Spouse Organisational Support; SPHCS : Spouse Host Country Social Support; SPCQ : Spouse Cultural intelligence; EXPADJ : Expat Adjustment, SPADJ : Spouse Adjustment; PERFORM : Expat Performance

\*ne = no effect

Although path analysis allows for the disclosure of indirect effects, for the combined expatriate and spouse adjustment model, all the indirect effects are not significant

and negligible. Table 5.6 summarises the hypothesised relationships for the combined model.

#### **5.5.1.1 Conclusion for the Combined Expatriate and Spouse Adjustment Path Model**

The path analysis shows that expatriates and spouses differ in terms of the source of support that is deemed significant in helping them to better adjust to a host country. Being culturally intelligent is also important in order to increase integration into the new environment for both expatriate and spouse. The emphasis here is on the reliance of different sources of support for the expatriate and the spouse to assist them in adjusting to the host country's environment. Although it is proven by previous research (see Takeuchi, Yun and Tesluk 2002), spouse adjustment is not significant in influencing expatriate adjustment and expatriate performance. This was possibly due to spouses having received support from other sources; i.e. from the host country nationals and being less reliant on the expatriates while in the host country. Another possible reason for spouses being more independent is that many of the accompanying spouses are career persons themselves. Due to the advancement of technology and Malaysia being a popular choice of destination for expatriates, the spouses are able to find avenues to expend their time and energy for other causes such as joining expatriate-related associations, non--profit organisations or by working from home. In addition, the availability of most products and services that could minimise the feelings of 'homesickness' of the relocating expatriate families such as special food ingredients and specialised stores increase the possibility of them relating to Malaysia faster and helping them to maintain continuity of their daily lives.

**Table 5.6 - Results of the Hypotheses Based on the Combined Expatriate and Spouse Adjustment Path Model (N=134)**

Hypothesis	Path Coefficients	Conclusion
H1 Expat perceived organisational support (EXPOS) → Expat adjustment (EXPADJ)	.27 ***	Supported
H2 Expat host country social support (EXHCS) → Expat adjustment (EXPADJ)	Not significant	Not supported
H3 Expat cultural intelligence (EXPCQ) → Expat adjustment (EXPADJ)	.29 ***	Supported
H4 Spouse organisational support (SPOS) → Spouse adjustment (SPADJ)	Not significant	Not supported
H5 Spouse host country social support (SPHCS) → Spouse adjustment (SPADJ)	.29 ***	Supported
H6 Spouse cultural intelligence (SPCQ) → Spouse adjustment (SPADJ)	.37 ***	Supported
H7 Expat adjustment (EXPADJ) → Expat performance (PERFORM)	.20 *	Supported
H8 Spouse adjustment (SPADJ) → Expat performance (PERFORM)	Not significant	Not supported
H9 Spouse adjustment (SPADJ) → Expat adjustment (EXPADJ)	Not significant	Not supported
<b><u>New finding</u></b> Expat perceived organisational support (EXPOS) → Expat performance (PERFORM)	.19 *	<i>More details provided in the discussion chapter.</i>

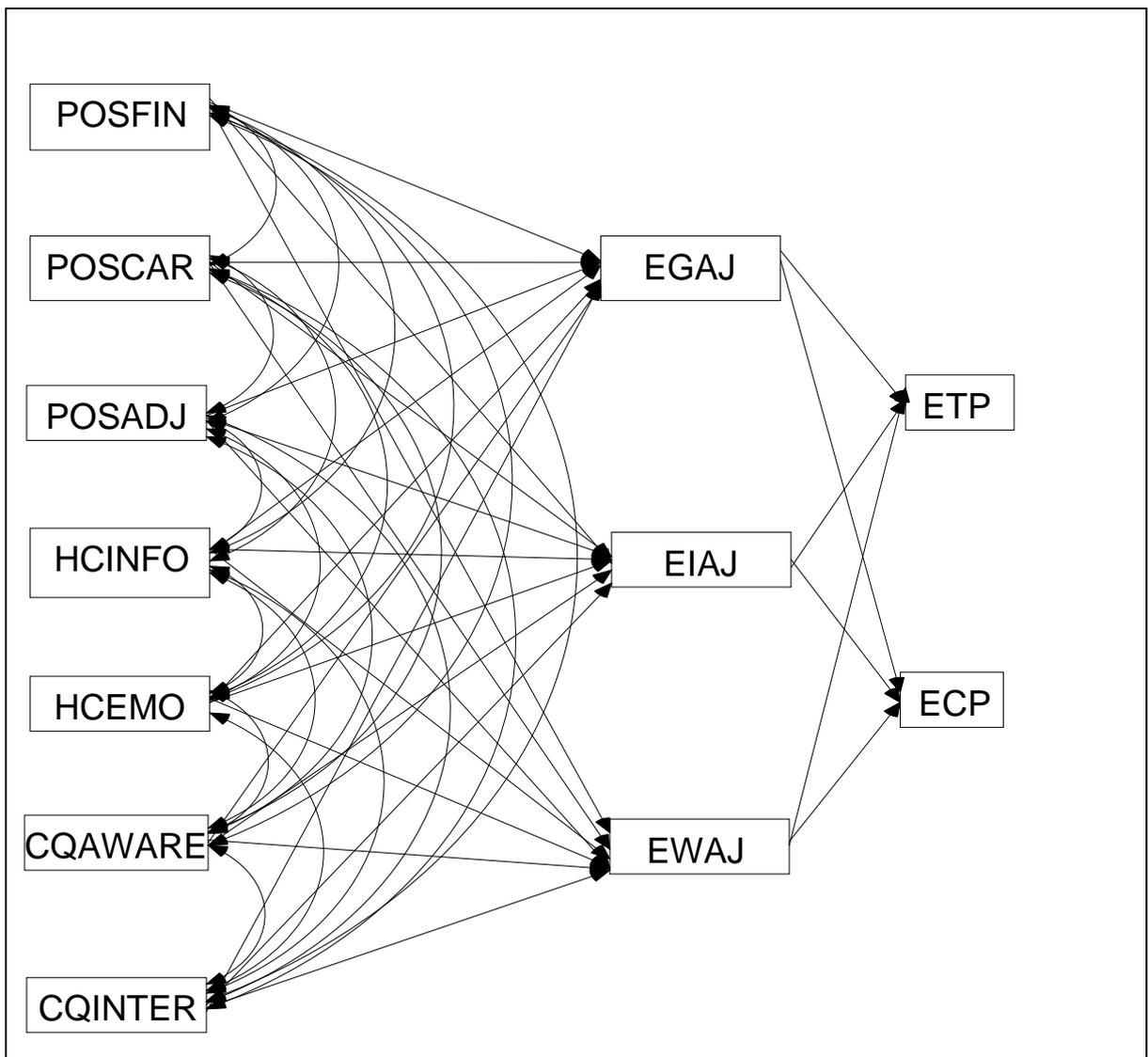
\*p < 0.05, \*\* p < .01, \*\*\*p < 0.001

Key: → = has a positive influence on \_\_\_\_\_.

### 5.5.2 Path Analysis for Expatriate Adjustment Model

In order to delineate the relationship pertaining to the expatriate related subscales, the combined expatriate and spouse adjustment path model is further divided into two detailed models. This allows for the testing of very specific constructs and gives a more meaningful picture of the whole model. The expatriate adjustment path model is provided in Figure 5.3.

**Figure 5.3 - Expatriate Adjustment Path Model (N=134)**



*Key : POSFIN : Financial Perceived Organisational Support; POSCAR : Career Perceived Organisational Support; POSADJ : Adjustment Perceived Organisational Support; HCINFO : Host Country Informational Support; HCEMO : Host Country Emotional Support; CQAWARE : Awareness Cultural intelligence; CQINTER : Interaction Cultural intelligence;*

*EGAJ : Expat general Adjustment; EIAJ : Expat Interaction Adjustment; EWAJ : Expat Work Adjustment; ETP : Expat Task Performance; ECP : Expat Contextual Performance.*

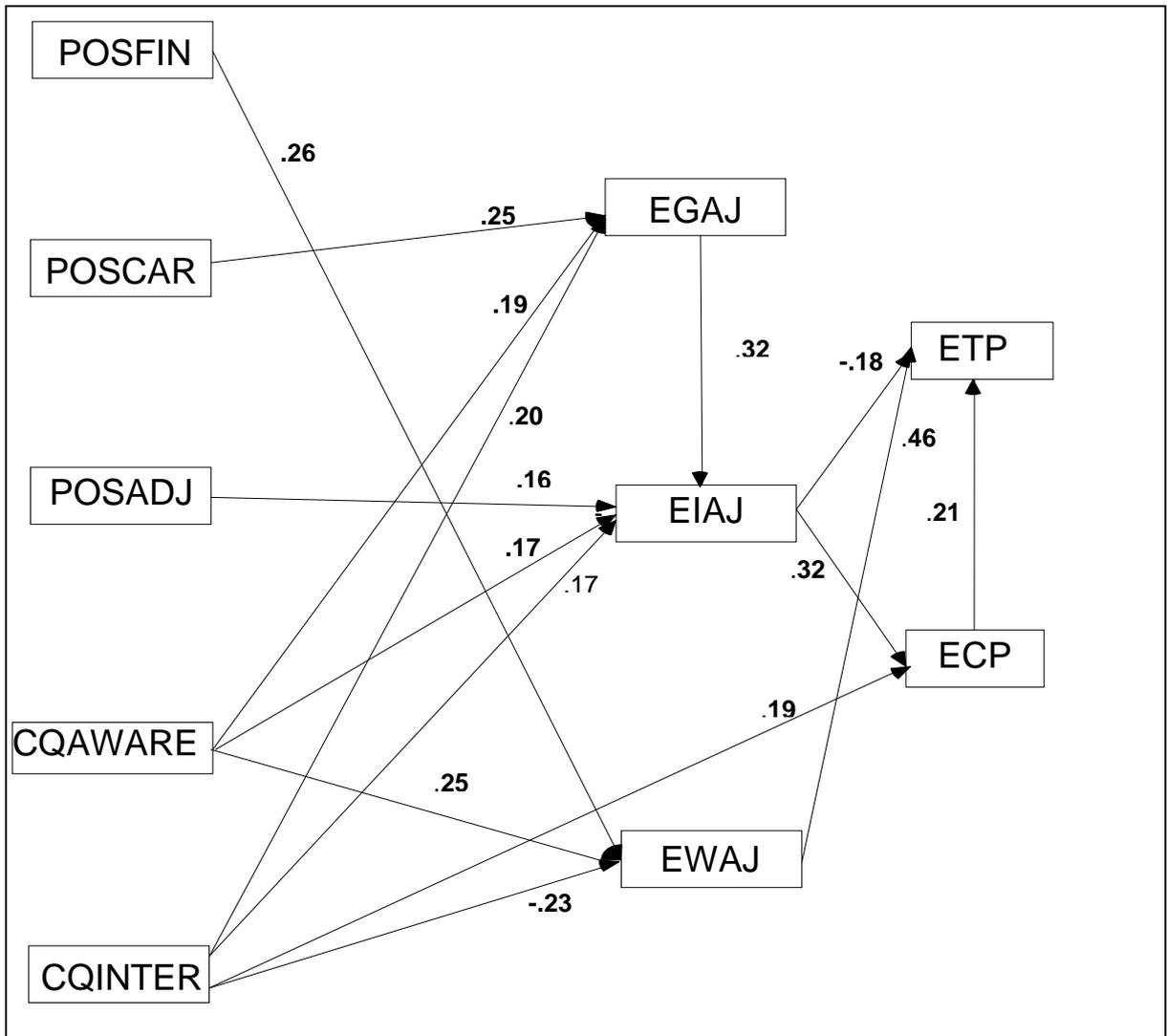
This model produced a significant  $X^2$  and moderate goodness-of-fit indices. Using theory-trimming techniques, the model was then re-tested in order to get a better fit through the removal of non-significant hypothesised relationships. Table 5.7 provides the goodness-of-fit indices for both the original and final models.

**Table 5.7 - Goodness-of-Fit Indices for the Original and Final Expatriate Adjustment Path Models (N=134)**

<b>Goodness-of-fit test</b>	<b>Original model estimates</b>	<b>Final model estimate</b>	<b>Interpretation (Final model)</b>
Model fit			
$X^2$ value	44.19 ( <i>df</i> =18, <i>p</i> =.001)	22.73 ( <i>df</i> =20, <i>p</i> =.302)	The final model indicates a very good fit with some indices very close to 1. The $X^2$ value is highly significant. The RMSEA and SRMR are almost zero, indicating a very good fit.
CFI	.92	.99	
Goodness-of-fit (GFI)	.95	.97	
Adjusted GFI	.78	.91	
Normed fit index (NFI)	.89	.92	
RMSEA	.105	.032	
Standardised RMR	.052	.045	

The final model is illustrated in Figure 5.4, where the figures on the model are standardised regression coefficients and are all significant at 95% level unless otherwise indicated. In Figure 5.4, significant relationships in the path model are indicated with coefficient figures in bold.

**Figure 5.4 - Expatriate Adjustment Final Path Model (N=134)**



*Key : POSFIN : Financial Perceived Organisational Support; POSCAR : Career Perceived Organisational Support; POSADJ : Adjustment Perceived Organisational Support; CQAWARE : Awareness Cultural intelligence; CQINTER : Interaction Cultural intelligence; EGAJ : Expat general Adjustment; EIAJ : Expat Interaction Adjustment; EWAJ : Expat Work Adjustment; ETP : Expat Task Performance; ECP : Expat Contextual Performance, \* Bold figures indicate statistically significant relationships.*

The results suggest that different component of expatriate perceived organisational support have direct effects on the different dimensions of expatriate adjustment. Financial POS (POSFIN) is significantly related to work adjustment (EWAJ) while career POS (POSCAR) is positively related to general adjustment (EGAJ). Adjustment POS (POSADJ) is positively linked to interaction adjustment (EIAJ). This is an interesting finding because it suggests that different POS may

assist different types of adjustment in accordance to the nature of the perceived support offered by the organisation. Both expatriate cultural intelligence (CQ) subscales in the forms of awareness CQ (CQAWARE) and interaction CQ (CQINTER) are relevant in helping the expatriates to better adjust in all of the adjustment dimensions. However, only interaction adjustment (EIAJ) is significantly positive to both task performance (ETP) and contextual performance (ECP).

This finding highly emphasises the importance of being comfortable when interacting with HCNs as good interaction would be key to expatriates performing better in both facets of performance. Work adjustment (EWAJ) is only significant to improve task performance (ETP) while general adjustment (EGAJ) is not linked to any performance dimension. New findings that are suggested in modification indices are also retained because they made sense especially when looking at the social integration components that can be represented by interaction CQ (CQINTER), interaction adjustment (EIAJ) and contextual performance (ECP). The path analysis results indicate that organisations should put more emphasis on the social integration elements because they will eventually lead to better task performance. The results of the final model in terms of the direct and indirect effects are summarised in Table 5.8, and a summary of the hypotheses supported and not supported is in Table 5.9.

**Table 5.8 - Direct, Indirect and Total Effects for Expatriate Adjustment Path Model (N=134)**

	EGAJ	EIAJ	EIAJ	EWAJ	ECP	ECP	ETP	ETP
Construct	Direct	Direct	Indirect	Direct	Direct	Indirect	Direct	Indirect
CQINTER	.201	.171	.065	-.233	.189	.076	-ne-	-.096
CQAWARE	.192	.129	.074	.245	-ne-	.062	-ne-	.090
POSADJ	-ne-	.155	-ne-	-ne-	-ne-	.050	-ne-	-.018
POSFIN	-ne-	-ne-	-ne-	.262	-ne-	-ne-	-ne-	.121
POSCAR	.248	-ne-	.080	-ne-	-ne-	.026	-ne-	-.009
EGAJ	-ne-	.322	-ne-	-ne-	-ne-	.105	-ne-	-.038
EIAJ	-ne-	-ne-	-ne-	-ne-	.324	-ne-	-.184	.067
EWAJ	-ne-	-ne-	-ne-	-ne-	-ne-	-ne-	.461	-ne-
ECP	-ne-	-ne-	-ne-	-ne-	-ne-	-ne-	.208	-ne-

*Note : EGAJ and EWAJ have no indirect effect with any construct, \*\*ne = no effect*

*Key : POSFIN : Financial Perceived Organisational Support; POSCAR : Career Perceived Organisational Support; POSADJ : Adjustment Perceived Organisational Support; HCINFO : Host Country Informational Support; HCEMO : Host Country Emotional Support; CQAWARE : Awareness Cultural intelligence; CQINTER : Interaction Cultural intelligence; EGAJ : Expat general Adjustment; EIAJ : Expat Interaction Adjustment; EWAJ : Expat Work Adjustment; ETP : Expat Task Performance; ECP : Expat Contextual Performance*

Although path analysis allows for the disclosure of indirect effects, for the expatriate adjustment model, all the indirect effects are not significant and negligible with the exceptions of financial POS (POSFIN) with task performance (ETP) and general adjustment (EGAJ) with contextual performance (ECP). There are no direct effects between POSFIN with ETP and EGAJ with ECP. To reiterate one of the strengths of using path analysis, the identification of indirect effects would not be picked up in multiple regressions. The summary of the hypothesised relationships for the expatriate model can be seen in Table 5.9.

**Table 5.9 - Results of the Hypotheses Based on Expatriate Adjustment Path Model (N=134)**

Hypothesis	Path Coefficients	Conclusion
H1a - Financial perceived organisational support → General adjustment	Not significant	Not supported
H1b - Financial perceived organisational support → Interaction adjustment	Not significant	Not supported
H1c - Financial perceived organisational support → Work adjustment	.26 **	Supported
H1d - Career perceived organisational support → General adjustment	.25 **	Supported
H1e - Career perceived organisational support → Interaction adjustment	Not significant	Not supported
H1f - Career perceived organisational support → Work adjustment	Not significant	Not supported
H1g - Adjustment perceived organisational support → General adjustment	Not significant	Not supported
H1h - Adjustment perceived organisational support → Interaction adjustment	.16 *	Supported
H1i - Adjustment perceived organisational support → Work adjustment	Not significant	Not supported
H2a - Informational social support → General adjustment	Not significant	Not supported
H2b - Informational social support → Interaction adjustment	Not significant	Not supported
H2c - Informational social support → Work adjustment	Not significant	Not supported
H2d - Emotional social support → General adjustment	Not significant	Not supported
H2e - Emotional social support → Interaction adjustment	Not significant	Not supported
H2f - Emotional social support → Work adjustment	Not significant	Not supported
H3a - Awareness cultural intelligence → General adjustment	.19 *	Supported
H3b - Awareness cultural intelligence → Interaction adjustment	.17 *	Supported

**Table 5.9 - Results of the Hypotheses Based on Expatriate Adjustment Path Model (N=134) - Continued**

Hypothesis	Path Coefficients	Conclusion
H3c - Awareness cultural intelligence → Work adjustment	.25 **	Supported
H3d - Interaction cultural intelligence → General adjustment	.20 *	Supported
H3e - Interaction cultural intelligence → Interaction adjustment	.17 *	Supported
H3f - Interaction cultural intelligence → Work adjustment	-.23 **	Refuted
H7a - General adjustment → Task performance	Not significant	Not supported
H7b - Interaction adjustment → Task performance	-.18 *	Refuted
H7c - Work adjustment → Task performance	.46 ***	Supported
H7d - General adjustment → Contextual performance	Not significant	Not supported
H7e - Interaction adjustment → Contextual performance	.32 ***	Supported
H7f - Work adjustment → Contextual performance	Not significant	Not supported
<b><u>New finding</u></b>		
Contextual performance → Task performance	.21 *	<i>More details provided in discussion chapter.</i>
General adjustment → Interaction adjustment	.32 ***	
Interaction cultural intelligence → Contextual performance	.19 *	

\*p < 0.05, \*\* p < .01, \*\*\*p < 0.001

Key: → = has a positive influence on \_\_\_\_\_.

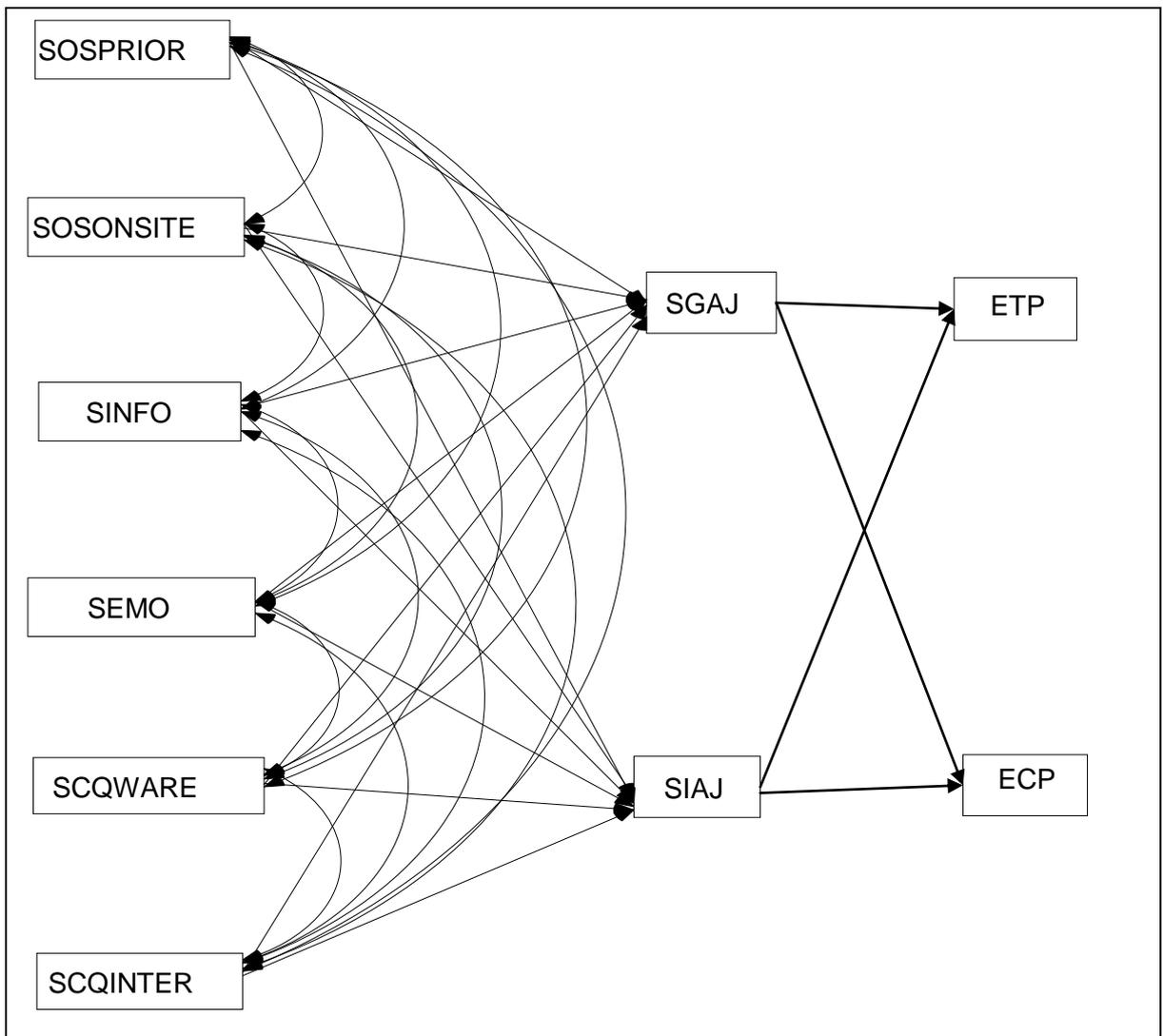
### **5.5.2.1 Conclusion for Expatriate Adjustment Path Model**

The path analysis for the expatriate adjustment path model allows analysis for specific subscales of the constructs used in the earlier combined expatriate and spouse adjustment model. The results mirror the general findings from the combined model. However, what is important to highlight is that different types of perceived organisational support (POS) are significant in influencing different facets of adjustment. Cultural intelligence (CQ) is segregated into awareness CQ and interaction CQ and both elements are crucial in helping expatriates to adjust better in the host country. This is emphasising that being culturally aware of the cultural differences surrounding us should be supported with culturally correct behaviours. Organisations should also closely monitor the different facets of adjustment in order to increase certain type of performance. The path analysis highlighted the influential role of interaction adjustment as a way to eventually increase task performance. The path analysis also emphasises the importance of being socially apt in the host country because non-work elements have proven to improve work adjustment and task performance.

### **5.5.3 Path Analysis for Spouse Adjustment Model**

Following the preceding models, the spouse adjustment model is to determine spouse specific subscales with spouse adjustment and expatriate performance. The original hypothesised model (Figure 5.5) is tested for the purpose of examining the hypothesised relationships in this study.

**Figure 5.5 - Spouse Adjustment Path Model (N=134)**



**Key :** *SOSPRIOR : Spouse prior organisational support; SOSONSITE : Spouse on-site organisational support; SINFO : Spouse informational support; SEMO : Spouse emotional support; SCQWARE : Spouse awareness cultural intelligence; SCQINTER : Spouse interaction cultural intelligence; SGAJ : Spouse general adjustment; SIAJ : Spouse interaction adjustment; ETP : Expat task performance; ECP : Expatriate contextual performance.*

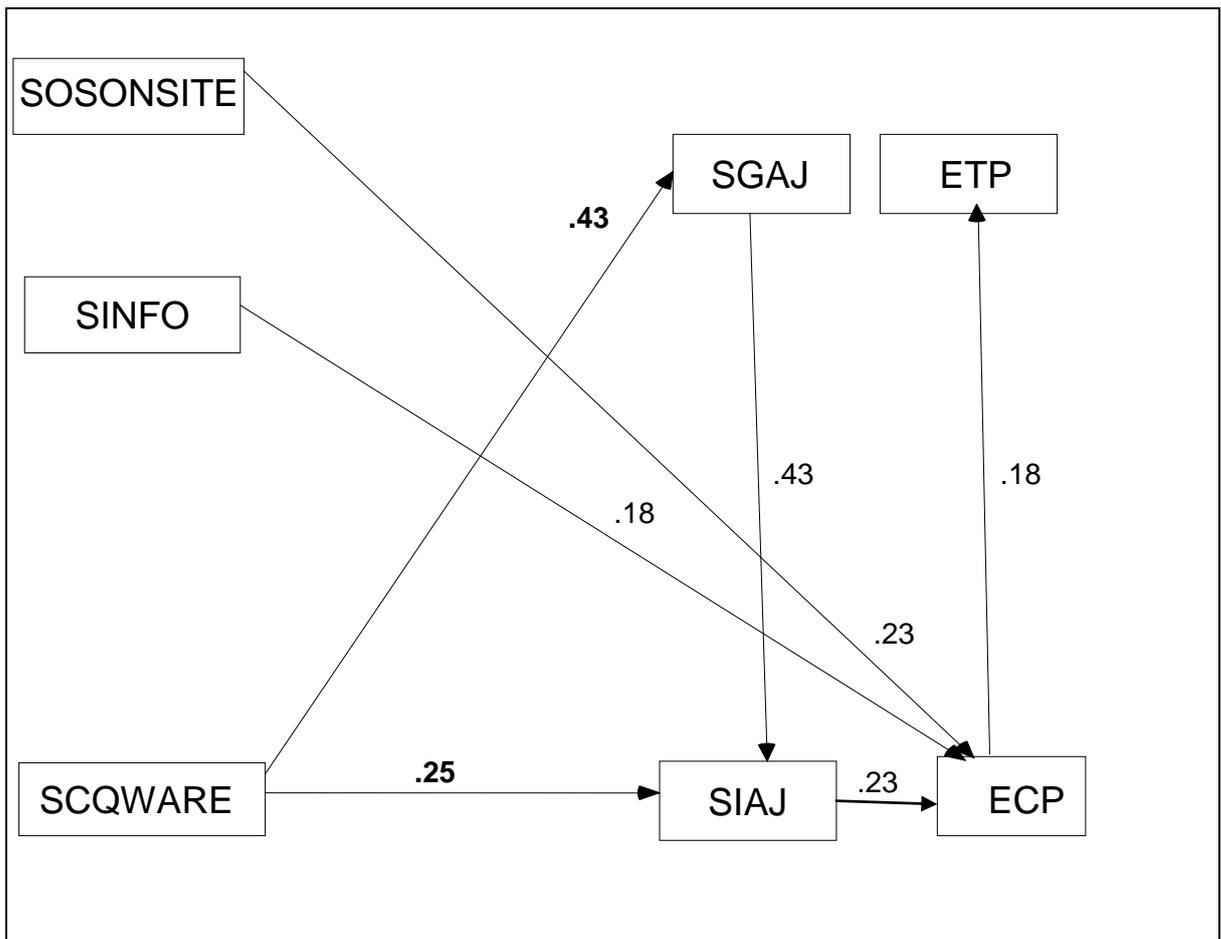
This model produced a significant  $X^2$  and moderate goodness-of-fit indices. Using theory-trimming techniques, the model was then re-tested in order to get a better fit through the removal of non-significant hypothesised relationships. Table 5.10 provides the goodness-of-fit indices for both the original and final spouse adjustment path models.

**Table 5.10 - Goodness-of-Fit Indices for the Original and Final Spouse Adjustment Path Models (N=134)**

<b>Goodness-of-fit test</b>	<b>Original model estimates</b>	<b>Final model estimate</b>	<b>Interpretation (Final model)</b>
Model fit			
X <sup>2</sup> value	56.91 ( <i>df</i> =14, <i>p</i> =.000)	11.88 ( <i>df</i> =11, <i>p</i> =.373)	The final model indicates a very good fit with some indices very close to 1. The X <sup>2</sup> value is highly significant. The RMSEA and SRMR are almost zero, indicating a very good fit.
CFI	.89	.99	
Goodness-of-fit (GFI)	.92	.98	
Adjusted GFI	.70	.94	
Normed fit index (NFI)	.87	.91	
RMSEA	.152	.025	
Standardised RMR	.073	.052	

The final spouse adjustment path model is illustrated in Figure 5.6, where the figures on the model are standardised regression coefficients and are all significant at least 95% level unless indicated otherwise. The results of the final model are summarised in Table 5.10, and a summary of the hypotheses supported and not supported is provided in Table 5.11.

**Figure 5.6 Spouse Adjustment Final Path Model (N = 134)**



**Key :** *SOSONSITE : Spouse on-site organisational support; SINFO : Spouse informational support; SCQWARE : Spouse awareness cultural intelligence; SGAJ : Spouse general adjustment; SIAJ : Spouse interaction adjustment; ETP : Expatriate task performance; ECP : Expatriate contextual performance, \* Bold figures indicate statistically significant relationships.*

The results suggest mixed findings of predictors of spouse adjustment and expatriate performance. Only spouse awareness cultural intelligence (SCQWARE) is significant in assisting both general and interaction adjustment. This is to show that being aware of the cultural differences in the host country helps the spouse keep an open mind and be more receptive in any culturally challenging situations. However, both organisational and host country support are not predictors of spouse adjustment. This is a rather surprising finding especially for the host country social support element because it has proven significant in the earlier combined

adjustment model. One possible explanation for this revelation is that the spouse might be getting support from other expatriate families that share some common interests as there are quite a number of expatriate related associations such as Association of British Women in Malaysia, International Women's Association of Kuala Lumpur or American Association of Malaysia where the spouse could befriend like-minded people. Another possible explanation is that with the advancement of technology, the spouse could use personal electronic communication like using Skype, Yahoo Messenger and chatting through Facebook to still be in contact with their loved ones back in their home countries. There is also the possibility of a mismatch between the support offered by the expatriate hiring organisations and the type of support that the spouses found to be helpful is assisting them to better adjust to the host country's environment. As a result, the support offered by the organisations was deemed to be ineffective to acclimatise themselves to the new surroundings. The results of the final spouse adjustment model and the effects of the hypothesised relationships are detailed in Table 5.11.

**Table 5.11 - Direct, Indirect and Total Effects for Spouse Adjustment Path Model**

	SGAJ	SGAJ	SIAJ	SIAJ	ECP	ECP	ETP	ETP
Construct	Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect
SCQWARE	.425	-ne-	.246	.182	-ne-	.056	-ne-	.010
SOSONSITE	-ne-	-ne-	-ne-	-ne-	.228	-ne-	-ne-	.040
SINFO	-ne-	-ne-	-ne-	-ne-	.181	-ne-	-ne-	.032
SGAJ	-ne-	-ne-	.428	-ne-	-ne-	.056	-ne-	.010
SIAJ	-ne-	-ne-	-ne-	-ne-	.225	-ne-	-ne-	.023
ECP	-ne-	-ne-	-ne-	-ne-	-ne-	-ne-	-ne-	-ne-
	-ne-	-ne-		-ne-			.175	

\*\* - ne- = no effect

*Key : SOSONSITE : Spouse on-site organisational support; SINFO : Spouse informational support; SCQWARE : Spouse awareness cultural intelligence; SGAJ : Spouse general adjustment; SIAJ : Spouse interaction adjustment; ETP : Expat task performance; ECP : Expatriate contextual performance*

Although path analysis allows for the disclosure of indirect effects, for the spouse adjustment model, all the indirect effects are not significant and negligible with the exception of spouse awareness cultural intelligence (SCQWARE) with interaction adjustment (SIAJ). There is a significant direct effect between SCQWARE with SIAJ. These additional insights would not be picked up in multiple regressions. Table 5.12 summarises the hypothesised relationships for the spouse model.

**Table 5.12- Results of the Hypotheses Based on the Spouse Adjustment Path Model (N=134)**

Hypothesis	Path Coefficients	Conclusion
H4a - Prior organisational support → General adjustment	Not significant	Not supported
H4b - Prior organisational support → Interaction adjustment	Not significant	Not supported
H4c - On-site organisational support → General adjustment	Not significant	Not supported
H4d - On-site organisational support → Interaction adjustment	Not significant	Not supported
H5a - Informational social support → General adjustment	Not significant	Not supported
H5b - Informational social support → Interaction adjustment	Not significant	Not supported
H5c - Emotional social support → General adjustment	Not significant	Not supported
H5d - Emotional social support → Interaction adjustment	Not significant	Not supported
H6a - Awareness cultural intelligence → General adjustment	.43 ***	Supported
H6b - Awareness cultural intelligence → Interaction adjustment	.25 **	Supported
H6c - Interaction cultural intelligence → General adjustment	Not significant	Not supported
H6d - Interaction cultural intelligence → Interaction adjustment	Not significant	Not supported

\*p < 0.05, \*\* p < .01, \*\*\*p < 0.001

Key: → = has a positive influence on \_\_\_\_\_.

**Table 5.12- Results of the Hypotheses Based on the Spouse Adjustment Path Model (N=134) (Continued.)**

Hypothesis			Path Coefficients	Conclusion
H8a -	General adjustment	→ Task performance	Not significant	Not supported
H8b -	Interaction adjustment	→ Task performance	Not significant	Not supported
H8c -	General adjustment	→ Contextual performance	Not significant	Not supported
H8d -	Interaction adjustment	→ Contextual performance	.23 **	Supported
<b><u>New findings</u></b>				
General adjustment	→	Interaction adjustment	.43 ***	<i>More details provided in the discussion chapter.</i>
Informational support	→	Contextual performance	.18 *	
On-site support	→	Contextual performance	.23 **	
Contextual performance	→	Task performance	.18 *	

\*p < 0.05, \*\* p < .01, \*\*\*p < 0.001

Key: → = has a positive influence on \_\_\_\_\_.

### **5.5.3.1 Conclusion for Spouse Adjustment Path Model**

The path analysis shows that the predictors hypothesised for the spouse adjustment and expatriate performance are not significant in explaining both outcomes. With the exception of spouse awareness cultural intelligence (SCQAWARE) with both adjustments (EGAJ and EIAJ) and interaction adjustment (EIAJ) with expatriate contextual performance (ECP), the predictors are not positively related to either the adjustment or performance variables. However, through the suggestion of modification indices, new relationship can be seen from spouse on-site support (SOSONSITE) and informational support (SINFO) with expatriate contextual performance (ECP). Echoing the finding from the expatriate model that emphasis on social integration element, both supports from organisations and host country nationals to spouses can be positively related to how expatriate fulfil their interpersonal roles in work and non-work setting. Although previous discussed models could not prove the link between any spouse related element with expatriate related one, the spouse adjustment model proves that spouses do influence how expatriates perform at work.

## **5.6 Type of Support Offered by the Multinational Corporations**

The final objective of this research is to determine the type of support offered by their MNCs to the expatriate families and whether the support offered is helpful in adjusting to the host country. In order to get a response for this purpose, both the expatriate and spouse are asked to rank the type of organisational support that are offered to them from the organisations and the type of support that they felt are significant in helping them to adjust better in the host country. The list of type of support is compiled from expatriate services agencies that offer services and advice

regarding relocating to a host country. Tables 5.13 and 5.14 summarise the top 3 type of support offered by the MNCs as ranked by the expatriate and spouse.

**Table 5.13 - Support from the Organisations (Ranked By Expatriates) (N=134)**

<b>Type of support offered (In rank order)</b>	<b>Percentage (%)</b>	<b>Type of support deemed beneficial for adjustment (In rank order)</b>	<b>Percentage (%)</b>
1.Provides medical and insurance coverage for family	88.4	1.Provides assistance to spouse for career management	49.3
2.Coordinates work documents prior to assignment	86.6	2.Provides repatriation assistance after assignment ends	47.8
3.Provides travel arrangements for business trips	76.1	3.Provides fully customised cross-cultural training	47.0

**Table 5.14 - Support from the Organisations (Ranked By Spouse) (N=134)**

<b>Type of support offered (In rank order)</b>	<b>Percentage (%)</b>	<b>Type of support deemed beneficial for adjustment (In rank order)</b>	<b>Percentage (%)</b>
1.Coordinates work documents prior to assignment	91.8	1.Provides assistance to spouse for career management	59.7
2.Provides medical and insurance coverage for family	88.1	2.Facilitates prior visit before actual assignment	38.8
3.Assists in finding suitable accommodation	81.3	3.Assists in finding suitable schools for children	32.8

Both the above tables summarise the type of support that is offered to the relocating families by the organisations and the type of support that is not offered but deemed to be helpful in helping them to adjust better in the host country. The organisations collectively offered basic support such as immigration and work related documents and medical and insurance coverage for the repatriating families. However, for the expatriate families, the offering of such support are regarded as the type of support that all organisations should offer. The offering of a more customised support like cultural related training or help with family issues would probably be more welcomed at the initial expatriation stage. To stress on the importance of supporting spouses careers, both expatriate and spouses collectively agreed that organisations should offer some kind of assistance to help the spouse manage their career while accompanying the other half abroad. This is especially vital in the wake of the increasing number of dual career couples. Support for spouse career management would be vital as a way for the spouses to maintain continuity with their career aspects. Without proper career support, spouses that had to leave their careers behind and go traipsing around the globe for at least two years would find themselves having to start from the bottom in order to go up the career ladder. Although there are some restrictions in terms of getting work permit when in the host country, spouses should be able to maintain some form of their profession through freelancing, working from home or doing work related activities that would help them to ensure their professional skills remain relevant.

Expatriates felt that they should be given repatriation assistance after their contract ends in order to ensure that their expatriation goes smoothly and the transition period from being an expatriate to becoming a normal staff is minimised. Organisations often disregard the repatriation stage because they assume that going back to the

same organisations would be a breeze. However, the repatriation stage is an equally challenging period, if not more so. In addition, the expatriates commented that they require fully customised cross-cultural training that are specifically created to be complementary to the host country that they will be stationed in. Organisations often organise generic cultural courses that could be applied to most countries due to budget constraints and assuming that cultural aspects are trivial matters. However, cultural aspects of every country are unique thus fully customised cultural training is highly pertinent for the expatriates to be fully aware of the cultural differences that they would encounter while in the host country.

Unlike the expatriates who are more into job security and role supporting assistance, the spouses would like to receive more support regarding their children's education and to be given the chance to have a 'taste' of the host country before actually committing themselves to accept the assignments. This is a highly important issue relating to the spouses because while the expatriates have some forms of continuity in their roles with the organisations, the spouses are bound to start anew. Any support that could help the spouses in minimising uncertainty would always be beneficial to them. Comparing the support offered by the organisations and the type of support that is deemed important in helping the adjustment of both the expatriates and the spouses, there seemed to be a mismatch of what the organisations offer and what the expatriate and their spouse really want. This increases the possibility of why organisational support especially to spouses was not significantly related to their adjustment. Hence, it is highly vital for the organisations to match the support offered to the expatriate families with what they really needed in order to assist their adjustments in the host country.

## 5.7 Co-Worker Rated Performance for Expatriates

Initially, in order to minimise self-rating bias, expatriate performance was also rated by co-workers. However, due to the low and not significant correlations with any of the expatriate and spouse adjustment dimensions, we opted not to use the co-worker rated performance. Table 5.15 presents the correlations of co-worker rated performance with both expatriate and spouse adjustments.

**Table 5.15 - Correlations between Co-Worker Rated Performance with Adjustment Dimensions (N=86)**

<b>Scales</b>	<b>EGAJ</b>	<b>EIAJ</b>	<b>EWAJ</b>	<b>SGAJ</b>	<b>SIAJ</b>
<b>Co-worker expat task performance (CWETP)</b>	-.173	-.156	.094	-.101	.056
<b>Co-worker expat contextual performance (CWECP)</b>	.068	.195	-.153	.025	.173

*Key : EGAJ : Expatriate general adjustment; EIAJ : expatriate interaction adjustment; EWAJ : Expatriate work adjustment; SGAJ : Spouse general adjustment; SIAJ : Spouse interaction adjustment*

From table 5.15, it is clear that co-worker rated performance has correlations that were too low and not significant. As expatriate performance is one of the important outcomes for the hypothesised model, we have opted to use the self-rated performance by the expatriates themselves. Therefore, the original sample of 86 expatriate-spouse-co-worker triads have to be put aside while another dataset which consist of 134 expatriate-spouse matched pairs were used for this study. As we were relying on the expatriate themselves to distribute the co-worker questionnaires, the co-workers chosen might not be the appropriate person to rate their expatriates as they might not be fully conversant with the expatriates' roles and responsibilities. Another

reason for the low correlations is the co-workers might feel 'burdened' when asked to rate the performance of their colleagues thus the ratings might not reflect the actual performance. Another possible reason is that, as proven in a research by Holzbach (1978), co-worker or peer ratings lack the sensitivity to differentiate job behaviours. Due to this, we opted to continue with the 134 matched pairs of expatriate and their spouses and expatriate performance was based on self-rating. Correlations related to self-report performance rating are provided in tables 5.2 and 5.3 which can be found in the earlier pages of this chapter.

## **5.8 Overall Conclusion**

In general, the results of the path analyses confirmed the earlier findings achieved through correlations. The findings provided support for the arguments put forth earlier and verified the theoretical model. Additionally, the results illustrated the superiority of using path modelling as opposed to multiple regressions. These results clearly suggest that additional insights can be gained by using statistically more sophisticated analytical schema. It has been possible to demonstrate that path modelling allows for the interaction of the independent variables and examination of the impact they have on one another (Mavondo and Rodrigo 2001). The hypothesised model is improved not only by achieving better goodness-of-fit indices but also in proposing new statistically significant relationships. One highlight of the findings is the reliance of different sources of support by the expatriate and spouse in order to better adjust in the host country. Another important finding is the significance of non-work support and non-technical skills that could improve interaction adjustment thus eventually improving on task performance through better contextual performance. Although, there was not enough evidence to link spouse adjustment with expatriate

adjustment and performance, indirectly both organisational and host country social support to the spouse can eventually lead to better expatriate contextual performance. The results of these findings demonstrate the advantage of using path analysis in testing the proposed hypotheses and model as it allows the testing of the model as a whole thus providing more support and justification for the proposed relationships.

## **5.9 Summary**

This chapter provided the findings from the path analyses in the order of the hypothesised relationships. The presentation of the results through path analyses allows for substantiation of the hypothesised relationships which were initially tested using correlations and adds more rigour in the data analysis. This chapter is followed by the discussions chapter where the results of the hypothesised relationships will be discussed in detail and linked with past literature.

## **CHAPTER 6: DISCUSSIONS**

### **6.1 Chapter Overview**

This chapter aims to provide a rationale explanation for the results presented in the preceding chapter, in particular for the hypotheses tested. The discussions of the results will be presented according to the hypothesised relationships in accordance with the research objectives that were presented in the earlier chapters. The discussions will consist of the following investigated variables; perceived organisational support of the MNCs, social support from the HCNs, CQ, adjustment with expatriate performance and spouse adjustment with expatriate adjustment. The discussions of each variable will cover findings from the combined expatriate and spouse dataset to address the main hypotheses and the findings from both the expatriate only dataset and spouse only dataset in order to address the sub-hypotheses. The order of the presentation of discussions will be according to the order of the research objectives stated in chapter one. Previous studies have been drawn upon to elaborate the findings obtained in this research and support the significance of each hypothesised relationship.

### **6.2 Support from the MNCs**

#### **6.2.1 MNCs' Support for the Expatriates**

In addressing the first objective, to investigate the influence of multinational corporations' perceived organisational support (POS) on expatriate and spouse cross-cultural adjustment in the host country, both correlations and path analyses were conducted to investigate the relationship of organisational support on the expatriate

and spouse adjustments whilst in the host country. For the support from the MNCs, this research only focused on the perceived organisational support (POS) from the organisations for the expatriates and organisational support for the spouses. Originating from the organisational support theory, this theory suggests that POS is a valued resource because it assures employees that help will be available from the organisation 'when it is needed to carry out one's job effectively and to deal with stressful situations' (Rhoades and Eisenberger 2002, p.698). Results from the path analysis in the previous chapter showed that expatriate POS has a significant relationship with the expatriate's various facets of adjustment namely the general, interaction and work adjustments. This echoes partial findings by Florkowski and Fogel (1999) that financial POS is positively related to adjustment. This signifies that when expatriates believe that the MNCs value their contributions in ensuring that the subsidiaries to where they were sent to on international assignments will benefit from their expertise, they will have an easier time in adjusting to the host country's working and living environments. Consequently, the expatriates will be more concerned about the organisations' performance thus expending more effort in ensuring the organisations' aspirations are met. In addition, the findings above support the earlier mentioned organisational support theory (Rhoades and Eisenberger 2002), where employees would be obliged to reciprocate the organisations' concern and kindness with emphasis on better productivity, higher loyalty and the general sense of being part of the organisation. This further supports the expatriates' belief that organisations are genuinely concerned about their well-being by ensuring that they are still being accorded full support throughout their stint abroad although they are not physically located in the organisations' headquarters.

In order to explicate the concept of reciprocity that stems out of the positive perceived organisational support and expatriate adjustment relationship, it is beneficial to discuss Gouldner's norm of reciprocity concept (1960). Gouldner summarises reciprocity as an act that fulfils two important criteria: people should help those who have helped them and people should not harm those who have helped them. This direct observation would fulfil the dimension of almost all value systems where the onus on oneself is to do good and not harm others. As such, any good deed should be repaid in the like manner. Reverting to the perceived organisational support element, expatriates possibly have better chances in adjusting to the host country's environment when they perceive that their organisations have invested resources to ensure the success of the international assignments by offering support that are deemed to be useful especially in the period when they are desperately needed and welcomed. Nevertheless, Gouldner (1960) cautioned that the obligation to reciprocate will also be influenced by the value of input conferred by others. The higher the recipient values the input, the higher the possibility for the act to be returned in the same manner. For example, expatriates will highly reciprocate organisations' show of support if the support offered is critical to the expatriate's well-being and timely. Expatriates who are offered customised cross-cultural training prior to relocating to a new country would value the support more as compared to an expatriate who was only offered basic language training on-site.

With relation to the value of input conferred by others, Blau (1964) and Gouldner (1960) reiterate that resources received from others are highly valued if they are based on discretionary choice rather than the results of circumstances that go beyond the donor's control. For example, there will be a higher POS if the employees believe that

the offering of any rewards or benefits by the employers are due to voluntary actions as opposed to external constraints like union demands or governmental health and safety regulations (Rhoades and Eisenberger 2002). As such, when expatriates believe that their organisations acknowledge their contributions and are willing to provide the necessary support for them to acclimatise to the new environment voluntarily based on discretion, they will likely reciprocate by concentrating more at work and taking the time and effort to learn the local language and socially integrate with the local employees. This in turn will positively affect their adjustment effort in the host country. Rhoades and Eisenberger (2002) concluded from a literature review of POS related studies that POS is highly related to affective commitment, job satisfaction, positive mood at work and the desire to remain with the organisation. As such, these positive characteristics that are linked to POS possibly increase the feelings of being comfortable with one self and displaying attributes in the forms of positive organisational citizenship behaviours that would be beneficial to the hiring organisations and the specific individuals.

Responses from an online survey, Expat Life Survey (2008) conducted by a web-based expatriate related services company, ExpatExchange.com indicates that most of the time, organisations fail to provide them with the necessary support when they were most needed especially in the initial stages of expatriation. As a result, this failure of providing support when on expatriation lends credit to the 'out of sight, out of mind' syndrome; when an expatriate is not physically working at the headquarters, the organisation disengages itself and ceases treating the employees as part of the organisation. The responses from the same Expat Life Survey (2008) also indicate that the support from the organisation stops the moment the expatriates embark on

their respective airplanes to the destined locations with the hope that the expatriates are 'expert' enough to fend for themselves while on assignments.

Much can be said on the relationships between the expatriates and the MNCs within the context of support and expatriation. To be selected as a representative of the company is not an easy feat. There are several reasons why despite the exorbitant costs involved in hiring and training expatriates, the number of expatriates sent on international assignments has not declined. Despite a temporary setback and the decline of expatriate international assignments in 2009, findings from the Global Relocation Trends Survey 2010 conducted by Brookfield Global Relocation Services (2010) indicates that 44% of the participating MNCs expected the number of international assignments to increase in 2010. This is supported by Career Trends in 2010 Survey by ExpatCareer.com (2010), a web-based expatriate services company which indicates that there was expected to be a steady increase in the number of expatriate jobs worldwide in the year 2010 especially in the Middle East and South East Asia regions. The steady increase in the number of expatriates worldwide highlights the importance of ensuring that the expatriates are being provided with the necessary support that could minimise adjustment problems.

It would be an oversight on the MNCs' part to expect the expatriates to start concentrating on their assigned tasks from day one without having to worry about the non-work factors such as the cultural differences, the different work practices and ethics and the family adjustments, just to name a few. In the initial stages to say the least, expatriates are being pulled into so many directions which all warrant their undivided attention because they are somewhat starting from scratch. There is bound to be resentment from the existing host country nationals (HCNs) working in the same

subsidiary due to the notion that they were not good enough to be considered for the job that the expatriate is filling in or as expatriates are normally occupying the top management position. The HCNs would feel reluctant to work alongside or under the supervision of 'outsiders'. Malaysians in general are rather wary about 'outsiders' as it is acceptable to think Malaysians as generally collectivists in nature (Kennedy 2002). The basic tenets of being a collectivist society is that people are integrated into strong cohesive groups since birth and through their lifetime they will be remain, in these groups in return of loyalty and some preferential treatment (Hofstede and Hofstede 2004). Therefore, it is always who you know on the inside that helps to pave the way for future interactions. A person needs to be initiated into a group and normally acceptance into a group is by invitation and consensus only and may take some time (Abdullah 1996). That is one of the reasons why an expatriate, especially a Western one would have a tougher time being accepted in Malaysia as compared to a fellow Asian expatriate in integrating socially into the host country working environment.

Due to having lesser cooperation from the HCNs in the foreign subsidiary, the expatriates need more support from the MNCs. Not only do they have to battle scepticism from the HCNs in the workplace, they also have to know the ropes of learning the best ways to make business deals and transactions with local businesses and government-related entities. The problem of adjusting to the local conditions is exacerbated by the pressure of having accompanying family members in the host country and having to justify the hiring and sending of expatriates to the host country in the first place. There are numerous ways how perceived organisational support (POS) could be manifested throughout the organisation. For example, MNCs can include the expatriate and the family members when making decisions regarding relocation since

the very beginning. Having sought opinions from the actual persons whose lives are going to be affected would be a good start to show the expatriates and their family members that the MNCs are concerned about their well-being.

In addition, although gaining valuable experience is one of the reasons why expatriates have agreed to go on assignments, there is no denying the fact that monetary and benefit related issues would be considered just the same. Expatriate related salary and compensation should be fair and considerate to what the expatriates have to undergo while on assignments and the salary package should consider some of the hardships that the expatriates have to endure while on location. This is especially true if the expatriates have to transfer to a host country which is less developed than where the headquarters are located (Armstrong and Murlis 2007). Expatriates need to know that the MNCs are behind them all the time and are there whenever their help and support is required. As the combined expatriate and spouse model does not go into detail on the subscales on these antecedents, the ensuing paragraphs will discuss on the subscales in greater detail.

The existing variables discussed in the earlier combined model are extended to include the various subscales that make up the main scale. Expatriate perceived organisational support (EXPOS) is further segregated into three different categories; financial POS, career POS and adjustment POS. Financial POS (POSFIN) is concerning the perceived support regarding financial matters that include the salary and benefits for taking up the assignment. Career POS (POSCAR) is concerning the perceived support for career related matters such as involving expatriates when making decisions regarding career issues. Adjustment POS (POSADJ) relates to perceived support regarding family's well-being and ease of transition into the new

environment while in the host country (Kraimer and Wayne 2004). The three types of adjustment studied in this research are general adjustment (EGAJ), interaction adjustment (EIAJ) and work adjustment (EWAJ). EGAJ relates to the expatriate adjustment with basic things such as food and accommodation while in host country (HC). EIAJ on the other hand is adjustment to interacting with the HCNs both in and outside the workplace. EWAJ would be the expatriate adjustment while undertaking the new responsibilities that include meeting performance standard and expectations and supervisory responsibilities. The two elements of performance tested in this research are task performance and contextual performance. Task performance (ETP) consists of expatriate tasks relating to meeting assignment objectives and technical competence. Contextual performance (ECP) on the other hand is concerned with establishing relationships with HCNs in the workplace and adapting to the HC's business customs and norms. Further explanations of the tested subscales are explicated below. This would allow for the discussion of findings for the sub-hypotheses regarding support from MNCs.

This section explicates the discussions of findings addressing sub-hypotheses 1a to 1i (see subsection 3.2.1, chapter 3). Support from MNCs in this context was in the form of perceived organisational support (POS) from the MNCs. The POS was further segregated into 3 types; financial POS (POSFIN), career POS (POSCAR) and adjustment POS (POSADJ). Results from the path analysis illustrate that the different types of POS had a significant relationships with the different facets of expatriate adjustment. This supports a study by Kraimer and Wayne (2004) whereby they reiterate the importance of examining the type of POS depending on the outcome of interest and they discovered that different POS responds to different outcomes of

interest that range from expatriate adjustment, organisational commitment, task performance, contextual performance and intention to complete assignment. Career POS is significantly related to expatriate general adjustment. This indicates that when MNCs involve expatriates in making career-related decisions, expatriates would have an easier time adjusting to the most basic type of adjustment; general adjustment because they are more aware and receptive of the necessary changes that they have to make in the host country.

In addition, when the expatriates perceived that the MNCs are concerned with their career development, more often than not they will feel that they have made the right decision in taking up the expatriate post. This is reflected in the embracing of the basic factors that they have to get used to in the HC such as feeling comfortable with the accommodation, general living conditions, food, shopping and cost of living. Adjustment POS on the other hand had a positive relationship with the expatriate interaction adjustment. Adjustment POS includes MNC support to both the expatriate and the accompanying family members prior to relocating to the host country and on-site. Expatriate interaction adjustment is the ability of the expatriates to socialise with the HCNs both in and outside of the workplace. This adjustment includes fluency of the understood language. One possible justification regarding this positive relationship is that taking up an expatriate post is more than just worrying about work factors. Non-work factors such as issues surrounding accompanying family members and socialising with the locals are just as important to make the newly relocated expatriate family feel more at home within the HC (Copeland and Norell 2002). It is also important for MNCs to offer support prior to relocation as much preparation needs to be done in order to have a smoother transition from being an outsider to socially integrating with

the local environment. Kraimer and Wayne's (2004) study did not segregate expatriate adjustment into the three main adjustment categories but they found positive relationship between adjustment POS with expatriate adjustment.

The last type of POS, financial POS is significantly related to expatriate work adjustment. Apart from advancing one's career, an expatriate takes up the overseas position in order to improve one's financial standing. There are also expatriate related benefits such as various allowances in the forms of hardship, children's education, travel and accommodation that could help to reduce expatriate financial burden whilst in the HC. Therefore, when the expatriates have less financial worries, they are capable of concentrating more on the task at hand and fulfilling the new job responsibilities. Sometimes, the MNCs give a performance bonus as a way to motivate the expatriates to be more productive. Despite the exorbitant costs involved in sending expatriates on assignments, expatriates are viewed as a representative of the organisation and are capable of transferring valuable expertise to the local staff (Bhaskar-Shrinivas et al. 2005). Taking up the expatriate position would be a win-win situation for both the company and the expatriate themselves. The MNCs are investing monetary resources to ensure the overseas subsidiaries are operating smoothly while the expatriates are handling more challenging responsibilities which will be useful for their future career advancement. Financial issues also become a worrying factor in the current wake of economic recessions where the expatriate's financial resources would not be as strong as before. This is exacerbated by financial legislation that is imposed on expatriates by the HC, for example remittance of money to parent country and the exposure to currency exchange risk. Additionally, by taking up an expatriate post, expatriates should be financially better-off than working in the headquarters

(Armstrong and Murlis 2007). Therefore, expatriates would concentrate more on the imminent work responsibilities if the MNCs are perceived to be concerned of the expatriates' financial woes.

The path analysis from the expatriate only dataset indicates there is an indirect effect from expatriate financial POS (POSFIN) to expatriate task performance (ETP). There was no direct effect between POSFIN and ETP. This is to denote that indirectly, if the expatriates perceived that the organisations are concerned about their financial well-being while in the host country, they will be motivated to be more diligent in executing their work-related tasks. Task related activities would be in the form of job specific responsibilities like being well versed in the technical aspects of the company or executing decisions that would affect the policies of the company. This finding supports earlier findings by Kraimer and Wayne (2004) where POS does influence task performance. This is to denote that although career-wise expatriates do benefit from having the expatriation experience, financial aspects still remain the motivating factor to spur one's commitment and motivation in executing the appointed tasks and responsibilities. To recapitulate, generally in this study, perceived organisational support (POS) does positively influence expatriates' various types of adjustments in the host country.

### **6.2.2 MNCs' Support for the Spouse**

For the spouse, support from MNCs is in the form of support offered by MNCs to the spouse prior to relocation and during assignment. Previous research (Bhaskar Shrinivas et al. 2005; Black and Stephens 1989; Caligiuri et al. 1998a) has urged researchers to study expatriation with the inclusion of family members and not just the

expatriates. More often than not, expatriates who have accepted expatriate posts are married and have their families with them in the host country. Harvey (1998) emphasised the importance for MNCs to include spouse in any expatriate related decisions as these accompanying spouses are normally those with careers themselves and it is only fair to seek their opinions regarding expatriation issues because their careers will be put on the back burner for three to five years while in the host country. However, path analysis results showed that there are no significant relationships between the social support from the MNCs with spouse adjustment. This is rather surprising because past research (see Punnett 1997; Shaffer and Harrison 2001) has shown that when the MNCs value the opinions of the family members and include them in expatriate related social activities such as 'family day' and language training, family members would be more supportive of the relocation and this in turn helps the expatriates concentrate better in their new positions.

One of the possible reasons why the social support from MNCs did not significantly help the spouse to adjust better in the HC was due to the mismatch of the type of social support offered by the MNCs and the actual type of social support that spouses really want from the MNCs. For example, when the spouses were asked to comment on the type of support offered by the MNCs and the type of support that they felt were relevant to ease adjustment in the HC, around half of the respondents (49.3% for the expatriates, 59.7% for the spouses) agreed that support with spouse career was not offered by the MNCs but many would want this support to be offered as the expatriates are going to be busy with their jobs and would be spending more time with work-related activities while the spouses, most of them who previously had careers of their own would want some form of continuation in their daily lives. The spouse

however would have to be content with running the daily chores and taking care of the children and doing things that they relegated to their domestic helpers when they were busy with their careers back home. However, from the response given by the expatriates and their spouses, only 14.2% of the organisations provided spouse career management support. This would be a far cry for those spouses who have built careers for themselves when they were working in the parent country. Most legislation in host countries dictate those expatriate spouses who are accompanying their spouses on assignments are not allowed to work. Another type of support that the spouse thought was significant in helping them to adjust better in the host country (HC) was to be offered a visit to the assigned country prior to accepting expatriate assignment. However, this type of support was not normally offered and organisations staunchly stick to only providing basic support like preparing travel and work documentations and providing health and insurance coverage for the relocating families.

The most common support that the organisations offer to relocating families is the preparation of travel documents and work visas, though this support is expected from the organisations because the expatriates are deployed by the organisations and not self-initiated. As the number of dual career couples is on the rise, it is vital for organisations to render spouse career related assistance whilst on assignments. Spouses can temporarily be hired on a freelance basis by the organisations if their skills can be utilised by the organisations as a way to ensure that the spouses are more receptive towards the changes and adjustments that they have to make while on assignments and as a way to keep themselves occupied. In most occasions, the spouses' careers will be put on the back burner during the duration of the assignments

and their skills be deemed 'obsolete' and they might find it difficult to get a decent job when their assignment contract ends. The feelings of despair and not able to fit in is common for spouses when relocating to the host country because they do not have the luxury of having the familiarity of the organisations to fall back onto like the expatriates.

A second possible reason why MNCs support does not significantly help spouses to adjust better in the HC is the myriad type of adjustment problems that the expatriate family has to endure while integrating in the HC. The type of adjustment problems that these families have to endure ranges from finding suitable accommodation, education for the children, spouse career, healthcare providers to socially integrating to the local community. It is rather cumbersome and costly for MNCs to tailor make support to suit every family. Therefore, when the expatriate families felt that MNCs are less concerned of their well-being in the HC, they stop asking for assistance and opt to find other means or source of support that they could rely on. The alternative sources of support could come from the local community, the expatriate community and from friends and family back home (Shaffer and Harrison 2001).

One of the most glaring reasons that spouses were having problems adjusting to the local environment is the loss of self-identity (Tajfel 1982). Most often than not, they might struggle to find common interests or traits that are comparable to the host country nationals (HCNs) to make them feel they are a part of the society. This lack of self identification is the basis of social identity theory (Tajfel 1982; Tajfel and Turner 1985) which explains why it is important for spouses to feel they could contribute something to the immediate local community. Therefore, organisations should offer meaningful support to these spouses to ensure there is some sort of continuity from what they used to do back home with what is expected out of them in the host country.

One new finding that was discovered from the path analysis for the spouse support subscales was the influence of spouse on-site support (SOSONSITE) to the expatriate contextual performance (ECP). Although there was no direct relationship between both prior support and on-site support to the spouse adjustment, this finding stresses the importance of continuous support from the organisations for spouse to help expatriates perform better in their contextual aspect. To recap, although organisational support was less effective in facilitating spousal adjustment in the host country, the main issue here is the mismatch of support offered by the MNCs as opposed to the support deemed significant to facilitate the family adjustment in the host country. Consequently, it is pertinent for MNCs to give more emphasis on providing only the type of support that could be fully utilised by the relocating families in addition to the basic support expected from the hiring organisations in the forms of medical and insurance coverage and travel arrangements and preparation of the necessary documents upon entering the host country.

### **6.3 Support from the HCNs**

#### **6.3.1 HCNs' Support for the Expatriates**

Previous research (Black 1990; Shaffer and Harrison 2001) has pointed out that social support from HCNs do play a significant role in helping the expatriates and their family members adjust better to the new surroundings. HCNs would be the best community to show the newly relocated expatriate family basic things such as where is the best place to get groceries, good education for children, cultural issues and so forth because some of this information is only available to locals. No amount of reading from books and the internet could replace the wealth of knowledge that HCNs can offer.

However, from the path analysis, the results show that HCN social support was not significantly related to expatriate adjustment. This is rather surprising since the related literature is replete with how social support from HCNs could help the expatriates to adjust better in the host country (Aycan 1997a; Black 1990; Caligiuri and Lazarova 2002). This was possibly due to the fact that Malaysians in general are high on power distance.

Hofstede (1996) defines power distance as the degree to which the less powerful person in a society accepts inequality in power and considers it normal. This shows that society in general is aware of the different statuses accorded to each individual and people are receptive to the different treatment that the higher ranked person received from different quarters. For example, it is customary for royalties of the different states in Malaysia to bestow citizens whom they felt contributed in any manner to the betterment of the society sort of an official title like Datuk, Tun and Datuk Seri. However, it is compulsory for the society to address these selected group of people their awarded titles. Another example is when addressing an academic Professor. These academics should be addressed as Professor so and so and not called by their first names. Even the titles on a formal letter will be scrutinised and if they are not in order and not included in the cover letter, the sender is actually making a cultural faux pas. Manan (1999) cited in Lim (2001) suggests that due to the Feudal structures that were prevalent in pre-colonial Malay society, emphasis is placed on the correct use of titles and protocol, honorifics are used to indicate a fine gradation in social status and levels of authority are based on connections with royalty, religious standing and awards for service to the state. However, these unwritten rules are only

for the locals but foreigners are encouraged to adhere to them in order not to ruffle any feathers.

Continuing with the non-significant results of the relationships between the social support from the HCNs and expatriate adjustment, since expatriates who come to Malaysia are those in the top management bracket, there will be an invisible barrier that prohibits the HCNs from being too familiar and friendly with the expatriates. Firms in Malaysia tend to have tall hierarchies and employ centralised authoritarian styles of management with clear distinction of status (Pearson and Entekin 1998). HCNs that are seen to instigate informal relationships with their superiors especially to somebody that can be considered an 'outsider' would not go down well with the rest of the office. Malays, the biggest community in Malaysia are generally high on power distance and are known to respect authority and hierarchy (Lim 2001). This behaviour rests on the *budi* complex that illustrates the ideal behaviours expected of Malays (Abdullah, 1996). The cardinal rule of the *budi* complex is to be aware of one's locus within society and act accordingly (Dahlan 1991 cited in Lim 2001).

Generally, superiors are the top management and should only mingle with those of the same status. In the business world, the high power distance inherent in most Malaysians translates into a strong tendency for authoritative leadership styles. Authority is defined according to positions that denote a steep hierarchy where it is not in the place of subordinates to initiate decision making and wilfully follow whatever decisions that were decided by the superiors (Lim 2001). Although the MNCs can dictate that HCNs should offer support to the expatriates even to matters that are outside of the work scope, being willing to impart information is not the same as being forced to do something. The information shared might not be the 'right' kind of

information that could help alleviate the stressful conditions of learning the ropes in the HC environment. Therefore, social support from the HCNs might not be significant to the expatriate adjustment due to the HCNs are thought to be 'withholding' information due to the complicated matters of subordinate-superior relationships that are inherent to the Malaysian culture of power distance and collectivism (Lim 2001). Subordinates are expected to guard their behaviours in the company of superiors and those that are found to disclose information that are only privy to the subordinates will be shunned by the others. This would be an ongoing obstacle for expatriates that are accustomed to the western cultural values which are low in power distance and are more open in terms of their relationships with those who are holding top management positions. The following paragraphs explicate the various sub-scales investigated with regard to the HCN support for the expatriating families.

In this particular study, expatriate social support from the HCNs is further segregated into informational and emotional support. Informational support is the basic, mundane support that could help to alleviate any form of uncertainty and confusion in order to ease transition into a new environment (Caligiuri and Lazarova 2002). Examples of informational support would be the information on where to buy certain ingredients for cooking or which is the best place for a child's education. Emotional support, on the other hand is defined by Caligiuri and Lazarova (2002) as the kind of support provided by the immediate community which could help to enhance the feelings of belonging, self-worth and psychological security especially in the initial stages of relocation and being in a new environment. Examples of emotional support include helping to pacify the newcomer in the wake of having difficulties to interact with

the locals due to language barrier or being sympathetic when somebody wants to vent their frustration, anger or feelings due to cross-cultural differences.

Although previous researchers (Black and Gregersen 2001; Shaffer and Harrison 2001) have suggested that social support from the HCNs is beneficial in helping the expatriates to adjust faster to the new surroundings, this was not supported for both types of social support in this study. One possible explanation for these results would be due to a high manifest culture of power distance and collectivism. Power distance defined by Hofstede (1985, p.348) as 'the extent to which the members of a society accept the power in institutions and organisations is distributed unequally'. Collectivism defined by the same author (1985, p.347) stands for 'a preference for a tightly knit social framework in which individuals can expect their relatives, clan or other in-group to look after them, in exchange for unquestioning loyalty'. Singelis et al. (1995) refer to this combination of high power distance and collectivism as vertical collectivism where it is a culture within which one perceives the self as part of a group whilst accepting power/status inequalities within the group. The expatriates, upon arrival in the workplace would find that the HCNs in general are more receptive of any ideas suggested by them and more often than not, the ideas are being accepted without much objection and hesitation. This subservient attitude emphasised Abdullah's observation where Malaysian workers are group oriented, respect elders and hierarchy, emphasise loyalty and are concerned with harmony in relationships (1992a, 1996).

However, the acceptance of ideas without much objection would not necessarily mean that the ideas are good. It is more a show of public deference, conformity and politeness (Schermerhorn Jr. and Bond 1997). To the expatriates, especially those that

come from a Western setting, this passive behaviour is a bit frustrating due to ideas not critically discussed, conversations are more one-sided and there are less opportunities for experience-based cultural learning. Over time, the expatriate would find working in the office to be more solitary in nature, where he would be treated with utmost respect and there is clear distinction of hierarchical status which is observed with great care but leaving him out of the loop. Although Malaysians workers are helpful towards the flight of others, but due to the status that the expatriates occupy in the top management bracket, the easygoing nature that Malaysians are known of would not transcend the unequal power status and as such expatriate bosses would be considered as the out-groups (Abdullah 1996; Kennedy 2002). As part of an out-group, one is not privy to any benefits or special treatment that an in-group member receives and thus would find it harder to adjust to the new surroundings. Therefore, due to the barriers in terms of unequal status among the expatriates and the HCNs and cultural-related issues, the social support from the HCNs is not influential to ease the expatriates' various adjustment facets.

Another possible justification on why social support from the HCNs is not significant in helping to alleviate expatriates' cross-cultural adjustment problems is due to the cultural variation in coping and help seeking strategies depending on whether the expatriates are from contextual cultures that value collective support (Hamaguchi 1985, cited in Adelman 1988) or individualistic cultures that value self-reliance (Kashima and Triandis, cited in Adelman 1988). Almost 70% of the expatriates in this study were from countries with a high individualist culture. Hofstede (1985) defines individualism as a society where the ties between members are loose and the individuals are expected to take care of themselves and their immediate families.

Therefore, if the expatriates originate from individualistic societies, there is high tendency that they would prefer not to rely on others in reducing their uncertainties and confusion that stem from being in a new environment. The individualistic principle that is ingrained in them would view the situation in the HC as 'every man for himself' thus refusing to seek help from others and prefer to rely on their own coping mechanism. The remaining 30% of the expatriates from this study who adhere to collectivist and high power distance culture would associate seeking help especially from those in the lower status rank equate to showing signs of weakness. In addition, seeking help can be curtailed by mental fatigue of culture shock, the lack of available providers, high uncertainty of knowing which people are appropriate sources of help and the inability to predict reactions of potential providers (Adelman 1988). As such, whether coming from collectivist or individualist cultures, expatriate bosses would refrain from asking help from the lower level employees due to the above reasons and this attitude could be one of the potential reasons for the inability to get full cooperation from the local employees.

### **6.3.2 HCNs' Support for the Spouses**

Conversely, the results from the path analysis elucidating the various sub-scales pertaining to the support from the HCNs showed positive relationships between the spouse social support from the HCNs and the spouse adjustment. This proves that social support from those around the expatriate family does play a significant role in helping them to adjust better to the new surroundings. The results echo past findings from Black and Gregersen (1991b) and Shaffer and Harrison (2001). The expatriate family situation is totally opposite to what the expatriates are going through because

the expatriates although relocated to a new work environment, they would still have the familiarity of the MNCs' operations to fall back onto. The spouse and other accompanying family members have to start anew, more often on a 'trial and error' basis. The task to fit into the new environment becomes more daunting when you do not speak the local language. Mendenhall and Oddou (1985) concluded that local language knowledge could greatly facilitate interpersonal communication and relationship building. In this study, more than half of the respondents said that they have no knowledge of the local language which is the Bahasa Malaysia. Although Malaysia is a country where English is widely spoken especially in the urban areas, most signage is in the local language. Without help from the locals, most information ranging from the basic things like grocery shopping, getting directions to go to certain places and securing education for children are difficult to obtain.

Although some of this information is available online, this information is basic where it would not be as significant as getting the inside information from the locals. For example, due to its unique mix of three main races; Malay, Chinese and Indian, Malaysia offers a unique culinary experience. The information on where to sample local delicacies obtained online will not necessarily be the ones that the locals frequent. The best Malaysian food is always enjoyed by the road side prepared by hawkers. That which is served in the hotels and restaurants is not only exorbitantly priced, but lacking in taste and warmth. Certain parts of the capital, Kuala Lumpur should be avoided due to certain 'clandestine' activities which include drugs and counterfeit products and only the locals are privy to this knowledge. Without the support and help from the HCNs, it is quite impossible for the newly relocated expatriate family to have any knowledge of this (Abdullah 1992a).

Unlike the informal relationships that are frowned upon between the authority figure or the expatriate with his/her subordinates, the HCNs are more receptive in developing friendships with the expatriate family members due to there is no authority involved and the expatriate's spouse and family are merely housewives or househusbands (Abdullah 1996). Foreigners, especially western people, are generally being accorded higher status in Malaysia due to the HCNs being in awe of or 'curious' of those that are different. Being different might not be a good thing in certain aspects especially in business transactions because sellers might charge foreigners a higher price than the locals with the assumption that foreigners especially working professionals are better off financially. On the other hand, walk into any hotel in Malaysia and you will notice the different but better treatment that the foreigners will receive from the hotel staff. There is also a current societal trend for single girls to befriend westerners due to them being perceived as having a higher social status as compared to the local men. It is also quite common to see mixed marriages especially with working professionals in Malaysia and hence the spouses of foreign professionals in Malaysia would be in a better position to help the expatriate family because they have the knowledge of both worlds.

Malaysians are generally friendly and will go out of their way to help a person in need, especially when they see the expatriate spouse and family members take the time to learn the local language and are sensitive to the differences in culture (Malaysian Industrial Development Authority Report 2009). This is reflective of the collectivist culture and on the religious teachings of Islam where a person is responsible for his/her immediate neighbours' safety and happiness (Schermerhorn Jr. and Bond 1997). According to the Global Leadership and Organisational Behaviour

Effectiveness (GLOBE) study, Malaysians score high on the humane orientation dimension, whereby the collective group encourages and rewards individuals for being altruistic, generous, caring and kind to others (Javidan and House 2002; Lim 2001). Therefore, a newly relocated expatriate family will be accorded some form of help and support when they first set foot in the neighbourhood and the neighbours will go out of their way to make the newcomers feel more at home in the new surroundings. However, this caring attitude can contribute to the invasion of privacy and can escalate into something of a nuisance to those westerners who value their personal space (Abdullah 1992b).

Although Malaysia is a modern country, it has a large population of Muslims and Islamic teachings which are apparent in the populations' daily activities. An example of this is the conservative dressing and display of affection that the HCNs adhere to in public. Therefore, if an expatriate spouse dresses conservatively when sending and picking up the children to and from school, the immediate local community would respect her more and would go out of their way to make the spouse feel welcome. This supports the social learning theory (Bandura 1977) where a person gains new insights from observing the behaviours of those around them and tries to emulate these behaviours wherever and whenever possible. When included in the inner circle, the expatriate family will be treated like part of the group and even introduced to other groups (Schermerhorn Jr. 1994). For example, without an introduction from a HCN, the local newspaper vendor will not deliver newspapers to the expatriate house because the house is out of the normal delivery route. This may sound trivial but introduction from locals would help tremendously in opening more doors (Abdullah 1996). Therefore, by being part of a local group, expatriate spouses would be able to adjust

faster and better to the new surrounding, freeing more time for them to support their spouses without having to fret on basic things. This could ultimately mean a change from basic living to comfortable living. This is in line with the findings from Lim (2001) where the combination of high humane orientation and family/group collectivism suggests potential privileges for in-group members. The inclusion of the spouse into the society's in-group will help to contribute to increase the spouse's social identification to the immediate society thus making them feel less isolated from the masses.

Stemming from social identity theory (Tajfel 1982; Tajfel and Turner 1985), spouses would feel that they have more in common with the HCNs in terms of interests and abilities that they could offer to the HCNs thus increasing their feelings of self-worthiness. Additionally, the expatriate spouse in return could gain more support from the local community if they are viewed to have something that they could contribute to the society. For example, due to immigration prohibitions, expatriate spouses who are on dependent visa are not allowed to work in Malaysia. However, in order to pass their time, they could engage in voluntary charity work such as helping in a blood drive or donation appeal for the needy. They could also offer the service as interpreter or proof reader due to their excellent command of English and other foreign languages. This contribution to general society is reflected upon the social capital theory (Lin, Cook and Burt 2001) where an inclusion of an outsider into an inner circle can be hastened when the outsider is deemed to have something of importance that they could contribute in return for getting the benefits only an insider could gain. More on the different type of social support from HCNs will be discussed in the expatriate and spouse singular

models. The following paragraphs explicate the various sub-scales investigated with regards to HCN support for the expatriate spouses/partners.

The path analysis results show there are no direct effects between spouse informational support (SINFO) and spouse emotional support (SEMO) with any facet of spouse adjustment. Surprisingly, this finding did not reflect the earlier finding in the combined expatriate and spouse model where host country social support was influential in facilitating spouse adjustment in the host country. However, spouse informational support was found to be directly linked to expatriate contextual performance. This is an interesting finding because a spouse could be the connecting element that could help expatriates to socially integrate with the HCNs both in the work and non-work setting. Earlier findings have shown that host country social support was not significant to expatriate adjustment and performance possibly due to the power distance element that is inherent to the locals. Expatriates who normally occupy top management positions, due to the differences in status, do not have informal relationships with their subordinates. Spouses, on the other hand, are seen as less authoritative figures and treated with more warmth and mostly are more welcomed in the society. Thus it was easier for spouses to gain access to the wealth of information that the HCNs possess and in turn use this information to help the expatriates making them more accessible to the local counterparts. This is especially helpful in making the expatriates more sensitive to cross-cultural nuances and ensuring leader-follower interactions are better understood (Schermerhorn Jr. and Bond 1997). In summary, the issues surrounding host country nationals' support to the expatriating families as stated in the second research objective are discussed in length in the previous paragraphs testifying to the influence of the local community of the expatriating families' well-being.

## **6.4 Cultural Intelligence (CQ) and Adjustment**

The concept of cultural intelligence in this study addresses the third research objective which is to investigate the effect of cultural intelligence (CQ) skill and knowledge on both expatriate and spouse cross-cultural adjustment in the host country. Cultural intelligence is the notion that intelligence is the ability necessary to adapt to, as well as selection and shaping of, an environmental context (Sternberg 1997). Although technical skills are important and can tremendously help to fulfil the challenging tasks of an expatriate, at their level, technical skills are skills that are expected from the expatriates as the basic requirements for taking up the position. Previous research (Ang et al. 2007; Earley 2002; Templer, Tay and Chandrasekar 2006) stresses the importance of having non-technical skills as a supporting tool to help reduce stressful conditions that come when exposed to uncertainties in the environment. Cultural issues though sometimes viewed as unimportant and relegated to other trivial matters could actually be the solution for opening up paths to harmonious relationships with the HCNs. The results from path analysis show that cultural intelligence does play a significant role in helping the adjustment of both expatriates and their family members. Although empirical findings are lacking for this concept, past research (Earley and Ang 2003; Ng and Earley 2002; Templer et al. 2006) has paved the way to include CQ as one of the antecedents for successful expatriation. The results from the path analysis emphasise the influence of CQ on expatriate adjustment thus lending credibility to a concept that has started to be taken seriously in expatriate related research.

CQ is derived from the successful intelligence theory (Sternberg 1997) and is being aware of the cultural differences surrounding us and using this information to

minimise making cultural blunders. Malaysia is a multiracial country with a lot of different ethnic backgrounds. It has a population of around 28 million, consisting of 63% Malays, 25% Chinese and 7% Indians (UNDP Report 2009). The remaining percentage consists of various ethnic minorities. As such, it is quite difficult to describe the cultural aspects of Malaysia in a simple and condensed manner. That is why no amount of reading on a particular country can equate being in the country itself and experiencing the culture first hand. Sendut, Madsen and Thong (1990) cited in Lim (2001) suggest that due to the mixed races that are equally accepted in Malaysia, the Malaysians of different ethnicities have maintained their separate identities and preserved their separate cultures. These differences are evidenced in their languages, dress codes, customs, behavioural patterns, architectural styles and all other outer manifestations from which traces of their cultural origins are apparent (Lim 2001). Therefore, trying to understand cultural issues in Malaysia would be complicated due to the intricate layers of cultural values that are inherent to the different races in Malaysia. These cultural values and norms have been passed from generation to generation and the increasing number of mixed marriages has compounded the unique cultural characteristic that Malaysians possess.

Therefore, the newly relocated expatriate family would be more susceptible to situations where their cultural knowledge will be tested if they come ill prepared. Cultural issues, especially religious issues are very sensitive to Malaysians. For example, an expatriate would commit a grave mistake if he/she did not grant leave to subordinates who have to attend a funeral of an immediate family member due to pressing work commitments. The same goes for not allowing Muslim male subordinates to perform their Friday prayers. In the workplace, an expatriate, no matter

how liberal they are should act in a professional manner and guard their behaviours with the opposite gender, especially with the married ones (Abdullah 1996). Therefore, while it is customary for Westerners to give a hug and kiss each others' cheeks during celebrations of New Year, Christmas and even birthdays, doing so with the locals in Malaysia will only invite utter embarrassment, tensed and uncondusive working environments and the wrath of many locals.

Most of the accepted cultural behaviours come without proper written guidelines. More often than not, expatriates have to play by ear and try to emulate those in their immediate surroundings. Due to the concept of 'saving face', Malaysians will not show direct displeasure if a person is behaving or saying anything that is contradicting to the usual cultural norm out of respect to that person and not to embarrass somebody in public (Abdullah 1996). The expatriates will only get to know of his/her cultural faux pas after the incident in the confines of his/her private space, after much persuasion from a third party, but not from those who were offended by the behaviour or by what was said. For example, it is customary for visitors to take off their shoes when entering a Malay's house. If an expatriate entered a Malay's house without taking his footwear off, the host will treat the visitor with a little apprehension but will not make the visitor feel uncomfortable. The visitor will only realise that he/she has committed a cultural blunder only after leaving the house when informed by a local who witness the incident. However, the local will not be as blunt as saying that the expatriate was in the wrong but will try to put his words succinctly as to not hurt the expatriate feelings. This is supported by Lim (2001) when he suggests that the Malays are concerned about the effect of their actions on the feelings of others and care is taken to not upset others. Being more open and receptive towards these cultural differences will make it easier

for the expatriates and their family members to embrace the notion that people are generally different and these differences are exacerbated by religious and cultural beliefs.

Referring to the path analysis results, although CQ positively affects both expatriate and the spouse adjustments, CQ was more significant to the spouse adjustment because there will be more opportunity for expatriate spouses to encounter situations where their cultural knowledge will be tested due to them having to meet more HCNs in performing their daily activities. The expatriates, although working alongside HCNs in the workplace, their behaviours will somehow be dictated by the existing corporate culture due to the MNCs having policies and regulations that are quite similar with the headquarters and other subsidiaries. What would be different is how to go about implementing the corporate strategies as instructed by the headquarters. For example, when submitting a tender to secure contracts with a local agency, it might be unusual in the western countries to meet the awarding officers informally bearing gifts, however in Malaysia, more often than not who you know on the 'inside' will help to put your application in a more favourable light. Expatriate spouses on the other hand are more exposed to making cultural gaffes due to the simple reason of them having to encounter more HCNs while running along with their daily activities. For example, driving in the cities in Malaysia would be a daunting experience even to the most seasoned drivers because although there are normal road regulations that the drivers are supposed to adhere to, most Malaysian drivers often take the laws unto themselves. It is normal for a small accident to escalate into full blown fracas right in the middle of the road thus disrupting traffic for up to several miles. Spouses who have to ferry their children to school in the busy hours of the

morning and evening will have to be extra careful not to be involved in any kind of accident. Even though if they were clearly not in the wrong, things could be blown out of proportion and reporting such incidents would be quite a hassle; not because the police are not doing their jobs but because the amount of such incidents are numerous. Cutting queues is also quite normal when in the supermarket or waiting for public transportation. Disheartening enough, these behaviours are quite common and when one is always victimised by these behaviours, the temptation to become a perpetrator tends to escalate.

In addressing the sub-scales of the CQ main scale covered in this study, expatriate CQ is further segregated into awareness CQ (CQWARE) and interaction CQ (CQINTER). CQWARE are skills that involve being aware of the existence of cultural differences that are prevalent around us especially in new cultural surroundings. Being aware of these differences makes it easier for individuals to adjust their behaviour in accordance to the new cultural setting and making them more receptive of adjustments and changes that they have to make in order to obtain a favourable response from others and to reduce cultural blunders. The second subscale of the CQ is the interaction CQ. Unlike CQWARE that is on the 'theoretical' part of cultural behaviour, CQINTER is on the practical side of cultural behaviour whereby coupled with the knowledge from CQWARE, individuals are motivated to engage in cross-cultural behaviour when the need arises. CQINTER skills allow individuals to be flexible in adapting to verbal and non-verbal cues in cultural setting around them.

For the expatriate adjustment model, all of the CQ subscales are significantly related to various facets of expatriate adjustment. This supports the findings by Johnson, Lenartowicz and Apud (2006) which suggest that aspects of CQ act as

antecedents to cross-cultural competence and can assist expatriates in performing better on international assignments. This is to emphasise on the existence of cultural influence in all facets of expatriates' work and non-work environment. This finding emphasises the existence of cultural influence in all facets of expatriates' work and non-work environment thus in the general supporting results of previous studies where CQ does support cross-cultural adjustment of expatriates whilst in the host country (e.g., Ang et al. 2004, 2007; Lee and Sukoco 2007; Templer, Tay and Chandrasekar 2006; Ward et al. 2008). For individuals who are used to being in control of situations, relocating to a new country would tend to be stressful when 'they are unable to assign a meaningful cause-and-effect relationship or impose a cognitive order to their situation' (Adelman 1988, p.185). When people encounter a new culture, it is difficult to form accurate interpretation of the behaviour around them because they do not have anything solid to base their interpretations on as cultural issues are delicate matters. Without accurate interpretations, there is high tendency that the expatriates would respond in attributions totally ignorant of the cultural context and thus risking offending those around them (Adelman 1988). Therefore, in order to put things back into perspective and to inculcate sense-making process, expatriates tend to seek out assistance from others whether directly by forthright asking for explanation or indirectly by observing those around them and utilising these various social resources to minimise uncertainty (see Adler and Kwon 2002; Albrecht and Adelman 1987; Lin et al. 2001).

The positive influence of CQ on the different facets of adjustment lends credit to anxiety/uncertainty management (AUM) theory (Gudykunst 2005) which indicates that by being culturally intelligent, expatriates could minimise the uncertainty and anxiety

that stems from being in a culturally different environment. Consequently, the expatriates could expend more effort for job related and social integration initiatives thus having positive performance outcomes. In addition, successful interaction and adjustment will in turn positively influence expatriates' contextual performance, which can be considered an important element that can spur task performance.

CQ helps to speed up the sense-making process in helping to reduce uncertainties and confusion of behaviours surrounding the expatriates and culturally acceptable behaviours that the expatriate themselves need to demonstrate (Ang et al. 2007; Ng, Tan and Ang 2009). For example, in increasing interaction adjustment, through observation, expatriates are aware in a small group of employees, there will be a respected elder member whose opinions and approval are sought by the other members, therefore, it would be wise to get the opinions from this particular person when trying to make decisions in the workplace (Abdullah 1996). This might be difficult for expatriates who come from a culture where meritocracy is valued as opposed to seniority to understand (Kennedy 2002).

In addition, without being culturally intelligent, expatriates would have no indication whether their leadership style is effective if it is only based on observation because it is not always transparent (Abdullah 1996). As Malaysia is a country which is high on collectivism and power distance (Abdullah 1992a, 1992b, 1996; Hofstede 1991), it is important to note that for expatriates who are on the opposite end of the spectrum; i.e. individualist and low in power distance, feedback on their effectiveness will be more muted and indirect than they have been culturally conditioned to expect (Gudykunst and Ting-Toomey 1988). In addition, Malaysia's experience of ethnic diversity, specific cultural and historical contexts would pose a great challenge for

expatriates to appropriately decipher cross-cultural interactions when working with local employees, suppliers or government agencies (Kennedy 2002), thus being culturally intelligent would be a welcoming skill that could help to maximise successful intercultural interaction. As such, coming back to the findings, both awareness CQ and interaction CQ skills can assist expatriates to make better sense of their cultural surroundings and to help them deal with their day-to-day work and non-work activities. This is to reiterate the basic tenet of successful intelligence theory (Sternberg 1997) whereby every individual has inherent ability to flexibly adapt to different situations.

Another example is concerning attitude towards time. Malaysia is regarded as a polychronic society where time is perceived as less tangible and thus several things can happen at one time (Abdullah 1996). Without CQ skills, an expatriate might be having problems in trying to instil the importance of working at a fast pace in a society which is more relaxed towards time. The implication of lesser sense of urgency can be viewed when dealing with government-related entities and can be frustrating when the expatriates have to painstakingly adhere to the myriad of bureaucracy paperwork only to be let down by excuses such as the officer in-charge is absent or the need to resubmit new documents due to misplaced paperwork. As such, both awareness CQ and interaction CQ skills can assist expatriates to make better sense of their cultural surroundings and to help them feel less frustrated when things do not go as expected. On that note, parallel to the indirect effects of interaction CQ (CQINTER) on expatriate contextual performance gathered from the path analysis, it is proven that CQ may assist in enhancing expatriate performance, specifically contextual performance as it generally involves having good relationship with employees who are culturally different than them. Thus, with CQ skills, cross-cultural communication is enhanced paving way

for better understanding between expatriates and their staff. The findings from this research also partially support earlier findings by Che Rose et al. (2010) on CQ and expatriate performance.

As for the spouse CQ, only awareness CQ (CQAWARE) is significant for both the spouse's general and interaction adjustments. This shows that spouses need to be aware of the existence of cultural differences around them in order for them to better adjust to the host country's environment. For spouses, adjustment to the host country is crucial because most often, they have to start anew with the quest of trying to integrate themselves with the local community. For them, due to their daily activities, they are more in direct contact with the locals. Thus being culturally aware of these differences would make them more receptive to the changes that they have to make in order to minimise cultural blunders. Although Malaysia is a modern country, cultural issues especially religious practices remain sensitive issues that the locals are less forgiving of (Mohd Tahir and Ismail 2007). Clarifications need to be made in order to have an understanding over religious matters to avoid any improper conduct in the future. As such, it is important for spouses to look for role models where behaviours could be emulated thus reducing cultural faux pas. This is in line with the social learning theory (Bandura 1977) whereby through observation, one could observe and emulate the behaviours that are consistent with the masses thus increasing their chances to be accepted within the local community. CQ is an important antecedent to host country adjustment due to cultural aspects remain a sensitive issue to the locals. Making an effort to learn cultural-related behaviour would be addressing the main concept established in Gudykunst's anxiety/uncertainty management (AUM) theory which allows for better management of the negative feelings associated with relocating

to a new environment thus enhancing the effectiveness of intercultural communication in future encounters with the locals.

## **6.5 Adjustment and Expatriate Performance**

To ascertain the influence of expatriate and spouse adjustment on expatriate performance in the host country as stated in the fourth research objective, the relationships of both expatriate and spouse adjustments were studied in relation to the expatriate performance. Due to the exorbitant costs involved in hiring and sending expatriates on international assignments, MNCs are taking steps to ensure that the expatriate mission succeeds. Previous research (Bhaskar-Shrinivas et al. 2005; Black, Mendenhall and Oddou 1991) defines successful expatriation as completing the assignment period, excellent task and contextual performances and intending to remain on assignments. The path analysis results show positive significant relationships between expatriate adjustment and expatriate performance and has supported earlier findings (see Kraimer et al. 2001; Shaffer et al. 2001; Shay and Baack 2006; and Parker and McEvoy 1993). The results also show that expatriate adjustment mediates the relationships between expatriate MNCs perceived organisational support (POS) and expatriate cultural intelligence (CQ) with expatriate performance. Expatriate adjustments in this context are based on an earlier seminal paper by Black, Mendenhall and Oddou (1991).

In Black and colleagues' (1991) research, adjustment is defined as 'the degree of comfort or absence of stress associated with being as an expatriate' (p.257). Therefore, in order to ensure that expatriates are making good progress in their jobs and performing as expected, the expatriates should be striving to ensure that they

adjust comfortably to the new work and living environments. In this particular study, two of the antecedents studied; expatriate CQ and expatriate POS have found to be influencing the degree of expatriate adjustment. Organisations in turn could ensure that the expatriates are being accorded the necessary support in the HC and potential expatriates should show some degree of being culturally intelligent in order to be considered for overseas posts. By taking these steps, expatriates will face lesser problems in integrating into the HC environments and better adjustment will lead to better job performance.

Previous research (Bhaskar-Shrinivas et al. 2005; Black 1988; Caligiuri, 1997) has studied expatriate adjustment with expatriate performance and found links between successful adjustment with increased expatriate performance. In this study, expatriate performance is further divided into expatriate task performance (ETP) and expatriate contextual performance (ECP). ETP is defined as 'successful execution of overseas duties including attaining specific goals or accomplishing definable projects' (Bhaskar-Shrinivas et al. 2005, p. 263). On the other hand, contextual performance is defined as 'effective development or maintenance of ties with members of the host country workplace' (Bhaskar-Shrinivas et al. 2005, p. 263). The path analysis showed that only expatriate work adjustment is significantly related to ETP while expatriate interaction adjustment is significantly related to ECP. Expatriate general adjustment is not significantly related to any type of expatriate performance. The results mirrored the results from the meta-analytic study by Bhaskar-Shrinivas et al. (2005) whereby due to the task-accomplishing goals, expatriate work adjustment would be more related to ETP than ECP while expatriate interaction due to its interpersonal substrates would be more related to ECP as compared to ETP. Expatriate general adjustment was not

significantly related to any type of expatriate performance possibly due to consist of non-work, basic type of adjustment that are insufficient to be able to influence either the ETP or ECP. Perhaps, if there is an outcome that are more into non-work such as satisfaction with the host country's environment, expatriate general adjustment would be more relevant.

Earlier research (Kennedy 2002; Lim 2001; Schermerhorn Jr. and Bond 1997) which has studied the cultural values of Malaysians, reiterates what earlier researchers such as Hofstede (1985) and House et al. (2004) have discovered about Malaysians in general; Malaysians place emphasis on collective well-being, respect hierarchical differences, prefer structured work and tend to shy away from assertive, confrontational behaviour. As such, expatriates who occupy the leader positions in Malaysia ought to be aware of these cultural values and refrain from exhibiting leadership styles that are contradictive to the Malaysian values. However, there is bound to be dissatisfaction from expatriates who were brought up and trained in the Western setting due to Malaysians non-confrontational ways and subservient and passive obedience to superiors. The passive and low initiative behaviour would be a hindrance to creative and innovative thinking which in the long run would not be beneficial to the organisations. Abdullah (1996) emphasised that Malaysians, especially the Malay's ways of agreeing to what the superiors say and the culture of not 'rocking the boat' is just a testament of obedience to status differences but not indicating the quality of the ideas suggested. Expatriates would find it hard to get the locals to say exactly what is on their minds without identifying members of the groups that are respected out of their seniority to act as intermediaries. These 'ringleaders' would be the ones to approach in order to gauge the collective opinions of the group.

Although meritocracy is on the rise, age and seniority are still the preferred criteria for selecting 'informal' leaders or group representatives (Schermerhorn Jr. and Bond 1997). Maniam (1986) further suggests that the strong reverence for elder and traditional leaders can sometimes over-ride sound business decisions.

In order to ensure that expatriates continue to perform in their task and contextual dimensions, it is essential for expatriates to be familiar with the Malaysian work and cultural values, especially in understanding the unique way of how a nation with multiracial and multiethnic components operate. Therefore, it would be misleading to imply that there is only one culture in Malaysia although there are several values such as being friendly, hospitable and respect of elders that Malaysians share in general (Lim 2001). Expatriate work adjustment (EWAJ) in this study focuses on whether the expatriate has adjusted well to the specific responsibilities, performance expectations, supervisory responsibilities and working conditions in the host country while expatriate task performance (ETP) is gauging whether the expatriate has performed well in meeting the assignment objectives, standards and expectations. Path analysis results show that there is a significant positive relationship that linked EWAJ with ETP. Obviously, expatriates would not be able to work in isolation and need the cooperation of the host country nationals (HCNs) in order to ensure that the organisations' vision and objectives are achieved. A study by Lim (2001) on work values of Malay and Chinese Malaysians found that Malaysians have a high power distance, high uncertainty avoidance, moderate individualism and moderate masculinity. With high power distance, expatriates who are in the leader positions in Malaysia should be prepared to exhibit a more authoritative type of leadership and make all important decisions with minimal participation from the HCNs (Lim 2001). This would be an

impediment for leaders that value a more independent type of work culture where employees are encouraged to show more initiative and be more innovative and creative in the workplace. Hence, the over dependency on the management to make all decisions will in time lead to increase in 'groupthink' and premature agreement (Schermerhorn Jr. and Bond 1997).

High uncertainty avoidance in the workplace indicates that Malaysians prefer to deal with structured and predictable situations where there are formal guidelines and policies that should be adhered to in guiding behaviours at the workplace. Abiding strictly to these guidelines would mean safeguarding the organisation from future legal disputes as there is no room for complaints to be made as every decision is based on clear, black and white policies. However, for example, if the organisation is dealing with providing services to the customers, there is a possibility that the company would not be able to offer a more customised, prompt service to the customers in isolated cases due to having less discretion in making decisions in unpredictable situations and having to wait for the go-ahead from the top management. In the long run, there is a high possibility that employees who are used to working in this kind of stable, relaxed, structured workplace would lose any sense of urgency in getting things done and services would not be offered in a timely manner. For expatriate leaders, there is less room to inculcate a workplace where employees take more responsibility in their actions as decision-making tends to be over-centralised and personal initiative are minimised (Lim 2001). In addition, the expatriates who are depended upon to initiate ideas and decide on most decisions by receiving minimised input from the HCNs would discover that they are unable to experience any cultural learning and would tend to find

out that in the long run, the interactions with the HCNs would become increasingly problematic and dysfunctional (Schermerhorn Jr. and Bond 1997).

For expatriate contextual performance (ECP), expatriates are deemed to fulfil the interpersonal task objectives when they have good working relationships with the HCNs both in a work and non-work setting. Path analysis results indicate that expatriate interaction adjustment (EIAJ) is significantly related to ECP. As such, it is extremely vital for expatriates to be comfortable working alongside the locals as this would lead to them having achieved contextual performance. Although English is widely spoken in Malaysia, if the expatriates are stationed in rural areas, for example, working in oil refineries, there would be communication problems because English is not widely used by the lower level workers and expatriates have to rely on others to translate their messages across. This would increase the possibility of message distortions and dependency on translators. In addition, the usage of English in government-related activities is minimal as such the knowledge of a local language would immensely assist the expatriates in expediting documentations and processes in securing tenders and projects in government-related entities. Schermerhorn Jr. (1990) warns the dangers of overtly relying on English in a country where it is commonly spoken as a second language due to the differences between how native and non-native English speakers interpret certain words and situations.

As an example, Malaysians commonly add 'lah' after a word to emphasis on something. For example when asking to go somewhere immediately or eat immediately, it is quite common for Malaysian to say 'go-lah' or 'eat-lah' (Abdullah 1996). The word 'slang' in Malaysia means 'accent' as in 'Sorry, I do not understand your slang'. 'MC' means a sick leave as in "Rahim is not in the office today, he is on

MC'. Therefore, sometimes expatriates have to refer to a local in order to understand certain phrases. Despite Hofstede's (1980) findings, Lim (2001) found that Malaysians have a moderate level of both individualism and collectivism which suggests that both values exist in Malaysian society. This bi-dimensional interpretation differs from Hofstede's uni-dimensional interpretation as Triandis (1995) suggests that individualism can coexist with collectivism. Collectivism that is practiced in Malaysia is not similar to the ones practiced in Japan where loyalty to the organisation supersedes even loyalty to families (Thong and Jain 1987). The Malays, particularly, are not keen to sacrifice their family or religious obligations for the company (Rashid, Anantharaman and Raveendran 1997, p.45) and the welfare of family members takes precedence over the company's interest and nepotism and cronyism are widely practiced particularly in family owned organisations (Rodrigues 1998).

Expatriates who manage a group of locals should be well prepared to expect most locals to decline participation in company's activities outside of normal hours in lieu of more time with family and friends. In addition, Malaysians enjoy sixteen days of public holiday every year which are normally spent with friends and family members on top of at least five state-related holidays every year. This emphasis on holidays and more family time is part and parcel of a Malaysian culture and show that at times, locals tend to be individualistic and 'selfish' in order to dedicate more time for the collective few. Collective few here means those intimate individuals such as family members and the inner circle of friends. Therefore, Malaysians are prepared to place their career in the backseat in order to attend to a personal commitment like caring for a sick family member. Schermerhorn Jr. and Bond (1997) caution expatriates who are working in Malaysia to be able to recognise and understand the limitations of 'expected

culture; the preconceived notion of the host country culture and to respect the need to be agile and avid learners of the 'manifest culture'; the one actually enacted in situations. For example, in a business meeting, one would expect to wrap things up quickly due to Malaysians are normally polite and are not fond of public confrontations. However, over time one would find that there is not much gained from true commitment and full contribution of ideas and viewpoints from the HCNs and more time is needed to ensure that the suggestions and policies put forth are of acceptable quality (Abdullah 1996; Schermehorn Jr. and Bond 1997). However, due to exposure to Western style education, many Generation X-ers; those that are born after the Baby Boomers, between the years 1961 and 1981 are showing signs of becoming more aggressive, assertive and individualistic (Coupland 2004) and the atmosphere especially in western-based organisation in Malaysia are becoming more cutthroat (Ahmad Pharmy 2009).

Although there is no direct empirical findings that could positively link spouse adjustment to expatriate performance with the exception of Punnett (1997), basing findings on spillover theory by previous researches (Black and Stephens 1989; Caligiuri et al. 1998; Takeuchi, Yun and Tesluk 2002) one could indirectly link spouse adjustment to expatriate performance. One possible reason for not having a significant relationship between these two constructs was probably due to a spouse having their own source of support and lead an entirely solitary life apart from the expatriates. Due to the expatriates having to spend more time with work related activities due to the immense pressure being placed on them to do well in the host country, the spouses are left to fend for themselves and this is when the fight or flight response kicks in. The spouses would find ways to integrate themselves into the society by finding common

interests among the society members. Malaysia offers a plethora of expatriate related services such as international eateries, shopping malls with foreign brand names, international schools, guarded and gated accommodation and expatriate related service providers that could help to make the spouses feel at home.

Additionally, due to the high number of expatriate families in Malaysia, expatriate related associations and societies are available for like minded people. Therefore, spouses do not actually need to depend on their better halves for companionship. Having said that, although spouse adjustment was not proven to influence expatriate performance, indirectly, spouses do play a salient role in the expatriate's lives because they are still a family unit. Additionally, as per the path analysis results attributing to the spouse only data, only spouse interaction adjustment (SIAJ) was significant to expatriate contextual performance (ECP). However, the main finding here is the relationship between spouse adjustment to expatriate performance goes in a sequential manner. The findings point to the impact of spouse general adjustment that could trigger spouse interaction adjustment, which in turn influences expatriate contextual performance and ultimately helps to improve expatriate task performance. Thus, in this manner, spouse adjustment do influence expatriate performance, a relationship which was not supported in the earlier combined expatriate and spouse adjustment path model.

## **6.6 Spouse Adjustment and Expatriate Adjustment**

Previous studies (Black and Gregersen 1991b; Black and Stephens 1989) have emphasised the importance of including expatriate spouse and family members in expatriate studies due to an increasing number of accompanying family members on

international assignments. Around 90% of the respondents studied in this particular research had family members with them in the host country. Takeuchi, Yun and Tesluk (2002) found there were spillover effects coming from home life to workplace and vice versa. This proves that when the family members are not adjusting well in the host country, there is a high possibility that the expatriate's adjustment in the workplace would be affected. Whatever problems and grievances that the expatriates are experiencing due to the new job requirements would also transcend into the home front and influence the family's well-being. However, in this particular study, there was no significant relationship between spouse adjustment and expatriate adjustment. One possible explanation regarding this finding is that the spouse led a totally isolated life from the expatriate due to them not being able to do most activities together. The expatriates, due to new job commitments, have to spend more time in the workplace and entrusting the spouses to manage the home front. The spouses, who have been entrusted with the challenging roles of trying to lead a normal daily life, would have to find other source of support which often comes from the immediate local community, other expatriate spouses and friends and family members back in their home country.

Malaysia has a growing community of expatriate families who are mostly residing in affluent residential areas such as Mont Kiara, Sri Hartamas and Bandar Utama. Due to the influence of this growing community, many businesses that cater to the increasing demand of private education, international cuisine, serviced apartments, luxury cars and specialty products have mushroomed in the vicinity of the expatriates' residences. As such, the expatriate family would have an easier time feeling at home in the host country due to having easy access to most of the products and services that they used to have back in the parent countries. The expatriates on the other hand,

since most of their time are being spent in the workplace, would find solace and support from the familiarity of the organisations' policies, guidelines and entities. When the MNCs are perceived to be concerned with the expatriate's well-being while on location, the expatriates would be more inclined to reciprocate with increase productivity, loyalty and commitment (Eisenberger et al. 2006; Florkowski and Fogel 1999; Kraimer and Wayne 2004). Although social support from the HCNs was not significant for the expatriate adjustment, due to the inherent high power distance and collectivist culture normally found in Malaysia, the HCN subordinates would be a less challenging group to get along with due to the need to maintain harmonious relationships in the workplace and clear division of roles (Schermerhorn Jr and Bond, 1997), which is quite apparent in most organisations in Malaysia.

As for the sub-scales investigated with regards to expatriate performance, the path analysis results indicate that there are negligible indirect effects from any of the antecedent variables with expatriate performance. This supports the belief that both the expatriate and spouse adjustment mediate any kind of relationships between expatriate perceived organisational support (EXPOS), expatriate host country social support (EXHCS), expatriate cultural intelligence (EXPCQ), spouse organisational support (SPOS), spouse host country social support (SPHCS) and spouse cultural intelligence (SPCQ). However, there exists a significant direct effect from expatriate perceived organisational support (EXPOS) to expatriate performance (PERFORM) which was not hypothesised before. The indirect effect is quite small but nevertheless the total effects are significantly magnified from EXPOS to PERFORM indicating the pervasive influence of perceived organisational support on expatriate performance. This is in line with the findings from Eisenberger et al. (2006) and Kraimer and Wayne

(2004) and supporting the organisational support theory (Rhoades and Eisenberger 2002) which posits that expatriates who perceived that the organisations are supporting them would be more inclined to reciprocate through increased effort and better performance at work. The following paragraphs will recap the main discussed points as per the research objectives of this research.

Expatriate adjustment is supported by MNCs' perceived organisational support (EXPOS) and expatriate cultural intelligence (EXPCQ) while spouse adjustment is supported by social support from host country nationals (SPHCS) and spouse cultural intelligence (SPCQ). It is interesting to note that the source of significant social support that influences both the expatriate and the spouse adjustments are dictated by the nature of their immediate environment and frequent exposure to the work or non-work factors. Expatriates are more reliant on support from the MNCs due to expatriates spending more time within the work place environment and are more occupied with task related activities. As such, their adjustment is more influenced by the different type of POS that the MNCs provide. Due to the spouses being more exposed to daily contact with the immediate local community, their adjustment was more supported by the social support from the HCNs. Both expatriate and spouse adjustments are significantly supported by the cultural intelligence elements. This proves that by being more aware and receptive to the cultural differences in the immediate surroundings and minimising cultural faux pas, the expatriate families can integrate into the local environments faster. As for the relationships between spouse adjustment and expatriate adjustment, the results showed that spouse adjustment does not significantly affect the expatriate adjustment. This is quite a surprise because previous research (Black and Stephens 1989; Caligiuri et al. 1998; Takeuchi, Yun and Tesluk

2002) proved spillover effects from the home to work environments and vice versa. One possible explanation for this is that although living in the same household, the expatriates and their family members lead separate daily lives and find solace and support from different sources.

Most cities in Malaysia are very modern and the expatriate family members can obtain most of the necessities such as certain food ingredients, restaurants and entertainment activities that could make their lives in the host country more bearable. Speedy internet connections in most areas would be helpful for communicating with families and friends back in the home countries. For the adjustment and performance, only expatriate adjustment is significantly related to expatriate performance. This is expected due to the work elements that are prevalent in both. Spouse adjustment is not significantly related to expatriate performance possibly due to spouses being a separate entity from the expatriates and have found other means of support for them to find some common ground with the surrounding immediate community. This is in relation to social identity theory (Tajfel 1982; Tajfel and Turner 1985) where the spouses are experiencing the lack of self identification due to them having to start from new and finding it difficult to find some common ground with the host country nationals (HCNs). As such, without being too dependent on the expatriates, the spouses find means to associate themselves with the community which may consist of the locals and other expatriate families by participating in social activities organised by the children's schools or other bodies which gradually brings more purpose to their existence in the host country. In time, the feelings of being included in the society could help to increase their self-worth, which is reduced previously because they felt

that they were 'nobody' in the host country and minimising the feelings of frustration for temporarily putting their own careers on hold.

Reverting to the main theory utilised in this research, the anxiety/uncertainty management (AUM) theory by Gudykunst (1988, 1993, 1994, 1995, 1998a, 2005), with the support from MNCs and HCNs and cultural intelligence would allow expatriates and their trailing family members to address some of the superficial causes linked to the feelings of anxiety and uncertainty that stem from relocating to a new environment. The anxiety and uncertainty levels should be within the maximum and minimum thresholds strong enough in order to spur the families to make effort to know the local culture but not quite forceful enough to make the families wanting to give up in despair. When these superficial causes have been appropriately addressed, the expatriate families will have more energy and time to deal with more pressing issues such as socially integrating into the local community and executing task related duties to ensure expatriation success. Consequently, with improved adjustment and enhanced intercultural communication, positive expatriation outcomes such as better work performance, increased commitment towards the organisation and enhanced self-worth and self-identity can be achieved.

## **6.7 Summary**

Although some hypotheses are not supported, the investigation of spouse related antecedents with the expatriate related antecedent simultaneously allows for a more encompassing picture that points to the reliance of different sources of support for the expatriating families. As cultural aspects remain crucial to achieving success in acclimatising to the local environment, cultural intelligence skills would be a welcoming

aspect that should be seriously considered by MNCs in hiring potential expatriate candidates. Although spouse adjustment is not significant in predicting expatriate adjustment, indirectly, through better understanding of the local environment and the increased effort in displaying appropriate behaviours in cross-cultural encounters with the locals, spouses could well be the 'missing link' that can facilitate the on-going problems of expatriates to effectively manage the local counterparts, thus stressing on the influence of spouse on the expatriation outcomes. The following chapter will conclude the findings from this study, discuss implications of the findings on current expatriation research scenario and suggest ways on how the research scope could be extended both theoretically and practically. Additionally, the final chapter will be beneficial in addressing the current limitations and how these could be improved in the future.

## **CHAPTER 7: CONCLUSIONS**

### **7.1 Introduction**

Despite having been extensively researched in the past couple of decades, there are still some issues pertaining to expatriate adjustment and performance in a host country, specifically on the age old question of ‘why some expatriates are more successful than others in acclimatising to the local environment?’ This thesis has looked at antecedents that could positively influence expatriates and their family members’ adjustment and performance in the host country and has generated interesting and insightful findings. This chapter is designed to achieve two objectives: to summarise the main findings from the investigation and more importantly, to elucidate the theoretical and policy implications that can be drawn from this study. Consequently, this would allow for a more comprehensive understanding of why such a study is empirically warranted. The chapter is organised as follows. Section 7.2 is a summary of what this study has accomplished, compared with the objectives presented in Chapter 1, it presents the main findings and contributions of this study. Section 7.3 discusses the implications of the study with recommendations as per the findings. Finally, section 7.4 considers the limitations of this study, both in theoretical and methodological aspects and provides directions for future research.

### **7.2 Key Conclusions**

#### **7.2.1 The Main Findings**

Despite the exorbitant costs that are involved in hiring expatriates, the trend to continue deploying expatriates seems to be continuing into the future. This brings the

impetus to ensure expatriation failures are minimised while simultaneously providing the platform where adjustments in the host country are better facilitated. This study tried to shift attention from technical, work related elements to a non-work setting with an emphasis on social support and cultural intelligence as the predicting factors of both expatriate and spouse adjustment and subsequent performance. This study attempted to explore and examine the influential factors of perceived organisational support (POS) from MNCs, social support from HCNs and CQ on the expatriates' and their family members' adjustments and work performance in the host country. In addition, this study also endeavoured to investigate the influence of adjustment on expatriate performance and the influence of family adjustment on expatriate adjustment. Finally, this study has gathered response on the type of support offered by the MNCs in contrast with the type of support deemed influential by the relocating expatriate families in facilitating their acclimatisation to the local environment. In doing so, it is beneficial to see how these antecedents could be linked to the anxiety uncertainty management (AUM) theory (e.g., Gudykunst 2005) that focuses on better anxiety and uncertainty management in ensuring enhanced adjustment and intercultural communication effectiveness for the expatriating families. In addition, it is believed that despite having previous expatriate-related studies dedicated to explicate expatriate adjustment ranging from anticipatory variables, which refers to pre-departure expatriate expectations and preparations for an upcoming assignment (see Black and colleagues 1991) as well as in-country variables pertaining to personal requirements for effectiveness in an overseas environment, work environment beyond the control of the assigned expatriate, parent firm's culture and non-work related stress from the foreign environment (Bhaskar-Shrinivas et al. 2005), there are some missing pieces

that could contribute to the enhanced adjustment and performance whilst on assignments in the host country.

Therefore, in line with the first objective of this research which was *to investigate the influence of MNCs' perceived organisational support (POS) on expatriate and spouse cross-cultural adjustment in the host country*, a comprehensive literature review on support from the hiring organisations, i.e. MNCs, was carried out to determine the extent of the MNCs' influence while the expatriating families are on location. The literature points to the despair and feelings of being deserted as the expatriates are being left to fend for themselves and to deal with arising issues such as to socially integrate in the local community, the loss of personal identity and family related problems. Takeuchi (2010) concludes from his recent study that expatriates should be viewed from the eyes of those who might be affected or whose actions may make an impact. Therefore, MNCs, HCNs and family members' actions could directly or indirectly influence both the expatriates' work and non-work elements. MNCs as hiring organisations should strive to provide ongoing support to the expatriating families as this is the period where they are at their most vulnerable state.

It was proposed to test whether support from the MNCs could act as an antecedent for better adjustment in the host country for both the expatriates and their family members. The inclusion of the family members' adjustment would be an added testament indicating the strong influence of the family on the expatriate's work and non-work elements as proven by previous scholars (see Haslberger and Brewster 2008; Tung 1981; Shaffer et al. 2000; Takeuchi, Yun and Tesluk 2002). POS was chosen as an antecedent to expatriate adjustment to indicate the commitment and feelings of accountability for the performance of the company, which may be translated

into the energy and effort put in by the expatriates in ensuring organisations' success. For the family members, organisational support may indicate the commitment that the company has to the trailing family members whose lives are also disrupted by the move to the host country.

The results highlight that POS is highly influential in enhancing expatriates' adjustment and the feelings of being appreciated and supported by the MNCs throughout their stint overseas would then be translated into increased work performance while on expatriation. In addition, the specific path analysis on expatriate only data points to the fact that different types of perceived organisational support (i.e. financial, career, adjustment) trigger different types of expatriate adjustment (i.e. general, interaction, work) thus making it easier for organisations to tailor make support to suit the need of each expatriate. In contrast, while POS is positively linked to the expatriate adjustment and performance, support from the MNCs is less effective in facilitating the family members' adjustment. This could possibly point to the mismatch of the type of support offered and the type of support deemed significant in enhancing one's adjustment. In addition, this may indicate the influence of the surrounding elements that one could be exposed to that have significant impact on how these elements relate to a person. For example, expatriates are working for the MNCs and have this unwritten reciprocal bond from years of working together while for the spouses, having more opportunities to interact with the locals would draw their strength from positive encounters that could increase their chances of being accepted within the local community and consequently increasing their social identities and self-worth.

The second objective of this study was *to determine the influence of host country nationals' social support on the expatriate and spouse cross-cultural adjustment in the host country*. Based on social identity theory (Tajfel and Turner 1985) and social learning theory (Bandura 1977), it was concluded that individuals strive to be accepted as part of group processes and intergroup relations and exhibit appropriate behaviour through observation, emulation and the practice of actions that are displayed by those in their vicinity as one form of observational learning. Support from HCNs was investigated to positively influence the expatriate and family adjustment. The process of hypothesising and testing has satisfied the assumption that HCN support does positively influence family adjustment but not expatriate adjustment.

This significant finding is in contrast to earlier findings with regards to the MNCs support which goes to prove that the expatriates who are more exposed to the working environment are reliant on support provided by their organisations unlike spouses who in the execution of their daily activities gain support from the immediate local community. This further proves that in the host country, although living as a family, due to the nature of commitments, spouses lead an isolated life independent from the expatriates and have a better understanding of the local environment. By investigating both expatriate and spouse adjustment with support from the MNCs and HCNs simultaneously, it is emerging that with the right kind of support from relevant parties, adjustment could be enhanced; such significant pattern of support reliance could not possibly be unearthed if the research were to look from the perspective of only the MNCs or only the HCNs. Hence, this research could possibly contribute to answering the question of 'the support from which provider is more significant to a particular expatriate, spouse or family member'.

The findings from the study help broaden an understanding that the appropriate kind of support may stimulate the feelings of returning reciprocal acts and the drive to be accepted into a certain group or the motivating factors that could translate to increased commitment and loyalty to a particular organisation. At this juncture, expatriate's drive to succeed may go beyond salary and benefits alone but may well be about continuous commitment to ensure the organisations' success. In particular, the findings advance our understanding on the importance of complementary sources of support in creating the drive to exhibit the appropriate behaviour while in the host country.

Unlike the first two objectives of this research which were to investigate the roles of support from the MNCs and HCNs, the third objective was *to investigate the effect of cultural intelligence (CQ) skill and knowledge on both expatriate and spouse cross-cultural adjustment in the host country*. Thomas and colleagues (2008) have summarised that being culturally intelligent may lead to effective intercultural interaction which then can be translated to (1) good personal adjustment, indicated by feelings of contentment and well being; (2) development and maintenance of good interpersonal relationships with culturally different others; and (3) the effective completion of task-related goals. These are the positive outcomes that an expatriate and his/her family members strive to achieve whilst in the host country. Linked to the main theory utilised in this research, the anxiety and uncertainty management theory by Gudykunst, CQ would allow for better adjustment and enhanced intercultural interaction; country specific cultural aspects which were highlighted by previous scholars that were linked to expatriate failures (see Hechanova et al. 2003 and Bhaskar-Shrinivas et al. 2005).

This thesis has examined the various components of CQ: awareness CQ and interaction CQ, based on the earlier four CQ dimensions; i.e., cognitive, meta-cognitive, motivation and behavioural CQ by Ang et al. (2007) on expatriates and their spouse adjustment in the host country. The study aimed to fill a research gap, where relatively little research attention had been paid to investigating both the expatriate and the spouse cultural intelligence simultaneously as an attempt to include family-related aspects to be on the same level as expatriates' despite previous studies highlighting the importance of family-related factors to expatriates' well-being (see Bhaskar-Shrinivas et al. 2005; Brett and Stroh 1995; Pellico and Stroh 1997). As predicted, CQ has positively influenced both the expatriate and spouse adjustment in the host country, which proved to be a salient indicator of more effective intercultural communication and better acceptance within the local community. Furthermore, this highlights the importance of being sensitive to cultural differences in a host country. The new findings that emerged from the expatriate specific path analysis is the direct influence of interaction CQ on contextual performance which further emphasises a better way to approach host country subordinates is through making more effort to learn their culture. This is especially vital for an expatriate who comes from a contrasting cultural background where their leadership styles and actions might not go down well with the locals. Contextual performance is also shown to influence task performance which emphasised that soft skills like effective communication and people skills are just as important as technical and functional skills. Among all the antecedents, CQ has proven to be an element that is highly related to the main aspects of the AUM theory; being mindful of the surrounding elements and keeping an open mind to all possibilities that stems from interactions with culturally different others.

Additionally, cultural intelligence skills proved to be helpful in anticipating the type of behaviours that are appropriate in cross-cultural situations and can be the solution to improve expatriate-host country subordinate relationships in both work and non-work settings. For the spouse, being culturally intelligent can speed up the process of socially integrating into the local society and help to form positive perceptions from the host country nationals in the initial encounters. This further proves the influential role that CQ plays in enhancing adjustment and performance. Collectively, support from MNCs and HCNs plus CQ skills could potentially resolve the causes of anxiety and uncertainty that the expatriates and their family members might be subject to while attempting to acclimatise to the local context. As a result, reverting to Gudykunst's AUM theory, when anxiety and uncertainty are better managed, expatriates and their family members can look forward to attaining better adjustment, effective intercultural communication and positive outcomes like work performance and job satisfaction. This brings us to the fourth objective: *to ascertain the influence of expatriate and spouse adjustment on expatriate performance in the host country.*

The ultimate aim of expatriation is positive outcomes in the form of better adjustment and work performance and better integration with the host country's elements. The findings signified mixed results regarding expatriate and spouse adjustment on expatriate task and contextual performance. Only expatriate adjustment is positively linked to both types of performance. Although it is proven by previous research (see Takeuchi, Yun and Tesluk 2002), spouse adjustment is not significant in influencing expatriate adjustment and expatriate performance. This is possibly due to spouses having received support from other sources; i.e. from the host country nationals and being less reliant on the expatriates while in the host country. Based on

the spouse specific path analysis, spouse interaction adjustment supports expatriate contextual performance which again stresses the importance of being aware of cultural differences in the host country in order to facilitate adjustment and expatriate social interface. The path analysis for the spouse specific model revealed new findings in the form of organisation on-site support and informational support from the host country nationals that could directly influence expatriate contextual performance. These are interesting findings because despite spouse adjustment having no influence on expatriate adjustment in the preceding combined expatriate-spouse adjustment and expatriate specific path models, support provided to spouse by the organisations and host country nationals could help expatriates to improve their contextual performance.

Another worthy finding to note that has emerged from the spouse specific path analysis is the sequential manner in which a spouse's general adjustment ultimately affects expatriate task performance, through a spouse's interaction adjustment and expatriate contextual performance. The findings from the spouse model proved that despite not being directly influential on expatriate adjustment, a spouse could provide the 'missing' link that connects expatriates to their local subordinates, suppliers and government-related entities in order to better understand the host country's social perspectives and to have an improved leader-follower actions and reactions. On that note, we move to the fifth research objective.

The fifth research objective was *to establish the extent of spouse adjustment influence on expatriate adjustment*. Despite earlier findings by Caligiuri et al. (1998) and Takeuchi, Yun and Tesluk (2002) on spillover effects from spouse adjustment on expatriate adjustment, this research found a lack of positive influence of such relationships. One possible explanation regarding this finding is that the spouse led a

totally isolated life from the expatriate due to them not being able to do most activities together. Having to manage the home front and in an attempt to ensure the least of disruption to their family members, the spouses derive support from those whom they encounter on a daily basis. In addition, the advancement in technology has created more avenues for the spouses to get information, vent their frustration or keeping up with friends and family members back home. Some examples of improved networking alternatives made possible by the advancement in technology and communication are Facebook, Twitter or the creation of personal blogs. Although there is no significant evidence of spouse adjustment on expatriate adjustment per se, the results from path analyses on the different path models showed indirect effect of spouse elements on expatriate adjustment and performance.

The final objective of this research was *to determine the type of organisational support offered by MNCs and deemed significant to the expatriate family's social integration in the host country*. Responses gathered from both the expatriate and spouse showed MNCs offered a basic type of support like medical and insurance coverage for the repatriating families and were responsible for ensuring the relocated families were provided with the appropriate documents required by the host country upon entering a particular country. However, both the expatriate and spouse shared the same opinion that the type of support deemed significant to them but not offered by the MNCs was assistance for spouse career management. This is to drive the point that most spouses who are accompanying their partners for the assignments have careers of their own and having to leave their careers temporarily behind for a period of 2 – 4 years may create a void that is difficult to fill. As a result, spouses may momentarily feel 'out of place', feeling dejected for being unable to contribute

financially to the family or their self-worth may plummet. As the spouses are professionals in their own field, it is worthwhile for MNCs to consolidate the skills of these spouses and perhaps utilise them for addressing some companies' needs as freelancers. This could help to enhance the feelings of being appreciated by the MNCs and help to cement a stronger relationship between the trailing spouse and the hiring organisation. The mismatch of the support offered and the type of support needed by the expatriating families could be overcome if the MNCs were to be more flexible in providing the support and benefits to the expatriating families as per their needs and requirements. These cafeteria-style benefits would allow for more effective utilisation of the support and benefits that are provided to the expatriates and in turn would positively enhance the perceived organisational support of the MNCs. The main findings of this study suggest that multinational corporations and host country nationals could positively change the outcome of expatriation by offering the appropriate support to the expatriating families. Coupled with cultural intelligence skills possessed by the expatriate and spouse, anxiety and the feelings of uncertainty felt by the expatriating families could be better managed in line with Gudykunst's AUM theory (e.g., 2005) which could eventually lead to enhanced cross-cultural adjustment and better intercultural communication, this can then be translated to better work performance in the host country.

### **7.2.2 Summary of Key Contributions**

This thesis makes contributions to both theory and practise. Firstly, it highlights the importance of adopting a multiple stakeholder view when managing expatriates. Multinational corporations and other similar expatriate hiring organisations need to

start realising the potential contributions that accompanying spouses and HCNs could offer to expatriates' well-being and work-related factors in the host country. This is especially vital in the wake of the exorbitant costs associated with hiring expatriates and the rising number of expatriate failures around the globe.

Consequently, this research allows the examination of support from various sources (i.e. organisations and host country nationals) to expatriate and spouse adjustment simultaneously. This thesis incorporates the concept introduced by Gudykunst's AUM theory by investigating antecedents which could address the causes of anxiety and uncertainty stemming from relocating to a new local environment. By doing this, anxiety and uncertainty could be better managed thus allowing the relocating families more time and energy to expend on building relationships with the HCNs. Apart from providing more understanding of organisational support theory (for support from organisations) and social learning theory (for support from the HCNs), this research emphasises the different reliance of support providers by the expatriates and the spouses. This is an interesting finding which can prove that the immediate environment and constant exposure to certain surroundings do play a role in facilitating expatriate and spouse adjustment.

Thirdly, the incorporation of CQ as one of the predicting variables for expatriate and spouse adjustment further emphasises the importance of appropriately reacting to cross-cultural situations in the host country. Previous research (Ang et al. 2007; Ng and Earley 2006) suggests the importance of global leaders and expatriates to have good CQ. As to current knowledge, no other study has investigated the role of CQ on expatriate and spouse adjustments simultaneously. Despite positively influencing both expatriate and spouse adjustments, path analysis findings from this research show that

CQ is more significant to spouse adjustment because the spouses have more direct contact with the HCNs on a daily basis and do not have the luxury of relying on the familiarity and continuity of the organisations' policies and procedures to fall back. Realising that host country national culture remains an important area that needs to be understood, CQ could well be the better solution to improve expatriate-HCNs and spouse-HCNs interface. In addition, as cultures are country specific, CQ would allow for the assurance that candidates with CQ skills are more mentally prepared to deal with cultural-specific aspects in every location they are assigned to.

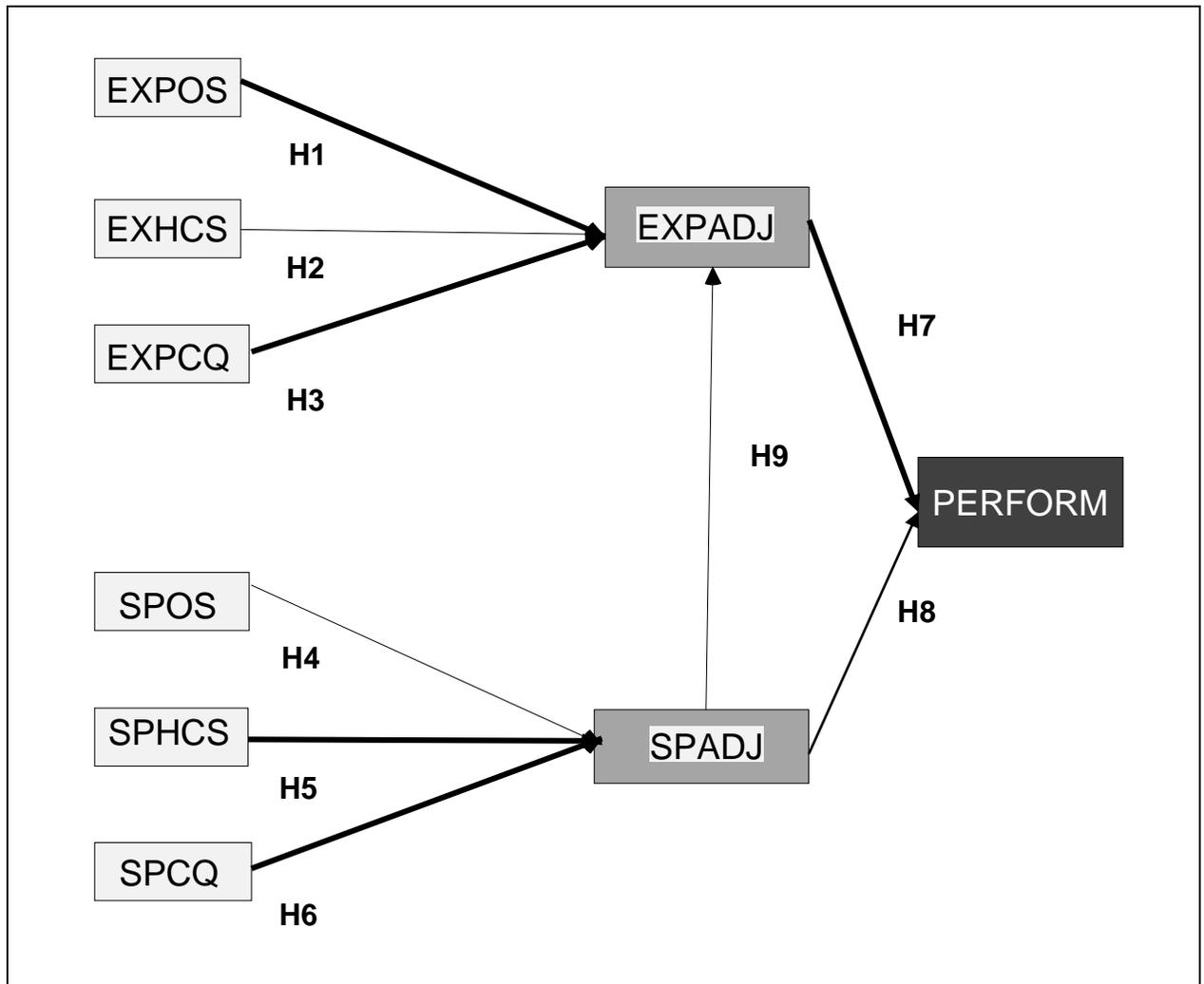
Although the results do not support the influence of spouse adjustment on expatriate adjustment and vice versa as proven by earlier research (i.e. Caligiuri et al. 1998; Takeuchi, Yun and Tesluk 2002), the spouse specific adjustment model investigated do point to the role of spouse as the 'missing' link that connects expatriate to the HCNs. Due to differences in culture and work values, expatriates might not be able to form effective relationships with the HCNs and as such, some assigned tasks could not be performed well. Realising that expatriates should maintain a close relationship with the HCNs both at work-and non-work setting, an accompanying spouse could provide a more relaxed environment through which a more comfortable and informal relationships could be formed between the expatriates and the HCNs. This will help to improve on leader-follower reactions and interactions and provide a better foundation for building trust, loyalty and commitment. The concept of trust building and the strengthening of group dynamics are very pertinent in most Asian countries where the acceptance into in-groups may take some time.

Finally, the results from the path analyses point to the influence of socially integrating into the host country's environment as a way to improve expatriate

performance. This echoes the suggestion by Takeuchi (2010) where the expatriates could benefit through social exchange relationship with those around them. The basic premise of social exchange relationship is mutually satisfying reciprocal relationships. As such, the expatriates should not work in isolation and fully utilise the sources around him in order to be more attuned with the host country's environment. Although it seems that organisations are more concerned with bottom line outcome i.e. expatriate performance, it is just as important to build an environment where information can be shared freely and one's contributions go beyond the requirements of their formal organisational role for the benefit of the organisation.

The investigations have been split into three separate models in this research as per the path analysis in chapter 4: combined expatriate and spouse adjustment model, expatriate adjustment model and spouse adjustment model allow for a thorough investigation of the sub-scales of the constructs used in this research. Whilst the combined model gives a more encompassing picture of the different elements that expatriates and their spouse are exposed to and elucidate the influencing factors that affect adjustment and subsequent performance, the more specific models allow for the constructs to be comprehensively probed for more comprehension of the hypothesised relationships. Figure 7.1 presents the hypothesised relationships as per the combined expatriate and spouse dataset and summarises the research objectives that were presented in chapter one.

**Figure 7.1 – Hypothesised Relationships between Key Constructs**



**Key :** EXPOS : Expat Perceived Organisational Support; EXHCS : Expat Host Country Social Support; EXPCQ : Expat Cultural intelligence ; SPOS : Spouse Organisational Support; SPHCS : Spouse Host Country Social Support; SPCQ : Spouse Cultural intelligence; EXPADJ : Expat Adjustment, SPADJ : Spouse Adjustment; PERFORM : Expat Performance.

\*\* Bold arrows → indicate significant relationships.

Figure 7.1 provides a more comprehensive representation of what this research has achieved and the summary of specific construct and theoretical contributions in addition to research highlights follow. First and foremost, this research has utilised Gudykunst’s AUM theory (2005) as the focal theory in justifying the rationale for choosing POS from MNCs and social support from HCNs as types of support offered to the expatriates and their family members. This research is amongst the few studies

that has investigated both expatriate and spouse related adjustment simultaneously and this allows for a better understanding about which support provider (i.e., the MNCs or HCNs) is more relevant and effective for the expatriates and the spouses to reduce their adjustment problems and allow for better facilitation in adjusting to the local context. This research combines basic elements that come from expatriate multiple stakeholders; MNCs, HCNs and the expatriate family as support providers and a novelty construct that is lacking in the empirical findings, cultural intelligence (CQ), as antecedents to better adjustment and expatriate performance in the host country.

Reverting to AUM theory, the expatriates and the trailing family members would be better prepared to face the new and different host country environment by better managing their feelings of anxiety and uncertainty by drawing upon the support from those in their vicinity and those that they have reciprocal obligations to fulfil. CQ would then be used to increase the act of being mindful as per the AUM's provisions and allow for better interpretation of the surroundings, particularly the ones that involves cultural aspects. This would then be translated to better adjustment to the host country's aspects and increase intercultural communication. The gist of this research is to emphasise going back to the basics, i.e., no matter how experienced expatriates are, they will still face fear of the unknown and these feelings of anxiety and uncertainty may hamper their chances of adjusting well to the new environment and may affect their work performance. Hence, based upon Gouldner's norm of reciprocity (1960), expatriates would then turn to MNCs and HCNs for assistance and support in order to find information or explain behaviours that might be confusing to them and would endeavour to return said rendered assistance through other means deemed equal to the original favour or assistance initially bestowed. CQ would then be the

complementary skill that is needed to complete the effort of getting to know the local environment and its people. CQ skill is extremely important for the expatriate families because as cultural aspects remain deeply ingrained in individuals and sensitive issue for most, it would be advantageous for them to know the best way to increase intercultural communication effectiveness in order to facilitate them in both a work and non-work setting. The following sections highlight the key implications of this research and provide recommendations for policy makers.

### **7.3 Practical Implications**

Despite the high costs involved in deploying expatriates on international assignments, this practice is predicted to continue in the foreseeable future. As such, it is vital to ensure that expatriates are being provided with the relevant training and support that they need prior, during and immediately after the expatriation contract ends. Perceived organisational support from the organisations proves to be beneficial to expatriate adjustment and subsequent performance. As such, MNCs and other expatriate hiring organisations should strive to ensure that the support offered to expatriates is available throughout the assignment period. Expatriates are representatives of their organisations in the host country and most often are the organisations' first line of defence for ensuring the organisation's reputation and integrity is being upheld in the host country. Therefore, organisations should strive to inculcate a stronger and continuous expatriate and parent organisation's relationship that transcends borders by offering a more customised type of support that would be beneficial to improve the expatriate's well-being in the host country. At the expatriate's level and career stage, the belief that the organisations value the expatriate's

contributions to improve the organisation's bottom line figures are more important and motivating than financial benefits (as the latter are taken care of during the expatriate assignment offer).

As spouses and the other accompanying family members remain important sources of support for the expatriates, MNCs should strive to offer more relevant support to the family members as well as the basic support already offered such as the preparation of travel documents and help with accommodation in the host country. Expatriates and their spouse in this particular study ranked career assistance to spouses as the most relevant and beneficial support that they would like the organisations to offer. This is especially crucial in the wake of the rising number of dual career couples across the world. When spouses decide to accompany their better halves on the assignments, they have to sacrifice and put their careers on the back burner and more often than not, find themselves having problems fitting straight into their chosen careers after the expatriation contract ends. Where possible, with the influence that the organisations have in the host country, spouses should be referred to relevant organisations that could fully utilise the skills that the spouses have to offer on a freelance basis. This would help the spouses feel empowered and provide a sense of continuity from what they have been doing in the home country. This will also help to minimise feelings of 'resentment' that they might feel towards the expatriates as a result of an emotional upheaval that is associated with the stress of relocating to a new environment.

Most expatriates are in the host country with their family members. Although this research could not find any support that links spousal adjustment to expatriate adjustment, spousal influence on expatriates whilst on international assignments

should not be brushed aside. Due to them being more 'exposed' to the host country's environments in their daily activities, spouses have a better understanding of the host country's environment especially its cross-cultural aspects. Most often, the HCNs are more open and receptive towards interactions with the spouses because they are not in authoritative positions and are seen to be more sincere in developing relationships with the locals. As such, the organisations should include spouses in company-organised events involving the expatriates with the HCNs to act as 'intermediaries' and ensuring a more relaxed and conducive environment is formed to foster better relationships among the concerned parties.

Being culturally intelligent is defined as being aware and able to flexibly adjust one's behaviour to suit a cross-cultural situation. CQ has proven to be a predicting factor for both expatriate and spouse adjustment in the host country. As such, organisations should include tests that could determine a potential candidate's cultural intelligence as one of the deciding criteria to choose expatriates for international assignments. This is especially significant as cultural differences remain an area that organisations should emphasise on when having operations abroad. Cultural aspects also remain an area that the host country nationals are less forgiving of and exhibiting culturally aware behaviours could help to minimise barriers in inculcating better and fruitful relationships with the host country employees, local suppliers and government-related entities.

To date, in Malaysia, there is no specific body that organises expatriate related information apart from the entry-exit records that the Immigration Department has. The expatriates and their family members are left on their own to find associations or organisations that are relevant to them as a way to get support or just for social

purposes. As the number of expatriates continue to rise in Malaysia, it is important for government-related entities to form a unit or a department that specifically cater to the needs of the expatriate community. It is also important to distinguish expatriates from the scores of foreign workers that are in Malaysia for economic purposes. If such a body were to be formed, first and foremost, there should be a database from which the number of expatriates and their accompanying family members can be monitored. This way, the government can also come up with a talent pool whereby accompanying spouses' professional skills could be identified and matched with potential employers. This should not be construed as 'harming' the potential employability of local graduates or talent but as complementing the existing service providers in dearth areas such as language, consultancies or culture-related aspects.

In addition, a centralised expatriate body would enable the provision of the necessary support for the relocating families to feel more at home. This will help to complement the ongoing effort of the Ministry of Tourism Malaysia to promote the 'Malaysia My Second Home' Programme, which allows expatriates and their family members to retire in Malaysia upon expiration of their Employment Pass. In addition, as the usage of expatriates is increasing through on-going efforts to promote foreign direct investment (FDI) in Malaysia, host country nationals could be the 'solution' to the cultural-related laments and woes that the expatriating families are expressing due to not being able to socially integrate into the local community. Social support by the HCNs, especially to the family members and to the expatriates outside of the work context could facilitate their acclimatisation to the local environment better. This should be seen as a 'win-win situation' for all parties involved as the local counterparts could benefit from the technical skills and knowledge that the expatriates possess in

exchange with insider's information only a local knows and for the local community, positive word-of-mouth from the expatriate family members could be the best marketing tool for the local businesses. By doing this, there would be mutual respect of each other and Malaysia could well be on her way as an expatriates' haven.

### **7.3.1 Recommendations for Policy Makers**

The ensuing paragraphs provide several recommendations for expatriate hiring organisations and government-related bodies that were formulated from the findings of this research. This research was undertaken primarily to shift the attention away from functional and technical aspects in predicting expatriation adjustment and outcomes. The gist of these findings seem to revolve around looking at expatriation as a social integrating mechanism that can connect the multiple stakeholders of expatriates (i.e. parent company, family members, host country nationals) as one interrelated unit with the aim of improving expatriate adjustment and performance.

#### **7.3.1.1 Matching of Support from the Organisations**

While organisations' efforts are lauded for offering basic support to the expatriates, it is extremely important for the organisations to offer the type of support that is relevant to the expatriates' needs whilst on assignments. Additionally, the extension of organisational support to include relocating family members signals the importance of these family members as the pillar of support for the expatriates. However, the mismatch of the type of support offered and type of support relevantly needed by the expatriates and the spouses should be given attention by MNCs as this could deter the expatriates from undertaking the role specific responsibilities that are

expected from them and widening the gap between the family members and the hiring organisations. The type of organisational support needed obviously would differ according to the assignment location, nature of assignment, accompanying family members, host country related aspects and so forth. Therefore, organisations are encouraged to devise a benefit and entitlement package that are more customised to each expatriate more like what is termed as the cafeteria style package whereby the expatriates choose from a list of available support what is considered to be beneficial to them. Although this may complicate matters and require more effort from the organisation's International Human Resource Department, the end results would hopefully foster closer ties between parent company and the expatriate family thus providing a better platform to assist adjustment in the host country.

#### **7.3.1.2 Spousal Indirect Support**

Though the spouse adjustment and expatriate adjustment relationship could not be substantiated in this research, an important finding that points to the influence of spousal related support on expatriate contextual performance and subsequent task performance could not be relegated aside. Due to more exposure to the host country's environment, spouses are said to be more knowledgeable of the host country's cultural aspects and enjoy closer relationships with the HCNs. Therefore, organisations should take advantage of the spouses' influential presence in interactions with the HCNs as the 'missing' link that could inculcate a better understanding of the expatriate-host country nationals' interface. Regardless of the strategic approaches that the organisations adopt for their overseas expansion (i.e ethnocentric, polycentric, regiocentric, geocentric), the interaction with host country nationals whether in the form

of subordinates, suppliers or government related entities could not be avoided. Additionally, national culture differences also play an important role in determining the receptivity of HCNs towards the expatriates in both work and non-work setting. For the above reasons, organisations should exert more effort to improve understanding of the expatriate-host country nationals' interface and not to disregard the potential contribution that accompanying spouses could offer.

### **7.3.1.3 Social Exchange Perspective**

Social exchange theory (Blau 1964; Gouldner 1960; Homans 1958) proposes that two parties will enter into a social exchange when one party perceives that the other party possesses something of value that is not merely monetary. Over time both parties will strive to maintain and develop a closer relationship where the nature of contribution will increase in breadth, value and reciprocity. The social exchange theory aptly describes the kind of relationship that the expatriates will have with the parent company, subordinates and the local community during the duration of the international assignment. To be considered for a social exchange relationship, the expatriates need to be seen as potentially contributing to something that the other party values and vice versa. When there is a match, only then the relationship can be developed. For example, a newly relocated expatriate would enter into a social exchange relationship with a local subordinate when the expatriate makes an effort to learn some local phrases that could help him/ her interact with the local employees better. The local subordinate, appreciating the effort shown by expatriates to minimise communication barriers would reciprocate by introducing the expatriate to the other local members in a more informal manner. As such, in order to benefit from what the

others could offer, expatriates need to find a common interest or ground that could facilitate their adjustment and performance in the host country. The predicting variables that were used in this research; support from the organisations and host country nationals and cultural intelligence, embody the social exchange relationships that the expatriates have with the parent company, host country nationals and the local community.

#### **7.3.1.4 National Culture Alignment**

Cultural differences continue to be an area where organisations are still grappling to understand. Expatriates in the host country are inundated with cultural behaviours that may affect how they perform their jobs. Culturally baffling behaviours are not limited to the workplace but can be seen from interactions with the local government entities and service providers. As such efforts need to be undertaken to narrow the gap between the expatriates' cultural background and practices with what is practiced in the host country. Apart from relying on theoretical and empirical findings by earlier research (i.e., Hofstede 1996; House et al. 2004) to better understand the local culture and work values, social interaction has to be seen as a trial and error process that is improved over time and with the right attitude. This is where cultural intelligence can be used to create better awareness of cultural differences and provide a platform on which corresponding cultural behaviours can be ascertained. This also requires a more concerted effort on the part of the expatriates to ensure they exude a positive vibe that can make them easily accessible to the local subordinates. Only then, leader-follower reactions and interactions can be improved to facilitate better

performance. MNCs are also encouraged to provide cultural-related training prior to relocation to the host country.

#### **7.4 Limitations and Future Research**

In this section, the main limitations of this research are acknowledged which suggest further research possibilities. Despite the efforts to ensure this study is carried out meticulously, there are some limitations that might affect its contributions and generalisability. The most significant is the sample size which is relatively small compared to the number of constructs and proposed relationships. The fact that there is no single authoritative data source and the reluctance of expatriates to participate in this study has partially contributed to this condition. As some of the variables used had to undergo both exploratory and confirmatory factor analyses to fulfil the subject to item ratios of 10:1 or less (Nunnally 1978), some elements from the analysis output that have shown to be associated with a small sample size may need to be treated with caution. A larger sample size has been associated with the reduction of sampling error, a more stable sample factor analysis solutions, improved accuracy of true population structure, improved quality of factor solutions and communalities and improved over-determination of factor (MacCallum, Widaman, Zhang and Hong 1999). In addition, previous scholars have found support which proved the influence of sample size on goodness-of-fit indicators used in confirmatory factor analysis, thus findings should be treated with caution (Anderson and Gerbing 1984; Marsh, Balla and McDonald 1988). A large sample would enable a more rigorous analysis using structural equation modelling be undertaken to test the respective sub-hypotheses. A large sample size would also allow for a more comprehensive investigation of specific

variables without the strain of sample size-parameter concerns. Nevertheless, the 134 matched expatriate-spouse pairs are quite a feat in an expatriation study especially in the increasing trend of dual-career couples. Such a sample has helped me to successfully run the path analysis, which indeed revealed useful linkages between key constructs. Secondly, this study is a cross-sectional study thus causality could not be inferred. A longitudinal study would be better in explaining the adjustment process that the expatriates and their family members go through over a certain period of time. In addition, reverting to Gouldner's norm of reciprocity (1960) and Blau's social exchange perspective (1964), over time, through longitudinal design, it is highly likely that the relationship between the expatriates and their stakeholders (i.e. MNC, HCN, family members) would improve. Empirically testing these relationships through longitudinal study would be advantageous to test the influence of multiple stakeholders on expatriates' adjustment and performance and vice versa. Having said this, my cross-sectional research design (within its limitations) has helped to effectively examine my research aims.

Although the initial methodology includes the ratings of expatriates' performance by the co-workers to minimise self-rating bias, this did not materialise due to the weak correlation between co-worker rating and relevant variables thus the self-rated performance was used instead. This might be due to the 'inappropriate' selection of respondents, i.e. co-workers by the expatriates to rate them or in this case, the ratings from co-workers may be influenced by cultural factors such as high 'power distance' or 'the in-group vs. the out-group' dynamics. In future, the involvement of human resource departments could help to ensure that the 'right' subordinates are chosen to rate the expatriates' performance. The usage of self-rated performance in a cross-sectional

study would increase the possibility of common method variance (CMV) where both the dependent and focal explanatory variables are perceptual measures derived from the same respondent (Podsakoff and Organ 1986). Podsakoff et al. (2003) recommend four approaches that researchers could use to avoid or correct CMV which include different sources of information for key measures, procedural remedies when designing and administering questionnaires, complicated specifications of regressions models and statistical remedies like *post hoc* Harman one-factor analysis to detect and control any possible CMV. Though effect of CMV cannot be completely ruled out for this research, every effort was made to tackle it. This included the questionnaires which were designed in such a manner to reduce the CMV effect through the positioning of dependent variables subsequent to the independent variables, the usage of many different types of measures and the rather exhaustive data gathering process for a single respondent due to the large length of the questionnaires. Future research should endeavour to utilise these four approaches suggested by Podsakoff et al. (2003) to address CMV related issues. Finally, these findings can only be generalised to the countries that have similar cultural background i.e. South East Asian countries, to Malaysia due as these countries have similar commonalities as suggested in Hofstede's (1996) national cultural value dimensions. However, it would be interesting to see whether the same model could be replicated to the western context.

In spite of such limitations, this study makes a number of important contributions that could help to improve the understanding of looking at expatriation from a non-technical and non-work perspective. Most importantly, it highlights the importance of acknowledging cultural differences and through the support of stakeholders and being culturally intelligent, a better comprehension of cultural-related situations would lead to

improved adjustment and performance in the host country. It also highlighted the pivotal role that the accompanying spouses play in facilitating the work and social relationships between the expatriates and the local co-workers and the local community. In addition, Malaysia, with a multiracial and multiethnic community allows for a better representation of cultural-related elements that can be useful in examining the hypothesised relationships.

Improvement in expatriate adjustment and performance should remain the main scope of expatriate-related studies. However, in light of the influential role that aspects of social integration played in this study, it is interesting to see the current trend of only looking at expatriates as a one way relationship and only associated with work and technical aspects be expanded to include reciprocal relationships from the various stakeholders (i.e. parent company, host country nationals employees, local community), preferably more on a social and cultural setting. This would be more reflective of the host country's environment that the expatriate and their family members are subjected to when they decide to take up the company's offer and relocate to the host country. This study only includes social support from host country nationals. It would be worthy to include in future research the support from other expatriate families, family and friends back in the home country and expatriate-related bodies as potential source of support that the expatriate families could rely on.

Socially integrating into the local environment involves the exposure to national culture. It would be beneficial to see how significant national culture is with relation to better understanding of the expatriate-host country nationals' interface and spouse-host country nationals' interface. Previous culture-related models by Hofstede (1996) and House et al. (2004) could be used as a framework to understand this scope of

research. Since many MNCs are utilising more diverse teams, it is worthwhile to study the possible mechanisms that the international human resource department could use to ensure that cultural interactions are better facilitated at the subsidiaries and overseas branches. Will these mechanisms differ according to the type of international strategy and/or staffing strategy that the MNCs adopt for their overseas expansions? It would also be beneficial to study the variations of the MNC workforce as parent country nationals, 'inpatriates', and third-country nationals would probably differ in terms of how they acclimatise to the local environment. Each group may subscribe to different organisational values according to how they were indoctrinated to the organisation processes and practices. 'Inpatriates' and third country nationals may undergo less rigorous indoctrination, hence they may be more sensitive to overseas environment stressors (Bhaskar-Shrinivas et al. 2005). Consequently, MNCs who subscribe to the geocentric staffing policy may face the problem of devising expatriate training programmes that are not fully customised for the potential expatriates due to the culturally diverse pool of staff. Without segregating the expatriates and studying their adjustment pattern, MNCs may unintentionally increase the number of possible non-performing expatriates due to HR departments undermining the influence of induction programmes and the intensity of socialisation practices and processes between the headquarters and the subsidiaries.

As this research only focused on CQ at the individual level, it is also worthwhile to broaden the CQ scope to the firm level. This would allow CQ to be more effective as it is subscribed by the whole organisation and efforts to promote and inculcate CQ would be more systematic (see Ang and Inkpen 2008, for CQ at a firm level model). As CQ proved to be an influential element that could facilitate adjustment and performance in

the host country, it would be worth considering if the number of assignments that an expatriate has will lead to enhanced CQ skill, which then can be translated to better interaction with local entities (i.e. local subordinates, community, government agencies). CQ has also been theoretically linked to increase experiential learning as proposed by Ng, Van Dyne and Ang (2009) and conducting an empirical research to confirm this association can be extremely useful in culturally diverse contexts.

In addition, as expatriation costs remain a crucial factor for MNCs, it is a step forward for expatriate hiring organisations to seriously start thinking about including CQ as one of the criteria for hiring their expatriates. Further, it would be useful if an expatriate can be in-charge of regional operations instead of country-specific operations due to MNCs' cost-cutting measures. Possession of CQ skills would be beneficial to improve interactions in cultural related situations despite the reduction of time spent in any host country. Despite the imbalance of gender division of most expatriate studies (of an average 70:30 of male/female expatriate ratio), the number of female expatriates are on the rise. Linking the gender issue to the two constructs examined in this study, i.e., support from MNCs and HCNs, it would be worth to investigate whether the support from MNCs and HCNs can be influenced by the expatriate gender. Previous studies have found evidence that female expatriates receive less organisational support as compared to their male counterparts while on assignments (Hutchings, French and Hatcher 2008). While, Haslberger (2010) found support which indicates that female expatriates are better in acclimatising and building relationships with the local people. Based on such findings, there is a reason to believe that support from MNCs would be more beneficial to male expatriates than female expatriates while female expatriates would find support from HCNs would better

facilitate their adjustment in the host country as compared to support from the MNC. Although, this particular research did not test for gender effects, future studies should empirically test whether gender influences the expatriate call for organisational or host country national's support. Finally, as indicated above, the cross-sectional nature of the data used restricts conclusions to those of association and not causation. Hence, a more beneficial investigation of expatriate and spouse adjustment would be possible through a longitudinal study and time-lagged correlations. Such methods would be important to show the adjustment process and whether social interaction with the host country nationals would improve over time through the possession of better CQ skills.

## **7.5 Conclusion**

This chapter summarised the key messages from the earlier chapters and gave an overview of the results of the hypothesised relationships. Despite the methodological limitations, this study provides insightful findings in extending the understanding of the work support from multiple sources and the influential role of cultural intelligence in facilitating adjustment and performance. This study provides crucial empirical evidence that regards a spouse on an equal status with the expatriates and substantiates accounts of proposed relationships. Additionally, this study extends the understanding of expatriate related research through the emphasis on non-work support and non-technical skills that could be regarded as an alternative way of improving adjustment and expatriation outcomes. This study also highlights the importance of effective intercultural communication as the way forward to enhance adjustment and performance in the host country. Finally, this thesis provides solid

proof of the complementary roles that expatriates' multiple stakeholders could play in the quest of achieving positive expatriation outcomes that all parties could benefit from.

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## APPENDIX 1 – EXPATRIATE QUESTIONNAIRE



### QUESTIONNAIRE ON EXPATRIATE ADJUSTMENT AND SOCIAL SUPPORT IN MALAYSIA



February/March 2008

**QUESTIONNAIRE A (FOR EXPATRIATES)**

Dear Respondent,

Warm greetings! May we seek your help with our research project. This questionnaire is on expatriates' adjustment while on foreign assignments with a special focus on the social integration aspects and future career implications.

This questionnaire will take about 20 minutes to complete. There are 3 sets of questionnaires in this pack. One is for you (the expatriate), the second one is for your spouse/partner who is here with you in this country and the third questionnaire is for your co-worker at your current organisation. We would very much appreciate if you could give the other questionnaires to your spouse/partner and co-worker. If the spouse/partner questionnaire is not applicable to you, please only complete this questionnaire. The response from your spouse/partner and co-worker are important so that we could study expatriate related issues from several perspectives.

Your help in completing and returning this questionnaire is most appreciated! All responses to this questionnaire will be kept confidential. Results will be used only for academic purposes with no specific individuals identified. In view of the demands on your time and since questionnaires that are not completed tend to be forgotten, we are most grateful if you could complete the attached questionnaire at your earliest, hopefully, within the next seven days.

We plan to collect data at two points in time; now and in 3-6 months. This exercise is important in order for us to study on the adjustment and performance patterns. More details regarding this will be available at the end of this questionnaire.

Although participation in this survey is voluntary, we hope that you will take time off your busy schedule to complete and return the questionnaire in the self-addressed envelope provided or return it to the designated contact person in your organisation.

Our utmost appreciation for the attention you have rendered.

Kind regards,

Marlin Marissa Abdul Malek  
Doctoral Researcher  
Aston University, UK

Prof. Pawan Budhwar  
Prof. Samuel Aryee  
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Serial no :  
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**Expat**

**Enc.** Expatriate Spouse/Partner and Co-worker Questionnaires  
Endorsement Letter from the Ministry of Tourism, Malaysia

Note:

\* Expatriates are defined here as **working professionals assigned to work in foreign countries by their organisations.**

\*Host country nationals are defined here **as the local people of the country in which you are now residing/working.**

### Section A: Your Background

**For each question check  the response option that best describes you or write your response as appropriate.**

1. What is the country of origin of your present organisation? ( HQ's location) \_\_\_\_\_
2. What is your country of origin? (Your home country) \_\_\_\_\_
3. How long have you been working for your current organisation? \_\_\_\_\_ months/years
4. How long have you been working in this country? \_\_\_\_\_ months / years.
5. The number of employees in my organisation in Malaysia is \_\_\_\_\_ (approx.)
6. My organisation is classified as a
  - (a)  Multinational Corporation (MNC)
  - (b)  Small / Medium Enterprise (SME)
  - (c)  Government linked organisations
  - (d)  Others \_\_\_\_\_
7. I am working in this country because
  - (a)  I am assigned here by my organisation.
  - (b)  I choose to work here.
8. Is this your first foreign assignment?  Yes (**If Yes, please proceed to question 10**)  
 No
9. How many times have you been on foreign assignments? \_\_\_\_\_ times
10. I am in this country with my (Please tick where apply)
  - (a)  Spouse / Partner
  - (b)  Family
  - (c)  Any other dependent
  - (d)  Not relevant
11. Are you able to speak/converse in the host country's main language?
  - (a)  Yes, fluently
  - (b)  Yes, partly
  - (c)  No
12. I am assigned/hired to work in this country for \_\_\_\_\_ months / years.
13. The organisation that I am currently working for is in the \_\_\_\_\_ industry.
  - (a)  Construction
  - (b)  Education
  - (c)  Trade
  - (d)  Manufacturing
  - (e)  Information Technology
  - (f)  Transport
  - (g)  Services
  - (h)  Mining
  - (i)  Oil & Gas
  - (j)  Banking & Finance
  - (k)  Hospitality Industry
  - (l)  Others \_\_\_\_\_

14. My current function is in \_\_\_\_\_ (i.e. Sales, Operations etc.)

**Section B: Support from organisation**

*This section is about your views on the support given by your organisation prior to relocation and to your present overseas position.*

For each statement write the number that reflects the response that best describes your views according to the scale below.

1 Strongly disagree	2 Disagree	3 Somewhat disagree	4 Neither agree nor disagree/ Not applicable	5 Somewhat agree	6 Agree	7 Strongly agree
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**My organisation .....**

1. provides information on the behaviours and attitudes that my organisation values and expects. ( )
2. provides feedback on my performance. ( )
3. consults me before making any decisions regarding my assignment-related matters. ( )
4. provides me with information on how appropriate my social behaviour at work is. ( )
5. provides me with information on how to perform specific aspects of my assignment. ( )
6. provides connectivity mechanisms (such as providing mentor or regular home office visits) so that I do not feel isolated from the headquarters. ( )
7. provides training/courses during foreign assignments. ( )
8. provides training/courses which are useful for my current work commitments. ( )
9. provides good financial incentives and allowances to me. ( )
10. provides expatriate related financial benefits which I cannot complain about. ( )
11. takes interest in my career development. ( )
12. considers my goals when making decisions about my career. ( )
13. keeps me informed about career opportunities available within the organisation. ( )
14. has shown interest in my family's well-being. ( )
15. has provided my family with enough assistance to help them adjust to the host country. ( )
16. has provided me with many opportunities to ease the transition to the host country. ( )

17. provides readily available help whenever I have questions or concerns about living in the host country. ( )

**Types of expected support from organisation**

The following are the types of support that organisations may / may not offer as part of their social support and cultural integration programmes for expatriates and their family members on foreign assignments.

Please check  in **Column A** if a type of support is offered by your organisation and check  in **Column B** if you feel a type of support is not offered but is relevant to ease adjustment for you and your family in the host country.

<b>Type of support</b>	<b>Column A</b> Offered by my organisation <input checked="" type="checkbox"/> if provided	<b>Column B</b> Not offered but are relevant to ease adjustment <input checked="" type="checkbox"/> if not provided but deemed important
Coordinating work visa application, handling paperwork for work and residence permits and obtaining passports.		
Provides assistance in finding suitable accommodation for expatriates and their family.		
Provides assistance in finding suitable schools / colleges for expatriates' children.		
Provides on-site arrival assistance such as temporary accommodation, car hire and providing general overview of the host country.		
Facilitates visit to the host country prior to the new assignment in order to have a feel of the new location.		
Provides any other assistance such as (giving information on the host country's customs and values), explanation of local market issues (such as banking regulations and expectations of the local community).		
Provides assistance for spouses who wish to find assignments in the host country or to effectively manage their careers.		
Provides fully-customized personal cross-cultural training such as on the impact of culture, effective global communication skills, language skills <i>etc.</i>		
Provides travel arrangements to visit family/ relatives back home.		
Provides travel arrangements for business trips and arranging regular trips to Headquarters for work related matters.		
Provides repatriation assistance to ease back into Headquarters' work environment upon completion of assignment.		
Provides medical and insurance coverage for the whole family during foreign assignment.		

Any other types of support which are not listed above but which are offered to you or you feel are relevant in helping to ease adjustment process in the host country. a. b. c.		
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**Section C: Support from Host Country Nationals (HCNs)**

*This section is about your views of the social support from the local community (co-workers, local friends and service providers) in the host country.*

Please provide answers in the space provided at the end of each statement according to the scale below

<b>1</b> <b>Strongly disagree</b>	<b>2</b> <b>Disagree</b>	<b>3</b> <b>Somewhat disagree</b>	<b>4</b> <b>Neither agree nor disagree/ Not applicable</b>	<b>5</b> <b>Somewhat agree</b>	<b>6</b> <b>Agree</b>	<b>7</b> <b>Strongly agree</b>
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***Your co-workers/friends in the host country....***

1. gave you information about host country activities (e.g. recreation, entertainment etc.) ( )
2. listened to you when you needed to talk about your personal feelings during your foreign assignment. ( )
3. helped you out in a crisis situation at work, even though they had to go out of their way to do so. ( )
4. would let you know if you did something well at work with host country nationals. ( )
5. gave you information about host country customs. ( )
6. informed you if your actions were not in compliance with the host country customs. ( )
7. gave you information about where you can buy what you need for home/work. ( )
8. were concerned about your well-being during your foreign assignment. ( )
9. made it clear what was expected of you at work. ( )
10. gave you information about how to get things done at work in the local context. ( )
11. helped you to take care of your family when you were busy or away. ( )
12. gave you objective feedback about how you were handling things at work. ( )
13. gave you information regarding interpersonal relationships with host country nationals. ( )

14. helped you feel better when you were irritated working in the local conditions. ( )
15. gave you tangible help (i.e. helping to unpack) in settling down in the host country. ( )
16. are easy to talk to. ( )

**Support from local community**

1. The majority of the host country nationals are friendly towards me and/or my family. ( )
2. I feel at home in this country. ( )
3. I do not have any problem dealing with the host country nationals. ( )
4. I receive the same treatment as a local from the shopkeepers/service providers. ( )
5. I feel that I am discriminated against because I am a foreigner. ( )
6. Getting help from the local organisations is a hassle because I am a foreigner. ( )
7. I prefer to keep company with other expatriates and their family members. ( )
8. I receive adequate support from the host country community in order for me to adjust well in this country. ( )

**Section D: Cultural Intelligence (CQ)**

***This section is about your views on cultural related matters and your awareness of various cultural values.***

For each statement, write the number of the response option that best reflects or describes your views according to the scale below.

1	2	3	4	5	6	7
Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree/ Not applicable	Somewhat agree	Agree	Strongly agree

1. I am conscious of the cultural knowledge I use when interacting with people of different cultural backgrounds. ( )
2. I adjust my cultural knowledge as I interact with people from a culture that is not familiar to me. ( )
3. I am conscious of the cultural knowledge I apply to cross-cultural interactions. ( )
4. I check the accuracy of my cultural knowledge as I interact with people from different Cultures. ( )

5. I know the legal and economic systems of other cultures where I previously worked / currently work. ( )
6. I know the accepted way of using the local languages. ( )
7. I know the cultural values and religious beliefs of other cultures. ( )
8. I know the marriage systems of other cultures. ( )
9. I know the main arts and crafts of other cultures. ( )
10. I know the norms for expressing non-verbal behaviours in other cultures. ( )
11. I enjoy interacting with people from different cultures. ( )
12. I am confident that I can socialise with locals in a culture that is not familiar to me. ( )
13. I am sure I can deal with the stresses of adjusting to a culture that is new to me. ( )
14. I enjoy living in cultural environments that I am not familiar with. ( )
15. I am confident that I can get accustomed to the shopping conditions in a different culture. ( )
16. I change my verbal behaviour (e.g. accent, tone) as per the requirements of a cross-cultural interaction. ( )
17. I use pause and silence differently to suit different cross-cultural situations. ( )
18. I vary the pace of my speaking when a cross-cultural interaction requires it. ( )
19. I change my non-verbal behaviour when a cross-cultural interaction requires it. ( )
20. I alter my facial expressions when a cross-cultural interaction requires it. ( )

### Section E: Expatriate adjustment

*This section is about your views on the general adjustment in the host country.*

Please provide answers in the space provided at the end of each statement according to the scale below.

1 Not adjusted at all	2 Unadjusted	3 Somewhat unadjusted	4 Neutral / Not applicable	5 Somewhat adjusted	6 Adjusted	7 Completely adjusted
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1. Living conditions in general ( )
2. Housing conditions ( )

3. Food ( )
4. Shopping ( )
5. Cost of living ( )
6. Entertainment/recreation facilities and opportunities ( )
7. Health care facilities ( )
8. Socialising with host country nationals (local people) ( )
9. Interacting with host country nationals on a day-to-day basis ( )
10. Interacting with host country nationals outside work ( )
11. Speaking with host country nationals (fluency of understood language) ( )
12. Specific assignment responsibilities ( )
13. Performance standard and expectations ( )
14. Supervisory responsibilities ( )
15. Working conditions ( )

**Any other adjustment items?** \_\_\_\_\_

#### Section F: Performance (self-rated)

***This section is about how you, as an expatriate, rate your performance in your current work role.***

For each item, write the number of response option that best describes your rating of your performance to date according to the scale below.

1 Very poor	2 Poor	3 Below average	4 Average	5 Good	6 Very good	7 Outstanding
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1. Meeting assignment objectives. ( )
2. Overall assignment performance. ( )
3. Meeting performance standards and expectations. ( )
4. Technical competence. ( )
5. Meeting specific assignment responsibilities. ( )

6. Meeting supervisors/co-workers' expectations. ( )
7. Interacting with host country co-workers. ( )
8. Establishing relationships with key host country business contacts. ( )
9. Adapting to host country business customs and norms. ( )
10. Maintaining good working relationships with host country nationals. ( )

**Section G : Demographic**

Please check  or write your response as appropriate.

1. Gender (1) [ ] Male (2) [ ] Female
2. Age \_\_\_\_\_ years
3. Marital status (1) [ ] Single (2) [ ] Married
4. Do you employ a domestic helper? (1) [ ] Yes (2) [ ] No
5. Are you a parent? (1) [ ] Yes (2) [ ] No
6. If yes, how many of your children are 10 years or younger? \_\_\_\_\_.
7. What is your assignment level? \_\_\_\_\_ (i.e. Top management, middle management, non-managerial, self-employed, Others)

Any other comments that you would like to add regarding this questionnaire or your expatriate related experience that has not been covered above.

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**Do you know any other expatriates and their spouses / partners who would like to participate in our study? If so, with their consent, could you kindly provide their address below so we can send them the questionnaire. Thank you.**

**Name** : \_\_\_\_\_  
**Address** : \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
**Email address** : \_\_\_\_\_

If you wish to receive the results of the survey, please **attach your name or business card**. We will send you the results soon after the analysis is completed.

**Follow-up study**

The follow-up study will be carried out in the next 3 - 6 months and are essential in order for us to investigate the expatriate's performance and adjustment and their family members' adjustment over a period of time in order to see the adjustment and performance pattern and to validate existing theories. We hope that you could allow us to contact you for the second round of data collection.

If you are willing to participate in a follow-up study, which is of course completely voluntary, please provide us with your name or business card and check this box.

**Thank you again for your time and cooperation to complete this questionnaire. Information provided will be held in strictest confidence. Do have a nice day.**

## APPENDIX 2 – EXPATRIATE’S SPOUSE/PARTNER QUESTIONNAIRE



### QUESTIONNAIRE ON EXPATRIATES' SPOUSE/PARTNER ADJUSTMENT AND SOCIAL SUPPORT IN MALAYSIA



February/March 2008 **QUESTIONNAIRE B (FOR EXPATS' SPOUSE/PARTNER)**

Dear Respondent,

Warm greetings. May we seek your help with our research project. This questionnaire is on expatriates' spouse/partner adjustment while accompanying them on foreign assignments with a special focus on the social integration aspects and the support from expatriates' organisations and the host country nationals.

This questionnaire will only take 20 minutes to complete. All responses to this questionnaire will be kept confidential. Results will be used only for academic purposes with no specific individuals identified. Your help in completing and returning this questionnaire is most appreciated! In view of the demands on your time and since questionnaires that are not completed tend to be forgotten, we are most grateful if you could complete the attached questionnaire at your earliest, hopefully, within the next seven days.

We plan to collect data at two points in time; now and in 3-6 months. This exercise is important in order for us to study on the adjustment pattern and the spillover effects of work/family life. More details regarding this will be available at the end of this questionnaire.

Although participation in this survey is voluntary, we hope that you will take time off your busy schedule to complete and return the questionnaire in the self-addressed envelope provided or return it to the designated contact person in your spouse/partner's organisation.

Our utmost appreciation for the attention you have rendered.

Kind regards,

Marlin Marissa Abdul Malek  
Doctoral Researcher  
Aston University, UK

Prof. Pawan Budhwar  
Prof. Samuel Aryee  
PhD Supervisors, Aston University



Serial no :  
(For office  
use only)  
**SP/P**

**Enc.** Expatriates' Spouse/Partner questionnaire  
Endorsement Letter from the Ministry of Tourism, Malaysia

**Note:**

\* Expatriates are defined here as **working professionals assigned to work in foreign countries by their organisations.**

\* Host country nationals are defined here **as the local people of the country in which you are now residing/working.**

**Section A: Your Background**

**For each question check  the response option that best describes you or write your response as appropriate.**

1. What is your country of origin? (Your home country) \_\_\_\_\_
2. How long have you been living in this country? \_\_\_\_\_ months / years
3. Is this your first time accompanying your spouse/partner on foreign assignment?  
 (a) [    ] Yes  
 (b) [    ] No, this is my \_\_\_\_\_ time (i.e. 2nd, 3rd etc.)
4. My spouse/partner is assigned/hired to work in this country for \_\_\_\_\_ years.
5. The organisation that my spouse/partner is currently working for is in the \_\_\_\_\_ industry.
6. Are you employed in the host country?  
 (a) [    ] Yes, full-time  
 (b) [    ] Yes, part-time  
 (c) [    ] Yes, volunteer work  
 (d) [    ] Others \_\_\_\_\_
7. Are you able to speak/converse in the host country's main language?  
 (a) [    ] Yes, fluently  
 (b) [    ] Yes, partly  
 (c) [    ] No

**Section B: Support from spouse/partner's organisation**

**This section is about your views on the support given by your spouse/partner's organisation prior to relocation and to your present overseas residence.**

For each statement write the number that reflects the response that best describes your views according to the scale below.

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
<b>Strongly disagree</b>	<b>Disagree</b>	<b>Somewhat disagree</b>	<b>Neither agree nor disagree / Not applicable</b>	<b>Somewhat agree</b>	<b>Agree</b>	<b>Strongly agree</b>

**My spouse/partner's organisation .....**

1. provides sufficient information of the host country prior to the foreign assignment. (    )
2. consults the family before making any decisions regarding my spouse / partner's job-related matters. (    )
3. provides sufficient time for us to pack and handle family matters before relocating here. (    )

4. provides useful advice and tips for relocating to the host country. ( )
5. provides contact details of other families who have relocated to the host country in case we want further information. ( )
6. provides relevant training for accompanying family members. ( )
7. encourages me to provide opinions whenever necessary. ( )
8. helps to achieve family/work life balance. ( )
9. is willing to provide assistance/advice even in non-work related matters. ( )
10. cares about our family's well-being. ( )
11. is reliable when help is needed. ( )
12. provides support to our family members during work assignments. ( )
13. treats our family as part of the organisation. ( )
14. provides on-site arrival assistance when we first relocated to this country. ( )
15. provides proactive outreach support to our family members during foreign assignments. ( )
16. provides assistance/support to us consistently. ( )
17. sends us organisation newsletters so that we know what is going on at the headquarters. ( )
18. invites us to organisation events even though we are posted overseas. ( )
19. assists me in employment opportunities or if I want to effectively manage my career. ( )

**Types of support from spouse/partner's organisation**

The following are the types of support that organisations may / may not offer as part of their social support and cultural integration programmes for expatriates and their family members on foreign assignments.

Please check  in **Column A** if a type of support is offered by your organisation and check  in **Column B** if you feel a type of support is not offered but is relevant to ease adjustment for you and your family in the host country.

Type of support	Column A Offered by my organisation <input checked="" type="checkbox"/> if provided	Column B Not offered but are relevant to ease adjustment <input checked="" type="checkbox"/> if not provided but deemed important
Coordinating work visa application, handling paperwork for work and residence permits and obtaining passports.		
Provides assistance in finding suitable accommodation for expatriates and their family.		
Provides assistance in finding suitable schools / colleges for expatriates' children.		
Provides on-site arrival assistance such as temporary accommodation, car hire and providing general overview of the host country.		
Facilitates visit to the host country prior to the new assignment in order to have a feel of the new location.		
Provides any other assistance such as (giving information on the host country's customs and values), explanation of local market issues (such as banking regulations and expectations of the local community).		
Provides assistance for spouses who wish to find jobs at the host country or to effectively manage their careers.		
Provides travel arrangements to visit family/relatives back home.		
Provides medical and insurance coverage for the whole family during foreign assignment.		
Any other types of support which are not listed above but which are offered to you or you feel are relevant in helping to ease adjustment process in the host country. <b>a.</b>  <b>b.</b>  <b>c.</b>		

**Section C : Support from the Host Country Nationals (HCNs)**

*This section is about your views on the social support from the local community (friends, spouse/partner's colleagues, service providers) in the host country.*

Please provide answers in the space provided at the end of each statement according to the scale below.

1 Strongly disagree	2 Disagree	3 Somewhat disagree	4 Neither agree nor disagree/ Not applicable	5 Somewhat agree	6 Agree	7 Strongly agree
------------------------	---------------	------------------------	--	---------------------	------------	---------------------

***Your spouse/partner's colleagues/friends in the host country....***

1. gave you information about local activities (e.g. entertainment, recreation etc.). ( )
2. listened to you when you needed to talk about your private feelings during the foreign assignment. ( )
3. helped you out in a crisis situation at home, even though they had to go out of their way to do so. ( )
4. gave you information about host country customs. ( )
5. informed you if your actions were not in compliance with the host country's customs. ( )
6. gave you information about where you can buy what you need for home. ( )
7. were concerned about your well-being while living in the host country. ( )
8. gave you information about how to get things done in the local context. ( )
9. helped you out when too many things needed to get done. ( )
10. gave you information regarding interpersonal relationships with host country nationals. ( )
11. helped you feel better when you were irritated with the local conditions. ( )
12. gave you tangible help (i.e. helping to unpack) in settling down in the host country. ( )
13. are easy to talk to. ( )

**Support from local community**

1. The majority of the host country nationals are friendly towards me and / or my family. ( )
2. I feel at home in this country. ( )
3. I do not have any problem dealing with the host country nationals. ( )

4. I receive the same treatment as a local from the shopkeepers/service providers. ( )
5. I feel that I am discriminated against because I am a foreigner. ( )
6. Getting help from the host country organisations is a hassle because I am a foreigner. ( )
7. I prefer to keep company with other expatriates and their family members. ( )
8. I receive adequate support from the host country community in order for me to adjust well in this country. ( )

**Section D: Cultural Intelligence (CQ)**

***This section is about your views on cultural related matters and your awareness of various cultural values.***

For each statement, please write the number of the response option that best reflects or describes your views according to the scale below.

1 Strongly disagree	2 Disagree	3 Somewhat disagree	4 Neither agree nor disagree/ Not applicable	5 Somewhat agree	6 Agree	7 Strongly agree
---------------------------	---------------	---------------------------	--	------------------------	------------	------------------------

1. I am conscious of the cultural knowledge I use when interacting with people of different cultural backgrounds. ( )
2. I adjust my cultural knowledge as I interact with people from a culture that is not familiar to me. ( )
3. I am conscious of the cultural knowledge I apply to cross-cultural interactions. ( )
4. I check the accuracy of my cultural knowledge as I interact with people from different Cultures. ( )
5. I know the legal and economic systems of other cultures where I previously worked / currently work. ( )
6. I know the accepted way of using the local languages. ( )
7. I know the cultural values and religious beliefs of other cultures. ( )
8. I know the marriage systems of other cultures. ( )
9. I know the main arts and crafts of other cultures. ( )
10. I know the norms for expressing non-verbal behaviours in other cultures. ( )
11. I enjoy interacting with people from different cultures. ( )

12. I am confident that I can socialise with locals in a culture that is not familiar to me. ( )
13. I am sure I can deal with the stresses of adjusting to a culture that is new to me. ( )
14. I enjoy living in cultural environments that I am not familiar with. ( )
15. I am confident that I can get accustomed to the shopping conditions in a different culture. ( )
16. I change my verbal behaviour (e.g. accent, tone) as per the requirements of a cross-cultural interaction. ( )
17. I use pause and silence differently to suit different cross-cultural situations. ( )
18. I vary the pace of my speaking when a cross-cultural interaction requires it. ( )
19. I change my non-verbal behaviour when a cross-cultural interaction requires it. ( )
20. I alter my facial expressions when a cross-cultural interaction requires it. ( )

**Section E: The effects of family adjustment on expatriate's work life**

*This section is about your views regarding the effects of family members' adjustment on your spouse/partner's work life while living in this country.*

Please provide answers in the space provided at the end of each statement according to the scale below.

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
<b>Strongly disagree</b>	<b>Disagree</b>	<b>Somewhat disagree</b>	<b>Neither agree nor disagree/ Not applicable</b>	<b>Somewhat agree</b>	<b>Agree</b>	<b>Strongly agree</b>

***While living in this country.....***

1. my spouse/partner experiences stress whenever one of our family members is upset about living in this country. ( )
2. my spouse/partner hopes that the family will quickly adjust so that there will be minimum disruption to his/her work performance. ( )
3. my spouse/partner complains that he/she cannot concentrate at the workplace if we create problems at home. ( )
4. if I feel uncomfortable in this country, it affects my spouse/partner's work. ( )
5. my spouse/partner encourages me and the children to participate in local festivities, events and activities. ( )

6. my spouse/partner is concerned about how well the children and I are adapting to living in this country. ( )
7. my spouse/partner has to deal with more family matters than he/she used to back home. ( )
8. I am enjoying my life here and this makes my spouse/partner happy. ( )
9. I am afraid that any problems at home might affect my spouse/partner's work negatively. ( )

**Section F: Family members' adjustment**

*This section is about your views on the general adjustment in the host country.*

Please provide answers in the space provided at the end of each statement according to the scale below.

1 Not adjusted at all	2 Unadjusted	3 Somewhat unadjusted	4 Neutral / Not applicable	5 Somewhat adjusted	6 Adjusted	7 Completely adjusted
--------------------------------	-----------------	-----------------------------	----------------------------------	---------------------------	---------------	-----------------------------

1. Living conditions in general ( )
2. Housing conditions ( )
3. Food ( )
4. Shopping ( )
5. Cost of living ( )
6. Entertainment/recreation facilities and opportunities ( )
7. Health care facilities ( )
8. Socialising with host nationals (local people) ( )
9. Interacting with host nationals on a day-to-day basis ( )
10. Speaking with host nationals (fluency of understood language) ( )
11. Driving conditions ( )

**Any other adjustment items?** \_\_\_\_\_

**Section G: Demographic**

Please check  or write your response as appropriate.

1. Gender (1)  Male (2)  Female

2. Age \_\_\_\_\_ years

3. Do you employ a domestic helper? (1)  Yes (2)  No

4. Are you a parent? (1)  Yes  
(2)  No (*If No, please proceed to Question 6*)

5. If yes, how many of your children are 10 years or younger? \_\_\_\_\_.

6. Are you willing to accompany your spouse/partner in overseas assignment(s) in the future?

(1)  Yes (3)  Undecided at this point in time  
(2)  No (4)  Others \_\_\_\_\_

Any other comments that you would like to add regarding this questionnaire or your adjustment related experience that has not been covered above.

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**Thank you for your time and cooperation to complete this survey. Information provided will be held in strictest confidence.**

**Do you know any other expatriates and their spouses / partners who would like to participate in our study? If so, with their consent, could you kindly provide their address so we can sent them the questionnaire.**

**Name** : \_\_\_\_\_  
**Address** : \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Email address:** \_\_\_\_\_

If you wish to receive the results of the survey, please provide your name and address or your Email address at the end of the questionnaire. We will send you the results soon after the analysis is completed.

Name of respondent	
Address or Email address	

If you would also be willing to participate in a follow-up study, which is of course completely voluntary, please provide us with your address / email address and check this box.

My contact details are as above

The follow-up study will be carried out in the next 3 - 6 months time and are essential in order for us to investigate the expatriate's performance and adjustment and the family members' adjustment over a period of time in order to see the adjustment and performance pattern and to validate existing theories.

**Thank you again for your time and cooperation. Do have a nice day.**

## APPENDIX 3 – EXPATRIATE’S CO-WORKER QUESTIONNAIRE



### QUESTIONNAIRE ON EXPATRIATE ADJUSTMENT AND SOCIAL SUPPORT IN MALAYSIA



March/April 2008

#### **QUESTIONNAIRE C (FOR EXPAT’S CO-WORKER)**

Dear Respondent,

Warm greetings! May we seek your help with our research project. This questionnaire is on expatriates’ adjustment while on foreign assignments with a special focus on the social integration aspects and future career implications.

This questionnaire will take about 5 - 10 minutes to complete. We need your help in rating the work performance of the expatriates working alongside you in your organisation. Your performance ratings are important as a way of linking the expatriate’s adjustment in the host country, his/her performance and future career implications.

Your help in completing and returning this questionnaire is most appreciated! All responses to this questionnaire will be kept confidential. Results will be used only for academic purposes with no specific individuals identified. In view of the demands on your time and since questionnaires that are not completed tend to be forgotten, we are most grateful if you could complete the attached questionnaire at your earliest, hopefully, within the next seven days.

We plan to collect data at two points in time; now and in 3-6 months. This exercise is important in order for us to study on the expatriate’s adjustment and performance patterns. More details regarding this will be available at the end of this questionnaire.

Although participation in this survey is voluntary, we hope that you will take time off your busy schedule to complete and return the questionnaire in the self-addressed envelope provided or return it to the designated contact person in your organisation.

Our utmost appreciation for the attention you have rendered.

Kind regards,

**Marlin Marissa Abdul Malek**

Doctoral Researcher  
Aston University, UK

**Prof. Pawan Budhwar**

Prof. Samuel Aryee  
PhD Supervisors, Aston University



Serial no :  
(For office  
use only)  
**CW**

**Enc.** Co-worker questionnaire  
Endorsement Letter from the Ministry of Tourism, Malaysia

Note :

\* Expatriates are defined here as **working professionals assigned to work in foreign countries by their organisations.**

\*Host country nationals are defined here **as the local people of the country in which you are now residing/working.**

### Section A : Your Background

**For each question check  the response option that best describes you or write your response as appropriate.**

1. What is the country of origin of your present organisation? (i.e.The HQ's location)  
\_\_\_\_\_
2. What is your country of origin? (Your home country) \_\_\_\_\_
3. How long have you been working for your current organisation? \_\_\_\_\_ months/years
4. The number of employees in your current organisation in Malaysia is \_\_\_\_\_(approx.)
5. The organisation that I am currently working for is in the \_\_\_\_\_ industry.  
(a)[  ] Construction  
(b)[  ] Education  
(c)[  ] Trade  
(d)[  ] Manufacturing  
(e)[  ] Information Technology  
(f)[  ] Transport  
(g)[  ] Services  
(h)[  ] Mining  
(i)[  ] Oil & Gas  
(j)[  ] Banking & Finance  
(k)[  ] Hospitality  
(l)[  ] Others \_\_\_\_\_

6. Your current function in your organisation is in \_\_\_\_\_  
(a)[  ] Sales and marketing  
(b)[  ] General management  
(c)[  ] IT Specialist  
(d)[  ] Engineering  
(e)[  ] Operations  
(f)[  ] Finance / Accounts  
(g)[  ] Human Resource  
(h)[  ] Others \_\_\_\_\_

### Section B : Expatriate's Background

**For each question check  the response option that best describes the expatriate that you are rating or write your response as appropriate.**

1. Expatriate's Country of Origin \_\_\_\_\_
2. How long has the expatriate work for your organisation? \_\_\_\_\_ months / years
3. The expatriate's current function in your organisation is in \_\_\_\_\_  
(a)[  ] Sales and marketing  
(b)[  ] General management  
(c)[  ] IT Specialist  
(d)[  ] Engineering  
(e)[  ] Operations  
(f)[  ] Finance / Accounts  
(g)[  ] Human Resource  
(h)[  ] Others \_\_\_\_\_
4. Expatriate's gender (a)[  ] Male (b)[  ] Female

**Section C : Work Performance (As rated by Expatriate's Co-worker)**

*This section is about how you , as an expatriate's Co-worker, rates the expatriate's performance in his/her current work role.*

For each item, write the number of the response option that best describes your rating of the expatriate's performance to date according to the scale given below.

1 Very poor	2 Poor	3 Below average	4 Average	5 Good	6 Very good	7 Outstanding
-------------------	-----------	-----------------------	--------------	-----------	----------------	------------------

1. Meeting his/her job objectives. ( )
2. Overall job performance. ( )
3. Meeting performance standards and expectations. ( )
4. Technical competence. ( )
5. Meeting specific job responsibilities. ( )
6. Meeting his/her supervisors'/co-workers' expectations. ( )
7. Interacting with host country co-workers. ( )
8. Establishing relationships with key host country business contacts. ( )
9. Adapting to foreign business customs and norms. ( )
10. Maintaining good working relationships with host country nationals. ( )

**Section D : Your Demographic Details**

Please check  or write your response as appropriate.

1. Gender (1) [ ] Male (2) [ ] Female
2. Age \_\_\_\_\_ years
3. What is your job level? \_\_\_\_\_ (i.e. Top management, middle management, non managerial, self-employed, Others)

Any other comments that you would like to add regarding this questionnaire or your expatriate related experience that has not been covered above.

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**Thank you for your time and cooperation to complete this survey. Information provided will be held in strictest confidence.**

If you wish to receive the results of the survey, please **attach your name or business card**. We will send you the results soon after the analysis is completed.

**Follow-up study**

The follow-up study will be carried out in the next 3 - 6 months and are essential in order for us to investigate the expatriate's performance and adjustment and their family members' adjustment over a period of time in order to see the adjustment and performance pattern and to validate existing theories. We hope that you could allow us to contact you for the second round of data collection.

If you are willing to participate in a follow-up study, which is of course completely voluntary, please provide us with your name and address or business card and check this box.

**Thank you again for your time and cooperation to complete this questionnaire. Information provided will be held in strictest confidence. Do have a nice day.**

## APPENDIX 4 – ENDORSEMENT LETTER FROM MINISTRY OF TOURISM MALAYSIA



KEMENTERIAN PELANCONGAN MALAYSIA,  
(MINISTRY OF TOURISM MALAYSIA),  
Tingkat 6, 21-23, 32-36, Menara Dato' Onn,  
Pusat Dagangan Dunia Putra (PWTC),  
45, Jalan Tun Ismail,  
50695 Kuala Lumpur.

Telefon : 03-2693 7111 Faks : 03-2694 1146  
<http://www.motour.gov.my>



Celebrating 50 Years of Nationhood

Ref : KPL/DPH 294-1  
27 December 2007

**BY HAND**  
**Fax : 03 8888 9140**

To Whom It May Concern,

**REQUEST TO DISTRIBUTE QUESTIONNAIRE AND CONDUCT INTERVIEW FOR PhD RESEARCH CANDIDATE, MARLIN MARISSA ABDUL MALEK, RESEARCH DEGREES PROGRAMME ASTON BUSINESS SCHOOL, UNITED KINGDOM**

Referring to the above matter, Marlin Marissa Abdul Malek is a Ph.D. candidate, pursuing her doctoral degree at Aston University, United Kingdom.

2. As part of the degree requirements, she is currently conducting a research entitled "The Antecedents Of Expatriates and Their Family Members' Adjustment and Their Impact On Performance and Future Career Implications", with the objective of understanding the methodologies of providing a more conducive environment for expatriates and their family members.

3. The data collection process involves the distribution of questionnaires to expatriates and their spouses/partners, as well as conducting interviews with parties that have contact with expatriates, including human resource managers of Multinational Corporations (MNCs) and the local community.

4. As this research will contribute towards enhancing the nation's policies, procedures and programmes, kindly extend your fullest co-operation in providing the needed data, information and materials.

"MALAYSIA WELCOMES THE WORLD"



**REQUEST TO DISTRIBUTE QUESTIONNAIRE AND CONDUCT INTERVIEW FOR PhD RESEARCH CANDIDATE, MARLIN MARISSA ABDUL MALEK, RESEARCH DEGREES PROGRAMME ASTON BUSINESS SCHOOL, UNITED KINGDOM**

The Ministry supports this research and the above mentioned Ph.D. candidate has given her assurance that the information obtained will only be used for research purposes. This letter is effective from 1 January 2008 to 30 April 2008.

5. Your attention and cooperation on this matter is highly appreciated.

Thank you.

Sincerely,



**(NUR SHAFINAS MOHD ZAINI)**

Policy, Planning & International Affairs Division,  
On behalf of Secretary-General  
Ministry of Tourism  
Malaysia

Cc :



Marlin Marissa Abdul Malek  
PhD Candidate, Research Degrees Programme  
Aston Business School, Aston University  
United Kingdom

Professor Pawan Budhwar  
Head of Group, Work and Organisational Psychology  
Aston Business School, Aston University  
United Kingdom

Professor Sam Aryee  
Director Research Degrees Programme  
Aston Business School, Aston University  
United Kingdom

**REQUEST TO DISTRIBUTE QUESTIONNAIRE AND CONDUCT  
INTERVIEW FOR PhD RESEARCH CANDIDATE,  
MARLIN MARISSA ABDUL MALEK, RESEARCH DEGREES  
PROGRAMME ASTON BUSINESS SCHOOL, UNITED KINGDOM**

---

Internal Circulation

Secretary General  
Ministry of Tourism  
Malaysia

Deputy Secretary General (Tourism)  
Policy, Planning & International Affairs Division  
Ministry of Tourism  
Malaysia

Undersecretary  
Policy, Planning & International Affairs Division  
Ministry of Tourism  
Malaysia

Principal Assistant Secretary 1  
Policy, Planning & International Affairs Division  
Ministry of Tourism  
Malaysia

## APPENDIX 5 – ORGANISATIONAL SUPPORT SPSS OUTPUT

### Exploratory Factor Analysis (Data Reduction)

#### Organisation Social Support for Spouse (SOS)

Original items = 19 items

#### Principal Axis Factoring, Direct Oblimin

##### KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.850
Bartlett's Test of Sphericity	Approx. Chi-Square	1430.408
	df	171.000
	Sig.	.000

##### Communalities

	Initial	Extraction
Provides sufficient information on HC prior to assignment	1.000	.219
Consults the family before making expat's career decisions	1.000	.460
Provides sufficient time to prepare before relocating to HC	1.000	.671
Provides useful tips and advice before relocating to HC	1.000	.569
Provides contact details of other families who are in HC	1.000	.633
Provides relevant training for accompanying family members	1.000	.503

Encouraged to provide opinions whenever necessary	1.000	.698
Helps to achieve family/work life balance	1.000	.783
Willing to provide assistance in non-work matters	1.000	.481
Cares about family's well-being	1.000	.473
Is reliable whenever needed	1.000	.687
Provides family support during assignments	1.000	.707
Treats family as part of the organisation	1.000	.647
Provides on-site arrival assistance	1.000	.620
Provides proactive outreach support to family	1.000	.748
Provides assistance/support consistently	1.000	.714
Sends organisation newsletters	1.000	.274
Invites family to organisation events	1.000	.286
Assists in employment opportunities to spouses	1.000	.259

Extraction Method: Principal Component Analysis.

**Total Variance Explained**

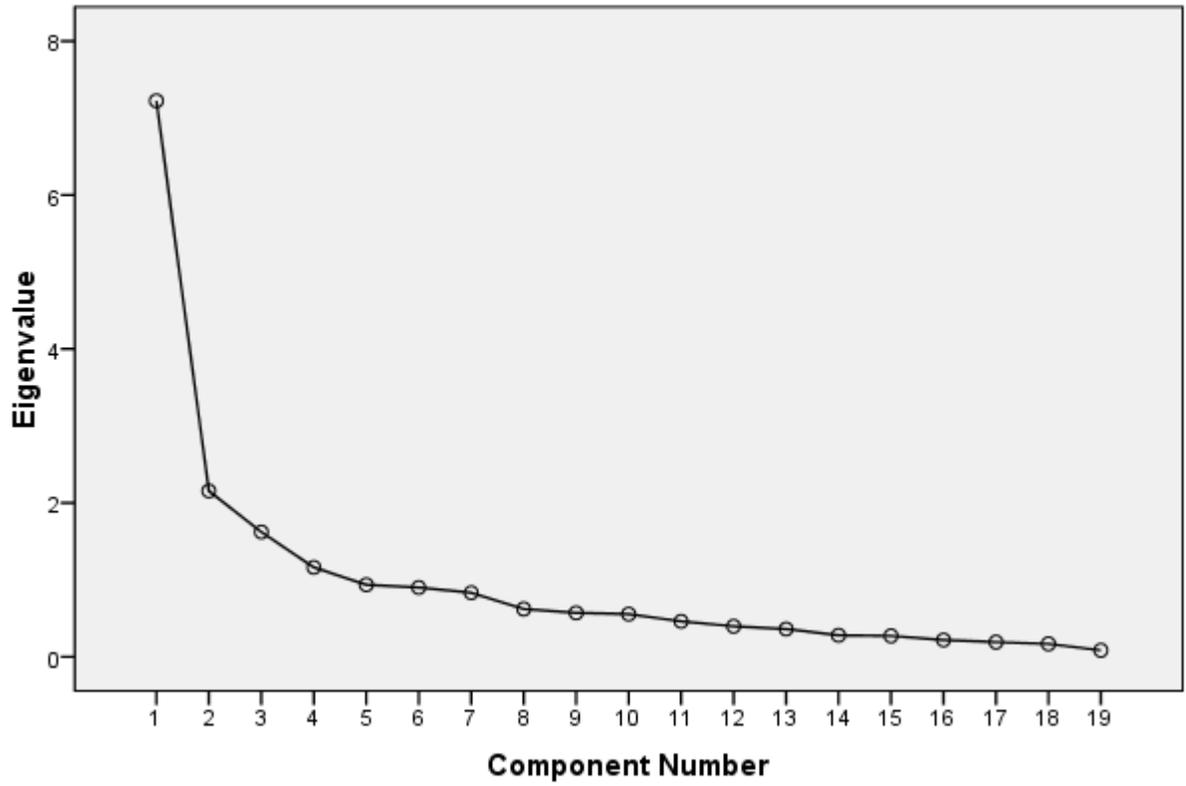
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings <sup>a</sup>
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	7.224	41.403	41.403	7.224	41.403	41.403	5.968
2	2.155	10.141	51.544	2.155	10.141	51.544	2.551
3	1.622	8.037	59.581	1.622	8.037	59.581	4.718

4	.962	5.114	64.695		
5	.936	4.244	68.939		
6	.899	4.732	73.671		
7	.831	4.375	78.046		
8	.620	3.264	81.310		
9	.571	3.006	84.316		
10	.554	2.917	87.233		
11	.460	2.420	89.653		
12	.396	2.083	91.736		
13	.361	1.899	93.635		
14	.279	1.467	95.102		
15	.272	1.429	96.531		
16	.219	1.150	97.681		
17	.190	1.001	98.682		
18	.167	.880	99.562		
19	.083	.438	100.000		

Extraction Method: Principal Component Analysis.

a. When components are correlated, sums of squared loadings cannot be added to obtain a total variance.

### Scree Plot



### Communalities

	Initial	Extraction
Consults the family before making expat's career decisions	1.000	.416
Provides sufficient time to prepare before relocating to HC	1.000	.721
Provides useful tips and advice before relocating to HC	1.000	.574
Provides contact details of other families who are in HC	1.000	.547

Provides relevant training for accompanying family members	1.000	.493
Encouraged to provide opinions whenever necessary	1.000	.665
Helps to achieve family/work life balance	1.000	.798
Willing to provide assistance in non-work matters	1.000	.475
Cares about family's well-being	1.000	.470
Is reliable whenever needed	1.000	.715
Provides family support during assignments	1.000	.729
Treats family as part of the organisation	1.000	.623
Provides on-site arrival assistance	1.000	.613
Provides proactive outreach support to family	1.000	.720
Provides assistance/support consistently	1.000	.724

Extraction Method: Principal Component Analysis.

#### Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings <sup>a</sup>
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	6.327	41.182	41.182	6.327	41.182	41.182	5.396
2	1.710	10.098	51.280	1.710	10.098	51.280	3.004
3	.946	8.310	59.590				
4	.933	6.221	65.811				
5	.789	5.261	71.072				
6	.674	4.896	75.968				
7	.615	4.298	80.266				

8	.553	3.889	84.155			
9	.511	3.505	87.660			
10	.379	2.929	90.589			
11	.335	2.535	93.124			
12	.318	2.121	95.245			
13	.235	1.768	97.013			
14	.191	1.576	98.589			
15	.182	1.411	100.000			

Extraction Method: Principal Component Analysis.

a. When components are correlated, sums of squared loadings cannot be added to obtain a total variance.

**Component Matrix<sup>a</sup>**

	Component	
	1	2
Provides family support during assignments	.805	
Provides proactive outreach support to family	.776	
Treats family as part of the organisation	.754	
Provides assistance/support consistently	.724	-.423
Provides on-site arrival assistance	.700	-.300
Helps to achieve family/work life balance	.679	.386
Cares about family's well-being	.672	
Willing to provide assistance in non-work matters	.652	
Encouraged to provide opinions whenever necessary	.640	
Provides useful tips and advice before relocating to HC	.637	.368

Is reliable whenever needed	.617	-.315
Provides relevant training for accompanying family members	.610	
Provides sufficient time to prepare before relocating to HC	.388	.533
Provides contact details of other families who are in HC	.516	.530
Consults the family before making expat's career decisions	.413	.418

Extraction Method: Principal Component Analysis.

a. 2 components extracted.

**Pattern Matrix<sup>a</sup>**

	Component	
	1	2
Provides assistance/support consistently	.894	
Provides family support during assignments	.841	
Provides proactive outreach support to family	.830	
Provides on-site arrival assistance	.775	
Is reliable whenever needed	.725	
Willing to provide assistance in non-work matters	.653	
Treats family as part of the organisation	.653	
Cares about family's well-being	.522	
Encouraged to provide opinions whenever necessary		.352
Provides contact details of other families who are in HC		.759

Provides sufficient time to prepare before relocating to HC		.711
Helps to achieve family/work life balance		.675
Provides useful tips and advice before relocating to HC		.640
Consults the family before making expat's career decisions		.601
Provides relevant training for accompanying family members		.557

Extraction Method: Principal Component Analysis.

Rotation Method: Oblimin with Kaiser Normalization.

a. Rotation converged in 5 iterations.

**Structure Matrix**

	Component	
	1	2
Provides family support during assignments	.854	.401
Provides proactive outreach support to family	.831	.371
Provides assistance/support consistently	.828	
Provides on-site arrival assistance	.761	.314
Treats family as part of the organisation	.740	.487
Is reliable whenever needed	.689	
Willing to provide assistance in non-work matters	.679	.348
Cares about family's well-being	.634	.484

Encouraged to provide opinions whenever necessary	.564	.533
Helps to achieve family/work life balance	.494	.761
Provides contact details of other families who are in HC		.739
Provides useful tips and advice before relocating to HC	.461	.718
Provides relevant training for accompanying family members	.461	.652
Provides sufficient time to prepare before relocating to HC		.646
Consults the family before making expat's career decisions		.587

Extraction Method: Principal Component Analysis.

Rotation Method: Oblimin with Kaiser Normalization.

**Component Correlation Matrix**

Component	1	2
1	1.000	.444
2	.444	1.000

Extraction Method: Principal

Component Analysis.

Rotation Method: Oblimin with

Kaiser Normalization.

### Items for Spouse Organisational Prior Support (SOSPRIOR)

<b>Item No.</b>	<b>Item</b>
1.	Consults the family before making expat's career decisions
2.	Provides sufficient time to prepare before relocating to HC
3.	Provides useful tips and advice before relocating to HC
4.	Provides contact details of other families who are in HC
5.	Provides relevant training for accompanying family members
6.	Encouraged to provide opinions whenever necessary
7.	Helps to achieve family/work life balance

### Items for Spouse Organisational On-Site Support (SOSONSITE)

<b>Item No.</b>	<b>Item</b>
1.	Willing to provide assistance in non-work matters
2.	Cares about family's well-being
3.	Is reliable whenever needed
4.	Provides family support during assignments
5.	Treats family as part of the organisation
6.	Provides on-site arrival assistance
7.	Provides proactive outreach support to family
8.	Provides assistance/support consistently

## APPENDIX 6 – HOST COUNTRY SUPPORT SPSS OUTPUT

### Host country social support (HCSS)

Original items = 16 items

### Principal Axis Factoring, Direct Oblimin

#### KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.893
Bartlett's Test of Sphericity	Approx. Chi-Square	751.293
	df	78.000
	Sig.	.000

#### Communalities

	Initial	Extraction
Gave information about local activities	1.000	.446
Listened when you needed to talk on personal things	1.000	.576
Helped in crisis situation eventhough out of work	1.000	.694
Would let you know if did well at work	1.000	.202
Gave informartion on local customs	1.000	.485
Inform if actions were incomplice of the HC customs	1.000	.702
Gave information on where to buy things for home/work	1.000	.456
Were concerned with my well-being while in HC	1.000	.437
Were clear about what was expected of you at work	1.000	.301
Gave info on how to get things done in local context	1.000	.471

Helped to take care of family when you were busy	1.000	.694
Gave objective feedback about handling things at work	1.000	.494
Gave information on interpersonal relationships with HC	1.000	.760
Helped you feel better when irritated with local conditions	1.000	.360
Gave tangible help in settling down in HC	1.000	.260
Are easy to talk to	1.000	.285

Extraction Method: Principal Component Analysis.

#### Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings <sup>a</sup>
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
	1	6.429	40.181	40.181	6.429	40.181	40.181
2	2.294	12.338	52.519	2.294	12.338	52.519	4.726
3	1.352	6.592	59.111				
4	.972	6.303	65.414				
5	.959	5.993	71.407				
6	.866	5.212	76.619				
7	.743	4.843	81.462				
8	.580	4.528	85.992				
9	.516	4.025	90.017				
10	.471	3.542	93.559				
11	.245	3.029	96.588				
12	.202	2.260	98.848				
13	.191	1.152	100.000				

14	7.446E-17	4.654E-16	100.000			
15	-1.141E-17	-7.134E-17	100.000			
16	-1.954E-16	-1.221E-15	100.000			

Extraction Method: Principal Component Analysis.

a. When components are correlated, sums of squared loadings cannot be added to obtain a total variance.

**Communalities**

	Initial	Extraction
Gave information about local activities	1.000	.486
Listened when you needed to talk on personal things	1.000	.585
Helped in crisis situation eventhough out of work	1.000	.868
Gave informartion on local customs	1.000	.570
Inform if actions were incomplice of the HC customs	1.000	.548
Gave information on where to buy things for home/work	1.000	.468
Were concerned with my well-being while in HC	1.000	.452
Were clear about what was expected of you at work	1.000	.320
Gave info on how to get things done in local context	1.000	.527
Helped to take care of family when you were busy	1.000	.868
Gave objective feedback about handling things at work	1.000	.512
Gave information on interpersonal relationships with HC	1.000	.528
Helped you feel better when irritated with local conditions	1.000	.358

Extraction Method: Principal Component Analysis.

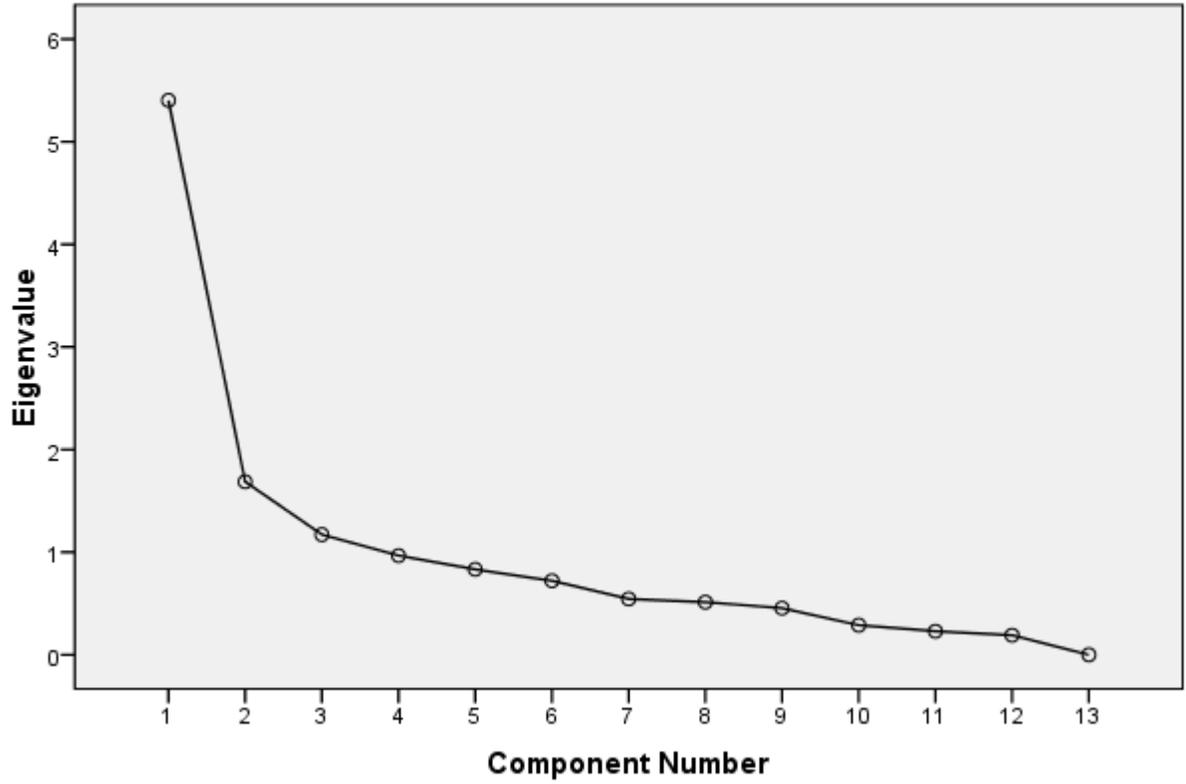
**Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings <sup>a</sup>
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	5.403	41.432	41.432	5.403	41.432	41.432	4.644
2	1.686	11.209	52.641	1.686	11.209	52.641	3.940
3	1.171	10.901	63.542				
4	.967	7.434	70.976				
5	.832	6.403	77.379				
6	.721	5.548	82.927				
7	.544	4.184	87.110				
8	.513	3.947	91.057				
9	.454	3.494	94.551				
10	.289	2.220	96.771				
11	.229	1.763	98.534				
12	.191	1.466	100.000				
13	-3.678E-17	-2.829E-16	100.000				

Extraction Method: Principal Component Analysis.

a. When components are correlated, sums of squared loadings cannot be added to obtain a total variance.

### Scree Plot



### Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings <sup>a</sup>
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	5.201	41.202	41.202	5.201	41.202	41.202	4.542
2	1.543	11.211	52.413	1.543	11.211	52.413	3.822
3	.981	9.933	62.346				
4	.967	7.532	69.878				
5	.821	6.131	76.009				
6	.723	5.540	81.549				
7	.551	4.621	86.170				
8	.523	3.721	89.891				
9	.444	3.395	93.286				

10	.278	2.805	96.091			
11	.265	2.560	98.651			
12	.182	1.349	100.000			
13	-3.678E-13	-2.829E-14	100.000			

Extraction Method: Principal Component Analysis.

a. When components are correlated, sums of squared loadings cannot be added to obtain a total variance.

**Component Matrix<sup>a</sup>**

	Component	
	1	2
Helped in crisis situation eventhough out of work	.702	.613
Helped to take care of family when you were busy	.702	.613
Gave objective feedback about handling things at work	.699	
Gave info on how to get things done in local context	.696	
Gave information on where to buy things for home/work	.683	
Listened when you needed to talk on personal things	.682	.345
Gave informartion on local customs	.678	.331
Were concerned with my well-being while in HC	.673	
Gave information about local activities	.657	
Inform if actions were incomplience of the HC customs	.614	.414
Helped you feel better when irritated with local conditions	.584	
Were clear about what was expected of you at work	.471	.312

Gave information on interpersonal relationships with HC	.478	.547
---	------	------

Extraction Method: Principal Component Analysis.

a. 2 components extracted.

**Pattern Matrix<sup>a</sup>**

	Component	
	1	2
Gave information on interpersonal relationships with HC	.796	
Inform if actions were in compliance of the HC customs	.776	
Gave information on local customs	.750	
Gave info on how to get things done in local context	.655	
Gave information about local activities	.652	
Gave objective feedback about handling things at work		.611
Helped you feel better when irritated with local conditions		.512
Gave information on where to buy things for home/work	.501	
Were concerned with my well-being while in HC		.336
Helped in crisis situation eventhough out of work		.948
Helped to take care of family when you were busy		.948
Listened when you needed to talk on personal things		.676
Were clear about what was expected of you at work	.539	

Extraction Method: Principal Component Analysis.

Rotation Method: Oblimin with Kaiser Normalization.

a. Rotation converged in 7 iterations.

**Structure Matrix**

	Component	
	1	2
Gave information on local customs	.755	.320
Inform if actions were in compliance of the HC customs	.735	
Gave info on how to get things done in local context	.714	.413
Gave objective feedback about handling things at work	.693	.449
Gave information about local activities	.692	.364
Gave information on interpersonal relationships with HC	.674	
Gave information on where to buy things for home/work	.626	.509
Were concerned with my well-being while in HC	.599	.526
Helped you feel better when irritated with local conditions	.579	.374
Helped in crisis situation eventhough out of work	.349	.931
Helped to take care of family when you were busy	.349	.931
Listened when you needed to talk on personal things	.453	.748
Were clear about what was expected of you at work		.563

Extraction Method: Principal Component Analysis.

Rotation Method: Oblimin with Kaiser Normalization.

**Component Correlation Matrix**

Component	1	2
1	1.000	.411
2	.411	1.000

Extraction Method: Principal

Component Analysis.

Rotation Method: Oblimin with

Kaiser Normalization.

**Items for Host Country Informational Support (HCINFO)**

Item No.	Item
1.	Gave information on local customs
2.	Inform if actions were in compliance of the HC customs
3.	Gave info on how to get things done in local context
4.	Gave information about local activities
5.	Gave information on interpersonal relationships with HC
6.	Gave information on where to buy things for home/work
7.	Were clear about what was expected of you at work

**Items for Host Country Emotional Support (HCEMO)**

Item No.	Item
1.	Gave objective feedback about handling things at work
2.	Were concerned with my well-being while in HC
3.	Helped you feel better when irritated with local conditions
4.	Helped in crisis situation even though out of work
5.	Helped to take care of family when you were busy
6.	Listened when you needed to talk on personal things

### Items for Spouse Host Country Informational Support (SINFO)

Item No.	Item
1.	Gave information on local customs
2.	Inform if actions were in compliance of the HC customs
3.	Gave info on how to get things done in local context
4.	Gave information about local activities
5.	Gave information on interpersonal relationships with HC
6.	Gave information on where to buy things for home/work

### Items for Spouse Host Country Emotional Support (HCEMO)

Item No.	Item
1.	Gave objective feedback about handling things at work
2.	Were concerned with my well-being while in HC
3.	Helped you feel better when irritated with local conditions
4.	Helped in crisis situation at home
5.	Helped to take care of family when you were busy
6.	Listened when you needed to talk on personal things

## APPENDIX 7 – CULTURAL INTELLIGENCE SPSS OUTPUT

### Cultural Intelligence (CQ)

Original items = 20 items

### Principal Axis Factoring, Direct Oblimin

#### KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.713
Bartlett's Test of Sphericity	Approx. Chi-Square	635.407
	df	190.000
	Sig.	.000

#### Communalities

	Initial	Extraction
Conscious of cultural knowledge used when interacting	1.000	.718
Adjust cultural knowledge when interact in an unfamiliar culture	1.000	.793
Conscious of the cultural knowledge applied	1.000	.747
Check the accuracy of cultural knowledge when interacting	1.000	.293
Know the legal and economic systems of other cultures	1.000	.694
Know the accepted way of using local languages	1.000	.286
Know the cultural values and religion beliefs of other cultures	1.000	.625
Know the marriage systems of other cultures	1.000	.282

Know the main arts and crafts of other cultures	1.000	.225
Know the norms for expressing non-verbal behaviours	1.000	.619
Enjoy interacting with people from different cultures	1.000	.625
Confident can socialise with locals in unfamiliar culture	1.000	.769
Sure can deal with stresses in adjustment	1.000	.710
Enjoy living in unfamiliar cultural environments	1.000	.680
Confident in getting accustomed to diff shopping conditions	1.000	.731
Change verbal requirements as per cross cultural requirements	1.000	.550
Use pause and silence to suit different culture	1.000	.735
Vary the pace of speaking when culturally required	1.000	.781
Change non verbal behaviour when culturally required	1.000	.791
Alter facial expressions when culturally required	1.000	.576

Extraction Method: Principal Component Analysis.

#### Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.290	19.050	19.050	5.290	19.050	19.050
2	2.513	10.567	29.617	2.513	10.567	29.617
3	1.617	9.986	39.603	1.617	9.986	39.603
4	1.324	8.219	47.822	1.324	8.219	47.822

5	1.244	5.200	53.022	1.244	5.200	53.022
6	1.124	3.689	56.711	1.124	3.689	56.711
7	.905	3.656	60.367			
8	.890	3.603	63.970			
9	.767	3.528	67.498			
10	.663	3.462	70.960			
11	.545	3.399	74.359			
12	.531	3.288	77.647			
13	.446	3.155	80.802			
14	.414	3.090	83.892			
15	.408	2.939	86.831			
16	.340	2.891	89.722			
17	.280	2.799	92.521			
18	.229	2.645	95.166			
19	.195	2.573	97.739			
20	.162	2.261	100.000			

Extraction Method: Principal Component Analysis.

**Component Matrix<sup>a</sup>**

	Component	
	1	2
Sure can deal with stresses in adjustment	.649	
Enjoy interacting with people from different cultures	.646	
Use pause and silence to suit different culture	.645	.304
Conscious of the cultural knowledge applied	.619	-.462
Enjoy living in unfamiliar cultural environments	.614	
Confident can socialise with locals in unfamiliar culture	.611	-.476
Know the main arts and crafts of other cultures	.556	

Check the accuracy of cultural knowledge when interacting	.531	
Confident in getting accustomed to diff shopping conditions	.523	
Know the cultural values and religion beliefs of other cultures	.515	.417
Change verbal requirements as per cross cultural requirements	.486	
Know the norms for expressing non-verbal behaviours	.413	
Know the accepted way of using local languages	.411	
Change non verbal behaviour when culturally required	.331	
Adjust cultural knowledge when interact in an unfamiliar culture	.589	-.644
Conscious of cultural knowledge used when interacting	.536	-.551
Know the marriage systems of other cultures	.383	.534
Vary the pace of speaking when culturally required	.433	.450
Know the legal and economic systems of other cultures		-.432
Alter facial expressions when culturally required	.316	.382

Extraction Method: Principal Component Analysis.

a. 2 components extracted.

**Pattern Matrix<sup>a</sup>**

	Component	
	1	2
Use pause and silence to suit different culture	.687	
Know the cultural values and religion beliefs of other cultures	.675	
Know the marriage systems of other cultures	.667	
Enjoy living in unfamiliar cultural environments		
Vary the pace of speaking when culturally required	.641	
Know the main arts and crafts of other cultures	.556	
Alter facial expressions when culturally required	.508	
Confident in getting accustomed to diff shopping conditions	.468	
Enjoy interacting with people from different cultures		
Change verbal requirements as per cross cultural requirements	.423	
Change non verbal behaviour when culturally required	.412	
Know the norms for expressing non-verbal behaviours		
Know the accepted way of using local languages	.410	

Adjust cultural knowledge when interact in an unfamiliar culture		-.882
Conscious of cultural knowledge used when interacting		-.773
Confident can socialise with locals in unfamiliar culture		-.748
Conscious of the cultural knowledge applied		-.741
Sure can deal with stresses in adjustment	.347	-.499
Know the legal and economic systems of other cultures		-.447
Check the accuracy of cultural knowledge when interacting	.337	-.346

Extraction Method: Principal Component Analysis.

Rotation Method: Oblimin with Kaiser Normalization.

a. Rotation converged in 10 iterations.

#### Structure Matrix

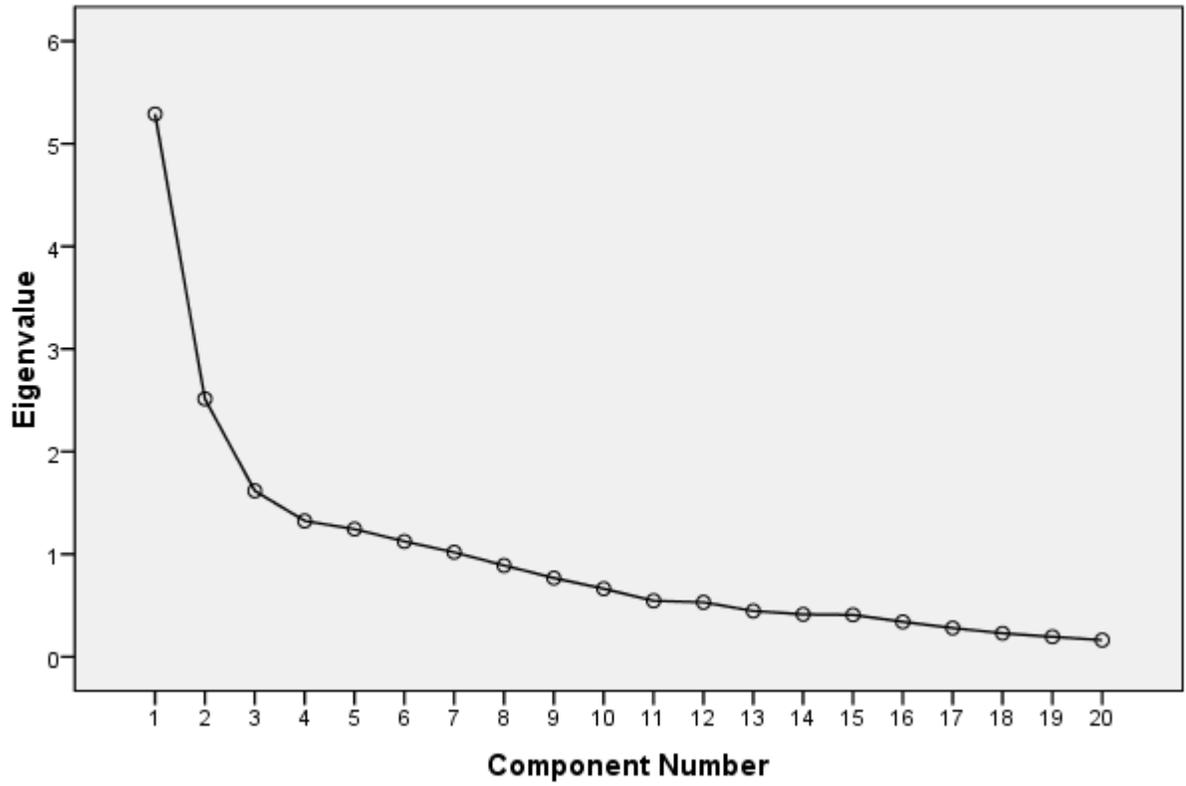
	Component	
	1	2
Use pause and silence to suit different culture	.707	
Enjoy living in unfamiliar cultural environments	.675	
Know the cultural values and religion beliefs of other cultures	.658	
Know the marriage systems of other cultures	.610	
Vary the pace of speaking when culturally required	.607	
Know the main arts and crafts of other cultures	.584	

Enjoy interacting with people from different cultures	.527	-.485
Confident in getting accustomed to diff shopping conditions	.509	
Alter facial expressions when culturally required	.472	
Change verbal requirements as per cross cultural requirements	.464	
Know the norms for expressing non-verbal behaviours	.431	
Change non verbal behaviour when culturally required	.407	
Know the accepted way of using local languages	.328	-.318
Adjust cultural knowledge when interact in an unfamiliar culture		-.872
Confident can socialise with locals in unfamiliar culture		-.769
Conscious of cultural knowledge used when interacting		-.768
Conscious of the cultural knowledge applied		-.765
Sure can deal with stresses in adjustment	.460	-.578
Check the accuracy of cultural knowledge when interacting	.415	-.423
Know the legal and economic systems of other cultures		-.396

Extraction Method: Principal Component Analysis.

Rotation Method: Oblimin with Kaiser Normalization.

### Scree Plot



### Communalities

	Initial	Extraction
Conscious of cultural knowledge used when interacting	1.000	.591
Adjust cultural knowledge when interact in an unfamiliar culture	1.000	.762
Conscious of the cultural knowledge applied	1.000	.597
Check the accuracy of cultural knowledge when interacting	1.000	.286

Know the legal and economic systems of other cultures	1.000	.204
Know the accepted way of using local languages	1.000	.170
Know the cultural values and religion beliefs of other cultures	1.000	.438
Know the marriage systems of other cultures	1.000	.432
Know the main arts and crafts of other cultures	1.000	.355
Know the norms for expressing non-verbal behaviours	1.000	.194
Enjoy interacting with people from different cultures	1.000	.419
Confident can socialise with locals in unfamiliar culture	1.000	.599
Sure can deal with stresses in adjustment	1.000	.448
Enjoy living in unfamiliar cultural environments	1.000	.462
Confident in getting accustomed to diff shopping conditions	1.000	.289
Change verbal requirements as per cross cultural requirements	1.000	.246
Use pause and silence to suit different culture	1.000	.508
Vary the pace of speaking when culturally required	1.000	.390
Change non verbal behaviour when culturally required	1.000	.166
Alter facial expressions when culturally required	1.000	.246

Extraction Method: Principal Component Analysis.

**Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings <sup>a</sup>
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
	1	3.840	41.537	41.537	3.840	41.537	41.537
2	1.997	19.184	60.721	1.997	19.184	60.721	2.912
3	.999	9.467	70.188				
4	.994	6.646	76.834				
5	.914	6.204	83.038				
6	.886	5.801	88.839				
7	.682	4.249	93.088				
8	.510	2.411	95.499				
9	.482	1.702	97.201				
10	.386	1.001	98.202				
11	.366	.722	98.924				
12	.274	.571	99.495				
13	.238	.505	100.000				

Extraction Method: Principal Component Analysis.

a. When components are correlated, sums of squared loadings cannot be added to obtain a total variance.

**Component Matrix<sup>a</sup>**

	Component	
	1	2
Conscious of the cultural knowledge applied	.748	
Adjust cultural knowledge when interact in an unfamiliar culture	.718	-.517
Confident can socialise with locals in unfamiliar culture	.694	-.346
Conscious of cultural knowledge used when interacting	.683	-.394

Sure can deal with stresses in adjustment	.650	
Use pause and silence to suit different culture	.628	.537
Change verbal requirements as per cross cultural requirements	.475	
Confident in getting accustomed to diff shopping conditions	.413	
Vary the pace of speaking when culturally required	.434	.648
Alter facial expressions when culturally required		.523
Know the cultural values and religion beliefs of other cultures	.427	.501
Change non verbal behaviour when culturally required	.330	.372
Know the legal and economic systems of other cultures		-.314

Extraction Method: Principal Component Analysis.

a. 2 components extracted.

**Pattern Matrix<sup>a</sup>**

	Component	
	1	2
Adjust cultural knowledge when interact in an unfamiliar culture	.897	
Conscious of cultural knowledge used when interacting	.787	
Conscious of the cultural knowledge applied	.767	

Confident can socialise with locals in unfamiliar culture		.763
Sure can deal with stresses in adjustment	.591	
Know the legal and economic systems of other cultures	.390	
Use pause and silence to suit different culture		.796
Vary the pace of speaking when culturally required		.793
Know the cultural values and religion beliefs of other cultures	.660	
Alter facial expressions when culturally required		.595
Change non verbal behaviour when culturally required		.497
Change verbal requirements as per cross cultural requirements		.482
Confident in getting accustomed to diff shopping conditions		.651

Extraction Method: Principal Component Analysis.

Rotation Method: Oblimin with Kaiser Normalization.

a. Rotation converged in 6 iterations.

**Structure Matrix**

	Component	
	1	2
Adjust cultural knowledge when interact in an unfamiliar culture	.881	
Conscious of the cultural knowledge applied	.792	

Conscious of cultural knowledge used when interacting	.788	
Confident can socialise with locals in unfamiliar culture	.773	
Sure can deal with stresses in adjustment	.631	.323
Know the legal and economic systems of other cultures	.361	
Use pause and silence to suit different culture		.818
Vary the pace of speaking when culturally required		.773
Know the cultural values and religion beliefs of other cultures		.658
Alter facial expressions when culturally required		.567
Change verbal requirements as per cross cultural requirements		.516
Change non verbal behaviour when culturally required		.497
Confident in getting accustomed to diff shopping conditions	.306	.345

Extraction Method: Principal Component Analysis.

Rotation Method: Oblimin with Kaiser Normalization.

Component	1	2
1	1.000	.298
2	.298	1.000

Extraction Method: Principal

Component Analysis.

Rotation Method: Oblimin with

Kaiser Normalization.

### Items for Awareness Culture Intelligence (CQAWARE)

Item No.	Item
1.	Adjust cultural knowledge when interact in an unfamiliar culture
2.	Conscious of the cultural knowledge applied
3.	Conscious of cultural knowledge used when interacting
4.	Sure can deal with stresses in adjustment
5.	Know the legal and economic systems of other cultures
6.	Know the cultural values and religion beliefs of other cultures

### Items for Interaction Culture Intelligence (CQINTER)

Item No.	Item
1.	Confident can socialise with locals in unfamiliar culture
2.	Use pause and silence to suit different culture
3.	Vary the pace of speaking when culturally required
4.	Alter facial expressions when culturally required
5.	Change verbal requirements as per cross cultural requirements
6.	Change non verbal behaviour when culturally required
7.	Confident in getting accustomed to diff shopping conditions

## Spouse Cultural Intelligence

### KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.801
Bartlett's Test of Sphericity	Approx. Chi-Square	698.684
	df	190.000
	Sig.	.000

### Communalities

	Initial	Extraction
Conscious of cultural knowledge used when interacting	1.000	.625
Adjust cultural knowledge when interact in an unfamiliar culture	1.000	.504
Conscious of the cultural knowledge applied	1.000	.427
Check the accuracy of cultural knowledge when interacting	1.000	.443
Know the legal and economic systems of other cultures	1.000	.386
Know the accepted way of using local languages	1.000	.290
Know the cultural values and religion beliefs of other cultures	1.000	.353
Know the marriage systems of other cultures	1.000	.233
Know the main arts and crafts of other cultures	1.000	.041
Know the norms for expressing non-verbal behaviours	1.000	.244

Enjoy interacting with people from different cultures	1.000	.540
Confident can socialise with locals in unfamiliar culture	1.000	.664
Sure can deal with stresses in adjustment	1.000	.570
Enjoy living in unfamiliar cultural environments	1.000	.515
Confident in getting accustomed to diff shopping conditions	1.000	.307
Change verbal requirements as per cross cultural requirements	1.000	.592
Use pause and silence to suit different culture	1.000	.383
Vary the pace of speaking when culturally required	1.000	.486
Change non verbal behaviour when culturally required	1.000	.361
Alter facial expressions when culturally required	1.000	.342

Extraction Method: Principal Component Analysis.

#### Total Variance Explained

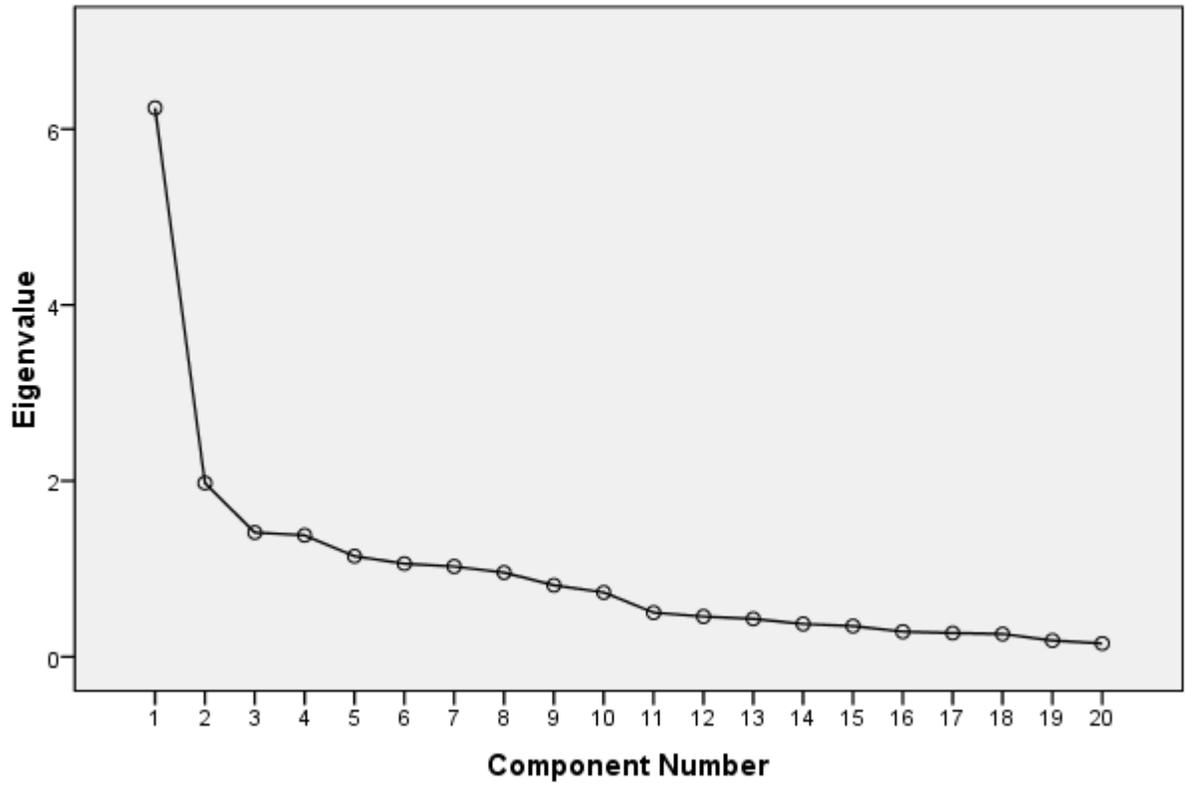
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings <sup>a</sup>
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	6.240	15.200	15.200	6.240	15.200	15.200	5.272
2	1.975	10.876	26.076	1.975	10.876	26.076	4.634
3	1.412	8.261	34.337				
4	1.381	6.305	40.642				
5	1.144	6.618	47.260				
6	1.058	4.291	51.551				

7	1.026	4.171	55.722		
8	.958	4.168	59.890		
9	.813	4.067	63.957		
10	.732	3.958	67.915		
11	.502	3.709	71.624		
12	.458	3.589	75.213		
13	.431	3.453	78.666		
14	.373	3.364	82.030		
15	.349	3.245	85.275		
16	.285	3.125	88.400		
17	.269	3.044	91.444		
18	.259	2.996	94.440		
19	.184	2.922	97.362		
20	.152	2.638	100.000		

Extraction Method: Principal Component Analysis.

a. When components are correlated, sums of squared loadings cannot be added to obtain a total variance.

### Scree Plot



Component Matrix<sup>a</sup>

	Component	
	1	2
Enjoy interacting with people from different cultures	.711	
Enjoy living in unfamiliar cultural environments	.692	
Adjust cultural knowledge when interact in an unfamiliar culture	.684	
Confident can socialise with locals in unfamiliar culture	.659	-.478
Conscious of the cultural knowledge applied	.653	

Change verbal requirements as per cross cultural requirements	.642	.424
Know the accepted way of using local languages	.621	
Conscious of cultural knowledge used when interacting	.620	-.490
Sure can deal with stresses in adjustment	.601	-.458
Check the accuracy of cultural knowledge when interacting	.585	-.317
Change non verbal behaviour when culturally required	.569	
Know the cultural values and religion beliefs of other cultures	.555	
Alter facial expressions when culturally required	.518	
Know the norms for expressing non-verbal behaviours	.496	.314
Use pause and silence to suit different culture	.475	.396
Know the legal and economic systems of other cultures	.431	
Confident in getting accustomed to diff shopping conditions	.411	
Know the marriage systems of other cultures	.342	.341
Vary the pace of speaking when culturally required	.422	.555
Know the main arts and crafts of other cultures		

Extraction Method: Principal Component Analysis.

a. 2 components extracted.

**Pattern Matrix<sup>a</sup>**

	Component	
	1	2
Confident can socialise with locals in unfamiliar culture	.854	
Conscious of cultural knowledge used when interacting	.838	
Sure can deal with stresses in adjustment	.797	
Check the accuracy of cultural knowledge when interacting	.666	
Enjoy living in unfamiliar cultural environments	.627	
Adjust cultural knowledge when interact in an unfamiliar culture	.623	
Know the accepted way of using local languages	.518	
Conscious of the cultural knowledge applied	.443	.334
Confident in getting accustomed to diff shopping conditions	.443	
Know the legal and economic systems of other cultures		
Vary the pace of speaking when culturally required		.752
Change verbal requirements as per cross cultural requirements		.741
Use pause and silence to suit different culture		.627

Know the norms for expressing non-verbal behaviours		.559
Enjoy interacting with people from different cultures	.314	.551
Alter facial expressions when culturally required		.529
Know the marriage systems of other cultures		.505
Know the cultural values and religion beliefs of other cultures		.492
Change non verbal behaviour when culturally required		.481
Know the main arts and crafts of other cultures		

Extraction Method: Principal Component Analysis.

Rotation Method: Oblimin with Kaiser Normalization.

a. Rotation converged in 8 iterations.

**Structure Matrix**

	Component	
	1	2
Confident can socialise with locals in unfamiliar culture	.808	
Conscious of cultural knowledge used when interacting	.779	
Sure can deal with stresses in adjustment	.746	
Enjoy living in unfamiliar cultural environments	.699	.430
Adjust cultural knowledge when interact in an unfamiliar culture	.692	.423

Check the accuracy of cultural knowledge when interacting	.666	
Know the accepted way of using local languages	.603	.418
Conscious of the cultural knowledge applied	.577	.512
Confident in getting accustomed to diff shopping conditions	.454	
Know the legal and economic systems of other cultures	.368	.355
Change verbal requirements as per cross cultural requirements	.362	.767
Enjoy interacting with people from different cultures	.535	.677
Vary the pace of speaking when culturally required		.674
Use pause and silence to suit different culture		.618
Know the norms for expressing non-verbal behaviours		.584
Alter facial expressions when culturally required	.327	.575
Know the cultural values and religion beliefs of other cultures	.387	.568
Change non verbal behaviour when culturally required	.408	.568
Know the marriage systems of other cultures		.479
Know the main arts and crafts of other cultures		

Extraction Method: Principal Component Analysis.

Rotation Method: Oblimin with Kaiser Normalization.

**Communalities**

	Initial	Extraction
Conscious of cultural knowledge used when interacting	1.000	.630
Adjust cultural knowledge when interact in an unfamiliar culture	1.000	.556
Conscious of the cultural knowledge applied	1.000	.503
Know the legal and economic systems of other cultures	1.000	.182
Know the cultural values and religion beliefs of other cultures	1.000	.271
Confident can socialise with locals in unfamiliar culture	1.000	.623
Sure can deal with stresses in adjustment	1.000	.585
Confident in getting accustomed to diff shopping conditions	1.000	.209
Change verbal requirements as per cross cultural requirements	1.000	.588
Use pause and silence to suit different culture	1.000	.459
Vary the pace of speaking when culturally required	1.000	.624
Change non verbal behaviour when culturally required	1.000	.421
Alter facial expressions when culturally required	1.000	.401

Extraction Method: Principal Component Analysis.

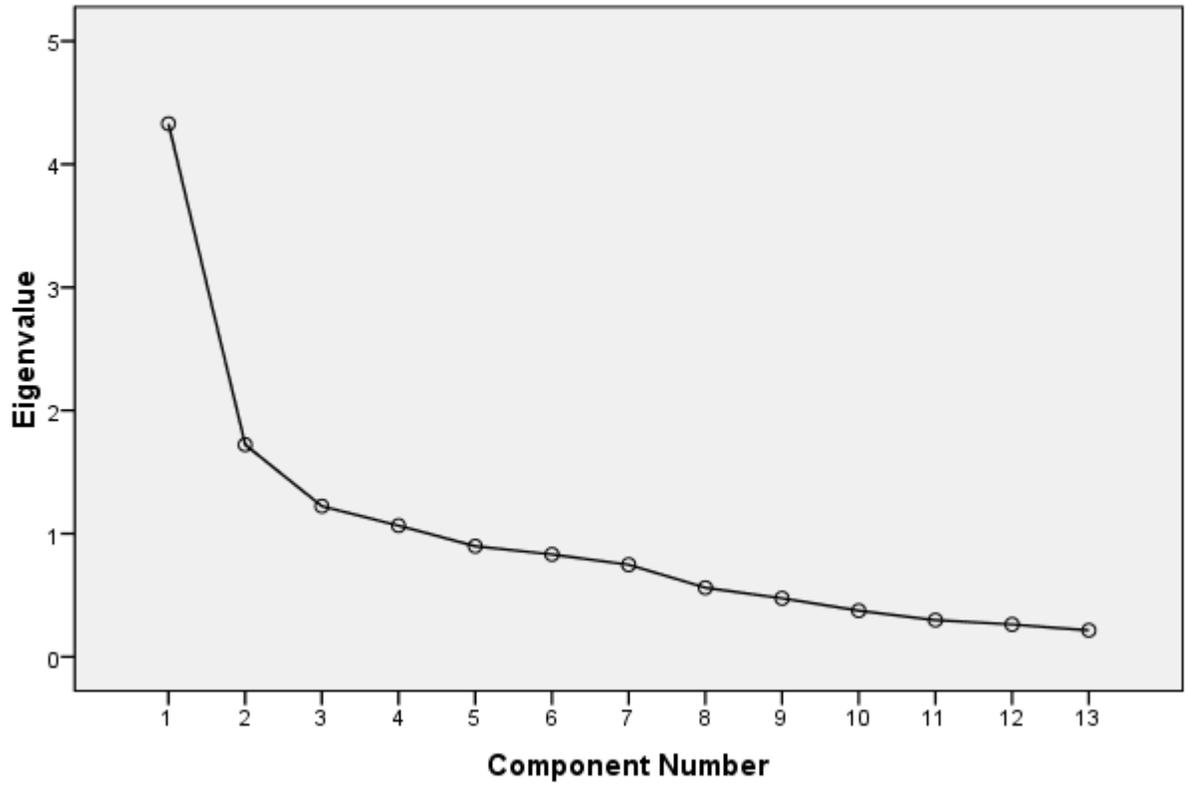
**Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings <sup>a</sup>
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	3.329	33.304	43.304	3.329	33.304	43.304	3.605
2	1.522	18.197	61.501	1.522	18.197	61.501	3.431
3	.993	6.406	67.907				
4	.965	6.294	74.201				
5	.898	5.508	79.709				
6	.831	4.492	84.201				
7	.747	3.549	87.750				
8	.561	3.114	90.864				
9	.474	2.650	93.514				
10	.374	2.178	95.692				
11	.297	1.801	97.493				
12	.263	1.650	99.143				
13	.214	.857	100.000				

Extraction Method: Principal Component Analysis.

a. When components are correlated, sums of squared loadings cannot be added to obtain a total variance.

### Scree Plot



Component Matrix<sup>a</sup>

	Component	
	1	2
Conscious of the cultural knowledge applied	.709	
Adjust cultural knowledge when interact in an unfamiliar culture	.686	
Conscious of cultural knowledge used when interacting	.645	-.462
Change verbal requirements as per cross cultural requirements	.641	.421
Confident can socialise with locals in unfamiliar culture	.639	-.464

Sure can deal with stresses in adjustment	.617	-.453
Change non verbal behaviour when culturally required	.596	
Alter facial expressions when culturally required	.556	.303
Know the cultural values and religion beliefs of other cultures	.516	
Use pause and silence to suit different culture	.510	.445
Know the legal and economic systems of other cultures	.420	
Confident in getting accustomed to diff shopping conditions	.402	
Vary the pace of speaking when culturally required	.460	.642

Extraction Method: Principal Component Analysis.

a. 2 components extracted.

**Pattern Matrix<sup>a</sup>**

	Component	
	1	2
Conscious of cultural knowledge used when interacting	.813	
Confident can socialise with locals in unfamiliar culture		.811
Sure can deal with stresses in adjustment	.787	
Adjust cultural knowledge when interact in an unfamiliar culture	.690	
Conscious of the cultural knowledge applied	.470	

Confident in getting accustomed to diff shopping conditions		.446
Vary the pace of speaking when culturally required		.852
Change verbal requirements as per cross cultural requirements		.751
Use pause and silence to suit different culture		.699
Alter facial expressions when culturally required		.595
Change non verbal behaviour when culturally required		.575
Know the cultural values and religion beliefs of other cultures	.356	
Know the legal and economic systems of other cultures	.304	

Extraction Method: Principal Component Analysis.

Rotation Method: Oblimin with Kaiser Normalization.

a. Rotation converged in 9 iterations.

#### Structure Matrix

	Component	
	1	2
Conscious of cultural knowledge used when interacting	.792	
Confident can socialise with locals in unfamiliar culture	.787	
Sure can deal with stresses in adjustment	.763	
Adjust cultural knowledge when interact in an unfamiliar culture	.737	.384

Conscious of the cultural knowledge applied	.615	.560
Confident in getting accustomed to diff shopping conditions	.457	
Change verbal requirements as per cross cultural requirements	.323	.766
Vary the pace of speaking when culturally required		.750
Use pause and silence to suit different culture		.675
Change non verbal behaviour when culturally required	.371	.633
Alter facial expressions when culturally required	.312	.628
Know the cultural values and religion beliefs of other cultures	.403	.458
Know the legal and economic systems of other cultures	.320	.381

Extraction Method: Principal Component Analysis.

Rotation Method: Oblimin with Kaiser Normalization.

**Component Correlation Matrix**

Component	1	2
1	1.000	.279
2	.279	1.000

Extraction Method: Principal Component Analysis.

Rotation Method: Oblimin with Kaiser Normalization.

### Items for Spouse Awareness Culture Intelligence (SCQAWARE)

Item No.	Item
1.	Adjust cultural knowledge when interact in an unfamiliar culture
2.	Conscious of the cultural knowledge applied
3.	Conscious of cultural knowledge used when interacting
4.	Sure can deal with stresses in adjustment
5.	Know the legal and economic systems of other cultures
6.	Know the cultural values and religion beliefs of other cultures

### Items for Spouse Interaction Culture Intelligence (SCQINTER)

Item No.	Item
1.	Confident can socialise with locals in unfamiliar culture
2.	Use pause and silence to suit different culture
3.	Vary the pace of speaking when culturally required
4.	Alter facial expressions when culturally required
5.	Change verbal requirements as per cross cultural requirements
6.	Change non verbal behaviour when culturally required
7.	Confident in getting accustomed to diff shopping conditions