

CULTURAL INTELLIGENCE STIMULATING PROFESSIONAL ADJUSTMENT

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ABSTRACT

Contrary to earlier studies, this paper analyzed the influence of cultural intelligence (CQ) on professional adjustment of expatriates. The stimulators were four dimensions of CQ i.e. Cognitive, Meta-cognitive, motivational and Behavioral. The paper is quantitative in nature and a structured questionnaire was used to administer the survey. The target population of this research was senior and middle level Indian expatriates working with different companies in USA and Canada. The present research contradicted the earlier researches, which stated that cultural intelligence is helpful only in personal/social adjustment of expatriates not in professional adjustment. The results clearly indicated a positive relationship of motivational CQ and meta-cognitive CQ with professional adjustment of Indian expatriates. The results suggest that organizations must select those employees for expat assignments that long-for changes/challenges, and should train them to improve cross-cultural consciousness eventually leading to better professional adjustment at foreign locations.

Keywords: Cultural Intelligence, Meta-Cognitive CQ, Motivational CQ, Professional Adjustment.

INTRODUCTION

In the changing demographics, the demand of expatriates is continuously increasing within multinational companies that are providing international opportunities to its best professionals to tap their potential and reduce business risks (Harrison, 2016). Despite increasing demand and strategic preparation, the across border mobility faces multiple challenges and expatriation regrettably fails due to non-adjustment of professionals. The major reason behind non-adjustment and poor performance of these professionals is incomplete understanding/misunderstanding of the cultural differences that escalate the conflict (Stahl et al., 2012). The Mercer Group conducted Global survey of Worldwide International Assignment Policies and Practices (WIAPP) on a sample of 820 multinational companies and concluded that “*Assignee Adjustment*” was among the top four challenges that international assignees face (LLC, 2016).

Earlier researchers presented the assignees’ competence of cross-cultural adjustment as a determining factor of the success or failure of any international assignment (Guðmundsdóttir, 2015). Organizations are looking for managers who possess high cultural competence (Yitmen, 2013) and who better able to “*quickly adjust to multiple cultures and work well in multinational teams*” (Earley & Peterson, 2004). Earley & Ang (2003) coined the term cultural intelligence (CQ) and defined it as “*one’s proficiency to perform in situations of cultural diversity*”. Cultural Intelligence is one of the important variable that measures the individuals’ quotient to adapt in

unknown or new cultural settings (Ng & Earley, 2006) thus predicting the success of overseas assignments (Earley & Ang, 2003; Thomas et al., 2008). CQ is comprised of traits and skills that allow managers to interact effectively with different cultures or with novel cultural settings (MacNab & Worthley, 2012). The individual with high CQ can modify their behavior and generate new understanding in other cultures where the previously learned behaviors and interpretations deemed unfit or inappropriate (Brislin et al., 2006). Cultural intelligence is a concept that displays the ability to be flexible and competent consists of three basic components: knowledge of cross-cultural understanding, observer's mindfulness and interpreting and adapting in the given culturally different situation to act appropriately (Ang et al., 2007). The professionals with high cultural intelligence are better able to interact and perform in diverse cultural settings (Yitmen, 2013). They become valuable assets for their organizations due to varied global exposure, skillsets and high adjustment score (Haslberger & Brewster, 2009) that permit them to perform and expand (Guðmundsdóttir, 2015). Cross-cultural intelligence is believed to be consisting of four components i.e. metacognitive, cognitive, motivational and behavioral (Earley & Ang, 2003; Ang et al., 2007). Metacognitive CQ is a person's capability of information processing and developing better cognitive strategies to induce heuristics for better cross-cultural interaction (Ang et al., 2007; Van Dyne et al., 2012). Cognitive CQ is the individual's capability to understand the differences and similarities between different cultures in specific context that helps an individual to act accordingly (Ang et al., 2007). The third component, Motivational CQ, provides agentic control to handle the anxiety and uncertainty in difficult cross-cultural interactions (Ang et al., 2007). It helps an individual to develop strategies that helps in dealing with new cultural interactions (Templer et al., 2006) whereas, behavioral CQ minimize the misperception and misattribution of a relatively new environment and affirms the successful social behavior and interaction of individual in cross-cultural settings (Van Dyne et al., 2012). Overall, individuals possessing high CQ are more proficient of facing cross-cultural challenges and better able to perform in international settings (Ang et al., 2009). They carry a gamut of metacognitive, cognitive, behavioral and motivational abilities to quickly adapt to foreign environments and work effectively with multicultural teams (Earley & Ang, 2003).

Similarly, Cross-Cultural Adjustment (CCA) is the degree of comfort one develops in new role and extent to which feels adjusted in the required role (Black, 1988). It is the perceived degree of mental comfort and familiarity an expatriate has running with the brand new lifestyle (Black et al., 1991; Takeuchi et al., 2005). In other words, CCA is the extent to which an expatriate feels comfortable in a new cultural setting and eventually performs effectively (Halima et al., 2014). The cross-cultural adjustment covers both-personal/social adjustment (situations in personal lives) as well as professional adjustment (situation at work) (Takeuchi et al., 2005). Professional adjustment refers to adjustment at work such as prevailing environment, job roles and associated tasks (Black et al., 1991). In other terms, professional adjustment is development of psychological comfort with existing norms, values and other expectations in new work settings (Halima et al., 2014). This is the attitude of individuals towards their work/job and the effectiveness with which they perform their tasks (Halima et al., 2014). Expatriates adjustment is very essential for the success of organization as it has a positive relationship with performance of expats (Jonasson et al., 2017; Sit et al., 2017).

Earley & Ang (2003) presented that the four components of CQ are important to overcome adjustment difficulties because of the desire to be accepted. Individuals continuously render knowledge to thrive (Meta-cognitive and Cognitive) by exhibiting appropriate verbal and non-verbal cues in a diverse settings (Behavioral and Motivational CQ). Researches have put

special focus on Motivational CQ and meta-cognitive CQ (Ward et al., 2011) as factors improving the success probability of expatriates (Chen et al., 2010; Huff et al., 2013; Firth et al., 2014). This logic supports positive relationship of cultural intelligence with professional adjustment. However, literature has presented a different relationship altogether. A positive relationship has been established between cultural intelligence and personal/social adjustment of expatriates (Chen et al., 2014; Guðmundsdottir, 2015; Lee & Kartika, 2014; Lin et al., 2012; Huff et al., 2013; Koo Moon et al., 2012; Templer et al., 2006). Whereas, a negative relationship was demonstrated between cultural intelligence and professional adjustment i.e. CQ has been found less relevant to the professional adjustment of assignees (Chen et al., 2014). Multiple studies indicated a negative relationship of both motivational and behavioral CQ with professional adjustment of expats (Malek & Budhwar, 2013; Guðmundsdottir, 2015) and Koo Moon et al. (2012) concluded that metacognitive CQ is also not helpful in professional adjustment of expats. To contradict these researches, a hypothesis was formulated between four components of CQ and professional adjustment with support of earlier studies (Earley & Ang, 2003; Ward et al., 2011; Chen et al., 2010, Huff et al., 2014; Firth et al., 2014). According to hypothesis, if professionals score high on all dimensions of CQ can better adjust professionally due to their better understanding of unfamiliar culture (Earley & Ang, 2003; Ward et al., 2011) and development of psychological comfort with existing norms, values and other expectations in new work settings (Halima et al., 2014). Thus, the research proposed the following hypothesis:

H1: CQ positively relates to professional adjustment of Indian Expatriates. Specifically, Meta-cognitive CQ, Cognitive CQ, Behavioral CQ and Motivational CQ positively relate to professional adjustment.

METHODOLOGY

Sample and Data

The target participants were Indian senior and middle level professionals working in USA and Canada who were identified through purposive sampling and snowball sampling method. Senior and middle level Indian professionals sponsored by companies were selected as sample to differentiate this research from previous researches that focused either on self-sponsored/self-initiated expatriation (Arttachariya, 2016) or on software developers (Moulik & Mazumdar, 2012). Because of regular multicultural interactions and ethnically diverse encounters, Indians were specifically considered for this research. India is bestowed with cultural diversity having 29 states and 7 union territories carrying different cultures, languages, values, beliefs and norms (Human Development Report, 2004). They are better able to adjust very easily at diverse work environments due to their individualistic tendencies for professional growth, focusing only on individual needs and goals (Bhatnagar & Tjosyold, 2012). Other than this, multinational companies prefer Indians and providing them with many opportunities to work as expatriates outside their national boundaries (Collings et al., 2007) due to their high adaptability score. Due to these characteristics, it is somewhere felt that, research might find a different relationship between CQ and professional adjustment with respect to Indian expatriates.

Questionnaires developed in English were emailed to 200 professionals. In three months, 112 questionnaires were filled, of which 98 were valid with a response rate of 49%. Regarding their demographic details, their ages ranged from 32 to 58 years (82.9% below 45 years and 17.1% above 45 years age). 62.3% were working with IT and related companies, 28.1% were associated with automobile industry and rest from other businesses. Regarding their hierarchical

designation, 86.7% were designated at middle level and rest was from top management teams. Most of them indicated that they have prior international experience and 27.6% have been appointed first time for international assignments. The length of current residence varies between individuals ranging from less than one year (17.3%) to more than 3 years (51%).

Measures and Variables

The cultural intelligence scale developed by Ang et al. (2007) and professional adjustment scale provided by Feldman & Tompson (1993) were adopted for this research. The cultural intelligence scale is designed to measure one's proficiency to perform in situations of cultural diversity (Gozzoli & Gazarolli, 2018). A total of 24 items were incorporated in the questionnaire, containing 20 CQ items for all four dimensions and 4 professional adjustment items. All items were rated on 5-point Likert scale (5=Strongly Agree, 1=Strongly Disagree). A high CQ score indicated better understanding of new culture and local practices, leading to appropriate and effective behavior to adjust in unknown settings. The high professional adjustment score indicated better professional adjustment at new assignment in foreign culture. Sample items of CQ included "*I adjust my cultural knowledge as I interact with people from a culture that is unfamiliar to me*" and "*I enjoy living in cultures that are unfamiliar to me.*" The sample statements of Professional adjustment included "*Quality and quantity of activity that the important executives expect*" and "*Intention to stay in the company.*" The Cronbach's alpha reliability ranged between 0.904 and 0.827 for all four dimensions of CQ. The alpha reliability value for factor of professional adjustment was 0.846.

RESULTS

Reliability and Correlation Analysis

The reliability coefficient for all the variables (Meta-cognitive=0.827; Cognitive=0.904; Motivational=0.864; Behavioral=0.870 and Professional Adjustment=0.846) was acceptable. Correlation analysis was performed to get an insight about the relationship among dimensions of CQ and professional adjustment. The two dimensions of CQ were significantly correlated to professional adjustment. Motivational CQ was positively correlated to professional adjustment=0.468, $p<0.001$ and so was Meta-cognitive CQ=0.288, $p<0.001$. Whereas, Cognitive CQ and Behavioral CQ are not present any correlation with professional adjustment. The four dimensions of CQ were showing no inter-correlation to each other.

Hypothesis Testing

To test the relationship between dimensions of CQ and professional adjustment, multiple regression analysis was run and results indicated that model was significant (Adjusted $R^2=0.30$, $F=11.402$, $p<0.000$). Hence, the null hypothesis might be accepted. With reference to correlation table, only the two dimensions of the CQ had significant positive effect on cross-cultural adjustment. The motivational CQ (β coefficient=0.468, $p<0.000$) and Meta-cognitive CQ (β coefficient=0.288, $p<0.001$) has a significant positive effect on professional adjustment, whereas, Cognitive CQ and behavioral CQ were not effective in measuring professional adjustment.

DISCUSSION

The results of current study evinced that cultural intelligence is supportive for Indian expatriates to adjust professionally on overseas assignments. It has presented a positive relationship between CQ and professional adjustment that was contrary to previous studies (Chen et al., 2014; Malek & Budhwar, 2013; Guðmundsdottir, 2015). The study presented that high motivational CQ and meta-cognitive CQ help expatriates had better adjust professionally on new workplace. Both have explanatory powers in predicting professional adjustment of Indian expatriates. The study demonstrated that motivational CQ is an important attribute among professionals that motivates them to learn about unknown cultures and develop efficacy to adapt cross-cultural abilities to adjust better in overseas workplace. Professionals with high motivational CQ are ready to learn verbal and non-verbal communication including gestures, postures, tone, greetings, and facial expression to develop better interpersonal relationship at workplace and to gain acceptance by intercultural team members leading to psychological satisfaction and positive attitude at workplace. One exclusive result of the study was that meta-cognitive CQ could predict professional adjustment. It means that professionals with high meta-cognitive CQ are better able to involve in extensive cognitive processes to be better able to adjust in new culture by intended leaning and conscious decision making to solve problems related to new workplace culture (Earley & Ang, 2003). They are able to monitor and evaluate their own progress and look for hints to avouch their initial assumptions about new workplace culture (Triandis, 2006). Therefore, higher meta-cognitive CQ is critical for professional success of individuals, and organizations must focus on training programs that are helpful in increasing meta-cognitive CQ of expatriates (Earley & Peterson, 2004).

CONCLUSION

To meet the increasing demand of international talent and to reduce the risk of expatriation failure, it is imperative for organizations to select people with high cross-cultural intelligence. It is evident from research that expatriates with higher motivational cultural quotient and meta-cognitive cultural quotient better adjust professionally during overseas assignments. Motivational quotient indicates the eagerness and efficacy of an individual to learn about unfamiliar culture and meta-cognitive quotient helps in veracious application of their learning in unfamiliar cross-cultural work settings leading to better acceptance and adjustment. The research adds to the literature by establishing a significant relationship between cultural intelligence and professional adjustment in an expatriate population, however, it suffers with few limitations as well. The study was limited to examine the relationship of CQ and professional adjustment of Indian expatriates only. The results indicated a positive relationship between two factors; however, the same findings might not be translated to expatriates of other ethnicities. However, the results might be widely applicable to expatriates belonging to countries with high heterogeneousness. The small sample size, limited access to respondents due to distance and low response rate were other limitations of the research. The study might be duplicated with large sample size by researcher's close observation of respondents to improve the reliability of the data and its outcomes.

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