

**AN INVESTIGATION OF THE RELATIONSHIP BETWEEN CULTURAL
COMPETENCE AND EXPATRIATE JOB PERFORMANCE**

A Dissertation

by

KWANGHYUN KIM

Submitted to the Office of Graduate Studies of
Texas A&M University
in partial fulfillment of the requirements for the degree of

DOCTOR OF PHILOSOPHY

August 2008

Major Subject: Management

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ABSTRACT

An Investigation of the Relationship between Cultural Competence and Expatriate
Job Performance. (August 2008)

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Chair of Advisory Committee: Dr. Bradley L. Kirkman

This dissertation investigates whether cultural competence, defined as a person's ability to interact effectively with others from a different cultural background or in a cross-cultural setting, predicts expatriate adjustment and job performance more effectively than other individual-level predictors such as personality and local language proficiency. Rather than simply focusing on the predictive validity of cultural competence, this study also explores a process model that could explain the link between cultural competence and expatriate job performance by proposing a mediating variable of cross-cultural adjustment. Lastly, in a more integrated way, this study examines how the relationship between expatriate adjustment and job performance may be better understood by two potential moderating variables: conscientiousness and expatriate assignment nature.

For testing the proposed hypotheses, expatriates in a Fortune 500 company were invited to participate in a web-based survey. Responses about their international assignment experience were obtained from 338 expatriates located in 43 countries, and

their supervisors. A set of multiple regression analyses were conducted and three major findings emerged. First, the analyses confirmed the important role of some individual difference such as conscientiousness and local language proficiency in expatriate assignment effectiveness, consistent with the literature. Second, the results showed the unique roles of some cultural competence dimensions in predicting expatriate adjustment and job performance, beyond the effects of other important individual-level variables. Lastly, the results also demonstrated a process model of the effect of motivational cultural competence on expatriate job performance: motivational cultural competence works through work adjustment to influence expatriate job performance. Taken together, these findings provide more comprehensive knowledge about whether and how certain individual differences are related more effectively to expatriate assignment effectiveness. In practical terms, this research has implications regarding expatriate selection and development, in order to improve the chances of success in international assignments.

DEDICATION

This dissertation is dedicated to my parents in thanks for their endless love, support and encouragement throughout my lifetime.

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This dissertation would not have been possible without the time, counsel, and guidance of my excellent dissertation committee members. I have learned a great deal from all of my committee members, but beyond that, I am most appreciative of their encouragement and support throughout the doctoral program as well as the dissertation process. First, I must express my deepest gratitude to Brad Kirkman, the chairperson of my advisory committee, for his invaluable guidance and support throughout the dissertation process. It should be noted that the data collection would not have been possible without his help. Brad's influence on my academic development goes well beyond this dissertation, and I would like to thank him for all that he has done for me during my years as a doctoral student. Both his wisdom and knowledge have been invaluable to my academic maturation. I also truly appreciate his strong positive attitude and pragmatic outlook.

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CHAPTER I

INTRODUCTION

In today's world economy, more and more companies increasingly conduct business overseas in order to survive in a competitive business environment and keep their sustainable competitive advantages in the marketplace. In particular, progress in information and transportation technologies and rapid market growth have motivated and enabled companies to be more involved in business across national borders (Czinkota & Ronkainen, 2005). It is not surprising to multinational corporations that a considerable amount of profit comes from international business activities. From a customer perspective, it is also no longer surprising to know how many countries are involved in producing a specific product or service. In short, globalization and business across national borders is no longer a choice, rather it is inevitable destiny for contemporary companies.

Through diverse global strategies, multinational corporations try to maximize organizational effectiveness by implementing diverse international management activities, including acquiring valuable resources, reducing production costs by moving certain business functions (e.g., manufacturing, R&D) overseas, or developing new markets. For those purposes, organizations choose their entry modes (e.g., acquisition, foreign direct investment, international joint ventures, or strategic alliance) for managing operations efficiently in foreign countries. According to their chosen entry modes, to

This dissertation follows the style of *The Academy of Management Journal*.

help manage such economic activities, organizations often select and dispatch expatriates for various international assignments (e.g., control as corporate agency, knowledge and skill transfer, new market development) in foreign countries (Bonache & Brewster, 2001; Evans, Pucik, & Barsoux, 2002; Gupta & Govindarajan, 2000).

Expatriates are defined as employees who work and live in countries other than their birth country. They include both parent-country nationals (i.e., expatriates from the country where a company has headquarters) and third-country nationals (i.e., expatriates from a country where the nationality of the expatriate is neither related to company headquarters nor the specific subsidiary where they work) (Black, Gregersen, Mendenhall, & Stroh, 1999; Tung, 1998). For example, Korean expatriates who work in the Hong Kong subsidiary of a U.S.-based multinational company would be an example of a third-country national.

Traditionally, companies primarily used expatriate assignments to develop new markets and better control subsidiaries or local operations, because the dysfunctions of information asymmetry and misalignment of interests between headquarters and subsidiaries is costly (cf., Eisenhardt, 1985, 1989). However, companies have recently begun to utilize the international assignment as primarily a career development opportunity for executives and managers (Evans et al., 2002; Tihanyi, Ellstrand, Daily, & Dalton, 2000) or for the transfer of international business knowledge and skill from expatriates to other employees in the company when they repatriate (Evans et al., 2002; Torbiorn, 1994). Since international assignments typically require diverse management competencies for coping with uncertainties and challenges in work and life (Arthur &

Bennett, 1995; Shin, Morgeson, & Campion, 2007), these assignments often sharpen managerial competencies as well as foster a global mindset and improved business processes (Adler, 2001; Black et al., 1999; Evans et al., 2002; Stroh, Black, Mendenhall, & Gregersen, 2005).

It is reported that U.S. companies send approximately 100,000 employees to foreign countries every year (Baruch & Altman, 2002). If we consider expatriates from Europe and rapidly developing Asian countries, the number is sure to be markedly higher. This figure will likely continue to increase as expatriates' valuable international knowledge and experiences offer a competitive advantage to companies in today's global economy. Taken together, the use of expatriate assignments will likely keep increasing because it provides development opportunities for employees, plays a traditional management role (e.g., controlling the local subsidiary), and is a result of developing countries' increases in business activity (GMAC, 2006). Accordingly, with the increased reliance on cross-cultural managerial assignments and the growing implementation of multinational teams, organizations, and joint ventures, it is critical that we gain a better understanding of the factors which enable employees and managers to perform effectively in cross-culturally diverse contexts.

Expatriates may sometimes return from their assignment earlier due to challenges such as adjustment problems and burnout (Allerton, 1997; Black, 1988; Black et al., 1999; Stroh et al., 2005; Tung, 1988). Although Harzing (2002) points out that failure rates of international assignments have been exaggerated due to referencing errors (i.e., some researchers carelessly cited failure rates reported in previous papers), some

companies still report relatively high failure rates (as high as 30 to 40 percent) for certain types of assignments and host countries; for example, locations in underdeveloped countries with less favorable work and living environments (GMAC, 2006).

However, it is still unclear that premature return intention is a good indicator of expatriate assignment effectiveness. Since expatriates may have a tendency to complete their assignment in an expedient manner due to the benefits of international assignment (e.g., promotion opportunities after repatriation and international experience), the potential damage to their career, reputation, and self-esteem if they are unsuccessful, and the very limited alternative employment opportunities in local countries, may make premature return intention a less meaningful measure of assignment effectiveness. Therefore, because of the above reasons and acknowledging the fact that job performance is a variable of great interest in human resource management/organizational behavior research, this study focuses on expatriate job performance for its parsimony.

Consequences of Ineffective Expatriate Assignments

Ineffective international assignments cause a variety of problems for both individuals and companies (Black et al., 1999). At an individual level, poor adjustment may bring loss of managerial self-confidence and psychological stress for expatriates and their families (cf., Stroh et al., 2005). Furthermore, it can negatively affect job performance and career advancement (Foster, 1997; Hechanova, Beehr, & Christiansen, 2003). In addition to individual consequences, organizations suffer from wasteful expenditures related to expatriation and repatriation. A more serious problem for

organizations may originate from the relationship with various stakeholders (i.e., customers, suppliers, government) in the host country and from potential damage to organizational reputation inflicted by less competent managers (Black et al., 1999; Stroh et al., 2005). In particular, such reputation deterioration may hurt the acquisition of competent local employees in the subsidiary, who represent an important component for the successful operation of the local subsidiary. This is much like the finding in the domestic context that a company's brand image may negatively influence staffing and recruitment activities (Collins & Stevens, 2002).

Due to the critical impact of expatriate assignments on a myriad of outcomes in international management activities, researchers and companies have paid increasing attention to international assignment effectiveness. Many studies have found various antecedents of cross-cultural adjustment and expatriate performance. Three meta-analyses (Bhaskar-Shrinivas, Harrison, Shaffer, & Luk, 2005; Hechanova et al., 2003; Mol, Born, Willemsen, & van Der Molen, 2005) found that expatriate adjustment and job performance were affected by anticipatory factors (e.g., previous experience, language ability), individual attributes (e.g., self-efficacy, relational skills), job demands (e.g., role clarity, role discretion), organizational context (coworker and logistical support), and nonwork factors (e.g., spousal adjustment, cultural novelty) (see the Chapter II for effect sizes for specific relationships). Relative to research on the antecedents of expatriate adjustment, research on the antecedents (e.g., cross-cultural adjustment, personality traits, local language skills) of expatriate job performance is relatively sparse. Accordingly, despite a growing amount of research, we still do not

have sufficient knowledge about the predictors of expatriate job performance. In particular, studies focusing on individuals' capability to adjust to a new culture are still rare, and the previous literature on individual factors as antecedents of expatriate assignment effectiveness is still fragmented and not comprehensive.

Dissertation Research Question and Purpose

As a result of these limitations, it is critical to explore a more comprehensive model in order to gain a better understanding of the factors driving expatriates' success. Thus, this dissertation examines cultural competence, defined as "a person's capability to adapt effectively to new cultural contexts." It is composed of four dimensions: cognitive processing, knowledge, motivation, and behavior (Earley, 2002; Earley & Ang, 2003: 26). The basic argument of cultural competence is that since individuals higher in cultural competence can more easily navigate and understand unfamiliar cultures, theoretically, they are expected to be more successful when working and managing in countries other than their own (Ang, Van Dyne, Koh, & Ng, 2004; Earley, 2002; Earley & Ang, 2003). The conceptualization of cultural competence in this dissertation is essentially the same as the construct of cultural *intelligence* as defined by Earley and colleagues (Ang et al., 2004; Earley & Ang, 2003). However, since some components of cultural intelligence (i.e., motivational and behavioral factors) are not actual elements of intelligence, the label *cultural competence*, instead of cultural intelligence, will be used.

This dissertation investigates whether and how cultural competence can afford expatriates to be more successful during international assignments, by examining the predictive validity of cultural competence and a process model of cultural competence. Additionally, the dissertation identifies and tests two potentially important factors that are expected to moderate the relationship between expatriate adjustment and job performance. This research may contribute to the extant literature by accomplishing several objectives. The first objective is to investigate the predictive validity of cultural competence on expatriate assignment effectiveness, as measured by both cross-cultural adjustment and expatriate performance. Although a few studies have addressed the construct of cultural competence (Johnson, Lenartowicz, & Apud, 2006; Leiba-O'Sullivan, 1999) and tested the predictive validity of cultural intelligence (Ang, Van Dyne, Koh, Ng, Templer, Tay, & Chandrasekar, 2007), no study has investigated its predictive validity with a comprehensive theoretical model (Kim, Kirkman, & Chen, 2008). Related to international assignments, this is critical because cultural competence research may provide organizations with valuable direction and tools in terms of expatriate selection, placement, and development. In particular, even though there is considerable research on employee selection in Western literature, little research has focused on selecting *expatriates* (see Black, Mendenhall, & Oddou, 1991; Jun & Gentry, 2005; Ones & Viswesvaran, 1999); and thus, this study enhances our understanding of how to select a good candidate for an international assignment. Potentially, beyond the selection issue, this research may also expand our knowledge about enhancing the cultural competence of existing expatriates (Leiba-O'Sullivan, 1999).

Another objective of the dissertation is to examine the mediating role of cross-cultural adjustment in the relationship between cultural competence and expatriate job performance. Previous expatriate research has shown that adjustment might mediate the relationship between predictors of expatriate success and actual success (e.g., Kraimer, Wayne, & Jaworski, 2001; Takeuchi, Yun, & Russell, 2002a); however, no one has empirically tested whether cross-cultural adjustment can be a mediator of cultural competence's effects on expatriate job performance (Kim et al., 2008). It is important to identify and empirically test a potential *underlying theoretical mechanism* that is responsible for the link between cultural competence and expatriate performance. Thus, this investigation suggests a process model explaining the relationship between cultural competence and expatriate job performance.

Finally, the last objective of this dissertation is to consider two potentially important boundary conditions in the relationship between cross-cultural adjustment and expatriate job performance. The expatriate literature suggests considering moderators in the link to more fully examine the explanatory power of adjustment in performance (Harrison, Shaffer, & Bhaskar-Shrinivas, 2004; Thomas & Lazarova, 2006), but no such empirical attempt has been made. Specifically, this study considers conscientiousness (a personality attribute) and the nature of the expatriate assignment as moderators. In the domestic human resource selection literature, there is support that conscientiousness, along with general cognitive ability, is one of best predictors of job performance (Barrick, Mount, & Judge, 2001; Hertz & Donovan, 2000; Schmidt & Hunter, 1998). In addition, some studies also show the moderating (or interactive) effects of

conscientiousness on diverse outcomes in a domestic setting (Byrne, Stoner, Thompson, & Hochwarter, 2005; Stewart, Carson, Cardy, 1996; Tziner, Murphy, & Cleveland, 2002; Witt, Andrews, & Carlson, 2004). The main effect of conscientiousness as a valid predictor of performance is also demonstrated in the expatriate setting (Caligiuri, 2000; Ones & Viswesvaran, 1999; Shaffer, Harrison, Gregersen, Black, & Ferzandi, 2006), but no study has tested the moderating effect of conscientiousness, regardless of its synergistic effect with cross-cultural adjustment on expatriate job performance. Accordingly, examining the moderating role of conscientiousness on expatriate performance should enhance our understanding of how personality influences expatriate performance, in addition to its direct effect on performance.

Another proposed moderator in the adjustment and performance link is the nature of the expatriate assignment. Scholars suggest that the strength of the role of adjustment in expatriate performance may depend on the different nature of expatriate assignments (Arthur & Bennett, 1997; Caligiuri, 2006), but no study has empirically investigated this association. Accordingly, this dissertation considers the nature of expatriate assignment to be an important moderator of the adjustment-performance link. Specifically, it is argued that the more an assignment requires intercultural effectiveness and managerial interaction, the stronger the adjustment and performance link will be. The adjustment to a new work environment and interacting with others from different cultural backgrounds is critical to any assignment requiring successful interaction with and managing local or culturally diverse employees.

In summary, the dissertation empirically tests the predictive validity of cultural competence on two important criteria of an expatriate assignment: cross-cultural adjustment and expatriate performance. In addition, this study also investigates whether cross-cultural adjustment mediates the cultural competence and performance relationship. Finally, the dissertation examines two potentially important boundary conditions in the relationship between expatriate adjustment and job performance: conscientiousness and expatriate assignment nature. This research may advance the current expatriate and cross-cultural management literature by considering multiple boundary conditions and an immediate link, as well as testing the predictive validity of cultural competence.

The extant expatriate literature focusing on the antecedents of expatriate adjustment and job performance will be reviewed in Chapter II, and hypotheses will be developed in Chapter III. The research methodology will be described in Chapter IV, and the study results will be presented in Chapter V. Lastly, in Chapter VI, theoretical and practical implications, limitations and future research directions will be discussed.

CHAPTER II

LITERATURE REVIEW

Prior to developing the hypotheses tested in the study, this chapter reviews the extant expatriate literature, mainly based on the findings from recent meta-analyses. Meta-analysis provides more useful and organized manner to understand relationships among variables by correcting for the distorting effects of sampling and measurement error often found in primary studies (Hunter & Schmidt, 2004). Three meta-analyses have been conducted in the expatriate literature. These provide useful information about what studies have investigated the antecedents of expatriate assignment effectiveness, including cross-cultural adjustment and expatriate job performance. Specifically, Bhaskar-Shrinivas et al. (2005) and Hechanova et al. (2003) show diverse antecedents and consequences of expatriates' cross-cultural adjustment, based on 66 and 42 primary empirical studies, respectively. Mol et al. (2005) focus only on examining predictors of expatriate job performance, based on 30 primary studies. Integrating the three meta-analytic studies, this chapter reports what previous studies have found to be antecedents of expatriate adjustment and job performance, since the two outcome variables are the most studied in the literature and are the main outcomes of interest in this study.

Antecedents of Cross-Cultural Adjustment

Bhaskar-Shrinivas et al. (2005) and Hechanova et al. (2003) quantitatively reviewed the antecedents of expatriate adjustment. The effect sizes reported here are

based mainly on Bhaskar-Shrinivas et al. (2005) since the updated meta-analysis includes a greater number of field studies with more diverse predictors of cross-cultural adjustment. However, for relationships not covered in Bhaskar-Shrinivas et al. (2005), findings from Hechanova et al.'s (2003) study are reported.

Individual Factors

Many studies have sought to identify and examine individual-level antecedents of cross-cultural adjustment, including local language ability, previous international experience, self-efficacy, relational skills, and some personality traits. For example, it is reported that expatriates' local language ability is positively related to their general ($\rho = .22$) and interaction ($\rho = .43$) adjustment, but not to work adjustment (Bhaskar-Shrinivas et al., 2005). General adjustment is defined as adjustment to life aspects of living in foreign countries, such as housing, food, shopping, and other aspects of foreign culture. Interaction adjustment is defined as adjustment to socializing and speaking with host country nationals. Lastly, work adjustment is defined as adjustment to work aspects of the expatriate assignment, such as meeting job responsibilities and performance expectations (Black et al., 1991). However, the 95% confidence intervals for the effects of local language ability on general adjustment include zero. In addition, previous international experience is related to interaction ($\rho = .13$) and work adjustment ($\rho = .06$), but not to general adjustment (Bhaskar-Shrinivas et al., 2005). Even though both of the confidence intervals do not include zero, the effect sizes are small. Self-efficacy, defined as one's belief of being capable of attaining certain goals, is positively related to

interaction ($\rho = .21$) and work adjustment ($\rho = .30$), and neither confidence interval includes zero (Bhaskar-Shrinivas et al., 2005). Lastly, relational skill, one's social skill in interacting with others, is positively related to all facets of expatriate adjustment, including general ($\rho = .32$), interaction ($\rho = .53$), and work adjustment ($\rho = .15$), excluding zero in the confidence intervals for all effects (Bhaskar-Shrinivas et al., 2005).

On the other hand, Hechanova et al. (2003) report that assignment tenure and outcome expectancy (the belief one has about the consequences that will follow successful performance) also predict expatriate adjustment. For example, assignment tenure is positively related to general (sample-weighted $r = .13$, $k = 8$, $n = 1,792$), interaction adjustment ($r = .21$; $k = 4$, $n = 768$), and work adjustment ($r = .13$; $k = 5$, $n = 937$). Outcome expectancy is positively related to general ($r = .05$; $k = 4$, $n = 534$), interaction ($r = .03$; $k = 2$, $n = 292$), and work adjustment ($r = .13$, $k = 2$, $n = 292$). While the effects of outcome expectancy on general and interaction adjustment are smaller than its effect on work adjustment, all the effect sizes are small (Hechanova et al., 2003). These findings may be limited, however, due to the lack of sufficient primary studies. In addition, as to assignment tenure, it may be confounded with previous international experience to some extent.

A meta-analytic study has not yet been done regarding the effects of personality traits on expatriate adjustment. In addition, findings on the Big Five traits in the expatriate literature are still inconsistent. For example, Shaffer et al. (2006) report that emotional stability, referring to the lack of anxiety, depression, and moodiness, is positively related to interaction and work adjustment (both $r = .26$, $p < .01$), whereas

agreeableness, referring to warmth, kindness, and patience, is positively related to cultural and interaction adjustment ($r = .17$ and $.32$, respectively). In addition, in the same study, openness to experience, referring to intellectual curiosity, aesthetic sensitivity, and liberal values, is positively related to interaction and work adjustment ($r = .19$ and $.30$ respectively), and extraversion, referring to high sociability and impulsivity, is positively related to all facets of adjustment, ranging from $.25$ to $.35$. However, due to an insufficient number of primary studies, more research attention should be paid to the effects of Big Five personality traits on expatriate adjustment, in order to have more confidence in the relationships.

Other individual-level predictors of expatriate adjustment include coping strategies (Stahl & Caligiuri, 2005), positive affectivity (Kraimer et al., 2001), ethnocentrism (Shaffer et al., 2006), expatriate social ties (Johnson, Kristof-Brown, Van Vianen, De Pater, & Klein, 2003), and person-culture fit (Van Vianen, De Pater, Kristof-Brown, & Johnson, 2004). For example, Stahl and Caligiuri (2005) showed the effectiveness of problem-focused coping strategies (efforts to manage the person-environment relationship directly at the source of the stress), rather than emotion-focused strategies (efforts to regulate emotions that result from the stress), is related to all facets of expatriate adjustment, ranging from $r = .34$ to $.56$. Kraimer et al. (2001) also demonstrated that positive affectivity (a person's disposition to experience positive mood states and an overall sense of well-being), measured by the PANAS scale (Watson, Clark, & Tellegen, 1988), is positively related to the three facets of expatriate adjustment, ranging from $r = .25$ to $.43$. On the other hand, Shaffer et al. (2006), in a

study based on Japanese and Korean expatriates, showed that ethnocentrism, the tendency to look at the world primarily from the perspective of one's own culture, is negatively related to interaction ($r = -.30$ to $-.33$ depending on sample) and work adjustment ($r = -.12$ to $-.30$). However, interestingly, cultural flexibility, being open to cultures other than one's own, is not a valid predictor of any adjustment facet. Lastly, based on person-environment interaction theory, which assumes that human behavior is an interaction between the person and the environment (Chatman, 1989; Pervin, 1989; Terborg, 1981), Van Vianen et al. (2004) found that deep-level fit between an individual's values and the cultural values of a host country, in terms of self-transcendence (the capacity to reach out beyond oneself and discover or make meaning of experience through broadened perspectives and behaviors), is a valid predictor of work ($\beta = .51$) and interaction adjustment ($\beta = .49$) of expatriates. Differences in surface-level characteristics, including general living conditions, transportation systems, climate, and recreational activities, between the host and home countries is most related to general adjustment ($r = -.30$).

Job Factors

In addition to individual factors of expatriate adjustment antecedents, Bhaskar-Shrinivas et al. (2005) report that both role clarity ($\rho = .57$) and role discretion ($\rho = .45$) are positively related to work adjustment, while role conflict ($\rho = -.30$) is negatively related to work adjustment, with none of the confidence intervals including zero. The clearer the job duties and the more discretion an expatriate exercises, the better their

adjustment to work in an expatriate assignment. On the other hand, the more role conflict an expatriate faces, the worse the adjustment to work in an expatriate assignment.

Organizational Factors

With regard to organizational antecedents of expatriate adjustment, coworker support is positively related to work adjustment ($\rho = .22$; $k = 6$, $n = 1,073$) whereas logistical support is positively related to general and interaction adjustment ($\rho = .16$ and $.12$, respectively; $k = 7, 4$, $n = 1,394, 977$, respectively) (Bhasakar-Shrinivas et al., 2005). None of the confidence intervals of the effects include zero. Unexpectedly, cross-cultural training is negatively related to general ($r = -.12$; $k = 6$, $n = 1,021$), interaction ($r = -.03$; $k = 4$, $n = 604$), and work adjustment ($r = -.07$; $k = 4$, $n = 604$) (Hechanova et al., 2003). This negative correlation of cross-cultural training with expatriate adjustment is quite startling since it is counterintuitive to the general belief that cross-cultural training may help individuals better adjust to a new culture.

Because of the small number of primary studies, more research attention should be paid to identifying organizational factors that include expatriate adjustment. In particular, more research should be pursued with a macro (or strategic) perspective. A recent study by Takeuchi, Shay, and Li (2008) is a good start to overcoming this limitation by demonstrating that the decision autonomy of a subsidiary is positively related to all three facets of expatriate adjustment, ranging from $r = .13$ to $.15$. The

results show an exemplary case of how organizational factors, other than logistical support, may enhance the expatriate adjustment level.

Nonwork Factors

According to Bhaskar-Shrinivas and colleagues (2005), nonwork factors such as spousal adjustment and cultural novelty are also important antecedents of expatriate adjustment. Specifically, spousal adjustment is strongly related to all facets of expatriate adjustment, including general ($\rho = .60$), and interaction ($\rho = .43$), and less so to work adjustment ($\rho = .26$). Of course, none of the effect sizes include zero. Cultural novelty, referring to the differences between the national cultures of the host country and home country, *is negatively related to general* ($\rho = -.35$), *interaction* ($\rho = -.19$), and *work adjustment* ($\rho = -.12$), but all the effect sizes include zero. Thus, the literature clearly shows that the role of family and degree of cultural difference from one's own are critical in expatriates' adjustment.

Antecedents of Expatriate Job Performance

As job performance has multiple dimensions, including task and contextual performance and counterproductive behavior (Borman & Motowidlo, 1993, 1997; Motowidlo & Van Scotter, 1994) in a domestic context, expatriate research has conceptualized expatriate job performance also as a multidimensional construct (Caligiuri, 1997, 2006). Specifically, the expatriate literature usually conceptualizes expatriate performance as two-dimensional: task and contextual performance. According

to previous research (Caligiuri, 1997; Kraimer et al., 2001; Shaffer et al., 2006), task performance in an expatriate assignment indicates performance in executing specific duties and tasks required for successful completion of a task or assignment. On the other hand, contextual performance in an expatriate assignment indicates a person's behavior in establishing and maintaining a good relationship with local employees for more effective performance of their assignments, yet it is not spelled out as a specific job duty. Fewer primary studies have examined the antecedents of expatriate job performance compared to expatriate adjustment. This may be partly because collecting multisource performance data is more difficult than collecting single source data from expatriates only (in most studies examining the antecedents of expatriate adjustment). The findings on the antecedents of expatriate job performance described below are mainly based on the meta-analytic studies of Bhaskar-Shrinivas et al. (2005) and Mol et al. (2005).

Cross-Cultural Adjustment

Studies based on the stress (maladjustment)- strain (outcomes) perspective consider expatriate adjustment as one important antecedent of expatriate performance. Mol et al. (2005) demonstrated that three dimensions of cross-cultural adjustment are positively related to expatriate job performance; general ($\rho = .18$), interaction ($\rho = .30$), and work adjustment ($\rho = .34$). Furthermore, Bhaskar-Shrinivas et al. (2005) examined the relationships according to different dimensions of job performance, and then tested to see how the strength of the relationship varies according to different data sources (i.e., same and multi source data). According to the results, general adjustment is positively

related to task performance only when the performance is measured by multi-source data, i.e., measured by self and supervisors ($\rho = .16$), whereas it is positively related to relationship performance no matter how the performance is measured, either by same source ($\rho = .37$) or multisource ($\rho = .17$). Both interaction and work adjustment are positively related to task ($\rho = .18$ and $.33$) and relationship performance ($\rho = .37$ and $.29$). However, for the two adjustment dimensions, the study could not examine different sources of data, due to the lack of primary studies focusing on the issue. This set of research clearly shows that expatriate adjustment plays a critical role in expatriate job performance. Furthermore, the results also show that interaction adjustment is more strongly related to contextual performance, whereas work adjustment is more strongly related to task performance.

Individual Factors

The literature also shows that individual factors, including Big Five personality traits, cultural sensitivity, and language ability, influence expatriate job performance. For example, although it is widely known that the Big Five personality traits and performance relationship is still equivocal (Caligiuri, 2000; Dalton & Wilson, 2000), according to Mol et al.'s (2005) study, four Big Five personality traits (all but openness to experience) are related to expatriate job performance. Specifically, it is reported that conscientiousness, extraversion, emotional stability and agreeableness are all positively related to expatriate job performance ($\rho = .14$ for the first two traits, $\rho = .09$ for the last two traits). Although the effect sizes are small, these results show a pattern similar to the

effect sizes found in domestic meta-analyses on job performance (e.g., Hurtz & Donovan, 2000; Barrick et al., 2001). A recent study by Shaffer et al. (2006) demonstrates that openness to experience is positively related to task and contextual performance of expatriates ($r = .40$ and $.34$, respectively) so more studies should be done to learn more about the relationships between Big Five personality traits and expatriate job performance. In particular, since Mol et al.'s meta-analytic review (2005) did not separate the performance dimension into task and contextual components, it is still unclear which personality traits are more important for specific performance dimensions.

On the other hand, Mol et al. (2005) show that cultural sensitivity and language ability predict expatriate job performance, ranging from $\rho = .19$ to $.29$. Although previous international experience ($\rho = .02$) and flexibility ($\rho = .09$) are related to expatriate job performance, the effect sizes are quite small so they seem to have little practical meaning. Mol et al. (2004) reported that ethnocentrism is negatively related to expatriate performance dimensions ($\rho = -.20$, $k = 3$, $n=600$). This was also confirmed by Shaffer et al. (2006) which found that ethnocentrism was negatively related to contextual performance, ranging from $r = -.26$ to $-.35$, depending on sample (Shaffer et al., 2006).

Although it is expected that general mental ability (GMA), one of the most solid predictors of job performance in a domestic setting (Schmidt & Hunter, 1998), will affect expatriate performance, studies testing its predictive validity for expatriate performance are almost nonexistent. Other than a study of a small sample of Peace Corps volunteers ($n = 41$; Mischel, 1965), to my knowledge, only one published study of GMA exists (Ang et al., 2007). That study shows that GMA (measured by the Wonderlic

personnel test) is positively related to U.S. undergraduate students' performance in cultural judgment and decision making ($r = .17$). However, interestingly, in the same study, GMA is not related to Singaporean undergraduate students' performance. In addition, since the samples in the study are not organizational employees in an expatriate assignment and the performance is based on a business simulation, the results are perhaps not generalizable to real world settings. In sum, there is no empirical study examining the predictive validity of cognitive ability on expatriate job performance, and definitely future study on it should enhance our understanding of what leads to expatriate job performance. In particular, it will be interesting to see whether and how much other factors have incremental predictive validity over and above general mental ability.

Work-related Attitudes

In addition to cross-cultural adjustment and individual factors, job satisfaction and premature return intention are also related to expatriate job performance, ranging from $r = .20$ to $.33$ and $-.07$ to $-.28$, respectively (Bhaskar-Shrinivas et al., 2005; Mol et al., 2005). Although other predictors specific to expatriate assignment exist in the meta-analysis, the number of primary studies is limited so it is hard to report the results as solid research accumulation. For example, Mol et al.'s (2005) study reports such predictors (e.g., tolerance for ambiguity), but all results are based on only two studies.

Antecedents of Other Expatriate Assignment Effectiveness

Along with cross-cultural adjustment and job performance, job satisfaction, organizational commitment, and premature return intention are important outcomes of an expatriate assignment, although the number of primary studies is quite small. Some antecedents of such assignment effectiveness are described below.

Job Satisfaction

The literature shows that both interaction and work adjustment are positively related to job satisfaction ($\rho = .28$ and $.44$, respectively), but general adjustment is not related to job satisfaction (Bhaskar-Shrinivas et al., 2005). Other than adjustment, job (e.g., task identity, skill variety), organizational (e.g., expatriate training, career advancement), and worker (e.g., linguistic ability, previous international experience) characteristics are also related to job satisfaction. The effect sizes (r) range from $.27$ to $.48$, $.18$ to $.41$, and $.14$ to $.33$, respectively (Bhaskar-Shrinivas et al., 2005; Hechanova et al., 2003).

Organizational Commitment

All three facets of cross-cultural adjustment are positively related to organizational commitment ($r = .07$, $.06$, and $.22$, respectively) (Hechanova et al., 2003), although the effect size is small. Since the number of studies examining the relationships reported in Hechanova et al.'s (2003) study is less than three, more primary studies would increase confidence in the findings. In a primary study by Naumann (1993), job,

organizational, and worker characteristics are related to organizational commitment, ranging from $r = .14$ to $.21$, $.13$ to $.46$, and $.14$ to $.29$, respectively.

Furthermore, more research attention should be paid to investigating which factors are related to different foci of organizational commitment. For example, Florkowski and Fogel (1999) found that expatriates' perceived host ethnocentrism is negatively related to organizational commitment to the host unit ($r = -.21, p < .01$). Another study by Gregersen and Black (1992) also identified different antecedents to commitment to a parent company and a foreign operation, based on American expatriate managers on international assignment in Pacific Rim or European countries. In that study, tenure in the parent company ($r = .21, p < .001$) and pre-departure culture-related training ($r = .24, p < .001$) are positively related to commitment to the parent company, whereas role conflict ($r = -.23, p < .001$) is negatively related to commitment to the parent company. On the other hand, role discretion ($r = .38, p < .001$) and general adjustment ($r = .19, p < .001$) are positively related to commitment to the foreign operation.

Premature Return Intention

All three facets of expatriate adjustment negatively relate to premature return intention: general ($\rho = -.28$), interaction ($\rho = -.23$), and work ($\rho = -.23$) adjustment (Bhaskar-Shrinivas et al., 2005). Job satisfaction and performance are negatively related to the intention to prematurely return, ranging $r = -.37$ to $-.48$ and $-.07$ to $-.28$ respectively (Bhaskar-Shrinivas et al., 2005; Hechanova et al., 2003).

In primary studies, Caligiuri (2000) found that emotional stability, agreeableness, and extraversion negatively relate to premature return intention ($r = -.22, -.31, \text{ and } -.23$, respectively). Shaffer et al. (2006) also demonstrated that conscientiousness, emotional stability, and agreeableness are negatively related to premature return intention ($r = -.19, -.30, \text{ and } -.17$, respectively). However, in both studies, openness to experience is not related to premature return intention. Lastly, ethnocentrism is found to be related to withdrawal cognitions ($r = .23 \text{ to } .33$) (Shaffer et al., 2006). However, there is no study investigating how some factors are related to actual premature return from expatriates' international assignments.

Limitation of the Previous Literature

As Harrison et al. (2004) and Bhaskar-Shrinivas et al. (2005) indicated, many limitations exist in the extant expatriate research and some of them may provide good venues for future research. For example, the lack of longitudinal studies and more organizational or strategic perspectives should provide fruitful research by overcoming current concerns with cross-sectional studies that do not take a strategic perspective into account. Among others, focusing on expatriate adjustment and job performance (the main outcomes of this study), salient limitations in the extant literature are now explored.

First, although many studies have been conducted to find valid predictors of expatriate adjustment and job performance, research attention is lacking in finding a more comprehensive individual predictor beyond simply technical skills and local

language ability. In particular, certain individual level predictors, such as local language ability and previous international experience, are somewhat limited since they disregard the potential for individuals to be well adjusted to a cultural context and perform well in their assignment, regardless of the absence or lack of skills or experience. Literature reviews reveal that previous international experience is related to adjustment, with a very small effect size, but is not related to expatriate job performance. Although local language ability is relatively more strongly related to adjustment and performance than is previous international experience, it still relies on a small effect size. Local language ability influences interaction adjustment, but its effect on general and work adjustment is not yet clear. Furthermore, since the meta-analytic findings (Bhaskar-Shrinivas et al., 2005; Hechanova et al., 2003; Mol et al., 2005) include studies with Japanese expatriates working in the U.S. (e.g., Black, 1990, Takeuchi et al., 2002a), the relationship between local language ability and adjustment and performance may be inflated. That is, the Japanese expatriates' English ability may be more important to their adjustment and performance because their local language and working language is the same as English. In other cases, the effects of local language ability might be abated. For example, the local language ability of U.S. expatriates working in Japan may have less effect on their adjustment and performance if their working language is still English, even though Japanese ability should be helpful to their work and interaction adjustment. Therefore, such skills and previous international experience do not seem to be strong predictors of expatriate adjustment and job performance. Furthermore, in reality, since companies often face situations wherein they cannot find appropriate candidates with previous

international experience and specific local language skills, such experience and skills may prove to be impractical. In addition, since there has been little or no study about whether and how work motivation influences expatriate adjustment and performance (Harrison et al., 2004; Mol et al., 2005), we need more research on this issue to enhance our knowledge about what predicts such important outcomes in an expatriate assignment.

Next, when examining relationships among different predictors, adjustment, and assignment outcomes, most expatriate research relies on examining the relationships from the stressor (predictors)—stress (adjustment)—strain (outcomes) perspective, but very little research attention has empirically tested a process model of a predictor with such a perspective. Indeed, Kraimer et al. (2001) tested the predictive validity of perceived organizational support on expatriate assignment outcomes with a mediator of expatriate adjustment. However, very few studies have been done with regard to an individual level predictor (Kim & Slocum, 2008; Shaffer et al., 2006), regardless of the fact that two meta analyses (Bhaskar-Shirinivas et al., 2005; Hechanova et al., 2003) demonstrate the indirect effects of individual-level predictors on expatriate assignment outcomes through cross-cultural adjustment. Therefore, empirically investigating a process model of an individual-level predictor would more systematically advance our knowledge about the predictive validity of an individual level predictor.

Lastly, although the literature review clearly shows that adjustment is an important and solid predictor of expatriate job performance, much room exists for research with regard to what boundary conditions might moderate the relationship or

what may intermediately link the relationship (Harrison et al., 2004). In particular, since the extant literature does not consider individual differences and situational factors that may play an important role in generating variance for the strength in the adjustment-performance link, considering some moderators is expected to better explicate the relationship between cross-cultural adjustment and expatriate job performance. Additionally, more research should be conducted with multisource data. Since it is harder to collect multi-source data in expatriate research, the literature still does not contain sufficient studies measuring performance from multi-source data. Thus, from a measurement perspective, more research should be conducted with multi-source data when showing the relationship between cross-cultural adjustment and performance of expatriates.

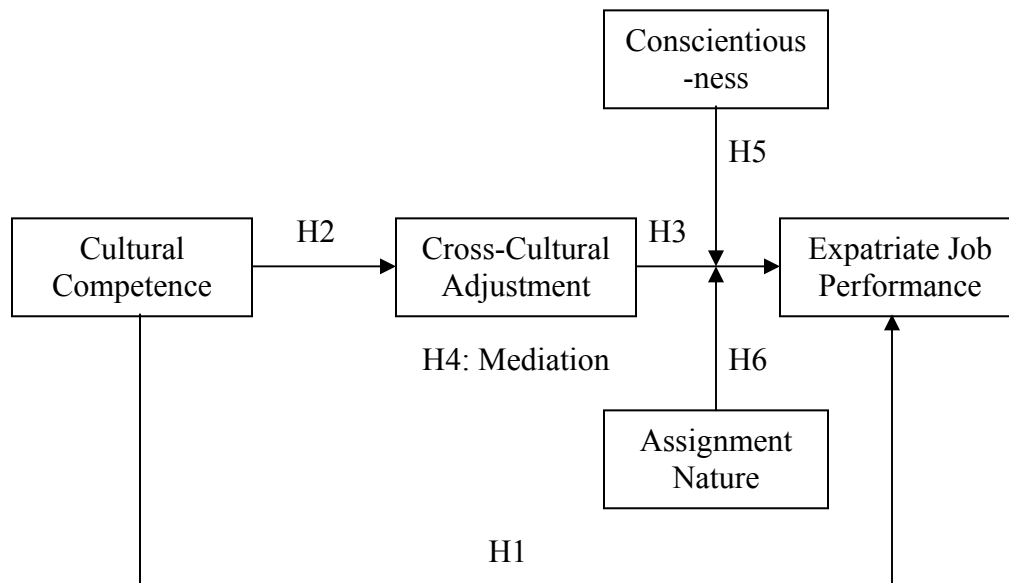
Acknowledging these limitations, the next chapter develops hypotheses about how cultural competence is positively related to expatriate job performance through cross-cultural adjustment. Additionally, the chapter also discusses how the adjustment-performance link can vary according to potentially important moderators: one from the individual side (i.e., conscientiousness) and the other from the situational side (assignment nature).

CHAPTER III

HYPOTHESIS DEVELOPMENT

In this chapter, drawing on social learning, social support, and management stress theories, the various linkages described in the model are explored. First, the predictive validity of cultural competence on expatriate job performance is examined. In addition, I explore why cultural competence relates to expatriate performance by proposing an intermediate link—cross-cultural adjustment—in the relationship. Lastly,

FIGURE 1
A Proposed Model for Cultural Competence and Expatriate Job Performance



important boundary conditions are examined in the relationship between cross-cultural adjustment and expatriate job performance. Specifically, conscientiousness and assignment nature are considered as boundary conditions in the adjustment-performance link. Figure 1 represents the model being investigated in this dissertation.

Cultural Competence

In the expatriate literature, although numerous studies have examined the antecedents and consequences of cross-cultural adjustment (see Bhaskar-Shrinivas et al., 2005; Hechanova et al., 2003; Mol et al., 2005, for reviews), relatively less attention has been paid to expatriate performance even though the ultimate outcome of an expatriate assignment should be excellent performance. Although recently more research has addressed diverse predictors of expatriate performance, examining *individual-level* predictors of expatriate performance is still understudied (Caliguiri, 2000; Shaffer et al., 2006). This phenomenon is unfortunate since finding valid individual-level predictors of expatriate performance could be beneficial for practical purposes as well as research advancement. In particular, related to human resource selection and performance management, identifying such factors would help multinational corporations select appropriate candidates for assignments, as well as increase our knowledge about why some individuals are more effective than others in their expatriate assignments.

One reason for the lack of research identifying valid predictors of expatriate performance is that, theoretically, it is challenging to identify a unique predictor that can be clearly distinguished from those in domestic literature. For example, most previous

research focuses on personality traits and interpersonal skills that are frequently identified as predictors of job performance in the domestic literature (Caligiuri, 2000; Ones & Viswesvaran, 1999; Shaffer et al., 2006). Indeed, some expatriate research considers more context-specific individual differences, such as previous international experience and language skills, as predictors of expatriate performance. However, such predictors have limitations since they do not comprehensively predict diverse dimensions of expatriate performance, while disregarding the potential for an individual to perform well in their assignment if they do not have such skills and experience.

Accordingly, increased emphasis is being placed on utilizing selection procedures that go beyond technical or relational skills, and researchers have recently focused on finding more comprehensive predictors of performance in cross-cultural settings (e.g., Johnson et al., 2006; Shaffer et al., 2006). One such predictor is cultural competence. Indeed, cultural competence has played an important role in other disciplines such as psychotherapy, counseling, medicine and health care management (Perloff, Bonder, Ray, Ray, & Siminoff, 2006; Sue, 1998). For example, it has been argued that cultural competence contributes to effective delivery of health services by clinicians or counselors to patients or clients with diverse backgrounds, thereby improving outcomes and reducing disparities (Brach & Fraser, 2000; Perloff et al., 2006). Cultural competence has also been utilized as a good tool for measuring interactions with others from different groups or identities in research into workforce diversity (Miller, 1994) and intercultural communication (Lustig & Koester, 1999; Wiseman, Hammer, & Nishida, 1989). This set of research refers to cultural competence

as being quite similar to that used in the current study. However, regardless of the potential utility of the construct in an expatriate setting that requires considerable interaction with local people in a host country, cultural competence has not yet been fully applied to the management field.

In the management literature, there is no settled agreement on what comprises the abilities and characteristics that indicate cultural competence (e.g., Bell & Harrison, 1996; Dinges & Baldwin, 1996; Earley & Ang, 2003; Graf, 2004; Leiba-O'Sullivan, 1999; Lusting & Koester, 1999; Wilenius, 2006). Although there is a lack of agreement on what constitutes cultural competence, in general, the components of such competence include personal attributes (values, beliefs, and norms), interpersonal skills, and cultural knowledge (Johnson et al., 2006) – dimensions of knowledge, skills, and personal attributes.

As originally conceptualized by Earley and Ang (2003), cultural competence has four sub-factors: *meta-cognitive*, *cognitive*, *motivational*, and *behavioral*. The *meta-cognitive* dimension refers to a person's cognitive processing ability in recognizing and understanding expectations appropriate for cultural situations, while the *cognitive* dimension refers to cultural knowledge about economic, legal, and social aspects of different cultures. The *motivational* dimension refers to an individual's drive to adapt to different cultural situations; it is conceptualized as intrinsic motivation (i.e., drivers of performance that originate from within an individual) and self-efficacy (i.e., one's belief that one can be effective on a given task) in cross-cultural contexts. Lastly, *behavioral* cultural competence reflects the ability to utilize culturally sensitive communication and

behavior when interacting with people from cultures different from one's own. The construct of cultural competence used in this study is essentially the same as Earley and Ang's (2003) conceptualization.

While cultural competence may have some overlap with other related trait- and state-like individual differences, cultural competence deals specifically with cognition, motivation, and behavior *in cross-cultural contexts*. Therefore, the construct is theoretically and empirically distinct from related individual differences, such as openness to experience, extroversion, general self-efficacy, self-monitoring, and emotional intelligence. For example, although general self-efficacy (Chen, Gully, & Eden, 2001) may be similar to the motivational dimension of cultural competence in that both reflect an individual's belief in his or her capabilities, general self-efficacy is theoretically different from the motivational dimension of cultural competence since it is not specific to particular tasks or situations in cultural contexts (Chen, Gully, Whiteman, & Kilcullen, 2000). Extroversion may also overlap somewhat with the motivational dimension of cultural competence in that both characteristics are related to the willingness to interact with people from different cultural backgrounds and adjust to new cultural contexts. However, extroversion without sensitivity to cultural situations may manifest itself as aggressiveness and rudeness, which in turn might negatively impact expatriates' interaction adjustment (cf., Ang, van Dyne, & Koh, 2006). Lastly, meta-cognitive and behavioral cultural competence may be similar to self-monitoring (Snyder, 1974) and emotional intelligence (Law, Wong, & Song, 2004) in the sense that both describe individual differences about how people may conform or be flexible according

to situational demands and social cues. However, individuals who are high self-monitors or are high in emotional intelligence, but do not have cultural sensitivity, may suffer from cross-cultural maladjustment due to inappropriate understandings and interpretation of culture-specific situational information. Thus, cultural competence is expected to be substantively different from self-monitoring and emotional intelligence (Kim et al., 2008).

Because the research in this area is nascent, we still have an insufficient and unclear understanding of whether or not different cultural competence dimensions are more or less important to the prediction of outcomes. Therefore, this study considers the specific cultural competence dimensions when justifying the proposed relationships involving cultural competence. However, since conceptually, each cultural competence dimension may add unique information to the overall notion of cultural competence, (the common variance of cultural competence), this study focuses on cultural competence as a unified, multidimensional construct when building a theoretical framework and stating specific hypotheses (cf., Mount, Barrick, Scullen, & Rounds, 2005; Spreitzer, de Janasz, & Quinn, 1999). In addition, when establishing a hypothesis associating cultural competence and cross-cultural adjustment, this study also considers the variables to be unified, multidimensional constructs. Associations linking four dimensions of cultural competence and three facets of cross-cultural adjustment would lose the focus of this study by establishing numerous hypotheses linking lower-order constructs. Therefore, when analyzing data and presenting the results, this study reports how each dimension of cultural competence and different cross-cultural adjustment

aspects are linked. However, in developing hypotheses, all multi-dimensional constructs appear in this study as a unified, multidimensional construct.

In sum, the main focus of research regarding the ability to effectively interact with others from different cultural backgrounds has been to identify skills, attitudes and behaviors that lead to effective interactions and successful cultural adjustment (for an overview, see Dinges & Baldwin, 1996). However, most research is still at the conceptual discussion or construct development stage. Thus, more research attention is needed to demonstrate the predictive validity of cultural competence on expatriate job performance in a field setting. Accordingly, in the following section, a discussion of the expected direct relationship between cultural competence and expatriate job performance is undertaken.

The Relationship between Cultural Competence and Expatriate Job Performance

It is well known that individual differences, including cognitive ability and personality, predict various job performance criteria (Barrick et al., 2001; Schmidt & Hunter, 1998). Like the solid findings in the non-expatriate literature, it is also likely that individual differences regarding certain personal attributes, motivation, and experience may also explain why some expatriates are better performers in international assignments than others (e.g., see Caligiuri, 2000). While more general (context-free) individual differences, such as general cognitive ability and general self-efficacy, may affect expatriate performance (cf., Bhaskar-Shrinivas et al., 2005), this study argues that cultural competence will likely be a better predictor of expatriate performance in

different cultural settings because of its more context- or situation-specific nature.

Although cultural competence is a state-like individual difference, the above argument is similar to Barrick and Mount's (1991) finding that extraversion is more valid in predicting performance specifically in sales contexts that require interaction with others, in that more context- and situation-specific predictors may be more valid for specific jobs and work settings. In the same vein, according to Tett and Burnett (2003), in certain situations specific individual differences are more important than others. While focusing on the relationship between personality and job performance, they argue that situations both trigger the manifestations of individual difference tendencies and require behavioral manifestations of certain individual differences. Because an unfamiliar cultural environment confronts individuals with considerable cultural-specific challenges, individual differences in cognitive processing and knowledge about the culture, motivation to adapt, and culturally appropriate behavior may emerge as the most important individual difference within the context of cultural differences. Therefore, this study argues that individuals with a higher level of cultural competence may more effectively manage the cultural challenges of an international assignment and exhibit better performance since they already possess appropriate cognitive processing and knowledge about the culture, and have the motivation and willingness to behave in a culturally appropriate manner. Again, this study does not state specific hypotheses focusing on lower-order constructs of cultural competence, however, the section below discusses how each dimension of cultural competence may lead to better expatriate job performance.

Meta-cognitive and cognitive dimensions of cultural competence can influence expatriates' task performance requiring high levels of culture-related cognitive processing and knowledge about different cultures because such performance calls for effective decision-making and problem solving, which are critical aspects of expatriate performance (Earley & Ang, 2003). For example, meta-cognitive and cognitive dimensions of cultural competence may have salient effects on marketing and sales international assignments because such tasks typically require more knowledge about a host country's culture and also appropriate recognition and interpretation of cultural issues in the host country. In support of this contention, Ang et al. (2004) found that the cognitive components (i.e., meta-cognitive and cognitive) of cultural competence were positively related to cultural judgment and decision-making of undergraduates in cross-cultural decision making scenarios. Using a decision making simulation, they also found that cognitive cultural competence was related to the job performance of international executives enrolled at a university executive development program.

According to theories of motivation (Eccles & Wigfield, 2002; Kanfer, 1990; Kanfer & Heggstad, 1997), the motivational dimension of cultural competence should also influence expatriate performance because the motivational states of cultural competence (namely, task-specific self-efficacy and intrinsic motivation in cross-cultural settings) can enhance the strength of an individual's persistent effort toward a task. Thus, intrinsic motivation and specific self-efficacy of expatriates in different cultural contexts may increase their performance by strengthening their consistent effort.

Lastly, regarding the behavioral dimension of cultural competence, its relationship to expatriate performance can be explained by social learning theory (SLT) (Bandura, 1977). According to SLT, the content of an individual's learning may differ depending on the people with whom one interacts. In international assignment contexts, expatriates can most effectively learn appropriate norms and behaviors in host countries by effectively communicating with others because local coworkers provide thorough knowledge about appropriate work-related norms. Such norms and behaviors may help expatriates to perform better in their job- and task-performance. Thus, an individual's affinity for culturally sensitive communication and culturally appropriate behavior in interacting with people from different cultural backgrounds may influence expatriates' performance by increasing their knowledge about culturally acceptable norms and behaviors.

Using multiple studies, Ang et al. (2007) provide some evidence for the positive relationship of cultural competence with certain outcome variables. Specifically, they found that meta-cognitive ($r = .17$ to $.33$, depending on sample) and cognitive cultural intelligence ($r = .12$ to $.39$, depending on sample) are positively related to cultural judgment and decision making, even after controlling for cognitive ability and emotional intelligence, explaining an additional variance of 4% to 29%. However, the result may lack external validity because the sample is composed of undergraduate students in Singapore and U.S. and international managers participating in a 3-day executive development program at a university, and is not based on a real workplace setting. In the same study, they also found that meta-cognitive ($r = .47$, $p < .01$) and behavioral cultural

intelligence ($r = .39, p < .01$) of the 98 international managers in the development program were positively related to task performance. These explained an additional 22% of variance in job performance (as rated by peers), even after controlling for cognitive ability. The relationship of cognitive and motivational cultural intelligence to job performance was not statistically significant. In addition, with a field sample of 103 expatriate consultants in an informational technology (IT) firm in Singapore, they found that meta-cognitive ($r = .50, p < .01$) and behavioral cultural intelligence ($r = .34, p < .01$) are positively related to supervisor-rated task performance, but cognitive and motivational cultural intelligence are not related to task performance. However, the result based on the IT consultants also may lack external validity since such jobs may require less frequent interaction with host country nationals, so intercultural effectiveness is less critical to their performance. Rather, technical and functional effectiveness may play more important roles in their performance. Lastly, to overcome this limitation, with matched employee and co-worker data ($n = 204$) in two U.S.-based multinational firms, the authors show that meta-cognitive and behavioral cultural intelligence are positively related to both task and contextual performance, ranging from $r = .24$ to $.26$ (both $ps < .01$). Motivational cultural intelligence is positively related to contextual performance only ($r = .25, p < .01$) whereas all four facets are related to adaptive performance, ranging from $r = .20$ to $.25$. Other than the set of Ang et al.'s (2007) studies, no study exists to examine the predictive validity of cultural competence on expatriate job performance based on a working expatriate sample. Thus, more

validation of cultural competence's predictive validity is needed, using supervisor-rated job performance of expatriates in real work settings.

In sum, expatriates' performance can be influenced by multiple dimensions of cultural competence, including being conscious of and knowledgeable about local cultures, being motivated to behave appropriately, and exhibiting actual behavior in a culturally sensitive manner within the local work environment. Consequently, it is hypothesized:

Hypothesis 1. Cultural competence will be positively related to expatriate job performance.

The following sections will explore the underlying mechanism that may explain how cultural competence is linked to expatriate job performance. Specifically, this study considers cross-cultural adjustment as a mediator explaining the cultural competence and expatriate performance link, based on stressor-stress-strain perspective (Harrison et al., 2004). Since the cultural competence-performance relationship has already been proposed, I will address how cultural competence mediates the link after addressing 1) the cultural competence-adjustment link and 2) the adjustment-expatriate performance link.

The Relationship between Cultural Competence and Expatriate Adjustment

Cross-cultural adjustment is not a unitary phenomenon. According to Black et al. (1991), expatriate adjustment consists of three dimensions: 1) *work* (e.g., meeting job responsibilities and performance expectations), 2) *interaction* (e.g., socializing and

speaking with host country nationals), and 3) *general* (e.g., adjusting to housing, food, shopping, and other aspects of the foreign culture). The uniqueness of these three separate dimensions has been empirically validated in previous studies (e.g., Black et al., 1991; Black & Stephens, 1989; McEvoy & Parker, 1995; Shaffer, Harrison, & Gilley, 1999; Stroh et al., 2005).

As reviewed earlier in Chapter II, while the three dimensions of cross-cultural adjustment can be influenced by a variety of individual, job, organizational, and contextual factors (Bhaskar-Shrinivas et al., 2005; Black et al., 1991), in keeping with an interest in cultural competence, this study focuses on the role of one individual factor, cultural competence, in cross-cultural adjustment as well as expatriate job performance. The rationale for the relationship between cultural competence and expatriate adjustment is based, in part, on social support literature. Social support is defined as the provision of beneficial help for an individual that buffers his or her psychological stress (Cohen & Wills, 1985; House & Kahn, 1985; Rook, 1984). The social support literature suggests that support from diverse sources (i.e., organizations, supervisors, colleagues) promotes individuals' work adjustment by reducing psychological strain and feelings of isolation (e.g., Ganster, Fusilier, & Mayes, 1986; Rook, 1984). This argument can also be applied to expatriate adjustment during international assignments. In an expatriate setting, emotional support aids expatriates in coping with unfavorable psychological states emanating from new cultural environments; informational support reduces expatriates' uncertainty and increases understanding of the host culture by providing information about appropriate behaviors and cultural norms; lastly, instrumental support provides

expatriates with practical resources such as local language lessons (Caligiuri & Lazarova, 2002; Kraimer et al., 2001).

According to Kraimer et al. (2001), emotional, informational, and instrumental support, respectively, reduces expatriates' stress originating from a new cultural environment by: 1) helping them cope better with unfavorable feelings and experiences; 2) increasing their knowledge about appropriate behavioral rules and cultural norms in the host country; and 3) providing them with practical resources such as local language lessons. That is, expatriates gain feelings of reinforcement, recognition and affirmation from this support, and these feelings may help facilitate expatriates' cross-cultural adjustment by buffering psychological stress from the new work and life environment in the host country.

Expatriates gain emotional, informational, and instrumental support from family, host-country nationals, or peer expatriates in an international assignment context (Caligiuri & Lazarova, 2002; Kraimer et al., 2001). In particular, interacting with host country nationals may provide expatriates with emotional support because the more interaction a person has with people from a particular culture, the more positive his or her attitudes will likely be toward those people. These attitudes should, in turn, reduce psychological stress and increase psychological well-being (Church, 1982). In addition, expatriates may obtain informational support from interaction with host country nationals because they learn the way of life and the host country's social norms through such interactions. Thus, emotional and informational support will affect expatriates' adjustment in the long run, as they help expatriates more easily gain information about

culturally suitable norms and behaviors and reduce uncertainty related to both work and non-work environments (c.f., Aycan, 1997; Black, 1990). Accordingly, individuals having a high, rather than a low, level of cultural competence will be better adjusted to the new work and nonwork environments in the host country because it is likely that individuals with higher cultural competence (i.e., appropriate mental processes, knowledge, motivation, and behavior in dealing with diverse cultural issues and situations in different cultural backgrounds) gain more appropriate emotional and informational support through interactions with local people.

Some individual differences (e.g., extroversion, general self-efficacy and relational skills), which overlap a bit with certain factors of cultural competence, have been found to have a positive relationship with cross-cultural adjustment in previous expatriate literature (e.g., Shaffer et al., 2006; see Bhaskar-Sheinivas et al., 2005; and Hechanova et al., 2003 for reviews). Moreover, researchers also found a positive relationship between some components of cultural competence and cross-cultural adjustment. For example, based on 157 expatriates, Templer, Tay, and Chandrasekar (2006) showed that motivational cultural intelligence, whose construct and measurement are basically the same as in this research, is positively related to work ($r = .35, p < .001$) and general adjustment ($r = .32, p < .001$), even after controlling for realistic job preview and realistic living condition preview. Ang et al. (2007), with a field sample of 103 expatriate consultants in an informational technology (IT) firm in Singapore, found that motivational and behavioral cultural intelligence are positively related to cross-cultural adjustment, ranging from $r = .40$ to $.48$ and $.27$ to $.36$, respectively, depending on

different facets of cross-cultural adjustment. Ang et al. (2007), with matched employee and co-worker data ($n = 204$) in two U.S.-based multinational firms, also showed that motivational ($r = .08$) and behavioral cultural intelligence ($r = .14$) are positively related to interactional adjustment. In these two studies, however, the scholars did not report how cultural intelligence is related to all facets of cross-cultural adjustment in a more comprehensive way. Thus, we still do not have a complete understanding of how cultural competence is related to cross-cultural adjustment of expatriates in selected work and life aspects. Based on the rationale and empirical support, I posit that a higher level of cultural competence will be related to expatriates' cross-cultural adjustment:

Hypothesis 2. Cultural competence will be positively related to expatriate adjustment.

The Relationship between Expatriate Adjustment and Performance

International assignments represent a considerable challenge for expatriates because they may encounter numerous cultural and instrumental barriers in different work and life environments, thus causing psychological stress. According to the stress literature, maladjustment may influence work performance by creating cognitive fatigue and reducing the energy and effort required for the successful implementation of work (Cohen, 1980). Theories on stress can also be applied to expatriates' adjustment-performance relationship (cf., Kahn & Byosiere, 1992 for a review). That is, successful cross-cultural adjustment in host countries reduces expatriates' stress and strain, and in turn, influences their performance by helping them to expend more energy and effort on

their work (cf., Selmer, 1999). Previous expatriate research has shown that expatriates' psychological stress caused by maladjustment negatively affects their performance (Bhaskar-Shrinivas et al., 2005; Caligiuri, 1997; Shaffer, Harrison, Gilley, & Luk, 2001). For example, expatriates who were better adjusted at work were rated as higher performers by their supervisors (Kraimer et al., 2001).

Likewise, in jobs requiring more interaction with host country nationals, interaction and general adjustment may be positively related to performance. According to spillover theory (Bhagat, 1983), adjustment problems in nonwork domains may also create stress for an expatriate, which in turn negatively affects his or her work-related attitudes and behaviors. Some empirical evidence suggests that cross-cultural adjustment in a nonwork domain influences adjustment in the work domain (e.g., Kraimer et al., 2001; Takeuchi, Yun, & Teluk, 2002b; see Bhaskar-Shrinivas et al., 2005 for a review). Previous literature also supports this argument by showing that expatriate performance is greatly influenced by adjustment to the host country (see Bhaskar-Shrinivas et al., 2005 for a review; e.g., Black, 1988; Black & Mendenhall, 1990; Caligiuri, 1997; Tung, 1981).

Contrary to the argument that cross-cultural adjustment and performance are positively related, some studies have shown that people suffering severe stress from maladjustment in the initial stage of their international assignment actually demonstrate the highest performance in their assignments as technical advisors (Kealey, 1989; Ruben & Kealey, 1979). However, these findings, based on only two studies, may be limited by measurement issues and generalizability concerns. For example, Kealey (1989) used

mental health adjustment scales to measure acculturative stress, and focused only on Canadian technical assistance advisors assigned to developing countries. As a result, these findings need more empirical support to show conclusively that higher initial maladjustment necessarily leads to better performance in subsequent tasks in the assignment. Other than these studies, to my knowledge, the literature clearly demonstrates cross-cultural adjustment leads to better expatriate job performance.

As discussed in detail in Chapter II, the positive relationship between cross-cultural adjustment and expatriate job performance is an established finding in the literature. Thus, although examining the relationship between cross-cultural adjustment and expatriate job performance is not a unique contribution of this research, a specific hypothesis regarding the link should be stated before discussing the mediating role of cross-cultural adjustment in the relationship between cultural competence and expatriate job performance. Consequently, hypothesis three predicts:

Hypothesis 3. Expatriate adjustment will be positively related to expatriate job performance.

One limitation of previous research on the relationship between individual differences and expatriate performance is the lack of attention to potential mediating variables. One potential mediating mechanism that has been previously examined is cross-cultural adjustment. The next section provides the rationale for why the cultural competence and expatriate performance link could be explained by cross-cultural adjustment.

The Mediating Role of Cross-Cultural Adjustment

The preceding discussion presented theoretical arguments for three sets of relationships among cultural competence, cross-cultural adjustment, and expatriate job performance. Having discussed the theoretical rationale and empirical evidence for each of these relationships, there is still a need to discuss why cultural competence will work *through* cross-cultural adjustment to affect expatriate performance. Previous expatriate research notes that adjustment might mediate the relationship between various predictors (i.e., individual, job, organizational, and nonwork factors) and diverse expatriate assignment effectiveness indicators (cf., Bhaskar-Shrinivas et al., 2005). Regardless of such implications, rarely has attention been paid to potential mediating variables linking individual factors and expatriate job performance (Kim & Slocum, 2008; cf., Kraimer et al., 2001). For example, while Caligiuri (2000) demonstrated a direct effect of conscientiousness on the supervisor-rated performance of expatriates, there was no attention to the underlying mechanism responsible for this relationship.

To overcome these limitations in the literature, this research argues that the cultural competence and expatriate job performance link could be explained by cross-cultural adjustment. The basis for the mediation logic comes from the work role transition literature that suggests that the degree of successful adjustment to a new work situation may affect individual work outcomes (cf., Nicholson, 1984). A smooth transition across work assignments is critical to expatriates' success because the work-role expatriates execute in the host country may be quite new to them, even though the task is the same as in their home country, due to different cultural contexts. Accordingly,

individuals with a higher, rather than a lower, level of cultural competence will perform better through a successful work transition to a new international assignment because they are more capable of adapting effectively to a new cultural context. If competent individuals in a domestic setting cannot make a successful work transition to an international assignment, their performance will suffer. Simply put, those expatriates who have a high level of cultural competence, but do not effectively adjust to their new cultural environment, will be less likely to reach high levels of performance compared to those who effectively adjust. Thus, cultural competence is a necessary, but not sufficient, component for expatriate performance; and it is posited that work adjustment mediates the relationship between expatriates' cultural competence and individual performance.

In addition, spillover effects (Bhagat, 1983) suggest that adjustment problems in nonwork domains may negatively affect expatriates' work adjustment and work-related attitudes and outcomes by creating psychological hardships. Even if expatriates successfully adjust to their new work assignment due to a higher level of cultural competence, their performance may suffer if they fail to adjust to interaction with host nationals and general life in the host country. As mentioned earlier, empirical evidence in the expatriate literature demonstrates that cross-cultural adjustment in a nonwork domain influences adjustment in the work domain. For example, Takeuchi et al. (2002b) found that general adjustment is positively related to job satisfaction. Kraimer et al. (2001) found that interaction adjustment was positively related to expatriate job performance. Following this line of inquiry, the current study proposes that adjustment

problems in interaction and general life, in addition to work adjustment, also mediate the relationship between expatriates' cultural competence and individual performance.

Very few studies have proposed adjustment as a mediator (e.g., Kraimer & Wayne, 2004; Kraimer et al., 2001; Takeuchi et al., 2002b) and no studies have proposed adjustment as a mediator of relationships involving cultural competence. Thus, the current process model contributes to our knowledge about the underlying mechanism of the relationship between cultural competence and expatriate performance. Based on the above argument, it is hypothesized:

Hypothesis 4. The relationship between cultural competence and expatriate job performance will be mediated by cross-cultural adjustment.

Previous sections mainly examined a process model of cultural competence. It has been argued that cultural competence influences expatriate job performance through cross-cultural adjustment. However, as mentioned in Chapter II, the adjustment-performance link may be better understood when considering certain potentially important boundary conditions. Thus, this research proposes two factors as moderators: conscientiousness (individual) and nature of the expatriate assignment (situational). That is, adjustment may predict performance better in the simultaneous presence of high levels of conscientiousness and an assignment requiring intercultural effectiveness and/or managerial roles in the subsidiary. This examination contributes to the literature because it is the first empirical study to investigate this potential, regardless of many calls for such moderators (Caliguiri, 2006; Harrison et al., 2004). The following sections

argue how conscientiousness and assignment nature can moderate the relationship between expatriate adjustment and job performance.

The Moderating Role of Conscientiousness in the Adjustment-Performance Link

Conscientiousness, one of the Big Five personality traits (Costa & McCrae, 1992), is one of the most valid and consistent personality-based predictor of job performance (Schmidt & Hunter, 1998). Through meta-analyses, Barrick and colleagues (Barrick & Mount, 1991; Barrick et al., 2001) showed that conscientiousness is consistently related to various job performance criteria across jobs. This finding has also been applied to diverse settings, including team level performance (Barrick, Stewart, Neubert, & Mount, 1998), and with other diverse criteria, including cooperative (LePine & van Dyne, 2001) and counterproductive behavior (Colbert, Mount, Harter, Witt, & Barrick, 2004).

One explanation for the conscientiousness and job performance link can be found in motivation theory (Kanfer, 1990), in that personality can affect distal individual performance through proximal cognitive-motivational processes (Barrick, Stewart, & Piotrowski, 2002); conscientiousness affects one's job performance through performance motivation, an immediate link between them. For example, researchers have demonstrated that motivational mechanisms, such as goal setting (Barrick, Mount, & Strauss, 1993), accomplishment striving (Barrick et al., 2002), and expectancy (Gellatly, 1996), mediate the link between conscientiousness and job performance. Judge and Ilies (2002), in their meta-analysis, also supported the argument by demonstrating that

conscientiousness is related to performance motivation across theories of performance motivation including goal-setting and expectancy. Thus, performance motivation can explain why an individual's high level of conscientiousness leads to better performance in the workplace.

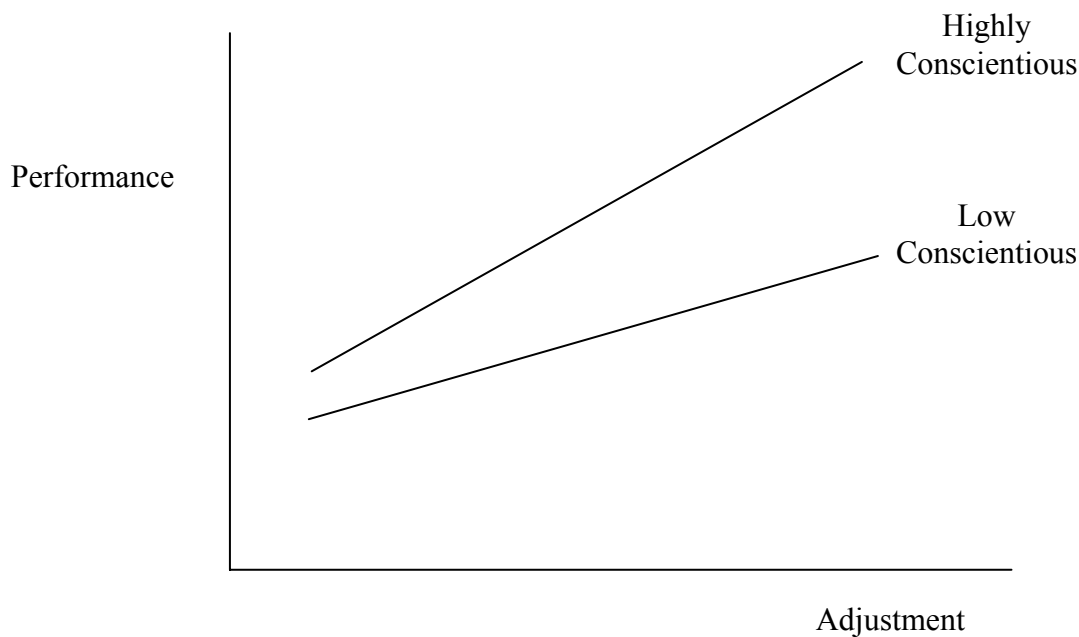
One recent research stream in personality traits in a domestic context is examining how conscientiousness interacts with other important factors to influence an individual's job performance. In particular, scholars have demonstrated that the relationship between conscientiousness and job performance can be moderated by diverse factors including one's mental ability (Wright, Kacmar, McMahan, & Deleeuw, 1995), perceptions of organizational politics (Hochwarter, Witt, & Kacmar, 2000), social skills (Witt & Ferris, 2003), other personality traits such as extraversion (Witt, 2002) and agreeableness (Witt, Burke, Barrick, & Mount, 2002), emotional exhaustion (Witt et al., 2004) and situational factors such as autonomy (Barrick & Mount, 1993) and psychological climate (Byrne et al., 2005). For example, Witt (2002) found that extraversion and conscientiousness interact to influence interview and job performance by explaining additional variance beyond what is reported by a simple bivariate relationship between conscientiousness and performance, such that more extroverted and highly conscientious employees perform better than more introverted and less conscientious employees.

Predicting a relationship between conscientiousness and job performance has also been applied to expatriate performance in international assignments. Since conscientious individuals are characterized as more organized, hard-working, and

achievement oriented (Costa & McCrae, 1992), they are highly likely to execute their jobs or duties successfully in any situation, including an expatriate assignment, through motivational processes such as goal setting, accomplishment striving and expectancy. Indeed, in a meta-analysis, Mol et al. (2005) demonstrated that conscientiousness is a valid predictor of expatriate performance with an effect size of ($\rho = .14$). Although the effect size is relatively small, this finding shows a similar pattern as those in domestic settings.

However, regardless of such findings and implications in a domestic context, no research has examined how conscientiousness can influence expatriate job performance, while interacting with other potentially important factors. Among others, this research argues that conscientiousness and cross-cultural adjustment interact to influence expatriate job performance. Specifically, it is argued that the relationship between cross-cultural adjustment and expatriate job performance will be stronger for more conscientious expatriates, although highly conscientious expatriates perform better than low conscientious expatriates regardless of their adjustment level, as Figure 2 shows.

FIGURE 2
Moderating Effect of Conscientiousness on the Adjustment-Performance Link



In stating hypothesis four, the adjustment-performance link was explained based on stress literature. That is, expatriates' maladjustment to new cultural environment results in their poor performance by demanding more time and energy to struggle with the maladjustment. According to this argument, maladjustment threatens one's resources that would be directed toward their performance. In the same vein, a personal characteristic, conscientiousness, can play an important role in the association between cross-cultural adjustment and expatriate job performance. Regardless of the cross-cultural adjustment level, highly conscientious expatriates are expected to show better

performance than low conscientious expatriates since conscientiousness may be a useful resource for buffering the stress of maladjustment. Even if an expatriate has difficulty in adjustment, conscientious individuals will perform better by buffering such maladjustment stress and spending more time and effort in their jobs. However, due to more available resources used when they are well adjusted to a new cultural environment, conscientious expatriates' job performance will be greater with a higher level of adjustment. On the other hand, for less conscientious expatriates, even if they are well adjusted to a new culture, the association between cross-cultural adjustment and job performance may not be as strong as conscientious expatriates since they are less motivated to work hard. That is, resources (i.e., psychological wellness, time, energy) gained from better adjustment may be not used toward their job performance, so the cultural adjustment level does not have much impact on their job performance. Taken together, the adjustment-performance relationship would be stronger for more conscientious expatriates, although highly conscientious expatriates perform better than low conscientious expatriates, regardless of adjustment level.

Potential support for the argument has been found in domestic settings. For example, Witt et al. (2002) demonstrated that the relationship between conscientiousness and job performance is stronger for highly agreeable employees in the context of jobs requiring cooperative interaction with others. This finding shows that another personality trait, agreeableness, has a synergistic impact on an individual's performance. Witt and Ferris (2003) also demonstrated that the relationship between conscientiousness and job performance criteria reflecting interpersonal effectiveness is moderated by social skill.

That is, conscientiousness is more helpful for individual job performance when interacting with better social skills. In addition, based on Hobfoll's (1989; Hobfoll & Shirom, 2001) conservation of resources theory, which states that people strive to retain and protect resources and threats make individuals lose their valued resources, Witt et al. (2004) showed that the combination of low levels of emotional exhaustion and higher levels of conscientiousness predicted better performance than did low conscientiousness. The authors demonstrated that individuals become emotionally exhausted when they do not have enough resources to meet work demands. That is, the emotional exhaustion-performance link is stronger for the highly conscientious call center representatives studied. This result may be similarly applied to an expatriate setting, with strong implications for expatriate research, in that emotional exhaustion is similar to cross-cultural adjustment, to some extent, from a stress perspective.

Therefore, this interaction effect on expatriate job performance is likely to be synergistic, combining a high level of cultural adjustment with the work ethic inherent in a high level of conscientiousness. If an individual has a higher level of cultural adjustment but the person is low in conscientiousness, such adjustment may not play an important role in their job performance because he or she lacks the traits associated with high performance. In other words, they have the resources to perform well in a cross-cultural context, but they may not capitalize on them because they are not dependable and reliable. Accordingly, cross-cultural adjustment may not have strong impact on their job performance. In contrast, if a person has a low level of cultural adjustment but is high in conscientiousness, their job performance will be damaged by stress from the

maladjustment but some of the detrimental effects of cultural adjustment on performance will be buffered by their conscientiousness to some extent. Accordingly, their performance will be a little better than a less conscientious expatriate with the same low level of adjustment. However, if a person has a higher level of cultural adjustment and conscientiousness, they can present the best performance because they simultaneously possess both resources and personal traits to work hard. Accordingly, for highly conscientious expatriates, cultural adjustment plays an important role in their job performance according to the adjustment degree while, for low conscientious expatriates, cultural adjustment plays a smaller role. Based on this argument, it is hypothesized:

Hypothesis 5. Conscientiousness will moderate the relationship between cross-cultural adjustment and expatriate job performance such that the relationship will be stronger when an expatriate has a higher, rather than a lower, level of conscientiousness.

The Moderating Role of the Assignment Nature in the Adjustment-Performance Link

Another likely important moderator in the adjustment-performance link is situational, i.e., the assignment nature. The expatriate literature reports that the strength in the relationship between cross-cultural adjustment and performance varies, ranging from $r = .11$ to $.49$. (Harrison et al., 2004). As suggested by some researchers (Harrison et al., 2004, Thomas & Lazarova, 2006), considering moderators, as well as mediators,

may help explain why the relationship strength may be weaker in some cases and stronger in others. One potential and promising moderator is the expatriate assignment nature because the role of cross-cultural adjustment in expatriate performance may differ according to the assignment's purpose (Arthur & Bennett, 1997). For example, Caligiuri (2006) categorized four different types of international assignments, based on how much intercultural effectiveness is required for an effective assignment and if an assignment has a developmental nature, including: 1) technical assignments, 2) developmental or high-potential assignments; 3) strategic or executive assignments; and 4) functional assignments. According to this categorization, technical and functional assignments require relatively low levels of intercultural effectiveness and developmental nature whereas developmental and strategic assignments require relatively high levels of effectiveness and developmental nature. Such different types of international assignments provide implications for explaining how the adjustment and job performance link can be moderated by the different nature of expatriate assignments.

Specifically, the role of cross-cultural adjustment in expatriate job performance is expected to differ depending on the job nature of an expatriate assignment. If the main purpose of an assignment focuses on replicating in the host country the task usually conducted in the home country or on technical tasks that do not require considerable intercultural effectiveness, the degree of cultural adjustment may not strongly influence performance. An expatriate may be dispatched to a specific place simply because no one in the host country can, for example, maneuver a certain heavy industry machine. In this case, there should be a relatively weak effect of cross-cultural adjustment on

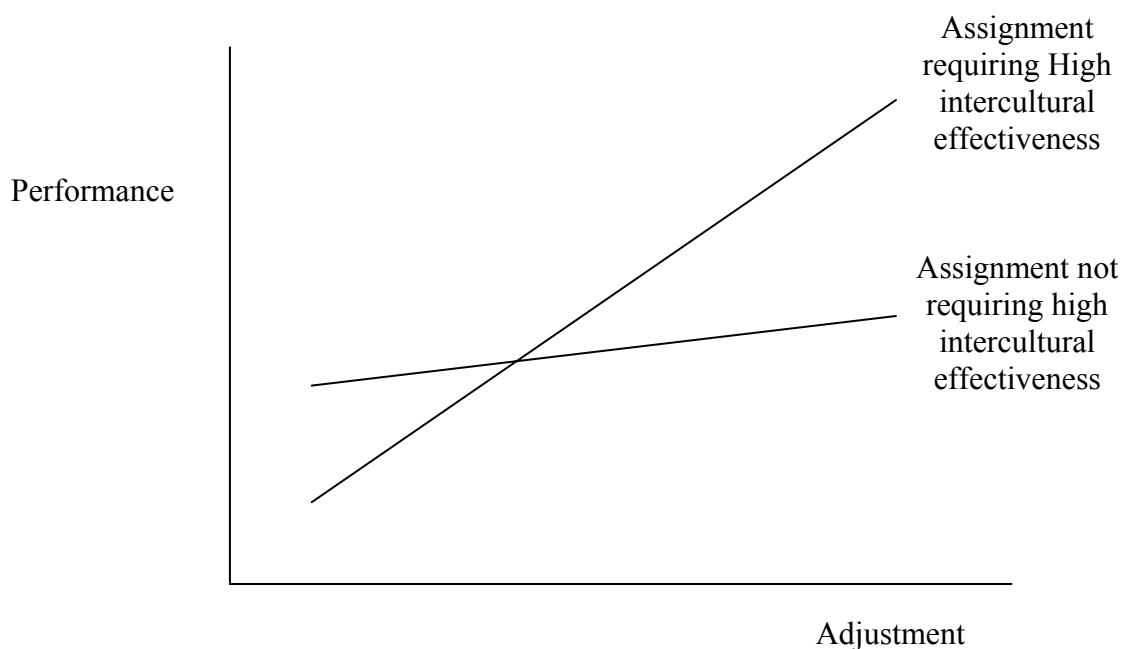
performance, mainly due to the low level of role discretion and novelty required by the assignment. On the other hand, due to the nature of assignment, cross-cultural adjustment for expatriates whose assignment mainly focuses on managerial and developmental nature, with a higher level of role discretion and novelty, may influence their performance. Accordingly, since intercultural effectiveness plays a more significant role in affecting performance in this type of international assignment, it can be argued that the strength of the adjustment-performance link would be greater in such assignments.

However, regardless of its potential research implications, no study has yet investigated the role of expatriate assignment nature in the adjustment-performance relationship. The lack of research attention to the moderating role of the different nature of assignments in the adjustment-performance link may be part of the reason why the association between cross-cultural adjustment and performance is weak in some studies. Thus, this study argues that the adjustment-performance link can be moderated by the nature of expatriate assignment. As Figure 3 shows, it is expected that the more an assignment requires higher levels of intercultural effectiveness, the stronger the linkage between cross-cultural adjustment and performance. This is because, by the nature of the assignment, adjusting to a new work environment and effectively interacting with local employees would be critical to successful completion of a managerial-based assignment. On the other hand, it is expected that the less an assignment requires intercultural effectiveness or managerial roles, the weaker the linkage between cross-cultural adjustment and expatriate performance, because work adjustment in a new environment

and effectively interacting with local employees would not be as critical as for assignments with managerial aspects. Thus, I hypothesize:

Hypothesis 6. The nature of the expatriate assignment will moderate the relationship between cross-cultural adjustment and expatriate job performance such that the relationship will be stronger when the assignment requires greater, rather than less, intercultural effectiveness.

FIGURE 3
Moderating Effect of Assignment Nature on the Adjustment-Performance Link



Summary of Proposed Model

To enhance our understanding of effective expatriate selection and performance management, this study basically investigates whether cultural competence plays a unique role in predicting expatriate adjustment and job performance. In addition, this research also examines a process model of cultural competence on expatriate job performance. Specifically, this research considers cross-cultural adjustment as an immediate linkage between cultural competence and expatriate performance. Furthermore, potentially important boundary conditions (i.e., conscientiousness, the nature of the expatriate assignment) are considered as moderators in the relationship between adjustment and performance in order to enhancing the explanatory power of cross-cultural adjustment in expatriate performance. Taken together, to better understand expatriate performance, this study integrates an important predictor, cultural competence, and potentially important boundary conditions more comprehensively. The summary of hypotheses tested in this dissertation is shown below:

1. Cultural competence will positively relate to expatriate job performance.
2. Cultural competence will positively relate to expatriate adjustment.
3. Expatriate adjustment will be positively related to expatriate job performance.
4. The relationship between cultural competence and expatriate job performance will be mediated by cross-cultural adjustment.

5. Conscientiousness will moderate the relationship between expatriate adjustment and job performance such that the relationship will be stronger when an expatriate has a higher, rather than a lower, level of conscientiousness.
6. The nature of the expatriate assignment will moderate the relationship between cross-cultural adjustment and expatriate job performance such that the relationship will be stronger when the assignment requires greater, rather than less, intercultural effectiveness.

CHAPTER IV

METHODOLOGY

This chapter describes the research methodology used in this dissertation. First, a description of the participants of the study and how the surveys were implemented will be undertaken. In addition, all measures included in the study are described.

Participants and Procedure

Participants were recruited from a Fortune 500 U.S.-based multinational company that dispatches expatriates across the world. One thousand eighty two (1,082) expatriates in the company were contacted, and they were asked to complete a web-based survey containing questions about demographic information, individual differences (i.e., Big Five personality, cultural competence) and adjustment. To mitigate common source bias and collect appropriate information about expatriates' international assignment experience, they were also asked to provide the contact information of their supervisors who were familiar with their work experience in an international assignment. Supervisors were then contacted and invited to participate in a survey asking them to assess the expatriates' work and interaction adjustment and job performance. Of the 468 expatriate surveys completed, supervisors supplied valid performance ratings for 338 expatriates. As a result, complete data were available for 338 expatriates (31%) located in 43 countries. There were no significant differences between participants and non-participants, or partial and complete responses with respect to assignment tenure,

assignment nature, and assignment location. The sample represented 38 different nationalities, and Americans represented the largest percentage of respondents (26.3%) followed closely by the U.K. (23.7%) (see Appendix A for the composition and percentages of participants' nationalities and Appendix B for host countries). The average age was 44.25 (SD = 8.6 years), ranging from 23 to 64 years, and 91.7% of them were male. Average organizational tenure of the expatriates was 13 years 10 months, ranging from 2 months to 35 years. Eighty-nine percent of respondents had at least one international assignment experience; the average number of previous international assignments was 4.63 (SD = 3.66). The average assignment tenure was 26.17 months, ranging from 1 month to 6 years 9 months.

Measures

All items included in the expatriate and supervisor surveys were measured on 5-point, Likert-type scales (1 = strongly disagree to 5 = strongly agree). Reliabilities of all measures were acceptable, greater than .70.

Cultural Competence

A measure of cultural competence was adapted from Ang et al.'s (2004) 20-item cultural intelligence scale. Expatriate participants were asked to select the response (1 = *strongly disagree* to 5 = *strongly agree*) that best describes their thoughts, feelings, and behaviors after reading each of the statements shown in Table 1. All the coefficient alpha reliabilities of the four factor cultural competence were greater than .80. Confirmatory

factor analysis (CFA) with LISREL 8.52 (Joreskog & Sorbom, 2002) demonstrated good fit of the data to a four-factor model of cultural competence, $\chi^2(164) = 495.60$, Tucker-Lewis Index (TLI) = .96, Comparative Fit Index (CFI) = .96, Root Mean Square Error of Approximation (RMSEA) = .077. Also, the four-factor model fit the data better than the other nested alternative models, as shown in Table 2.

TABLE 1
Cultural Competence Scale

Meta-cognitive dimension

1. I am conscious of the cultural knowledge I use when interacting with people with different cultural backgrounds.
2. I am conscious of the cultural knowledge I apply to cross-cultural interactions.
3. I adjust my cultural knowledge as I interact with people from a culture that is unfamiliar to me.
4. I check the accuracy of my cultural knowledge as I interact with people from different cultures.

Cognitive dimension

5. I know the legal and economic systems of countries other than my own.
6. I know the religious beliefs of cultures other than my own.
7. I know the marriage systems of cultures other than my own.
8. I know the arts and crafts of cultures other than my own.
9. I know the rules (e.g., grammar) of languages other than my own.
10. I know the rules for expressing non-verbal (e.g., body language) behaviors in cultures other than my own.

Motivational dimension

11. I enjoy interacting with people from different cultures.
12. I enjoy living in cultures that are unfamiliar to me.
13. I am confident that I can socialize with locals in a culture that is unfamiliar to me.
14. I am confident that I can get accustomed to the shopping conditions in a different culture.
15. I am sure I can deal with the stresses of adjusting to a culture that is new to me.

Behavioral dimension

16. I change my verbal behavior (e.g., accent, tone) when a cross-cultural interaction requires it.
 17. I change my non-verbal behavior (e.g., body language) when a cross-cultural situation requires it.
 18. I use pause and silence differently to suit different cross-cultural situations.
 19. I vary the rate of my speaking when a cross-cultural situation requires it.
 20. I alter my facial expressions when a cross-cultural interaction requires it.
-

TABLE 2
Results of Confirmatory Factor Analysis for Cultural Competence Measure

Model	χ^2	<i>df</i>	$\Delta\chi^2$	Δdf	TLI	CFI	RMSEA
4-factor model	495.60	164			.96	.96	.077
3-factor Model 1 (meta + cog vs. mot vs. beh)	876.00	167	380.4	3	.92	.93	.112
3 factor Model 2 (cog vs. meta + mot vs. beh)	759.91	167	264.31	3	.93	.93	.103
3-factor Model 3 (meta vs. cog vs. mot + beh)	783.16	167	287.56	3	.93	.94	.105
2-factor Model 1 (meta + cog vs. mot + beh)	1158.95	169	663.35	5	.89	.90	.132
2-factor Model 2 (cog vs. the others)	999.34	169	503.74	5	.90	.91	.121
2-factor Model 2 (mot vs. the others)	1251.69	169	756.09	5	.88	.89	.138
1-factor Model	1528.58	170	1032.98	6	.85	.87	.154

n = 338.

Cross-Cultural Adjustment

The expatriates' cross-cultural adjustment was measured by Black and Stephens' (1989) 14 items: 7 items for general adjustment, 4 items for interaction adjustment, and 3 items for work adjustment. Expatriates were asked to rate how they are adjusting in their current assignment (1 = *poor* to 5 = *excellent*) after reading each question described in Table 3. Supervisors were also asked to rate their subordinates' work and interaction adjustment using the same scale. Questions related to general adjustment were not asked of the supervisors since they did not have sufficient observation opportunities to rate subordinates' adjustment to their general lives. The coefficient alpha reliabilities of work and interaction adjustment were .88 and .89 for self-ratings and .83 and .90 for supervisor ratings. The reliability of general adjustment was .82.

TABLE 3
Cross-Cultural Adjustment Scale

General Adjustment

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

Interaction Adjustment

1. socializing with host nationals
2. interacting with host nationals on a day-to-day basis
3. interacting with host nationals outside of work
4. speaking with host nationals

Work Adjustment

1. specific job responsibilities
 2. performance standards and expectations
 3. supervisory responsibilities
-

The correlations between self- and supervisor-rated adjustments were low; $r = .14$ and $.32$ for work and interaction adjustment measure, which may reflect that each rating source offers a unique perspective. Work and interaction adjustment also showed $.14$ and $.30$ of intraclass correlation coefficient (ICC) (1) which means that the respective 14% and 30 % of variance in adjustment were simultaneously explained by self- and supervisor-ratings. The self- and supervisor-rated adjustments were collapsed to form one composite measure for a more reliable adjustment measure (Conway & Huffcut, 1997) in line with prior research in the expatriate literature (Shaffer et al., 2006).

Furthermore, the low correlations seem to be a product of disattenuation due to methodological and statistical artifacts, such as sampling and measurement errors (e.g., Viswesvaran, Schmidt, & Ones, 2002) and restriction of variation (e.g., LeBreton, Burgess, Kaiser, Atchley, & James, 2003). In particular, considering that many participants in the study already had some previous international assignment experience and local language skills (probably due to self-selection bias and range restriction on adjustment level due to organizational interventions such as expatriate selection and training), range restriction was likely to play a considerable role in producing such low correlations between self- and supervisor-ratings. Thus, if all statistical and methodological artifacts are considered, the correlations are expected to be considerably higher. Furthermore, interrater agreement (r_{wg}), which is not affected by slight rank order discrepancies and/or variance restrictions (LeBreton et al., 2003), between self- and supervisor-rated work and interaction adjustment were .86 and .76 respectively; this supports the assertion that the ratings are similar. Therefore, this research used a composite measure of work and interaction adjustment in further analysis. The coefficient alpha reliabilities of the consolidated work and interaction adjustment were .85 and .91.

Job Performance

This research measured expatriates' job performance by asking their supervisors to complete the job dimension of a role-based performance scale measure (1 =needs much improvement to 5 =excellent) developed by Welbourne, Johnson, and Erez (1998).

The four items specifically ask about the target expatriate's "quality of work output," "quantity of work output," "accuracy of work," and "customer service provided (internal and external)". The coefficient alpha reliability of the scale was .80. Since 76 supervisors provided multiple expatriates' performance ratings (average number of subordinates for the 76 supervisors to rate = 2.34), a check for rater effects was conducted by separating the data into two separate sets (one with supervisor data with unique subordinates; the other one with multiple subordinates), and testing the hypotheses. The results remained unchanged, showing similar patterns in terms of the direction and significance of the relationships, and providing no evidence for non-independence of performance ratings nested in the same supervisor.

Conscientiousness

The Big Five personality measures, including conscientiousness, were adopted from Goldberg's (Goldberg, 1999; Goldberg et al., 2006) 50 items of *international personality item pool*. Expatriate participants were asked to indicate how accurately each of the traits (as shown in Table 4) describes them, using a scale of 1 = *very inaccurate* to 5 = *very accurate*. The other personality traits were also used as control variables in the analysis. The coefficient alpha reliabilities of Big Five personality were .83 (extraversion), .72 (agreeableness), .70 (conscientiousness), .78 (emotional stability), and .73 (intellectance).

TABLE 4
Big Five Personality Scale

Extraversion

1. I am the life of the party.
2. I don't talk a lot. (R)
3. I feel comfortable around people.
4. I keep in the background. (R)
5. I start conversations.
6. I have little to say. (R)
7. I talk to a lot of different people at parties.
8. I don't like to draw attention to myself. (R)
9. I don't mind being the center of attention.
10. I am quiet around strangers. (R)

Agreeableness

1. I feel little concern for others. (R)
2. I am interested in people.
3. I insult people. (R)
4. I sympathize with others' feelings.
5. I am not interested in other people's problems. (R)
6. I have a soft heart.
7. I am not really interested in others. (R)
8. I take time out for others.
9. I feel others' emotions.
10. I make people feel at ease.

Emotional Stability

1. I get stressed out easily. (R)
2. I am relaxed most of the time.
3. I worry about things. (R)
4. I seldom feel blue.
5. I am easily disturbed. (R)
6. I get upset easily. (R)
7. I change my mood a lot. (R)
8. I have frequent mood swings. (R)
9. I get irritated easily. (R)
10. I often feel blue. (R)

Intellectance

1. I have a rich vocabulary.
2. I have difficulty understanding abstract ideas. (R)
3. I have a vivid imagination.
4. I am not interested in abstract ideas. (R)
5. I have excellent ideas.
6. I do not have a good imagination. (R)
7. I am quick to understand things.
8. I use difficult words.
9. I spend time reflecting on things.
10. I am full of ideas.

Conscientiousness

1. I am always prepared.
 2. I leave my belongings around. (R)
 3. I pay attention to details.
 4. I make a mess of things. (R)
 5. I get chores done right away.
 6. I often forget to put things back in their proper place. (R)
 7. I like order.
 8. I shirk my duties. (R)
 9. I follow a schedule.
 10. I am exacting in my work.
-

Expatriate Assignment Nature

Expatriate assignment nature was determined by job titles from the company's records. One hundred thirty nine (139) expatriates (41%) were categorized as having jobs with a more technical nature. Their job titles included technical professional, field service quality coordinator, and account representative. One hundred ninety five (195) expatriates (58%) were managers in a variety of areas such as sales, HR, operation, and country. Lastly, four expatriates (1%) were executives. Based on this information, the job types were coded as 1 = technical, 2 = managerial, and 3 = executive. Thus, a high score in expatriate assignment nature meant that a job required more effective interaction for expatriates to be successful in their jobs.

Control Variables

Control measures included expatriate's marital status (0 = single, 1 = married, dummy coded), previous international experience, assignment tenure, and local language proficiency. The expatriate literature reports that expatriates' local language skill influences expatriate performance as well as cross-cultural adjustment (Bhaskar-Shirinivas et al., 2005; Kim & Slocum, 2008), so it was included in the statistical analyses for this study. Local language proficiency was measured by the 5-item scale developed by Takeuchi et al. (2005b). Participants were asked to rate their agreement (or disagreement) with each statement about themselves (shown in Table 5). The coefficient alpha reliability of the scale was .98.

TABLE 5
Local Language Proficiency Scale

I feel confident in:

1. using the host country's local language in general
 2. writing in the local language
 3. speaking the local language
 4. reading and understanding the local language
 5. listening to the local language
-

Also, the literature shows that an expatriate's previous international experience influences their cross-cultural adjustment and other expatriate assignment outcomes (see Bhaskar-Shrinivas et al., 2005). In this study, previous international experience of expatriates was measured as the number of previous international assignments. Lastly, company records provided the information about assignment tenure, and, as described earlier, the Big Five personality was also used as a control variable in the analysis of a process model of cultural competence. These variables were controlled since such measures appear as important individual-level and non-work predictors of expatriate adjustment in the literature (Bhaskar-Shrinivas et al., 2005). Thus, controlling such measures in this study helped to illuminate the unique influences (or incremental predictive validity) of cultural competence.

CHAPTER V

ANALYSIS AND RESULTS

Bivariate Correlations

Table 6 shows the descriptive statistics, correlations and reliabilities for all of the variables. The zero-order correlations were generally consistent with the proposed hypotheses. All cultural competence dimensions were significantly and positively related to expatriate adjustment, which in turn, was positively and significantly related to job performance. Cultural competence was also positively related to expatriate job performance (ranging $r = .13$ to $.17$, all $p < .01$). Work adjustment was more strongly related to job performance ($r = .53$, $p < .01$) than was interaction and general adjustment ($r = .26$, $p < .01$ and $r = .13$, $p < .05$). As for personality traits, conscientiousness and intellectance (or openness to experience) were more related to work adjustment than to interaction and general adjustment; extraversion and agreeableness were more highly related to interaction adjustment than to the other adjustment dimensions. Conscientiousness was positively related to job performance ($r = .24$, $p < .01$) but the other personality traits were not. Cultural competence dimensions and the Big Five personality correlated each other, ranging $r = .16$ to $.40$, all $p < .01$.

Prior to reporting the results of the hypothesis testing, confirmatory factor analyses with a covariance matrix were conducted in LISREL 8.52 to examine whether the measures used in this study have appropriate construct-related validity. The result

TABLE 6
Descriptive Statistics and Correlations

Variables	Mean	SD	1	2	3	4	5	6	7	8	9	10
1. Marital Status ¹	.88	.33	-									
2. Previous Int'l Experience	4.63	3.66	.20**	-								
3. Local Language	3.09	1.46	-.01	-.05	(.98)							
4. Assignment Tenure	26.17	19.77	.09	.02	.09	-						
5. Assignment Nature ²	1.60	.51	-.01	-.00	.01	-.10	-					
6. Extraversion	3.33	.51	-.00	.05	.05	-.01	-.01	(.83)				
7. Agreeableness	3.85	.40	-.04	-.04	-.00	-.05	-.03	.36**	(.72)			
8. Conscientiousness	3.79	.40	.00	-.04	.14*	.04	-.04	.14*	.24**	(.70)		
9. Emotional Stability	3.47	.47	-.06	-.03	.09	-.14*	-.01	.31**	.25**	.30**	(.78)	
10. Intellectance	3.63	.40	-.09	-.04	.10	.03	.02	.37**	.32**	.25**	.19**	(.73)
11. Meta-Cognitive CC	4.21	.49	-.00	.14*	.17**	-.01	-.03	.24**	.23**	.26**	.19**	.38**
12. Cognitive CC	3.71	.63	-.01	.14*	.21**	.14*	.05	.27**	.16**	.25**	.20**	.37**
13. Motivational CC	4.25	.51	-.04	.13*	.10	-.01	.09	.35**	.32**	.22**	.27**	.40**
14. Behavioral CC	3.92	.56	-.01	.15**	.08	.01	-.07	.28**	.28**	.29**	.19**	.29**
15. Work Adjustment	4.09	.45	.01	-.09	.19**	.03	-.01	.18**	.12*	.32**	.20**	.24**
16. Interaction Adjustment	3.76	.69	-.05	-.03	.49**	.09	-.06	.20**	.19**	.15**	.18**	.17**
17. General Adjustment	3.71	.65	.04	-.03	.11*	.04	-.03	.13*	.07	.13*	.14**	.14**
18. Job Performance	4.24	.55	.03	-.04	.10	.03	-.12*	.06	-.05	.24**	.03	.09

TABLE 6 (Continued)

Variables	11	12	13	14	15	16	17	18
1. Marital Status ¹								
2. Previous Int'l Experience								
3. Local Language								
4. Assignment Tenure								
5. Assignment Nature ²								
6. Extraversion								
7. Agreeableness								
8. Conscientiousness								
9. Emotional Stability								
10. Intellectance								
11. Meta-Cognitive CC	(.80)							
12. Cognitive CC	.53**	(.84)						
13. Motivational CC	.56**	.42**	(.83)					
14. Behavioral CC	.51**	.47**	.53**	(.83)				
15. Work Adjustment	.25**	.22**	.29**	.22**	(.85)			
16. Interaction Adjustment	.30**	.27**	.27**	.17**	.43**	(.91)		
17. General Adjustment	.20**	.20**	.26**	.15**	.37**	.35**	(.82)	
18. Job Performance	.16**	.13*	.17**	.16**	.53**	.26**	.13*	(.80)

Note. $n = 338$. Reliabilities on the diagonal in parentheses.

* $p < .05$, ** $p < .01$ (two-tailed). CC = Cultural Competence ¹Marital Status (0 = single; 1 = married); ²Assignment Nature (1 = technical; 2 = managerial; 3 = executive)

showed that the hypothesized 14-factor model (four cultural competence dimensions, five personality traits, local language proficiency, three adjustment dimensions, job performance) fit the data well, $\chi^2(1504) = 2547.52$, TLI = .96, CFI = .96, RMSEA = .045. This supports the discriminant validity of the measures included in this study.

Predictive Validity of Cultural Competence

A regression was conducted to test Hypothesis 1 regarding the predictive validity of cultural competence on expatriate job performance. As shown in Model 2 of Table 7, Hypothesis 1 received support in regard to motivational cultural competence only: motivational cultural competence was positively related to expatriate job performance ($\beta = .17, p < .05$). This prediction was valid even after controlling for the effects of the Big Five personality and other control variables. According to the hierarchical regression result (Model 1 and 2 in the Table 7), cultural competence predicted a significant amount of incremental validity in job performance, beyond the effect of Big Five personality and five other control variables ($\Delta R^2 = .04, p < .05$; see Model 2 in the Table 7), and the motivational dimension was largely responsible for the variance ($\beta = .17, p < .05$). Motivational cultural competence had a unique influence on job performance even though conscientiousness played the most important role ($\beta = .24, p < .01$) in predicting expatriate job performance.

Regressions were also conducted to test Hypothesis 2, predicting a positive relationship between cultural competence and expatriate adjustment, as shown in Table 8. When focusing on the predictive validity of personality on adjustment (see Model 1s

TABLE 7
Regressions Predicting Expatriate Job Performance^a

Variables	Job Performance			
	Model 1	Model 2	Model 3	Model 4
Controls				
Marital Status	.04 (.06)	.05 (.06)	.02 (.05)	.02 (.05)
Previous Int'l Assignment	-.03 (.05)	-.08 (.06)	-.00 (.03)	-.03 (.06)
Local Language Proficiency	.07 (.06)	.05 (.06)	-.03 (.06)	-.03 (.06)
Assignment Tenure	-.02 (.04)	-.02 (.04)	-.02 (.02)	-.02 (.02)
Assignment Nature	-.13* (.06)	-.15** (.06)	-.14** (.05)	-.15** (.05)
Extraversion	.10 (.07)	.07 (.06)	.05 (.06)	.04 (.06)
Agreeableness	-.13* (.06)	-.17* (.06)	-.12* (.06)	-.14* (.06)
Conscientiousness	.26** (.06)	.24** (.06)	.14** (.05)	.13* (.05)
Emotional Stability	-.07 (.06)	-.09 (.06)	-.09 (.05)	-.10 (.05)
Intellectance	.06 (.06)	-.01 (.06)	-.01 (.06)	-.04 (.06)
Predictor				
Meta-Cognitive CC		.05 (.07)		.03 (.08)
Cognitive CC		.02 (.07)		.02 (.06)
Motivational CC		.17* (.08)		.07 (.06)
Behavioral CC		.01 (.07)		.00 (.08)
Mediators				
Work Adjustment			.52** (.06)	.51** (.06)
Interaction Adjustment			.07 (.06)	.06 (.06)
General Adjustment			-.09 (.05)	-.10 (.05)
Overall R	.33	.38	.59	.59
Overall R ²	.11	.15	.34	.35
Overall model F	3.60**	3.46**	11.52**	9.02**
ΔR^2		.04*		.01

Note. $n = 338$. * $p < .05$, ** $p < .01$.

^a Entries are standardized coefficients, and values in parentheses are standard errors.

TABLE 8
Regressions Predicting Expatriate Adjustment^a

Variables	Work Adjustment		Interaction Adjustment		General Adjustment	
	Model 1	Model 2	Model 1	Model 2	Model 1	Model 2
Controls						
Marital Status	.07 (.06)	.08 (.05)	-.03 (.04)	-.03 (.05)	.08 (.06)	.09 (.06)
Previous Int'l Assignment	-.06 (.01)	-.11 (.01)	.02 (.05)	-.03 (.05)	-.03 (.07)	-.08 (.06)
Local Language Proficiency	.15** (.06)	.12* (.06)	.47** (.04)	.42** (.05)	.09 (.06)	.05 (.07)
Assignment Tenure	.00 (.00)	-.00 (.01)	.05 (.05)	.04 (.07)	.03 (.06)	.01 (.06)
Assignment Nature	.01 (.05)	-.01 (.05)	-.06 (.05)	-.09 (.05)	-.04 (.07)	-.07 (.06)
Extraversion	.10 (.08)	.07 (.07)	.11* (.06)	.10 (.06)	.11 (.07)	.09 (.06)
Agreeableness	-.04 (.07)	-.08 (.06)	.11 (.06)	.09 (.06)	-.04 (.07)	-.06 (.06)
Conscientiousness	.24** (.06)	.21** (.06)	.00 (.04)	-.02 (.05)	.03 (.08)	.00 (.10)
Emotional Stability	.04 (.06)	.02 (.06)	.05 (.05)	.04 (.06)	.03 (.05)	.00 (.07)
Intellectance	.13* (.06)	.06 (.06)	.06 (.06)	-.04 (.06)	.09 (.07)	-.01 (.07)
Predictor						
Meta-Cognitive CC		.05 (.06)		.15* (.07)		.05 (.07)
Cognitive CC		.02 (.07)		.11 (.07)		.14 (.08)
Motivational CC		.18* (.07)		.13 (.07)		.21** (.08)
Behavioral CC		.02 (.07)		-.12 (.06)		-.09 (.07)
Overall R	.40	.45	.55	.59	.23	.33
Overall R ²	.16	.20	.30	.35	.05	.11
Overall model F	5.50**	5.04**	12.61**	11.07**	1.58	2.48**
ΔR^2		.04**		.05**		.06**

Note. $n = 338$. * $p < .05$, ** $p < .01$.

^a Entries are standardized coefficients, and values in parentheses are standard error

of each adjustment dimension), conscientiousness ($\beta = .24, p < .01$) and intellectance ($\beta = .13, p < .05$) predicted work adjustment, whereas extraversion ($\beta = .11, p < .05$) predicted interaction adjustment. Local language proficiency had a strong relationship with interaction adjustment ($\beta = .42, p < .01$). When adding cultural competence into the regression predicting work adjustment, motivational cultural competence positively related to work adjustment ($\beta = .18, p < .05$) and predicted a significant amount of incremental validity ($\Delta R^2 = .04, p < .01$), beyond the effects of personality and other control variables. Regarding interaction adjustment, meta-cognitive cultural competence was positively related ($\beta = .15, p < .05$) and predicted a significant amount of incremental validity of interaction adjustment ($\Delta R^2 = .05, p < .01$), over and above personality traits and local language proficiency. Lastly, motivational cultural competence was positively related to general adjustment while other variables were not significantly related to it. These results provide some support for Hypothesis 2: motivational cultural competence was positively related to work and general adjustment while meta-cognitive cultural competence was related to interaction adjustment.

Mediation Analyses

The mediation hypotheses were tested relying on Baron and Kenny's (1986) causal step approach, and Tables 7 and 8 display the mediation test. With the steps being described using the language of this study, a series of regressions were conducted to determine whether they satisfied the four conditions of mediation analysis: 1) a significant relationship between cultural competence and expatriate job performance; 2)

a significant relationship between cultural competence and expatriate adjustment; 3) a significant relationship between expatriate adjustment and job performance; and 4) cultural competence is no longer (or less so, in the case of partial mediation) significantly related to job performance when cultural competence and adjustment are put together in the regression on job performance. Analyses regarding steps 1 and 2 were conducted earlier, so Table 7 provides the results with regard to the third and fourth steps of a mediation test. As for step 3, regarding the adjustment and performance relationship (see Model 3 in Table 7), only work adjustment was positively related to expatriate job performance ($\beta = .52, p < .01$), so Hypothesis 3 received support with regard to work adjustment. Lastly, when cultural competence and adjustment were combined in the regression on job performance (see Model 4 in Table 7), cultural competence was no longer significantly related to job performance. Therefore, this supports a full mediation model, whereby work adjustment mediated the relationship between motivational cultural competence and expatriate job performance, as motivational cultural competence was related to work adjustment (see Table 8). The significance of the indirect path (i.e., the impact of motivational cultural competence by means of work adjustment) was also computed using Sobel's (1982) test. A test of the indirect path was significant, $z = 2.54, p < .01$. Taken together, these results demonstrate a full mediation effect of work adjustment on the relationship between motivational cultural competence and expatriate job performance, so Hypothesis 4 received partial support.

Tests of Moderating Hypotheses

Hypothesis 5 stated that conscientiousness would moderate the relationships between expatriate adjustment and job performance, such that the relationships would be stronger when an expatriate is more conscientious. To test the moderating hypothesis, the interaction terms, after partialing out the main effects of adjustment and conscientiousness, were included. As Table 9 shows, the Adjustment X Conscientious terms were not significant; hence Hypothesis 5 did not receive support.

On the other hand, Hypothesis 6 stated that assignment nature would moderate the relationships between expatriate adjustment and job performance, such that the relationships would be stronger when an assignment requires effective interaction with host country nationals for successfully executing the assignment. As reflected in Table 10, assignment nature had a direct effect on expatriate performance; it was negatively related to expatriate job performance. That is, the more an expatriate assignment requires effective interaction with local people, the worse the expatriate's performance. However, the Assignment Nature X Adjustment terms were not significant, providing no support for Hypothesis 6. Taken together, this research found no moderating effects of conscientiousness and assignment nature in the expatriate adjustment and job performance relationships.

TABLE 9
Interaction Effects of Expatriate Adjustment and Conscientiousness^a

Variables	Job Performance		
	Step 1	Step 2	Step 3
Block 1: Controls			
Marital Status	.05 (.06)	.02 (.05)	.02 (.04)
Previous Int'l Assignment	-.04 (.06)	.00 (.06)	.01 (.04)
Local Language Proficiency	.11 (.06)	-.02 (.05)	-.02 (.06)
Assignment Tenure	.00 (.01)	.00 (.03)	.00 (.03)
Assignment Nature	-.13* (.06)	-.13** (.05)	-.13* (.05)
Block 2: Main Effects			
Work Adjustment		.52** (.06)	1.05* (.48)
Interaction Adjustment		.04 (.06)	-.04 (.55)
General Adjustment		-.09 (.05)	-.27 (.49)
Conscientiousness		.10 (.05)	.45 (.43)
Block 3: Two-Way Interaction			
Work Adjustment X Conscientiousness			-.85 (.78)
Interaction Adjustment X Conscientiousness			.11 (.69)
General Adjustment X Conscientiousness			.23 (.61)
Overall R ²	.03	.32	.33
Overall model F	1.96	15.34**	11.55**
ΔR^2		.31**	.01

Note. $n = 338$. * $p < .05$, ** $p < .01$.

^a Entries are standardized coefficients, and values in parentheses are standard errors.

TABLE 10
Interaction Effects of Expatriate Adjustment and Assignment Nature^a

Variables	Job Performance		
	Step 1	Step 2	Step 3
Block 1: Controls			
Marital Status	.05 (.06)	.02 (.05)	.02 (.05)
Previous Int'l Assignment	-.03 (.06)	.00 (.05)	-.00 (.02)
Local Language Proficiency	.11 (.06)	-.01 (.05)	-.01 (.06)
Assignment Tenure	.02 (.09)	.00 (.01)	-.00 (.01)
Block 2: Main Effects			
Work Adjustment		.55** (.06)	.46* (.20)
Interaction Adjustment		.04 (.06)	-.15 (.18)
General Adjustment		-.09 (.05)	-.25 (.18)
Assignment Nature		-.14** (.05)	-1.06* (.49)
Block 3: Two-Way Interaction			
Work Adjustment X Assign Nature			.29 (.60)
Interaction Adjustment X Assign Nature			.40 (.35)
General Adjustment X Assign Nature			.33 (.36)
Overall R ²	.02	.31	.33
Overall model F	1.11	16.65**	12.63**
ΔR^2		.29**	.02

Note. $n = 338$. * $p < .05$, ** $p < .01$.

^a Entries are standardized coefficients, and values in parentheses are standard errors.

Summary of Findings

With a sample of 338 expatriates located in 43 countries, the analysis revealed that motivational cultural competence predicted work and general adjustment while meta-cognitive cultural competence predicted interaction adjustment. These findings were still valid even after controlling for important individual differences (i.e., local language proficiency, previous international experience, and personality traits), demonstrating cultural competence's incremental predictive validity for expatriate adjustment above and beyond the effects of the individual predictors. The analysis also found the unique role of motivational cultural competence in predicting expatriate job performance by demonstrating its incremental validity on expatriate job performance. Furthermore, mediation regression analyses provided support for the proposed hypothesis regarding a process model of cultural competence: motivational cultural competence works through work adjustment to influence job performance. Lastly, this research also tested the moderating effects of conscientiousness and assignment nature in the relationships between expatriate adjustment and job performance. However, the hypotheses regarding the moderating effects did not receive support.

CHAPTER VI

DISCUSSION AND CONCLUSIONS

This chapter provides a discussion of the study's findings as well as implications for research and practice. The main purposes of the dissertation were to examine: 1) the predictive validity of cultural competence on expatriate adjustment and job performance; 2) a process model of cultural competence on job performance through expatriate adjustment; and 3) boundary conditions in the relationship between expatriate adjustment and job performance. First, the results provide support for the predictive validity of cultural competence on expatriate adjustment and job performance. Specifically, motivational cultural competence predicted work and general adjustment and job performance while meta-cognitive cultural competence predicted interaction adjustment. The findings also reflect incremental predictive validity by demonstrating the unique influences of cultural competence even beyond the effects of other valid predictors of adjustment and performance, such as conscientiousness, intellectance, extraversion, and local language proficiency. In addition, testing the process model of cultural competence revealed that motivational cultural competence actually affects expatriate job performance *through* work adjustment. It is noteworthy that work adjustment was shown to be an underlying mechanism explaining the relationship between motivational cultural competence and job performance. Last, this dissertation examined two boundary conditions (i.e., conscientiousness and assignment nature) as moderators of the expatriate adjustment and job performance relationship, but the results

did not support an effect. Overall, these findings lead to the conclusion that some cultural competence dimensions play important and unique roles in predicting expatriate adjustment and performance in international assignments. Also, such predictive validity is still valid even after controlling for personality traits and context-relevant skills and experience (i.e., local language proficiency, previous international experience).

Theoretical Implications

The results of this research are consistent with previous findings related to individual predictors of expatriate adjustment, as they confirm the importance of some Big Five personality traits and local language proficiency (see Bhaskar-Shrinivas et al., 2005; Hechanova et al., 2003; Mol et al., 2005 for reviews). With regard to personality traits, conscientiousness played an important role in work adjustment, whereas extraversion did the same regarding interaction adjustment. This result makes sense in that expatriates with higher levels of hard-working nature and self-discipline are more likely to present better adaptation to their work, and the more outgoing and assertive expatriates are more likely to better interact with others in the host country. Local language proficiency predicted both work and interaction adjustment. In particular, it should be noted that local language proficiency played the most important role in predicting interaction adjustment. This implies that expatriates speaking a local language well are more likely to be better adjusted to interaction with local people because they know the culture, social norms, and customs, as well as the local language. Regarding expatriate job performance, as in the domestic literature, conscientiousness was a valid

predictor. However, previous international experience and assignment tenure did not predict either expatriate adjustment or job performance. This study also confirms previous findings in management stress literature by presenting the positive association of work adjustment with expatriate job performance. If an expatriate adjusts well to a new work setting in the host country, he or she may spend more time and energy on their work and, in turn, this will positively influence job performance.

More importantly, this dissertation contains some major and unique theoretical contributions. It provides further understanding about the important roles of an individual difference (i.e., cultural competence) in a cross-cultural management context, having found cultural competence to be related to expatriate adjustment and job performance. Of the four cultural competence dimensions (i.e., meta-cognitive, cognitive, motivational, behavioral), motivational cultural competence emerged as a valid predictor of work and general adjustment, and job performance. That is, an individual's drive to adapt to different cultural situations played an important role in influencing expatriate assignment effectiveness. Meta-cognitive cultural competence was a valid predictor of interaction adjustment; the better an expatriate recognizes and understands expectations appropriate for cultural situations, the more effectively he or she interacts with local people. Therefore, an expatriate's motivation for effective adaptation matters for work and general adjustment and performance, whereas recognizing and understanding different cultural situations matter for interaction adjustment. Notably, motivational and meta-cognitive cultural competence represented incremental predictive validity for expatriate assignment effectiveness over and above

other relevant individual level predictors. Cultural competence explained only a modest amount of variance (i.e., 4 to 5 %) in expatriate assignment effectiveness, but it meaningfully contributes to our understanding of the drive for better international assignment outcomes, since it does matter even after one accounts for other important individual differences, such as local language proficiency and Big Five personality. This result supports Tett and Burnett's (2003) argument that certain situations make specific individual differences more important than others. That is, an unfamiliar work requirement and cultural environment in the host country may make meta-cognitive and motivational cultural competence more important individual predictors of expatriate adjustment and performance. In particular, in that cultural competence had a unique influence on expatriate assignment regardless of some overlap with personality traits, cultural competence may be worth further research regarding expatriate selection, adjustment, and performance management.

Related to the predictive validity of cultural competence, the findings of this study also contribute to the advancement of social support theory in the expatriate setting. Previous literature (e.g., Kraimer et al., 2001) found that perceived organizational support affords expatriates social support that can buffer psychological stress, thereby increasing adjustment in work, interaction, and general life in the host country. As such, this study demonstrated that *cultural competence*, an individual's capability to effectively interact with others from different backgrounds, also enables expatriates to gain social support that is beneficial to their adjustment. Furthermore, this study strengthens the external validity of cultural competence's role in expatriate

adjustment by examining this relationship for expatriates located in numerous countries. This result implies that selecting the right expatriate candidate with higher levels of meta-cognitive and motivational cultural competence, as well as organizational intervention, may be critical to improving expatriate adjustment, and ultimately their job performance, by offering beneficial help to buffer their psychological stress.

In addition, by demonstrating the indirect effects of motivational cultural competence on the job performance of expatriates, this dissertation contributes to work role transition theory (Nicholson, 1984), arguing that the degree of successful adjustment to a new work situation may affect individual work outcomes. Previous expatriate research notes that adjustment might mediate the relationship between various predictors and actual success (e.g., Bhaskar-Shrinivas et al., 2005; Kraimer et al., 2001); however, rarely have studies examined these relationships in terms of individual differences. Applying the main argument of work role transition theory (Nicholson, 1984) to the expatriate setting, this study demonstrated that a smooth transition into a new international assignment is critical to expatriates' performance. The results indicate that motivational cultural competence contributes to an expatriate's smooth work transition to his or her international assignment, which indirectly influences job performance. Thus, this research provided empirical support for the argument that work adjustment of expatriates is a proximal outcome of motivational cultural competence, whereas job performance is a distal outcome.

Taken together, the findings shed more light on the role of an individual's state-like cross-cultural competency in an expatriate assignment setting, and theoretically

contribute to the advancement of individual difference and cross-cultural management literature, as well as other relevant theories. In particular, this research is the first to further our knowledge of an underlying mechanism in the association between cultural competence and expatriate job performance.

Practical Implications

Practically speaking, this research would allow multinational organizations to improve their expatriate staffing and performance management systems directed at improving expatriate adjustment and performance. For instance, providing incremental predictive validity evidence for cultural competence would pave the way for integrating it into expatriate selection and placement programs. When selecting employees who will be dispatched to foreign countries for their international assignments, organizations often focus on the individual's assignment-relevant or host country specific knowledge, skills, abilities and experience (e.g., local language proficiency, previous international experience). However, such skills, abilities, and experience may be important in some cases (such as local language proficiency), but may be hard to develop in a short period of time. Consequently, it could be difficult to find appropriate expatriate candidates who already possess such skills and abilities, so relying on those traits is often less practical since it is challenging to find the right person. Thus, along with such surface level abilities and experiences, considering more an individual's potential to succeed in the expatriate assignment through overcoming cultural challenges may improve the effectiveness of multinational companies' selection practices for expatriates. For

example, according to this study, multinational organizations can improve the prediction of expatriate job performance by adding cultural competence measures to selection batteries ($R = .38$; $\Delta R = .05$, 15% increase due to the inclusion of cultural competence). Additionally, although the role of cultural competence in the supervisory rating of performance is modest, the benefit of cultural competence can be substantial to multinational organizations, as expatriates' successful experience and better performance in the host country can provide a competitive advantage for international business activities.

This research also provides insight into expatriate training and development. Since motivational cultural competence is a more state-like individual difference, organizational developmental programs, such as mentoring programs or coaching, might help expatriates enhance their motivation for better adapting to different cultural situations. In addition, helping expatriates develop their cognitive processing ability in recognizing and understanding expectations appropriate for cultural situations, along with improving the ability to speak a local language, would be beneficial to an expatriate's successful adaptation and job performance in the international assignment. With effective training and developmental programs, organizations would be able to pay more attention to their employees' task expertise and experience, without worrying so much about their maladjustment, when selecting the right expatriate candidates. Taken together, the findings of this research may help multinational organizations improve their selection and performance management systems to be more successful in the management of expatriates and local operations.

Limitations and Future Research

This study has several limitations that will provide interesting venues for future research. First, it focused on expatriate job performance only, but future studies need to include other indicators of international assignment effectiveness. According to the literature, there are numerous other attitudinal and behavioral indicators of successful international adjustment, including job satisfaction (Naumann, 1993; Takeuchi et al., 2002b), organizational commitment (Guzzo, Noonan, & Elron, 1994; Shaffer & Harrison, 1998), and turnover intention (Black & Stephens, 1989; Caligiuri, 2000; Shaffer & Harrison, 1998). In particular, job satisfaction and premature return intention (i.e., plans to search for other employment, general thoughts or consideration of quitting, and intention to return earlier) are major indicators of the consequences of expatriate adjustment, along with performance (see Bhaskar-Shrinivas et al., 2005). Thus, considering other assignment outcomes would contribute to a better understanding of a nomological network around cultural competence. In addition, the expatriate adjustment and performance (both task and contextual performance) relationship could be further explained by considering other expatriate attitudes and behaviors (e.g., assignment satisfaction, commitment to local operation), so it would be interesting to see how the relationship may be influenced by other assignment outcomes. Therefore, future research should address the effects of cultural competence on various international assignment effectiveness indicators in a more systematic way to illustrate a broader picture of the roles of cultural competence in expatriate assignments.

Second, this research conceptualized expatriate job performance as a single construct of overall performance, but future studies need to discuss it as a multidimensional construct to better understand expatriate job performance (cf. Caligiuri, 1997). Regarding this issue, Bhaskar-Shrinivas et al.'s (2005) meta-analytic review shows strong evidence for multiple dimensions of individual expatriate performance including task, relationship, and overall performance. Thus, for future research, there is a need for more elaboration of the diverse dimensions of expatriate performance. For example, it may be that task competence or previous performance in a domestic setting might be better predictors of expatriates' task performance whereas cultural competence might be a more solid predictor of contextual or managerial performance in local operations. Thus, the conceptualization and measurement of multidimensional expatriate job performance could assist in delineating how cultural competence may affect different dimensions of expatriate performance, thereby increasing knowledge about expatriate assignment effectiveness.

Third, this research collected information about expatriate job performance relying on supervisor ratings, but ratings from multiple sources, including peers and local employees, would provide perhaps more valid information about expatriates' job performance. In particular, regarding expatriate-specific contextual performance, whereby ratings from local employees or peers could provide better information than supervisors, future research should consider including their ratings. Additionally, focusing on leadership effectiveness, as rated by local subordinates, as an expatriate assignment outcome would be a great venue for future research. In particular, such

research will attract great interest from multinational companies who realize that the requirements for effective leadership vary across cultures. Another measurement issue in this research is related to the consolidated adjustment measure. Since it was expected that the low correlations between self- and supervisor-rated adjustment measures are due to some methodological and statistical artifact (e.g., selection bias, sampling and measurement errors, range restriction), future research should demonstrate how those issues may influence the findings.

Fourth, the cross-sectional nature of this study prevents making causal inferences. Since cultural competence is a state-like individual difference, this research cannot deny the possibility that the cultural competence of expatriates who responded to the survey may be confounded by their level of cross-cultural adaptation. Accordingly, a longitudinal study would provide an appropriate inference regarding the effects of cultural competence in expatriate assignment effectiveness. Longitudinal studies are warranted for another reason. Expatriate research indicates that the major and most obvious limitation of expatriate literature is the prevalent use of cross-sectional research designs (Bhaskar-Shrinivas et al., 2005). According to Bhaskar-Shrinivas et al. (2005), longitudinal studies comprise less than 5% of the studies, even though they provide more knowledge about a trajectory pattern of expatriate adjustment over time. For example, as expatriates learn to cope with the stress of living and working in a foreign environment, adjustment levels rise and reach stable levels during mastery (e.g., Black & Mendenhall, 1991; Torbiorn, 1982). However, beyond the early stage of immersion in an unfamiliar culture, when nearing the end of their assignment, expatriates' adjustment levels may

decline because of the loss of interest in the environment and increased desire for repatriation. Thus, when considering temporal factors in expatriate assignment, we may have a better understanding about how expatriate adjustment changes over time.

Another interesting longitudinal study would be to investigate the socialization process. Expatriates adjust to new work and life contexts through socialization processes, in that they learn beliefs, values, and behaviors to successfully execute their assignments in a host country (cf, Bauer, Morrison, & Callister, 1998; Black et al., 1991; Fisher, 1986). It has been noted that newcomers' adjustment reflects a learning curve, such that newcomers tend to learn and perform quickly early on in socialization, rather than later, after newcomers integrate better and reach more stable levels of adjustment and performance (see Chan & Schmitt, 2000; Chen, 2005). Socialization literature also notes that certain individual differences, such as self-efficacy and proactivity, enable newcomers to adapt more quickly. In particular, early adjustment (less than four months) is rarely measured in the literature, even though short-term assignments are increasing due to expatriates' concerns about dual-career and work-family balance issues that arise in long-term assignments. Thus, it would be interesting to see how expatriates' cross-cultural adjustment improves over time, especially early in socialization. For example, expatriates with higher levels of cultural competence may be more likely to adjust at quicker rates because individuals' culturally specific knowledge and motivation can facilitate expatriates' adjustment in the host country, particularly in the early stages of socialization. Taken together, future research needs to consider the dynamic nature of expatriate adjustment to provide more extensive knowledge about how cultural

competence affects expatriate adjustment and assignment effectiveness. Moreover, longitudinal studies would increase the understanding of how managers can adjust more quickly and effectively during challenging international assignments, and what organizations and managers might need to focus on in order to improve expatriate adjustment and success.

Fifth, this research did not consider the effects of family (or spousal) adjustment on expatriate adjustment and job performance. Since problems in family adjustment may have cross-over or carry-over effects on expatriates' adjustment and other work-related attitudes and outcomes by increasing psychological strain (e.g., Black & Stephen, 1989; Caligiuri, Hyland, Joshi, & Bross, 1998; Shaffer & Harrison, 1998; Takeuchi, Wang, & Marinova, 2005a), future research should reflect the effects of family adjustment on the relationship between cultural competence and expatriate adjustment and other assignment effectiveness indicators. For example, even if the expatriate's adjustment is positive, but the family suffers from new cultural and life challenges, the expatriate's own cross-cultural adjustment may not provide a strong drive for excellent performance, since they may be negatively influenced by the family's maladjustment. Accordingly, although expatriates' adjustment levels are linked to performance, the influence of cross-cultural adjustment on performance may not be manifest if the family fails to adjust to new cultural and life environments in the host country. In the same vein, the effect of cultural competence and/or the effect of an individual's cross-cultural adjustment on performance may be confounded by the degree of family adjustment. For this reason, family issues (e.g., spousal adjustment, satisfaction with living in the host country, child-

care needs, and satisfaction with children's education) should be considered in future research.

Next, this research did not consider contextual factors, other than assignment nature, in the proposed model, but considering more contextual factors would provide better information about factors influencing expatriate adjustment and performance. Although researchers have started considering contextual factors in examining expatriate assignment effectiveness (Takeuchi et al., 2008), future research should pay more attention to integrating contextual factors. In particular, considering the influence of cultural environment or host country operation climate would provide a better understanding of boundary conditions among cultural competence, expatriate adjustment and performance. Testing a moderating effect of cultural distance, defined as the extent of cultural difference between two countries on various cultural values (see Shenkar, 2001, for a review; Kogut & Singh, 1988; Luo, Shenkar, & Nyaw, 2001), on the cultural competence and expatriate adjustment relationships would be one such study. For example, if expatriates whose national culture is more individualistic and has a lower level of uncertainty avoidance are dispatched to a country considerably different from their home country (i.e., U.S. expatriates in China; Hofstede, 1980, 2001), they may suffer more from the cultural differences than expatriates in countries with lesser cultural distance from the U.S. (i.e., U.S. expatriates in Canada), in terms of interacting with host country nationals and working and living in the new cultural environment. Thus, as cultural distance increases, it is expected that cultural competence (individual differences in cognitive processing and knowledge about the culture, motivation to adapt, and

culturally appropriate behavior) might become more, rather than less, critical for expatriates' adjustment because such competence may emerge as the most important individual difference within the context of an unfamiliar cultural environment holding considerable culturally specific challenges (Tett & Burnett, 2003). In other words, a situational specificity of greater cultural distance (between home country and host country) may make the variance in an expatriate's cultural competence level more important in their adjustment, as the situation will require that expatriates have high levels of cultural competence in order for them to adjust well. In contrast, a situation of close cultural distance (a more familiar environment) may make the strength of cultural competence less critical in expatriate adjustment, as the situation may not require the same level of cultural competence as would a situation with greater cultural distance. Other possible contextual factors in the relationship between adjustment and performance might be certain organizational performance management practices regarding expatriate assignments. For example, effective performance appraisal systems with good promotion opportunities and/or attractive financial incentives might strengthen the adjustment-performance link by encouraging expatriates' efforts in line with the rewards.

Exploring the antecedents of cultural competence may also provide fertile research opportunities. Since cultural competence is a person's capability, the level of cultural competence could vary in terms of individual factors. In particular, as shown in this study (see correlations in Table 6), Big Five personality related to all cultural competence dimensions (ranging from $r = .16$ to $.40$; all $p < .01$) so finding causal

influences of personality on cultural competence may provide better understanding regarding the precedents of cultural competence. In addition, according to a model of life experience learning (Dean, Russell, & Muchinsky, 1999), because experiences in work and nonwork domains may affect an individual's affective, cognitive, and behavioral activity, previous international experience may predict the level of expatriates' cultural competence. Thus, examining whether international experience in a certain culture may enhance individuals' cultural competence by providing them with more realistic and accurate cultural knowledge and appropriate behavioral norms in that culture may be an interesting question to ask for future research (cf., Takeuchi, Tesluk, Yun & Lepak, 2005b; Tesluk & Jacob, 1998). Local language proficiency may also predict cultural competence because fluency in the local language may provide individuals with more opportunities to access information about the culture and develop more knowledge and, in turn, enable them to behave in more culturally appropriate manners. Accordingly, examining the role of local language proficiency as an antecedent of cultural competence may be an interesting research question.

Another potential future research area is the examination of the effects of expatriate managers' cultural competence on the work attitudes and outcomes of host country national (HCN) subordinates. There is little research examining such effects, even though local expatriates' roles may be important for a successful international assignment because their satisfaction, commitment, cooperation and support for expatriates may influence the performance of the local unit in the host country. Toh and DeNisi (2003) assert that inequitable compensation for HCNs will lower local

employees' commitment and work performance. The same concept can be applied to expatriates' interactions with local subordinates. For example, an expatriate's high level of cultural competence may lead to local employees' high satisfaction and commitment, and better performance. Furthermore, it is known that leaders can influence the degree of role stress and uncertainty which their subordinates experience, which in turn may affect levels of satisfaction, strain, and turnover intentions (e.g., O'Driscoll & Beehr, 1994). Therefore, examining 1) how expatriate managers' cultural competence influences the work attitudes and behaviors of local subordinates and 2) in turn, how HCNs' attitudes and behaviors affect expatriate managers' work attitudes and behaviors will provide us with a broader and more complete picture of cultural competence's effects on international assignment effectiveness.

Lastly, cultural competence is not limited to the expatriate assignment context. Nowadays, it is hard to find a culturally homogeneous context in the world. Another diverse cultural context may be found in multinational (or global) teams (Earley, 2002; Earley & Gibson, 2002). Furthermore, even if a team is not composed of people from different nationalities, but is culturally diverse, cultural competence may play a crucial role in such a context. In particular, in countries with a more diverse workforce, such as the U.S., the effects of cultural competence may be more salient in multi-cultural work groups by influencing socialization processes, group dynamics, and teamwork, and in turn, the team's effectiveness. Another cultural context in which cultural competence may be an important predictor of work outcomes is in the hospitality and tourism industry. Because this industry requires much interaction with customers from diverse

cultural backgrounds, employees' cultural competence will influence customer satisfaction and in turn organizations' performance and effectiveness.

Conclusions

With the increased reliance on cross-cultural managerial assignments, and growing implementation of multinational teams, organizations, and joint ventures, it is critical that we gain better understanding of the factors that enable employees and managers to perform effectively in culturally diverse contexts. In particular, as the world economy becomes more integrated, expatriates' successful execution of their international assignments will gain more importance for multinational companies. In line with such importance, knowing what makes certain expatriates more successful in their assignment is an important issue. Using more than 300 expatriates across the world, this study demonstrated that cultural competence has an incremental predictive validity for expatriate adjustment and performance, beyond the effects of personality and other individual predictors. Also, this study is the first to empirically show a process model of cultural competence; motivational cultural competence was indirectly related to expatriate job performance through work adjustment. Thereby, this research provides some theoretical and practical implications regarding effective expatriate management. I hope these findings will help us gain better knowledge about the nature and utility of cultural competence, which in turn, will extend our understanding of employee effectiveness across cultural contexts. Finally, I believe that future research exploring the relationships of cultural competence with other assignment outcomes not included here,

along with the diverse boundary conditions, will bring fruitful new knowledge about expatriate assignment effectiveness and cross-cultural management.

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APPENDIX A

The Composition and Percentages of Participants' Nationalities

Nationality	Frequency	Percent	Cumulative Percent
US	89	26.3	26.3
UK	80	23.7	49.9
Colombia	27	8.0	60.0
Canada	20	5.9	63.9
Australia	15	4.4	68.3
Egypt	14	4.1	72.5
Venezuela	12	3.6	76.0
India	8	2.4	78.4
Argentina	8	2.4	80.8
Mexico	7	2.1	82.8
France	6	1.8	84.6
Brazil	5	1.5	86.1
South Africa	4	1.2	87.3
Peru	4	1.2	88.5
Netherlands	3	0.9	89.3
Ecuador	3	0.9	90.2
Italy	3	0.9	91.1
Algeria	3	0.9	92.0
Bolivia	3	0.9	92.9
Malaysia	2	0.6	93.5
Singapore	2	0.6	94.1
Pakistan	2	0.6	94.7
Jordan	2	0.6	95.3
Norway	2	0.6	95.9
Russia	1	0.3	96.2
Oman	1	0.3	96.4
Brunei	1	0.3	96.7
Romanian	1	0.3	97.0
Trinidad & Tobago	1	0.3	97.3
Austria	1	0.3	97.6
Portugal	1	0.3	97.9
Tunisia	1	0.3	98.2
Turkey	1	0.3	98.5
Belgium	1	0.3	98.8
Honduras	1	0.3	99.1
Poland	1	0.3	99.4
Turkmenistan	1	0.3	99.7
Saudi Arabia	1	0.3	100.0

Note. $n = 338$

APPENDIX B

The Composition and Percentages of Participants' Host Countries

Host Country	Frequency	Percent	Cumulative Percent
UAE	28	8.3	8.3
Indonesia	27	8.0	16.3
Mexico	26	7.7	24.0
Saudi Arabia	25	7.4	31.4
US	23	6.8	38.2
Malaysia	16	4.7	42.9
Egypt	14	4.1	47.0
Brazil	12	3.6	50.6
Kuwait	11	3.3	53.9
Thailand	11	3.3	57.1
Venezuela	10	3.0	60.1
Ecuador	10	3.0	63.0
Norway	10	3.0	66.0
Russia	9	2.7	68.6
China	9	2.7	71.3
Nigeria	8	2.4	73.7
Netherlands	8	2.4	76.0
Singapore	8	2.4	78.4
Kazakhstan	7	2.1	80.5
Angola	7	2.1	82.6
Qatar	6	1.8	84.4
Canada	6	1.8	86.2
Oman	5	1.5	87.7
India	5	1.5	89.2
UK	5	1.5	90.7
Libya	4	1.2	91.9
Argentina	4	1.2	93.1
Congo	3	0.9	94.0
Italy	3	0.9	94.9
France	2	0.6	95.5
Spain	2	0.6	96.1
Vietnam	2	0.6	96.7
Azerbaijan	1	0.3	97.0
Brunei	1	0.3	97.3
Gabon	1	0.3	97.6
Pakistan	1	0.3	97.9
Algeria	1	0.3	98.2
Colombia	1	0.3	98.5

Denmark	1	0.3	98.8
Germany	1	0.3	99.1
Cameroon	1	0.3	99.4
Trinidad & Tobago	1	0.3	99.7
Yemen	1	0.3	100.0

Note. $n = 338$

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Awards and Honors

- Outstanding Reviewer Award, OB Division of the Academy of Management (2008)
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