

## **Effects of Cultural Intelligence on Job Performance among Expatriates in Pakistan**

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### **Abstract**

*The study reveals the effect of cultural intelligence on job performance among expatriates in Pakistan while taking sample of 340 individuals. The result shows that cultural intelligence is one of the essential competencies in cross cultural area that help expatriates to enhance job performance in an international assignment. The findings of this study show that expatriates in Pakistan have high dimensions of metacognitive and motivational cultural have better adjustments and have high job performance. This study helps out in the field of cross-cultural management and enhances the knowledge in this field. This study has also practical importance to expatriate firms in the areas of recruiting and selecting individuals on an international level.*

**Keywords:** cultural intelligence, job performance, cross cultural adjustment and expatriate performance

### **Introduction**

In this globalization era, it is considered that effective international assignment is a significant source and the competitive edge for many organizations. (Zhang and Dodgson, 2007). Most of the organizations get this competitive advantage by sending their expatriates on different international assignments in order to create avenues for international markets, maintain corporate culture, transferring of learning, abilities and innovation (Huang et al., 2005). This expatriate assignments are generally used by the associations for a compelling managerial advancement and furthermore for promoting individuals (Takeuchi, Tesluk, Yun, and Lepak, 2005). Cultural intelligence is viewed as a significant factor of intercultural limit that is fundamental for expatriates working in contemporary associations for an international assignment. (Alon and Higgins, 2005). CQ is characterized as the capacity of a person so as to manage people effectively of vast cultural areas. (Ang, Van Dyne, Koh, and Ng, 2004). Cultural Intelligence is an idea that shows that some individuals cooperate and adjust all the more adequately in different

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cultures and their capacity to comprehend the language of other cultures. The present study is about the extension of work by Earley and Ang's (2003) to discuss theoretically the role of cultural intelligence on expatriate's performance in Pakistan. The aim of the research is to find out the factors for expatriate performance which is lacking in the available research.

### *Theoretical Development*

#### *Cultural Intelligence*

Cultural intelligence or CQ refers to an individual's capacity as to work effectively and efficiently in an intercultural situation and make decisions to react to another cultural context (Ang and Van dyne, 2008). The meaning of cultural intelligence concentrated on the capability of a person to meet the requests of the intercultural context (Ang et al., 2015). Cultural intelligence or CQ, like other multifaceted types of intelligence, exists on a continuum that creates with time. Improving CQ by gaining from social experience means focusing on and acknowledging basic contrasts in culture and foundation among oneself as well as other people.

#### *Dimensions of cultural intelligence*

Cultural intelligence involves four measurements (Ang and Earley, 2006), which are the metacognitive, cognitive, motivational and behavioral components. The Metacognitive is the psychological limit of a person to get and to comprehend the cultural knowledge (Ang et al., 2007). The individuals who have high metacognitive component are considered to know about cultural norms and practices (Ang and Van Dyne, 2008). The Cognitive component of an individual is referred to as the individual's general information. Furthermore, the structure of their cultural information concerning the social standards, social implementations and has ideas of the various cultures. (Ang et al., 2007). Motivational factor of CQ means the wants and expectations of the people so as to conform to another cultural situations. People with a significant level of an inspirational part are viewed as focused on the culturally diverse conditions from a place of inborn incentives (Deci and Ryan, 1989) and the behavioral factor of CQ means the limit of people as to show the activities of cooperating to the general population of various cultures. (Ang and Van dyne, 2008).

*Cultural intelligence and job performance*

Performance is characterized as the capacity of aptitudes, obligations, capacities and inspiration towards given conduct. For example, formal employment particulars (Campbell, 1999).

The practices and activities that are pertinent to hierarchical objectives are viewed as a significant indicator of job performance (Campbell, 1999). The theory identified with job performance demonstrates that it is a multidimensional construct comprising of various task measurements and furthermore the contextual dimensions (Earley and Ang, 2003).

A group with high CQ is bound to screen an assortment of collaborations and assemble predominant team characters for each team member, which permits colleagues to associate commonly, and in the end improve performance of teams (Earley and Gardner, 2005). The teams that comprises high element of metacognitive and cognitive CQ are bound to improve task performance as they direct significant level of culture procedure for perceiving, indexing, and breaking down colleague conduct. Additionally, the teams that consists of higher motivational CQ have directly influenced towards their colleagues to make their own teams and helping them to withdraw the troubles creating from social setting (Earley and Gardner, 2005). At long last, teams contain higher behavioral component of cultural intelligence generally communicate different activities from social setting among team members and these are unavoidable elements of the expatriate performance (Earley and Ang, 2003). The above discussion proposed the following hypothesis

H1: There is a positive relationship exist between CQ and job performance.

*Sub Hypotheses*

H2a: There is a positive relation exist between motivational CQ and task, contextual and assignment specific performance.

H2b: There is a positive relation exist between behavioral CQ and task, contextual and assignment specific performance.

**Methodology**

In this study, primary data were collected from expatriates in Pakistan in which structured questionnaire was using through online survey and through mail. The individuals who were residing in Pakistan serve as participants in this study. A total of 1000 questionnaires were distributed in which usable questionnaire was 340. In which the rate of return was 34%. Which is similar to other return rate on such studies (20-

30%). (Harrison & Shaffer, 2004). Total of 340 responses were getting in which 8 were considered as unusable Responses. The 332 represents 33% of return rate. The sample includes 250 men and 82 women.

The participants in the study have age included 120 (36%) between 40-50 years old, 103 (31%) between 30-40 years old and 109(33%) below 30 years old. The marital status of participant's shows that 269 are married and 63 are unmarried. Participants who have international experience included 250 participants while 82 has no such experience. 235 participants did not get any training regarding cross cultural in organizations. Job status of participants included that 167 are on managerial positions. While 165 are performing non managerial jobs. Education status shows that 120 participants are degree holders. 86 participants have master degree holders. About the working status of participants. It shows that 110 participants are working in service sector. In manufacturing sector 85 participants are working. While others are working in other sectors of the economy. The length of stay is Pakistan ranged from 1 to 5 years. Time period with their recent organizations is from 1 to 4 years. Mostly the participants belong to different countries but majority from Afghanistan 200(80%), 39(12%) from china and others from few other countries.

#### *Measures of Cultural Intelligence and Job Performance*

We measured cultural intelligence by using the scale of Ang et al. (2007). This scale consists of 20 items. This Turkish version of cultural intelligence scale is valid and reliable instrument for the measurement of intercultural capabilities of an individual (Sahin, Gurbuz & Koksal, 2014). Answers of questionnaire were recorded on a Likert scale of 7 point. Which is ranging from 1-strongly disagree to 7-strongly agree. In job performance scale, the variable of task performance was estimated by utilizing the task performance scale of Black and Porter's (1991). Individuals are approached to find out their capability towards task performance items as compare to their companions in comparable situations on Likert scale. The variable of assignment specific performance was estimated by using the scale of Caligiuri's (1997). The individuals were approached to rate their capabilities on the items of the expatriate assignment specific performance scale on Likert scale of 7-points. The Contextual performance of expatriates was estimated by utilizing the scale of Caligiuri's (1997). Individuals were approached to find their ability in the given contextual performance items as contrast with their friends in comparative situations on Likert scale. Few control

variables were used in the study which includes time period spent in other country, gender, previous experience and fluency in local languages (Ren, Harrison, Bhaskar-Shrinivas, & Shaffer, 2006).

## Results

The results given in table 1 shows the descriptive and correlation analysis of cultural intelligence. The result shows that metacognitive element and contextual performance are directly and positively correlated, as  $r=0.27$ . The cognitive element and contextual performance is also directly and positively correlated as  $r=0.19$ .

Table 2 shows Hierarchical regression analysis is used to test the hypothesis. Firstly, we entered all the control variables and the result shows the significance of the model in which the value of  $R^2$  is 0.51 and adjusted  $R^2$  is 0.41 which means the value of  $F$  is at  $F(4, 332)$  is 4.729,  $p < .05$ . The gender and job performance are positively related as  $\beta = .187$  the other control variable is time period in Pakistan, which is also positively and directly related to job performance. As  $\beta = .119$ , it means that individuals who stayed in Pakistan for long duration have better in performing their jobs. When add cultural intelligence in the model in step 2. The model was statistically significant at  $R^2$  is 0.125 and adjusted  $R^2$  is 0.116 so the value of  $F$  is  $(5, 332)$  is 9.620,  $p < .05$ . The gender is positively correlated with job performance in which  $\beta = .210$ ,  $p < .05$ . The cultural intelligence is also statistically significant as  $\beta = .289$  but the variable of time duration in Pakistan is not significant in this model. It means that cultural intelligence is positively and directly related to job performance. It gives supports to the hypothesis which shows the positive relationship exist between cultural intelligence and job performance. Change in  $R^2$  between two steps is  $\Delta R^2 = .068$ , it shows that 6.8 percent of variation in job performance was explained by Cultural intelligence. After controlling the effects of control variables and then test the sub hypothesis of motivational CQ and behavioral CQ on assignment, contextual and task performance. In order to examine the relationship exist between CQ and job performance we again run the hierarchal regression analysis and the results are given in table 3 as the model is significant for three dimensions of job performance in which in task performance the  $R^2$  is .050 and adjusted  $R^2$  is .029 and the value of  $F$  is  $(8, 2.301)$ ,  $p < .05$ , similarly in contextual performance the  $R^2$  is .152 and adjusted  $R^2$  is .137 so the value of  $F$  is  $(8, 323)$  is 7.457,  $p < .05$  and the assignment specific performance the  $R^2$  is .106 and adjusted  $R^2$  is .080 so the value of  $F$  at  $(8, 323)$  is 4.567,  $p < .05$ .

The dimensions of CQ shows that metacognitive component of CQ is positively related to contextual performance ( $\beta = .149$ ) of Job performance. It means that individuals who have high metacognitive element of CQ have higher contextual performance. Similarly, behavioral CQ and contextual performance are also positively related and the value of  $\beta = .150$  and is associated with assignment specific performance of  $\beta = .156$ . It shows that the high behavioral cultural intelligence have better contextual and assignment specific performance. The table 3 shows that the cultural intelligence dimensions are not associated with task performance. The table shows that 13.0 percent of variance in contextual performance is explained by CQ dimensions where as 7.7% of variation in assignment specific performance has explained by CQ dimensions and task performance has 3.2 % of variation by CQ dimensions. The model shows that  $\Delta R^2 = .102$ , is significant for assignment specific performance and contextual performance and the change in  $R^2$  is 0.050, which is also significant for contextual and assignment specific performance. It shows that CQ dimensions explains 10.2 and 5.0 percent of variation in assignment specific and contextual performance. The elements of task performance and CQ dimensions did not explained any additional variance.

Table 1: Descriptive statistics and correlation analysis

Variable	Mean	SD	1	2	3	4	8	9	10	11	12	13	14
Meta Cognitive	5.70	.67	.82										
Cognitive	5.18	.54	.31**	.74									
Motivational	5.89	.70	.499*										
Behavioral	5.41	.79	.40**	.31**	.79	.84							
Task Performance	5.79	.71	.069	.089	.11	.069	.85						
Contextual Performance	5.49	.60	.27**	.19**	.23**	.26**	.50**	.79					
Specific Performance	5.42	.65	.17**	.06	.14**	.15**	.45**	.63**	.86				
Gender	1.24	.426	.04	.079	.02	.14*	.159**	-.13*	-.23**	-			
Prior Experience	1.23	.429	.02	-.079	-.08	-.067	-.028	-.028	.039	.11**	-		
Duration of	4.78	3.37	.119*	.119*	.079	.139**	.119*	.169**	.029	-.029	-.029	-	



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Adj R <sup>2</sup>	.025	.032	.042	.130	.038	.077
Δ R <sup>2</sup>		.0159		.102***		.050*
F	(4,327)	(8,323)	(4,319)	(8,323)	(4,330)	(8,323)
	3.2677*	2.301*	4.518**	7.587***	4.567***	4.102**

Note: dummy variables are gender and previous experience

Note: \**p* < .05. \*\**p* < .01 \*\*\**p* < .001

*Conclusion*

This research reveals the cultural intelligence and its impact on job performance of expatriates in Pakistan. And it was found out that expatriates currently working in Pakistan have high dimensions of metacognitive and motivational cultural intelligence and can adjusted better in such environments while controlling the variables of gender, prior experience and time in host country and these results are consistent with the study of Ang et al., 2007.

Regarding the job performance of expatriates, it was observed that higher contextual performance is related to higher meta-cognitive and behavioral CQ. A direct and strong relationship between assignment specific performance and behavioral CQ exists but no relationship exists between task performance and CQ. It shows that when there is high cognitive cultural intelligence then there will be high interaction adjustment and the result of the study is consistent with the findings of Ang et al., 2007 and the cognitive capabilities of an individual includes assumptions of questioning, adjust the cognitive models and information related to cultural composition are essential for effective decisions of cultural diversity and these results are consistent with the findings of the Ang et al., 2007. Similarly, the metacognitive component is also directly related to contextual performance. High metacognitive component are related to effective job performance especially jobs that required rotation and interaction in other cultural groups (Huang et al., 2005).

This study is conducted in diverse cultural settings in Pakistan and the result shows that interaction in different culture groups and motivational cultural intelligence are positively related. These results are consistent with the findings of Templer et al., 2006. Motivational CQ shows the interests in adapting people in other cultures and significantly related to job performance. (Ang et al., 2007).

Behavioral dimension of CQ and assignment specific performance are positively related. It means that cultural intelligence at high level will show more elasticity in the behaviors of the individuals in

order to meet expectations. According to Goffman, 1959 stated that when job expectations are in accordance with personal goals then misunderstandings will be decreased and job performance will be increased

#### *Limitations and future direction*

There are certain limitations in this study, which will help out the researcher in future study. First limitation was about the measurement of cultural intelligence and job performance so in future studies we should include the assessment from other sources including superiors, subordinates and peers (Podsakoff et al., 2003). Second limitation is about the study designed. As the study is designed in cross sectional view so in future we can do longitudinal study because the variable cultural dimension is a dynamic factor and is easily influenced by performance criteria and also varied in nature, so in longitudinal study we deliver more good knowledge of the changes that take place from time to time (Ang, Van Dyne, & Koh, 2006). And if the study is conducted in qualitative environment by using primary data then it will help us to better understand of cultural intelligence phenomenon and its impact on task effectiveness.

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