S. UMIRZAKOV¹, A. NURGABDESHOV¹, D.*ZAMANBEKOV², N.GUMAROVA¹

¹*Narxoz University*

²*Suleyman Demirel University*

CULTURAL INTELLIGENCE AND WORK ENGAGEMENT OF EXPATRIATES: MODERATING ROLE OF SUPPORTING PRACTICES

Cultural intelligence (CQ) has gained significant role in research on expatriates. However, few studies include aspects as work engagement and supporting practices in cross-cultural management research. The growing number of multinationals and international assignments lead both expatriates and host country nationals to experience complex cultural, racial, and religious diversity that pose greater challenges to human resource managers. This study aims to examine the relationship between CQ of HCNs and their impact on expatriates' work engagement, with the presence of supporting practices as a moderating factor. The results indicate that high level of HCNs' CQ is related to an increase in employee involvement. Furthermore, it is found that two facets of ESP, financial and career ESP, had a negatively moderating effect on the positive relationship between two variables.

Key words: *Cultural intelligence, expatriates, HCNs, work engagement, supporting practices*

INTRODUCTION. International assignments become a key aspect of multinational corporations (MNCs) in today's dynamic and rapidly changing business environment. MNCs should consider the workforce diversity as a crucial strategic factor for organization, hence reflect on advantages and risks of hiring local employees for particular position. Certainly expatriate employees are potential actors in expansion into new international environment and so they are exposed to substantial cultural diversity. Global practice highlights incompetency of expatriates and failure of international assignments that consequently impact on MNCs' performance [1]. Given both the significance of global assignments and MNCs' global achievement, it is highly demanded to ensure the success of expatriates i.e. focus on effective cross-cultural work setting [2].

Takeuchi stress on the cultural adaptation and adjustment that may lead to the termination of expatriates' assignment [3]. Another common reason might be family related: relocation of the family can be troublesome owing to the lack of language skills, inadaptability to the host country environment and culture [4].

Pomeroy also gives particular importance to problems that 53% of employees have in the host country owing to the inability to coordinate and liaise with foreign subsidiaries in the various aspects [5]. According to given arguments, it can be reasoned that adjustment and adaptation of expatriates is primarily caused by socio-cultural factors and it is notably distinguished from the individual's professional skills. Thus, host country's cultural values continue as critical facet that should be considered by employees and organizations.

Expatriate adjustment phase is determined by host country Fundamentally, as Toh et. al. explained that host country nationals (HCNs) or socializing party or administrative bodies act as the source of knowledge which is valuable to know for employees for being competitive with the new cultural and organizational conditions [6]. MNCs do not implement practices as rewards or bonuses for HCNs to motivate them participate in expatriates' adaptation process. Therefore, it is worth to emphasize specific benefit to search for the initiatives for

host company to help the expatriates to adapt local environment and then engage at work. Studies asserted that besides job type, personal characteristics, spouse and family support, HNCs' socializing action has an impact on the success of expatriate engaged performance. Numerous studies even claimed that knowledge transferred from HCNs may dominate or replace information provided from training arranged by parent company [7].

In Shin, Morgeson, and Campion paper stated emerged significance, concern available to support that employees should behaviourally adapt into key aspects of the host culture [8].

Researchers examine expatriate's cross-cultural interaction and expatriate performance success. Studies advocate the use of proposed concept such as cultural intelligence (CQ) to easily navigate and understand cultural values and norms of the host organization and they are expected to be more successful in intercultural involvement [9].

Yet, on the basis of the novelty of the CQ concept several points of this notion are still unexplored. Relatively gaps in the research is CQ of HCNs and its influence on expatriate work performance. Despite that expatriates are culturally intelligent and well instructed but the host coworkers and local team lack to cooperate and adjust to the changes with the newcomers with various cultural background, more probably then overseas assignment will terminate unsuccessfully [10]. That is, same individual with the same competences may act differently based on the level of HCNs' CQ.

Research objective is to clarify the factors that influence expatriate work engagement and analyze local employees' role in this phase. Expose is to research if the cultural intelligence of host company members is a critical factor in international process and what are the probable impact on the work engagement. Here the research question arises:

What is the effect of Cultural Intelligence of host country nationals on expatriate work engagement procedure?

LITERATURE REVIEW. MNCs attempt to implement different strategic goals to involve employees in international assignment since the rate of unreasoned repatriation of expatriates and target failure remain particularly high. Therefore a topical question for MNCs is to understand the core elements which may affect employees engagement process in a positive way [11]. The notion of work engagement has been broaden during the last years by many empirical studies and researches in this matter. The concept was explored from different perspectives: Big Five personality traits – personality characteristics on adjustment, cultural diversity and its impact on performance, family-related adjustment effect on expatriate adaptation, employee's effective commitment, career and organizational support and expatriate's CQ level [12]. Besides, research emphasis is given to the host support that also distinguished as: perceived organizational support (POS), exchange of leader member, interactional support with foreign nationals and family support. Basically, the above stated studies are done in the regard to individual's CQ and its effect of expatriates' engagement. However, characteristics and abilities of HCNs and their support that substantially contribute to the adjustment, i.e. to the expatriate's involvement, are much less directed. Accordingly the following sections include contextual framework to provide better understanding of the terms.

CQ and work engagement. Cultural competence and openness of HCNs assist in the way expatriates adapt within the new conditions. Due to the multi-faceted importance of CQ, all aspects of life and various structures of developing the competence are covered as

cognitive, metacognitive, behavioral and motivational. Effect of cross-cultural interaction closely related to these structures' enhancement and what is essential, not different, but in as integral skill. Fulfilling such competence and basic psychological needs of individual lead to the work engagement as overall adjustment bring a positive affective-motivational work related state [13]. For this reason, CQ is a significant construct that is to be studied in refer to work engagement. Limited research exists on the theme of how culturally experienced local employees can affect the work engagement of newcomers. The relation between two facets as CQ and engagement have been studied by very few scholars. However, due to the "trendy" CQ construct, this study give a significant insight into the following hypothesis:

H1: HCNs' CQ is positively related to employee engagement among expatriates

Moderating role of supportingpractices. Expatriates supporting practices (ESP) can be defined as "the employees' global beliefs that the organization values their contributions and cares about their well-being" [14]. As it was defined in Table 1. ESP consist of four multidimensional constructs: cross-cultural adjustment, financial assistance, career progression and spouse and family support. Based on these dimensions, expatriates accept their advantageous or hostile attitude as an sign whether actions are valued or not [15]. Once employees understand that organization support them, they distinguish the range which refer to the cares about staff and value given to individual's effort and performance. Van der Heijden et al. indicate that employees perceiving ESP have substantial level of involvement, commitment and loyalty [16]. AlsoLazarova and Caligiuristressed employees' acquisition of supporting practices are highly influential. Researches define that implementation of supporting practices is objective, yet value and realization is crucial. Thus supporting practices lead employees to make an effort either work and nonwork engagement as a effect of the perception that company is committed to the international assignment.

H2: ESP moderates the relationship between CQ and work engagement such that the relationship will be stronger given that higher expatriate supporting.

Figure 1 – Conceptual model

FINDINGS AND DISCUSSION. Study showed a positive significant relationship between CQ of locals and expatriates performance. It is based on the PCT and the equity theory in line with hypothesis 1 result. Both theories state that an exchange relationship between local employees and newcomers should be balanced: inputs and outputs should be common. Once stating hypothetical situations and measuring each facet separately, participants highlight the importance of motivation in assisting process of expatriates involvement.

Furthermore, the results correspond with the earlier studies that state positive effect of motivational CQ on all kind of interaction and adaptation, therefore it is considered as the essential facet of the CQ [18]. Also it was proven from the answers of respondents that motivational CQ leads expatriates to more culture and value recognition, so it also triggers both host nationals and expats focus on a consensus decision at any potential issue. Author may propose that the reason might be solitude that expats bear the beginning of their assignment. As the result, HCNs can show initiative and make expatriates feel accompanied and see that host nationals are open to build not only work ties but also welcoming and friendly relationships.

The second expectation was that ESP could act as a buffer when expatriates concerns work engagement. It was found that the results were partly in line with hypothesis 2. A negatively moderating effect was found for financial and career ESP. Any negative idea could be compensated by the employer by providing more organizational support. In this way, financial- and career ESP could act as a buffer for experiencing any concerns, and thereby rise the expatriates' engagement. For the third construct of adjustment ESP, no significant moderating effect was found. One possible explanation for this might be that adjustment support does not have implications for the situation in the expatriates' organization in the home country. When the expatriates' adjustment abroad is supported, this has no implications. Thus, when an expatriates is well adjusted abroad and the organization supports this, this does not take away the concerns about their work. In contrast, financial and career ESP have more impact on the future career of the expatriate, which might take away concerns upon any issue.

REFERENCES

- 1 Fang, Y., Jiang, G.-L.F., Makino, S. & Beamish, P. Multinational firm knowledge, use of expatriates and foreign subsidiary performance./Y. Fang./Journal of Management Studies, 2010. - №47.- P. 27-54.
- 2 Suutari, V. Global managers: career orientation, career tracks, life-style implications and career commitment./ Journal of Managerial Psychology, 2003 -18(3). – P. 185-207.
- 3 Takeuchi, R. A critical review of expatriate adjustment research through a multiple stakeholder view: Progress, emerging trends and prospects./ Journal of Management, 2010. – №36. – P. 1-25.
- 4 Hechanova, R., Beehr, T. A., & Christiansen, N. D. Antecedents and consequences of employees' adjustment to overseas assignment: A meta-analytic review./ Applied Psychology: An International Review, 2003 - №52, – P. 213-236.
- 5 Pomeroy, A. Better executive on boarding processes needed./ HR Magazine, 2006 - 51(8): 16.
- 6 Toh, S. M., & DeNisi, A. S. Host country nationals as socializing agents: A social identity approach./Journal of Organizational Behavior, 2006 - V. 28. – № 3. – P. 281-301
- 7 Caligiuri, P., & Lazarova, M. A model for the influence of social interaction and social support on female expatriates' cross-cultural adjustment./ International Journal of Human Resource Management, 2002. – 13(5). – P. 761-772.

8 Shin, S. J., Morgeson, F. P., & Campion, M. A. What you do depends on where you are: Understanding how domestic and expatriate work requirements depend upon the cultural context./ *Journal of International Business Studies*, 2007. – 38(1). – P. 64-83.

9 Bhaskar-Shrinivas, P., Harrison, D. A., Shaffer, M. A., & Luk, D. M. Input-based and timebased models of international adjustment: Meta-analytic evidence and theoretical extensions./ *Academy of management Journal*, 2005. – № 48(2). – P. 257-281.

10 Templer, K. J., Tay, C., & Chandrasekar, N. A. Motivational cultural intelligence, realistic job preview, realistic living conditions preview, and cross-cultural adjustment./ *Group & Organization Management*, 2006. – № 31(1). – P. 154-173.

11 Ang, S., Van Dyne, L., Koh, C., Ng, K.Y., Templer, K.J., Tay, C., and Chandrasekar, N.A. Cultural Intelligence: Its Measurement and Effects on Cultural Judgment and Decision Making, Cultural Adaptation and Task Performance./ *Management and Organization Review*, 2007. № 3. – P. 335–371.

12 Caligiuri P., Di Santo V. Global competence: What is it, and can it be developed through global assignments?/ *Human Resource Planning*, 2001. – № 24(3). – P. 27–35.

13 Kraimer, M. L., & Wayne, S. J. An examination of perceived organizational support as a multidimensional construct in the context of an expatriate assignment./ *Journal of Management*, 2004. – 30(2). – P. 209-237.

14 Caligiuri P., Di Santo V. Global competence: What is it, and can it be developed through global assignments?/ *Human Resource Planning*, 2001. – № 24(3). – P. 27–35.

15 Rhoades, L., & Eisenberger, R. Perceived organizational support: a review of the literature./ *Journal of applied psychology*, 2002. – № 87(4). – P. 698.

16 Van Der Heijden, Beatrice, et al. Employability enhancement through formal and informal learning: an empirical study among Dutch non-academic university staff members./ *International journal of training and development*, 2009. – P. 19-37.

17 Schaufeli, W.B., Salanova, M., González-Romá, V. and Bakker, A.B. The measurement of engagement and burnout: a two sample confirmatory factor analytic approach./ *Journal of Happiness Studies*, 2002. – V. 3, № 1. – P. 71-92.

18 Imai, Lynn, and Michele J. Gelfand. The culturally intelligent negotiator: The impact of cultural intelligence (CQ) on negotiation sequences and outcomes./ *Organizational Behavior and Human Decision Processes*, 2010. – № 112(2). – P. 83-98.

С. УМИРЗАКОВ¹, А. НУРГАБДЕШОВ¹, Д. ЗАМАНБЕКОВ², Н. ГУМАРОВА¹

¹Нархоз Университет

²Университет имени Сулеймена Демиреля

ШЕТЕЛДІК ЖҰМЫСШЫЛАРДЫҢ МӘДЕНИ ИНТЕЛЛЕКТІ МЕН ЖҰМЫСҚА ЖҰМЫЛДЫРЫЛУЫ: ҚОЛДАУ ПРАКТИКАСЫНЫҢ РӨЛІ

Мәдени интеллект шетелдік жұмысшыларды зерттеуде маңызды рөлге ие болды. Алайда, бірнеше зерттеулерде жұмысқа жұмылдыру және қолдау тәжірибелері сияқты аспектілер мәдениаралық басқаруда толығымен қарастырылмаған. Көптеген ұлттар мен халықаралық тағайындаулардың өсуі шетелдік және жергілікті жұмысшылардың күрделі мәдени, нәсілдік және діни айырмашылық бар ортада жұмыс істеуге алып келеді. Мұндай тәжірибе адами ресурстарды басқаруда үлкен қиындықтар тудырады. Бұл зерттеу жергілікті азаматтардың мәдени интеллекті мен шетелдіктердің жұмысқа тартылуына әсері қолдау практикасының

қатысуымен бағытталған. Нәтижелер жергілікті азаматтардың мәдени интеллекті жоғары деңгейі жұмысшыларды тарту деңгейінің артуымен байланысты екенін көрсетеді. Сонымен қатар, қолдау практикасының екі аспектісі: қаржылық және мансаптық факторлар теріс әсер ететіні анықталды.

Түйін сөздер: мәдени интеллект, шетелдік, жергілікті жұмысшылар, жұмылдыру, қолдау практикасы

С. УМИРЗАКОВ¹, А. НУРГАБДЕШОВ¹, Д. ЗАМАНБЕКОВ², Н. ГУМАРОВА¹

¹Нархоз Университет

²Университет имени Сулеймена Демиреля

КУЛЬТУРНЫЙ ИНТЕЛЛЕКТ И ВЗАИМОДЕЙСТВИЕ ЭКСПАТРИАТОВ: РОЛЬ ПОДДЕРЖИВАЮЩИХ ПРАКТИК

Культурный интеллект (CQ) приобрел значительную роль в исследованиях экспатриантов. Тем не менее, лишь немногие исследования включают такие аспекты, как привлечение к работе и вспомогательные практики в исследованиях межкультурного управления. Растущее число транснациональных корпораций и международных назначений заставляет как экспатриантов, так и граждан принимающей страны испытывать сложное культурное, расовое и религиозное разнообразие, что создают большие проблемы для менеджеров по персоналу. Это исследование направлено на изучение взаимосвязи между культурным интеллектом и их влиянием на трудовую деятельность экспатриантов включая поддерживающих практик в качестве модулирующего фактора. Результаты показывают, что высокий уровень культурного интеллекта связан с увеличением вовлеченности сотрудников. Кроме того, установлено, что два аспекта поддерживающих практик – финансовый и карьерный – оказали негативное влияние на положительные отношения между двумя переменными.

Ключевые слова: культурный интеллект, экспатриант, вовлечение сотрудников, поддерживающие практики.