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EXAMINING THE RELATIONS HIP BETWEEN CULTURAL COMPETENCE AND CAPABILITIES

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ABSTRACT

The article deals with the challenges that expatriates face in foreign cultures and which are major causal agents for their low performance and failed assignments. The cultural intelligence scale (CQS) that assessed an individual's ability to adjust to foreign cultures, has been analyzed. The main and most important skill that expatriates should possess was identified as «tolerance».

Key words: expatriates, cultural intelligence scale (CQS), to adjust to foreign cultures, tolerance.

THE PROBLEM BACKGROUND AND LITERATURE REVIEW

After 18 years of negotiation, the Russian Federation (9th largest economy in the world) is entering the WTO. America will soon end their cold war trade policy and establish Permanent Normal Trade Relations (PNTR) with Russia. Economists estimate that US exports to Russia could double within five years when trade is normalized under the PNTR. The use of expatriates has greatly increased in the 21st century and will continue to grow.

Cross-cultural competency in expatriates continues to present a challenge for Multinational Corporations (MNC) as expatriate failure rates continued to be between 16-50% with the Peoples Republic of China reaching up to 80% (Shaffer, M., Harrison, D., & Gilley, K., 1999; Solomon, 1996; Black, Mendenhall, & Oddou, 1991; Allerton, 1997; Michailova 2000; Stuttard, 2000).

The major causal agent for expatriate low performance and failed assignments is the inability to adjust to foreign cultures. Research places the direct cost associated with expatriate failure as nearing $1 million per expatriate (Shannonhouse, 1996). More recent literature does not refute these numbers.

There is data that suggests cultural knowledge surpasses the need for technical competencies.

Ang, S., Van Dyne, L., & Koh, C. (2008, 2) state «Research on individual capabilities for intercultural effectiveness is sparse and unsystematic, leaving an important gap in our understanding of why some individuals are more

effective than others in culturally diverse situations». Bailey and Spicer (2007) examined expatriates assigned to Russia and concluded the degree of the individuals' inclusion into the local community led to stronger personal affiliations, commitments to host country and more successful adjustments. Their investigations noted despite the differences between Russian and Americans there was strong agreement on individual levels and intended behavior.

Andreason (2003) opined that management skills simply did not readily transfer between cultures. The inability to adjust to the new culture was more detrimental than a lack of technical competency. Andreason wrote that foreign assignments should be preceded by thoughtful and appropriate «anticipatory

adjustments» by all parties. Firms are well aware of the need to assign individuals who are possessed of clearly defined characteristics. The difficulty was predicting, with any degree of success, whether the potential expatriate possessed the traits. Erbacher, D'Netto,and Espana (2006) also noted in their findings regarding expatriates in the People's Republic of China, that successful ventures depended almost entirely on the expatriate performance (relationship based).

My investigation highlighted the needs of the family. There were notations that the family's ability to adjust was not considered in most selection process and they «were consistently ignored and not included in the training activities» Erbacher et al. p.189. So, what about the family? Tung (1982) an early researcher, who is still frequently cited in more current research, found that the spouse and the family's difficulty in adjusting was the most commonly noted reasons for US and European expatriates' premature returns.

THE RESEARCH DESIGN

The purpose of my research was to produce a model identifying salient (core capabilities) factors that would provide value to international businesses. Earley and Ang (2003) constructed a cultural intelligence scale (CQS) that assessed an individual's ability to adjust to foreign cultures. My research was in response to the encouragement to determine relationships between CQS and other dimensions (Ang and Van Dyne ,2008; Van Dyne, 2010). The practical application of CQ is one of predictability. Individuals with high CSQ scores would be able to readily adjust or adapt to unfamiliar settings. The analysis of my study provided the hard data to figure out what activities or series of processes accounted for the high ratings of cultural intelligence/sensitivity and therefore successful expatriate assignment.

The research consisted of interviewing «successful» expatriates as defined by literature, and recording scores of the CQS. The objective was, in part, to determine if CQS does what it says it does i.e. identify a state of cultural awareness that could predict successful expatriate international assignment – by investigating the situation backwards – to see if «successful» expatriates score high on the CQS and by examining their perspective on their international assignments. The research sample size units of analysis was a maximum of 20.

Invitations to participate were sent to a list of fifty possible respondents. Thirty two individuals contacted the researcher agreeing to participate. Twenty volunteer respondents were selected for the study from the possible participants. Consequently, twenty useable instruments were entered for data analysis resulting in a 62,5% return rate.

The criteria for the invitation to participate included having two or more of the following: being an current or retired expatriate or their spouse, non-military, non-Peace Corp volunteers if that was their only foreign assignment experience, the completion of more than one foreign assignment, retention with their company beyond one year of returning to their home country and an intact relationship during the course of the expatriate assignments. They represented 39 separate countries. Selection of the sample required some prior information and judgment

(meaning that in this study the participants had already demonstrated a cross–cultural adaptability). Basic demographic data was gathered regarding of number and length of assignments, family, career or professional choices after assignments and with some degree of sensitivity, intact relationships, age, location, industry represented, socioeconomic status.

The study conducted interviews with open-ended questions and probes which yielded in-depth responses and focused on peoples' experiences, perceptions, opinions, feelings and knowledge. The material was then organized into descriptions with core themes and/or categories.

Definitions

Expatriate: Expatriate was «an employee who is working and temporarily residing in a foreign country» (Dowling & Welch, 2005, p. 5).

Expatriate failure: Expatriate failure was usually defined as premature return from a foreign assignment (Martinko & Douglas, 1999; Oddou, 1991; Shay & Tracey, 1997).

Culture: The basic concept of culture was one of shared but imperfectly shared meanings. The sharing of meanings was not uniform or precise by any one society or by any two people within a society; and that was the problem with selecting a single definition of «culture». Earley and Ang (2003) chose to view «culture» as holistic rather than «an approach using specific …values and syndromes» (p. 97).

Cultural Intelligence: Cultural intelligence was «a person's capability for successful adaptation to new cultural settings, that is, for unfamiliar settings attributable to cultural context» (Earley & Ang, 2003, p. 9). Earley and Ang noted their CQ was thought of as «a unique characteristic of each person but situation-specific features do appear» (p. 9).

Cross-cultural adaptation instrument: The Cultural Intelligence Scale (CQS) Self Report was a twenty item scale designed to assess an individual's capacity to function effectively (adjust) in cultural diversity. There are four dimensions or factors: Metacognitive, Cognitive, Motivational and Behavioral.

The Interviewer Questionnaire: was a 14 item instrument containing semi-structured quires regarding their perceptions of key factors of successful expatriate assignments. Content validity and reliability of both instruments were determined by general approved research methodology.

Selection of Sampling Subjects

The design of this study was one of within subject variety. The variation was a study of relationships and experiences obtained over time and situations but by the same person. This qualitative study focused on depth on a relatively small sample selected purposefully. The bias in the small sample size would be a weakness in statistically sampling but in qualitative sampling, the size would be strength because the sample is information rich for in-depth study.

CONCLUSIONS AND RECOMMENDATIONS

Based on the data collected, the work of Earley and Ang (2003) was validated by the conclusions of this research study. Ang and Van Dyne (2008)

encouraged researchers to explore other dimensions that might relate to the construct of cultural intelligence. My research project on cross-cultural adaptation identified three additional dimensions or traits that related to cultural intelligence which by definition allows for ease in cross cultural adjustment. The respondents identified factors that the researcher labeled dimensions of improvisation, perseverance and core strength. These dimensions were part and parcel of the expatriates' set of capabilities that significantly increased their chances of a successful assignment. Clearly the research shows that companies need to take action to select expatriate candidates that psychologically exhibit capabilities of improvisation, perseverance and core strength. See Figure 1.

The most common theme in responses to what adjustments were made to accommodate cultural diversity query was regarding a tolerance for ambiguity. A second important theme was the struggle to refrain from «looking for home in the host country». Responses to the query about the two most important cultural diversity skills provided rich data for contemplation. The researcher determined that 47,4% of the respondents identified patience as the first important skill. Their stories spoke of tolerance, acceptance, flexibility even respect however, in the end, all identified the need to practice exceptional patience. The second important skill was really three that were statistically insignificant in percentage differences: a sense of curiosity, a sense of humor and language skills.

The responses to the query regarding how knowledge and awareness of one's own culture contributed to the success of the assignment created a plethora of thoughts and introspection. Thirty five percent (35%) of the respondents of this question thought it critical in their experiences but bonded knowledge and awareness of own culture with the presence of anti-American sentiment in their assigned countries. Respondent Q summed it up well, «It is important to be aware of the historical relationship between your country and the country where you are assigned». The data of the study are presented in different formats for ease of viewing. There are matrix displays to present multiple dimensions.

IMPLICATION FOR RESEARCH

My research project restricted its subjects to US citizens The respondents were career expatriates who had served 39 countries during a range of 5 to nearing thirty years of employment. Research into developing an instrument or program that would reveal a candidates' propensity for improvisation, perseverance and a demonstration of core strength would be extremely useful. The purpose was to identify individuals who while being technologically appropriate could have a better than average chance of being able to adapt to the country that they and their families were being assigned.

NOTE: All data are available electronically : ldbakerlaw@yahoo.com