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**THE IMPACT OF EMOTIONAL INTELLIGENCE ON EXPATRIATES' CROSS
CULTURAL ADJUSTMENT**

ABSTRACT

In this paper we examine the role of emotional intelligence (EI) in cross-cultural adjustment (CCA) of expatriates on international assignments. Based on a sample of 269 French expatriates working for a government recognized public interest foundation in 133 countries, we find that EI is an important positive predictor of expatriates' general living, interactional and work-related CCA. Additionally, the analysis reveals that cultural similarity facilitates general living adjustment only and not the other two dimensions of CCA. Finally, we find an interesting interaction effect between sex and appraisal of emotions in the self and others, which indicates a relatively faster diminishing utility of the ability to appraise and express emotions for females as compared to males. It means that, even though appraisal of emotions is good and females tend to score higher on average in this particular adaptive ability, it is less good for them than for males. The analysis shows that the higher the ability of females to appraise emotions becomes, the smaller the improvements in their CCA get. Overall, the paper contributes to the literature by providing evidence that EI has an important explanatory power for expatriates' CCA and needs to be examined in the expatriates' literature more thoroughly.

Keywords: cross-cultural adjustment, emotional intelligence, cultural similarity, sex

INTRODUCTION

Expatriation, defined as a voluntary, temporary migration of a person abroad for a specific purpose with an ultimate return to his / her home country (cf. Cohen, 1977), is a paramount part of international business activities undertaken by multinational companies globally. For instance, one of the largest surveys of expatriates and globally mobile employees conducted by Mercer in 2008/09 showed that 243 multinational companies worldwide employed over 94, 000 expatriates (compared to around 50,000 expatriates in 2005/06)¹. In many ways success of companies' international business activities today depends on expatriates, e.g. how well they are able to function in the new environments they are transferred to, cooperate with locals, apply their competences and knowledge, learn new things, and cope with uncertainty and complexity of their new environments. Whether expatriates can succeed in these tasks to a large extent depends on his / her adjustment to the host environment / country (i.e. the extent to which a person feels psychologically comfortable in relation to a variety of aspects of a new environment) (e.g. Caligiuri, 1997; Tung, 1998; Mezias & Scandura, 2005).

The extant research has so far provided very ample evidence confirming that the expatriate's adjustment is a challenging and difficult process (e.g. Aycan, 1997; Tung, 1998; Caligiuri, 2000). Several seminal articles in the field have also stressed the critical role of adjustment for expatriation success and underlined the complex and multidimensional nature of the adjustment process (e.g. Black et al., 1991; Aycan, 1997; Hechanova et al., 2003; Bhaskar-Shrinivas et al., 2005). For instance, one of the most prominent model of cross cultural adjustment (CCA) by Black et al. (1991) differentiates between three dimensions: *interactional*

¹ www.globalhrnews.com/story.asp?sid=1149, (accessed on 1.11.2011), Companies increase number of expats. October 27, 2008.

adjustment, which focuses on engaging in harmonious interpersonal relations with locals in the host environment; *work adjustment*, which deals with how well the person fits into the local unit's environment, i.e. organizational culture, policies, procedures, expectations and behavioral norms; and *general living adjustment*, which is related to how well a person adjust to daily life issues in the new environment, i.e. food, transport, recreation, etc.

The existing research has been insightful in explicating the impacts of different individual and contextual (i.e. work, organizational or institutional) factors on CCA. The former included studies that examined the impacts of the Big Five (or some of them) personality traits, such as extroversion, agreeableness, conscientiousness, neuroticism and openness to experience (Parker & McEvoy, 1993; Caligiuri, 2000; Huang et al., 2005), open and adaptive personalities (Yavas & Bodur, 1999), locus of control (Black, 1990; Lii & Wong, 2008), socio-ability and flexibility (Black & Stephens, 1989; Caligiuri, 1995), self-efficacy and self-monitoring (Harrison et al., 1996), interpersonal and social skills (Hechanova et al., 2003; Lee and Liu, 2006), language skills (Rehany, 1994), and, recently, cultural intelligence (Rose et al., 2010) on CCA. The latter stream of research focused on cross-cultural training (e.g. Rehany, 1994; Caligiuri et al., 2001), social exchange (e.g. Chen, 2010), psychological contract (Haslberger & Brewster, 2009), spousal / family support (Black & Stephens, 1989; Caligiuri et al., 1998), organizational support (Caligiuri et al., 1999; Kraimer, Wayne, & Jaworski, 2001), mentoring (Guzzo, Noonan, & Elron, 1994; Harvey et al., 1999; Mezias & Scandura, 2005), role novelty and role ambiguity (Aryee & Stone, 1996; Shaffer et al., 1999), cultural distance / cultural similarity (Black & Gregersen, 1991; Shaffer et al., 1999), international experience (Selmer, 2001, 2002) and some others (see Hechanova et al., 2003 for a more comprehensive meta-analysis of the literature).

However, with a few rare exceptions (e.g. Gabel, Dolan, & Cerdin, 2005 (a very small sample and all expatriates are from different countries); Tan et al., 2005 (a purely conceptual paper); and Lii & Wong, 2008) the role of emotions and specifically of emotional intelligence (EI) has been left with relatively little attention. EI is defined as an array of capabilities, competences, and skills that influence one's ability to cope with environmental demands (e.g. Salovey & Mayer, 1990; Schutte et al., 1998). It is surprising that there is so little research on this topic for two main reasons. First, it is recognized that often the very success of the expatriation process depends on choosing a culturally attuned and emotionally sensitive person who can respond appropriately to the particular foreign environment of a different country and different interpersonal work situations (Alon & Higgins, 2005). Second, in other streams of research the level of EI was found to be critical for success in such emotionally-intensive areas of human activity as leadership (e.g. Goleman et al., 2002) and work / education (e.g. Van Rooy & Viswesvaran, 2004). Therefore, it can be expected that for expatriates, who get deeply involved in interpersonal interactions with locals and need to cope with emotional stress and different acceptable forms and norms of emotional behavior, EI would be critical as well. In this paper we claim that one needs to look deeper into the personality of a particular person (i.e. an expatriate), and especially his / her EI and its dimensions to be able to explain determinants of expatriates' CCA. In our view, EI is the core personal attribute of every expatriate as an individual that to a large extent influences whether he / she is able to cope with challenges of his / her tasks in a new environment.

In this light, to address the lack of studies examining the impact of EI on expatriates' adjustment we analyzed a sample of 269 overseas expatriates in 133 countries working for Alliance Francaise, a government recognized public interest foundation. It is an interesting

sample of expatriates to test for adjustment because their primary tasks as expatriates are to promote French culture and language globally and establish a dialogue between cultures by collaborating closely with foreign partners in other countries. To succeed in these tasks one would expect these people to be very well adjusted to their local host environments to make locals interested and willing to collaborate with and to learn from them.

We find that EI is an important positive predictor of all three dimensions of expatriates' CCA. Moreover, in relative terms it explains more variance in CCA than cultural similarity, experience and sex taken together. The results indicate that EI has an important explanatory power and needs to be examined in the expatriates' literature more thoroughly. Additionally, the analysis reveals that cultural similarity facilitates only general living adjustment and not the other two dimensions of CCA. Finally, we find an interesting interaction effect between sex and appraisal of emotions in the self and others showing that emotionally intelligent (in that particular adaptive ability) females are likely to experience slower CCA on all three dimensions than males. Although EI has generally positive impact on all dimensions of CCA, for females the adaptive ability of appraisal of emotions in the self and others has a relatively faster diminishing utility than for males. The improvement in CCA (on all three dimensions) tends to get smaller for females than for males as the level of the ability increases.

HYPOTHESES DEVELOPMENT

Research on EI has convincingly shown that EI and emotions have a significant role and relevance for intellectual functions of a person (Salovey & Mayer, 1990). EI - an enduring personal trait which underlines the person's ability to adaptively identify, understand, manage,

and harness emotions of both in the self and others (Salovey & Mayer, 1990; Schutte, Malouff, Hall, Haggerty, Cooper, Golden, & Dornheim, 1998) and to use emotion to facilitate cognitive processing (Mayer, Caruso, & Salovey, 1999) - was found to be positively related to wellbeing (Austin, Saklofske & Egan, 2005), optimism (Schutte et al., 1998), positive mood and high self-esteem (Schutte, Malouff, Simunek, McKenley, & Hollander, 2002) and negatively to depression (Schutte et al., 1998). Also, in interpersonal relations it was found to result in higher social skills, self-monitoring in social situations and in more cooperative responses towards others (Schutte, Malouff, Bobik, Coston, Greeson, Jedlicka, Rhodes, & Wendorf, 2001). EI has been widely tested and applied in organizational behavior research (e.g. Joseph & Nyman, 2010; O'Boyle et al., 2011) and was shown to be an important predictor of, for example, job performance and leadership (Ashkanasy & Daus, 2002; Humphrey et al., 2008) as well as stress (Jordan, Ashkanasy & Hartel, 2002).

Overall, higher level EI seems to address exactly the areas which can potentially be a source of difficulties for an expatriate on assignment. Therefore, one can expect that EI is very important for the CCA of expatriates for it might help them to cope with the uncertainty and complexity of the environment that surrounds them. The extant literature on CCA of expatriates has hinted at the importance of EI in determining the CCA's effectiveness (e.g. Caligiuri & Tung, 1999; Caligiuri et al., 2001). However, so far very little research has examined the impacts of EI on CCA in detail. In a rare study examining the impact of EI on expatriates' adjustment, Gabel et al. (2005) found that EI directly impacts adjustment but does not directly impact assignment success. More specifically, their findings suggest that although EI is not a direct predictor of assignment success, some dimensions of EI play an important role in explaining the cross-cultural adjustment and thereby success of internationally assigned managers. These

interpersonal and intrapersonal abilities and adaptability are predictive indicators of cultural interactional and work adjustment. However, the study used a very small sample (39 plus 20 managers) and all expatriates were from different countries.

The term EI was originally coined by Salovey and Mayer (1990), who divided it into three categories of adaptive abilities: appraisal and expression of emotion (in the self and in others), regulation of emotion (in the self and in others) and utilization of emotions in solving problems (i.e. flexible planning, creative thinking, redirected attention and motivation). Schutte et al. (1998) assessed the complicity of EI construct within the Big Five framework relating their measure of EI to the Big Five personality dimensions and found that higher scores of EI were significantly associated with greater openness to experience only and not significantly related to other dimensions. Hence, the study by Schutte et al. (1998) suggested that EI is in fact a construct distinct from other personality constructs including the Big Five personality traits.

Key hypotheses

Appraisal and expression of emotions in the self and in others

The first adaptive ability in Salovey and Mayer's (1990) model refers to appraisal and expression of emotion in the self and in others. The authors claim that the very processes underlying EI are initiated when affect-laden information first enters the perceptual system. At this stage EI facilitates the accurate appraisal of feelings which then influences how emotions are expressed. Thus, the person's ability to appraise and express emotions facilitates quicker perception of and responses to his/her own emotions and a better expression of those emotions to others. Also, this ability aids in skillful recognition of others' emotional reactions and empathic

responses to them ensuring smooth interpersonal interactions. Doubtlessly, this is a very crucial ability which is absolutely necessary for adequate social functioning allowing for choosing socially adaptive behaviors when interacting with others.

Hence, it is likely that this ability is very useful for expatriates to possess and may aid in their adjustment to the new environment a great deal. The ability to appraise his/her own emotions, show empathy and accommodate feelings and emotions of others may allow an expatriate to be perceived by his/her coworkers as a warm and caring person. This characteristic will affect positively the expatriate's interpersonal interactions at and outside of work. Supporting this argument, Gabel et al. (2005) found that performance of an expatriate on an international assignment is predicated on his / her capacity for empathy and social relations. Furthermore, possessing this ability will likely to make an expatriate an extrovert, an individual who is more likely to be assertive, sociable and outgoing with others. Being an extrovert, an expatriate is more likely to spend time with locals trying to understand their culture and emotions (Black, 1990) that will increase his/her general appreciation and comprehension of his/her new broader, not just work-related, environment. In a rare study examining the impact of the Big Five personality traits on expatriates' adjustment, Huang et al. (2005) found that extroversion is positively related to general living and interactional dimensions of adjustment. Also, more generally, Caligiuri (2000) found extrovert expatriates to perform better on assignments than introverts. Therefore, we expect that:

Hypothesis 1a: The expatriate's ability to appraise and express emotions in the self and others will positively and significantly impact his / her general living adjustment.

Hypothesis 1b: The expatriate's ability to appraise and express emotions in the self and others will positively and significantly impact his / her interactional adjustment.

Hypothesis 1c: The expatriate's ability to appraise and express emotions in the self and others will positively and significantly impact his / her work adjustment.

Regulation of emotions in the self and in others

The second adaptive ability in Salovey and Mayer's (1990) model concerns regulation of emotions in the self and in others which, it is claimed, provides individuals with access to knowledge regarding their own and others' moods thus allowing for monitoring, evaluating and regulating emotions. Being able to control one's own mood makes individuals more emotionally-stable and being able to influence emotions of others allows for controlling impressions that others form of him / her. Emotionally intelligent individuals may "enhance their own and others' moods and even manage emotions so as to motivate others charismatically toward a worthwhile end" (Salovey & Mayer, 1990: 198). Hence, it seems that being emotionally intelligent may aid an expatriate in achieving his/her goals in the new environment, in controlling their negative emotional experiences and stresses caused by interactions with locals, and in reinforcing positive experiences. Existing research showed that the ability to regulate one's emotions is important for expatriates for it facilitates "better mood adjustment, self-encouragement and social skills" and makes them "more careful in speech and action" and more involved in observing other's feelings (Lii& Wong, 2008: 310). Thus, those expatriates who can control their emotions are likely to be better at interacting with local organizational members as well as with locals in the wider societal environment and at coping with new rules, regulations and policies of their new work environment. Therefore, we hypothesize that:

Hypothesis 2a: The expatriate's ability to regulate emotions in the self and others will positively and significantly impact his / her general living adjustment.

Hypothesis 2b: The expatriate's ability to regulate emotions in the self and others will positively and significantly impact his / her interactional adjustment.

Hypothesis 2c: The expatriate's ability to regulate emotions in the self and others will positively and significantly impact his / her work adjustment.

Utilization of emotions in solving problems

The third and final adaptive ability in Salovey and Mayer's (1990) model deals with utilization of emotions in solving problems. It is suggested by the authors that there are four main outcomes of this ability. First, emotion changes may aid in considering a wider variety of possible outcomes when considering the future thus helping people to anticipate a larger number of future scenarios and thereby be better prepared to take advantage of future opportunities. Second, positive emotions may facilitate integration of information in memory to boost creative problem solving so that people with positive moods "are more likely to give especially unusual or creative first associates to neutral cues" (Salovey & Mayer, 1990: 199). Third, emotions may help in directing attention to new problems instead of an ongoing problem thus helping people "to reprioritize the internal and external demands on their attention, and allocate attentional resources accordingly" (ibid.). Finally, emotions can motivate persistence and assist performance at solving complex intellectual tasks.

It is likely to be that these are all characteristics excelling in which is crucial for expatriate's success. Those expatriates who are flexible, imaginative and persistent are more likely to learn new things, be creative and motivated in the new setting. Even more important is that such expatriates are more likely to avoid falling into the trap of excessively relying on stereotypes when making judgments concerning their new environment which was shown to

constitute a great danger for expatriates on international assignments especially in less culturally familiar locations (Caligiuri et al., 2001). Relying on stereotypes was found to lead to false expectations concerning the new environment (e.g. Hamilton & Sherman, 1996) which in turn affect expatriates adjustment. Emotionally intelligent expatriates are less likely to rely on stereotypes and are more likely to redirect their attention away from stereotypical judgments that may help them fit better into the new work and general living environments. Supporting this argument Huang et al. (2005) found that openness to experience among expatriates is positively related to their general living and work adjustment. Therefore, we expect that:

Hypothesis 3a: The expatriate's ability to utilize their emotions in solving problems will positively and significantly impact his / her general living adjustment.

Hypothesis 3b: The expatriate's ability to utilize their emotions in solving problems will positively and significantly impact his / her interactional adjustment.

Hypothesis 3c: The expatriate's ability to utilize their emotions in solving problems will positively and significantly impact his / her work adjustment.

Moderating hypothesis

Schutte et al. (1998) found that women consistently score higher in terms of EI than men. It may be one of the explanations why women are consistently reported to be more successful on international assignments than men (see Caligiuri & Tung, 1998; Adler, 1987; Taylor & Napier, 1996). Interestingly, in one of rare studies examining the impact of personality traits on adjustment of female expatriates, Caligiuri et al. (1999) found no impact of such personality traits as self-orientation, others-orientation and perceptual orientation on adjustment. Though, these traits were found to be significantly related to company and family factors. To examine

whether sex will have any impact on the role of EI on expatriates' adjustment, we put forth the following hypothesis:

Hypothesis 4: Sex will moderate the relationship between EI and CCA so that for female expatriates the relationship will be stronger and more significant than for male expatriates.

The overall theoretical model that is tested in this study is presented below in Figure 1.

Insert Figure 1 about here

METHOD

Sample

The subjects in this study are expatriates working for the Alliance Française, a government recognized public interest foundation set up under private law. Its mission is to promote French culture and language by working in close collaboration with French and foreign partners in more than 130 countries. The data was collected through a survey of 269 overseas Alliance Française directors. They were all French nationals, expatriated for three-year assignments. The average age of the respondents was 41 years (std = 11.10) and the average experience in expatriation was 10 years (std = 7.85). The sample was gender balanced where 53% of the respondents were males and 47% females. About 60% of the respondents were married or in a partnership and 51% had children. The respondents were based in six geographical locations: Europe (16%), North America (8%), Latin America and Caribbean

(36%), Africa and Indian Ocean (16%), Asia (20%), and Oceania (4%). Sample demographics are presented in Table 1.

Insert Table 1 about here

Assessment of Common Method Bias

As all the data were self-reported and collected through the same questionnaire, we evaluated if the common method variance (CMV) could affect relationships among the constructs. We performed Harman's one-factor test and a confirmatory factor analysis (Podsakoff & Organ, 1986; Podsakoff, et al., 2003). The results suggested that common method variance is not of great concern and is unlikely to confound the interpretations of results. All the variables were entered into an exploratory factor analysis. The unrotated and *Varimax* rotation principal components factor analysis was used. Three distinct factors with eigenvalue greater than 1 were displayed accounting together for 68% of the total variance. The first factor did not account for the majority of the variance (23%). The variables were loaded onto one factor to examine the fit of the confirmatory factor analysis model and showed that the single-factor model did not fit the data well ($\chi^2(1175) = 1599, p < 0.001, GFI = 0.622; CFI = 0.083; NFI = 0.052; RMSEA = 0.044$).

Measures

Independent variable

Emotional intelligence. The construct has 33 items based on the work of Schutte et al. (1998) and developed by Mayer et al. (1990). The scale is composed of six different dimensions: appraisal of emotions in the self, appraisal of emotions in others, emotional expression, emotional regulation of the self, emotional regulation of others, and the utilisation of emotions in problem solving. We computed a principal component analysis with *Oblimin* rotation in order to allow for a slight correlation between factors. This analysis revealed a three dimensional structure defined as follow: (1) emotional expression, appraisal of emotions in the self and in others; (2) emotional regulation of the self and of others; and (3) utilisation of emotions in problem solving. A confirmatory factor analysis supported this solution: $\chi^2(350) = 642$, $p < 0.001$, GFI = 0.817 ; CFI = 0.835; NFI = 0.798 ; RMSEA = 0.047. Thus, we used these as our EI dimensions. The scale reliability was tested by calculating Cronbach's alpha and showed satisfactory results: expression and appraisal of emotions (self and others), $\alpha = 0.81$; regulation of emotions (self and others), $\alpha = 0.82$; utilization of emotions in solving problems, $\alpha = 0.68$.

Dependent variable

Cross-cultural adjustment. Our dependent variable, cross-cultural adjustment, was measured from the point of view of the expatriate using 14 items from the inventory developed by Black and Stephens (1989). Respondents were asked to report the degree of adjustment they felt towards their general living conditions, interactions with locals, and work-related issues. The scales ranged from 1 for "very unadjusted" to 6 for "perfectly adapted". The higher the total score, the better the expatriate adjustment. The reliability tests for the three dimensions of

adjustment gave the following satisfactory results: general living ($\alpha = 0.86$), interactional ($\alpha = 0.91$) and work ($\alpha = 0.90$).

Control and moderating variables

Cultural similarity. We used culture similarity as one of the control variables based on the assumption that it can be expected that the more culturally distant is an expatriate's host environment to his / her home environment, the more important EI will be for his / her CCA. It was measured using eight items (everyday customs, general living conditions, health care facilities, transportation system, cost of living, climate, quality and type of food, and housing conditions) adopted from Torbiorn (1982) and found in Black and Stephens (1989). These items were measured on a five-point scale (1 for "very different" and 5 for "very similar"). The reliability was confirmed with $\alpha = 0.87$.

International experience. Another control variable that was used in the study was international experience of an expatriate. We decided to include this variable as a control because there is evidence in the literature that international experience positively influences CCA (e.g. Selmer, 2001, 2002; Bhaskar-Shrinivas et al., 2005; Mezas & Scandura, 2005). The variable was measured by a number of years during which the respondent has been on expatriate assignments prior to the current one.

Sex. The variable was operationalized as a dummy variable where "0" stood for "male" and "1" for "female".

The summary of all constructs used in the study is provided in Table 2 below.

Insert Table 2 about here

Empirical strategy

The data from the 269 expatriate managers were analyzed using hierarchical regression models to estimate general living, interactional and work adjustment respectively. The method is appropriate to evaluate the distinct influence of a set of independent variables, controlling for the impact of a different set of independent variables. For each of these models, step 1 is the base model which included only the control variables. The influence of emotions on adjustment was tested with step 2 which included the control variables and the three dimensions of EI. Next, possible moderating effects (Zedeck, 1971) were tested by adding the interaction term between sex and emotions (step 3). The variable used as a component of an interaction term was centered (Aiken & West, 1991; Aguinis, 2004). Usual OLS assumptions of linearity and normality were screened. Examination for multicollinearity among independent variables was performed using variance inflation factors (VIFs). Normality, heteroscedasticity and homogeneity of residuals were also tested (Aguinis, 2004).

EMPIRICAL RESULTS

The summary statistics for all variables are provided in Table 3. The means, standard deviations and correlations for the variables indicate no multicollinearity. General living adjustment, interactional adjustment and work adjustment were above the mid-level point (4.91, 4.94 and 5.00 respectively). There was a positive and statistically significant correlation around

60% between all adjustment dimensions. These results are consistent with prior literature in the field (e.g. Selmer, 1999; 2006).

Insert Table 3 about here

As mentioned above, we examined our hypotheses using hierarchical ordinary least squares regression analysis with interactions. Following Aguinis (2004) guidelines for models with categorical moderators, we checked the validity of the homogeneity of error variance assumption in our moderated multiple regressions. Type I homoscedasticity assumption was confirmed by non-significant White's tests ($p = 0.42$; $p = 0.26$; $p = 0.79$ respectively for the three dimensions of adjustment). Type II homoscedasticity assumption was also confirmed by calculating Bartlett's M ($p = 0.60$; $p = 0.21$; $p = 0.18$ respectively for the three dimensions of adjustment). Moreover, the results showed acceptable values of the VIF associated with the predictors, ranged from 1.10 to 2.00 (Hair et al., 1998), suggesting no need for concerns with respect to multicollinearity.

Table 4 displays the results of regression models of general living, interactional and work adjustment respectively. In the first model (step 1), we entered sex and the two control variables of cultural similarity and experience only. The model explained 11% of the variance for general living adjustment, 4% for interactional adjustment, and 6% for work adjustment. In the second model (step 2), we added emotional intelligence dimensions. The three dimensions, i.e. ability to appraise and express emotions in the self and others, ability to regulate emotions in the self and others, and ability to utilize emotions in solving problems, were significantly and positively related to CCA. Moreover, these dimensions explained an additional 18% of the variance in

general living adjustment beyond the variance explained by the controls and sex ($\Delta R^2 = 0.18$; $p < 0.001$), 22% for interactional adjustment ($\Delta R^2 = 0.22$; $p < 0.001$), and 25% for work adjustment ($\Delta R^2 = 0.25$; $p < 0.001$). These results clearly support our hypotheses 1, 2 and 3. They demonstrate the importance of EI as a positive determinant of all three dimensions of CCA.

 Insert Table 4 about here

To examine whether the main effect of EI includes a more complex pattern of amplified or attenuated impacts due to sex differences, we tested the third model (step 3) which included an interaction term '*sex x emotions*'. A difference between males and females was observed only for one dimension of EI, appraisal and expression of emotions in the self and in others, insured by a significant Ttest ($p < 0.087$). We found that females have a higher average score in terms of expression and appraisal of emotions (0.161 versus -0.072 for males and 0 for the sample average). Therefore, the moderating effect of sex on emotions was tested only for the expression and appraisal of emotions in the self and in others dimension. As shown in step 3 of Table 4, the results provide evidence for the interaction between sex and appraisal and expression of emotions in the self and in others. Adding the interaction term slightly but still significantly improves the model for general living adjustment by 19% from the initial model ($\Delta R^2 = 0.19$; $p < 0.001$), by 24% for interactional adjustment ($\Delta R^2 = 0.24$; $p < 0.001$), and by 26% for work adjustment ($\Delta R^2 = 0.26$; $p < 0.001$).

Overall, we observed that appraisal and utilization of emotions have the heaviest weights for the three dimensions of CCA compared to regulation of emotions. Furthermore, the inclusion of the interaction term increases the positive effect of appraisal of emotions on adjustment (beta

from 0.09 to 0.17 for general living adjustment; from 0.18 to 0.29 for interactional adjustment; and from 0.09 to 0.16 for work adjustment). The interaction term crossing sex and expression and appraisal of emotions in the self and in others has a significant and negative influence on CCA. To zoom into Hypothesis 4 and illustrate this last result, we plotted the interaction effect in Figure 2. The graph shows that the relation between EI and CCA is stronger for males than females.

Insert Figure 2 about here

In support of Hypotheses 1, 2 and 3, direct effects of all three EI's adaptive abilities were found to be significant and positive for all three dimensions of expatriates' CCA. In support of Hypothesis 4, the results show that the change in the multiple squared correlation coefficient associated with EI and its interaction with sex is statistically significant. Figure 2 demonstrates that the pattern of the two-way interaction is as hypothesized.

DISCUSSION

Because cognitive ability of human beings accounts only for approximately 25% of the variance in their job performance (i.e. Goldstein et al., 2002), it is important to find other predictors that may tap into and help us explaining the remaining 75%. One of such predictors is EI, which recently has gained increased attention among scholars (e.g. Van Rooy & Viswesvaran, 2004; O'Boyle et al., 2011). However, up to now the role of EI has been somewhat ignored in relation to one of the most emotionally-intensive managerial tasks in many

contemporary organizations – expatriate assignments. This paper tried to shed some light on the role that EI plays in CCA of expatriates on assignment.

Expectedly, we find that emotions and EI in particular are important for CCA. The variance in CCA cannot be explained by cultural similarity, experience and sex only. Moreover, depending on the type of adjustment considered, EI has much more profound corresponding impacts than the two control variables and sex together. Hence, in line with what we argued the results of our analysis confirmed our key hypotheses showing that high levels of all three adaptive abilities of EI are conducive for better general, interactional and work-related CCA. However, we find that, although all are significant, different abilities of EI have impacts of different magnitudes on the three dimensions of CCA. For instance, utilization of emotions seems to impose the most significant and stable positive impact on all three dimensions of CCA, whereas regulation of emotions is less significant for work related adjustment than for the two other dimensions. Overall, we conclude that the ability to utilize emotions for problem solving is the most influential and universal EI ability in facilitating all the three aspects of expatriates' CCA. It means that being flexible, innovative, creative and motivated, which are all qualities associated with the ability to utilize emotions, are the qualities that are conducive for better expatriates' CCA. The other two dimensions are important as well but to a somewhat lesser extent. Nonetheless, the key point of our analysis is that emotions matter and that, as some others have already argued (e.g. Gabel et al., 2005; Tan et al., 2005), EI needs to be included into the research on expatriates and their CCA as an important predictor and explanatory factor in determining expatriates' success.

We also found some interesting results concerning the impact of cultural similarity on expatriates' CCA. While some extant studies have argued that the culturally closer the host

environment is, the easier it is for an expatriate to adjust (e.g. Black & Gregersen, 1991; Shaffer et al., 1999), our analysis indicates that it is mainly true for general living adjustment only and not for interactional and work-related adjustments. It is easier to adjust to a culturally similar general living environment at the level of a host country. However, the latter two adjustment dimensions deal with much more varied and thus unpredictable environments which encompass different organizational, professional, regional, departmental cultural aspects that expatriates need to cope with when interacting and building relationships in their new workplaces. Furthermore, we found expatriation experience to be positive and significant in influencing expatriates' CCA. This result is expected considering the extant literature (e.g. Selmer, 2001, 2002; Bhaskar-Shrinivas et al., 2005) and shows that EI, as one form of cognitive ability and intelligence, tends to develop with experience (Mayer et al., 1999). It also means that EI can and need to be learned through trainings and other assignments.

Another finding is a rather curious moderating effect of sex that our analysis has yielded. First, we found no direct effects of sex on CCA and mainly no differences in how EI impacts CCA between males and females expect for one interaction effect of sex and appraisal of emotions. The effect indicates a relatively faster diminishing utility of the ability to appraise and express emotions for females in comparison to males. It means that, even though appraisal of emotions is good and females tend to score higher on average in this particular adaptive ability, it is less good for them than for males, so that the higher the ability of females to appraise emotions becomes, the smaller improvements in their CCA get. This is a somewhat counter-intuitive finding considering that previous studies found that females consistently score higher in terms of EI (Schutte et al., 1998) and are more successful in international assignments than males (Caligiuri & Tung, 1998; Adler, 1987; Taylor & Napier, 1996). One potential explanation for

this finding, which remains to be verified in future research, can be that the higher levels of appraisal and expression of emotions among females as compared to males may be not very well accepted in certain cultures which are founded on more masculine values and norms and tend to underappreciate emotions. This in turn then can slow down the adjustment process of female expatriates.

The study has some limitations that need to be taken seriously when considering our results. First, we used perceptual self-reported measures of adjustment which may have biased our results due to the social desirability problem (e.g. Podsakoff & Organ, 1986), i.e. potential inclination of respondents to present their adjustment situation more positively than it actually is. To alleviate this bias future studies need to obtain more objective and potentially less biased measures of expatriates' adjustment. This can be done by surveying for example expatriates' superiors or coworkers. Second, the respondents in this study came from the same organization which doubtlessly limits the generalizability of the study's findings. Future research needs to examine expatriates' adjustment in other organizations and industries. At the same time, the fact that we surveyed employees of the same nationality and in the same organization constitutes an obvious strength of our study. It minimizes the impact of possible mixed effects which may be difficult for researchers to spot due to non-comparable home-host experiences of expatriates.

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FIGURE 1
Theoretical model

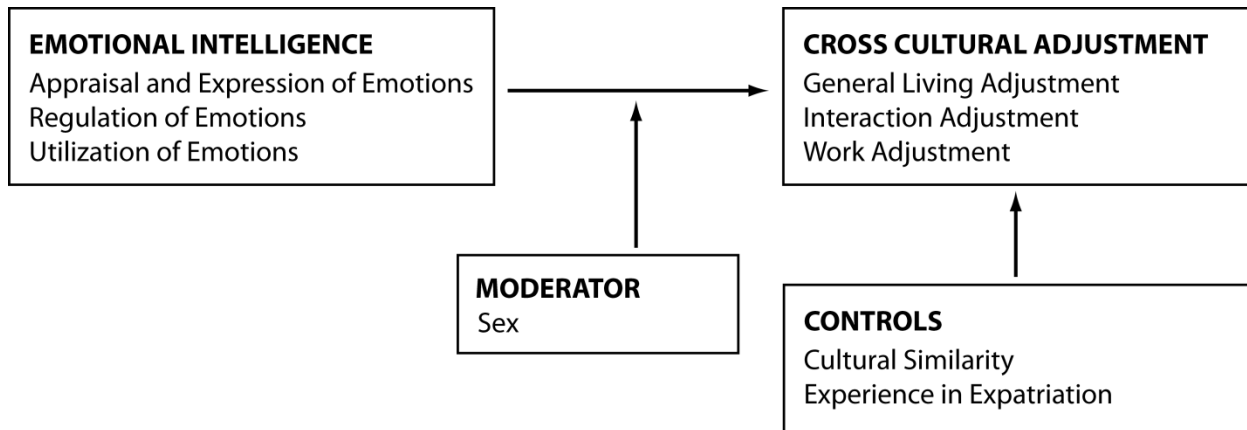


FIGURE 2
Sex moderator effects

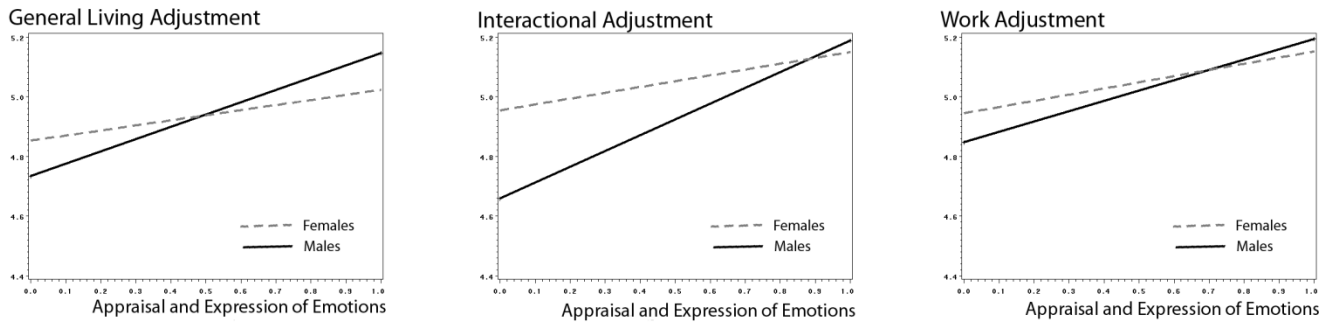


TABLE 1
Sample Demographics

		Mean	Std
Age		41	11.10
Number of years as an expatriate		10	7.85
		Freq.	Percent
Sex	Male	142	53%
	Female	127	47%
Marital Status	Single/divorced/widowed	108	40%
	Married/civil partnership	161	60%
Children	Yes	137	51%
	No	132	49%
Degrees	Degree or less	41	15%
	Degree	67	25%
	Master/PhD	161	60%
Destination	Latin America and Caribbean	97	36%
	North America	22	8%
	Africa and Indian Ocean	43	16%
	Asia	55	21%
	Europe	41	15%
	Oceania	11	4%

N = 269

TABLE 2
Definitions of constructs

Constructs	Dimensions	References
Cross cultural adjustment (14 items)	General living adjustment Interactional adjustment Work adjustment	Black and Stephens (1989)
Emotional intelligence (33 items)	Appraisal and expressions of emotions (self and others) Regulation of emotions (self and others) Utilization of emotions in solving problems	Schutte (1988) Salovey and Mayer (1990)
Cultural similarity (8 items)	Unidimensional	Torbiorn (1982)

TABLE 3
Descriptive Statistics and Correlations

	Mean	Std	1	2	3	4	5	6	7	8
1 General living adjustment	4.91	0.77	1							
2 Interactional adjustment	4.94	0.94	0.63	1						
3 Work adjustment	5.00	0.78	0.64	0.63	1					
4 Appraisal of emotions	0	1	0.29	0.31	0.27	1				
5 Regulation of emotions	0	1	0.27	0.23	0.26	0.18	1			
6 Utilization of emotions	0	1	0.39	0.37	0.49	0.24	0.26	1		
7 Cultural similarity	2.86	0.98	0.35	0.12	0.24	0.03	0.15	0.17	1	
8 Expatriation experience	9.34	7.85	0.09	0.15	0.15	0.03	0.17	0.08	0.02	1

N = 269. All correlations are significant at the $p < .05$ level.