

Influence of cultural intelligence on socio-cultural adaptation for expatriate leaders in Malaysia

Abstract

Success factors of expatriate leaders in a globalized world depend highly on selective competencies. Each competency have a wide set of skills associated with it. This paper attempted to present an investigation for the assessment of a competency such as cultural intelligence on socio-cultural adaptation for expatriate leaders working in different organizations in Malaysia. The hypotheses developed in this study were tested through primary data collected using the survey method. Purposive sampling technique has been used to collect 210 responses. Exploratory factor analysis and structural equation modelling techniques were used to analyze the data. The findings revealed that cultural intelligence and socio-cultural adaptation influence expatriate leaders and the dimensions of cultural intelligence influence the performance of expatriate leaders mediated by socio-cultural adaptation. Organizations can get benefit greatly from incorporating cultural intelligence competency development for expatriate leaders in global positions. It will help the expatriate leaders to meet new and exciting challenges, and targets rapidly and performs efficiently.

Key words: Cultural Intelligence, Socio-Cultural Adaptation, Expatriate Leadership, Malaysia

Article Type: Original Research Article

INTRODUCTION

Globally, organizations are having a shortage of leaders which impacts slow growth rate to sustain in the competitive market. The process of hiring and retaining successful leaders is a challenge for corporate leadership teams. Certain competencies are required for selective individuals to act upon effective leadership. Especially, competencies for expatriate leaders are conceptualized differently in different countries (Aminullah et al. 2022; Kowske and Anthony, 2007) as culture, work ethics, behaviors, communication styles and employer-employee relationships are also different in different countries. Successful expatriates will lead an organization to the extent level of growth. Despite organizational culture, values, ethics and principles, expatriates' role is questionable if the organization does not play significant progress in all areas of development. As per diverse social desires, individual social gatherings have individual desires of aptitude and this can influence the expatriates and their adaptation for socio-cultural values.

Given that expatriates are both a valuable resource and a major cost factor for businesses, academics have focused their attention on the issue of expatriation. The expatriate leader is likely to face pressure to his or her ideas, opinions, and behavioral standards while dealing with host country subordinates (Idrus, 2021; Van Vianen et al., 2004; Molinsky, 2007). There is evidence that adjusting to a new culture is better in more industrialized or western countries (Ward and Kennedy, 1999). There's also the possibility that certain ethnic communities are more adaptable to new cultures than others (Cochrane and Stopes-Roe, 1977; Ward and Kennedy, 1999). This may be explained by the idea that certain cultures are more suited than others in terms of intercultural knowledge and cross-cultural familiarity (Ward and Kennedy, 1999). This study attempts to empirically assess the relationship among

the effects of cultural intelligence dimensions and the socio-cultural adaptation of expatriate leaders in Malaysian context.

Malaysia is known as having a multiethnic culture rather than a multicivilizational society. Malaysian culture is absolutely special such a way that makes it multiracial. Malaysia's linguistic mixture is the peak of eras of interaction and influence from a wide range of cultures, which has resulted in ethnic groups that are both distinct and interactive. On the other hand, the expatriate leadership role in Malaysian organizations is known for its highly collaborative environment in the global marketplace, particularly in the East Asian region. In a multi-racial nation such as Malaysia, it would be interesting to identify the nature of using cultural intelligence as there are major differences in the socio-cultural backgrounds among various ethnic groups (Umme et al., 2019; Kennedy and Mansor, 2000). Alkahtani et al. (2011) found that there were different research results with respect to expatriate leadership style in Malaysia. For example, Malaysian leaders are found not so much of designating but rather more value-oriented. Another research found that the favored styles of Malaysian leaders are participative and advice-giving (Anuar and Aizat, 2012). The presence of diverse characters, referred to as a plural culture, adds to the intrigue. This twisted web of ethnic diversity in Malaysia necessitates a high level of national unity among Malaysia's multiracial and religious groups (Suhaili et al., 2020). The Global Leadership and Organizational Behavior Effectiveness (GLOBE) research program was set up in the early 1990s to investigate leadership behaviors in over 60 countries around the world, including Malaysia. According to the findings of that study, Malaysian subordinates expect their expatriate leaders to behave in a manner that is humble, modest, and dignified (House et al., 1999).

REVIEW OF LITERATURE

Cultural Intelligence

There are multiple concepts of intelligence, well established in studies (Gardner, 1983; 1993), cultural intelligence (CI) is one of them. CI is described as a person's ability to act efficiently in culturally diverse contexts (Ang and Van Dyne, 2015; Earley and Ang, 2003). CI lets individuals and organizations increase job success in progressively complex and/or multinational corporate environments by applying to various cultures and subcultures (Livermore, 2016; Malek and Budhwar, 2013; Rockstuhl et al., 2011). The overall performance of an organization generally acknowledged by its leadership. Expatriate leaders do multiple actions to adopt different cultural situations, this actions or ability is called cultural intelligence. It includes four different magnitudes (Anvari et al., 2014),

1. Meta-cognitive (MC) is an individual's ability to control their thought processes relating to culture.
2. Cognitive (COG) reflects knowledge of the norms and practices in the host culture developed from training, education, and personal experiences.
3. Motivation (MOT) reflects the individual's capability to learn about and desire to adapt to culturally diverse settings.
4. Behaviour (BEH) refers to the behaviors that a person engages in and reflects a person's capability to acquire or adopt behaviors appropriate for a new culture.

Cultural intelligence varies across the globe but within the country the impact is same (Posner, 2013). Within the country the more frequently leaders use their leadership practices the more effectively they prove themselves qualified for the leadership position. "How leaders behave that matters, not the culture", this statement is applicable for one country but not applicable for cross-country. The actual incidence of leadership practices can differ across cultural settings, but the impact of the use within the settings remained constant (Stoermer et al., 2021; Posner, 2013). CI is the ability to intermingle effectively with people from different cultural backgrounds. So, expatriate leaders need to have a high degree of cultural

understanding and knowledge of the behaviour and norms of the population of the host country (Qin and Baruch, 2010), which includes cultural intelligence and cultural tuning, and which will lead to effective communication with people from different cultural backgrounds.

In recent years, comprehensive analyses of cultural intelligence have been published (Ang et al., 2011; Leung et al., 2014; Ng et al., 2012; Fang et al., 2018; Ott and Michailova, 2018). Given the need to better educate organizational leaders and employees to completely maximize these opportunities, cross-cultural preparation for organizational leaders and employees is critical (Bartel-Radic and Giannelloni, 2017; Barrera, 2010; Bird et al., 2010). Based on existing research, individuals and teams with high CI can experience several specific benefits that have been defined as psychological outcomes (e.g., effective intercultural adjustment; improved cultural judgment; greater interpersonal trust), behavioral outcomes (e.g., improved decision-making; higher levels of idea-sharing, information-sharing, and creativity), and organizational outcomes (e.g., improved decision-making; higher levels of idea-sharing, information-sharing, and creativity) (Gelfand et al., 2015; Leung et al., 2014).

Socio-Cultural Adaptation

The “process by which individuals learn to reinterpret their environment and improve their capacity to work within the new cultural context” is known as socio-cultural adaptation (SCA) (Swagler and Jome, 2005, p. 527). To put it another way, socio-cultural adaptation is the degree to which an individual's transition is visible (e.g., behaviors). Hence, in terms of behavioral skills, SCA is characterized as the ability to “fit in” or effectively communicate with members of the host community (Ward and Kennedy, 1999). It's been linked to factors like language fluency, acculturation techniques, duration of stay in a host culture, and cultural distance, both of which affect cultural learning and social ability development in the host culture (Searle and Ward, 1990; Ward and Kennedy, 1999). Language capacity and broader communication skills are at the core of socio-cultural adaptation (Setti et al., 2022; Masgoret and Ward, 2006). They are needed for effective social interaction, which is part of the socio-cultural adaptation construct.

Socio-cultural adaptation plays an important role in organizational life, work-space, productivity and overall performance (Gerrard, 2015). The global environment produces an aggressive setting that is becoming more complex, dynamic and indistinct for organizations that operate across borders. One major challenge of this setting is the need to understand the cultural empathy and the basis underlying the thoughts and actions of culturally divergent others. A model was introduced by Robinson and Harvey (2008) that integrates psycho-social elements of leadership and organizational effectiveness, such as conditioning, power, duty, dependence, and ethics. It is the talent to control individuals, groups, organizations, and systems that have different social, intellectual and psychological knowledge. It requires simultaneously recognizing situations in which demands from both global and local elements are compelling while combining openness to and awareness of diversity across cultures and markets with a willingness and ability to synthesize across this diversity (Cohen, 2010). This means not only identify when it is helpful to create a reliable global standard, but also deepen the understanding of local and cultural differences, crossing cultures and change management.

Several researches on expatriate leadership supports personality components as key markers of cross-cultural transition, in addition to cultural competence (Li-Yueh & Nguyen, 2020; Caligiuri, 2000; Swagler and Jome, 2005; Ward, Leong and Low, 2004). Ward et al. (2004) observed that four of the Big Five personality factors (extroversion, agreeableness, conscientiousness, and emotional stability) had major associations with the cross-cultural change, while Swagler and Jome (2005) discovered that personality factors were positively

linked to both psychological and socio-cultural adaptation processes. Therefore, this study posits,

H₁: Significant positive relationship exists between meta-cognitive cultural intelligence and socio-cultural adaptation.

H₂: Significant positive relationship exists between cognitive cultural intelligence and socio-cultural adaptation.

H₃: Significant positive relationship exists between motivational cultural intelligence and socio-cultural adaptation.

H₄: Significant positive relationship exists between behavioral cultural intelligence and socio-cultural adaptation.

Expatriate Leadership

Leadership is defined by “the ability of an individual to influence, motivate and enable others to contribute towards the effectiveness and success of the organizations of which they are members” (House et al., 2002, p.5). While the global network of corporate businesses is becoming increasingly accessible through technology using web/video conference (i.e. Google meet, Zoom, Microsoft Team, etc.), management people are interacting more with their team members from different cultures in a daily routine. Sales meetings, training programs, workshops are taking place regularly. Multinational organizations are increasingly sending expatriates abroad on global leadership positions (Idrus, 2021; Farh et al., 2010) because leaders are necessary to promise that foreign subsidiary operations remain competitive. To sustain in a globalized world, expatriate leadership is necessary to effectively act and judged. There was a slogan, “think globally and act locally,” now it became “think and act both globally and locally”. Expatriate leaders must be open to multicultural diversity to interact and build relationships with all stakeholders who are from different cultural backgrounds (Chen et al., 2011).

The significance of transformational leadership and social support for expatriate adjustment and performance has been studied by Lee, Veasna and Wu (2013). They extended their study to form a theoretical model of transformational leadership and social support to examine expatriate adjustment and performance in a global environment. Based on the socio-analytic theory, their study argues that cultural intelligence is a situational factor that moderates the impact of transformational leadership on expatriate adjustment and performance. The research findings indicated that the effects of transformation leadership on expatriate adjustment and performance are strong when expatriates have higher levels of cultural intelligence. The cultural dilemma can create a gap between the understandings of professional leadership and the surrounding. In today’s multi-cultural globalized world, expatriate leaders need to have a clear knowledge of the culture of the followers, their social likings, values, ethics and principals. In a culturally diverse country, not all expatriates will become effective expatriate leader (Robinson and Harvey, 2008).

Many cross-national studies suggest that cultural intelligence can influence leadership concepts, styles, and practices. For example, the GLOBE research program (House et al., 1999) is one of the widest and motivated cross-cultural studies of leadership. Here, culture has been defined as “shared motives, values, beliefs, identities, and interpretations or meanings of significant events that result from common experiences of members of collectives and are transmitted across age generations.” IBM, being among the top organizations in the world, published Global Chief Human Resource Officer (CHRO) study, where more than 700 HR executives and workforce strategists across 61 countries examined to find the critical leadership challenges (Britt and Kreyer, 2011). The challenges organizations are facing includes (Britt and Kreyer, 2011),

1. Developing effective and agile leaders

2. Anticipating and nurturing the necessary workforce skills and capabilities
3. Connecting people and ideas to foster global collaboration and knowledge sharing

The significance of on-the-job experiences has been widely known as a powerful source of learning (Day, 2000; Yukl, 2002). It provides a starting point for the conceptual link between global assignments. Successful job transitions have been identified as critical to leadership development (Nicholson, 1984). The requirement for managers to find appropriate ways to handle new situations (Brett, 1984) and prove themselves once again (Stewart, 1984) underscores the value of a successful transition. Cultural intelligence varies across the globe but within the country, the impact is the same (Posner, 2013). Within the country the more frequently leaders use their leadership practices the more effectively they prove themselves qualified for the leadership position. “How leaders behave that matters, not the culture”, this statement is applicable for one country but not applicable for cross-country. The actual incidence of leadership practices can differ across cultural settings, but the impact of the use within the settings remained constant (Posner, 2013). CI is the ability to intermingle effectively with people from different cultural backgrounds. So, expatriate leaders need to have a high degree of cultural understanding and knowledge of the behaviour and norms of the population of the host country (Qin and Baruch, 2010), which includes cultural intelligence and socio-cultural adaptation, and which will lead to effective leadership. Therefore, this study posits,

- H₅: Significant positive relationship exists between socio-cultural adaptation and expatriate leadership.*
- H₆: The relationship between meta-cognitive cultural intelligence and expatriate leadership is mediated by socio-cultural adaptation.*
- H₇: The relationship between cognitive cultural intelligence and expatriate leadership is mediated by socio-cultural adaptation.*
- H₈: The relationship between motivational cultural intelligence and expatriate leadership is mediated by socio-cultural adaptation.*
- H₉: The relationship between behavioural cultural intelligence and expatriate leadership is mediated by socio-cultural adaptation.*

Conceptual Framework

Based on literature review, this research focuses on conceptual framework of expatriate leadership (EL). The framework emphasizes the variables like cultural intelligence (CI) as independent variable and socio-cultural adaptation (SCA) as mediating variable. These variables are related to expatriate leadership in an organization as conceptualized in the framework given below (Figure 1).

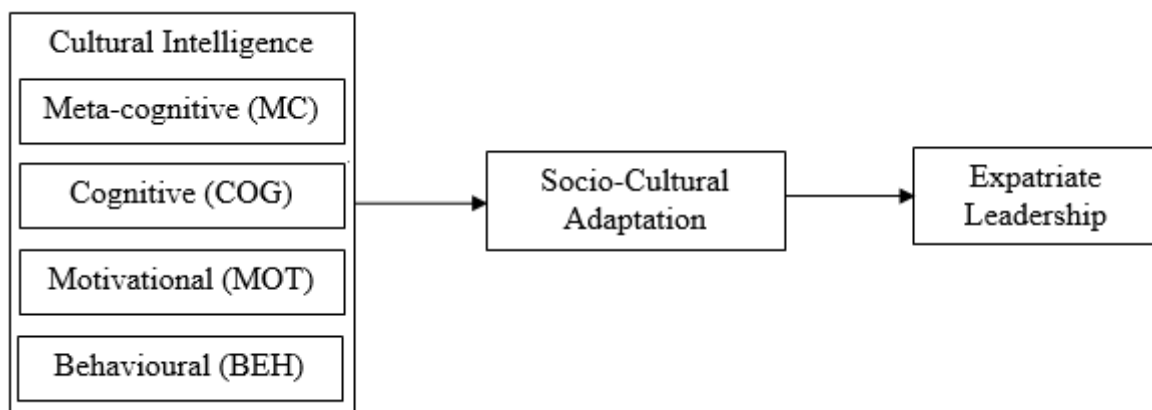


Figure 1. Conceptual Framework

METHODS

The target population for this study was the total number of expatriates living in Malaysia. It is about 1.7 million (World Bank, 2019). Data has been collected using purposive sampling technique from a sample of 216 expatriates working in different organizations located at the metropolitan area of Kuala Lumpur and Selangor states in Malaysia. Expatriate leaders has been selected based on the criteria that they are from foreign nationals, having leadership roles and subordinates working under them.

To achieve objectives of this research, a self-administered, close-ended, structured questionnaire (Vancelik et al., 2007) has been designed to collect data from the sample. The main constructs in the survey were Cultural Intelligence (CQ), Socio-cultural Adaptation (SCA) and Expatriate Leadership (EL). Questionnaire sources were adapted from Ang et al. (2007), Demes and Geeraert (2014) and Leadership Behavior Description Questionnaire (LBDQ) by Rodriguez (2012) respectively. 5-point Likert type response scale was used for CQ, SCA and EL where 1 is strongly disagree and 5 is strongly agree.

To reduce social desirability bias, the questionnaire has been designed assuring confidentiality and anonymity of the respondents and using indirect (passive) questioning format (Grimm, 2010). The study also considered issues related to data screening prior to further analysis, such as the treatment of incomplete data, multicollinearity and detection of outliers and normality using SPSS (version 25) statistical program. Six responses were dropped at this stage due to incomplete data. Exploratory factor analysis also performed on the data using SPSS. For assessment of the structural equation model, data has been analyzed using AMOS (version 25) statistical program.

RESULTS

Table 1 presents the demographic characteristics of the respondents.

Table 1. Demographic Characteristics of the Respondents

Demographic Variables	Frequency	Percent (%)
Gender		
Male	129	61.43
Female	81	38.57
Age		
Less than 25 years	12	5.71
25 to less than 35	38	18.10
35 to less than 45	45	21.43
45 to less than 55	88	41.90
55 to less than 65	26	12.38
More than 65	1	0.48
Marital Status		
Married	167	79.52
Unmarried	42	20.00
Widowed	1	0.48
Religion		

Islam	146	69.52
Buddhism	34	16.19
Christianity	21	10.00
Hinduism	7	3.33
Others	2	0.95
Employment Level		
First-level Mgt	76	36.19
Mid-level Mgt	98	46.67
Top-level Mgt	36	17.14
Education Level		
Degree (Bachelor)	23	10.95
Masters	145	69.05
PhD/Doctorate	42	20.00

For reliability of the data, Cronbach's Alpha values were measured in SPSS. Table 2 represents the Alpha values corresponding dimensions of CQ, SCA and EL which are more than 0.7 and exhibits reliable for factor analysis.

Table 2. Reliability Statistics

Variables	Cronbach's Alpha	N of Items
Meta-cognitive (MC)	0.817	4
Cognitive (COG)	0.860	6
Motivational (MOT)	0.847	5
Behavioral (BEH)	0.869	5
Socio-Cultural Adaptation (SCA)	0.904	12
Expatriate Leadership (EL)	0.906	10

Exploratory factor analysis (EFA)

After running dimension reduction in SPSS from the KMO and Bartlett's test (Table 3), the sampling adequacy was found 0.919 which is very good. The significance value is 0.000 which means at least one relation among the variables is significant. Using principle component analysis extraction method, cumulative factor loadings of 63.1% total variance was explained by the initial Eigenvalues which is satisfactory. The initial extraction of values for communalities also represent satisfactory as all values were more than (0.3).

Table 3. KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.919
Bartlett's Test of Sphericity	Approx. Chi-Square	6030.371
	df	861
	Sig.	.000

After running the data again in SPSS through fixed number of Factors (6) and suppressing coefficient values less than 0.4, we can see the Component Correlation Matrix is

orthogonal. Again, we checked the varimax option in SPSS for analyzing orthogonal matrix and found the rotated component matrix (Table 4).

Table 4. Rotated Component Matrix^a

	Component					
	1	2	3	4	5	6
MC1	.737					
MC2	.758					
MC4	.690					
COG1		.735				
COG2		.649				
COG3		.505				
MOT1			.634			
MOT2			.665			
MOT3			.735			
MOT4			.759			
BEH1				.696		
BEH2				.680		
BEH3				.706		
BEH4				.765		
BEH5				.744		
SCA9					.631	
SCA10					.652	
SCA11					.674	
EL4						.682
EL5						.672
EL6						.696
EL7						.581
EL8						.618
EL9						.565
EL10						.642

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 9 iterations.

For checking the reliability and validity of the constructs, the Cronbach's Alpha values were tested again beside Composite Reliability and Convergent Validity. Table 5 represents the Alpha, CR and AVE values which are all satisfactory for further analysis.

Table 5. Results for Cronbach's Alpha, CR, AVE

Variables	Cronbach's Alpha	N of Items	CR	AVE
Meta-cognitive (MC)	0.817	3	0.777922	0.570819
Cognitive (COG)	0.784	3	0.766743	0.505484

Motivational (MOT)	0.847	4	0.817750	0.545142
Behavioral (BEH)	0.869	5	0.842209	0.516803
Socio-Cultural Adaptation (SCA)	0.853	3	0.757339	0.531494
Expatriate Leadership (EL)	0.906	7	0.896680	0.576465

Confirmatory Factor Analysis (CFA)

AMOS usually deals with larger sample size (more than 200) and hence, we have used here sample size of 210. After completing the diagram in AMOS, when we tried to fit the model, the values for Chi-square, degrees of freedom, CFI, RMSEA showed poor model fit and therefore we have used modification indices for better estimates. Figure 2 represents the SEM where the values we got from CFI is close to 0.9 and RMSEA is less than 0.8 which indicates acceptable model fit (Hair et al., 2010). The measurement model (Figure 3) has been used to measure the relationships. From the output, we can see that all our indicated variables are loaded significantly with latent variables. From the standardized regression weight (Table 6), we can see that the critical ratio (CR) for all the relations are significant (more than 1.96) with p values less than 0.05 (confidence level) except the relation EL <--- BEH. EL <--- SCA is the most significant one. Among the dimensions of CQ, MOT is the most significant one.

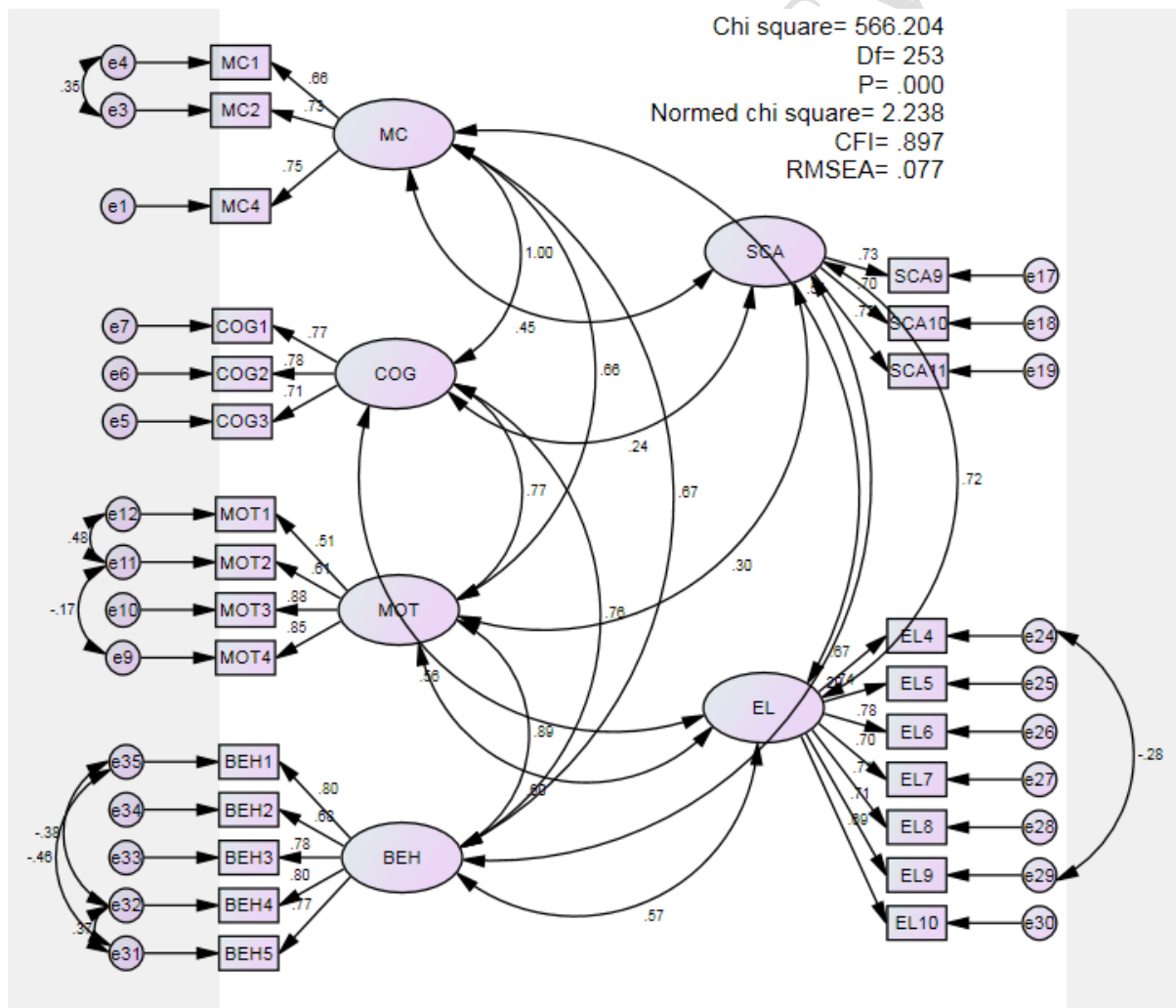


Figure 2. SEM (Modified Model)

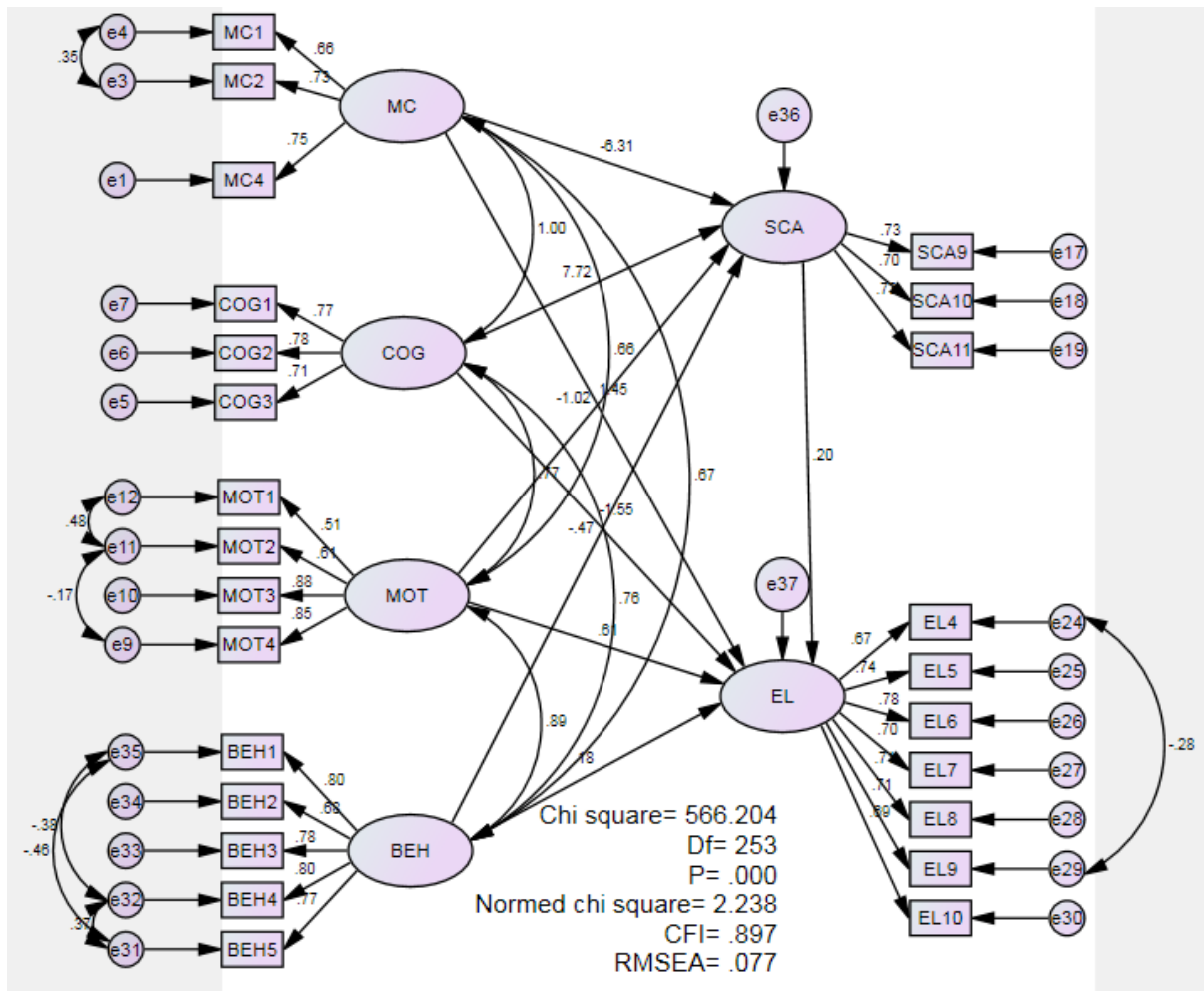


Figure 3. SEM (Measurement Model)

Table 6. Standardized regression weight

Path	Estimate	S.E.	C.R.	P
SCA <--- MC	.232	.061	3.818	***
SCA <--- COG	-.136	.043	-3.157	.002
SCA <--- MOT	.262	.057	4.625	***
SCA <--- BEH	.107	.046	2.341	.019
EL <--- SCA	.970	.133	7.280	***
EL <--- MC	-.121	.050	-2.422	.015
EL <--- COG	.120	.037	3.272	.001
EL <--- MOT	.210	.050	4.167	***
EL <--- BEH	.014	.036	0.394	.694

Mediation Tests

The magnitude of the indirect effects using bias corrected 90% confidence intervals around the effects using a bootstrapping method was tested (Hair et al., 2010). The 95% bootstrapped CIs did not contain zero, providing additional support for the hypotheses. In terms of direct

effects, SCA was stronger than CI as shown in Table 7. Based on the comparison between direct and indirect path coefficient estimates, it can be concluded that socio-cultural adaptation plays a significant mediating role in explaining the relationships among cultural intelligence dimensions and expatriate leadership. Finally, Table 8 represents the summary results of all the hypotheses tested.

Table 7. Direct and Indirect Effects of Path Estimates

Path	Direct effect	Indirect effect	Total effect
EL ← SCA ← MC	.04	.47	.51
EL ← SCA ← COG	.10	.35	.45
EL ← SCA ← MOT	.10	.31	.41
EL ← SCA ← BEH	.06	.36	.42

Table 8. Summary of Hypotheses Test Results

	Hypotheses	Findings
H_1	Significant positive relationship exists between meta-cognitive cultural intelligence and socio-cultural adaptation.	Supported
H_2	Significant positive relationship exists between cognitive cultural intelligence and socio-cultural adaptation.	Supported
H_3	Significant positive relationship exists between motivational cultural intelligence and socio-cultural adaptation.	Supported
H_4	Significant positive relationship exists between behavioral cultural intelligence and socio-cultural adaptation.	Supported
H_5	Significant positive relationship exists between socio-cultural adaptation and expatriate leadership.	Supported
H_6	The relationship between meta-cognitive cultural intelligence and expatriate leadership is mediated by socio-cultural adaptation.	Supported
H_7	The relationship between cognitive cultural intelligence and expatriate leadership is mediated by socio-cultural adaptation.	Supported
H_8	The relationship between motivational cultural intelligence and expatriate leadership is mediated by socio-cultural adaptation.	Supported
H_9	The relationship between behavioral cultural intelligence and expatriate leadership is mediated by socio-cultural adaptation.	Not Supported

DISCUSSION

Expatriate leadership is a key component of all organizations, but the role of effective expatriate leadership is getting more complicated with the advancement of technology and the increased association of globalization (Setti et al., 2022; Punnett, 2004). Innovative advances expand the likelihood of a global economy which has changed the way of an individual's thought process and work environment. Failure in one leadership results in consecutive failures and making gaps in opportunities for others. Step by step process to perform expatriate leadership effectively in the undeniably intense global market is crucial to universal business and workforce management. Successful expatriate leadership is key to open the riddle of working with dynamic representatives and convey individual advancement and change to all levels. Since globalization and innovation have been quickening business changes and making challenges, the present scenario needs to secure an arrangement of skills

that will empower the organization to execute its vision and lead adequately. Vital initiative segments and critical global leadership aptitudes need to be recognized as an improvement for global pioneers' intensity and execution of greater productivity (Umme et al., 2019; Chuang, 2013). So, this research has investigated how expatriate leadership derives from lead competency like cultural intelligence and also to see if socio-cultural adaptation has any effect on it.

Cultural intelligence is a very important leadership competency for expatriate leaders as found in this research. It plays a vital part in successful leadership effectiveness and employee performance in the private sector. Heaton, Schmidt-Wilk and Travis (2004) developed a model which suggests that a holistic structure of health, happiness, wisdom, success, and fulfilment can be used by job seekers, managers and investors to evaluate the scope of the goals of an organization and to review its holistic performance. Cultural intelligence emerges from all levels of the mind and is indicated by improvements in health, happiness, wisdom, success, and fulfilment. The nature of such a mindset cannot be ignored and need to be explored further for better understanding and direct mapping with socio-cultural adaptation. From this investigation, it is clear that all the dimensions of cultural intelligence has a direct significant relationship with the socio-cultural adaptation of expatriate leaders in Malaysia. That means, despite having a strong cultural diversity in this South-East Asian country, the expatriate leaders are adapting with society with significant cultural values. It is a competency for expatriate leaders which can be rational for everyone. Therefore, comparative studies with other Asian countries can further be evaluated for recommendations. MNCs should focus on enhancing cultural intelligence for their expatriates to work effectively in leadership positions in this region.

IMPLICATION

Cultural intelligence should be developed to maximize employee's leadership performance and benefit from collective intelligence. With the difference in geographical locations, time-zones, religions and cultures across the global environment, organizations need to operate with collective leadership effectiveness aligned with strategies and goal-oriented approaches. Organizations will need to work very differently from how they operate today, engaging much more seamlessly across a wide range of global boundaries (Britt and Kreyer, 2011). Different demands from different countries and common strategies towards increasing growth rate collectively impose the application of effective expatriate leadership. Cultural intelligence plays an important role in driving cultural adjustment and effectiveness (Kim et al., 2008) because expatriate leaders with high levels of cultural knowledge can more easily find the way and understand new cultures (Ang et al., 2007). Organizations can get benefit greatly from incorporating cultural perspectives for expatriate leaders in organizational change management, which will help them to meet the new and exciting challenge, targets rapidly and effectively. Future studies should incorporate more competencies like spiritual intelligence, emotional intelligence and knowledge management to measure expatriate leadership performance in global context.

CONCLUSION

Management practices are changing slowly and painfully. Over the last hundred years of management era, organizations did not recognize cultural intelligence as the underlying order of collective performance. Now, they have realized the importance of cultural intelligence, the reality of beyond and what makes an expatriate leader effectively potential. Cultural understanding and social adaptation influence expatriate leaders and cultural intelligence impact the performance of expatriate leaders (Sambasivan, Sadoughi and Esmailzadeh, 2017). A leader in an organization creates social structures and leadership development

opportunities that encourage boundary spanning, cross-functional collaboration, team building, customer engagement training and networking skills (Elkington et al., 2017). Multinational organizations are often facing change of management due to lack of consistency in workforce engagement and an integrated advanced training on culture will benefit individuals towards effective expatriate leadership.

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