An Investigation of Expatriate Adjustment and Performance at the Workplace: A Social Capital Perspective

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ABSTRACT

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Although relationship building has long been recognized as an important aspect of expatriate experiences, relationships between expatriates and host country nationals (HCNs) have been generally ignored. To understand these relationships and their effect on expatriate effectiveness, I draw upon social capital theory to develop and test a model of expatriate effectiveness (i.e., adjustment and performance). This social capital model predicts that social networks and access to information and resources (opportunities), trust and norm of reciprocity (motivation) and HCN’s intercultural competencies and task performance (abilities) have direct effects on expatriate adjustment and performance. Given the exploratory nature of this research, I hypothesize that all forms of social capital will influence adjustment and performance.

To test the proposed model, I conducted a field study and collected self-report data from 147 expatriate managers working in Hong Kong, Beijing and Shanghai. Data was analyzed using multiple regression. The social capital variables were strong predictors of expatriate performance. Network density, depth of relationship with host country nationals, norm of reciprocity, and host country national’s interpersonal skills and cultural empathy had significant direct effects on various dimensions of performance (i.e., relational, job and knowledge transfer). Although the results for expatriate adjustment were weaker, this study still demonstrated some new variables that contributed to cultural, interaction and work adjustment. Depth of relationship with host country nationals was a significant predictor of interaction adjustment; host country
national’s interpersonal skills had an important influence on general and work adjustment.

Having adopted a new perspective for examining expatriate effectiveness, this research offers some new directions for future studies in expatriate research as well as in social capital. Strengths and limitations of this study are discussed as well as implications for researchers and international human resource managers.
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