

The Impact of Cross-Cultural Psychological Capital and Social Support on Expatriate Effectiveness: A Study of Chinese Expatriates in Myanmar

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Abstract

Chinese expatriates play a crucial role in multinational companies (MNCs) as they undertake duties outside their home country to support the business expansion efforts. However, there has been limited research conducted on the impact of cross-cultural adaptation, specifically social and psychological support, on the performance of Chinese expatriates. The current study was conducted in Myanmar, where a significant number of Chinese expatriates are employed by MNCs. The research followed a quantitative approach, with 81 Chinese expatriates participating in the study. The findings of the study revealed that the Chinese expatriates perceived both social and psychological support in the host country. Furthermore, there was a significant correlation between their performance and the level of psychological support received. When the expatriates felt supported psychologically and experienced a sense of safety in the host country, they reported higher levels of satisfaction with their working environment and were more effective in performing their assigned tasks. The study highlights the significance of social and psychological support for Chinese expatriates' performance. By acknowledging and addressing these factors, MNCs can maximize the potential of Chinese expatriates as valuable assets in their global operations.

Keywords: Cross-cultural psychological capital, social support, Chinese expatriates' performance, Myanmar

Introduction

Zhou (2020) states that Chinese multinational corporations (MNCs) have penetrated the Southeast Asian market since 2000. Among these

corporations, manufacturing companies comprised 30.2% of the total. Still, they face a significant challenge regarding high expatriate turnover rates, leading to the loss of human resources and negatively impacting local employees. Awais Bhatti et al. (2012) emphasized the crucial role of expatriates' performance in the success of MNCs' overseas operations. Factors such as social networks, prior international experience, and organizational support, including informational, cooperation, and emotional support, influence expatriates' adjustment and affect their performance during international assignments.

Expatriates' cross-cultural adjustment and performance are crucial factors in the workplace, particularly during international assignments where they are considered invaluable assets for overseas subsidiaries. According to Lee (2021), cross-cultural adjustment plays a significant role in work adaptation and work-related stress, ultimately affecting job performance. To improve the performance of expatriates, multinational corporations (MNCs) need to prioritize the cross-cultural adaptation of their employees (Setti et al., 2022).

Since 2011, Myanmar has actively sought foreign investments focusing on people-centered development, including oil and gas, mining, construction, and various projects approved by the Directorate of Investment and Company Administration of Myanmar (DICA). Chinese multinational corporations (MNCs) have played a significant role in multiple sectors within Myanmar, including hydropower, agriculture, oil and gas, mining, and others. As of 2019, China ranked second in investments and emerged as a significant partner for Myanmar. Over the years, bilateral cooperation between China and Myanmar has experienced substantial growth (Singh, 2020). Consequently, Chinese expatriates have been assigned to these Chinese MNCs operating in Myanmar (Ahamed et al., 2020). Although several Chinese expatriates work in Myanmar, there is still a lack of scientific research papers which examine the impact of cross-cultural psychological and social support on expatriate effectiveness in Myanmar. Thus, this study examines the influence of cross-cultural psychological capital and social support on Chinese expatriate effectiveness in Myanmar.

Literature Review

Cross-cultural adaptation is defined as "the dynamic process by which individuals, upon relocating to new, unfamiliar, or changed cultural environments, establish (or reestablish) and maintain relatively stable, reciprocal, and functional relationships with those environments" (Kim 2001: 31). Cross-cultural adaptation encompasses two primary dimensions. The first dimension is sociocultural adaptation, which involves acquiring knowledge and skills specific to a particular culture. This dimension focuses on the ability to effectively navigate and function within the cultural context of the host country (Bierwiazzonek & Waldzus, 2016). Wu (2022) examined the process of sociocultural adaptation,

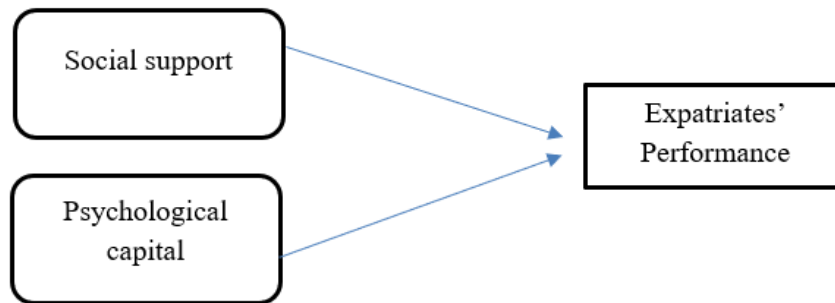
which encompasses various aspects of an individual's behavior. These aspects include interpersonal communication, personal interests, community involvement, work performance, language proficiency, and ecological adaptation. The sociocultural challenges faced by Chinese expatriates, as identified by Mumtaz and Nadeem in 2022, include cultural shock, homesickness, the need for general support, effective communication, physical and mental well-being, perceived differences, level of optimism, cultural differences, and social bonding. Furthermore, Bierwiazzonek and Waldzus (2016) discovered that sociocultural adaptation can be understood through three dimensions: work adaptation (occupational aspect), general adjustment to living conditions, and the ability to navigate social interactions with host nationals in the new cultural environment (interaction adjustment). The presence of social interaction with the local population is essential for expatriates to successfully adapt to a different culture. To facilitate integration into the host country's community, it is crucial to organize diverse activities that allow expatriates to actively participate alongside locals.

The second dimension is psychological adaptation, which pertains to managing the stress and challenges of transitioning into a new culture. This dimension involves addressing and coping with intercultural adjustment's emotional and psychological aspects (Bierwiazzonek & Waldzus, 2016). Psychological adaptation involves assessing an individual's life satisfaction and mental health. In contrast, sociocultural adaptation focuses on the perception of the quality of social life and the extent of social interactions within a new culture (Şafak-Ayvazoğlu et al., 2021). In employment, psychological factors refer to an employee's satisfaction and dissatisfaction within an organization. This includes factors such as working conditions, sense of belonging, achievement, relationships, job satisfaction, manager relationships, growth opportunities, sense of responsibility, equal promotion opportunities, and challenges (Poo-Udom & Lertbuasin, 2022). According to He et al. (2019), psychological adaptation refers to an individual's subjective well-being and life satisfaction, while sociocultural adaptation relates to their ability to adapt to a new cultural situation.

When working in a different culture, cross-cultural psychological capital becomes essential for expatriates. This capital consists of four components: cross-cultural self-efficacy, which reflects an expatriate's ability and self-motivation to adapt to a new environment; cross-cultural hope, which increases cultural awareness and independent thinking through higher levels of hope; cross-cultural optimism, which entails maintaining positive expectations for long-term or future cross-cultural interactions; and cross-cultural resilience, which refers to the adaptive capacity to address various stressful events, including cross-cultural interactions (Reichard et al., 2014). Expatriates who adapt well to the host culture, experience psychological comfort, and exhibit innovative behavior tend to perform better (Luthans & Youssef-Morgan, 2017).

Kappagoda et al. (2014) further emphasize that psychological capital significantly impacts work attitudes. Employees or expatriates who experience higher levels of happiness and satisfaction are more likely to perform better in their job, achieving the goals and objectives of their companies.

Figure 1: Conceptual Framework



Research Methodology

Quantitative research method is implemented to analyze the research question of how Chinese expatriates in Myanmar adapt cross-cultural psychological and social culture adaptation, and their impact on performance. A quantitative survey will be administered to collect data on demographic information, cross-cultural adaptation, Psychological and Sociocultural adaptation, cross-cultural psychological capital (PsyCap), and the Expatriate's performance. A total of 81 Chinese expatriates from oil and gas companies, telecommunication, manufacturing, and other services sectors of Chinese MNCs in Myanmar actively participated. The questionnaires are administrative in bilingual English and Chinese through paper-based, Web based solutions such as WeChat, email questionnaires, and online surveys. The survey data are analyzed using SPSS to assess the hypothesized and identify the relationship between Chinese expatriates and the impact of their work performance through Psychological and Sociocultural adaptation and cross-cultural psychological capital (PsyCap).

Findings and Discussion

The reliability of questionnaire is applied by Cronbach's alpha value. Cronbach's alpha value (0.881) shows that the applied questionnaire is reliable (table 1). Table (2) shows the personal data of respondents. The majority of respondents are male Chinese expatriates (81.5%); nearly half of participants are aged between 21 to 30 years, and over half of respondents (65.4%) have not received cross-cultural training at host country.

Table 1: Reliability statistics

Reliability Statistics	
Cronbach's Alpha	N of Items
.881	28

Table 2: Personal Factors

Variable		N	%
Gender	Male	66	81.5%
	Female	15	18.5%
Age	21 to 30 years	34	42.0%
	31 to 40 years	30	37.0%
	41 to 50 years	12	14.8%
	51 to 60 years	5	6.2%
Cross-cultural training	Yes	28	34.6%
	No	53	65.4%

Table (3) shows the descriptive statistics of cross-cultural adaptation. In relation to social support, Chinese expatriates achieved the clear and easy understandable explanation of different situation; necessary information to orient new environment; tangible assistance in dealing with communication and language problems, and dealing local rules and regulations, and culture. For psychological capital, Chinese expatriates assume obtaining goals as the important issues; and feel confident to contribute business discussions; manage difficulties, and perform effectively on many tasks.

Table 3: Descriptive Statistics of cross-cultural adaptation

Variable		Mean	Std. Deviation
Social support	S1	3.93	.99
	S2	3.35	1.24
	S3	3.33	1.20
	S4	3.72	.89
	S5	3.74	.93
	S6	3.68	.95
	S7	3.73	.87
Psychological capital	P1	3.69	.97
	P2	3.85	.74
	P3	3.77	.89
	P4	3.28	1.29
	P5	3.47	.98
	P6	3.74	.92
	P7	3.77	.84

Table (4) shows the expatriate effectiveness. For socio-cultural adjustment, Chinese expatriates can perform well in living conditions, although they face difficulties in health care situation in Myanmar. For psychological adjustment, they felt capable of making decisions, concentrate on their performance, and enjoy normal day-to-day activities. Chinese expatriates can establish relationship with key host-country business contacts, and also adapt foreign facilities' business customs and norms.

Table 4: Descriptive Statistics of expatriate effectiveness

Variable		Mean	Std. Deviation
Socio-cultural adjustment	SC1	3.83	.95
	SC2	3.75	.83
	SC3	2.93	1.14
	SC4	3.07	1.07
Psychological adjustment	PA1	3.42	1.31
	PA2	3.42	1.09
	PA3	3.10	.97
	PA4	3.27	1.27
Job performance	JP1	2.62	1.59
	JP2	2.64	1.49
	JP3	2.89	1.56
	JP4	3.17	1.56
	JP5	2.59	1.555
	JP6	3.07	1.547

Table (5) shows the regression analysis of social support, psychological capital, and expatriates' performance. R square (0.487) shows that the variation of dependent variable can be explained by 48.7% by variation of independent variables. According to unstandardized B coefficient value (-0.092), there is no significant impact of social support on expatriates' performance. However, psychological capital (0.664) shows that there is positive impact of psychological capital on Chinese expatriates' performance. When expatriates feel psychological support and safety, they can perform assigned tasks noticeably.

The inability of expatriates to adapt to the culture and environment of the host country can fail in their expatriation process, leading to premature departure and subpar performance. To address this challenge, cross-cultural training has positively impacted expatriates' adjustment and subsequent performance during their international assignments (Polón & McIntire, 2017). With the increasing trend of globalization, there is a growing reliance on expatriates to fulfill essential roles in host countries. These expatriates must thoroughly understand their subsidiaries' corporate culture and the host country's cultural and environmental aspects. This understanding becomes even more critical as parent companies seek to effectively manage and maintain control over a more

significant number of subsidiaries (Cocuřová & Tomčřiková, 2020). Qomariyah et al. (2022) summarized that expatriates' cross-cultural adjustment positively affected their performance.

Table 5: Regression Analysis

Model	Unstandardized B Coefficients	Sig.
(Constant)	1.039	.004
Social support	-.092	.271
Psychological capital	.664	.000
R Square	.487	
F	37.035	0.00
Dependent Variable: performance		
Predictors: (Constant), psychological capital, social support		

Conclusion and Recommendation

The current study's findings suggest a positive relationship between the psychological adaptation of Chinese expatriates and their performance. When expatriates perceive psychological support in the host country, they experience higher satisfaction and improved performance. As a result, it is recommended that the HR head of multinational corporations (MNCs) organize and conduct cross-cultural training for Chinese expatriates, as it will assist them in navigating challenges and adapting more effectively in the host country. By providing cross-cultural training, MNCs can help Chinese expatriates develop the necessary skills and knowledge to understand and navigate the cultural nuances of the host country. This training can include information about local customs, traditions, communication styles, and business practices, enhancing the expatriates' ability to adapt and integrate into the host culture. Moreover, such training can help expatriates anticipate and handle potential difficulties or conflicts due to cultural differences.

In addition to cross-cultural training, Chinese expatriates need social supports such as assistance with language learning, introductions to local networks, and guidance on navigating daily life from locals in the host country. When expatriates receive social support, they are better equipped to cope with different situations and feel more confident dealing with difficulties. This, in turn, can positively impact their performance in various tasks assigned to them. Psychological support and safety are also crucial for Chinese expatriates to effectively perform their assigned tasks. When they have a sense of belonging and emotional well-being in the host country, they are likelier to excel in their work. HR departments should foster a supportive and inclusive work environment where expatriates feel valued, respected, and psychologically safe.

In conclusion, the study's findings emphasize the importance of psychological adaptation for Chinese expatriates and its impact on their performance. HR heads of MNCs should prioritize organizing cross-cultural training and facilitating social support for expatriates to enhance their coping abilities, confidence, and overall performance in the host country. Creating an environment of psychological support and safety further contributes to the expatriates' effectiveness in carrying out their assigned tasks.

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