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STRATEGIC GLOBAL HUMAN RESOURCE MANAGEMENT: AN ANALYSIS OF  
LIABILITY-OF-FOREIGNNESS ISSUES ASSOCIATED WITH INPATRIATE MANAGERS

A Dissertation  
presented in partial fulfillment of requirements  
for the degree of Doctor of Philosophy  
in the Department of Management  
The University of Mississippi

By

MIRIAM MOELLER

December 2010

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## ABSTRACT

**ESSAY 1:** This manuscript addresses the strategic role of an inpatriate staffing approach in the development of a global mindset within global organizations. The premise lies in the development of the liability-of-foreignness concept from the individual level of analysis in the context of global assignments. I first provide arguments relative to the utility of inpatriate managers in global organizations by advocating what appears to be a shift to a strategic global human resource management paradigm. Drawing upon Reference Point Theory, the manuscript highlights potential hardships faced through an analysis of managerial and contextual liability-of-foreignness as may be perceived by inpatriate managers. Moreover, I propose a self-assessment measure in anticipation for a realistic preview of an inpatriate assignment in a global organizational context.

**ESSAY 2:** The research question examined in this study seeks to investigate respondents' attitudes towards interacting with foreign nationals from emerging and developed markets. The mechanisms through which differences in attitudes are assessed are the liability-of-foreignness factors (i.e., region of origin, global awareness, tendency to stereotype, and personality) which are examined as uniquely attributed to individuals' cultural backgrounds. A purposive sample collected at a private University in Australia demonstrates differences in men and women's inclination to interact with foreign nationals from emerging markets. Findings of the study are that Europeans' willingness to interact with emerging market foreign nationals is diminished with high levels of tendency to stereotype, whereas North Americans' willingness to interact with developed market foreign nationals is enhanced with high levels of tendency to stereotype. Implications for research and practice are discussed.

**ESSAY 3:** Multinational organizations experience the need to diversify their managerial talent throughout their organizational hierarchies to achieve what is known as a global mindset – attaining a holistic perspective of how to conduct businesses recognizing and acting upon the many forces of globalization. Optimal composition of managerial talent exists when multiple perspectives or cultures are included in decision-making processes that allow organizations to compete more effectively. Through this organization may acquire a competitive advantage over others. By incorporating global talent, organizations have a responsibility to assess current HR policies and practices and build in flexibility to foster a more strategic sense of incorporating talent. This manuscript, therefore, discusses ways to leverage diversity by making a case for flexible and strategic global human resource policies and practices.

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# STRATEGIC GLOBAL HUMAN RESOURCE MANAGEMENT: AN ANALYSIS OF LIABILITY-OF-FOREIGNNESS ISSUES ASSOCIATED WITH INPATRIATE MANAGERS

## **Introduction**

Staffing global organizations in the 21st Century necessitates a comprehensive understanding of the allocation of human resources in the strategic decision-making process in management teams. Organizations, however, appear to be struggling relative to identifying and hiring qualified global managers who have the ability to address the expanding competitive needs and to develop cooperative working relationships with personnel from a multitude of culturally distant environments (Schuler & Tarique, 2007). As the inevitable progression of globalization continues to dictate the speed within the global marketplace (Collings, Scullion, & Morley, 2007), the resulting levels of confidence relative to the utilization of overseas staffing approaches that result in strategic decision-making capabilities suffer due to an apparent lack of insight created from a diverse set of perspectives.

Capitalizing on the benefits derived from a global perspective or mindset (Maznevski & Lane, 2004) would require the emergence of an extension of the existing international human resource management (IHRM) paradigm (Schuler & Tarique, 2007; Scullion, Collings, & Gunnigle, 2007), namely, that of a strategic global human resource management (SGHRM) approach. SGHRM differs from IHRM in that SGHRM refers to deliberately allocating and managing human resource talent worldwide (Boxall & Purcell, 2003) opposed to the mere

management of employees across borders. As globalization mandates the strategic allocation of human resources, an intriguing question arises, that being, “how can organizations develop a workforce with the ability to take on a global perspective?” A concomitant query is “what are the implications of taking on a strategic global human resource management (SGHRM) perspective relative to the growing diversity of a global workforce?”

The institutionalized human resource management literature would suggest that the changing nature of global careers for managers underscores the need to examine a potential paradigm extension to a strategic global human resource management perspective (Collings et al., 2007; Evans, Pucik, & Barsoux, 2002; Harzing & Van Ruysseveldt, 2004; Ozbilgin, 2005). Logic would consequently dictate that the strategic use of inpatriate managers (Harvey, 1997; Harvey, Novicevic, & Speier, 2000; Reiche, 2007a, 2007b; Reiche, Harzing, & Kraimer, 2009; Reiche, Kraimer, & Harzing, 2009), a relatively new global staffing approach, to be a deliberate means to provide a management team in a global organization with the tactic knowledge to make educated decisions relative to global strategy crafting and execution. Inpatriate managers represent “host or third-country nationals sent to the home-country organization (HCO) on a semi-permanent to permanent assignment with the intent to provide knowledge and expertise by serving as a ‘linking-pin’ to the global marketplace” (Harvey, Ralston, & Napier, 2000; Harvey & Novicevic, 2004). Adding inpatriate managers to the mix of global staffing methods (Harvey, Novicevic, & Speier, 2000; Harvey, Speier, & Novicevic, 2000) would serve the purpose of allocating their global expertise (namely in the sense of contextual knowledge) at a level where it may have the most rapid impact relative to global strategy crafting and implementation.

Though it is not unlikely for inpatriate managers to add value to the overall global organizational success (Harvey, Speier, & Novicevic, 1999b; Reiche, 2007a, 2007b), I consider

addressing the hardships (see Harvey & Miceli, 1999), namely in the sense of liability-of-foreignness (LOF), perceived and experienced by inpatriate managers to be of equal importance in advancing global staffing research in an increasingly interconnected, cross-border organizational context. LOF at the organizational level of analysis is described as “the cost of doing business abroad that may result in a competitive disadvantage for the MNE subunit...broadly defined as all additional costs a firm operating in a market overseas incurs that a local firm would not incur” (Zaheer, 1995, p. 342-343). One of the contributions of this manuscript is to address LOF specifically from the inpatriate manager (i.e., individual, micro-level) point-of-view, simultaneously exploring the contextual and managerial implications of operating in a culturally and economically novel environment. The importance of addressing LOF arises from the assumption that the more significant the contribution of inpatriate managers is deemed, the greater the likelihood that not fully capitalizing on the (inpatriate) talent may pose a threat to building a sustainable competitive advantage necessary to compete in a hypercompetitive market. Thus neglecting to address LOF (based on inpatriate managers’ reference points) could indeed result in counterproductive, non-synergistic work behaviors (see Harvey, Novicevic, Buckley, & Fung, 2005). This manuscript suggests that through the minimization of the varying impacts of LOF, it would appear to provide inpatriate managers with a platform for the development and cultivation of a global mindset within management teams.

The manuscript will progress as follows: First, we articulate the significance of building a global mindset through the use of inpatriate managers which demands a shift in perspective to strategically managing human resources in global organizations. We then introduce Reference Point Theory (RPT) to discuss the inpatriate managers’ transitioning process to the HCO by using strategic reference points relative to their unique cultural backgrounds. Third, we discuss

the impact reference points may have on an in-patriate managers' LOF which could significantly impede the overall adjustment process. Fourthly, guidelines for assessing the level of pre-existing contextual and in-patriate managerial LOF to foster the development of a global mindset based on managing realistic overseas assignment expectations is explained.

### **Building a Global Mindset through Strategic Global Human Resource Management**

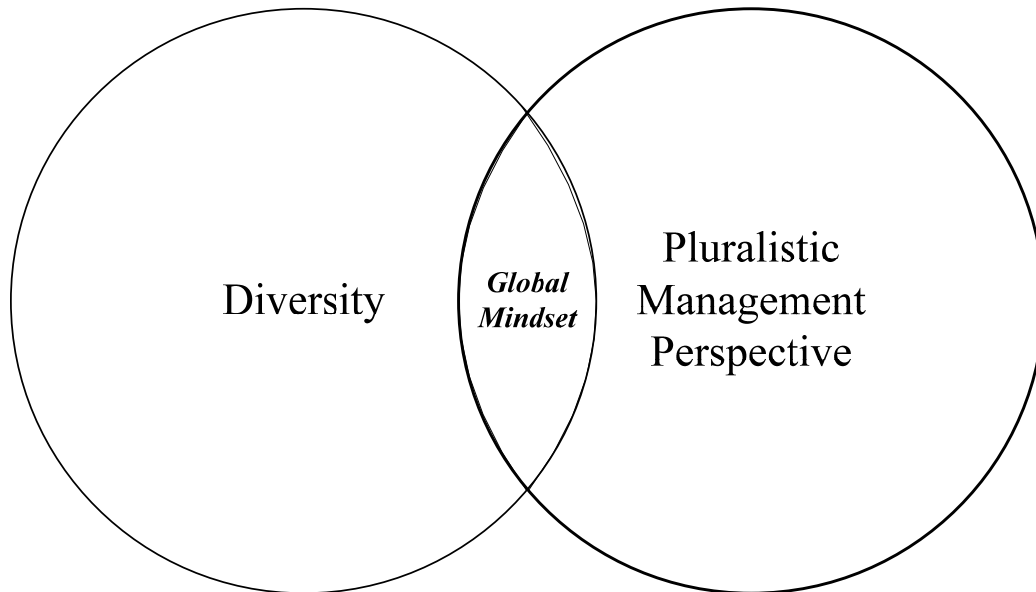
The level of knowledge and expertise required of international transferees to succeed in overseas assignments is unprecedented and consequently calls for the utmost scrutiny in the strategic allocation of human capital to develop and sustain a competitive edge in the global marketplace. From a SGHRM perspective, this refers to an organization's philosophies, policies, and practices to affect the behavior of people who work for the organization across borders (see Adler & Ghader, 1990; Colakoglu, Hong, & Lepak, 2009; Harvey, Speier, & Novicevic, 2000, 2001; Kiessling & Harvey, 2004; Lengnick-Hall, Lengnick-Hall, Andrade, & Drake, 2009; Lepak, 2007; Miller, Beechler, Bhatt, & Nath, 1986; Wright & McMahan, 1992). Having a global perspective or mindset is described as a way for managers to think about operating in a global context opposed to possessing a specific skill set (Gupta & Govindarajan, 2004; Maznevski & Lane, 2004), and as such presents a mechanism by which organizations may differentiate themselves competitively from others within their respective industries.

Rhinesmith (1993) specifically argues that a global mindset is a way of thinking rather than a set of skills, by defining it as "the ability to scan the world from a broad perspective always looking for unexpected trends and opportunities that may constitute a threat or an opportunity to achieve personal, professional or organizational objectives" (p.24). It is in fact an orientation to the world that allows one to see certain things that others are unable to acknowledge and act upon. Maznevski and Lane (2004) contextualize Rhinesmith's orientation

to the world defining global mindset as “the ability to develop and interpret criteria for personal and business performance that are independent from the assumptions of a single country, culture, or context; and to implement those criteria appropriately in different countries, cultures, and contexts” (p. 274). This could ultimately allow for early mover advantages, greater sophistication in analysis, a more rapid and efficient sharing of best practices, and smoother coordination across complementary functional activities distributed across borders, to name a few (Gupta & Govindarajan, 2004). Interestingly, little agreement on how to define, measure, or the methods of developing a global mindset within organizations are known (see Beechler, Levy, Taylor, & Boyacigiller, 2004a; Bouquet, Morrison, & Birkinshaw, 2003; Sambharya, 1996; Wills & Barhman, 1994).

In the realm of SGHRM, the essence of a global mindset could be defined as the combined forces of diversity (i.e., cultural backgrounds) summoned within the management team in conjunction with a pluralistic management perspective. Provided the continued growth in global staffing diversity and thus cultural diversity in perspectives and decision-making mechanisms, the centrality and weighting of any given input is quickly becoming an issue. As a consequence, the active seeking of a global mindset within organizations would demand a pluralistic SGHRM view (see Novicevic & Harvey, 2001). Figure 1 demonstrates the components potentially leading to the creation of a global mindset (see Gupta & Govindarajan, 2004) within global management teams. The underlying assumption is that the diversity inherent in global management teams presents a source of strategic opportunity rather than unnecessary complexity. The general idea in Figure 1 is that the extent to which a global management team is able to capitalize on diversity and a pluralistic management perspective will determine its successful application of a global mindset.

FIGURE 1  
Components of Creating a Global Mindset



I specifically propose that the linkage between diversity and creativity (opposed to the creation of conflict) lies in an organization's effort to encourage tolerance for individuals of different backgrounds. A pluralistic management perspective, tangential to the concept of diversity, refers to the combination of thought processes, motivation, and aptitude to consider and/or include diverse points-of-view in making complex, global decisions (Harvey, Ralston, & Napier, 2000; see Harvey, Griffith, Kiessling, & Moeller, in press). Initiatives to obtain a strategic pluralistic HRM perspective would, therefore, appear to facilitate the necessary open-mindedness to incorporate multiple points-of-view in the decision-making process to encourage novel and competitive ideas (Rousseau, 2010) and to avoid counterproductive work behavior which may arise out of the collaboration of a diverse workforce.

Prior literature, however, has established the notion that cultural diversity (i.e., the driver of a pluralistic perspective) can hinder identification with groups (Luijters, van der Zee, & Otten,



2008), thus potentially inhibiting the creation of synergistic work values. Due to this fact, favorable organizational conditions for competing globally must be attained by targeted efforts on behalf of HR to strategically incorporate a pluralistic corporate perspective into an organization's daily operations. Capturing such would require organizations to advocate and adhere to the following tenets: 1.) Subjective, ethnocentric inputs do not add to the value of global organizational decision-making and therefore success; 2.) Decision-making capabilities span between the headquarter and its subsidiaries and that capabilities existing within subsidiaries play a major role in obtaining a holistic perspective of the global marketplace; 3.) A global mindset/pluralistic perspective will emerge from a continuous, reciprocal headquarter-subsidiary interaction; and 4.) That culture is but one factor influencing behavior and action (Novicevic & Harvey, 2001). By challenging the organization's global workforce to incorporate these tenets in the daily operations, the idea is to foster a common organizational climate in which individuals may identify with the organization despite a perhaps low perceived similarity in cultural values (see Luijters, van der Zee, & Otten 2008).

One way of fostering a global mindset is by employing global personnel and relocating them to the home-country of the organization (HCO) – inpatriation (Harvey & Buckley, 1997; Harvey, Ralston, & Napier, 2000; Reiche, 2007a, 2007b). The significance of the inpatriate staffing approach is highlighted by the fact that over one hundred CEOs from nearly one hundred foreign countries are represented in the top management of American companies today (e.g., Irish, E. Neville Isdell of Coca-Cola; Cuban, Carlos Gutierrez of Kellogg; British, Martin Sullivan of AIG; German Klaus Kleinfeld who joined Alcoa; India born and educated Indra Nooyi of PepsiCo; Australian, Charles Bell currently leading McDonald's Corporation, to name a few) (Harvey, Ralston, & Napier, 2000; Pechter, 1993). From a strategic standpoint, inpatriate

managers are capable of providing a global perspective to the home-country organization and act as liaisons in ways that would be difficult to imitate by home-country nationals. In fact, because the level of organizational ignorance is growing exponentially, the development and capitalization of a global mindset achieved through an inpatriation approach in the organization is quickly becoming one of the only effective means for competitive differentiation in the fast-paced, global organizational context (Harvey & Novicevic, 2001; Kedia & Mukherji, 1999; Paul, 2000; Reiche, Harzing, & Kraimer, 2009; Thomas & D'Aveni, 2004). This is not to proclaim that the use of an inpatriate manager will routinely lead to the adoption of a pluralistic management perspective. Rather, I contend that inpatriate managers may provide the impetus for this change would serve the purpose of allocating their global expertise at a level where it may have the most rapid impact in the organization (Reiche, 2007b).

The impact inpatriate managers may ultimately have on the development of a global mindset is heavily influenced by the use of their reference points through which opinions are formed and decisions made. These references points are specific, culture-driven frameworks on which decisions may be based as inpatriate managers are transitioning to the organization's home-country. The implication of variance in reference points stands in direct contrast to the goal of integrating diverse perspectives, as the predicament lies in successfully integrating these inpatriate managers in the HCO to enhance the organization's global decision-making capabilities (Harvey et al., in press). The integration process is to a large extent influenced by the inpatriate managers' respective reference points, which are based on their cultural heritage. Provided that the ultimate goal is the potential formation of a global mindset, addressing variations in inpatriate references points is an issue no single global organization can afford to dismiss.

## **An Application of Reference Point Theory**

Reference Point Theory (RPT), as a theoretical lens, provides one with an understanding of the strategic reference points in-patriate managers will/could use as they make the transition to the home-country organization (Cohen, Etnier, & Jeleva, 2008; Fiegenbaum, Hart, & Schendel, 1996; Kahneman & Tversky, 1979). Reference points are of particular interest when highlighting the impact of cultural distance evident in the country-of-origin effect (COOE) between the subsidiary and home-country organization. In essence, the cultural differences between the home-country organization of the in-patriate and the home-country organization itself necessitates a detailed examination of factors (e.g., individual differences) that may play a role in the integration of in-patriate managers into the home-country organization such that, they may become respected and productive managers for the long-term.

Maximizing the benefits derived from the utilization of in-patriate managers is dependent upon the successful integration of these managers into the home-country organization. Thus, the principle idea behind integrating in-patriate managers on overseas assignments in home-country organization underlies what Harzing and Noorderhaven (2008) call the COOE. This concept originated in the works of Schooler (1965). The COOE refers to cognitive, psychological, and behavioral outcomes which are the result of the unique social and cultural beliefs, norms, and values associated with one's home-country (Ghemawat, 2007). Based on the variety of in-patriate managers' countries-of-origin, a kaleidoscope of cultural clashes or misfits could be experienced by the in-patriates as well as the managers who they interact with in their newly acquired position. These perceived implicit and/or explicit differences represent the fundamental reason for uncertainties created and hesitation relative to interacting and collaborating with individuals stemming from foreign cultures. In other words, the comparison between social and cultural

beliefs, norms, and values of one's home-country and the overseas assignment location emerges out of pre-established/pre-determined references points on which to base their resulting attitudes, intentions, and ultimately behaviors (Ajzen & Fishbein, 1977).

Drawing on RPT, Fiegenbaum, Hart, and Schendel (1996) would suggest that relative to the process of socialization, acknowledging and understanding references points is an attempt to determine *ex ante* the strategic reference points that an individual will/could use as they make the transition into a culturally, economically, and politically foreign environment. According to Cohen, Etner, and Jeleva (2008), reference points may change over time, alluding to the notion that the importance of inpatriate managers' pre-existing reference points may/should shift as they become more integrated into the home-country organization. More importantly, reference points may be manifested internally or externally from an individual and organizational perspective. Internal reference points from an individual's perspective refer to the influence of the 'self' in becoming integrated such that inhibiting factors (e.g., a lack of self-confidence) may demonstrate a negative predisposition to successful acculturation.

As was previously stated by Harvey (1997), an essential managerial competency to effectively manage in a global context is personal character composed of attributes such as self-reliance and a strong sense of self. A well-established foundation of values, beliefs, and attitude on which to base decisions at the home-country location is, as such, an indispensable attribute prior, as well as, during the course of the overseas assignment. The influence of internal reference points from the organizational perspective refers to other (intra-organizational) authorities namely in the sense of individuals/groups/departments imposing their values and demands, thereby, willingly, and unwillingly influencing inpatriate managers' cognitive, psychological, and behavioral outcomes (Ghemawat, 2007). These

individuals/groups/departments may stem from either subsidiaries or their respective HCOs. While each level of analysis may exert a strong force on the integration process, the two levels are interrelated in that the impact of “outsiders” on an inpatriate manager’s integration in the HCO is partly dependent upon the inpatriates’ personal character (see internal individual reference points).

While internal individual and organizational reference points are frequently utilized by inpatriate managers to provide information for adapting to their new environment, the application of external reference points should not be underestimated. External reference points from the inpatriate managers refer to affiliated or not affiliated with the organization which might through their actions or other psychological influences influence an inpatriate manager’s ability to function in the new home-country environment. From the organizational perspective, external reference points represent individuals (e.g., other organizational members, government officials, etc.), groups (e.g., suppliers), or institutions (e.g., government, courts, schools, churches, etc.), outside the organization) who may interfere with an inpatriate managers integration into the home-country organization. This is to say that despite intra-organizational influences, external bodies of influence may have a direct or indirect impact on the success of the inpatriates’ integration process leaving an imprint on cognitive, psychological, and behavioral outcomes.

Prior to departure to the home-country organization, inpatriate managers may most likely draw upon internal/external individual and organizational reference points present in their country-of-origin, forming judgments as to the effort required to become adjusted to the new organizational environment. These preconceived notions are then carried to the home-country organization, where inpatriate managers are confronted with the cultural, societal, economic, and

political challenges associated with the cultural distances between the two countries. During the overseas assignment, the prior established internal and external reference points may shift in relevance to the inpatriate manager as new reference points within the organization's home country are quickly emerging. From a timescape perspective and based on previous research efforts, the adjustment period of any long-term international assignment constitutes between 36 and 50 months (see Molinsky, 2007). Provided the importance of this type of international assignment, it is not unusual for inpatriate managers to experience the shifting of reference points during this time period. It should be noted at this stage former reference points will not necessarily be abandoned, but rather a change in perspective is more than likely in order. Resistance based on the realization, recognition, and apprehension that if adaptations are not made relative to reference points, the likelihood of satisfactorily moving through the assignment (from an individual's perspective) and the likelihood of meeting assignment objectives (from the organizational point of view) are at the very least limited. As such, inpatriate managers should be embedded with the notion that flexibility and adaptability to different thought processes (Ang, Van Dyne, Koh, Ng, Templer, Tay, & Chandraasekar, 2007) and organizational culture (Ashkanasy, Broadfoot, & Falkus, 2000; Skerlavaj, Sternberger, Skrinjar, & Dimovski, 2007) are a manager's requirement in order to reach the full individual and organizational potential. Existing references points are, consequently, a method by which individuals as well as organizational are able to gauge and predict behaviors, thereby redirecting misunderstandings relative to the new organizational context accordingly.

While the assumption is that each individual has different reference points, the argument is that host-country nationals' reference points may be more distant with respect to the reference points observed by locals (i.e., domestic managers). As such, we hypothesize that inpatriate

managers may suffer from a greater culture shock than locals due to the wide spectrum of contextual and managerial reference points surrounding their new existence at the headquarter. It is, consequently, important to consider the kinds of liabilities which are associated with an inpatriate managers' move to a culturally, economically, and socially distant countries. The concern of employing an inpatriate staffing approach peripheral to other approaches lays in the realization that inpatriate managers' selected reference points not only differ from those of domestic managers', but differ to the extent in that they are larger than those reference points by which local managers operate. Both reference point perspectives are culturally bound.

### **Liability-of-Foreignness Associated with Inpatriate Managers**

While supporting arguments can be made for the use of inpatriate managers in global organizations, the successful integration of inpatriate managers presents a number of significant challenges for global human resource management (Lengnick-Hall, Lengnick-Hall, Andrade, & Drake, 2009; Lepak, 2007). To increase the probability of success of inpatriate managers (Harvey, Novicevic, & Speier, 1999), it is imperative to contextualize the hardships with which these individuals are faced during the integration process (see Harvey, Novicevic, Buckley, & Fung, 2005). These hardships (i.e., liability-of-foreignness [LOF]) in the form of geographic, psychic, and material distance (Kogut & Singh, 1988) may essentially jeopardize or significantly distort the integration process of inpatriate managers.

While extant literature has conceptualized LOF largely as an organizational level variable, the purpose of this manuscript is to contribute to the development of this concept by addressing the construct at the individual, managerial level of analysis. In the interest of this manuscript the LOF pertaining to individuals is defined as the cost of transferring foreign nationals (i.e., inpatriate managers) into the home-country organization which could eventually

result in the strategic shift from a multinational to global way of operating. It is in effect a cost that is incurred by allowing organizations to gain a deeper and broader global perspective in order to respond to an increasingly hypercompetitive marketplace. This manuscript furthermore suggests that the COOE of an inpatriate plays an important role in determining the likelihood and the speed with which the individual may be accepted in the HCO. Incorporating the concept of LOF, the idea is to explore the “costs” created by inherent differences due to the COOE and thus determine the extent to which LOF may influence not only the integration process of inpatriate managers, but ultimately the extent to which it may influence organizational success through the utilization of this particular strategic staffing method. The lack of theoretical avenues taken to date has limited the scope and level of analysis for investigating issues relative to LOF (Lou & Mezas, 2002), particularly from an inpatriate’s perspective. Moreover, the body of research on COO studies is not yet well integrated into the studies on managerial and organizational LOF, even though they are conceptually very closely related (Potts & Nelson, 2008).

The premise of the hardships arising out of the COOE of inpatriate managers lies in what the literature defines as stigmatization. Goffman (1963) defines stigma as “an attribute that is deeply discrediting” (p.3), a concept which is echoed by Dovidio, Major, and Crocker (2000). The act of stigmatization arises out of LOF (Crocker, Major, & Steele, 1998; Link & Phelan, 2001) and may be defined as, “the co-occurrence of its components – labeling, stereotyping, separation, status loss, and discrimination” (Link & Phelan, 2001, p. 363). The concept of stigmatization or stigmas is important because as cultural distance increases, the potential for LOF conflict rises. Stigmatization is focused on some easily recognizable characteristic, such as race, weight, (dis)ability, gender, or nationality (Zebrowitz, 1996), so that individuals who



possess these attributes can be stereotyped (positively or negatively) according to specific societal standards (Fiske, 1999).

According to Link and Phelan (2001), when people are labeled, set apart, and linked to undesirable characteristics, a rationale is constructed for devaluing, rejecting, and excluding them. Stigmatization may foster counter productivity and thus hinder or slow the process of strategically integrating these individuals who are able to perpetuate the globalization process of organizations. Keeping in mind the goal of successfully integrating the inpatriate managers, the successful outcome hinges upon the proper management of LOF characteristics pertinent to inpatriate managers. In fact, an increase in workforce diversity (Roberts, Kossek, & Ozeki, 1998) by means of inpatriation as a response to environmental pressures necessitates priority be given to explore and set boundaries to ensure that diversity creates synergies rather than counter productivity in the light of conflicting perspectives of inpatriate managers (Harvey, Novicevic, Buckley, & Fung, 2005).

As firms become increasingly global and establish operations in a large number of countries, it appears that the utility of understanding the LOF associated with transferring inpatriate managers to different countries/contexts is increasing in importance. As such, an assessment of inpatriate managers' LOF and consequent actions to mitigate such may be what determine an organization's long-term, global success. To explore the importance of LOF (Parise & Henderson, 2001) from an inpatriate standpoint, we continue by elaborating on the inherent differences in expatriate and inpatriate assignments' roles and expectations, followed by a detailed discussion of potential inpatriate managerial and contextual LOF which are based on respective reference points.

### ***Expatriate-Inpatriate Comparison***

Despite the perceived similarities between expatriates and inpatriates relative to their position as knowledge transfer agents, expatriates and inpatriates differ among several dimensions. First, expatriates carry a distinct status and influence over subsidiary member as they originate from the HQ and thus have the ability to instigate and perpetuate pre-existing practices and policies. Inpatriates are rather unlikely to encounter the same level of influence in combination with credibility and respect (Harvey & Buckley, 1997; Harvey et al., 1999; Harvey et al., 2005). Second, inpatriates are not only confronted with the acculturation pressures due to a change in the national culture, but they also need to be socialized into the global HQ corporate culture (Adler, 2002). A perhaps less complex reality of cross-cultural adjustment is attributed to expatriates who often impose elements of the HQ corporate culture upon their respective subsidiary (Harzing, 2001). Thirdly, provided that the extent to which the HQ and its subsidiaries share common performance expectations or requirements for inter-unit resource flows, the utilization of inpatriates is most vital as they represent a pool of international assignees who appear to have the ability to effectively achieve inter-unit connections (Harvey et al., 2000). Expatriates, on the contrary, would best be utilized when goal congruency is low, as global organizations would require the main impetus for such an overseas assignment to be undertaken with respect to controlling and/or enforcing compliance (based on HQ values/strategies) on an aspect of subsidiary performance (Harzing, 2001). Utilizing an inpatriate to oversee/control an aspect of performance at their respective subsidiary would not be considered illogical; however, it would seriously undercut the inpatriate's potential performance capabilities. Finally, utilizing an inpatriate staffing method signals the global organization's conscious attempt to diversifying their staffing composition at the HQ, thereby fostering a geocentric staffing approach. The idea

of employing a geocentric staffing perspective is suggested to be at the focal point of developing a global mindset. Relative to the expatriate staffing method, it exemplifies a staffing approach more ethnocentric in nature, as the expatriate generally continues to coordinate with their own HQ management team. As the global marketplace continues to advance rapidly, global organizations are forced to reconsider and/or reallocate resources to the appropriate staffing method to succeed in a global context. Table 1 summarizes the distinctions between inpatriates and expatriates.

TABLE 1  
Distinctions between Inpatriates and Expatriates

| <b>CHARACTERISTICS</b>                           | <b>INPATRIATE</b>                   | <b>EXPATRIATE</b> |
|--|-------------------------------------|-------------------|
| <b>Perceived Status by Locals</b>                | Peripheral Member                   | HQ Representative |
| <b>Level of Influence in Host Unit</b>           | Low                                 | High              |
| <b>Focus of Cross-Cultural Adjustment</b>        | Organizational and National Culture | National Culture  |
| <b>Goal Congruency between HQ and Subsidiary</b> | High                                | Low               |
| <b>MNC Staff Composition</b>                     | Geocentric                          | Ethnocentric      |

*Adopted from Reiche, Kraimer, and Harzing (2009)*

The two different, yet seemingly supplementary staffing approaches may result in the following dynamics. While some studies have put forward the idea of expatriate assignments as a conducive mechanism for enhanced foreign direct investment performance and facilitation of knowledge transfer (Wang, Tong, Chen, & Kim, 2009), the overall success rate of utilizing expatriates as a knowledge transfer mechanism (Bartlett & Ghoshal, 1989; Bonache & Brewster, 2001; Brown, Harzing, & Hocking, 2004) has fallen short of concrete evidence. Compared to expatriates, Harvey, Speier, and Novicevic (1999a) argue that inpatriate managers are frequently

perceived as having less credibility (with the exception of TMT/CEO-level positions) because they do not originate from the home-country organization and are thus perceived as less competent in the eyes of the locals. Additionally, with the arrival of inpatriate managers at the HCO, local managers may fear a loss of authority or power to successful inpatriates (Harvey, Speier, & Novicevic, 1999a). Such circumstances could for one lead to increased levels of workplace stress on the behalf of both inpatriates and locals (Harvey, Speier, & Novicevic, 1999a) and the withdrawal of locals, thereby limiting the effective integration of inpatriate managers due to the reciprocal nature of the adjustment process (Selmer, Ling, Shiu, & deLeon, 2003).

It appears logical to suggest that misconceptions based on differences in role conception and general value judgments (based on differences in reference points) of inpatriate managers may thus jeopardize or greatly increase the risk of becoming labeled as an outsider. Moreover, the assumption is that inpatriate managers are in the minority, meaning that local managers at the home-country organization most likely outnumber inpatriate managers present. Considering the magnitude of both cultural distance and workforce companionship, it may complicate the integration process further. One of the ways of examining the types of liabilities-of-foreignness is by exploring the issues encountered when taking on an overseas assignment from a contextual perspective as well as managerial perspective. Keeping in mind the ultimate goal – the development of a global mindset – the following section addresses two separate frameworks concerned with obstacles faced in the inpatriate integration process from a contextual and managerial perspective.

### *Addressing Contextual Liability-of-Foreignness*

Contextually, the analysis is concerned with factors that pertain to the perception or realistic attributes relative to characteristics of the home-country organization or external constituents (i.e., governments) that could potentially influence the inpatriate integration process. The following framework is constructed from the perspective that leads to the development of a positive global mindset and that allows organizations to capitalize on creating a global mindset by allowing inpatriate managers to adjust to the home-country culture as well as the managerial culture. In accordance to extant literature, inpatriates require attention that enables them to be successful on their assignment, yet the strategic value of making this assignment work carries a greater weight for a successful and competitive future. Hence, organizations must carefully delineate *why* a global mindset will add value to their strategic adaptability in the organization (see Cohen, 2010), *how* a global mindset may be crafted to support the manager's actions (see Ng, Tan, & Ang, 2009), and ultimately *how* to achieve the synergies between the cultures congregated that is based on the geocentric staffing approach (see Colakoglu, Tarique, & Caligiuri, 2009) and allow them to take the organization to new heights in the 21<sup>st</sup> Century global business sense.

When entering any foreign environment, a variety of liabilities exists and is experienced over time by the managers taking on new foreign assignments. From the inpatriate managers' standpoint, liabilities associated with the home-country organization and/or country (i.e., the destination) are an impending issue prior to taking on the assignment when determining whether or not to take on the semi-permanent to permanent assignment. Provided that the inpatriate undertakes the assignment after a realistic preview, the liabilities regarding the home-country

organization and/or country context may then be addressed in a proactive and practical manner opposed to creating a state of shock that can significantly impede the adjustment process.

TABLE 2  
Contextual Liability-of-Foreignness

| SOURCES OF LOF                      | TANGIBLE INHIBITORS  | INTANGIBLE INHIBITORS   |
|-------------------------------------|--|---|
| <b>Within the Organization</b>      | <ul style="list-style-type: none"> <li>-Size of Workforce [P]</li> <li>-Top Management Team Composition [P]</li> <li>-Composition of Operating Management [P]</li> <li>-Number of Personnel from Home- vs. Host-Country [S/O]</li> </ul>   | <ul style="list-style-type: none"> <li>- Morale of Host-Country Personnel [P]</li> <li>-Morale of Home-Country Personnel [P]</li> <li>-Perceived Career Opportunities for Host-Country Personnel [S/O]</li> <li>-Perceived Career Opportunities for Home-Country Personnel [S/O]</li> </ul> |
| <b>External to the Organization</b> | <ul style="list-style-type: none"> <li>-Market Assets of the Organization [S/O]</li> <li>- Level of Corporate Visibility in Host-Country [S/O]</li> <li>- Visa/Immigration Requirements for Foreign Nationals [C]</li> <li>-Government Regulations Relative to Foreign Entity Operating in Host-Country [C]</li> </ul> | <ul style="list-style-type: none"> <li>-Host-Country Nationals Willingness to Work for Organization [P]</li> <li>-General Corporate Reputation [S/O]</li> <li>-Country-of-Origin Reputation [C]</li> <li>-Historic Government Relations [C]</li> </ul>                                      |

[P] – Personnel  
[S/O] – Subsidiary/Organization  
[C] – Country

Table 2 depicts LOF perceived *by* the inpatriate manager of both the organization and host country environment. It is suggested that ‘contextual’ sources of LOF may stem from within or outside the organization, resulting in tangible and intangible (i.e., tacit) outcomes. These outcomes are the result of stigmatization, referring to the process of labeling HCO staff/members (Link & Phelan, 2001) of the organizational context in which the inpatriate is supposed to operate. If, based on the inpatriate reference point-related evaluation of the circumstance is displeasing, the organization runs the risk of employing an inpatriate with a predisposition to the organizational context inhibiting them from reaching their fullest potential within the HCO. This notion is based on an inpatriate manager’s COO from which individuals select their reference

points. In this manuscript, I categorize the stigmatization as related to one of the following: 1.) Country liability-of-foreignness [C]; 2.) Subsidiary/organization liability-of-foreignness [S/O]; or 3.) Personnel [P]. If observed as such, organizations may then address each category precisely and accordingly. With respect to pre-assignment concerns, judgments are made based on the selected reference points which represent a gauge as to the desire to take on the long-term assignment. The stigmatization may continue to play a role during the assignment; however, organizations as well as the individuals may identify remedies or processes through which the influences of their duties may be mitigated.

From a country-level reference point, Table 2 suggests reference points to exist primarily/exclusively external to the organization. Visa/immigration requirements for foreign nationals (GRTS, 2010; Mithas & Lucas, 2010) and government regulations relative to foreign entity operating host-country (Eden & Molot, 2002; GRTS, 2010; Sethi & Judge, 2009) represent restrictions or inhibitors of tangible nature to an inpatriate taking on the HCO assignment. Conversely, the organization's country-of-origin reputation and historic government relations with the country in which the home office is present may constitute another threat to allowing the inpatriate to create a global mindset, which in essence allows for an unrestricted means of acceptance of differences. Speaking to the subsidiary/organization liability-of-foreignness, potential (in)tangible restrictions are many and include concepts present inside and outside the organizational premises.

To demonstrate the tangible side of subsidiary/organizational LOF, the manuscript seeks to identify and assess their effect on global organizations (Mezias, 2002a) from an inpatriate standpoint. Specifically, this manuscript draws upon the notion that the number of personnel from home- and host-countries will be skewed, most likely to the favor of the locals. The neglect

of cooperating may be detrimental to the inpatriate, and based on the legacy of expatriate failure, it may be a factor which the inpatriate is unwilling to ignore when making the decision whether or not to take the assignment. Similarly, once on location it is the organization's responsibility to foster productive communication patterns between local and incoming foreign nationals in order to reap the benefits of existing diversity. Next, the issue of discrepancies perceived between host-country and foreign nationals' career opportunities either within or outside the organization heavily influences the mindset inpatriate managers are willing to act out. Similarly, forces external to the organization must not be overlooked; the market assets of the organization, the level of corporate visibility in the host-country, and general corporate reputation (see Sethi & Guisinger, 2002) all play a role when it comes to determining whether the inpatriate should take a leap of faith and sign on to the long-term if not permanent assignment.

Next to country and subsidiary/organization LOF experience relative to the context, the proliferation of direct personnel influences must not be ignored as they sometimes serve as more direct indicators/warning signs of whether to take the overseas assignment. Specifically, Table 3 refers to the size of the workforce, alongside the management team composition and composition of operating management. The accumulation of the home-country organization's workforce may at first seem insignificant, but when taking a closer look not only at the size but also the diverse national backgrounds, under circumstances it could become an overwhelming debacle from which many inpatriate managers may shy away. After all, most inpatriate managers will be placed in position that requires greater levels of leadership (see House, Javidan, Hange, & Dorfman, 2002) capabilities across compositions which involved numbers as well as a diverse set of national background.



The level of corporate visibility may in essence have served as a past indicator, meaning a reference point, as to the involvement of the home-country organization in the inpatriate's particular country. Depending on their level of involvement, visibility of corporate social responsiveness, and the like, it is highly likely that such categories could play a role in determining whether or not to become part of the home-country organization in the home-country location for the long-term (see Kostova & Zaheer, 1999). After arrival, their previously built up expectation are hopefully found accurate and as such the inpatriate makes a psychological commitment to the home-country organization based on the validity of initial reference points.

Parallel to the notion of corporate visibility come the general corporate reputation experienced in the inpatriates' respective home country locations. Influences of such are quick and abundant to the wide array of new coverage and sources available to become and remain informed of the happening of the world. Relative to the management team composition, it may initially be looked at as a liability by inpatriate managers asked to join the home-country organization. An evaluation relative to the liking of the composition prior to taking the assignment must take place to ensure that the inpatriate is comfortable to operate under or among such leadership. If the assignment is accepted, the inpatriate may after their arrival at the HCO follow-up by assessments based on older or new reference points whether the preconceived notions about the existing management team are truly a liability or merely arose due to the COOE. Last, but not least, an inhibitor to inpatriate success may stem from host foreign national's willingness to work for organization in the first place.

Diversity management as a potentially competitive resource (Magoshi & Chang, 2009), it is imperative to consider the factors which could ultimately contribute to becoming inhibitors to

in-patriate managers' success in the home-country organization as a strategic asset. Striking the balance between addressing liabilities, all the while not to under-estimate or over-estimate the impact that contextual, cultural differences may impose of any transactions during the course of the overseas assignment is at best a shot in the dark (see Magnusson, Baack, Zdravkovic, Staub, & Amine, 2008). Based on research conducted on the implications of cultural distance by Mezias, Chen, Murphy, Biaggio, Chuawanlee, Hui, Okumura, and Starr (2002) showcased that measures of distance based on previously published indices at the national level are not appropriate measure of cultural distance at the organizational level. As part of the organization's responsibility to mitigate LOF (Luo, Shenkar, & Nyaw, 2002), it is imperative to acknowledge the sociological nature of LOF in that it contains structural, relational, and legitimacy dimensions (Zaheer, 2002). The cost of addressing LOF does therefore appear to be marginal rather than fixed, based on different cultural contexts in which in-patriates are transcended (cf. Hymer, 1960).

The following represent propositions relative to the differing dimensions of contextual liability-of-foreignness experienced while making the transition between the organizations' host- and home-country locations:

#### ***Addressing Managerial Liability-of-Foreignness***

A related and highly important factor to consider relative to the issue of acceptance at the HCO is the reality of managerial liabilities directly inhibiting in-patriates' cognitive, psychological, and behavioral outcomes (Ghemawat, 2007). Table 3 depicts a framework by which one may assess direct, personified managerial liabilities of foreignness potentially encountered based on either the self (i.e., an intra-individual source of LOF) or other individuals (i.e., an inter-individual source of LOF).

TABLE 3  
Managerial Liability-of-Foreignness

| SOURCES OF LOF                      | TANGIBLE INHIBITORS   | INTANGIBLE INHIBITORS  |
|-------------------------------------|---|--|
| <b>Within the Organization</b>      | <ul style="list-style-type: none"> <li>-Sanctioning (Physical)</li> <li>-Social Isolation (Physical)</li> </ul>                                   | <ul style="list-style-type: none"> <li>-Stereotyping Threat</li> <li>-Self-Efficacy &amp; Self-Esteem</li> <li>-Intercultural Competence, Sensitivity, and Development</li> <li>-Culture Shock</li> <li>-Adaptation/Adjustment (Psychological and Socio-Cultural)</li> </ul> |
| <b>External to the Organization</b> | <ul style="list-style-type: none"> <li>-Sanctioning (e.g., Status)</li> <li>-Safety and Security</li> <li>-Social Isolation (Physical)</li> </ul> | <ul style="list-style-type: none"> <li>-Stereotyping</li> <li>-Social Isolation (Psychological)</li> <li>-Manipulation (Psychological)</li> </ul>  |

Compared to the framework suggested in Table 3, the focus has been shifted towards direct (i.e., personified) rather than indirect (i.e., contextual) circumstances that, if inflicted upon the inpatriate could substantially delay the adjustment process or act as a barricade to becoming an integrated and thus productive member of the HCO, the ultimate goal of this type of international assignment. In general, Table 4 proposes that LOF would be perceived by inpatriate managers of themselves or is imposed on the inpatriate by other organizational or non-organizational constituents (i.e., persons). This two-by-two matrix thus describes sources of managerial LOF, which may stem from the self (i.e., exhibit an internal locus of control) or from other individuals (i.e., exhibiting an external locus on control). It appears that the notion of locus of control (see Wang, Tomlinson, & Noe, 2010) is a dominant concept and must not be left unexplored relative to determining successful overseas adjustment; however, this aspect of LOF is out of the scope of this manuscript and is presented as a future reward opportunity relative to inpatriate assignments.

As seen in Table 4, the outcomes of LOF can be of tangible or an intangible in nature, each of which may lead to variations in the impact inpatriates may perceive in the integration process. Depending on the source of LOF, both categories of outcomes feature distinct consequences that may impact an individual's development of (global) mindset prior to as well as during the assignment. While external and internal forces may separately influence the inpatriate's adjustment process, they are by no means mutually exclusive. Additionally, the magnitude of LOF from each source may change over the course of the assignment. That is to say that with a shift in perspective (i.e., reference points), the inpatriate may over time become attuned to the mindset required for successful collaboration with other cultures and vice versa. The inertia it requires to create and sustain those changes in attitude and actions is a difficult process and must accordingly be treated as such by the organization.

When analyzing the internal (i.e., the self) perspective, the assumption is made that the reference point is the inpatriate. Conversely, when analyzing the external (i.e., others) perspective, reference points constitute individuals either internal or external to the organization that may through their actions influence inpatriates' cognitive, psychological, and behavioral outcomes. The successful adjustment of inpatriate managers once again hinges upon tangible and intangible inhibitors which are explored throughout the remainder of this section. The list of factors representing managerial LOF is not exhaustive, but offers a perspective upon which future research can be build. As a review of the extant literature, the concept of stigma/stigmatization, according to Link and Phelan (2001) has seen a plethora of definitions due to several persistent questions regarding the origin, degree, persistence, and other implications of stigmas/stigmatization. It is suggested that the concept of stigma/stigmatization has been criticized as too vaguely defined and individually focused. As a result, I adopt Link and Phelan's

(2001) definition of stigma which refers to “the elements of labeling, stereotyping, separation, status loss, and discrimination” occurring simultaneously. The general idea behind the stigma is that labels coupled with undesirable attributes makes up the stigma. The effect of this connection/relationship is subsequently manifested in relatively strong or weak stigmatizing effects. Based on this research, these stigmatizing effects are visible in a physical and psychological manner that originate either from the self or from other individuals inside the organization.

The internal, self perspective of LOF hindering an inpatriate from fully adjusting refers to the physical sanctioning and social isolation practices, including other tacit inhibitors such as stereotyping threat, a lack of self-efficacy, a lack of intercultural competence, cross-cultural sensitivity, and development, self-esteem issues, culture shock, and other adaptation issues. Relative to fostering cross-cultural sensitivity, the cognitive, psychological, and behavioral outcomes due to the inpatriate managers’ different social, political, economic, religious affiliations are manifested in a six-stage process that evolves from ethnocentrism (Stages 1-3: denial, defense/reversal, minimization) to ethno-relativism (Stages 4-6: Acceptance, adaptation, integration) (Hammer & Bennett, 2002). Previous empirical research has shown that there are many different, yet effective ways in which people can organize their understanding of, and working relationship with the external environment in which they live (Anderson, Lawton, Rexeisen, & Hubbard, 2006; Dong, Day, & Collaço, 2008; Lane, 2007).

The term “intercultural sensitivity” refers to the complexity of perception of cultural difference, so that higher sensitivity refers to more complex perceptual discriminations of such differences (Bennett, 1993, 2004). The term “competence” refers to the potential for enactment of culturally sensitive feeling into appropriate and effective behavior in another cultural context

(Bennett & Castiglioni, 2004). Given the diversity that may exist at the HCO and to the benefit of the in-patriate manager, it is suggested that intercultural learning is transferable to other cultural contexts. As such, the sensitivity acquired working with one culture may be transposed to use with regard to another culture or plethora of cultures.

Intercultural learning can have both short- and long-term effects. In the short-run, acquiring some intercultural information and using it accordingly seems most appropriate. The expected long-term effects of intercultural learning should mirror the development of “global citizenship and/or other manifestations of a permanently heightened awareness and appreciation of cultural differences” (Bennett, 2009, p. 7), whereby the middle-term effect should already allow for the transferring of intercultural sensitivity and competence among cultures. Relative to self-efficacy issues, “a person’s perception of his/her own capabilities to function effectively in situations characterized by cultural diversity” (Bennett, 2009, p. 10) naturally poses a threat to becoming integrated into a multicultural management team. Beliefs of self-efficacy in cultural adaptation presents a critical mass in determining the longevity and therefore success of an in-patriate role at the HCO (see Briones, Tabernero, Tramontano, Caprara, & Arenas, 2009).

Prior research has revealed that the construct of self-esteem is culturally bounded (cf. Schmitt & Allik, 2005) in that studies have indicated differences in cultures particularly between Eastern and Western cultures (Brown, Cai, Oakes, & Deng, 2009). For example, East Asians consistently reported lower levels of self-esteem than do Westerners, yet it is still suspect to what these mean differences mean (Cai, Brown, Deng, & Oakes, 2007), meaning that cultural norms of modesty or other pressures could suppress self-esteem reports. While self-esteem is generally seen to be of psychological importance, it may differently shape the experience of an in-patriate in a culturally diverse organization. Individuals who experience low self-esteem incur threats to

self-worth and stressful life event. These kinds of people may respond by adapting less or at a slower rate than individuals high in self-esteem (for reviews, see Baumeister, Campbell, Krueger, & Vohs, 2003; Marshall & Brown, 2007).

LOF issues from the external point-of-view ignite similar problems relative to becoming integrated into the HCO. For example, the notion of ostracism (i.e., social isolation), safety and security issues, and status sanctioning imposed by other individuals or by the HCO itself are clear concerns to inpatriates longevity at the HCO. Examining the prolonged success of an inpatriate from an intangible inhibitors point of view, issues of stereotyping, psychological social isolation, and manipulating mechanisms are of great concern.

Inpatriate managers may have invested too much mentally and physically into the assignment and are forcing themselves to continue knowing very well that the benefit/success will fall short in the long-run. It is in fact advisable to include these facts in the realistic job preview phase to make aware and clarify any misconceptions. Relative to the development of a global mindset, the driving force is to ensure that individuals are selected based upon their internal locus of control to counter the potentially harmful (in the sense of strategic mishap) circumstance of hiring emotionally unable, culturally inexperienced, and close-minded individuals who have a slim chance of surviving in this jungle called the global marketplace. In addition to the intra-individual assessments, the contextual appraisals are just as important.

Cultural distance may impact the extent to which liabilities may be either internally or externally experienced. This is not to suggest that organizations should hire qualified individuals based on the stipulation that cultural distance between the countries is low; rather the idea is to cultivate a broad scope of eclectic individuals who may then contribute to strategy creation through their pluralistic ways. Often times, however, having a diverse workforce comes at the

cost of some initial counter-productivity in the form of liabilities. The intent is to downplay liabilities while at the same time capitalizing on assets of managers. What it takes is a shift in frame-of-reference, prioritization, and a proactive approach by global organizations' HR departments. Organizations should seek managers of every nationality who have a broad outlook on industry and their career, who are eager to exploit the global market place, who are curious about the development of competition, and who have the ability to identify not only with their home country nationality, but with other cultural backgrounds also. The key is ongoing success is continued scanning of the situation and providing the resources necessary for cultures to merge in the figurative sense (i.e., merging ideas) thereby shining light upon new avenues of competing.

As globalizations continues to evolve, managers' outlooks on strategically managing human resources must also evolve. Inpatriate managers are one such way of looking into the future based on past successes and failure. While inpatriate managers will most likely never replace the existing expatriate assignments designed for short-term problem solving, they do represent a worthwhile piece by which to gauge our progress as organizations in the 21<sup>st</sup> century hypercompetitive marketplace. Even the slightest impairment of the ability to carve up the differences between cultures, the lack of exposure to diversity and novelty, and the ability and willingness to integrate these pieces deserves a proper mention for reasons to develop the organization's strategic plans. Over time, this method of assigning international assignees will become the future of organizational success.

Provided that the inpatriate managers' country-of-origin with its cultural, economic, and societal distances differences, it is likely that depending upon the mixture of national origins, the experience of tangible and intangible liability outcomes may differ among inpatriates. The



potential impositions that may hinder the adjustment are as follows: 1.) Lack of self-efficacy; 2.) Culture shock; 3.) Social isolation, 4.) Manipulation; and 5.) Safety and security issues, to name a few (Link & Phelan, 2001).

The manuscript examines the ability to achieve personal organizational objectives which may be stifled due to the doubt and negligence allocated to identifying, assessing, and finding remedies (proactive and/or reactive) to address these managerial liabilities. The effect of organizations' being negligent on the behalf of inpatriates' identification and recruitment procedures may have an at first silent, but long-lasting impact on organizational success as the essence of conducting business in the 21<sup>st</sup> century is knowledge- more so than asset-driven (Vargas-Hernández, 2010). This means that a proper identification of talent and benefits derived from their tacit, culture context-specific knowledge may enhance an organization's ability to successfully compete.

### **Assessing Your Level of Liability-of-Foreignness**

LOF may influence inpatriate managers' adjustment to a new environment *ex ante* (i.e., pre-departure) as well as during (i.e., post-departure) the overseas assignment. Table 4 proposes an inpatriate self-assessment measure to allow for the facilitation of integration. The purpose of the following self-assessment measures is for inpatriate managers to anticipate the realities of contextual and managerial LOF, thus providing the individual with an accurate representation as to their suitability of taking on such an assignment before and during the assignment.

TABLE 4  
Assessing Contextual and Managerial Liability-of-Foreignness

|                                 |  |   |
|---------------------------------|--|---|
|                                 | Assessing Managerial<br>Liability-of-Foreignness | <ul style="list-style-type: none"> <li>- <i>Tendency to Stereotype</i></li> <li>- <i>Stereotype Threat</i></li> <li>- <i>Intercultural Sensitivity</i></li> <li>- <i>Cultural Intelligence Quotients</i></li> <li>- <i>Ethnocentrism versus Ethnorelativism</i></li> <li>- <i>Level of Skills Compared to Local</i></li> <li>- <i>Tendency to become Ostracized</i></li> <li>- <i>Expected Power within New Organizational Context</i></li> </ul> |
|                                 |  | <ul style="list-style-type: none"> <li>- <i>Assessment of Intercultural Sensitivity (Developmental Phase)</i></li> <li>- <i>Assessment of Safety and Security Conditions</i></li> </ul>   |
|                                 | Assessing Contextual<br>Liability-of-Foreignness | <ul style="list-style-type: none"> <li>- <i>Degree of Dissimilarity Between Home and Host Country Relative to Top Management Team Composition, Size and Composition of General Workforce</i></li> <li>- <i>Political, Economic, and Social Understanding/ Knowledge of Overseas Destination</i></li> <li>- <i>Expectations of Support Package and General Inpatriation Support</i></li> </ul>   |
| Pre-Departure<br>Considerations |  | <ul style="list-style-type: none"> <li>- <i>First-Hand Evaluation of Pre-Departure Considerations</i></li> </ul>  |
|                                 | Post-Departure<br>Considerations                 |   |

Prior to accepting the assignment/departure, inpatriate managers should actively seek information pertaining to the HCO in addition to the general political, economic, and social environment to which they are to migrate. Pre-departure considerations for the inpatriate and their respective families should consist of several assessments, which they are to instigate on their own (i.e., without organizations' HR leadership): 1.) Assessment of the degree of

dissimilarity between home- and host-country relative to top management team composition in addition to the size and composition of the general workforce (see Li & Harrison, 2008; Pieper, Klein, & Jaskiewicz, 2008); 2.) Assessment of the inpatriate managers' political, economic, and social understanding/knowledge of the overseas destination (see Ailon, 2008); and 3.) an assessment of general inpatriate support package expectations (see Buckley, Mobbs, Mendoza, Novicevic, Carraher, & Beu, 2002). Each of these assessments may be conducted by individuals themselves and may contribute positively to the inpatriate integration process into the HCO. These self-assessment measures may in fact act as a cushioning mechanism if pre-departure expectations are gauged truthfully and adjustments to the new environment are made accordingly (see post-departure considerations). Post-departure considerations include the first-hand evaluation of preconceived notions relative to the level of comfort with which one perceives him-/herself to work in an environment predominantly composed of domestic, parent country nationals among other inpatriate managers stemming from different cultural backgrounds.

Self-assessed pre-departure considerations for inpatriate managers and their respective families may consist of the following assessments/acknowledgements: 1.) Tendency to stereotype (i.e., the propensity to categorize individuals in a general sense as well as based on intelligence) (Dweck, Chiu, & Hong, 1995; Garrison, Wakefield, Harvey, & Kim, 2010; Lyons, Clark, Kashima, & Kurz, forthcoming); 2.) Stereotype threat (i.e., one faces judgment based on societal stereotypes about one's group) (Myers & Spencer, 2006; Schmader, Johns, & Forbes, 2008); 3.) Intercultural sensitivity (DeJaeghere & Zhang, 2008); 4.) Cultural intelligence quotients (Thomas, Stahl, Ravlin, Poelmans, Pekerti, Maznevski, Lazarova, Elron, Ekelund, Cerdin, Brislin, Aycan, & Au, 2008); 5.) Ethnocentrism versus ethnorelativism (Bennett, 1993; see Yashima, 2010); 6.) Level of skills compared to locals; 7.) Tendency to become ostracized

(see Kawabata, Crick, & Hamaguchi, 2010); and 8.) Expected power within new organizational context. The implication is that the greater the cultural distance, the greater (and more pervasive) the LOF. Post-departure managerial LOF considerations hinge upon the re-assessments of intercultural sensitivity as a developmental measure by which to constantly challenge one's ability to become a global citizen. During this stage of the assignment, the inpatriate manager may also actively interpret the level of safety and security (Czinkota, Knight, Liesch, & Steen, 2010) the individual feels in the new organizational/environmental context. An initial and concrete level of awareness may, given the semi-permanent to permanent relocation circumstances, in part alleviate the initial cultural shock incurred during the first several months of the overseas assignment. For both categories of LOF self-assessments, the assumption that inpatriate managers will remain at the HCO on a semi-permanent to permanent basis contributes to the importance of the self-assessment measure of inpatriate managers.

### **Summary and Conclusion**

This manuscript is in part based on Calhoun (2002) who suggests that foreign firms are disadvantaged in comparison to domestic firms by gaps in understanding caused by cultural variation that impacts both the organizations' external and internal environments. We therefore highlight the need to obtain a global mindset/perspective for the purpose of successfully competing in what appears to be an increasingly hypercompetitive marketplace. Such a perspective may be attained through the use of a supplementary inpatriate staffing method which is thought to increase the cultural diversity and heighten the potential for creating a pluralistic corporate perspective. In essence, this manuscript argues that a global mindset may be created through the proper integration of inpatriate managers into the HCO. Yet, difficulties in the adjustment process may arise due to diverse (i.e., distant and ethnocentric) sets of reference

points upon which inpatriate managers may draw for decision-making purposes. In fact, we would suggest that the differences encountered through the utilization of different reference points is one of the main reasons for LOF issues encountered at the individual level of analysis (i.e., nuisances perceived through the eyes of the inpatriate manager).

A vital component to a prolonged and continuous state of success for these individuals and their respective families is for human resource departments to amend their existing perspective based on expatriate assignments successes and failures, adjusting its principals and know-how given the newly developing global context. The exact prescription of what constitutes such an environment is insufficient at best, but continuous learning and persistence are a valuable part of organizational development. Provided that human resources are the architects of corporate culture, HR departments are thus obligated to their managers to demonstrate greater willingness to harness the talent and accommodate them accordingly (i.e., train, development, appraise, compensate) required to successfully propel organizations into the 21<sup>st</sup> Century.

Negligence on the part of HR to strategically align inpatriate managers to the HCO context may ultimately and likely inhibit the successful integration of such individuals and thus the creation of a global mindset and pluralistic perspective. In addition to this notion, this manuscript proposes that the successful integration of inpatriate managers is not only dependent upon organizations' input, but may actively be fostered by the inpatriate manager and their respective family in terms of pre- and post-departure self-assessments of the new organizational and host-country environment. In an attempt to mitigate the potential pitfalls of such circumstances, we suggest specific pre-departure and post-arrival self-assessment measures on which inpatriate managers may themselves reflect to ensure their successful integration into the HCO. Presuming an organization's encouragement of proper inpatriate integration approaches,

the potential benefits of inpatriate managers utilized in management teams will be an indispensable tool organizations cannot afford to neglect to remain ahead of the competitive learning curve.

## ESSAY II

### STRATEGIC INTEGRATION OF GLOBAL TALENT: AN ANALYSIS OF INDIVIDUAL DIFFERENCES TOWARDS INTERACTING WITH FOREIGN NATIONALS

#### **Introduction**

Arguably one of the major obstacles challenging global organizations' successes is the apparent lack of knowledge relative to the effective management of global talent (Beechler & Woodward, 2009; Economist Intelligence Unit, 2006). Critically speaking, while organizations may not fail to appreciate the significance of global talent selection mechanisms (Boston Consulting Group, 2007), most organizations find themselves to be deficient in their ability to identify and retain suitable recruits who are considered capable of operating in complex, highly volatile, hypercompetitive global business environments (Björkman & Xiucheng, 2002; Collings & Scullion, 2006).

A cornerstone of successful global talent management is identifying managers who possess the propensity to incorporate daily decision-making behaviors in foreign contexts. If we subscribe to the argument that these behaviors lead to positive global organizational outcomes, the phenomenon under study would beg the question how much diversity a manager is willing/able to accept. Specifically, this manuscript addresses to what extent individual differences inherent in region of origin (ROO) such as global awareness, tendency to stereotype, and personality could influence an individual's attitude towards interacting with foreign nationals from emerging (EM) and developed (DM) markets.

Insights gained from cross-cultural adjustment studies involving members of the Peace Corps (see Mischel, 1965; Smith, 1966). Thomas and Lazarova (2006) advocate the need for continued theoretical and empirical reinforcements to the issue of adjusting to foreign environments. Primarily they suggest that adjustment relative to performance related outcomes may be influenced by: 1.) The intent to remain on the assignment, 2.) job attitude, as well as 3.) interaction with host-country nationals. With respect to the extant literature, the analyses of 'attitudes' have been treated as both a proxy for adjustment (see Newman, Bhatt, & Gutteridge, 1978) and an outcome of adjustment (see Aryee & Stone, 1996; Takeuchi, Yun, & Tesluk, 2002). Keeping prior held beliefs on attitude-performance relationships in mind, this manuscript argues for a need to examine the mediating and moderating influences on attitudes which may serve as additional indicators of performance outcomes.

The focus of the study centers on what the literature defines as stigmatization (i.e., a bias expressed relative to individuals who are believed to possess some attribute or characteristic that conveys a social identity that is devalued in a particular context) (Crocker, Major, & Steele, 1998, p. 505). This concept is of importance in the adjustment context, because it can be hypothesized when cultural distance increases among managers in any given organizational setting, the potential for stigmatization of an individual is heightened. These results bring into call the strategic attention at the individual level of analysis addressing the liability-of-foreignness which individuals inadvertently possess during overseas assignment (Moeller & Harvey, in press). Addressing this issue increases in importance as the composition of managerial talent expands relative to national diversity.

Having identified the research question which is pivotal in understanding the contribution of strategic global human resources, the manuscript progresses as follows: First, a theoretical

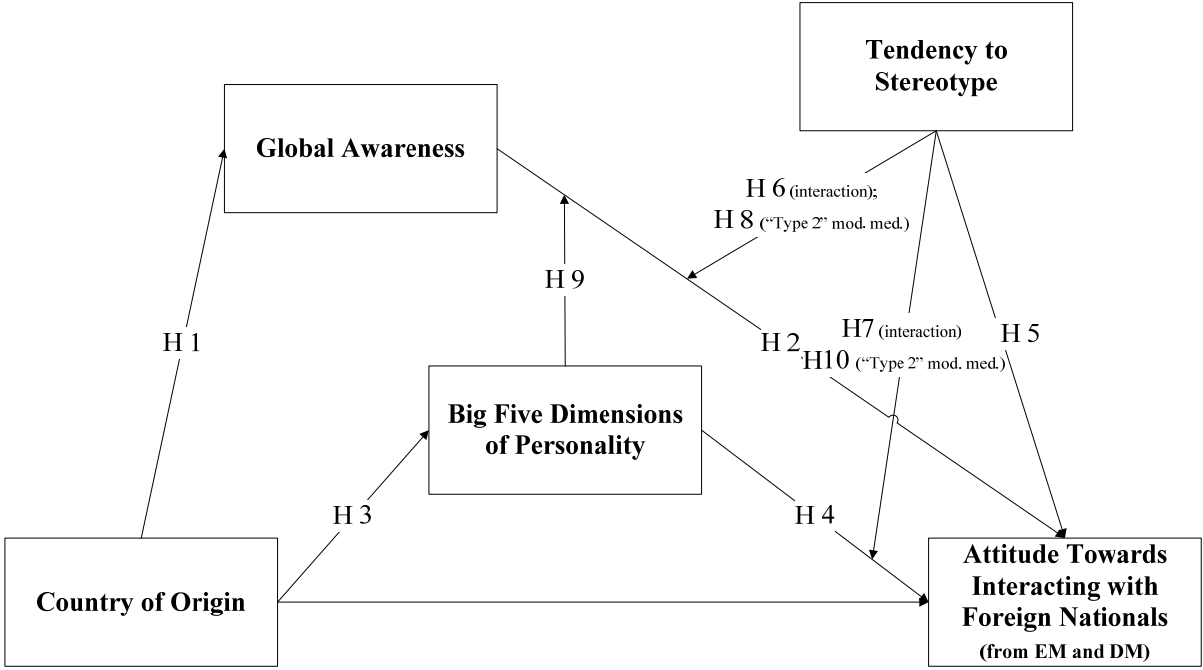


exploration of the foundation that shapes the extent to which individuals will have the propensity to interact with foreign nationals from emerging and developed markets is presented; secondly, the study proceeds to the methods section addressing the sample, procedures, and measures utilized in this study; thirdly, the Type 2 moderated mediation procedures used to analyze the data is followed by the results. Finally, theoretical and managerial implications based on the results of the study are presented.

### **Literature Review and Theoretical Framework**

The following section provides an overview of the concepts, assumptions, and arguments proposed by the two theories, Self-Congruity Theory (SCT) and Evolutionary Personality Psychology (EPP), both address the ability to explain a manager's willingness to interact with individuals from emerging and developed markets. Four constructs are identified to serve as a proxy for culture: 1.) Region of origin (i.e., Australia, Asia, Middle East, Europe, and North America); 2.) Global awareness; 3.) Big Five personality dimensions (i.e., conscientiousness, agreeableness, emotional stability, openness to experience, and extroversion); and 4.) Tendency to stereotype. These variables are identified and act as mechanisms to explain the relationship between individuals from different parts of the world and their inclination to interact with emerging and developed market constituents. As a mean to delineate between the emerging and developed markets, this study defines the emerging context are characterized by rapid population growth and industrialization, while developed markets constitute advanced economies with a population growth rate of narrowing to zero (Emerging Economy Report, 2008; UNCTAD, 2009). Figure 1 illustrates the resulting hypotheses of this study.

**FIGURE 2**  
**A Framework for Assessing Attitude towards Interacting with Foreign Nationals**



**Region of Origin and Global Awareness**

Figure 1 illustrates the extent to which an individual is willing to interact with foreign nationals may be shaped independently by the composition of personality traits, level of global awareness as well as region of origin thought to be representative of cultural heritage. In this context, the study draws upon Self-Congruity Theory (SCT).

SCT examines the psychological comparison between any two parties. The theory subscribes to the assumption that the act of comparing occurs on the individual level between constituents of differing cultural backgrounds, and depending on the perceived cultural similarity or dissimilarity, the respectively greater or lower the likelihood of experiencing a positive predisposition towards others, and therefore, willingness to interact with others (Sirgy, 1986; Sirgy, Grewal, Mangleburg, Park, Chon, Claiborne, Johar, & Berkman, 1997). A predisposition,

as described by Perrewé and Spector (2002), represents a state-based difference (i.e., inclination, tendency, or willingness) within individuals that can be viewed as either general (e.g., daily mood) or more situation-specific (e.g., anxiety about various acts).

SCT predicts the relationship between an individual's ROO and attitude towards interacting with foreign nationals may be presumed to work in similar ways. In this vein, the concept of ROO may be closely related to the country of origin effect (COOE) as addressed by Harzing and Noorderhaven (2008) and originated in the works of Schooler (1965). COOE refers to cognitive, psychological, and behavioral outcomes which are the result of the unique social and cultural beliefs, norms, and values associated with one's home-country (Ghemawat, 2007). Drawing upon self-image congruence, it is suggested that the cognitive, psychological, and behavioral comparisons made by individuals with respect to other foreign nationals are primarily based on their heritage (i.e., cultural, socio-economic, religious, etc. background) and may result in varying levels of willingness and/or tendencies to interact with culturally diverse individuals.

The self-congruity perspective would suggest that the cognitive, psychological, and behavioral comparisons between locals, host-, or third-country nationals present within global organizations can result in either high or low self-congruity categorizations. Low self-congruity is experienced in the presence of a greater array of perceived differences manifested in the context of socio-economic conditions, politics, religion, and the like. While high self-congruity refers to greater similarities experienced between two cultural backgrounds. The perception of a lesser degree of cultural distance would translate into greater levels in the willingness to interact with individual who are of a foreign descent. Individuals may experience a spectrum of cultural similarities or differences based on their perceptions of self-congruity with individuals stemming from different countries and/or regions in the world. As such, the potential differences represent

a central point in the process of assessing the degree inherent in cultural disparities and to build upon extant adjustment literature.

A concept that has to date received a limited amount of attention in the overseas adjustment literature is to the role of global awareness in the adjustment-performance context. Corbitt (1998, 2004) suggests that global awareness involves “a recognition and appreciation of the size, complexity, and diversity of the earth as a single entity” (p. 13) and enables individuals “to perceive the vastness of the world, its dynamic complexity, and the diversity of its people” (p. 14). The distinction between the concepts of ‘knowledge’ and ‘awareness’ lies in Corbitt’s (1998, 2004) claim that global knowledge refers to our own context and experiences accumulated over a lifetime; conversely, global awareness is conceived as an all encompassing identification and acknowledgement of the sometimes bewildering complexities inherent in the world or the global marketplace.

In an attempt to understand the potential impact of ROO on attitude formations relative to individuals from emerging and developed markets, Figure 1 proposes global awareness as a mechanism through which we are able to identify pre-dispositions stemming from the accumulation of cultural variances found in ROO. For example, one may argue that North Americans do not necessarily identify or understand the values inherent in the cultural conditioning of Middle Eastern nationals. Linking the idea of low self-congruity to global awareness, it would appear plausible that perceived complexities/dissimilarities lead to a reduced attention paid to a society. The process of comparing cultural facets may thus lead to a diminished inclination to seek additional information, engage in, or pay attention to events concerning the region and/or context in question. The pre-disposition developed due to

perceiving low or high self-congruity between two cultural backgrounds may thus either inhibit or contribute to an increase in overall global awareness.

Following this logic, the perceptions of similarities/dissimilarities between cultural components (i.e., values, assumptions, and norms) may trigger cognitions and ultimately behaviors (Ghemawat, 2007) that have the potential to result in a greater/lesser need to seek knowledge of and incorporate differences/diversity into every day global decision-making processes. Another stream of logic would suggest that the level of economic development manifested in the availability of technologies to access information, transportation and affordability thereof, as well as the size of the countries could act as potential mechanisms in predicting the link between ROO and global awareness. Yet, the likelihood of relationships to be based on differing economic development levels is a claim outside the theoretical and statistical scope of this manuscript due to the clustering of the regions. As a result, the following is hypothesized:

*Hypothesis 1:* Region of origin relates to an individual's global awareness.

### **Global Awareness and Willingness to Interact With Foreign Nationals**

The similarities and differences proposed to arise due to ROO is not the only means to determine attitude formations. In fact, self-image congruence may simultaneously be a response to one's level of global awareness, referring to the recognition and knowledge of regions and their environmental, political, geographic, religious, socioeconomic, and cultural (Corbitt, 1998, 2004) past and present. The concept of global awareness encompasses an understanding and acknowledgement of emerging as well as developed countries/markets. The level of global awareness serves as a predisposition to identify with foreign nationals due to potential similarities and thus has the potential to influence the extent to which an individual is willing to

interact with others of a culture that varies from their own and does so based on several accounts. Theoretically speaking, the greater the level of global awareness, the less probable that an individual is threatened by ambiguities which may be experienced in terms of differing values, assumptions, and cultural norms expressed by other individuals. The feeling of a lesser susceptibility to uncertainty or tension would lead to a greater propensity for individuals to exercise inclusive behavior of which the first step is to expend a willingness to interact with individuals regardless of any organizational dependencies experienced. The following hypotheses result:

*Hypothesis 2a:* Global awareness relates positively to an individual's attitude towards interacting with foreign nationals from emerging markets.

*Hypothesis 2b:* Global awareness relates positively to an individual's attitude towards interacting with foreign nationals from developed markets.

### **Region of Origin, Personality, and Willingness to Interact With Foreign Nationals**

Willingness to interact with foreign nationals is presumed to be impacted by an individual's region of origin and global awareness. Parallel to these relationships, Evolutionary Personality Psychology (EPP) suggests that the Big Five personality dimensions may contribute in explaining and predicting attitudes. EPP recognizes personality traits as universal adaptive mechanisms for humans to reproduce and preserve life (Buss, 1991; MacDonald, 1998). For example, Buss (1991) suggests that a person who is agreeable, extroverted, emotionally stable, conscientious, and open to experiences may have the ability to form important work relationships, get promoted, attain a higher status, and so forth. These adaptive mechanisms include "humans' ability to learn hierarchies in society (i.e., extroversion), their willingness to cooperate (i.e., agreeableness), their capacity for reliable work and enduring commitment (i.e., conscientiousness), their ability to handle stress (i.e., emotional stability), and their propensity

for innovation or astuteness in solving problems (i.e., openness to experience)" (Buss, 1991, p. 477). This study proposes that these adaptive mechanisms are experienced and/or displayed differentially among various cultures. The variance in the attitude towards interacting with individuals of foreign descent is, therefore, based on the ROO effect and is expected to occur between as well as within regions. Specifically, between region differences is the focal point of this study.

Extrapolating arguments made by MacDonald (1998) based on expatriates success, the theory of evolutionary personality psychology can be applied to predict an individual's attitude, a precursor to success, for two reasons: 1.) Variation along the Big-Five Personality characteristics allow individuals to successfully fill different niches or positions in society (MacDonald, 1998); and 2.) As universal adaptive mechanisms, the Big Five Personality characteristics are utilized across contexts, situations, and environments (Buss, 1991; MacDonald, 1998; McCrae & Costa, 1997). This means that personality characteristics should assist in facilitating an individual's success if the assessment of the traits favor the niche or position the individual is destined to fill. If success is in part determined by attitude, personality traits should also demonstrate an influence in the extent to which individuals are inclined to interact with foreign nationals.

In addition to that, Figure 1 proposes that ROO has an influence on the formation of personality traits, as one's cultural background is in part formed with the intention to preserve life (Buss, 1991; MacDonald, 1998). This means that a person level of conscientiousness, agreeableness, emotional stability, openness to experience, and extroversion may be predicted or perpetuated by the respective individual's ROO for the sake of belonging to a society, form relationships with other members in a society, and/or attain a desired status in that society.

The personality trait of *conscientiousness* is described in positive terms such as efficient, organized, reliable, responsible, and thorough (McCrae & John, 1992). According to Judge, Higgins, Thoresen, and Barrick (1999), this trait is related to an individual's degree of self-control, as well as the need for achievement, order, and persistence" (p. 624) visible in success at work. It is proposed that *conscientiousness* plays a role in determining attitudes towards interacting with foreign national to the extent that individuals anticipate attaining an elevated status should they choose to engage in conversations with other foreign nationals. The driver for this mindset is contained in the need for achievement deemed solely possible via the help and knowledge of others.

Similarly, *agreeableness*, as a trait acts to preserve one's social position by allowing alliances to be formed (Buss, 1991). Judge et al. (1999) claim that those with high scores in *agreeableness* have demonstrated to be more successful when working in groups because they are perceived as caring, cooperative, and generous (Barrick & Mount, 1991; McCrae & John, 1992). By thriving to cooperate rather than compete (Liao & Chuang, 2004), individuals high in *agreeableness*, that is, individuals who exhibit greater levels of cooperation, affection, nurturing, generosity, are more likely to interact with foreign national opposed to those low in *agreeableness*.

*Neuroticism*, according to Perrewé and Spector (2002), is "the tendency to exhibit poor *emotional stability* and to experience negative affective feelings such as anxiety, insecurity, and hostility" (p. 5). *Neuroticism* as a personality dimension is described as having precisely the opposite connotation of *emotional stability* in that it is a universal adaptive mechanism inhibiting humans to cope with stress in their environment (Buss, 1991). The fact that overseas assignments are often classified as highly stressful (Richards, 1996), having emotional stability (i.e.,



exhibiting low neurotic behaviors) has been shown to be a predictor for expatriates' adjustment to host countries (Black, 1988; Mendenhall & Oddou, 1985) in addition to completion of an expatriate assignment (Ones & Viswesvaran, 1997). Based on past research, this study proposes that individuals low in *emotional stability* are less likely to experience a positive attitude towards interacting with foreign nationals, as it suggests that high levels contain the impetus for overcoming ambiguities or uncertainties associated with any cultural distance that is perceived and/or experienced.

The *openness to experience* personality trait or 'intellect' (Goldberg, 1981) or 'intelligence' (Borgatta, 1964) as it has been referred to previously, is described as a dimension characterized by art, curiosity, imagination, insight, and originality (McCrae & John, 1992). Relative to the theory of EPP, *openness to experience* is considered a trait which allows individuals to perceive, attend to, and act upon differences witnessed in others (Buss, 1991). To preserve ones propensity to form relationships, *openness to experience*, experienced by individuals, would appear to serve as a mechanism to heighten the attitude towards interacting with foreign nationals. According to EPP, individuals must possess the sensitivity to assess their social environment to respond in such a manner that allows for relationships to be formed. The hypothesis would state that the greater the *openness to experience*, the greater the propensity to adopt a positive attitude towards interacting with foreigners.

Individuals high in *extroversion* according to McCrae and John (1992) are described as being active, energetic, enthusiastic, outgoing, talkative, and assertive. Judge et al. (1999) suggests that "extroversion is related to the experience of positive emotions, and extroverts are more likely to take on leadership roles and to have a greater number of close friends" (p. 624). This personality trait is useful if the individual anticipates being involved in international/global

business during their career in that individuals have the ability to successfully assert themselves, navigate through hierarchy (Buss, 1991), and through their sociability and ambitions (Barrick & Mount, 1991) feel compelled to develop a positive attitude towards foreigners. Despite the direct link and importance of all personality dimensions on the attitude variable, conscientiousness is proposed to have the weakest effects on willingness to interact with individuals from emerging and developed markets due to the nature of the concepts. The following hypotheses are offered:

*Hypothesis 3a:* Region of origin relates to an individual's level of conscientiousness.

*Hypothesis 3b:* Region of origin relates to an individual's level of agreeableness.

*Hypothesis 3c:* Region of origin relates to an individual's level of emotional stability.

*Hypothesis 3d:* Region of origin relates to an individual's level of openness to experience.

*Hypothesis 3e:* Region of origin relates to an individual's level of extroversion.

*Hypothesis 4a<sub>1</sub>:* The personality dimension of conscientiousness relates positively to an individual's attitude towards interacting with foreign nationals from emerging markets.

*Hypothesis 4a<sub>2</sub>:* The personality dimension of agreeableness relates positively to an individual's attitude towards interacting with foreign nationals from emerging markets.

*Hypothesis 4a<sub>3</sub>:* The personality dimension of emotional stability relates positively to an individual's attitude towards interacting with foreign nationals from emerging markets.

*Hypothesis 4a<sub>4</sub>:* The personality dimension of openness to experience relates positively to an individual's attitude towards interacting with foreign nationals from emerging markets.

*Hypothesis 4a<sub>5</sub>:* The personality dimension of extroversion relates positively to an individual's attitude towards interacting with foreign nationals from developed markets.

*Hypothesis 4b<sub>1</sub>:* The personality dimension of conscientiousness relates positively to an individual's attitude towards interacting with foreign nationals from developed markets.

*Hypothesis 4b<sub>2</sub>*: The personality dimension of agreeableness relates positively to an individual's attitude towards interacting with foreign nationals from developed markets.

*Hypothesis 4b<sub>3</sub>*: The personality dimension of emotional stability relates positively to an individual's attitude towards interacting with foreign nationals from developed markets.

*Hypothesis 4b<sub>4</sub>*: The personality dimension of openness to experience relates positively to an individual's attitude towards interacting with foreign nationals from developed markets.

*Hypothesis 4b<sub>5</sub>*: The personality dimension of extroversion relates positively to an individual's attitude towards interacting with foreign nationals from emerging markets.

### **Moderating Effect of Tendency to Stereotype**

#### *What Is Tendency to Stereotype?*

Walter Lippmann's book *Public Opinion* (1922) was one of the first works to introduce the term "stereotype" in the social sciences. The book defines stereotypes as "pictures in our heads" (i.e., our shared mental representations that facilitate our individual perceptions of complex environments). Link and Phelan (2001) go on to describe negative stereotypes as undesirable characteristics possessed by people who are labeled due to their dominant cultural beliefs. The term stereotype is perhaps best discussed in the realm of Goffman's (1963) seminal piece on stigmas. The author observes that a stigma can be classified as a relationship between an 'attribute' and a 'stereotype' to produce the following definition of stigma – "a "mark" (attribute) that links a person to undesirable characteristics (stereotypes)" (p. 4). This study essentially suggests that cultural attributes of a person may be perceived as undesirable, therewith producing negative stereotypes in the minds of others. Drawing on SCT, it is expected that the greater the tendency to stereotype, meaning the greater the perception that a trait is

undesirable respective to one's cultural norms and values, the weaker the strength of the linked variable. As a result of this logic, the study tests the following hypotheses:

*Hypothesis 5a:* Tendency to stereotype relates negatively to an individual's willingness to interact with foreign nationals from emerging markets.

*Hypothesis 5b:* Tendency to stereotype relates negatively to an individual's willingness to interact with foreign nationals from developed markets.

As a concept, the tendency to stereotype is considered an important interpretive component that shows promise in explaining and predicting the extent to which individuals are inclined to interact with others (Seeleman, Suurmond, & Stronks, 2009; Zebrowitz, Bronstad 2007). The predictive capacity may also be explored in terms of interactive effects. In particular, the study proposes the influence of stereotyping to have a negative effect on prior established positive or negative relationships. For example, when individuals have a great level of global awareness and their tendency to stereotype is relatively high, the inclination to interact with either emerging or developed market constituents is predicted to be negatively impacted. Parallel to this thought pattern is the role of tendency to stereotype related to the proposed connection between personality and willingness to interact. Specifically, the idea is that when a personality trait is exhibited and coupled with a high tendency to stereotype the previously proposed relationship between personality and willingness to interact is diminished. When tendency to stereotype is low, the attitude towards interacting with foreign nationals from emerging and developed countries experiences less of an impact. The following two hypotheses are tested:

*Hypothesis 6a:* Global awareness will interact with tendency to stereotype in such a way that the relationship of global awareness with attitude towards interacting with foreign nationals from emerging markets will be weaker when tendency to stereotype is high versus low.

- Hypothesis 6b:* Global awareness will interact with tendency to stereotype in such a way that the relationship of global awareness with attitude towards interacting with foreign nationals from developed markets will be weaker when tendency to stereotype is high versus low.
- Hypothesis 7a<sub>1</sub>:* The personality dimension of conscientiousness will interact with tendency to stereotype in such a way that the relationship of conscientiousness with attitude towards interacting with foreign nationals from emerging markets will be weaker when tendency to stereotype is high versus low.
- Hypothesis 7a<sub>2</sub>:* The personality dimension of agreeableness will interact with tendency to stereotype in such a way that the relationship of agreeableness with attitude towards interacting with foreign nationals from emerging markets will be weaker when tendency to stereotype is high versus low.
- Hypothesis 7a<sub>3</sub>:* The personality dimension of emotional stability will interact with tendency to stereotype in such a way that the relationship of emotional stability with attitude towards interacting with foreign nationals from emerging markets will be weaker when tendency to stereotype is high versus low.
- Hypothesis 7a<sub>4</sub>:* The personality dimension of openness to experience will interact with tendency to stereotype in such a way that the relationship of openness to experience with attitude towards interacting with foreign nationals from emerging markets will be weaker when tendency to stereotype is high versus low.
- Hypothesis 7a<sub>5</sub>:* The personality dimension of extroversion will interact with tendency to stereotype in such a way that the relationship of extroversion with attitude towards interacting with foreign nationals from emerging markets will be weaker when tendency to stereotype is high versus low.
- Hypothesis 7b<sub>1</sub>:* The personality dimension of conscientiousness will interact with tendency to stereotype in such a way that the relationship of conscientiousness with attitude towards interacting with foreign nationals from developed markets will be weaker when tendency to stereotype is high versus low.
- Hypothesis 7b<sub>2</sub>:* The personality dimension of agreeableness will interact with tendency to stereotype in such a way that the relationship of agreeableness with attitude towards interacting with foreign nationals from developed markets will be weaker when tendency to stereotype is high versus low.

*Hypothesis 7b<sub>3</sub>*: The personality dimension of emotional stability will interact with tendency to stereotype in such a way that the relationship of emotional stability with attitude towards interacting with foreign nationals from developed markets will be weaker when tendency to stereotype is high versus low.

*Hypothesis 7b<sub>4</sub>*: The personality dimension of openness to experience will interact with tendency to stereotype in such a way that the relationship of openness to experience with attitude towards interacting with foreign nationals from developed markets will be weaker when tendency to stereotype is high versus low.

*Hypothesis 7b<sub>5</sub>*: The personality dimension of extroversion will interact with tendency to stereotype in such a way that the relationship of extroversion with attitude towards interacting with foreign nationals from emerging markets will be weaker when tendency to stereotype is high versus low.

If tendency to stereotype does indeed moderate the effect of both global awareness and personality on willingness to interact, there is reason to believe that the mediating factors linking ROO and willingness to interact are moderated by tendency to stereotype also. If such a moderation is realized it restricts the moderating effect to the relationship after the occurrence of mediation. The same scenario applies when personality is represented as a moderator opposed to a mediator. The following hypotheses are tested:

*Hypothesis 8a*: Tendency to stereotype moderates the relationship between region of origin and attitude towards interacting with foreign nationals from emerging markets *after* the mediating effect of global awareness.

*Hypothesis 8b*: Tendency to stereotype moderates the relationship between region of origin and attitude towards interacting with foreign nationals from developed markets *after* the mediating effect of global awareness.

*Hypothesis 9a<sub>1</sub>*: The personality dimension of conscientiousness moderates the relationship between region of origin and attitude towards interacting with foreign nationals from emerging markets *after* the mediating effect of global awareness.

*Hypothesis 9a<sub>2</sub>*: The personality dimension of agreeableness moderates the relationship between region of origin and attitude towards interacting with foreign nationals from emerging markets *after* the mediating effect of global awareness.

- Hypothesis 9a<sub>3</sub>*: The personality dimension of emotional stability moderates the relationship between region of origin and attitude towards interacting with foreign nationals from emerging markets *after* the mediating effect of global awareness.
- Hypothesis 9a<sub>4</sub>*: The personality dimension of openness to experience moderates the relationship between region of origin and attitude towards interacting with foreign nationals from emerging markets *after* the mediating effect of global awareness.
- Hypothesis 9a<sub>5</sub>*: The personality dimension of extroversion moderates the relationship between region of origin and attitude towards interacting with foreign nationals from emerging markets *after* the mediating effect of global awareness.
- Hypothesis 9b<sub>1</sub>*: The personality dimension of conscientiousness moderates the relationship between region of origin and attitude towards interacting with foreign nationals from developed markets *after* the mediating effect of global awareness.
- Hypothesis 9b<sub>2</sub>*: The personality dimension of agreeableness moderates the relationship between region of origin and attitude towards interacting with foreign nationals from developed markets *after* the mediating effect of global awareness.
- Hypothesis 9b<sub>3</sub>*: The personality dimension of emotional stability moderates the relationship between region of origin and attitude towards interacting with foreign nationals from developed markets *after* the mediating effect of global awareness.
- Hypothesis 9b<sub>4</sub>*: The personality dimension of openness to experience moderates the relationship between region of origin and attitude towards interacting with foreign nationals from developed markets *after* the mediating effect of global awareness.
- Hypothesis 9b<sub>5</sub>*: The personality dimension of extroversion moderates the relationship between region of origin and attitude towards interacting with foreign nationals from developed markets *after* the mediating effect of global awareness.
- Hypothesis 10a<sub>1</sub>*: Tendency to stereotype moderates the relationship between region of origin and attitude towards interacting with foreign nationals from emerging markets *after* the mediating effect of personality dimensions of conscientiousness.

- Hypothesis 10a<sub>2</sub>*: Tendency to stereotype moderates the relationship between region of origin and attitude towards interacting with foreign nationals from emerging markets *after* the mediating effect of personality dimensions of agreeableness.
- Hypothesis 10a<sub>3</sub>*: Tendency to stereotype moderates the relationship between region of origin and attitude towards interacting with foreign nationals from emerging markets *after* the mediating effect of personality dimensions of emotional stability.
- Hypothesis 10a<sub>4</sub>*: Tendency to stereotype moderates the relationship between region of origin and attitude towards interacting with foreign nationals from emerging markets *after* the mediating effect of personality dimensions of openness to experience.
- Hypothesis 10a<sub>5</sub>*: Tendency to stereotype moderates the relationship between region of origin and attitude towards interacting with foreign nationals from emerging markets *after* the mediating effect of personality dimensions of extroversion.
- Hypothesis 10b<sub>1</sub>*: Tendency to stereotype moderates the relationship between region of origin and attitude towards interacting with foreign nationals from developed markets *after* the mediating effect of personality dimensions of conscientiousness.
- Hypothesis 10b<sub>2</sub>*: Tendency to stereotype moderates the relationship between region of origin and attitude towards interacting with foreign nationals from developed markets *after* the mediating effect of personality dimensions of agreeableness.
- Hypothesis 10b<sub>3</sub>*: Tendency to stereotype moderates the relationship between region of origin and attitude towards interacting with foreign nationals from developed markets *after* the mediating effect of personality dimensions of emotional stability.
- Hypothesis 10b<sub>4</sub>*: Tendency to stereotype moderates the relationship between region of origin and attitude towards interacting with foreign nationals from developed markets *after* the mediating effect of personality dimensions of openness to experience.
- Hypothesis 10b<sub>5</sub>*: Tendency to stereotype moderates the relationship between region of origin and attitude towards interacting with foreign nationals from developed markets *after* the mediating effect of personality dimensions of extroversion.



## Method

### Sample and Procedures

The data collection was conducted over a period of approximately two months at a University in Queensland, Australia. Participation for both questionnaires was voluntary, though at the discretion of the professor/instructor extra credit upon completion of both questionnaires was awarded. The final sample used in the study consisted of responses from respondents who had successfully completed both questionnaires. Across all classes sampled, the captive sample resulted in a response rate of above 90%. Justification for the appropriateness of using a student sample lies in the nature of the study, as the intent is to assess willingness to interact with foreign nationals independent of any pre-established (organizational) networks. This analysis is a prelude to what may determine cross-cultural communication patterns among global organizational teams.

Business School student enrollment was composed of a 40% international student body and thus presented a high level of diversity and a good target for data collection in this study. Three-hundred twenty-nine undergraduate students with 17 different cultural origins enrolled in courses such as International Business, International Marketing, and Entrepreneurship completed both questionnaires administered. In the process of determining sample groups, additional criteria were applied to result in a final sample size of 310 consisting of Australians ( $n = 184$ ), Asians ( $n = 40$ ), Middle Easterners ( $n = 20$ ), Europeans ( $n = 39$ ), and North Americans ( $n = 27$ ) (see Fowler, 2008; Mason, 2002). Table 5 provides further information of the composition of each of the region clusters.

TABLE 5  
Sample Region of Origin Clusters

|                      |  |
|----------------------|--|
| <b>Australia</b>     | Australia (Queensland, Northern Territory, South Australia, Victoria, New South Wales), Tasmania   |
| <b>Asia</b>          | China, Hong Kong, India, Japan, Malaysia, Philippines, Russia, Singapore, Thailand, Vietnam        |
| <b>Middle East</b>   | Iran, Iraq, Jordan, Kuwait, Lebanon, Oman, Saudi Arabia  |
| <b>Europe</b>        | Denmark, England, France, Germany, Greece, Hungary, Italy, Norway, Poland, Romania, Serbia, Sweden |
| <b>North America</b> | Canada, United States of America   |

Samples sizes were deemed adequate based on Hofstede's (1980) stipulation that in order to obtain statistically reliable scores, groups of respondents should not be smaller than 50, although acceptable reliability can still be obtained for groups of between 20 and 50. The data included in the analysis fulfills this condition. The sample was proportional to the number of students in the Business School student body and was similar in terms of the class sizes and major educational focal points. The average age of participants was 20.60 (SD = 2.59), 49% were women, 51% were male, 82% had traveled to two or more countries, 66% had or are currently either living, studying, or working abroad, 48% had studied International/Global Business related courses at a University, and 78% anticipate to be involved in an International/Global career. An overview of demographic variables of all clusters combined and categorized by nationality collected is presented in Tables 6 and 7, respectively.

## TALBE 6

### Sample Demographics

| Variable  | Category              | Percentage of Total Sample |
|---|-----------------------|----------------------------|
| Gender  | Male                  | 51%                        |
|   | Female                | 49%                        |
| Age   | 17-20                 | 70.3%                      |
|   | 21-24                 | 19.7%                      |
|   | 25-28                 | 10.0%                      |
|   |                       |                            |
| Nationality   | Australian            | 59.4%                      |
|   | Asian                 | 12.9%                      |
|   | Middle Eastern        | 6.5%                       |
|   | European              | 12.6%                      |
|   | North American        | 8.7%                       |
| Number of Countries Travelled                       | 0                     | 6.1%                       |
|   | 1                     | 12.3%                      |
|   | 2                     | 6.8%                       |
|   | 3-5                   | 28.1%                      |
|   | 5-8                   | 10.6%                      |
|   | More than 8           | 36.1%                      |
|   |                       |                            |
| Worked/Studied/Lived in Other Country               | Yes                   | 65.8%                      |
|   | No                    | 34.2%                      |
| Longest Time Worked/Studied/Lived in Other Country  | Less than 3 months    | 11.3%                      |
|   | 3-6 months            | 13.5%                      |
|   | 1 year                | 9.4%                       |
|   | 1-3 years             | 14.8%                      |
|   | 3-5 years             | 9.0%                       |
|   | More than 5 years     | 7.7%                       |
|   |                       |                            |
| Student Exchange Program (SEP)                      | Yes                   | 20.0%                      |
|   | No                    | 80.0%                      |
| Length of Time of SEP                               | Less than 1 semester  | 9.0%                       |
|   | 1 semester            | 5.2%                       |
|   | 1 year                | 1.9%                       |
|   |                       |                            |
|   | Longer than 1 year    | 3.4%                       |
| Studied International/Global Business at University | Yes                   | 48.4%                      |
|   | No                    | 51.6%                      |
| Number of International /Global Courses Taken       | 1                     | 23.2%                      |
|   | 2                     | 11.0%                      |
|   | 3                     | 7.4%                       |
|   | 4 or more             | 6.8%                       |
| Speaks Foreign Language(s)                          | Yes                   | 55.8%                      |
|   | No                    | 44.2%                      |
| Number of Foreign Languages Spoken                  | 1                     | 43.5%                      |
|   | 2                     | 8.7%                       |
|   | 3 or more             | 3.5%                       |
| Number of Years Studying Language                   | <b>Language 1</b>     |                            |
|   | Less than 1 year      | 100.0%                     |
|   | Between 1 and 3 years | 0.0%                       |
|   | More than 3 years     | 0.0%                       |
|   | <b>Language 2</b>     |                            |
|   | Less than 1 year      | 33.3%                      |
|   | Between 1 and 3 years | 33.3%                      |
|   | More than 3 years     | 33.3%                      |
|   | <b>Language 3</b>     |                            |
|   | Less than 1 year      | 27.3%                      |
|   | Between 1 and 3 years | 9.1%                       |
|   | More than 3 years     | 63.4%                      |
| Anticipation of International/Global Career         | Yes                   | 78.4%                      |
|   | No                    | 21.6%                      |

Note: For reporting purposes, age is grouped into ranges (17-20, 21-24, and 25-28)

**TABLE 7**  
**Sample Demographic Categorized by Nationality**

| Variable  | Category              | Australian (%) | Asian (%) | Middle Eastern (%) | European (%) | North American (%) |
|---|-----------------------|----------------|-----------|--------------------|--------------|--------------------|
| Gender  | Male                  | 47.8%          | 62.5%     | 70.0%              | 38.5%        | 59.3%              |
|   | Female                | 52.2%          | 37.5%     | 30.0%              | 61.5%        | 40.7%              |
| Age   | 17-20                 | 67.4%          | 30.0%     | 30.0%              | 41.0%        | 44.4%              |
|   | 21-24                 | 23.9%          | 70.0%     | 55.0%              | 33.3%        | 48.1%              |
|   | 25-28                 | 8.7%           | 0.0%      | 15.0%              | 25.6%        | 7.4%               |
| Number of Countries Travelled                       | 0                     | 9.8%           | 0.0%      | 0.0%               | 0.0%         | 3.7%               |
|   | 1                     | 14.1%          | 20.0%     | 5.0%               | 2.6%         | 7.4%               |
|   | 2                     | 8.2%           | 7.5%      | 0.0%               | 2.6%         | 7.4%               |
|   | 3-5                   | 28.3%          | 47.5%     | 10.0%              | 7.7%         | 40.7%              |
|   | 5-8                   | 9.2%           | 7.5%      | 25.0%              | 7.7%         | 18.5%              |
|   | More than 8           | 30.4%          | 17.5%     | 60.0%              | 79.5%        | 22.2%              |
| Worked/Studied/Lived in Other Country               | Yes                   | 46.2%          | 100.0%    | 100.0%             | 100.0%       | 74.1%              |
|   | No                    | 53.8%          | 0.0%      | 0.0%               | 0.0%         | 25.9%              |
| Longest Time Worked/Studied/Lived in Other Country  | Less than 3 months    | 28.2%          | 5.0%      | 5.0%               | 5.1%         | 30.0%              |
|   | 3-6 months            | 20.0%          | 12.5%     | 10.0%              | 30.8%        | 30.0%              |
|   | 1 year                | 16.5%          | 7.5%      | 15.0%              | 20.5%        | 5.0%               |
|   | 1-3 years             | 15.3%          | 40.0%     | 30.0%              | 17.9%        | 20.0%              |
|   | 3-5 years             | 47.1%          | 25.0%     | 35.0%              | 12.8%        | 10.0%              |
|   | More than 5 years     | 15.3%          | 10.0%     | 5.0%               | 12.8%        | 5.0%               |
| Student Exchange Program (SEP)                      | Yes                   | 14.7%          | 20.0%     | 15.0%              | 30.8%        | 44.4%              |
|   | No                    | 85.3%          | 80.0%     | 85.0%              | 69.2%        | 55.6%              |
| Length of Time of SEP                               | Less than 1 semester  | 55.6%          | 37.5%     | 0.0%               | 33.3%        | 50.0%              |
|   | 1 semester            | 33.3%          | 12.5%     | 0.0%               | 16.7%        | 33.3%              |
|   | 1 year                | 3.7%           | 12.5%     | 33.3%              | 25.0%        | 0.0%               |
|   | Longer than 1 year    | 7.4%           | 37.5%     | 66.7%              | 25.0%        | 16.7%              |
| Studied International/Global Business at University | Yes                   | 35.9%          | 65%       | 65.0%              | 59.0%        | 81.5%              |
|   | No                    | 64.1%          | 35%       | 35.0%              | 41.0%        | 18.5%              |
| Number of International /Global Courses Taken       | 1                     | 53.0%          | 26.9%     | 53.8%              | 43.5%        | 59.1%              |
|   | 2                     | 18.2%          | 34.6%     | 30.8%              | 26.1%        | 13.6%              |
|   | 3                     | 12.1%          | 23.1%     | 7.7%               | 17.4%        | 18.2%              |
|   | 4 or more             | 16.7%          | 15.4%     | 7.7%               | 13.0%        | 9.1%               |
|   | Yes                   | 34.2%          | 100.0%    | 100.0%             | 92.3%        | 55.6%              |
| Speaks Foreign Language(s)                          | No                    | 65.8%          | 0.0%      | 0.0%               | 7.7%         | 44.4%              |
|   | 1                     | 90.5%          | 75.0%     | 90.0%              | 58.3%        | 66.7%              |
| Number of Foreign Languages Spoken                  | 2                     | 9.5%           | 10.0%     | 10.0%              | 27.8%        | 33.3%              |
|   | 3 or more             | 0.0%           | 15.0%     | 0.0%               | 13.9%        | 0.0%               |
|   | <b>Language 1</b>     |                |           |                    |              |                    |
| Number of Years Studying Language                   | Less than 1 year      | 100.0%         | 100.0%    | 100.0%             | 100.0%       | 100.0%             |
|   | Between 1 and 3 years | 0.0%           | 0.0%      | 0.0%               | 0.0%         | 0.0%               |
|   | More than 3 years     | 0.0%           | 0.0%      | 0.0%               | 0.0%         | 0.0%               |
| <b>Language 2</b>                                   |                       |                |           |                    |              |                    |
| Number of Years Studying Language                   | Less than 1 year      | 50.0%          | 30.0%     | 50.0%              | 0.0%         | 40.0%              |
|   | Between 1 and 3 years | 0.0%           | 30.0%     | 0.0%               | 26.7%        | 40.0%              |
|   | More than 3 years     | 50.0%          | 40.0%     | 50.0%              | 66.7%        | 20.0%              |
| <b>Language 3</b>                                   |                       |                |           |                    |              |                    |
| Number of Years Studying Language                   | Less than 1 year      | 0.0%           | 50.0%     | 0.0%               | 0.0%         | 0.0%               |
|   | Between 1 and 3 years | 0.0%           | 0.0%      | 0.0%               | 20.0%        | 0.0%               |
|   | More than 3 years     | 0.0%           | 50.0%     | 0.0%               | 80.0%        | 0.0%               |
| Anticipation of International/Global Career         | Yes                   | 76.1%          | 80.0%     | 70.0%              | 89.7%        | 81.5%              |
|   | No                    | 23.9%          | 20.0%     | 30.0%              | 10.3%        | 18.5%              |

Note: For reporting purposes, age is grouped into ranges (17-20, 21-24, and 25--28)

Respondents of the study were to complete two questionnaires. Part A of the questionnaire consisted of an 84-item questionnaire assessing measures for the following variables: 1.) Region of origin; 2.) Big-Five personality dimensions; 4.) Tendency to stereotype; 5.) Attitude towards interacting with foreign nationals; and 6.) Demographics. Part A was administered during class time with an average completion time of 15 minutes. Respondents were asked to complete Part B, a 120-item questionnaire, outside of class and return it to the

principal investigator during the following class period. Part B was not an intelligence test which was announced in written and verbal format at several stages of the administration process.

The response rate (above 90%) for both questionnaires was substantial enough to rule out any non-respondents' bias. At the same time, because complete confidentiality could not be guaranteed due to the allocation of incentives, it was not possible to compare respondents to non-respondents to detect any bias. Instead, an independent sample t-test was performed to search for differences between early and late respondents (see Groves, 2006) on the demographic variables of age, gender, countries travelled, participation in study abroad/exchange program, and foreign language(s) studied. No significant differences on the aforementioned demographic variables were found. The sample is thus representative of the larger population of students at the respective University.

Common method variance was addressed using the Harman one-factor test (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003; Podsakoff & Organ, 1986). Using an unrestricted principal component factor analysis, the unrotated solution produced six factors with the first factor accounting for only 16% of the 66% explained variance. Because any single factor did not account for a majority of the explained variance, the findings suggest that common method bias is not likely to affect the study's results (Podsakoff & Organ, 1986). Table 8 displays the results of the factor analysis using six items.

TABLE 8  
Principal Component Factor Analysis

| Scales and Items               | Loadings    |             |
|--------------------------------|-------------|-------------|
|                                | Factor 1    | Factor 2    |
| General Comfort/Satisfaction 1 | <b>0.90</b> | 0.07        |
| General Comfort/Satisfaction 2 | <b>0.90</b> | 0.12        |
| General Comfort/Satisfaction 3 | <b>0.59</b> | 0.42        |
|                                |             |             |
| Economic Component 1           | 0.23        | <b>0.69</b> |
| Economic Component 2           | 0.05        | <b>0.80</b> |
| Economic Component 3           | 0.12        | <b>0.82</b> |

\* Both a scree plot and an eigenvalue cutoff of 1.0 yielded three factors; significant loadings are shown in bold.

## Measures

**Region of origin.** Region of origin was acquired by asking respondents to indicate their nationality from a pre-established list followed by a country and/or region specification. The list was finite and clustered according to the following six nationalities: Australian, Asian, Middle Eastern, European, North American, and Other. The reason for clustering in this manner was to: 1.) Be able to analyze the data such that exploration of the relationships between the regions and predicated outcomes was possible; and 2.) to keep in line with the purposive sampling technique employed in this study. The study ultimately included five regions of origin: Australia, Asia, Middle East, Europe, and North America (dummy-coded as sequences of 0 and 1).

**Global awareness.** Global awareness ( $\alpha = .87$ ) was measured using an established measure, namely that of the *Global Awareness Profile* commonly referred to as the GAP questionnaire. The GAP questionnaire is a 120-item questionnaire and a proclaimed self-awareness inventory asking questions based upon common knowledge in each of the following thirteen dimensions: Six regional areas (i.e., Asia, Africa, North America, South America,

Middle East, and Europe), six broad context areas (i.e., environment, politics, geography, religion, socioeconomics, and culture), and one general global section (Corbitt, 1998, 2004). Sample item: “Which country is the world’s leading producer of “greenhouse gases” that contribute to the depletion of the ozone layer?” A. United States B. Mexico C. Canada D. Russia (Answer: United States; Region: North America; Context: Environment). A previous study utilizing the GAP test shows a Cronbach’s alpha coefficient of .93.

***Big Five personality dimensions.*** To assess respondents’ personality, the study used 50 items adapted from Goldberg (1992). Personality encompassed five distinct dimensions namely those of conscientiousness ( $\alpha = .68$ ), agreeableness ( $\alpha = .76$ ), emotional stability ( $\alpha = .74$ ), openness to experience ( $\alpha = .72$ ), and extroversion ( $\alpha = .85$ ). Sample items include: “I am always prepared,” “I get stressed out easily,” “I make people feel at ease,” “I keep in the background,” and “I have excellent ideas.” This scale was anchored on a 5-point response scale ranging from 1 = *strongly disagree* to 5 = *strongly agree*.

***Tendency to stereotype.*** The study assessed respondents’ tendency to stereotype ( $\alpha = .76$ ) using a 5-point Likert scale anchored at 1 = *strongly disagree* and 5 = *strongly agree* adapted from Dweck, Chiu, and Hong (1995). Respondents were asked to indicate their level of agreement with statements relating to the level of intelligence an individual possesses, and the inclination or propensity of an individual to change who they are. Sample items include: “A person has a certain amount of intelligence and he/she really can’t do much to change it” and “Everyone is a certain kind of person, and there is not much that they can do to really change that.”

***Attitude towards interacting with foreign nationals.*** Because ‘attitude towards interacting with foreign nationals’ is a comparatively narrow construct, the range of attitudes

potentially comprising the context was first determined. Measures were developed accordingly, taking into consideration refinements suggested by outside reviewers (i.e., focus groups and international experts). Prior to the analysis and in an effort to assess the robustness of the results, a principal components analysis (PCA) (Shadish, Cook, & Campbell, 1979) and confirmatory factor analysis (CFA) were performed. The CFA revealed a loading of below the .4 recommended threshold for willingness to interact with individuals from Australia. A decision was made to eliminate the above mentioned variable and proceed with 4 emerging market and 3 developed market depending variables.

The PCA and CFA were conducted on the full sample and on a holdout sample using oblique rotations (Basilevsky, 1994). The holdout sample consisted of Australians (n = 184) and was selected to provide sufficient power for multiple aspects of the confirmatory validation analyses. Comparing the PCA results for both the holdout (n = 184) and full sample (n = 310), it revealed that the variables comprising ‘willingness to interact with foreign nationals’ have similar meaning for respondents from Australia and non-Australians. Provided the assumption that no significant demographic differences between Australians and non-Australians existed, rejecting the null hypothesis was indicative that ‘willingness to interact with foreign nationals’ did not differ significantly between Australians and non-Australians. Specifically, a 4-factor construct with Eigenvalues greater than 1.00 emerged using the holdout sample and accounted for 65.19% of the total variance, while a 2-factor construct explaining 65.14% of the total variance arose using the full sample. Loadings of the items were in acceptable range and carried an acceptable internal consistency ( $\alpha = .80$  [2-factor];  $\alpha = .82$  [4-factor]) (Nunnally & Bernstein, 1994). The decision was made to select the full-sample design, empirically validated to consistently outperform holdout designs (Brun, Xu, & Dougherty, 2008). In the end, it was



concluded that the items used to measure the dependent variable were not idiosyncratic to the sample used to develop it.

Respondents were asked to indicate their level of agreement with statements relative to their perception of the level of comfort, respect, general performance, level of knowledge, friendliness, positivity towards, reputation, standard of living, level of education, level of perceived economic development, general satisfaction, and ethicality of individuals if they were to interact with foreign nationals. The selection of countries with regard to ‘attitude towards interacting with foreign nationals’ were as follows: Brazil, China, India, and Russia (i.e., countries representative of the emerging markets, BRIC), and Germany, Japan, and the U.S.A. (i.e., countries representative of the developed markets). These eight categories were based on statistics and trends provided in the *Global Relocation Trends Survey* (GRTS, 2008, 2009, 2010), and were thus deemed pertinent and impactful to the research question raised in this manuscript. A total of eight countries were selected to allow respondents to answer with precision rather than compromise the quality of the data due to respondents’ carelessness and/or fatigue.

Respondents indicated their willingness to interact with foreign nationals using a 5-point scale (1 = *strongly disagree* to 5 = *strongly agree*). The ‘General Comfort/Satisfaction’ items as per Table 8 included: “Overall, I would feel comfortable interacting with an individual of [insert country/nationality] descent,” “If given the opportunity, I would be likely to interact with an individual of [insert country/nationality] descent,” and “In general, I say positive things about individuals from [insert country/nationality] to other people,” while the ‘Economic Component’ items were reflect in “In my opinion, individuals from [insert country/nationality] are generally very knowledgeable,” “In my opinion, the level of education in [insert country/nationality] is

relatively high compared to other countries,” and “In my opinion the standard of living in [insert country/nationality] is relatively high compared to other countries.”

**Control [Demographic] variables.** The study’s control variables included age and gender. Controlling for these demographic differences was particularly important to obtain information about possible variations in the relationship within regions because of the even distribution of male and female population.

## **Analysis**

### **Hypothesis Testing**

The analysis utilized in this study was a hierarchical linear modeling approach which provided a way of examining differences across different levels of aggregation, in this case across regions of Australia, Asia, Middle East, Europe, and North America. Figure 2 was tested using a moderated mediation analysis advocated by Muller, Judd, and Yzerbyt (2005). Moderated mediation is found when there is an unmoderated overall treatment effect, but the indirect effect of the treatment via the mediator is moderated. A “Type 2” moderated mediation strategy (James & Brett, 1984; Kenny, Kashy, & Bolger, 1998; Langfred, 2004), as employed in this study, indicated that moderation would occur between the mediator and the outcome variable opposed to between the initial variable and the mediator (see “Type 1” moderated mediation; e.g., Korsgaard, Brodt, & Whitener, 2002). Based on the study’s theoretical foundation, it was believed best to proceed with a “Type 2” moderated mediation strategy. While this type of analysis is a slight departure of Baron and Kenny’s (1986) traditional mediation analysis, Langfred (2004) suggests this method to be the most practical yet comprehensive technique for analyzing this type of moderated mediation.

Applying the concept of “Type 2” moderated mediation, the study asserts that if the moderator(s) (i.e., tendency to stereotype and personality) are individual difference variables, then the mediating process that intervenes between the treatment (i.e., region of origin) and the outcome (i.e., willingness to interact with foreign nationals) is different for people who differ on that individual difference. The tendency to stereotype and the Big Five personality dimensions could subsequently impact the relationship that the independent and mediating variables may have on the dependent variable. The regression analyses are suggested to take on the following form:

- Stage 1:** Establish the relationship of the interaction of region of origin (i.e., Australia, Asia, Europe, Middle East, or North America) and tendency to stereotype with willingness to interact with foreign nationals from developed and emerging markets ( $y$ ):  $y = f(\text{'dummy variables,' region of origin, tendency to stereotype, region of origin} \times \text{tendency to stereotype})$ .
- Stage 2:** Establish the relationships of region of origin with global awareness and region of origin with the Big Five personality dimensions. Relationship 1: Global awareness =  $f(\text{'dummy variables,' region of origin})$ . Relationship 2: Big Five personality dimensions =  $f(\text{'dummy variables,' region of origin})$ .
- Stage 3:** Establish the relationship of global awareness, Big Five personality dimensions, and tendency to stereotype with attitude towards interacting with foreign nationals from developed and emerging markets, and the interactive effects of global awareness and tendency to stereotype, and Big Five personality dimensions and tendency to stereotype with willingness to interact with foreign nationals from emerging and developed markets:  $y = (\text{'dummy variables,' region of origin,$

*tendency to stereotype, global awareness, Big Five personality dimensions, global awareness x tendency to stereotype, Big Five personality dimensions x tendency to stereotype, Big Five personality dimensions x global awareness).*

**Stage 4:** Establish whether the effect of the interaction of region of origin and tendency to stereotype with attitude towards interacting with foreign nationals from emerging and developed markets (Stage 1) is eliminated (full mediation) or reduced (partial mediation) when global awareness or Big Five personality dimensions is included in the same equation. This is accomplished by including both interactive terms:  $y = (\text{'dummy variables,' region of origin, tendency to stereotype, global awareness, Big Five personality dimensions, region of origin x tendency to stereotype, global awareness x tendency to stereotype, Big Five personality dimensions x tendency to stereotype, Big Five personality dimensions x global awareness})$ . It should be noted that this equation is used *only* to test the reduction of elimination of the 'region of origin – tendency to stereotype' or 'region of origin – personality' relationship, not to test for the effect of the 'global awareness – tendency to stereotype,' 'personality – tendency to stereotype,' or 'personality-global awareness' term on  $y$  (willingness to interact).

Stage 4 of the regression analysis recognizes that the extent to which any of the interactions reduce potentially positive relationships between 'region of origin – tendency to stereotype' and 'region of origin – personality' would imply moderated mediation context (Muller et al., 2005). In any instance of "Type 2" moderated mediation, Muller and colleagues (2005) explain that what varies as a function of the moderator is not the magnitude of the overall treatment effect on the outcome but the mediating process that produces it.

## Results

Table 9 shows the means, standard deviations, and correlations among the variables included in this study. The results indicated no great concern for multicollinearity. Subjecting all Likert-scale items to a CFA in AMOS 17.0, it revealed a range of standardized items above .4 with a majority in the .6 range. Modifications were made according to standardized regression weight estimates. Convergent validity was assessed, as all items loaded significantly ( $p < .05$ ) on its respective latent construct. Based on Fornell and Larcker (1981), the model also showed discriminant validity as the average variance extracted (AVE) for each construct was greater than its shared variance with any other construct. The AVE for all constructs included in the CFA ranged between .24 and .58, while the greatest shared variance between any two constructs was .21. Composite reliabilities of extroversion, agreeableness, conscientiousness, emotional stability, openness to experience, willingness to interact with foreign individuals, global awareness, and tendency to stereotype are .85, .52, .58, .49, .50, .82, .89, and .66, respectively, which are above the recommended threshold. As a result, construct validity of the final instrument was confirmed with a comparative fit index (CFI) of .87, incremental fit index (IFI) of .88, and the root mean square error of approximation (RMSEA) of .05 (Hu & Bentler, 1999).

TABLE 9  
Descriptive Statistics of the Studied Variables

| Variable                                | Mean          | Std. Dev.   | Alpha       | 1           | 2                 | 3            | 4                 | 5            | 6             | 7           | 8               | 9           | 10            | 11              | 12                | 13           |
|---|---------------|-------------|-------------|-------------|-------------------|--------------|-------------------|--------------|---------------|-------------|-----------------|-------------|---------------|-----------------|-------------------|--------------|
| <i>Region of origin</i>                 |               |             |             |             |                   |              |                   |              |               |             |                 |             |               |                 |                   |              |
| 1. Australia                            | .59           | .49         | --          | 1.00        |                   |              |                   |              |               |             |                 |             |               |                 |                   |              |
| 2. Asia                                 | .13           | .34         | --          | -.47**      | 1.00              |              |                   |              |               |             |                 |             |               |                 |                   |              |
| 3. Middle East                          | .06           | .25         | --          | -.32**      | -.10              | 1.00         |                   |              |               |             |                 |             |               |                 |                   |              |
| 4. Europe                               | .13           | .33         | --          | -.46**      | -.15*             | -.10         | 1.00              |              |               |             |                 |             |               |                 |                   |              |
| 5. North America                        | .09           | .28         | --          | -.37**      | -.12 <sup>^</sup> | -.08         | -.23 <sup>^</sup> | 1.00         |               |             |                 |             |               |                 |                   |              |
| 6. Global awareness                     | 52.37         | 17.20       | .87         | -.01        | -.18**            | -.05         | .26**             | -.02         | 1.00          |             |                 |             |               |                 |                   |              |
| <i>Personality</i>                      |               |             |             |             |                   |              |                   |              |               |             |                 |             |               |                 |                   |              |
| 7. Conscientiousness                    | 3.31          | .70         | .68         | .05         | -.11*             | -.02         | .02               | .05          | .00           | 1.00        |                 |             |               |                 |                   |              |
| 8. Agreeableness                        | 3.84          | .73         | .76         | .05         | .01               | .06          | -.11              | -.03         | -.11          | -.02        | 1.00            |             |               |                 |                   |              |
| 9. Emotional Stability                  | 2.95          | .85         | .74         | .15*        | -.07              | -.10         | .00               | -.08         | .03           | -.06        | -.20**          | 1.00        |               |                 |                   |              |
| 10. Open to Experience                  | 3.77          | .68         | .72         | -.02        | -.16**            | .09          | .04               | .11          | .04           | .00         | .10             | -.22**      | 1.00          |                 |                   |              |
| 11. Extroversion                        | 3.74          | .75         | .85         | .24**       | -.31**            | -.07         | -.01              | .03          | .01           | .04         | .17**           | .09         | .26**         | 1.00            |                   |              |
| 12. Tendency to stereotype              | 2.71          | .85         | .76         | -.17*       | .19**             | .05          | .04               | -.01         | .05           | -.06        | -.24**          | .02         | -.07          | -.30**          | 1.00              |              |
| 13. Willingness to interact (EM and DM) | 3.37;<br>3.93 | .63;<br>.57 | .80;<br>.57 | .04;<br>.07 | .05;<br>-.19**    | .00;<br>-.02 | -.05;<br>.01      | -.07;<br>.11 | -.04;<br>-.02 | .00;<br>.03 | .27**;<br>.20** | .00;<br>.03 | .01;<br>.16** | .18**;<br>.25** | -.26**;<br>-.25** | 1.00<br>1.00 |

Note:  $n = 310$ .

<sup>^</sup> $p < .05$  (2-tailed); \* $p < .01$  (2-tailed); \*\* $p < .001$  (2-tailed)

Table 10 provides the moderated mediation results. Region of origin variables were dummy coded and analyzed with an alpha setting of  $.05/5 = .01$  (Abelson, 1995). The study further assumes that respondents have been randomly assigned to one of these five populations, so that causal inferences can be made about the treatment effect (Kraemer et al., 2002). The sample is nonprobabilistic in nature common in purposive sampling as the study targets predetermined set of the population. Prior to analyzing the data, any variable used as a component of an interaction term was mean-centered to reduce multicollinearity and standardized to ensure the interpretability of the measures used (Aiken & West, 1991). Variance inflation factors (VIFs) all fell below 3.00, furthering indicating that multicollinearity was probably not a serious problem.

TABLE 10  
Moderated Mediation Results <sup>a</sup>

| PREDICTOR                    | ATTITUDE STAGE 1 |           | GLOBAL AWARENESS STAGE 2 | PERSONALITY DIMENSIONS STAGE 2 |      |        |      |        | ATTITUDE STAGE 3 |       | ATTITUDE STAGE 4 |                 |
|------------------------------|------------------|-----------|--------------------------|--------------------------------|------|--------|------|--------|------------------|-------|------------------|-----------------|
|                              | EM               | DM        |                          | C                              | A    | ES     | O    | E      | EM               | DM    | EM               | DM              |
| <b>Step 1</b>                |                  |           |                          |                                |      |        |      |        |                  |       |                  |                 |
| Age                          | -.01             | .08       | .02                      | .03                            | .04  | -.05   | .06  | -.17*  | -.01             | .06   | -.14             | .08             |
| Sex                          | .17*             | .03       | .05                      | .07                            | .23  | -.34** | -.07 | .11    | .17*             | .02   | .17*             | .03             |
| R <sup>2</sup>               | .03              | .01       | .00                      | .00                            | .05  | .11    | .01  | .05    | .03              | .00   | .03              | .01             |
| <b>Step 2</b>                |                  |           |                          |                                |      |        |      |        |                  |       |                  |                 |
| <b>Region of Origin</b>      |                  |           |                          |                                |      |        |      |        |                  |       |                  |                 |
| Australia (AU)               | .23              | -.21      | .61                      | -.05                           | -.04 | -.14*  | .00  | -.16** | .25              | -.33  | .23              | -.21            |
| Asia (AS)                    | .13              | -.03      | -.15*                    | -.11                           | .01  | -.14   | -.15 | -.31** | .13              | .00   | .13              | -.02            |
| Middle East (ME)             | .03              | .02       | -.04                     | -.03                           | .07  | -.16*  | .07  | -.08   | .03              | .02   | .03              | .03             |
| Europe (EU)                  | -.02             | .04       | .24**                    | -.01                           | -.14 | -.02   | .03  | -.05   | -.01             | .03   | -.01             | .01             |
| North America (NA)           | -.03             | .14       | .20                      | .03                            | -.03 | -.13   | .09  | .00    | -.03             | .14   | -.03             | .14             |
| GAP                          |                  |           |                          |                                |      |        |      |        | .00              | .12   | .00              | .09             |
| <b>Personality Dimension</b> |                  |           |                          |                                |      |        |      |        |                  |       |                  |                 |
| Conscientiousness (C)        | -.04             | -.08      |                          |                                |      |        |      |        | -.04             | -.05  | -.04             | -.06            |
| Agreeableness (A)            | .18*             | .16       |                          |                                |      |        |      |        | .18*             | .18*  | .18*             | .18*            |
| Emotional stability (ES)     | .09              | .11       |                          |                                |      |        |      |        | .09              | .09   | .09              | .10             |
| Openness to Exp. (O)         | -.03             | .11       |                          |                                |      |        |      |        | -.03             | .10   | -.03             | .11             |
| Extroversion (E)             | .12              | .05       |                          |                                |      |        |      |        | .12              | .04   | .12              | .06             |
| Tend. to Stereotype (TTS)    | -.20*            | -.20**    |                          |                                |      |        |      |        | -.20*            | .15   | -.20*            | -.21**          |
| R <sup>2</sup>               | .16              | .06       | .09                      | .02                            | .08  | .16    | .05  | .14    | .16              | .12   | .16              | .07             |
| Δ R <sup>2</sup>             | .13**            | .06*      | .09**                    | .01                            | .03  | .04*   | .04  | .09**  | .13**            | .12** | .13**            | .07*            |
| <b>Step 3</b>                |                  |           |                          |                                |      |        |      |        |                  |       |                  |                 |
| <b>ROO x TTS</b>             |                  |           |                          |                                |      |        |      |        |                  |       |                  |                 |
| ROO (AU) x TTS               | -.13             | -.18      |                          |                                |      |        |      |        |                  |       | -.12 (-.13)      | -.17 (-.19)     |
| ROO (AS) x TTS               | .03              | .00       |                          |                                |      |        |      |        |                  |       | .00 (.03)        | .01 (.03)       |
| ROO (ME) x TTS               | -.04             | -.04      |                          |                                |      |        |      |        |                  |       | -.03 (-.04)      | -.03 (.01)      |
| ROO (EU) x TTS               | -.16*            | -.05      |                          |                                |      |        |      |        |                  |       | -.17* (-.16*)    | -.04 (-.03)     |
| ROO (NA) x TTS               | .06              | .18**     |                          |                                |      |        |      |        |                  |       | .06 (.06)        | .18* (.18**)    |
| <b>ROO x PD</b>              |                  |           |                          |                                |      |        |      |        |                  |       |                  |                 |
| ROO (AU) x PD (C)            | .08              | -.04      |                          |                                |      |        |      |        |                  |       | -.03             | .00             |
| ROO (AU) x PD (A)            | .09              | -.09      |                          |                                |      |        |      |        |                  |       | -.21             | -.17            |
| ROO (AU) x PD (ES)           | .18              | -.17      |                          |                                |      |        |      |        |                  |       | .04              | -.22            |
| ROO (AU) x PD (O)            | .01              | -.17      |                          |                                |      |        |      |        |                  |       | -.04             | -.08            |
| ROO (AU) x PD (E)            | .27              | -.10      |                          |                                |      |        |      |        |                  |       | -.27             | .15             |
| ROO (AS) x PD (C)            | .00              | -.09      |                          |                                |      |        |      |        |                  |       | .00              | -.08            |
| ROO (AS) x PD (A)            | .00              | .02       |                          |                                |      |        |      |        |                  |       | .01              | .02             |
| ROO (AS) x PD (ES)           | .01              | .05       |                          |                                |      |        |      |        |                  |       | .01              | .05             |
| ROO (AS) x PD (O)            | -.02             | -.04      |                          |                                |      |        |      |        |                  |       | -.02             | -.04            |
| ROO (AS) x PD (E)            | .07              | .13       |                          |                                |      |        |      |        |                  |       | .07              | .14             |
| ROO (ME) x PD (C)            | .08              | .02       |                          |                                |      |        |      |        |                  |       | .08              | -.03            |
| ROO (ME) x PD (A)            | .07              | -.04      |                          |                                |      |        |      |        |                  |       | .07              | -.04            |
| ROO (ME) x PD (ES)           | -.02             | -.03      |                          |                                |      |        |      |        |                  |       | -.02             | -.02            |
| ROO (ME) x PD (O)            | .04              | .03       |                          |                                |      |        |      |        |                  |       | .04              | .01             |
| ROO (ME) x PD (E)            | -.04             | .01       |                          |                                |      |        |      |        |                  |       | -.04             | .00             |
| ROO (EU) x PD (C)            | .02              | .02       |                          |                                |      |        |      |        |                  |       | .02              | .02             |
| ROO (EU) x PD (A)            | .05              | .04       |                          |                                |      |        |      |        |                  |       | .04              | .05             |
| ROO (EU) x PD (ES)           | -.02             | .05       |                          |                                |      |        |      |        |                  |       | .02              | .06             |
| ROO (EU) x PD (O)            | -.08             | .02       |                          |                                |      |        |      |        |                  |       | -.09             | .01             |
| ROO (EU) x PD (E)            | .08              | -.02      |                          |                                |      |        |      |        |                  |       | .08              | -.02            |
| ROO (NA) x PD (C)            | .03              | .02       |                          |                                |      |        |      |        |                  |       | .04              | .03             |
| ROO (NA) x PD (A)            | .07              | .00       |                          |                                |      |        |      |        |                  |       | .08              | .02             |
| ROO (NA) x PD (ES)           | -.01             | .03       |                          |                                |      |        |      |        |                  |       | .00              | .03             |
| ROO (NA) x PD (O)            | .10              | .03       |                          |                                |      |        |      |        |                  |       | .11              | .00             |
| ROO (NA) x PD (E)            | -.06             | -.08      |                          |                                |      |        |      |        |                  |       | -.07             | -.08            |
| <b>PD x TTS</b>              |                  |           |                          |                                |      |        |      |        |                  |       |                  |                 |
| PD (C) x TTS                 |                  |           |                          |                                |      |        |      |        | .04              | -.03  | .04              | -.02            |
| PD (A) x TTS                 |                  |           |                          |                                |      |        |      |        | -.05             | -.07  | -.06             | -.06            |
| PD (ES) x TTS                |                  |           |                          |                                |      |        |      |        | -.05             | -.08  | -.04             | -.06            |
| PD (O) x TTS                 |                  |           |                          |                                |      |        |      |        | -.10             | .00   | -.10             | -.03            |
| PD (E) x TTS                 |                  |           |                          |                                |      |        |      |        | -.03             | -.08  | -.02             | -.09            |
| <b>GAP x TTS</b>             |                  |           |                          |                                |      |        |      |        | -.02             | .05   | .01              | .04             |
| <b>GAP x PD</b>              |                  |           |                          |                                |      |        |      |        |                  |       |                  |                 |
| GAP x PD (C)                 |                  |           |                          |                                |      |        |      |        | .00              | -.01  | .02              | .01             |
| GAP x PD (A)                 |                  |           |                          |                                |      |        |      |        | .05              | -.04  | .07              | -.05            |
| GAP x PD (ES)                |                  |           |                          |                                |      |        |      |        | -.02             | -.05  | -.02             | -.05            |
| GAP x PD (O)                 |                  |           |                          |                                |      |        |      |        | .03              | -.04  | .05              | .02             |
| GAP x PD (E)                 |                  |           |                          |                                |      |        |      |        | .02              | .01   | .02              | -.08            |
| R <sup>2</sup>               | .19 (.20)        | .10 (.20) |                          |                                |      |        |      |        | .18              | .15   | .21 (.19) [.21]  | .11 (.22) [.23] |
| Δ R <sup>2</sup>             | .03 (.04)        | .04 (.08) |                          |                                |      |        |      |        | .02              | .03   | .05 (.03) [.05]  | .04 (.10) [.11] |

Note: <sup>a</sup> Standardized coefficients are reported. ROO = region of origin; GAP = Global Awareness Profile; PD = Personality Dimension; TTS = Tendency to Stereotype; AU = Australia; AS = Asia; ME = Middle East; EU = Europe; NA = North America; C = Conscientiousness; A = Agreeableness; ES = Emotional Stability; O = Openness to Experience; E = Extroversion.  
\* < .01 (2-tailed), \*\* < .001 (2-tailed).

The coefficient in parentheses in Stage 1 and 4 represents ROO (AU, AS, ME, EU, NA) x TTS when ROO x PD and GAP x TTS is introduced to the model. The coefficient in brackets in Stage 4 represent values when PD (C, A, ES, O, E) is introduced as a moderator to the model.

Hypotheses 1 and 3 predicted that region of origin would be related to global awareness and the Big Five personality dimensions of conscientiousness, agreeableness, emotional stability, openness to experiences, and extroversion. Results of Stage 2 (Step 2) show significant relationships between being Asian and global awareness ( $\beta = -.15, p < .01$ ) and being European and global awareness ( $\beta = .24, p < .001$ ). Results of Stage 2 (Step 2) further show significant relationships between being Australian and emotional stability ( $\beta = -.14, p < .01$ ) and extroversion ( $\beta = -.16, p < .001$ ), being Asian and extroversion ( $\beta = -.31, p < .001$ ), and being Middle Eastern and emotional stability ( $\beta = -.16, p < .01$ ). The findings provide partial support for **Hypotheses 1 and 3**.

Results of Stage 3 (Step 2) show that the personality dimension of agreeableness is significantly related to willingness to interact with foreign nationals from emerging and developed markets ( $\beta = .18, p < .01$ , in both instances). **Hypothesis 4** is thus fully supported. Furthermore, results of Stage 3 (Step 2) show that tendency to stereotype is significantly and negatively related to an individual's willingness to interact with foreign nationals from emerging ( $\beta = -.20, p < .01$ ), yet not from developed ( $\beta = .15, ns$ ) markets. **Hypothesis 5** is, therefore, partially supported for both emerging markets. Global awareness did not show a significant relationship for willingness to interact with individuals from emerging ( $\beta = .00, ns$ ) or developed ( $\beta = .12, ns$ ) markets. As a result, **Hypothesis 2** is not supported by the data.

Results of Stage 3 (Step 3) do not show significant global awareness  $\times$  tendency to stereotype interactions ( $\beta = -.02, ns$  [emerging];  $\beta = .05, ns$  [developed]). Stage 3 (Step 3) also show no significant interactions between conscientiousness  $\times$  tendency to stereotype ( $\beta = .04, ns$  [emerging];  $\beta = -.03, ns$  [developed]), agreeableness  $\times$  tendency to stereotype ( $\beta = -.05, ns$  [emerging];  $\beta = -.07, ns$  [developed]), emotional stability  $\times$  tendency to stereotype ( $\beta = -.05, ns$



[emerging];  $\beta = -.08$ , *ns* [developed]), openness to experience x tendency to stereotype ( $\beta = -.10$ , *ns* [emerging];  $\beta = .00$ , *ns* [developed]), and extroversion x tendency to stereotype ( $\beta = -.03$ , *ns* [emerging];  $\beta = -.08$ , *ns* [developed]). Thus, **Hypotheses 6** and **7** are not supported.

Because no interaction effects were found, statistically-speaking there was no ground to proceed with the analyses pertaining to “Type 2” moderated mediation. The nature of Stage 4 of the regression analysis asserts that the equation(s) is/are used solely for the purpose of testing for a reduced or eliminated effect of the ‘region of origin – tendency to stereotype’ or ‘region of origin – personality’ relationship to willingness to interact with foreign nationals in the presence of any of the following interactions: ‘global awareness – tendency to stereotype,’ ‘personality – tendency to stereotype,’ or ‘personality-global awareness’ term on  $y$  (willingness to interact). Because Hypothesis 6 and 7 were not significant, it is presumed that any previously existing significant interactive effect would remain significant in the presence of nonsignificant interaction effects. The following section explores the results of Stage 4 regression analyses.

To test for “Type 2” moderated mediation, Hypotheses 8 and 10 predict that tendency to stereotype would moderate the relationship between region of origin and one’s willingness to interact with foreign nationals from emerging and developed markets, and does so *after* the mediating effect of global awareness and the Big Five personality dimensions. Results of Stage 4 (Step 3) indicate that when the interaction of region of origin and tendency to stereotype is included in the same equation, all previously significant interactions of region of origin and tendency to stereotype from Stage 1 (Step 3) remain significant. First, Europeans’ willingness to interact with foreign nationals from emerging markets remains significant in the presence of the global awareness x tendency to stereotype interaction ( $\beta = -.16$ ,  $p < .01$  [emerging];  $\beta = -.03$ , *ns* [developed]) and in the presence of personality (conscientiousness, agreeableness, emotional

stability, openness to experience, and extroversion) x tendency to stereotype ( $\beta = -.17, p < .01$  [emerging];  $\beta = -.04, ns$  [developed]). Second, North Americans' willingness to interact with foreign nationals from developed markets remains significant in the presence of the global awareness x tendency to stereotype interaction ( $\beta = .06, ns$  [emerging];  $\beta = .18, p < .01$  [developed]) and in the presence of personality (conscientiousness, agreeableness, emotional stability, openness to experience, and extroversion) x tendency to stereotype ( $\beta = .60, ns$  [emerging];  $\beta = .18, p < .01$  [developed]). The study concludes that the interaction of region of origin (i.e., Europe and North America) and tendency to stereotype are significant regardless of the inclusion of global awareness and the Big Five personality dimensions. The hypothesized "Type 2" mediated moderation effects based on **Hypotheses 8** and **10** were ultimately not found to exist in this data set.

Relative to **Hypothesis 9**, it was predicated that the Big Five personality dimensions would moderate the relationship between region of origin and one's willingness to interact with foreign nationals from emerging and developed markets *after* the mediating effect of global awareness. Results of the Stage 1 (Step 3) indicate that the region of origin and personality dimension interactions are non-significant (range:  $\beta = -.08$  to  $.27, ns$  [emerging]; range:  $\beta = -.17$  to  $.13, ns$  [developed]). Results of Stage 3 (Step 3) show that the interactions between global awareness and the Big Five personality dimensions are not significant ( $\beta = .00$  [conscientiousness],  $.05$  [agreeableness],  $-.02$  [emotional stability],  $.03$  [openness to experience],  $.02$  [extroversion],  $ns$  [emerging];  $\beta = -.01$  [conscientiousness],  $-.04$  [agreeableness],  $-.05$  [emotional stability],  $-.04$  [openness to experience],  $.01$  [extroversion],  $ns$  [developed]), and continue to remain non-significant with the addition of the global awareness x personality

dimension interaction in Stage 4 (Step 3). **Hypothesis 9** receives no support. Table 11 summarizes the results of this study.

TABLE 11  
Moderated Mediation Results Overview

| Hypothesis  | Support                    | Significant Findings  |  |
|---|----------------------------|---|--|
| <b>Hypothesis 1</b>                               | <i>Partially supported</i> | Asian and global awareness ( $\beta = -.15, p < .01$ );<br>European and global awareness ( $\beta = .24, p < .001$ ).   |  |
| <b>Hypothesis 2a &amp; 2b</b>                     | <i>Not supported</i>       | <b>2a:</b> Global awareness and willingness to interact with individuals from emerging markets ( $\beta = .00, ns$ ).<br><b>2b:</b> Global awareness and willingness to interact with individuals from developed markets ( $\beta = .12, ns$ ).   |  |
| <b>Hypothesis 3a – 3e</b>                         | <i>Partially supported</i> | <b>3c:</b> Australian and emotional stability ( $\beta = -.14, p < .01$ );<br><b>3c:</b> Middle Eastern and emotional stability ( $\beta = -.16, p < .01$ );<br><b>3e:</b> Australian and extroversion ( $\beta = -.16, p < .001$ );<br><b>3e:</b> Asian and extroversion ( $\beta = -.31, p < .001$ ). |  |
| <b>Hypothesis 4a<sub>1</sub> – 4b<sub>5</sub></b> | <i>Partially Supported</i> | <b>4a<sub>2</sub>:</b> Agreeableness and willingness to interact with individuals from emerging and developed markets ( $\beta = .18, p < .01$ , both).   |  |
| <b>Hypothesis 5a &amp; 5b</b>                     | <i>Fully Supported</i>     | <b>5a:</b> Tendency to stereotype and willingness to interact with foreign nationals from emerging markets ( $\beta = -.20, p < .01$ ).<br><b>5b:</b> Tendency to stereotype and willingness to interact with foreign nationals from developed markets ( $\beta = -.20, p < .01$ ).                     |  |
| <b>Hypothesis 6a &amp; 6b</b>                     | <i>Not supported</i>       | <b>Interactive Effect</b>   | <b>Significance Level</b>  |
|   |                            | Global awareness × tendency to stereotype   | $\beta = -.02, ns$ [emerging];<br>$\beta = .05, ns$ [developed]  |
| <b>Hypothesis 7a<sub>1</sub> – 7b<sub>5</sub></b> | <i>Not supported</i>       | <b>Interactive Effect</b>   | <b>Significance Level</b>  |
|   |                            | Conscientiousness x tendency to stereotype  | $\beta = .04, ns$ [emerging];<br>$\beta = -.03, ns$ [developed]  |
|   |                            | Agreeableness x tendency to stereotype  | $\beta = -.05, ns$ [emerging];<br>$\beta = -.07, ns$ [developed] |
|   |                            | Emotional stability x tendency to stereotype  | $\beta = -.05, ns$ [emerging];<br>$\beta = -.08, ns$ [developed] |
|   |                            | Openness to experience x  | $\beta = -.10, ns$ [emerging];                                   |

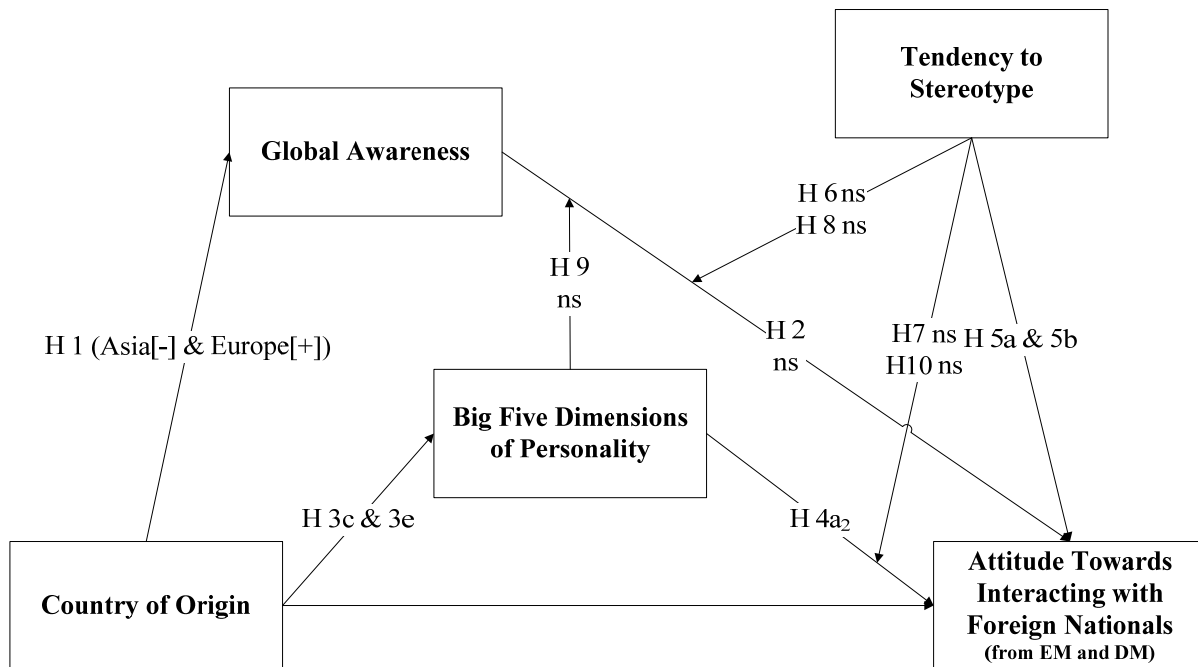
|   |                      |  |   |
|---|----------------------|--|---|
|   |                      | tendency to stereotype   | $\beta = .00, ns$ [developed]   |
|   |                      | Extroversion x tendency to stereotype  | $\beta = -.03, ns$ [emerging];<br>$\beta = -.08, ns$ [developed]  |
| <b>Hypothesis 8a &amp; 8b</b>                     | <i>Not supported</i> | <b>Moderation Effect</b>   | <b>Significance Level</b>   |
|   |                      | Tendency to stereotype moderates ‘region of origin-willingness to interact’ relationship <i>after</i> mediating effect of global awareness   | The presence of ‘global awareness-tendency to stereotype’ interaction has no impact on significant and/or non-significant relationships between ROO and willingness to interact in emerging or developed market contexts. |
| <b>Hypothesis 9a<sub>1</sub> – 9b<sub>5</sub></b> | <i>Not supported</i> | <b>Moderation Effect</b>   | <b>Significance Level</b>   |
|   |                      | Big Five personality dimensions moderate ‘region of origin-willingness to interact (with individuals from emerging and developed markets)’ relationship <i>after</i> mediating effect of global awareness        | The presence of ‘global awareness-personality’ interaction has no impact on significant and/or non-significant relationships between ROO and willingness to interact in emerging or developed market contexts.            |
| <b>Hypothesis 10a – 10e</b>                       | <i>Not supported</i> | <b>Moderation Effect</b>   | <b>Significance Level</b>   |
|   |                      | Tendency to stereotype moderates ‘region of origin-willingness to interact (with individuals from emerging and developed markets)’ relationship <i>after</i> mediating effect of Big Five personality dimensions | The presence of ‘personality-tendency to stereotype’ interaction has no impact on significant and/or non-significant relationships between ROO and willingness to interact in emerging or developed market contexts.      |

### Discussion and Conclusion

The research question in this study identified willingness to interact with foreign nationals from emerging and developed markets as a focal point relative to our ability to explain and predict the decision-making dynamics within managerial teams in global organizations. Results showed that ROO variables were able to predict a general level of global awareness and individual facets of personality among cultures, yet no direct effects to willingness to interact were found within the array of ROO variables. The study did, however, identify interactive

effects of ROO and tendency to stereotype for selected regions, namely that of Europe and North America, that were able to predict respondents' willingness to interact with individuals from emerging and developed markets, respectively. This study is unique in that it is an initial attempt to analyze the effects of the individual-level variable of ROO in conjunction with additional mediating and moderating mechanisms of global awareness, personality, and tendency to stereotype on an individuals' attitude towards interacting with other foreign nationals. Figure 2 demonstrates both significant and non-significant findings.

FIGURE 3  
A Framework for Assessing Attitude towards Interacting with Foreign Nationals



### Theoretical Implications

This study contributes to our theoretical understanding of the across cultures adjustment process in that it provides additional support and new theoretical development which future researchers should take into consideration. The sequence of mechanisms introduced in the model underscore the complexity of the ability to properly explain and predict adjustment. As a proxy

of adjustment, this study utilized ‘attitude towards willingness to interact with foreign nationals’ from emerging and developed markets as a means to measure a situation-specific predisposition relative to adjusting to foreign contexts. Specifically, it was found that willingness to interact with foreign nationals from emerging and developed markets produced significant results in the presence of two aspects of the model, namely that of the personality dimension ‘agreeableness’ (in both emerging and developed market instances) and in the presence of the interaction between being European and their respective tendency to stereotype (in the emerging market instance only). Conversely, a significant effect on willingness to interact with foreign nationals from developed markets was found for the interaction between North Americans and their tendency to stereotype.

The mediating effect of ‘agreeableness’ argues that the greater levels of cooperation, affect, and generosity a manager exhibits, the more likely they are to interact with others stemming from emerging as well as developed markets. This finding supports the key theoretical assumption of EPP in that ‘agreeableness’ as a personality trait represents an adaptive mechanism analogous to managers’ willingness to cooperate with other foreign nationals. This study simultaneously extends our understanding of EPP by contextualizing the findings to specifically predict interactions with individuals from emerging as well as developed markets. It is likely that matched relationships between emerging and developed markets exist. To comment on matched predictions between emerging/developed markets lies out of the scope of this study and would merely be speculative.

Self-congruity theory adds to the theoretical contribution of this study in that it subscribes to the notion that attitude formations are the result of cultural manifestations. These manifestations may take the shape of values, norms, and/or assumptions which are not

necessarily visibly displayed in every day interactions. This study asserts that by focusing on culturally manifested mechanisms enables us to gather a more precise understanding of the effect of ROO on the across cultures adjustment process. In addition to the culturally-embedded mediating effects of personality and global awareness, the individual difference variable of tendency to stereotype is proposed to acts as a boundary condition. Findings of this study indicate a significant interaction between Europeans and their respective tendency to stereotype which is suggested to lead to a lesser inclination to interact with an individual from emerging markets. On the other hand, North Americans' tendency to stereotype will more likely lead to a greater inclination to interact with an individual from a developed market. Self-congruity theory is supportive of this claim, as it explains the link between ROO and willingness to interact relative to the similarities/dissimilarities perceived between two respective cultures. This relationship is then suggested to vary based on the extent to which an individual stereotypes the cultural counterpart(s).

The dynamics relative to tendency to stereotype as a moderating effect was initially explained by promoting the idea that the greater the perception that a trait is undesirable respective to one's cultural norms and values, the weaker the strength of the proposed relationship. The significant effect of Europeans' tendency to stereotype in an emerging market context may be a direct result of the composition of the European sample. The sample includes countries of varying economic and cultural statures such as Norway, France, Sweden, Germany, England, Italy, Denmark, Greece, Poland, Romania, Serbia, and Hungary. As a result, the composition of Eastern and Western European countries which are partly developed and/or developing may provide some explanatory power for the significant relationship towards interacting with individuals from emerging opposed to developed markets based on varying

levels of self-congruence perception. The North American sample, composed of United States and Canadian citizens, is representative of an overwhelmingly developed market cluster. Based on SCT it provides support for the relationship to willingness to interact with foreign nationals from developed markets as perceived cultural similarities between the North American cluster and other developed markets are considered substantially greater than compared to individuals from emerging markets. Overall, the study provides partial supports for the ROO effect on adjustment.

Another contribution that emerged from this study refers to the significant difference in willingness to interact with foreign nationals from emerging and developed markets found between men and women respondents. Women respondents displayed a stronger inclination towards interacting with foreign nationals from emerging markets. An additional demographic difference finding includes a significant and negative relationship between sex and emotional stability, whereby women displayed greater levels of neuroticism. The relationship between sex and neuroticism is supported by recent findings derived from a 55 nation sample ( $n = 17,637$ ) which reported higher levels of neuroticism in women compared to men across most nations (see Schmitt, Realo, Voracek, & Allik, 2008). This finding converges with results in previous studies utilizing the Big Five Inventory.

Schmitt and colleagues' (2008) research provides further support for the relationship between women respondents and their willingness to interact with foreign nationals from emerging markets. Their research proposes that differences in personality traits of men and women are more likely to occur in developed nations where gender roles appears to be less constrained and are able to naturally diverge. Schmitt et al. (2008) posit cultures defined by greater prosperity, health, and egalitarianism to present women with equal or greater



opportunities than men therewith contributing to the effect between the two groups. Based on this logic, the significant effect detected between women and their willingness to interact with individuals from emerging markets may be a direct result of the composition of cultural backgrounds of women in this study. Examining the geographic composition of the sample composed of women, it appears that the sample (i.e., women) may be characterized by a greater proportion of developed market backgrounds. Based on this evidence, the study derives a tentative answer to the elevated effects incurred relative to women's inclination to interact with individuals from emerging markets.

Regarding the proposed mediating effects, the study suggests that Australians on average display high levels of neuroticism and are rather introverted in nature. Results are in part supported by Lucas (2009) who observes a negative relationship between the personality dimensions of neuroticism and extroversion and age based on an Australian sample ( $n = 12,618$ ). A significant and negative relationship between age and extroversion across regions of origin is also found to be congruent with existing research (see Lucas, 2009; McAdams & Olson, 2009; Nofle, 2010) and further supports the findings of this study. In effect, if introversion is determined by maturity (i.e., age) the mean age of Australians should be indicative of Australians' tendency to showcase greater levels of introversion. Additional analyses do not support this logic ( $AU_{\text{mean\_age}} = 19.97$ ;  $AS_{\text{mean\_age}} = 21.10$ ,  $ME_{\text{mean\_age}} = 21.94$ ,  $EU_{\text{mean\_age}} = 22.03$ ,  $NA_{\text{mean\_age}} = 21.15$ ). An alternative explanation for the Australian sample's strong, negative relationship to extroversion rests of a recent study observing lower levels of extroversion for Asians (i.e., South/SE Asia [composed of Bangladesh, India, Indonesia, Malaysia, and the Philippines]:  $\alpha = .64$ ; East Asia [composed of Hong Kong (China), Japan, Republic of Korea, and Taiwan]:  $\alpha = .72$ ) compared to Australians (i.e., Oceania [composed of Australia, Fiji &

Pacific Islands, and New Zealand]:  $\alpha = .82$ ). Australians' internal consistency relative to extroversion was superseded by a North American ( $\alpha = .84$ ) and Western European ( $\alpha = .84$ ) sample (see Schmitt, Allik, McCrae, & Benet-Martinez, 2007). Finally, the study's results point out that Middle Easterners behave more neurotically than Australians. Schmitt and colleagues' (2007) study loosely supports this claim in that the clusters' internal consistencies with respect to neuroticism are closely aligned with alphas of .76 and .82 for the Middle East and Oceania, respectively. Findings of this study are supported.

On the issue of global awareness, the study contends that Asian cultures on average possess less of a general global awareness. Combined with the notion of introversion as a dominant Asian cultural personality trait, the lack of these foundations may have contributed to non-significant findings relative to Asians' willingness towards interacting with foreign nationals from emerging as well as developed markets. While Asian cultures demonstrate a lack of global awareness, Europeans report a significantly greater level of global awareness. This particular phenomenon may rest on two ideas: First, in the context of this study Asia as a cluster is composed of various geographic and cultural subregions (see Table 5). Each of these subregions (i.e., central, east, west, north, and south Asia) contains subcultures which may have contributed to potential variations in levels of global awareness. Building on this idea, a second factor insinuates that any intent of identifying with or acknowledging other cultures is suppressed by the daunting task of configuring East-West differences into their business philosophies. Based on the study's results, it may be speculated that emerging markets are characterized by lower levels of global awareness, while developed markets possess higher levels of global awareness, as evident in the strongly positive relationship between Europeans and their level of global awareness.

## **Practical Implications**

As the transference of human resources between countries/regions across the globe is augmented by the need for managerial talent at the ‘right place’ at the ‘right time,’ so too will managers encounter a plethora of economic, social, and cultural environments which are likely to deviate from traditionally-held, ingrained living and working standards. The resulting kaleidoscope of cultural combinations existing in any one location is then suspect to an array of adjustment difficulties from the standpoint of the adjustment necessary to managing one’s role given the diverse workforce in addition to the adjustment necessary to adapt to new living conditions. The country of origin effect is at play in that if the variety in cultural distances relative to individual countries or clusters of countries is disregarded, organizational performance suffers due to cognitive, psychological, and/or behavioral incongruities that are experienced by its workforce on a daily basis. Establishing human resource (HR) policies and practices that take into consideration the cultural diversity inherent in the workforce would allow for lesser adjustment difficulties experienced by managers and their respective families.

While this study’s outcomes do not necessarily predict a direct positive and/or negative relationship between origin and willingness to interact, the origin variable does nevertheless have an impact in the presence of the individual difference variable – tendency to stereotype. Specifically, this study suggests that in the presence of high levels of tendency to stereotype an intensified region of origin effect is likely. Tendency to stereotype may subsequently enhance or diminish managers’ attempts to properly integrate into culturally diverse environments. One way of attempting to manage this diversity is to assort countries into group/clusters with similar cultural/economic/societal facets that may distinguish them from others. Another clustering technique, and one that future research endeavors should consider to include, is an analysis that

allows us to discriminate between overseas assignments which transfer managers from emerging to developed, emerging to emerging, developed to emerging, and developed to other developed markets. Undermining the importance of context (i.e., emerging versus developed) could pose serious consequences to the adjustment process. These consequences may manifest themselves in severe levels of job dissatisfaction, and in extreme cases, early assignment departure or organizational turnover.

The aforementioned adjustments to HR policies and practices are particularly relevant due to the differences found between men and women relative to their attitude towards interacting with foreign nationals from emerging countries. This finding speaks to the necessity to delineate between HR policies and practices that allow for a proper integration of women versus men into overseas positions (see Harvey, Napier, & Moeller, 2009; Harvey, Napier, Moeller, & Williams, in press). The role of region/country of origin should take precedence in the creation and implementation of HR policies and practices seeing that philosophies regarding gender roles may be as diverse as the cultural diversity present in the organization. In conclusion, the acknowledgement and contextualization of diversity is not an option but a necessity upon which organizations must act to reach their fullest potential in respective foreign locations.

### **Strengths and Limitations of the Research**

A number of conceptual and methodological issues contribute to the results of the study. Primarily, the study benefits from a sample spanning across various geographic regions and their inherent cultural variations. The use of self-reported measures and the fact that the study uses students as a proxy may limit the validity and generalizability of the results, as may the use of the Australian holdout sample. In conjunction with these realizations, the study's results may also be limited in their cross-sectional nature and may thus not accurately capture the process

involved in attitude developments towards different nationalities over time. Finally, the issue of common method variance is of concern as prior research has indicated that attitude measures contain an average of 40.7% method variance (Cote & Buckley, 1987). Common method variance was controlled by implementing the following: 1.) A time lag between the measurement of the predictor and criterion variables (i.e., procedural opposed to statistical remedy), particularly crucial in predicting attitude-attitude relationships; 2.) Protecting respondents' anonymity; and 3.) Careful construction of questionnaire items (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003).

### **Suggestions for Future Research**

This study in particular focuses on the individual differences impacting a manager's attitude towards interacting with foreign nationals from emerging and developed markets which ideally should be assessed before taking on an overseas assignment. The study presents an initial attempt at identifying the dynamics inherent in pre-specified regions in hopes of analyzing attitudes towards adjusting to different cultural settings that may or may not be distinctly different from their own. Enhancing the accuracy and predictability of attitude formations would require future research endeavors to assess longitudinal changes, for example in the presence of experimental design. Prospective additions to the existing research model may range from individual differences variables (e.g., self-efficacy, self-esteem, stereotyping threat, intercultural competency, intercultural sensitivity, and so forth) to expanding the focus to the reciprocal nature of the adjustment process. This idea refers to the simultaneous and dynamic analysis of give-and-take relationships (i.e., between different nationalities/countries/regions) by which the social/work environment is formed.

In conclusion, the study's major findings reports for a managers' level of tendency to stereotype to present a means of altering inclinations towards interacting with foreign nationals from emerging as well as developed markets. Support for the relationship between region of origin and global awareness/personality is also recognized. Self-congruity theory and evolutionary personality psychology have consequently provided partial explanatory power to the question of how much diversity a manager is willing and/or able to accept and the extent to which cultures are indicative of personality traits and accumulation of global awareness.

## ESSAY III

### HR GUIDELINES FOR MITIGATING CROSS-BORDER REGIONAL DIFFERENCES: CREATING THE FOUNDATION FOR A GLOBAL MINDSET

#### **Introduction**

*“Culture is more often a source of conflict than of synergy.  
Cultural differences are a nuisance at best and often a disaster.”*  
- Geert Hofstede

The former Dean of Harvard University’s Kennedy School of Government, Joseph Nye, described the phenomenon of globalism as the need to incorporate networks of connections spanning across multiple continents (Nye, 2002). The concept of embracing globalism as a means to obtain a competitive advantage remains exceedingly ‘foreign’ to many organizations where little progress has been made relative to identifying the management changes necessary to the current standard operating procedures (SOPs) to help insure being successful in the global marketplace.

The successful management of these global networks becomes central in achieving not a global status per se, but to obtain and signal a strategic intent to competitors in the global marketplace. Success as such will not be determined by *becoming* global, but by the ability to manage performance in the context of a highly diversified global marketplace.

Schuler and Tarique (2007) have argued that organizations are falling short relative to identifying and hiring qualified candidates to work cooperatively with personnel from culturally diverse environments. While volumes have been written on the topic of enhancing cross-cultural

competence (see Ross, Ross, Arranstia, & McDonald, 2009; Zhu & McKenna, 2007), implications on cross-border human resource (HR) policies and practices are less abundant in the literature. An understanding of the implications of diversity management on global HR policies and practices should take precedence in attaining a global outlook. Dr. Ludwig Hantson, Head of Pharma North America and CEO of Novartis Pharmaceuticals Corp., rated the DiversityInc's (DiversityInc, 2010b) Top Company for Global Cultural Competence, suggested the benefit of cultural diversity inclusivity to be as follows:

“By harnessing the power of diversity, we can better anticipate, understand and meet the expectations of our diverse customers and ultimately deliver better patient outcomes. And by creating an environment for employees that embrace diversity and encourages inclusion, we spark more innovative ideas, broaden our perspectives and enhance adaptability.”

IBM Corp., PricewaterhouseCoopers, Accenture, KPMG, Sodexo, Procter & Gamble, Novartis AG, American Express Co., Merck & Co., and Newell Rubbermaid are among the DiversityInc (DiversityInc, 2010a) Top 10 Companies for Global Diversity, averaging over 51% of their revenue from outside the United States. From a competency perspective, a majority of these organizations have instituted diversity training and anti-harassment global policies. Yet, the rates at which overseas assignments continue to fail (Harzing, 2002, Harzing & Christensen, 2004; Martinko & Douglas, 1993) are not only alarming but appear to be a direct reflection of the limited support provided by HR departments recognizing and supporting diversity in global organizations. A pluralistic perspective (i.e., deriving insights/benefits from unique cultural identities) would allow for the capitalization of diversity opposed to its dismissal (Novicevic & Harvey, 2001).



In addition to recognizing high failure rates and a limited scope of diversity training opportunities, a recent survey conducted by Brookfield Global Relocation Services in association with the National Foreign Trade Council (NFTC) has signaled a steady increase in long-term assignments (64% in 2010) and one-way assignments (i.e., from home- to host-country without return) (11% in 2010) (GRTS, 2010). The combination of these factors appears to suggest that organizations must place greater emphasis on strategically managing global human resources to ensure the potential of creating a competitive advantage in the hypercompetitive global marketplace. Apart from the limited offering of cross-cultural competency training (GRTS, 2009, 2010), the root cause of poor cross-border HR management appears to be centered on the lack of HR executives to view policies and practices from the host country's standpoint, not just their own (Duane, 2001).

If the management of human resources is recognized as a way of competing, the first step in obtaining an ability to compete could/would be manifested in what is known as a global mindset (Begley & Boyd, 2003). For organizations to employ a global mindset, it requires managers to think differently about operating in a global hypercompetitive context rather than attempting to attain a certain skill (Gupta & Govindarajan, 2004; Maznevski & Lane, 2004). It has been described as "the ability to scan the world from a broad perspective always looking for unexpected trends and opportunities that may constitute a threat or an opportunity to achieve personal, professional or organizational objectives" (p.24), and thus has the potential to present a mechanism by which organizations may differentiate themselves competitively from others within their respective industries.

One could/would argue that a global mindset is less likely to be developed and fostered in the long-run if relationships across distant cultural environments are not managed properly. As

such, national culture should not be an afterthought, but rather a focal-point in managing performance in the global marketplace. To be successful organizations must come to the realization that the success of employing a geocentric (i.e., the most qualified employees are chosen without their consideration for country of origin (Isidor, Schwens, & Kabst, 2009)) staffing approach lies in the cultivation of a global mindset that allows knowledge to be disseminated and incorporated across national cultures and borders.

Inpatriate managers have been suggested as one means of creating a global mindset through their addition to existing global staffing compositions. Inpatriate managers represent “host or third-country nationals sent to the home-country organization (HCO) on a semi-permanent to permanent assignment with the intent to provide knowledge and expertise by serving as a ‘linking-pin’ to the global marketplace” (Harvey, Ralston, & Napier, 2000; Harvey & Novicevic, 2004). It is precisely this knowledge and expertise that allows organizations to more successfully tap into new markets, generate new ideas, and gain first-hand insights into customers’ demands (i.e., wants and needs). The luxury of having these pieces of information readily available makes inpatriation a valuable asset for any organization.

Given the nature of this staffing method in many organizations attempting to compete in a global context, the strategic use of inpatriate managers underscores a shift in traditional human resource paradigm; namely, that of international human resource management (IHRM). IHRM differs from strategic global human resource management (SGHRM) in that SGHRM refers to deliberately allocating and managing human resource talent worldwide (Boxall & Purcell, 2003) opposed to the mere management of employees across borders.

The continued dismissal of globalism as a mechanism to global organizational success could be considered a death sentence in that industry competitors who put forth resources and

actively create a global business perspective will consistently outperform the “laggards.” It would seem reasonable to re-conceptualizing current HRM status quos regarding across-culture staffing, training and development, performance appraisal, compensation, and retention policies and practices. From a HRM perspective it could be argued that current HR practices are out of line with inpatriate managers’ need to allow for the successful integration of such individuals across time. In fact, by continually imposing domestic HR policies and practices onto inpatriate managers, we are deliberately stunting the benefits which could be reaped from employing such individuals.

### **Inpatriation as a Viable SGHRM Staffing Approach**

A relatively new group of global managers have emerged, those being inpatriate managers (Harvey, Ralston, & Napier, 2000; Reiche, 2007). The idea that inpatriates represent a linking-pin may create advantages that other staffing methods such as expatriates are unable to bring to the table. Table 12 highlights a majority of differences that are in existence between expatriates and inpatriates. Specifically, inpatriate managers are less likely to encounter the same level of influence, credibility, and respect as expatriates who carry a distinct status, and therefore, influence over other subsidiary members (Harvey & Buckley, 1997; Harvey et al., 1999; Harvey et al., 2005). Furthermore, inpatriate managers are prone to experience greater acculturation pressures due to a change in not only national culture but organizational culture as well (Adler, 2002).

TABLE 12  
Distinctions between Inpatriates and Expatriates

| <b>CHARACTERISTICS</b>                           | <b>INPATRIATE</b>                   | <b>EXPATRIATE</b> |
|--|-------------------------------------|-------------------|
| <b>Perceived Status by Locals</b>                | Peripheral Member                   | HQ Representative |
| <b>Level of Influence in Host Unit</b>           | Low                                 | High              |
| <b>Focus of Cross-Cultural Adjustment</b>        | Organizational and National Culture | National Culture  |
| <b>Goal Congruency between HQ and Subsidiary</b> | High                                | Low               |
| <b>MNC Staff Composition</b>                     | Geocentric                          | Ethnocentric      |

*Adopted from Reiche, Kraimer, and Harzing (2009)*

Perhaps most importantly, inpatriates represent a pool of overseas assignees that appears to have the ability to effectively achieve inter-subsiary and headquarters connectivity (Harvey et al., 2000). Expatriates, on the other hand, would best be utilized when goal congruency is low, as global organizations would require the main impetus for such an overseas assignment to be undertaken with respect to controlling and/or enforcing compliance based on HQ standards (Harzing, 2001). Finally, utilizing an inpatriate staffing method signals the global organization's conscious attempt to diversifying their staffing composition at the HQs, thereby fostering a geocentric staffing approach.

The idea of employing a geocentric staffing perspective is suggested to be at the focal-point for developing a global mindset. Relative to the expatriate staffing method, it exemplifies a staffing approach more ethnocentric in nature, as the expatriate generally continues to coordinate with their own HQ management team. It should be noted here that many attributes of inpatriate managers, such as the low levels of influence, credibility, and respect from locals, compel inpatriates to experience greater levels of workplace stress (Harvey, Speier, & Novicevic, 1999b,

1999c), thereby sometimes limiting the effective integration of inpatriate managers (Selmer, Ling, Shiu, & deLeon, 2003).

Parallel to the inherent differences found in inpatriation and other staffing methods is the notion that directionality of the overseas assignment could significantly influence the adjustment process. While it is becoming crucial to incorporate emerging markets (Hanousek, Kočenda, & Svenjar, 2009), assignments whose target location is based in emerging versus developed markets may have further implications on not only the appropriateness (see Table 13) of expatriate/inpatriate utility but on the speed and quality of assignee adjustment alike – cultural distance being the driving force behind the adjustment process.

TABLE 13  
Expatriate/Inpatriate Appropriateness Analysis

| CANDIDATE CHARACTERISTICS                              | LOCATION OF ASSIGNMENT |          |            |          |
|--|------------------------|----------|------------|----------|
|  | Expatriate             |          | Inpatriate |          |
|  | Developed*             | Emerging | Developed  | Emerging |
| <b>Renewable resources (extended assignments)</b>      | L**                    | L        | H          | H        |
| <b>Willingness to accept overseas position</b>         | M                      | L        | H          | H        |
| <b>Motivation to participate in global assignments</b> | M                      | L        | H          | H        |
| <b>Relative cost characteristics</b>                   | H                      | H        | L          | L        |
| <b>Flexibility (social/cultural/family)</b>            | M                      | L        | H          | H        |
| <b>Organizational cultural “fit”</b>                   | H                      | L        | M          | H        |
| <b>Level of peer acceptance</b>                        | L                      | M        | M          | H        |
| <b>Headquarters confidence</b>                         | H                      | M        | M          | H        |
| <b>Level of stress</b>                                 | M                      | H        | M          | L        |
| <b>Internal political understanding</b>                | H                      | L        | M          | H        |

*Adopted from Harvey, Speier, and Novicevic (1999c)*

\* = Developed economies: Emerging economies

\*\* = Low, Medium, and High Appropriateness

Global talent management as a function of human resource management seemingly is an unparalleled task at which few if any organizations have succeeded (Farndale, Scullion, & Sparrow, 2001; Schuler, Jackson, & Tarique, 2011). If we operate under the assumption that organizational successes may in part be built by allocating the right people at the right time to the right place, the following question then arises – “What constitutes right?”

The “correct” composition of global teams is crucial not solely from an expertise/functional standpoint. Recent literature has revived the importance of addressing liability-of-foreignness (LOF) issues associated with foreign nationals (Moeller, 2011) paying special attention to the extent to which cultural distance may exercise influence over interactive behaviors. Globalism is consequently suggested to expose management to the variation in societal/cultural differences surfacing as the trend of the selective transferring of individuals dominates the means of dissemination of information and knowledge in the global marketplace. It is as such that culture that can represent the bottleneck to successfully operating in a global environment.

It is in the interest of HR managers to review currently employed HR policies and practices and allow for modifications to be made that suit the present composition of staffing approach, particularly inpatriate managers whose career life-cycle favors/predicts a long-term career at the HQ and/or domestic organizations. The following section describes a framework which would allow organizations to make global HR decisions regarding the modification and implementation of HR policies and practices useful to foster a global workforce and a global mindset. The framework is based on data collected at IBM between 1967 and 1973 covering more than 70 countries. The data set provides a fundamental picture of the extent to which cultures subscribe to differing levels of power distance, masculinity/femininity,

individualism/collectivism, and uncertainty avoidance. In close comparison to the data set utilized, future manuscripts of this kind may find value presented in the works of Project GLOBE (Global Leadership and Organizational Behavior Effectiveness Research) (see House, Hanges, Javidan, Dorfman, & Vipin, 2004). As the criticism relative to Hofstede's work begins to mount (McSweeney, 2002) tangent but similar criticisms may be found within the works of House and colleagues (2004). The justification for utilizing Hofstede's work lies in its seminal and exceedingly cited nature, making it a compelling source for seeking knowledge to evaluate cross-cultural encounters. HR implications of acknowledging and incorporating a variety of cultural backgrounds, based on this data, are addressed.

### **A Hofstede Approach to SGHRM**

The idea that is discussed in many global organizations is whether and how to embed inpatriates into global teams. This decision necessitates a comprehensive look at individual differences of inpatriate managers relative to their cultural backgrounds in the development of a cohesive working environment composed of multiple nationalities. Generalizations are made, but note must be taken that differences with cultures and/or regions may also exist. The next logical step is to assess the current HR policies and practices and take measures that allow different nationalities to be treated equitably as should be the case when a geocentric staffing approach is instituted. If the currently employed HR policies/practices are not suited for a multicultural workforce, modifications to the conceptualization and implementation of policies and practices is necessary.

To allow for a proper analysis of potential cultural differences that inpatriate managers might experience when relocating to the home country of the global organization, the manuscript draws upon Professor Geert Hofstede's work (see Hofstede, 1983, 2001; Hofstede & Hofstede,

2010). Over the course of the last four decades, Hofstede, Emeritus Professor at Maastricht University, has centered his research on understanding culture in the context of similarities and differences between cultures. His initial claim was and still is that much remains to be learned from cultural divergence.

It is a well documented fact that HR managers subscribe to the notion that the breath of national culture may be an equally important determinant of organizational success as functional expertise (e.g., Cummings, 2004; Dahlin, Weigart, & Hinds, 2005; Reagans & Zuckerman, 2001; Williams & O'Reilly, 1998). While functional expertise has always played a major role in making assignment determinations, organizations' interests should now narrow their focus to incorporate cultural aspects as well to make the best overseas assignee determinations possible.

Hofstede's work is prolific in the sense that it has the potential to allow us to gain insight into the cultural dynamics among diverse sets of cultural settings present within global organizations. His work includes the analysis of a large data base of employee value scores collected at IBM across more than 70 countries between 1967 and 1973. He eventually confined the analysis to 50 countries and 3 regions that span across the globe (Hofstede, 2001). Based on his initial study, 4 cultural dimensions emerged (i.e., power distance, individualism, masculinity, and uncertainty avoidance), described here as per Hofstede (2010, pp. 28-32):

**Power Distance Index (PDI)** is the extent to which the less powerful members of organizations and institutions (like the family) accept and expect that power is distributed unequally. **Individualism (IDV)** on the one side versus its opposite, collectivism, that is the degree to which individuals are integrated into groups. **Masculinity (MAS)** versus its opposite, femininity refers to the distribution of roles between the genders which is another fundamental issue for any society to which a range of solutions are found. **Uncertainty Avoidance Index (UAI)** deals with a society's tolerance for uncertainty and ambiguity; it ultimately refers to man's search for Truth. It indicates to what extent a



*culture programs its members to feel either uncomfortable or comfortable in unstructured situations (see Hofstede, 1983; 2010).*

### **Application of Hofstede's Cultural Dimensions**

The following set of tables is derived from Hofstede's culminated data collection effort based on 65 countries and 3 regions. A total of 16 regional clusters (see Table 14) were identified independent of Hofstede's works, based on cultural likeness and in an effort to compare and contrast in-patriate managers from different locations (i.e., clusters/regions). The regional clusters encompasses a(n) Anglo-African, Anglo-American, Anglo-Celtic (Australia), Anglo-Celtic (Caribbean), Anglo-Celtic (Europe), Asian (East), Asian (North), Asian (South/Southeast), East Central European, German-speaking, Latin European, Latin American (Central), Latin American (South), Mediterranean, Middle Eastern, and Scandinavian categorization. The corresponding power distance (PD), individualism (IDV), masculinity (MAS), and uncertainty avoidance (UAI) scores are provided to the right of the clusters. Note should be taken that the clustering scheme utilized here is unique to this manuscript and that other variants are possible.

**TABLE 14**  
Regional Clusters based on Hofstede's Cultural Dimension Measures

| Cluster                      |                  | PD    | IDV | MAS | UAI |                              | PD                            | IDV     | MAS | UAI |     |
|------------------------------|------------------|-------|-----|-----|-----|------------------------------|-------------------------------|---------|-----|-----|-----|
| Anglo-American [1]           | Canada           | 39    | 80  | 52  | 48  | Anglo-Celtic (Australia) [8] | Australia                     | 36      | 90  | 61  | 51  |
|                              | United States    | 40    | 91  | 62  | 46  |                              | New Zealand                   | 22      | 79  | 58  | 49  |
| Latin European [2]           | Belgium          | 65    | 75  | 54  | 94  | Anglo-Celtic (Europe) [9]    | Ireland                       | 28      | 70  | 68  | 35  |
|                              | France           | 68    | 71  | 43  | 86  |                              | United Kingdom                | 35      | 89  | 66  | 35  |
|                              | Italy            | 50    | 76  | 70  | 75  |                              | Anglo-Celtic (Caribbean) [10] | Jamaica | 45  | 39  | 68  |
|                              | Portugal         | 63    | 27  | 31  | 104 | Trinidad                     |                               | 47      | 16  | 58  | 55  |
| Latin American (South) [3]   | Spain            | 57    | 51  | 42  | 86  | Anglo-African [11]           | East Africa**                 | 64      | 27  | 41  | 52  |
|                              | Argentina        | 49    | 46  | 56  | 86  |                              | South Africa                  | 49      | 65  | 63  | 49  |
|                              | Brazil           | 69    | 38  | 49  | 76  |                              | West Africa**                 | 77      | 20  | 46  | 54  |
|                              | Chile            | 63    | 23  | 28  | 86  | East Central European [12]   | Czech Republic*               | 57      | 58  | 57  | 74  |
|                              | Colombia         | 67    | 13  | 64  | 80  |                              | Estonia*                      | 40      | 60  | 30  | 60  |
|                              | Ecuador          | 78    | 8   | 63  | 67  |                              | Hungry*                       | 46      | 80  | 88  | 82  |
|                              | Peru             | 64    | 16  | 42  | 87  |                              | Poland*                       | 68      | 60  | 64  | 93  |
|                              | Uruguay          | 61    | 36  | 38  | 100 |                              | Slovakia*                     | 104     | 52  | 110 | 51  |
| Latin American (Central) [4] | Venezuela        | 81    | 12  | 73  | 76  | German-speaking [13]         | Luxembourg*                   | 40      | 60  | 50  | 70  |
|                              | Costa Rica       | 35    | 15  | 21  | 86  |                              | Netherlands                   | 38      | 80  | 14  | 53  |
|                              | El Salvador      | 66    | 19  | 40  | 94  |                              | Austria                       | 11      | 55  | 79  | 70  |
|                              | Guatemala        | 95    | 6   | 37  | 101 |                              | Germany                       | 35      | 67  | 66  | 65  |
|                              | Mexico           | 81    | 30  | 69  | 82  |                              | Switzerland                   | 34      | 68  | 70  | 58  |
|                              | Panama           | 95    | 11  | 44  | 86  |                              | Scandinavian [14]             | Denmark | 18  | 74  | 16  |
| Asian (North) [5]            | Russia           | 93    | 39  | 36  | 95  | Finland                      |                               | 33      | 63  | 26  | 59  |
|                              | Asian (East) [6] | China | 80  | 20  | 66  | 30                           |                               | Norway  | 31  | 69  | 8   |
| Hong Kong                    |                  | 68    | 25  | 57  | 29  | Surinam*                     |                               | 85      | 47  | 37  | 92  |
| Japan                        |                  | 54    | 46  | 95  | 92  | Sweden                       | 31                            | 71      | 5   | 29  |     |
| South Korea                  |                  | 60    | 18  | 39  | 85  | Mediterranean [15]           | Bulgaria                      | 70      | 30  | 40  | 85  |
| Taiwan                       |                  | 58    | 17  | 45  | 69  |                              | Greece                        | 60      | 35  | 57  | 112 |
| Asian (South/Southeast) [7]  | Bangladesh       | 80    | 20  | 55  | 60  |                              | Malta                         | 56      | 59  | 47  | 96  |
|                              | India            | 77    | 48  | 56  | 40  | Romania                      | 90                            | 30      | 42  | 90  |     |
|                              | Indonesia        | 78    | 14  | 46  | 48  | Turkey                       | 66                            | 37      | 45  | 85  |     |
|                              | Malaysia         | 104   | 26  | 50  | 36  | Middle Eastern [16]          | Arab World**                  | 80      | 38  | 52  | 68  |
|                              | Philippines      | 94    | 32  | 64  | 44  |                              | Iran                          | 58      | 41  | 43  | 59  |
|                              | Singapore        | 74    | 20  | 48  | 8   |                              | Israel                        | 13      | 54  | 47  | 81  |
|                              | Thailand         | 64    | 20  | 34  | 64  |                              | Morocco                       | 70      | 46  | 53  | 68  |
|                              | Vietnam          | 70    | 20  | 40  | 30  |                              | Pakistan                      | 55      | 14  | 50  | 70  |

**Note:** PD=Power Distance; IDV=Individualism; MAS=Masculinity; UAI=Uncertainty Avoidance

\*Estimated values

\*\* Regional estimated values

**Arab World:** Egypt, Iraq, Kuwait, Lebanon, Libya, Saudi Arabia,

**East Africa:** Ethiopia, Kenya, Tanzania, Zambia

**West Africa:** Ghana, Nigeria, Sierra Leone

Table 15 paints a condensed picture of Table 14 data in that it lists the clusters and simultaneously provides a regional cluster ranking scheme based on the following data ranges: Low (0-33), Medium (34-67), and/or High (68-100+) PD, IDV, MAS, and UAI. The idea is that consideration should be given to the composition of distances, as global teams are formed. Conflicting principles of the aforementioned distinct cultural categories may in fact represent obstacles on the path to achieve a pluralistic perspective and global mindset. That is, the greater the distance between the cultural dimensions ranking found within global teams, the greater the degree of cultural amiability from an HR perspective is required to ensure that the benefit of employing managers for their functional expertise is not succumbed by relatively-speaking fixed cultural factors.

TABLE 15  
Regional Cluster Ranking Scheme

| Cluster                       | PD      |        | IDV     |        | MAS     |        | UAI     |        |
|-------------------------------|---------|--------|---------|--------|---------|--------|---------|--------|
|                               | Average | Rank*  | Average | Rank   | Average | Rank   | Average | Rank   |
| Anglo-African [11]            | 63      | Medium | 37      | Medium | 50      | Medium | 52      | Medium |
| Anglo-American [1]            | 40      | Medium | 86      | High   | 57      | Medium | 47      | Medium |
| Anglo-Celtic (Australia) [8]  | 29      | Low    | 85      | High   | 60      | Medium | 50      | Medium |
| Anglo-Celtic (Caribbean) [10] | 46      | Medium | 28      | Low    | 63      | Medium | 34      | Medium |
| Anglo-Celtic (Europe) [9]     | 32      | Low    | 80      | High   | 67      | Medium | 35      | Medium |
| Asian (East) [6]              | 64      | Medium | 25      | Low    | 60      | Medium | 61      | Medium |
| Asian (North) [5]             | 93      | High   | 39      | Medium | 36      | Medium | 95      | High   |
| Asian (South/Southeast) [7]   | 80      | High   | 25      | Low    | 49      | Medium | 41      | Medium |
| East Central European [12]    | 63      | Medium | 62      | Medium | 70      | High   | 72      | High   |
| German-speaking [13]          | 32      | Low    | 66      | Medium | 56      | Medium | 63      | Medium |
| Latin European [2]            | 61      | Medium | 60      | Medium | 48      | Medium | 89      | High   |
| Latin American (Central) [4]  | 74      | High   | 16      | Low    | 42      | Medium | 90      | High   |
| Latin American (South) [3]    | 67      | Medium | 24      | Low    | 52      | Medium | 82      | High   |
| Mediterranean [15]            | 68      | High   | 38      | Medium | 46      | Medium | 94      | High   |
| Middle Eastern [16]           | 55      | Medium | 39      | Medium | 49      | Medium | 69      | High   |
| Scandinavian [14]             | 40      | Medium | 65      | Medium | 18      | Low    | 51      | Medium |
| Average (overall)             | 57      | Medium | 48      | Medium | 51      | Medium | 64      | Medium |

\*Cultural Dimension Rank: Low (0-33), Medium (34-67), High (68-100+)

For example, global teams strictly composed of Anglo-Celtic (Australia), Anglo-Celtic (Europe), and German-speaking *or* Anglo-African, Anglo-American, Anglo-Celtic (Caribbean), Asian (East), East Central European, Latin European, Latin American (South), Middle Eastern, and Scandinavian *or* Asian (North), Asian (South/Southwest), Mediterranean, and Latin American (Central), would on average experience limited issues relative to the understanding of the PD valued within and across similarly ranked clusters. Based on Table 15, the above named clusters represent low, medium, and high PD regions, respectively. The same logic is in place for the cultural dimensions of IDV, MAS, and UAI.

As soon as the composition of global teams is marked by more than one cultural dimension rank (e.g., teams composed of managers stemming from low and high PD cultures), there is reason to pay close attention to the team dynamics arising out of such circumstances. It is the extreme of cultural distances that provide organizations with the most troubles and cultural clashes which must be addressed immediately after if not before they may occur. If cultural adversities are addressed and managed appropriately, only then does it allow for members of a diverse global management team to successfully coexist.

By applying Hofstede's research to the management of human resources across social/political/economic borders, it presents an opportunity to subscribe to a SGHRM paradigm, as consideration for differences in cultural distance reflect HR flexibility. The application of Hofstede's four cultural dimensions is, therefore, crucial in maintaining a competitive edge in the 21<sup>st</sup> century. If anything, it may present a selection tool to determine the appropriate combination of national cultures to achieve productive multicultural/multinational global teams. What follows are examples of staffing, training and development, performance appraisal, compensation, and retention implications, based on the proposed cultural distance framework:

## **HR Guidelines for Mitigating Cross-Border Regional Differences**

### ***Staffing HR Implications***

There are 65,000 visas allotted each year for foreign workers to be employed in the United States under what is known as the H-1B program (Herbst, 2009). This trend is continuing to occur despite staggering job losses/unemployment rates in the United States. The H-1B Visa allows employers to sponsor skilled workers from overseas for up to three years, with the possibility of extending for additional years. Organizations such as Wipro, Microsoft, and Intel are leaders as during the fiscal year 2009 they brought the most foreign workers into the U.S. on H-1B visas. In fact, they are leading with 6% of the 65,000 visas issues each year (Herbst, 2009).

When hiring talent globally, it is important to remember the mindset of the different cultural backgrounds of managers potentially joining a global team. A majority of individuals from low power distance cultures, for example, may experience others behaving in ways that portray them as continually aspiring to and/or demanding to hold posts with greater/more prominent status, titles, privileges, and levels of accountability. These behaviors, mostly exhibited by high power distance cultures, are in direct conflict with the philosophy employed by low power distance countries which is that power is distributed rather equally opposed to unequally.

A classic case of cultural clashes has the potential to occur if, for example, managers from high power distance cultures (clusters 4, 5, 7, and 15) are subordinates of managers from low power distance cultures (clusters 8, 9, and 13) or vice versa. The first scenario would foster confusion for the high power distance subordinate since their understanding rests on the idea that power is distributed unequally and that as inequality is usually defined from below, it is mirrored and endorsed by leaders also. With a lower power distance individual in the position of the

leader this will most likely not be the case. In the realm of the second scenario (i.e., lower power distance subordinates to higher power distance) it is expected that subordinates are confused by the personal and professional distance the leader keeps. Either scenario fosters environments that are not conducive to long-term sustained cooperation between these cultural mixes. In fact, feelings of distrust, and a plethora of misunderstandings regarding responsibility and accountability expectations may arise as a result of simple misunderstandings based on ingrained cultural values manifested in behaviors/expressions.

One of the dominant and prevalent adjustment difficulties of any overseas assignment over the last decade has been the issue of dual-career couples (GRTS, 1999, 2010). The significance of dual-career couples has increased to the extent that they are inhibiting individuals from taking overseas assignments. A recent survey indicated that family concerns and spouse's/partner's career were among the top reasons for assignment refusal. Particularly, China, a generally collectivist culture by nature, was cited as the country which poses the greatest assignment difficulties for managers relative to dual-career couples in addition to being the top ranked new emerging location for international assignments (GRTS, 2009, 2010).

As collectivist societies are recognized for their in-group/family cohesiveness and unquestionable loyalty to extended families, so too could it be argued that dual-career concerns may be more prevalent in collectivist cultures. In an instance where an Anglo-Celtic European (Cluster 9, high individualist culture) and South/Southeast/East Asia (Cluster 7 and 8, high collectivist culture) managers are placed on the same global team, it is natural for the behavior of managers from Cluster 9 to resemble that of loose ties between individuals and to look after themselves first before showing concern for others. This is again in direct contrast to the values preferred to be exhibited by Cluster 7 and 8 among others. Similarly, hiring a majority of

managers from extremely individualistic countries has the potential to stifle group cohesiveness, especially if they are appointed to self-managing global teams.

For high uncertainty avoiding cultures, some of the ambiguities perceived may be associated with insecurities regarding their long-term stay in the organization's home country. GRTS (2010) revealed that one of the greatest assignment difficulties prevalent is the issue of visa attainability. For example, countries like India, Indonesia, Saudi Arabia, China, and Russia are among those that: 1.) Experience work permit and visa processing issues; 2.) Are submitted to changing host-government rules and regulations regarding foreign workers; 3.) Encounter difficulties justifying to the government that they need to obtain a visa; and above all, 4.) Incur extended waiting period of obtain the correct visa. For managers, dual-career or not, from high uncertainty avoiding cultures such as Asia (North), East Central Europe, Latin Europe, Latin America (Central), Latin America (South), Mediterranean, Middle East, and Scandinavia (Cluster 5, 12, 2, 4, 5, 15, 16, and 14, respectively), great discomfort may arise from the standpoint of not being able to obtain proper long-term visa documents for the in-patriate himself and the respective spouse. As such, it is the organizations responsibility to be informed and assure the in-patriate, particularly for cultures ranging high on uncertainty avoidance.

Similar considerations may need to be given to female global managers. Many organizations are currently employing practices that allow female managers to be used in staffing global positions (Linehan & Scullion, 2008). Global organizations must provide the support to provide a foundation of success for these managers. The likelihood of organizations headquartered in countries characterized by stronger masculine traits may not enable women to be as successful as they might in feminine cultures – the proverbial glass ceiling affect may take effect (Ibarra & Obodaru, 2009). The difference in roles of men and women in masculine

cultures may inhibit the success experienced by the organization, as female global managers have insights also. Over the course of 10 years, the percentage of overseas assignments allocated to females averaged 16%, a trend not to be left unnoticed (Altman & Shortland, 2008).

### ***Training and Development HR Implications***

Pre-departure training includes creating in-patriate cross-cultural awareness training relative to the new environment in which they will be embedded. A recent survey composed of 120 respondents representing small, medium, and large organization with offices located around the world, indicates that 83% of respondents believe training provided a good or great value (GRTS, 2010). But, presently, 80% of companies surveyed (e.g., Accenture, Bayer AG, Cisco, Ford Motor Company, General Motors, HP, IBM, Kraft Foods Inc., Nokia, and PepsiCo Inc. to name a few) provide cross-cultural preparation. Fifty-three percent of companies make cross-cultural preparation available on some assignments; 27% indicate available on all assignments. Of these companies offering cross-cultural preparation on all assignments, 57% make it available in certain countries only, 8% at the request of the employee, and 2% by grade of the employee. Thirty-eight percent of companies made preparation available to spouses/partners also. Fifty-five percent provide training to the entire family (GRTS, 2010).

Training must begin before the in-patriate is transferred. The lack of credibility experienced upon arrival at the HQ may be mitigated by proper training prior to their home-country departure. HSBC – North American, for example, is composed of 40% Blacks, Latinos, and Asians. This composition of employees has triggered them to institute mandatory and regular diversity training times for its entire workforce that includes leveraging/developing diverse talents and maintaining a positive workplace.

The value of pre-assignment training (i.e., functional, cultural, or otherwise) cannot easily be substituted with post-arrival on the job mentoring/coaching, as in-patriates will be struggling



with increased levels of stress, having a lower level of influence than usual and a level of credibility that is constantly questioned, ignored, or disrespected. Neither of these outcomes is particularly conducive to a productive work environment. The responsibility lies within HR to allow for the proper adjustment of in-patriate managers by providing them with training prior to and upon arrival.

Educational resources such as CultureQuest (2010) and global etiquette guidelines (see Martin & Chaney, 2006) that allow for a better transition into different cultural settings are available to provide a foundation for in-patriate training. These means are delivered in forms of CD-ROM, the Internet, intranets, extranets, local area networks, and DVD compilations. A significant downfall of this way of incorporating and fostering diversity is the lack of recognition of HR that the efforts expended in mending cross-cultural differences is at best a temporary fix to a global problem.

The historical average for media-based or web-based alternatives to face-to-face training is 26%. The alternative was predominantly implemented for the following reasons: 1.) They serve as additional pre- and post-arrival support training programs; 2.) Portability; and 3.) Cost reasons (GRTS, 2010). HR departments would consider the use of web-/media-based as a training tool that allows countries such as presented in Clusters 1, 8, and 9 [highly individualistic countries (e.g., USA, Australia, United Kingdom, Netherlands, Canada, and Italy)] to select training tools which allow them to exercise their loose bonds with others thus continuing to exercise their individualist attitudes. Given the premise that the tools selected to train and develop in-patriate managers should in part be determined by their preference for learning, online (i.e., web-/media-based) training programs could be a potential source for overcoming individual adjustment issues in a highly collectivist environment. The psychological stressor of being

reliant on others, cohesive in-groups, and experiencing loyalty and obligation to one another are thus reduced by the availability of training which may be conducted on one's own.

Post-arrival HR practices should incorporate proper means of orientation. Orientation is essential in integrating/socialize inpatriates into the organization. Performance coaching and mentoring are essential as well. Team building exercises would at first appear to be more welcomed by collectivist cultures. Training on ethical issues is necessary in countries that are perhaps less uncertainty avoiding and who have a great deal eagerness to work in ambiguous environments opposed to those who seek more certain situations to operate in. Because Hofstede's cultural dimensions have been found to correlate with other, cultural, and religious paradigms, it is feasible to say that greater attention to ethical discrepancies should be conducted in cultures with greater extends of uncertainty avoiding attitudes (see Transparency, 2010).

Post-recruitment it is crucial to make inpatriates feel the support and willingness to help once the relocation has occurred. The greater the distance between feminine-masculine oriented culture the more leadership is required in making the other culture more or less assertive. Women in feminine countries are valued the same/similar as men; in masculine countries they are somewhat assertive and competitive, but not as much as the men, so that these countries show a gap between men's values and women's values. The length of training may be determined by previous inpatriate international experience. They know what to expect and how to deal with cross-cultural ambiguities.

### ***Performance Management Implications***

The ranking of the top three performance review methods was nearly the same as it has been for the past four reports published by Brookfield Global Relocation Services in association with the NFTC: 1.) Performance review in the host country; 2.) Performance review in the host

and home locations, and; 3.) performance review in the home country. In the current report, however, 18% of respondents replied that they did not know how performance was measured – an increase from 6% in the 2009 report. Additionally, the survey suggested that overseas assignment turnover could be reduced with improved performance evaluation (7%) (GRTS, 2009, 2010).

From a HR perspective, the focal point of a performance review should enter on the inpatriate manager and their performance is a valuable tool in determining the future of inpatriate managers within the company. As demonstrated by a shocking 18% of respondents' lack of knowledge of how performance was to be measured, draws attention to two dilemmas: 1.) A limited amount of insight of inpatriate managers into HR practices and policies, and 2.) an inclusive picture relative to HR's ability to sculpting HR practices that fit inpatriate managers needs. From these short-coming it can be postulated that one way of addressing these dilemmas is by establishing performance management practices which help to ensure enough flexibility to be useful for inpatriate managers from diverse national and thus cultural backgrounds.

For example, it may be most important for individuals from uncertainty avoiding cultures to obtain regular performance feedback (i.e., feedback that is not necessarily provided at the end of every year). An increased in frequency of performance confirmation allows the inpatriate to be assured of their performance the less tolerance for ambiguity exists. High levels of ambiguity in knowing how their performance is valued may evoke feelings of job dissatisfaction. Rather a semi-annual to quarterly assessment may be appropriate for individuals from Clusters 2, 3, 4, 5, 12, 14, 15, and 16 (highly uncertainty avoiding cultures). That is to say, that the level of accountability to adhere to proper business practices of inpatriate in low uncertainty avoiding

cultures may suffer. HR must step in to instigate corrective actions as a way to preempt damage control.

In addition to the recognition of the frequency of confirmation, another culturally-grounded strategic global HR practice constitutes the identification of performance review sources. Logic dictates that in-patriate performance review outcomes at first may arise out of the collaboration of multiple sources (i.e., home country and host country managers who have worked with the in-patriate in the past and are able to oversee initial overseas assignment performance levels). As the assignment timeline progresses, the orientation may shift from a bilateral performance appraisal to one that is exclusively conducted by HQ nationals. Cultures oriented high on collectivism may be reluctant or disinclined to undergo individually-performance appraisals particularly if they have been transferred to a highly individualistic region. Individual considerations given to the in-patriates are, therefore, not valued as highly as the successful fulfillment of team objectives. As such, in-patriates from Clusters 1, 8, and 9 [highly collectivistic cultures] place more value on the idea of being evaluated collectively, as they perceive performance outcomes as group efforts. It is in the HR department's best interest to foster the stability experienced through the collective nature on in-patriates to enable a positive experience that allows for proper long-term adjustment which is then reflected in the organizations' global performance outcomes.

### ***Compensation Implications***

A majority of overseas assignees are dissatisfied with their compensation packages (Reynolds, 1997; Suutari & Tornikosko, 2001). The gap in addressing this issue might lie in the compensation schemes dictated by multinational corporations (MNCs) evolving into global organizations. But, past practices indicate that overseas assignees are compensated based on

home-country standards (65%) or used a combination of home/host-country standards (26%). Both home- and host-country tax liability issues utilized pre-dominantly the tax-equalization approach with roughly 10% of companies not providing any compensation for the differential (GRTS, 2010). An extended inpatriate assignment would dictate consideration to be given to managers from collectivist and individualistic cultures, as Hofstede indicated the existence of a significant correlation between the individualistic culture dimension and 1970 national wealth standards (see Hofstede, 1983).

Despite the idea that cultures and economic environments evolve, they do so slowly. Provided the discrepancies between cultural orientation and national wealth, it is advisable that the HR manager monitor the status of inpatriates stemming from collectivist cultural backgrounds. The majority of current inpatriate transfers occur from the emerging to developed markets (Collings, Scullion, & Morley, 2007; Harvey, Speier, & Novicevic, 1999a). Derived from earlier logic, it is no surprise to witness a large percentage of transferees from collectivist to individualist societies. From a SGHRM perspective, it is advisable for HR managers to monitor the work permit status of inpatriate managers; since over time, it may change from temporary visa holder to permanent resident to citizen.

As an inpatriate manager's status changes, so must their compensation scheme to keep it in line with the other locals' compensation patterns. Over the course of the next several years or decade it is likely that we will witness a significant change in overseas assignees compensation schemes. In fact, economic trends point to the idea that inpatriation may soon come in a reversed form in that managers will be transferred from developed markets working for organizations headquartered in emerging market locations (see The Economist, 2010).

Based on past studies, 65% of compensation schemes being based on home-country standards (GRTS, 2010), it is alarming to perceive an inpatriate from a collectivist-oriented culture to be compensated based on home-country standards, particularly if they are findings themselves involved in long-term assignments located in individualist societies. Over the course of time, cognitive dissonance will set-in and increasing levels of inpatriate dissatisfaction may be made visible in forms of workplace deviances. A combination of home/host-country standards may be more appropriate for moves made from individualist to collectivist societies, if national wealth differences take effect.

### ***Retention Implications***

Great cultural distance requires significant effort on the part of the headquarters organization to socialize inpatriate to macro/organizational cultures of the home country. The loss of repatriate knowledge includes: 1.) Market specific knowledge, 2.) personal skills, 3.) job-related management skills, 4.) network knowledge, as well as, general management capacity (Fink, Meierewert, & Rohr, 2005). A repatriation program that allows the organization to foster and develop inpatriates opposed to leaving them to experience everything on their own is preferred. It has to do with life-cycle management. Career succession planning is a great concern, as is the ability to motivate someone from a different culture. Anglo-Americans have a greater need to exploit individualism opposed South, Southeast, East, and North Asians. The dynamics between individualism and collectivism dictates HR flexibility.

One needs to develop a greater understanding of the cognitive aspects of committing to long-term career goals/paths. Uncertainty avoiding cultures may seek greater and continuous (i.e., quarterly inputs) levels of input from HR relative to their progress and prospectus within the organization. Some cultures have a greater preference for stability or change. Inpatriate managers

from cultures welcoming change may be asked to relocate on a short-term, temporary basis before relocating back to the HQ. The flexibility inherent in the national backgrounds at the same time provides organizations with greater flexibility of assignment control. In essence, inpatriate managers may be perceived as global nomads (Harvey & Moeller, forthcoming)

A recent study by Reiche (2007) on inpatriate knowledge sharing in MNCs suggests that mentoring by senior headquarter (HQ) staff and the availability of repatriation and career programs moderate the relationship between inpatriates' structural HQ social capital and global social capital. In addition to that, it is suggested that the inpatriates' HQ social capital positively impacts their perceived career opportunities in the MNC, which in turn positively impacts their intention to remain with the company.

### **Summary and Conclusion**

Twenty-first century organizations must succumb to the realities of globalism. From an HR-standpoint, persistent ignorance and/or dismissal of the role cultural distance plays in fostering and developing global talent such that they remain 'aboard' the organization's home country team(s) may come at an extremely high cost. The proverbial gap or misunderstandings between individuals from cultures that are designated to be on the same team are often ignored in hopes that the talent they were initially hired for significantly outweighs any dissimilarity associated with their country of origin. This kind of thinking is wishful at best! In fact, we should take note of the implication of culture concerning all interactions, not just through HR (Falcao, 2008).

In the realm of this manuscript, implications of the intersection of cultural distance and human resource functions are offered. Notwithstanding the complexity that national culture adds to the already convoluted subject of HR management, this manuscript attempts to shed light on

some of the current and potential future inpatriate manager issues as organizations continue to diversify their manpower. Reoccurring themes throughout the human resource management process include the 1.) dual-career conundrum which is quickly becoming one of the most prevalent reasons for overseas assignment failure, 2.) female global manager syndrome, 3.) the importance of temporal adjustments, 4.) taxation, and 5.) ethical decision-making behaviors among others. The goal is to address the role of national cultural distance in creating and sustaining flexibility in the human resource management process.



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## APPENDIX

APPENDIX A: SURVEY - PART A

This survey is part of an effort to improve the understanding of how individuals' attributes relates to their beliefs, attitudes, and opinions with regard to interacting with foreign nationals. Your response to the questions is strictly confidential and will only be released as summaries in which no individual's answers may be identified.

**Section 1: Interacting with Foreign Nationals**

**Instructions:** Please indicate your level of agreement with the following statements. (Circle one for each country.)

| 1. Overall, I would feel <b>comfortable</b> interacting with an individual of _____ descent. |                   |          |         |       |                |   |
|--|-------------------|----------|---------|-------|----------------|---|
|  | Strongly Disagree | Disagree | Neither | Agree | Strongly Agree |   |
| A.   | North American    | 1        | 2       | 3     | 4              | 5 |
| B.   | Brazilian         | 1        | 2       | 3     | 4              | 5 |
| C.   | Japanese          | 1        | 2       | 3     | 4              | 5 |
| D.   | Russian           | 1        | 2       | 3     | 4              | 5 |
| E.   | German            | 1        | 2       | 3     | 4              | 5 |
| F.   | Indian            | 1        | 2       | 3     | 4              | 5 |
| G.   | Australian        | 1        | 2       | 3     | 4              | 5 |
| H.   | Chinese           | 1        | 2       | 3     | 4              | 5 |

| 2. If given the opportunity, I would be <b>likely</b> to interact with an individual of _____ descent. |                   |          |         |       |                |   |
|--|-------------------|----------|---------|-------|----------------|---|
|  | Strongly Disagree | Disagree | Neither | Agree | Strongly Agree |   |
| A.   | North American    | 1        | 2       | 3     | 4              | 5 |
| B.   | Brazilian         | 1        | 2       | 3     | 4              | 5 |
| C.   | Japanese          | 1        | 2       | 3     | 4              | 5 |
| D.   | Russian           | 1        | 2       | 3     | 4              | 5 |
| E.   | German            | 1        | 2       | 3     | 4              | 5 |
| F.   | Indian            | 1        | 2       | 3     | 4              | 5 |
| G.   | Australian        | 1        | 2       | 3     | 4              | 5 |
| H.   | Chinese           | 1        | 2       | 3     | 4              | 5 |

| 3. In general, I respect the _____ heritage (e.g., their religious backgrounds, political and economic views, etc.). |                   |          |         |       |                |   |
|--|-------------------|----------|---------|-------|----------------|---|
|  | Strongly Disagree | Disagree | Neither | Agree | Strongly Agree |   |
| A.   | North American    | 1        | 2       | 3     | 4              | 5 |
| B.   | Brazilian         | 1        | 2       | 3     | 4              | 5 |
| C.   | Japanese          | 1        | 2       | 3     | 4              | 5 |
| D.   | Russian           | 1        | 2       | 3     | 4              | 5 |
| E.   | German            | 1        | 2       | 3     | 4              | 5 |
| F.   | Indian            | 1        | 2       | 3     | 4              | 5 |
| G.   | Australian        | 1        | 2       | 3     | 4              | 5 |
| H.   | Chinese           | 1        | 2       | 3     | 4              | 5 |

4. In my opinion, individuals from \_\_\_\_\_ usually perform poorly compared to individuals from other countries.

|                  | Strongly Disagree | Disagree | Neither | Agree | Strongly Agree |
|------------------|-------------------|----------|---------|-------|----------------|
| A. North America | 1                 | 2        | 3       | 4     | 5              |
| B. Brazil        | 1                 | 2        | 3       | 4     | 5              |
| C. Japan         | 1                 | 2        | 3       | 4     | 5              |
| D. Russia        | 1                 | 2        | 3       | 4     | 5              |
| E. Germany       | 1                 | 2        | 3       | 4     | 5              |
| F. India         | 1                 | 2        | 3       | 4     | 5              |
| G. Australia     | 1                 | 2        | 3       | 4     | 5              |
| H. China         | 1                 | 2        | 3       | 4     | 5              |

5. In my opinion, individuals from \_\_\_\_\_ are generally very knowledgeable.

|                  | Strongly Disagree | Disagree | Neither | Agree | Strongly Agree |
|------------------|-------------------|----------|---------|-------|----------------|
| A. North America | 1                 | 2        | 3       | 4     | 5              |
| B. Brazil        | 1                 | 2        | 3       | 4     | 5              |
| C. Japan         | 1                 | 2        | 3       | 4     | 5              |
| D. Russia        | 1                 | 2        | 3       | 4     | 5              |
| E. Germany       | 1                 | 2        | 3       | 4     | 5              |
| F. India         | 1                 | 2        | 3       | 4     | 5              |
| G. Australia     | 1                 | 2        | 3       | 4     | 5              |
| H. China         | 1                 | 2        | 3       | 4     | 5              |

6. In my opinion, individuals from \_\_\_\_\_ are generally very friendly.

|                  | Strongly Disagree | Disagree | Neither | Agree | Strongly Agree |
|------------------|-------------------|----------|---------|-------|----------------|
| A. North America | 1                 | 2        | 3       | 4     | 5              |
| B. Brazil        | 1                 | 2        | 3       | 4     | 5              |
| C. Japan         | 1                 | 2        | 3       | 4     | 5              |
| D. Russia        | 1                 | 2        | 3       | 4     | 5              |
| E. Germany       | 1                 | 2        | 3       | 4     | 5              |
| F. India         | 1                 | 2        | 3       | 4     | 5              |
| G. Australia     | 1                 | 2        | 3       | 4     | 5              |
| H. China         | 1                 | 2        | 3       | 4     | 5              |

7. In general, I say positive things about individuals from \_\_\_\_\_ to other people.

|                  | Strongly Disagree | Disagree | Neither | Agree | Strongly Agree |
|------------------|-------------------|----------|---------|-------|----------------|
| A. North America | 1                 | 2        | 3       | 4     | 5              |
| B. Brazil        | 1                 | 2        | 3       | 4     | 5              |
| C. Japan         | 1                 | 2        | 3       | 4     | 5              |
| D. Russia        | 1                 | 2        | 3       | 4     | 5              |
| E. Germany       | 1                 | 2        | 3       | 4     | 5              |
| F. India         | 1                 | 2        | 3       | 4     | 5              |
| G. Australia     | 1                 | 2        | 3       | 4     | 5              |
| H. China         | 1                 | 2        | 3       | 4     | 5              |



| 8. Generally, individuals from _____ have a good reputation. |                   |          |         |       |                |
|--|-------------------|----------|---------|-------|----------------|
|  | Strongly Disagree | Disagree | Neither | Agree | Strongly Agree |
| A. North America   | 1                 | 2        | 3       | 4     | 5              |
| B. Brazil  | 1                 | 2        | 3       | 4     | 5              |
| C. Japan   | 1                 | 2        | 3       | 4     | 5              |
| D. Russia  | 1                 | 2        | 3       | 4     | 5              |
| E. Germany   | 1                 | 2        | 3       | 4     | 5              |
| F. India   | 1                 | 2        | 3       | 4     | 5              |
| G. Australia   | 1                 | 2        | 3       | 4     | 5              |
| H. China   | 1                 | 2        | 3       | 4     | 5              |

| 9. Generally, individuals from _____ have a bad reputation in comparison to employees from other countries. |                   |          |         |       |                |
|---|-------------------|----------|---------|-------|----------------|
|   | Strongly Disagree | Disagree | Neither | Agree | Strongly Agree |
| A. North America  | 1                 | 2        | 3       | 4     | 5              |
| B. Brazil   | 1                 | 2        | 3       | 4     | 5              |
| C. Japan  | 1                 | 2        | 3       | 4     | 5              |
| D. Russia   | 1                 | 2        | 3       | 4     | 5              |
| E. Germany  | 1                 | 2        | 3       | 4     | 5              |
| F. India  | 1                 | 2        | 3       | 4     | 5              |
| G. Australia  | 1                 | 2        | 3       | 4     | 5              |
| H. China  | 1                 | 2        | 3       | 4     | 5              |

| 10. In my opinion, the standard of living in _____ is relatively high compared to other countries. |                   |          |         |       |                |
|--|-------------------|----------|---------|-------|----------------|
|  | Strongly Disagree | Disagree | Neither | Agree | Strongly Agree |
| A. North America   | 1                 | 2        | 3       | 4     | 5              |
| B. Brazil  | 1                 | 2        | 3       | 4     | 5              |
| C. Japan   | 1                 | 2        | 3       | 4     | 5              |
| D. Russia  | 1                 | 2        | 3       | 4     | 5              |
| E. Germany   | 1                 | 2        | 3       | 4     | 5              |
| F. India   | 1                 | 2        | 3       | 4     | 5              |
| G. Australia   | 1                 | 2        | 3       | 4     | 5              |
| H. China   | 1                 | 2        | 3       | 4     | 5              |

| 11. In my opinion, the level of education in _____ is relatively high compared to other countries. |                   |          |         |       |                |
|--|-------------------|----------|---------|-------|----------------|
|  | Strongly Disagree | Disagree | Neither | Agree | Strongly Agree |
| A. North America   | 1                 | 2        | 3       | 4     | 5              |
| B. Brazil  | 1                 | 2        | 3       | 4     | 5              |
| C. Japan   | 1                 | 2        | 3       | 4     | 5              |
| D. Russia  | 1                 | 2        | 3       | 4     | 5              |
| E. Germany   | 1                 | 2        | 3       | 4     | 5              |
| F. India   | 1                 | 2        | 3       | 4     | 5              |
| G. Australia   | 1                 | 2        | 3       | 4     | 5              |
| H. China   | 1                 | 2        | 3       | 4     | 5              |

12. In my opinion, the level of economic development in \_\_\_\_\_ is relatively low compared to other countries.

|                  | Strongly Disagree | Disagree | Neither | Agree | Strongly Agree |
|------------------|-------------------|----------|---------|-------|----------------|
| A. North America | 1                 | 2        | 3       | 4     | 5              |
| B. Brazil        | 1                 | 2        | 3       | 4     | 5              |
| C. Japan         | 1                 | 2        | 3       | 4     | 5              |
| D. Russia        | 1                 | 2        | 3       | 4     | 5              |
| E. Germany       | 1                 | 2        | 3       | 4     | 5              |
| F. India         | 1                 | 2        | 3       | 4     | 5              |
| G. Australia     | 1                 | 2        | 3       | 4     | 5              |
| H. China         | 1                 | 2        | 3       | 4     | 5              |

13. Overall, I would anticipate to be satisfied interacting with a(n) \_\_\_\_\_ citizen.

|               | Strongly Disagree | Disagree | Neither | Agree | Strongly Agree |
|---------------|-------------------|----------|---------|-------|----------------|
| A. U.S.       | 1                 | 2        | 3       | 4     | 5              |
| B. Brazilian  | 1                 | 2        | 3       | 4     | 5              |
| C. Japanese   | 1                 | 2        | 3       | 4     | 5              |
| D. Russian    | 1                 | 2        | 3       | 4     | 5              |
| E. German     | 1                 | 2        | 3       | 4     | 5              |
| F. Indian     | 1                 | 2        | 3       | 4     | 5              |
| G. Australian | 1                 | 2        | 3       | 4     | 5              |
| H. Chinese    | 1                 | 2        | 3       | 4     | 5              |

14. Politically, \_\_\_\_\_ is considered relatively stable compared to other countries.

|                  | Strongly Disagree | Disagree | Neither | Agree | Strongly Agree |
|------------------|-------------------|----------|---------|-------|----------------|
| A. North America | 1                 | 2        | 3       | 4     | 5              |
| B. Brazil        | 1                 | 2        | 3       | 4     | 5              |
| C. Japan         | 1                 | 2        | 3       | 4     | 5              |
| D. Russia        | 1                 | 2        | 3       | 4     | 5              |
| E. Germany       | 1                 | 2        | 3       | 4     | 5              |
| F. India         | 1                 | 2        | 3       | 4     | 5              |
| G. Australia     | 1                 | 2        | 3       | 4     | 5              |
| H. China         | 1                 | 2        | 3       | 4     | 5              |

15. From an ethical perspective, \_\_\_\_\_ behave less ethically compared to other nationalities.

|                  | Strongly Disagree | Disagree | Neither | Agree | Strongly Agree |
|------------------|-------------------|----------|---------|-------|----------------|
| A. U.S. citizens | 1                 | 2        | 3       | 4     | 5              |
| B. Brazilians    | 1                 | 2        | 3       | 4     | 5              |
| C. Japanese      | 1                 | 2        | 3       | 4     | 5              |
| D. Russians      | 1                 | 2        | 3       | 4     | 5              |
| E. Germans       | 1                 | 2        | 3       | 4     | 5              |
| F. Indians       | 1                 | 2        | 3       | 4     | 5              |
| G. Australians   | 1                 | 2        | 3       | 4     | 5              |
| H. Chinese       | 1                 | 2        | 3       | 4     | 5              |

## Section 2: Personality Assessment

**Instructions:** Please use the rating scale below to describe how accurately each statement describes **you**. **There is no right or wrong answer**, just personal interpretation. Describe yourself as **you honestly see** yourself, in relation to other people you know of the same sex as you are, and roughly your same age. Describe yourself as you generally are now, not as you wish to be in the future. Please read each statement carefully and then **circle** the number that corresponds to the number on the scale.

|   | Strongly Disagree | Disagree | Neither | Agree | Strongly Agree |
|---|-------------------|----------|---------|-------|----------------|
| 16. I am the life of the party.                     | 1                 | 2        | 3       | 4     | 5              |
| 17. I feel little concern for others.               | 1                 | 2        | 3       | 4     | 5              |
| 18. I am always prepared.                           | 1                 | 2        | 3       | 4     | 5              |
| 19. I get stressed out easily                       | 1                 | 2        | 3       | 4     | 5              |
| 20. I have a rich vocabulary.                       | 1                 | 2        | 3       | 4     | 5              |
| 21. I don't talk a lot.                             | 1                 | 2        | 3       | 4     | 5              |
| 22. I am interested in people.                      | 1                 | 2        | 3       | 4     | 5              |
| 23. I leave my belongings around.                   | 1                 | 2        | 3       | 4     | 5              |
| 24. I am relaxed most of the time.                  | 1                 | 2        | 3       | 4     | 5              |
| 25. I have difficulty understanding abstract ideas. | 1                 | 2        | 3       | 4     | 5              |
| 26. I feel comfortable around people.               | 1                 | 2        | 3       | 4     | 5              |
| 27. I insult people.                                | 1                 | 2        | 3       | 4     | 5              |
| 28. I pay attention to details.                     | 1                 | 2        | 3       | 4     | 5              |
| 29. I worry about things.                           | 1                 | 2        | 3       | 4     | 5              |
| 30. I have a vivid imagination.                     | 1                 | 2        | 3       | 4     | 5              |
| 31. I keep in the background.                       | 1                 | 2        | 3       | 4     | 5              |
| 32. I sympathize with others feelings.              | 1                 | 2        | 3       | 4     | 5              |
| 33. I make a mess of things.                        | 1                 | 2        | 3       | 4     | 5              |
| 34. I seldom feel blue.                             | 1                 | 2        | 3       | 4     | 5              |
| 35. I am not interested in abstract ideas.          | 1                 | 2        | 3       | 4     | 5              |
| 36. I start conversations.                          | 1                 | 2        | 3       | 4     | 5              |
| 37. I am not interested in other people's problems. | 1                 | 2        | 3       | 4     | 5              |
| 38. I get chores done right away.                   | 1                 | 2        | 3       | 4     | 5              |
| 39. I am easily disturbed                           | 1                 | 2        | 3       | 4     | 5              |
| 40. I have excellent ideas.                         | 1                 | 2        | 3       | 4     | 5              |
| 41. I have little to say.                           | 1                 | 2        | 3       | 4     | 5              |
| 42. I have a soft heart.                            | 1                 | 2        | 3       | 4     | 5              |

|  |   |   |   |   |   |
|--|---|---|---|---|---|
| 43. I often forget to put things back in their proper place. | 1 | 2 | 3 | 4 | 5 |
| 44. I get upset easily.                                      | 1 | 2 | 3 | 4 | 5 |
| 45. I do not have a good imagination.                        | 1 | 2 | 3 | 4 | 5 |
| 46. I talk to a lot of different people at parties.          | 1 | 2 | 3 | 4 | 5 |
| 47. I am not really interested in others.                    | 1 | 2 | 3 | 4 | 5 |
| 48. I like order.  | 1 | 2 | 3 | 4 | 5 |
| 49. I change my mood a lot.                                  | 1 | 2 | 3 | 4 | 5 |
| 50. I am quick to understand things.                         | 1 | 2 | 3 | 4 | 5 |
| 51. I don't like to draw attention to myself.                | 1 | 2 | 3 | 4 | 5 |
| 52. I take time out for others.                              | 1 | 2 | 3 | 4 | 5 |
| 53. I shirk my duties.                                       | 1 | 2 | 3 | 4 | 5 |
| 54. I have frequent mood swings.                             | 1 | 2 | 3 | 4 | 5 |
| 55. I use difficult words.                                   | 1 | 2 | 3 | 4 | 5 |
| 56. I don't mind being the center of attention.              | 1 | 2 | 3 | 4 | 5 |
| 57. I feel others' emotions.                                 | 1 | 2 | 3 | 4 | 5 |
| 58. I follow a schedule.                                     | 1 | 2 | 3 | 4 | 5 |
| 59. I get irritated easily.                                  | 1 | 2 | 3 | 4 | 5 |
| 60. I spend time reflecting on things.                       | 1 | 2 | 3 | 4 | 5 |
| 61. I am quiet around strangers.                             | 1 | 2 | 3 | 4 | 5 |
| 62. I make people feel at ease.                              | 1 | 2 | 3 | 4 | 5 |
| 63. I am exacting in my work.                                | 1 | 2 | 3 | 4 | 5 |
| 64. I often feel blue.                                       | 1 | 2 | 3 | 4 | 5 |
| 65. I am full of ideas.                                      | 1 | 2 | 3 | 4 | 5 |

### Section 3: Tendency to Stereotype

**Instructions:** Please indicate your **level of agreement** with each of the following statements. (Circle one for each statement.)

66. A person has a certain amount of intelligence and he/she really can't do much to change it.

| Strongly Disagree | Disagree | Neither | Agree | Strongly Agree |
|-------------------|----------|---------|-------|----------------|
| 1                 | 2        | 3       | 4     | 5              |

67. A person can learn new things, but he/she can't really change his/her basic intelligence.

| Strongly Disagree | Disagree | Neither | Agree | Strongly Agree |
|-------------------|----------|---------|-------|----------------|
| 1                 | 2        | 3       | 4     | 5              |

68. People can do things differently, but the important parts of who they are can't really be changed.

| Strongly Disagree | Disagree | Neither | Agree | Strongly Agree |
|-------------------|----------|---------|-------|----------------|
| 1                 | 2        | 3       | 4     | 5              |

69. Everyone is a certain kind of person, and there is not much that they can do to really change that.

| Strongly Disagree | Disagree | Neither | Agree | Strongly Agree |
|-------------------|----------|---------|-------|----------------|
| 1                 | 2        | 3       | 4     | 5              |

**Section 4: Demographic Information**

**Instructions:** This is the last section of the survey. Please indicate your response to the following questions with a check or an "X".

**70. Please indicate your gender**

\_\_\_\_\_ Male          \_\_\_\_\_ Female

**71. What is your age (in years)?**

\_\_\_\_\_ Years

**72. What is your nationality?**

\_\_\_\_\_ North American, please specify country: \_\_\_\_\_  
\_\_\_\_\_ South American, please specify country: \_\_\_\_\_  
\_\_\_\_\_ Australian, please specify region: \_\_\_\_\_  
\_\_\_\_\_ Asian, please specify country: \_\_\_\_\_  
\_\_\_\_\_ European, please specify country: \_\_\_\_\_  
\_\_\_\_\_ Other, please specify: \_\_\_\_\_

**73. How many countries have you travelled to outside your home country?**

\_\_\_\_\_ 1  
\_\_\_\_\_ 2  
\_\_\_\_\_ 3 - 5  
\_\_\_\_\_ 5 - 8  
\_\_\_\_\_ More than 8

**74. Have you ever lived, studied, or worked in a country other than your home country? If not, skip to Question 77.**

\_\_\_\_\_ Yes          \_\_\_\_\_ No

**75. Where do/did you live, study, or work abroad?**

**Indicate country/countries:**

\_\_\_\_\_

**76. What is the longest time you lived, studied, or worked in a different country? Please indicate length of time in months.**

\_\_\_\_\_ Less than 3 months  
\_\_\_\_\_ 3 - 6 months  
\_\_\_\_\_ 1 year  
\_\_\_\_\_ 1 - 3 years  
\_\_\_\_\_ 3 - 5 years  
\_\_\_\_\_ More than 5 years

**77. Have you ever participated in a student exchange program?**

\_\_\_\_\_ Yes                  \_\_\_\_\_ No

**78. How long did you study abroad?**

\_\_\_\_\_ Less than 1 semester  
\_\_\_\_\_ 1 semester  
\_\_\_\_\_ 1 year  
\_\_\_\_\_ Longer than 1 year

**79. Have you taken courses in international/global business (pertaining to management, marketing, entrepreneurship, etc.) while at the University? If not, skip to Question 81.**

\_\_\_\_\_ Yes                  \_\_\_\_\_ No

**80. How many international/global business courses have you taken in total?**

\_\_\_\_\_ 1  
\_\_\_\_\_ 2  
\_\_\_\_\_ 3  
\_\_\_\_\_ 4 or more

**81. Do you speak any foreign language(s)?**

\_\_\_\_\_ Yes                  \_\_\_\_\_ No

**82. How many languages do you speak?**

\_\_\_\_\_ Native language only  
\_\_\_\_\_ 2 languages  
\_\_\_\_\_ 3 languages  
\_\_\_\_\_ More than 3 languages

**83. How many years did you study each language (excluding your native language)?**

| Language 1 _____            | Language 2 _____            | Language 3 _____            |
|-----------------------------|-----------------------------|-----------------------------|
| _____ Less than 1 year      | _____ Less than 1 year      | _____ Less than 1 year      |
| _____ Between 1 and 3 years | _____ Between 1 and 3 years | _____ Between 1 and 3 years |
| _____ More than 3 years     | _____ More than 3 years     | _____ More than 3 years     |

**84. Do you anticipate being involved in international/global business during your career?**

\_\_\_\_\_ Yes                  \_\_\_\_\_ No

Thank you for your participation. Your input is greatly appreciated!  
Please return the questionnaire to the administrator.

VITA



## VITA

Miriam Moeller was born in Schwäbisch Hall, Baden-Württemberg, Germany, on October 27, 1983. In July 1997, Miriam and her family migrated to the United States of America where she enrolled as an International Business major at the University of Mississippi (UM) in Oxford, Mississippi. In 2006, Miriam received a B.B.A. in International Business followed by an M.B.A. in 2007, and a Ph.D. in Management in 2010. During her tenure at UM, she was the recipient of the School of Business Administration 2008-2009 outstanding Ph.D. student award.

Her professional teaching experience ranges from an instructor position in the United States (Mississippi) to an overseas Adjunct Teaching Fellow position at a private institution (Bond University) in Queensland, Australia, catering to a diverse set of students at the undergraduate and graduate level. Miriam's teaching repertoire includes the introductory course to management, organizational behaviour, cross-cultural management, and international human resource management.

Miriam's underlying research interest and stream revolves around the globalization of the firm and its effect relative to the strategic management of human resources. Specifically, her research highlights topics such as the utilization and adjustment of an inpatriate/expatriate staffing method, the development of a global mindset, employing global dual-career couples, employing female global managers, and the creation of cultural intelligence. To date, her research has appeared in the *Journal of International Human Resource Management*, *Organizational Dynamics*, *Journal of World Business*, *Journal of Management History*, *Journal of Applied Social Psychology*, and *Human Resource Development Quarterly* among others.

