International Journal of Human Resource Management

The Power of Support in High-Risk Countries: Compensation and Social Support as Antecedents of Expatriate Work Attitudes

--- finally revised version after conditional accept ---

July 28, 2014

Keywords:
Expatriate Management, High-risk Countries, Perceived Organizational Support (POS), Social Support, Work Attitudes

Abstract:
This study analyzes the antecedents of expatriate work attitudes in terrorism-endangered countries. Applying a social exchange perspective, the study empirically analyzes which measures are qualified to achieve and maintain positive work attitudes among expatriates. Hierarchical regression analysis is applied to investigate this relationship, using data from 143 expatriates in high-risk countries. Data show that social support from co-workers as well as from the organization itself is essential. Moreover, the study investigates the expatriate’s sensitivity to terrorism as a moderator and finds that companies should incorporate the sensitivity in their considerations for corporate measures.
Introduction

In multinational corporations (MNCs) it is common practice to send staff abroad in order to coordinate and control their subsidiaries, transfer knowledge, or advance the assignees’ careers (Edström & Galbraith, 1977; Harzing, 2001; Stahl, Miller, & Tung, 2002). To achieve these goals, employees are assigned to work in a foreign subsidiary for a limited amount of time, often between one and five years (Harrison, Shaffer, & Bhaskar-Shrinivas, 2004). While most markets in industrialized countries are increasingly saturated, many regions in the rest of the world are still under-developed and offer a variety of prosperous business opportunities (Yeung, Warner, & Rowley, 2008). This also applies to relatively risky and dangerous regions. For instance, the annual report of the RES Forum (2012), an organization of international HR and mobility professionals, states that, “many ‘hardship locations’ now have rapidly developing economies” (p. 73). While the peculiarities of hardship locations are very broad in scope, one characteristic that is of special interest for international business is the prevalence of terrorism (Czinkota, Knight, Liesch, & Steen, 2010). According to the US Code, terrorism is the “premeditated, politically motivated violence perpetrated against noncombatant targets by subnational groups or clandestine agents” (22 U.S.C. § 2656f). Such form of violence is especially targeted at foreign businesses and their staff abroad (Bader & Berg, 2014) and can have detrimental consequences for organizations (James, 2011a). However, in order to benefit from the positive economic development, MNCs have no choice but to also staff subsidiaries in so called high-risk countries (HRCs) with expatriates.

Besides economic uncertainty, the type of risk is multi-faceted, ranging from political instability, for instance in countries being involved in the Arab Spring, to dangers posed by terrorism (Bader & Berg, 2013, 2014; Czinkota, Knight, Liesch, & Steen, 2005; Czinkota et al., 2010; Getz & Oetzel, 2010). Most people assigned to a foreign location that they perceive as interesting, e.g. European expatriates in the United States, should be excited and willing to go; however, as Brookfield Global Relocation Services (2013) points out, “(i)migration, security, quality of life and housing are all areas that can pose considerable difficulties for international assignees” (p. 13), which should make it more difficult for companies to motivate staff to accept an assignment in a high-risk country.
In consequence, terrorism is an important factor impacting MNCs’ human resource management (Welbourne, 2010). Hardship and danger premium payments are a prevalent instrument to incentivize employees (KPMG, 2012; Martocchio, 2013). However, monetary incentives are not the only measure a company can employ. Since the intrinsic motivational effect of payments often is limited (Osterloh & Frey, 2000; van Herpen, van Praag, & Cools, 2005), even well-paid expatriates may be negatively affected by the challenges and drawbacks of the foreign assignment. In addition to financial compensation, companies have a set of other measures, such as varying the duration of the assignment (Collings, Scullion, & Morley, 2007), fostering mutual social support among their staff (Wang & Nayir, 2006), or providing organizational support (Eisenberger, Huntington, Hutchison, & Sowa, 1986; Rhoades & Eisenberger, 2002). Those measures can be used to avoid expatriate failure and negative outcomes such as bad work attitudes. This is important, since positive attitudes “toward the organization, team, and job are associated with enhanced job performance and citizenship behaviors” (Reade, 2009, p. 472).

Research on expatriate adjustment (Bhaskar-Shrinivas, Harrison, Shaffer, & Luk, 2005; Black, Mendenhall, & Oddou, 1991; Hechanova, Beehr, & Christiansen, 2003; Shaffer, Harrison, & Gilley, 1999), family issues (Caligiuri, Hyland, & Joshi, 1998; Haslberger & Brewster, 2008), and pre-departure cross-cultural training (e.g. Bennett, Aston, & Colquhoun, 2000; Puck, Kittler, & Wright, 2008) is quite extensive. In addition, some research on early returns and other forms of failed assignments exists (for an overview of expatriate failure and failure rates, see Harzing & Christensen, 2004). Social support and the meaning of a social network in the expatriate context have also been analyzed, even though to a lesser extent. For instance, Caligiuri & Lazarova, (2002) found that female expatriates who develop social relationships use these to better adjust in the host culture. Takeuchi, Wang, Marinova, & Yao (2009) state that providing organizational support has positive synergistic effects on the assignees. Moreover, social support from co-workers helps expatriates to feel that their presence is valued, which is corresponding with satisfaction (Aycan, 1997). Hence, there seem to be important instruments in terms of social support that need to be considered. For instance, securing adequate social support, both from the organization itself as well as encouraging team members to support each other, could be qualified to keep work attitudes positive.
However, while these studies focus on the influence of one particular variable, often from an adjustment-perspective, research on the combination of different forms of social support is scarce to nonexistent. Additionally, social support has mainly been investigated in industrialized countries. Nonetheless, high-risk countries represent greater challenges so the amount of social support required is likely to be greater as well. In terms of expatriate assignments in a high-risk host country, there is no study analyzing a company’s set of measures to achieve good work attitudes. This is surprising considering that expatriation in such environments is increasingly important.

While Tung (1998), in a study on American expatriates, found that economic and cultural distance between home and host country are important for the assignment, this study takes a more focused view in terms of risk and puts the danger emanating from terrorism in the spotlight. In a high-risk country, expatriate work attitudes are likely to be strongly influenced by the external environment. Thus, the organization supporting them and taking care of their needs is very important. A major problem is that many companies only have limited information concerning the challenges and hazards in high-risk countries, especially regarding the risk of terrorism. Managers often are unprepared and unknowledgeable about how to address this topic, top executives in foreign subsidiaries shunt terrorism concerns to headquarters (Czinkota et al., 2005). Even though it appears to make sense to just avoid operating in high-risk countries, this is not always possible or desirable (Delios & Henisz, 2003; Oetzel & Getz, 2011). Moreover, it is crucial for companies doing business in high-risk countries, to be aware of the special challenges and pitfalls. Understanding the importance of expatriate work attitudes and how to keep them positive in these environments is thus essential.

Based on this rationale, the main objectives of this study are (1) to develop a conceptual framework of the impact of compensation, duration, and social support on work attitudes of expatriates in high-risk countries, (2) to test the hypothesized relations empirically, and (3) to develop managerial implications for securing the success of assignments in terrorism-endangered (high-risk) countries. Focusing on the negotiation process between employer and expatriate concerning the assignment, this study applies social exchange theory and adapts it to the context of expatriate assignments in high-risk countries. By doing so, it enhances literature on managing expatriate assignments including their ar-
rangement and compensation issues. Moreover, it contributes to the scarce existing research on expatriation in increasingly important, though dangerous, parts of the world.

Conceptual framework and hypotheses

This study is based on social exchange theory (SET). The core of social exchange is a series of interactions between individuals that generate obligations (Emerson, 1976). In such interactions, resources of socio-emotional as well as of economic value can be exchanged (Cropanzano & Mitchell, 2005). These interactions are highly interdependent and, under certain circumstances, can generate high-quality relationships (Cropanzano & Mitchell, 2005). SET and, as a part of it, perceived organizational support, have been widely applied in the field of the relationship between expatriates and their employing organization (Shore & Coyle-Shapiro, 2003; Takeuchi et al., 2009; Wayne, Shore, & Liden, 1997). In a successful social exchange relationship, both participants benefit. For instance, a desired benefit of employers is positive work attitudes of their staff. Eagly & Chaiken (1993) understand attitudes as a psychological tendency that an individual expresses by evaluating an entity with favor or disfavor. Deteriorating work attitudes have a variety of negative effects, such as impeded performance or employee turnover (Bader & Berg, 2013; Naumann, 1992; Reade, 2009; Saari & Judge, 2004). This means in turn that positive attitudes are a pre-requisite to ensure success abroad.

Social exchange theory postulates that the exchange between contracting parties is based on a set of rules (Emerson, 1976). The most important rule is the reciprocity rule, especially in interdependent relationships, such as employment contracts (Cropanzano & Mitchell, 2005). According to this rule, interpersonal transactions trigger each other, meaning that an action by one actor causes a response of the other partner and vice versa. For instance, treating another person with kindness might cause kindness as a response. In reciprocal exchange there is no direct bargaining, but one interacting “party’s actions are contingent on the other’s behavior” (Cropanzano & Mitchell, 2005, p. 876). Hence, risk is reduced and cooperation is encouraged since both parties know that their own actions and behavior will directly impact the other party’s actions in a mutual relationship (Molm, 1994). While an expatriate assignment definitely has elements of such interdependent exchange, negotiated agreements also need to be taken into account. They are more explicit, for example, when the employer and employee
agree upon the base salary through a negotiation process (Cropanzano & Mitchell, 2005). Both kinds of exchange, negotiated as well as implicit, are important, especially since exchange not only includes transactions of direct economic value, but also of symbolic value, like status (Foa & Foa, 1980). Expatriate compensation practices are an important, though difficult issue (Lowe, Milliman, De Cieri, & Dowling, 2002). In the light of social exchange theory, financial compensation is part of a negotiation process during which both sides eventually agree upon a certain amount of money to be paid (Cropanzano & Mitchell, 2005). The expatriate’s “investment” of relocating to an endangered area is likely to be rewarded, at least to a certain extent, with a higher income. This is a common practice in MNCs (RES Forum, 2012). In order to increase the company’s return on investment in terms of expatriates with positive work attitudes, companies can link the compensation with assignment objectives, which eventually improves organizational performance (McNulty & Tharenou, 2004). However, if the expatriate is unsatisfied with the compensation, he or she shows bad attitudes and might even leave the company (Harvey, 1993).

Hence, by negotiating an adequate compensation package that both sides can live with, the expatriate as well as the company benefit. Usually companies offer relatively high compensation packages to attract staff to relocate internationally (Bonache, 2005). Obviously, if an individual has to undergo higher risks when accepting a job, e.g. expatriates assigned to countries particularly strongly exposed to terrorist threat (which are referred to as high-risk countries), it can be expected that this risk-taking behavior is additionally rewarded. This is necessary to maintain a good social exchange relationship between the two parties. In emerging markets it is especially important for a company to keep up the staff’s motivation and maintain a positive set of attitudes (Du & Choi, 2010). Even though money is not necessarily qualified as a motivational factor (Kocabiyikoglu & Popescu, 2007), it can help to show the company’s appreciation of the employee accepting the job and the employee’s willingness to take personal risk for the company’s sake. Employees perceiving their efforts being rewarded are more likely to develop positive attitudes (Chênevert & Tremblay, 2009). Still, it is arguable how large such a monetary reward needs to be and may depend on one’s risk aversion.

Thus, in order to improve the expatriate’s work attitudes, the company needs to make sure that the employee is satisfied with the result. Of course this is not possible at any cost; if the gap between
the expectations is too big, finding another employee to do the job might be better. The positive effects
of compensation can only occur if the expatriate perceives the compensation as fair and appropriate. It
is not the absolute amount of money that matters, but the expatriate’s subjective perception of the paid
premium for being in a high-risk country. The social exchange is only positive and the desired out-
comes can only be reached if the compensation is sufficient. Thus, it is concluded:

*Hypothesis 1:* Expatriates’ satisfaction with their compensation package in high-risk countries posi-
tively affects their work attitudes.

The relationship between employee and organization can be understood as a market place (Randall,
Cropanzano, Bormann, & Birjulin, 1999), in which market participants trade services (e.g. positive
work attitudes and performance) for other services and goods (e.g. favorable duration of the assign-
ment). Since expatriate assignments are a (special) form of this employee-organization relationship,
research from domestic context applies here as well. By adjusting the duration of the assignment to the
expatriate’s needs, companies could expect to benefit from this social exchange by the expatriate de-
veloping positive work attitudes. This is a positive response to the company’s effort and part of the
deal (Cropanzano & Mitchell, 2005). Duration often has been incorporated as a control variable
(Bhaskar-Shrinivas et al., 2005; Gregersen & Black, 1990). However, as it determines the amount of
time an expatriate is exposed to the danger, it appears reasonable to assume that duration is part of the
negotiation process between expatriate and organization and thus should be included as a predictor.

Overall, literature on the duration of assignments is scarce and outcomes are ambiguous, suggest-
ing positive, negative, or curvilinear effects. There are reasons to prefer shorter assignments over
longer ones (Konopaske & Werner, 2005), especially when the expatriate’s family is involved (Shaffer &
Harrison, 2001). They have to leave friends and other relatives behind, which can be burdening
(Harvey, 1985). Having a set return date in the future helps expatriates and their families to overcome
potential trouble since the end is in sight (Shaffer & Harrison, 2001). According to this reasoning,
shorter assignments would be preferable. However, in Shaffer & Harrison’s (2001) qualitative study,
respondents bringing up these points were on assignments of three to four years. Brown (2008) found
that the duration of the assignment does not matter and states that stressors in an international assign-
ment feel stressful when they are experienced, no matter how little or much time the expatriate spends
abroad. In a comparison between three groups of expatriates spending 12, 12-36, and more than 36
months abroad, there were no significant inter-group differences in their stress-level.

Other research points out the benefits of longer assignments. If assignments are shorter and main-
ly intended to fill in a gap, they are supposed to be less (positively) challenging and can even cause
underemployment of the expatriate (Bolino & Feldman, 2000). However, findings of this particular
study were not statistically significant. Applying Black & Mendenhall's (1991) U-curve of adjustment
would suggest to opt for assignments longer than 24 months, as then the “culture shock phase” should
have passed. Moreover, especially assignment duration at a senior management level is longer (Tung,
1998). As a matter of fact, a longer stay in the country equals a longer exposure to potential terrorism.
However, the actual work in high-risk countries can differ as well. While some managers for instance
need to leave their guarded office compounds quite regularly in order to visit customers, they might
indeed heavily prefer a shorter duration. Managers with little to no outside contact, however, might be
less prone to leave the country as soon as possible but rather put more emphasis on getting the job
abroad done.

In high-risk countries, there are two competing goals. On the one hand, it could be argued that
leaving the country as soon as possible might be preferable for the expatriate. Risks are higher than
elsewhere and knowing that the assignment will soon be over could help to keep up positive attitudes.
On the other hand, longer assignments usually mean more responsibility and time to actually change
things abroad. Managers can build up better relationships with local business partners and give the
subsidiary his or her own signature. This is highly dependent on individual preference.

Overall, since research is too ambiguous to make a clear prediction of how this affects the expat-
riate’s work attitudes, it is proposed:

*Hypothesis 2:* Duration of the assignment has no clear impact on expatriates’ work attitudes in high-
risk countries.
Human beings are social by nature, their attitudes and well-being also depend on interaction with other humans and social support (Rook, 1984). When expatriates are transferred to a different country, they are taken out of their accustomed environment and social network. As a consequence, they will establish a new social network abroad and draw social support from new people (Wang & Nayir, 2006). Farh, Bartol, Shapiro, & Shin (2010) developed a five-stage model, describing how expatriates form network ties in an unfamiliar environment. The first two stages are of special interest here, as they explain when and from whom expatriates seek social support. The first stage explains the motivation to seek social support from actors in the host country. This motivation is higher when social uncertainty is high (Farh et al., 2010). In high-risk countries, the uncertainty is likely to be higher than in other host countries, hence expatriates assigned to these regions should be more likely to need and seek social support.

Farh et al.’s (2010) second stage analyzes the selection process. As expatriates usually spend a significant amount of their time at work, it is very likely that their co-workers are among the first ones to be contacted. Even more if the host country is less attractive in terms of other potential sources of support. Tung (1998) states that expatriates from industrialized countries potentially experience greater problems when they are assigned to less-developed countries compared to other industrialized countries. However, co-workers can provide advice and guidance, help to accomplish tasks, or simply give important information, all of which are forms of social support (Heaney et al., 1993). Co-worker social support is very important, since it was found to help reducing strain (Beehr, Jex, Stacy, & Murray, 2000). As social support can possibly decrease emotional upset in the workplace, in turn it can also improve the individual’s work attitudes.

In a domestic context Ducharme & Martin (2000) found that social support from co-workers has a positive influence on employee work attitudes, particularly on job satisfaction. This is also true in an expatriate context. Social support from colleagues contributes to a feeling of acceptance and being valued (Caligiuri & Lazarova, 2002), which will be reciprocated. According to social exchange theory, the answer for that is rooted in the “reciprocity in kind rule,” which Cropanzano & Mitchell (2005) state is likely to be the best known rule of social exchange. If co-workers are kind and supportive to
the expatriate, the expatriate’s logical reciprocal response would be to be kind as well, e.g. by showing more effort and developing positive work attitudes.

When looking at social support, there are two things of interest: the quantity and the quality of support provided. Quantity means the amount of different people providing support. Analyzing internationally relocated families, Shaffer & Harrison (2001) stress that a large social network of the accompanying spouse is beneficial. Having more sources of social support contributes to a greater life satisfaction (Brenner, Norvell, & Limacher, 1989). Depending on the host country, expatriates develop different patterns in their social network. Wang & Nayir (2006) point out the importance of the network’s size. Among other factors, a larger social network contributes to a better expatriate well-being. This makes sense, since a bigger network means a greater number of people the expatriate can potentially approach in order to receive support (Shaffer & Harrison, 2001) and thus larger networks typically provide expatriates with more social support (Lin, Woelfel, & Light, 1985). In a high-risk country, which is often characterized by a less-developed economy, expatriates experience greater challenges than elsewhere (Tung, 1998). While already having to deal with problems of international relocation, the additional threat posed by terrorism can be very burdensome for an expatriate. How crucial social support in high-risk countries is becomes evident, for instance, when looking at the amount and intensity of terrorist attacks just on luxury hotels. Wernick & Glinow (2012) compiled a list of selected attacks, illustrating the magnitude of terrorism. As these hotels are symbolic targets of Western (business) activity, attacks are also especially present in the media. Therefore, expatriates working in hostile areas who are confronted with the danger anyway perceive an intensified effect due to additional confrontation via TV, newspaper, or internet. This can be even amplified, when friends and family at home get notice of these attacks and contact the expatriates. While all these factors can contribute to intensifying the fear, social support is of tremendous importance in order to help the expatriate calming down. Since one can never know whether another individual is actually willing or able to provide the desired amount of social support, it is best to draw from a larger pool of potential providers, as this support is of great importance in high-risk countries. Hence:
Hypothesis 3a: More people providing social support in the work environment (i.e. a larger social network) of expatriates in high-risk countries positively affects expatriates’ work attitudes.

The other important pillar of social support is its quality, or more specifically the satisfaction with it. Kraimer & Wayne (2004) analyzed social exchange between leaders and team members and found that quality relationships have a positive impact on outcomes such as performance and adjustment. Brenner et al. (1989) also stressed a positive association between the quality of social support and life satisfaction. Hence, social support of high quality is potentially satisfying. Valued and useful social support from co-workers could contribute to develop positive work attitudes. Especially in emerging countries, where there is little or no formal, institutional support, interpersonal networks can be an alternative source for social support (Peng, Wang, & Jiang, 2008).

However, the actual quality of social support largely depends on the individual’s perception. For instance, whether or not a piece of information given to an expatriate is considered “high quality” social support depends on the usefulness and satisfaction he or she derives from it. The more useful, the higher the satisfaction with it. In high-risk countries, expatriates are confronted with a high stress level, emotional strain, fear, and uncertainty (Bader & Berg, 2013; Czinkota et al., 2005; Prieto-Rodríguez, Rodríguez, Salas, & Suarez-Pandiello, 2009). Hence, the importance of the quality of the social support the expatriate receives might be even higher than in other regions, since it could help to overcome fears, avoid dangerous mistakes, or help to get the job done better. However, even if the expatriate recognizes and appreciates the company’s effort, social support will only have a positive impact on his or her work attitudes, if he or she is satisfied with the quality of support provided. Therefore, it is derived:

Hypothesis 3b: Satisfaction with co-worker social support (i.e. support of high quality) provided to expatriates in high-risk countries positively affects their work attitudes.

In addition to the aforementioned social support received by their co-workers, the employing organization itself can also provide support, i.e. perceived organizational support (POS). POS has been subject
to extensive research (see, for instance, Eisenberger et al. (1986), Gavino, Wayne, & Erdogan (2012), Paillé, Bourdeau, & Galois (2010), Paillé, Grima, & Dufour (2012), and Rhoades & Eisenberger (2002)). It can be understood as employees’ “global beliefs concerning the extent to which the organization values their contributions and cares about their well-being” (Eisenberger et al., 1986, p. 501). In contrast to social support from co-workers, the company itself provides POS directly to the employee. Co-workers are more independent in their actions and companies cannot force them to provide social support to a new expatriate, rather, they can only set the stage. However, if a company wants to benefit from benevolent reciprocal actions of an expatriate, it can provide organizational support (Eisenberger, Cummings, Armeli, & Lynch, 1997; Rhoades & Eisenberger, 2002). This can lead to the company being rewarded with positive work attitudes (Witt, 1991a, 1991b).

In their extensive literature review on POS, Rhoades & Eisenberger (2002) emphasize the importance of the reciprocity norm. Employees who perceive a high level of support from their employer should feel more obligated to care about the organization’s welfare. Again, the rule of “reciprocity in kind” becomes relevant. If the company shows effort and values the expatriate, he or she will respond positively. While POS is also qualified to buffer stress (Cohen & Wills, 1985), it has a variety of other desirable outcomes, such as greater effort, higher organizational citizenship behavior, and improved work attitudes (Eisenberger et al., 1986; Paillé et al., 2010, 2012; Snape & Redman, 2010). For this study, the focus is the latter relationship, analyzing the positive effects of POS on work attitudes. POS has an even stronger effect and greater importance if the employee has to relocate internationally (Guzzo, Noonan, & Elron, 1994). However, expatriates in a high-risk country are supposed to be even more sensitive to organizational caring and support. The organization as an employer is responsible for transferring them to the endangered environment (Bader & Berg, 2013). Thus, the only reason why expatriates expose themselves to this particular danger is the success of the company. With regard to the rule of ”reciprocity in kind,” in countries with prevailing uncertainty and risk, it is crucial for a company to credibly show that the expatriate is supported and not left alone. According to social exchange theory, this way of expressing kindness should then be rewarded with positive work attitudes.

Since organizational support theory is based on a reciprocal relationship, support provided voluntarily has a higher value and thus a better impact than POS due to external pressures (Eisenberger et
al., 1997; Rhoades & Eisenberger, 2002). Hence, social support provided by the organization has to be tailored to the employees’ needs. For instance, in countries where there is a higher danger of terrorism, companies need to anticipate the expatriate’s potential fears and incorporate adequate protection plans in their support strategy. By attributing it human characteristics, expatriates, as any other employee, tend to personify their employer (Eisenberger et al., 1986). Such personification can be a chance for the organization to gain positive outcomes by actively designing the relationship with the expatriate. Provision of voluntary support respecting the expatriate’s desires and concerns in high-risk countries can be a powerful instrument. Thus, it is expected that:

**Hypothesis 4**: A higher level of POS (social support by the organization) positively affects expatriates’ work attitudes in high-risk countries.

Indirect effects of terrorism, such as emotional harm, are widespread and have a negative impact on international business (Czinkota et al., 2010). While the aforementioned hypotheses predict a direct impact of several organizational measures on expatriates’ work attitudes, there is notion for a potential moderator, one’s sensitivity to terrorism. This construct has been successfully applied before in research on terrorism, representing an important individual factor (Reade & Lee, 2012; Reade, 2009). Depending on the individual and the situation, each person may perceive the risk and resulting consequences of terrorism as more or less threatening (Sunstein, 2003). While some individuals might tend to be more affected by potential terrorist activity, others may show a weaker emotional reaction. This phenomenon is likely to have consequences on the impact of certain predictors on their (work) attitudes. For instance, Reade & Lee (2012) analyze the impact of sensitivity to ethno-political conflict on organizational commitment. They define sensitivity as “the degree to which an employee is readily affected by external influences” (p. 89). As sensitivity to terrorism “is negatively associated with employee attitudes (...) it behooves human resource managers to design and support initiatives and programs to help shift employee attitudes in a more positive direction” (Reade, 2009, p. 480), this emotional state should be accounted for. Especially since a person’s emotional state plays a large role when judging a situation (Sunstein, 2003). This study does so by following Reade & Lee (2012), con-
necting an expatriate’s sensitivity to terrorism with the postulated relationships on his or her work attitudes. In particular, it is expected that individuals who are more emotionally affected by terrorist events (i.e. have a higher sensitivity), will react more strongly to the instruments in the organization’s set of measures.

For instance, while a higher satisfaction with one’s compensation normally would lead to better work attitudes, in high-risk countries, depending on the sensitivity to terrorism, this positive effect is expected to decline or even vanish. In times of crisis non-monetary values become more important (Alexander, 2004; Yum & Schenck-Hamlin, 2005), thus it is reasonable to assume that for people with a higher sensitivity satisfaction with their compensation fades into the background.

On the contrary, while a big amount of social support is expected to increase work attitudes, this relationship is even more crucial when somebody is very sensitive to terrorism. On organizational level, James (2011b) argues that a larger network is beneficial when terrorism prevails, as this means more potential sources of information. This is likely to also apply on individual level and is crucial, if somebody is very sensitive since then the demand for potential sources of support is higher. Moreover, this is also expected to apply for the quality of social support as well as the organization’s backing. Any kind of support is expected to be of greater importance, if the expatriate feels more vulnerable, i.e. is more sensitive. Hence, people with a higher sensitivity to terrorism will show stronger reactions for the influence of social support and POS. Thus, it is proposed:

Hypothesis 5a: The more sensitive an expatriate in a high-risk country is to terrorism, the weaker the influence of satisfaction with compensation on work attitudes.

Hypothesis 5b: The more sensitive an expatriate in a high-risk country is to terrorism, the stronger the influence of social support (quantity) on work attitudes.

Hypothesis 5c: The more sensitive an expatriate in a high-risk country is to terrorism, the stronger the influence of satisfaction social support (i.e. support of high quality) on work attitudes.

Hypothesis 5d: The more sensitive an expatriate in a high-risk country is to terrorism, the stronger the influence of POS on work attitudes.
As illustrated in Figure 1, three factors are included in the model as control variables, namely age, gender, and length of previous assignments. As older managers have more life experience and likely went through a variety of challenging and stressful situations before, it should be easier for them to adapt to new, demanding situations (Puck, Mohr, & Rygl, 2008). They should be calmer in general, which helps them to maintain better work attitudes. Secondly, it can be expected that men and women develop different work attitudes as well, as the gender role is also important (Selmer & Leung, 2003). For instance, (some) women might be more emotional and thus more likely to be emotionally affected by terrorist attacks and other challenges in high-risk countries. The final control variable is the time a manager has previously spent on expatriate assignments. An expatriate who has been on previous assignments and has accumulated a lot of experience and expertise should have an easier time adjusting to new situations and integrating him or herself in new teams (Caligiuri, 2000; Kraimer, Wayne, & Jaworski, 2001; Puck et al., 2008). This might help him or her to see situations more relaxed and thus also lead to better attitudes.

— Figure 1 about here —

Methodology

Research design and sample

Data to test the hypotheses is part of a bigger research project on expatriate performance. The dataset was also used by Bader & Berg (2013). This paper deviates from the former by investigating different main effects and applying a different statistical method. Data was obtained from a survey among 143 Western expatriates (in particular, 115 from Central Europe, 20 from North America, 8 from other countries) assigned to high-risk countries with an US or European MNC. 75 % of the respondents are male, the average age is 42.6 years and an average assignment lasts almost four years. Hence, demographics compare favorably with those of other studies (Puck et al., 2008; Shaffer & Harrison, 1998; Takeuchi, Yun, & Tesluk, 2002). Moreover, the respondents are well-educated, with 135 holding a Bachelor’s degree, and the vast majority works in a responsible position, with 114 being a (senior) supervisor.
Three different sources indicating elevated terrorist activity (International Country Risk Guide’s (ICRG) terrorism rating, NCTC data (National Counterterrorism Center, 2012), and the British Foreign and Commonwealth Office’s terrorism classification) formed the basis to judge whether a country was considered “high-risk” or not. A host country was included in the analysis when at least two of three sources indicated a high prevalence of terrorism. The number of expatriates assigned to each region represented in the study is specified in Table 1.

Potential respondents currently assigned in a high-risk country were approached with email invitations, asking them to answer an English language questionnaire. Preliminary attempts at data collection as well as the pilot study showed how difficult it is to collect data. In the pilot study an early version of the questionnaire was sent to a small group of expatriates (those were not included in the actual analysis). They were asked to give feedback on the items and the survey design. As one of the major concerns was that some demographic data could reveal their identity, some items, such as for how long they already have been assigned, were dropped in order to allow for a higher response rate in the actual survey. Due to the lack of a general directory of MNC executives on foreign assignments and a limited willingness of MNCs to cooperate by distributing the survey or handing out contact information (due to safety concerns), a split approach was chosen. In a first step, individuals potentially on an assignment in a HRC were identified by hand-picking names and researching email addresses, using information given by the expatriates in an online social network. This yielded 1140 potential respondents in total, who were emailed an invitation including a unique personal link to the survey platform. Additionally, two weeks after the initial mailing they received a reminder. The 108 usable data sets retrieved equal a response rate of slightly below 10 %. Considering that only senior-level expatriates with a limited willingness to participate in academic surveys were approached, the response rate is comparable to other electronic surveys aiming at top executive respondents (Baruch, 1999; Cycyota & Harrison, 2006).

The second step was including the invitation in the BDAE newsletter. The BDAE is a German Association of expatriates with about 3,500 members. This yielded another 35 responses from expatriates on an assignment in a high-risk country. The lower response rate of only 1 % can be easily explained since it was part of a newsletter mailing that did not address the respondent personally. How-
ever, most importantly, the study aims at expatriates in high-risk countries, excluding the vast majority of BDAE members. With regard to other internet-based surveys, the overall response rate can be considered acceptable (Deutskens, de Ruyter, Wetzels, & Oosterveld, 2004). As a comparison of the means of both sub-samples showed, there were no significant differences. Thus, a combination of them yielded one sample consisting of 143 entries in total. Finally, tests for non-response bias and early versus late responses revealed no problems with the data (Armstrong & Overton, 1977).

— Table 1 about here —

Measures

With the exception of assignment duration (in months), quantity of social support (number), and the control variables (age, gender women=0, men=1, and previous assignment duration in months, see Figure 1), all items were measured using a 5-point Likert scale. Standard scales from the literature were applied where possible. In the case of POS some items were added to depict the support under terrorism threat.

In order to query how satisfied the expatriate is with his or her compensation, they were asked to rate his or her level of satisfaction with the base salary and with the entire compensation package separately. Social support in the work environment was measured using six questions from the Social Support Questionnaire based on the work of Sarason, Levine, Basham, & Sarason (1983) and Sarason, Sarason, Shearin, & Pierce (1987). Items included, for instance, “how many people can you really count on to be dependable when you need help?” (quantity) and “how satisfied are you with this support?” (quality). In order to gauge the Perceived Organizational Support, we used eight items from Eisenberger et al. (1986), five of them adjusted to the special challenges in a terrorism-endangered country. A sample items is “the organization openly communicates behavioral rules in case of a terrorist attack.” Sensitivity to terrorism is based on the work of Reade (2009). Using eight items, respondents were asked to indicate how much stress they associate with terrorist attacks, or if they feel more tense at work after a recent terror incident. Response formats were labeled from 1 = “strongly disagree” to 5 = “strongly agree.”
Finally, the dependent variable, expatriate work attitudes, was measured using fourteen items derived from the literature. Since the attitudes towards all of the expatriates work environment, not just the employer, are relevant, the variable consists of three sub-dimensions which is in line with previous research (Reade, 2009). In particular, we assessed Taylor & Bowers (1972) for attitudes towards the team, Cook & Wall (1980) for attitudes towards the organization, and Hackman & Oldham's (1975) Job Diagnostic survey for attitudes towards the task itself. Response formats were labeled from 1 = “strongly disagree” to 5 = “strongly agree” or 1 = “not at all” to 5 “very much,” according to the respective context of the question. However, as for this survey the entirety of work attitudes was of interest, the measures were combined (Cronbach’s Alpha: .925). Sample items include, “to what extent does your superior maintain high standards of performance,” “I am quite proud to be able to tell people who I work for,” and “I am generally satisfied with the kind of work I do in this job.”

Whenever self-report questionnaires are used, especially when data on dependent and independent variables are collected from the same participant at the same time, common method variance (CMV) could be a concern (Podsakoff & Organ, 1986). However, as all constructs target directly at the expatriate’s individual perception of the situation, it was not possible to rely on a different source of information. In order to minimize potential problems, a CMV-reducing questionnaire design was used. When developing the survey, any terms that could be vague, misleading, or unfamiliar to the respondents were avoided. In addition, all respondents were assured full respect to the anonymity and confidentiality of the survey (Chang, van Witteloostuijn, & Eden, 2010). Finally, a Harman’s single factor test for common method variance was applied (Harman, 1976; Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). As no single factor accounted for the majority of variance, this ex-post procedure combined with the ex-ante steps indicate that there were no problems with CMV.

**Analysis and Results**

Using the IBM SPSS Statistics 20 package, hierarchical regression analysis was applied, calculating five models in order to test the hypotheses. While model one contains the control variables only, satisfaction with compensation and duration of the assignment were added to model two (Hypothesis 1 and 2). These variables can be negotiated by the interacting parties. Model three focuses on the social ex-
change with co-workers, adding quantity of and satisfaction with (i.e. quality) co-worker social support (Hypothesis 3a and 3b). Model four incorporates direct social support by the organization, adding POS (Hypothesis 4). Finally, model five includes sensitivity to terrorism as a predictor as well as its interactions with the other variables (Hypothesis 5a-d). Means, standard deviations, correlations among the variables, as well as scale reliabilities are reported in Table 2. Autocollinearity was not a problem, as with a value of 1.949, the Durbin-Watson statistic was not very different from 2. Model five explains about 65% of the variance in work attitudes (R² adjusted) and all models are statistically significant (2.410 < F < 21.187, .01 ≤ p ≤ .001). To ensure data did not suffer from multicollinearity, a diagnostic test for the variance inflation factor (VIF) was conducted yielding a value well below the recommended threshold of 10.

All regression results on expatriate work attitudes in countries with a high risk of terrorism are shown in Table 3. Looking at the control variables only shows that neither the expatriates’ age nor gender mattered for their work attitudes. For expatriates with more previous experience due to having been on an assignment before, a slightly positive effect can be detected. However, with an R² (adj.) value of 2.9%, the explanatory power is quite low. When adding the next set of variables, satisfaction with compensation and duration of the assignment, the R² (adj.) rises to 20.1% with both variables having a positive, significant influence. While the relationship between satisfaction with compensation and work attitudes was predicted (which confirms Hypothesis 1), the result concerning duration is somewhat surprising. Due to considerable ambiguity in previous research, Hypothesis 2 predicted that duration would have no significant influence on the work attitudes. Data show that duration slightly mattered in the first models, with longer assignments having a small positive impact on work attitudes. However, in the final model the effect dropped below a 5% level (p ≤ .01, β = .094 in Model five). Overall, Hypothesis 2 was not supported.

The next step, adding the quantity and quality of social support by co-workers, increases the explanatory power by another 17.5%. Results show that both the amount of co-worker social support as well as the expatriate’s satisfaction with it has a positive impact on work attitudes. While in the final model the quantity is only significant on a 5% level, the quality is highly significant (p ≤ .001, β = .188). Thus, Hypothesis 3a and 3b are confirmed accordingly. Extending the model by perceived or-
ganizational support gives information about the role of the company in determining work attitudes and increases the $R^2$ (adj.) to a value of 61.8%. In both remaining models the influence of POS is highly significant and has a great influence ($p \leq .001$, $\beta = .512$ in model five). This finding, which confirms Hypothesis 4, is especially important, as POS is heavily based on a non-negotiated, reciprocal social exchange between the expatriate and the organization and will be subject to substantial discussion later on. Finally, in the last model, all variables, including the interactions between sensitivity to terrorism and the other predictors are added. The overall $R^2$ (adj.) reaches a peak with 64.9%, even though the marginal explanatory power from model four to five is only about 5%. Data show that only two interactions are significant. As predicted, for expatriates with a higher sensitivity to terrorism, the positive effect of satisfaction with their compensation on work attitudes becomes weaker. Moreover, the effect of the quantity of co-worker social support is stronger, when expatriates are more sensitive to terrorism. However, no significant effects for the quality of social support as well as of POS can be detected. Hence, Hypotheses 5a and 5b are confirmed, Hypotheses 5c and 5d are not.

In order to get a better understanding of the findings, further analysis of the two-way interactions of the two significant moderations in model five is conducted in a simple slope analysis as suggested by Aiken & West (1991). Figures 2 and 3 visualize the moderating role of sensitivity to terrorism on the relationship between work attitudes and satisfaction with compensation and the quantity of social support respectively. First, the slope of the regression of expatriate work attitudes on satisfaction with compensation, moderated by sensitivity to terrorism, is considered. It reveals that for a high sensitivity, the influence is nearly similar for low and high levels of satisfaction with compensation. Work attitudes are affected in the same way. However, for expatriates with a low sensitivity, higher satisfaction with their compensation has a significantly greater effect on their work attitudes. This means that higher compensation is only a qualified instrument for expatriates who are not too sensitive to terrorism. In other words, expatriates with a high sensitivity to terrorism cannot be “convinced” to develop better work attitudes by offering them more money.

Second, the relationship between the quantity of social support from co-workers and work attitudes shows a contrary picture. As illustrated in Figure 3, the effect on work attitudes for expatriates with low sensitivity to terrorism is the same whether or not they receive a lot of support from their co-
workers. Expatriates with a high sensitivity to terrorism, however, seem to appreciate a higher quantity of social support (i.e. a larger network) since the effect on work attitudes is significantly higher if they can draw from a larger pool of potential supporters at work.

Discussion

The aim of the study was to develop and test a framework of social exchange related antecedents on work attitudes of expatriates assigned to a high-risk country. It extends studies on cultural and economic distances between home and host country (e.g. Tung, 1998) while also accounting for the role of social exchange (e.g. Stinglhamber & Vandenberghe, 2003). Therefore, the framework’s antecedents had to be eligible to being based on the rules of social exchange. While the reasons why each predictor is relevant are extensively discussed in the hypothesis development, their composition is also important. With duration of and satisfaction with compensation, the framework covers two of the most important components in international assignments that frequently cause trouble. For instance, Brookfield Global Relocation Services (2013) reports that inadequate and thus dissatisfying compensation is the second most important reason to turn down an international assignment. Moreover, reason number one (family-related concerns) and four (career aspirations) heavily depend on how long expatriates need to spend abroad and thus is also covered in the framework. In order to complete the picture, with POS and social support (Eisenberger, Armeli, Rexwinkel, Lynch, & Rhoades, 2001; Wang & Kanungo, 2004), the framework covers all sources of social support an expatriate can receive, both from his or her employer as well as from people in the social network. Therefore, the framework is comprehensive, including the most relevant factors contributing to better attitudes as a result of social exchange.

As data show, a strong relationship between several elements of social support and expatriate work attitudes could be confirmed. More specifically, it can be derived that if successful social exchange between an organization and their expatriates takes place, expatriate work attitudes can be improved. Expatriates feel that their work and effort, especially doing their job under the threat of
terrorism, is valued and appreciated by the company. Therefore, they develop positive attitudes and are likely to do a better job, which in turn is good for the company. This confirms existing research on the positive effects of social exchange (e.g. Paillé et al., 2010; Wayne et al., 1997), applying it to the context of terrorism as a very relevant issue for businesses (e.g. Czinkota et al., 2010; Reade & Lee, 2012).

The hypotheses investigate measures that a company can more or less directly influence. However, one needs to take into account the conceptual differences between the predictors. While the first two predictors are eligible to direct negotiation, the dimensions of support are indirect subjects to negotiation. Compensation and duration can be negotiated bilaterally and tailored to the expatriate’s needs to a certain extent. For co-worker social support and POS, the situation is somewhat different. The latter can also be adjusted directly. However, the company needs to make sure the expatriate actually perceives these efforts. Co-worker support can only be encouraged by maintaining a benevolent work atmosphere and providing an adequate frame; nonetheless, it is within the company’s scope of action.

As the results show, in order to have expatriates with positive work attitudes, POS is of great importance. The empirical findings are in line with the prediction concerning satisfaction with compensation. Addressing compensation in the framework included a complicated though very important issue (Bonache, 2006). Expatriates who are satisfied with their salary develop better work attitudes than those who are not. However, as Figure 2 clearly shows, the effects are almost negligible if an individual is extremely sensitive to terrorism, extending the important research on sensitivity by Reade (2009). While expatriates with a low sensitivity develop better work attitudes if they are more satisfied with their compensation, expatriates with a higher sensitivity do not respond to higher financial incentives. In other words, if an expatriate is too worried about possible dangers, he or she cannot be motivated by additional money. This is an important discovery, as it defines a company’s approach when selecting expatriates and negotiating their salary and compensation package. It is crucial to know how sensitive someone is and then adjust the measures accordingly. This becomes even more obvious when looking at the two-way interaction between work attitudes and social support from co-workers, as is illustrated in Figure 3. For highly sensitive expatriates, the social support received from their co-
workers on the assignment severely impacts their work attitudes, because it is essential for them that they can draw from a big pool of potential support providers. For expatriates with a low sensitivity to terrorism, the impact on work attitudes is almost the same, no matter the size of their social network.

In contrast to the assumption in Hypothesis 2, data show that the duration of the assignment did matter for work attitudes, having a slightly positive impact and thus tending to support the findings of e.g. Bolino & Feldman (2000) to avoid “fill-in” assignments, i.e. expatriates filling vacant positions as interim managers until a more permanent candidate is found. However, the significance is only on a 10% level and the analysis did not include any classic short-term assignments of only a few months. In addition, the application of assignment duration in a high-risk country context extends previous research. With an average duration of little more than three years, most expatriates stay long enough that they settle down and shift their center of life to the host country. Maybe a longer duration gives them more certainty about their future and is long enough so that the expatriate and his or family make an effort to establish a new social network (Harvey, 1985). In addition, longer assignments are considered more challenging and give the expatriate the chance to leave his or her own signature (Bolino & Feldman, 2000). This could increase the intrinsic motivation, including better work attitudes, of the assignment and make it preferable over a short intermezzo. As the sample consists of highly skilled and well-educated managers, it is likely that they prefer prestigious, challenging tasks abroad over “fill-in” jobs.

While the quantity of co-worker social support has already been discussed, the satisfaction with and thus the quality of this kind of support is another issue. Data confirm the argumentation in Hypotheses 3a and 3b, highlighting that in order to have expatriates with positive work attitudes, it is important that colleagues support each other. Receiving a lot of valuable support from co-workers is paid back by the expatriate with positive work attitudes. This effect is even stronger when the support comes directly from the organization, highlighting the value of POS (Eisenberger et al., 2001). In particular, the findings lend support to the propositions of Aselage & Eisenberger (2003), who argued for an integration of POS with psychological contracts, as which the reciprocal social exchange between expatriates and their organizations can be considered. There is strong support for Hypothesis 4, stating that expatriates who receive a lot of POS will reciprocate in an outstanding manner. POS is an ex-
tremely valuable instrument of MNCs in order to maintain positive work attitudes among their staff in high-risk countries.

Finally, the hypotheses predicting a moderation of work attitudes and the respective predictors only found partial confirmation. On the one hand, sensitivity to terrorism plays a moderating role for satisfaction with compensation and quantity of social support. On the other hand, no significant moderating effects of sensitivity to terrorism between quality of support by co-workers and work attitudes, and between POS and work attitudes are found. However, the quality of social support by co-workers as well as POS are important predictors of work attitudes themselves. Hence, it appears reasonable to assume that their importance is high, regardless of the individual’s level of sensitivity.

Contributions, Implications, and Limitations

The focus of this study was analyzing a company’s set of measures to secure positive work attitudes when assigning staff in high-risk countries, particularly in terrorism-endangered regions. The study contributes to existing literature in several ways. First, instead of emphasizing the ability to adjust to a different country, it focuses directly on the work context, analyzing the attitudes an expatriate develops towards his or her job. This is important, as it goes beyond questions of well-being and adaptation of habits and routines abroad and deals directly with outcomes at the work place. Second, while there are several studies dealing with different antecedents and outcomes of work attitudes, this study combines the set of predictors that is in a company’s range of action in light of social exchange theory. With the different measures that can be tailored towards the company’s capabilities and needs, it has a variety of starting points to improve and adjust its expatriate management in a high-risk country. Hence, applying SET in this context helps to better understand, how the “market place” of international assignments in endangered areas works and thus contributes to theory as well as to practice. Third, this study delivers answers for managing staff in increasingly important regions. The concentration on high-risk countries emphasizes the requirements of MNCs if they want to successfully compete in, at least partially, inhospitable markets, which already bear a lot of potential today and will probably so even more in the future.
This study and its findings also have several important implications for practitioners. Knowing about the effectiveness of several measures can help to better manage the expatriation process in high-risk countries and lead to better results. The first implication addresses the negotiable part of the assignment, in particular the compensation package. Despite MNCs’ typically generous compensation policies for international assignments (Bonache, 2005), it is crucial to make sure the expatriate is really satisfied with the agreement. To do so, the expatriate could be asked to give his or her assessment of what a fair package would be, perhaps with a renegotiation phase several months into the assignment. However, as the two-way interaction analyses showed, overly sensitive expatriates cannot be incentivized with a higher compensation. For them it is more important to be provided with a large support network among their co-workers.

This can be achieved by encouraging all staff abroad to cultivate a regular and benevolent social exchange. Out-of-work bonding events, such as a barbecue or theater visit, could help to better introduce staff abroad to each other and create a better work atmosphere. To address the specific challenges of high-risk countries, staff could do safety trainings together, where they not only learn how to behave in case of an attack but also to rely on each other and solve problems together as a team. Besides being better prepared for the worst case scenario, this can help to create a stronger feeling of solidarity. In addition, providing an on-site mentor could be promising (Feldman & Bolino, 1999) as a way to support the expatriate in building a large social network among his or her co-workers. If a company knows about the needs of the expatriate, particularly his or her sensitivity to terrorism, it can adjust its measures to these needs.

Along the same lines, the quality of social support from co-workers is highly valued and reciprocated with positive work attitudes among expatriates in a high-risk country. Settling down in a risky environment seems to appear challenging enough. A good work climate with mutually supportive co-workers can help to ease the process of getting used to things in the respective host country. If the daily life is often a hassle, it is good to know that things at work will be made more convenient and that colleagues are reliable, helpful and honest. MNCs, knowing about the importance of social support among their staff, could encourage this exchange, for instance, by implementing a culture of respect and helpfulness. Seminars and trainings that highlight the benefits of mutual support among the
staff might be one measure to do so. By making all employees aware of the dangers due to terrorism, but also pointing out that they are best prepared if they cooperate and function as a team, could help to increase the willingness to provide each other with social support.

Finally, the role of the company’s social support is essential (Takeuchi et al., 2009). First of all, the company must make sure that the expatriate recognizes the support. This can be done by regular feedback interviews asking the assignees what they think about current measures and what they would like to experience in the future. A process of continuous improvement of POS can encourage their staff to reciprocate this effort with positive work attitudes (Eisenberger et al., 2001). Credibly assuring the expatriate that his or her effort is valued by the organization or support for the expatriate’s career development plans are a good starting point. However, in a terrorism-endangered environment, additional measures could be adequate to convince expatriates that the organization cares about them. For example, protection measures against terrorist attacks, safety and evacuation plans and drills, or a thorough background screening of every newly hired person may be used. Moreover, such measures must be openly communicated to the expatriate staff, pointing out that the safety and physical and mental integrity of the employee take the highest priority. If a company adheres to these basic relationships, they will be rewarded with positive work attitudes among their staff abroad and the company can benefit from an increased organizational performance.

A limitation of this study is its broad scope of host countries. While all countries are suffering from terrorist activity, there are quite some differences among the countries. Different levels of media coverage might additionally bias the perception of the risk of terrorism in a specific country. For instance, after a severe series of attacks in early 2013 in Pakistan, within a couple hours about 100 people were killed. An expatriate in Pakistan might evaluate the level of POS differently before and after the event. While his or her support by the company might have been perceived as sufficient before, such a serious interruption in the country’s daily life could lead the expatriate to re-evaluate his or her thoughts about the support provided.

Moreover, the study used online networks to recruit (potential) respondents and thus excluded expatriates not being visible there. Related to that is the relatively low response rate, which can also be owed to the fact that some profiles are not kept up-to-date. However, the target group was a very par-
particular type of respondent (i.e. individuals in management positions currently being assigned to a high-risk country), there was no other option to approach them.

Another shortcoming is that this study queried data at a certain point in time, capturing the particular moment when the questions were answered. Longitudinal studies could help to fix this problem, as expatriates would be surveyed multiple times, before, during, and after their assignment. Also, as self-report measures were used, a systematic bias could occur if the respondents misinterpreted their own feelings. However, as most variables target at the individual’s personal perceptions, there was no other option than to rely on the respondents’ ability to judge their own feelings and answer the questions accordingly.

There are several avenues for future research. First of all, it would be interesting to compare the results of this study with a control group assigned to less risky host countries. As social support was found to be important in general, it would be worthwhile to analyze how these findings differ. Moreover, it would be promising to compare expatriates from high-risk home countries and investigate, whether they better deal with challenges in a high-risk environment, as they are expected to have more experience in coping with that kind of risk. With regard to the non-confirmation of Hypothesis 2, future studies could compare the effects for different forms of assignments, comparing actual short-term assignments (Collings et al., 2007; Mayrhofer, Reichel, & Sparrow, 2012) with medium and long-term ones.

As the social support of co-workers was found to be crucial, future research could focus on the expatriates’ social networks in high-risk countries. Based on Wang & Nayir’s (2006) work, research could address how social networks in a high-risk country are composed and how this affects the individual’s psychological well-being. Gaining deeper insight into with whom and how they network and what their expectations and experiences are could help to better facilitate social exchange abroad and contribute to a better individual and organizational performance.

Finally, it would be worthwhile to find out more about actual expatriate failure rates in high-risk countries and the reasons behind them. Empirical research on expatriate failure is scarce and the results are controversial (Harzing & Christensen, 2004; Insch & Daniels, 2002). Future research could address this important issue, comparing failure rates in high-risk vs. lower-risk host countries.
References


