

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

— file for peer review —

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 the Western world 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) states that, "many 'hardship locations' now have rapidly developing economies" (p. 73). In order to benefit from these developments, MNCs have no choice but to also staff subsidiaries in 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, 2013a, 2013b; Czinkota, Knight, Liesch, & Steen, 2005, 2010; Getz & Oetzel, 2010). Most people assigned to a foreign location that they perceive as interesting, e.g. European expatriates in the United States, are excited and willing to go; however, it is more difficult for companies to motivate staff to accept an assignment in a high-risk country. 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, 2010; 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), which they can use to avoid expatriate failure and negative outcomes such as bad work attitudes.

Research on expatriate adjustment (e.g. Bhaskar-Shrinivas, Harrison, Shaffer, & Luk, 2005; Black, Mendenhall, & Oddou, 1991; 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 their presence is valued, 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 non-existent. 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 tool box to achieve good work attitudes. This is surprising considering that expatriation in such environments is increasingly important.

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 environments, 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 is essential.

Therefore, the main objectives of this study are (1) to develop a conceptual framework of the impact of financial incentives and organizational 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 high-risk countries. The 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 arrangement 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). 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, 2013a; 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 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 (M. 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 terrorism-endangered areas, 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. 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 outcomes 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 positively 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) for other services and goods (e.g. favorable duration of the assignment). 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 developing positive work attitudes. This is a positive response to the company's effort and part of the deal (Cropanzano & Mitchell, 2005).

However, literature on the duration of assignments is scarce and outcomes are ambiguous, suggesting positive, negative, or curvilinear effects. There are reasons to prefer shorter assignments over longer ones, 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 did not matter and states that stressors in an international assignment 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 mainly 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.

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 expatriate'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 estab-

lish 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.

Fahr et al.'s 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 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, which all 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 that are of interest: the quantity and the quality of support provided. Quantity means the amount of different people providing support. Analyzing inter-

nationally 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). 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. 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. 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. Valued and useful social support from co-workers could contribute to develop positive work attitudes. 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. In high-risk countries, expatriates are confronted with a high stress level, emotional strain, fear, and uncertainty (Bader & Berg, 2013a; 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 provided to expatriates in high-risk countries positively affects their work attitudes.

Perceived organizational support (POS) has been subject to extensive research (see, for instance, Eisenberger et al. (1986), Gavino, Wayne, & Erdogan (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 improved work attitudes or greater effort (Eisenberger et al., 1986; 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, 2013a). 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. 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. 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 a person’s emotional state plays a large role when judging a situation (Sunstein, 2003), it is important to incorporate this consideration in the analysis. This study does so by following Reade & Lee (2012), connecting 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 tool box. As in times of crisis non-monetary values become more important, it is reasonable to assume that people with a higher sensitivity will show stronger reactions for the influence of social support and POS, while the effect of being satisfied with their compensation fades into the background. 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 social support (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 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 as-

signments 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 based on a dataset by Anonymous (2012), which was obtained from a survey among 143 Western expatriates 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 pre-study showed how difficult it is to collect data. 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 equals 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; Cychota & 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. However, 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 there were no significant differences between the two samples, 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?” (quantitative) and “how satisfied are you with this support?” (qualitative). 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. Sample items are, “the organization values my contribution to its well-being,” or “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, in particular 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. 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 exchange with co-workers, adding the quantity and quality of 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 (R^2 adjusted) and all models are statistically significant ($2.410 < F < 21.187$, $.01 \leq p \leq .001$).

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 R^2 (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 R^2 (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 ($p \leq .01$, $\beta = .094$ in Model five). Overall, Hypothesis 2 not was 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 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 ($p \leq .001$, $\beta = .188$). Thus, Hypothesis 3a and 3b are confirmed accordingly. Extending the model by perceived organizational 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 satisfac-

tion 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.

---- Table 2 about here ----

---- Figure 2 about here ----

---- Figure 3 about here ----

---- Table 3 about here ----

Discussion and Contribution

The study confirms a strong relationship between several elements of social support and expatriate work attitudes. More specifically, it can be derived that if successful social exchange between an organization and their expatriates takes place, both sides are better off. 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. The hypotheses investigate measures that a company can more or less directly influence. Compensation and duration can be negotiated 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. 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, while individuals with a low sensitivity develop better work attitudes if they are more satisfied with their compensation. 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. 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. 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 versus only filling a staff gap (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 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. 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 extremely 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 tool box 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 environment. Hence, applying SET in this context helps to better understand, how the "market place" of international as-

signments 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, Armeli, Rexwinkel, Lynch, & Rhoades, 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 takes the highest priority. If a company adheres to these basic relationships, they will be rewarded with positive work attitudes among their staff abroad and 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 seri-

ous interruption in the country's daily life could lead the expatriate to re-evaluate his or her thoughts about the support provided.

Another related 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. 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 environment are composed and how this affects the individual's psychological well-being. Gaining deeper insight, 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.

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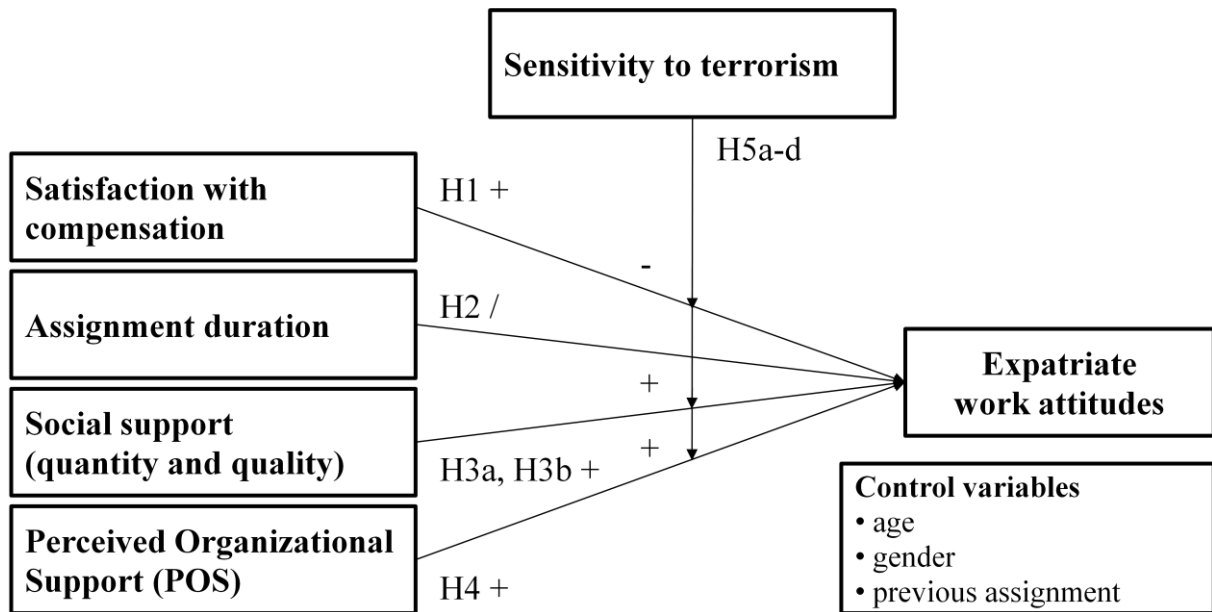


Figure 1: Research framework

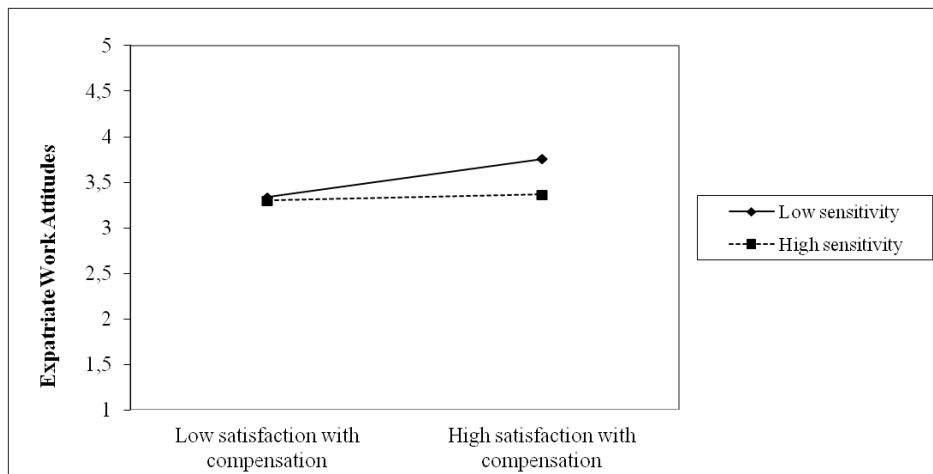


Figure 2: Interaction between sensitivity to terrorism and satisfaction with compensation

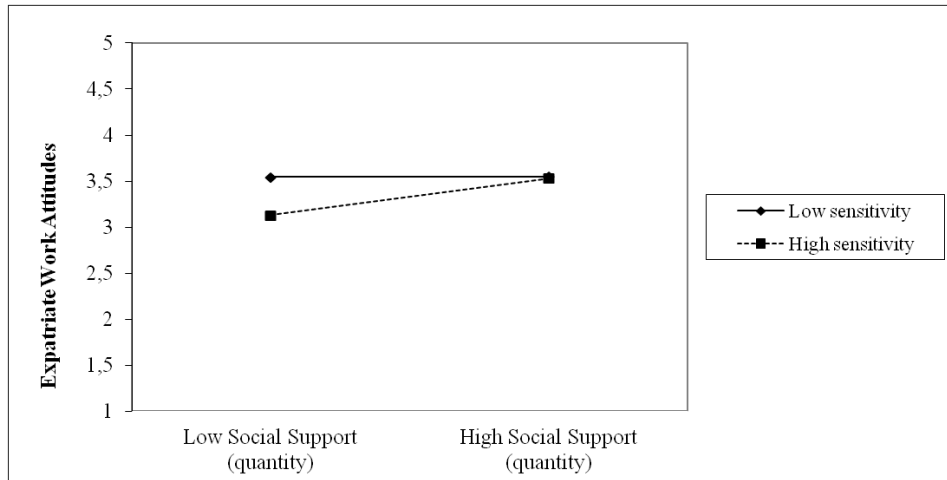


Figure 3: Interaction between sensitivity to terrorism and the quantity of social support

Table 1: Number of assigned expatriates represented in sample per region

<i>Region</i>	<i>Respondents</i>	<i>Region</i>	<i>Respondents</i>
Central Africa	1	South Asia	21
East Africa	6	Southeast Asia	32
North Africa	5	Eastern Europe	2
Southern Africa	10	Eurasia	10
West Africa	12	Middle East	28
Central & East Asia	5	Latin America	11

Table 2: Correlation matrix

		<i>Mean</i>	<i>S.D.</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>
1	Age	42.6	11.13	.-									
2	Gender	.75	.431	.270**	.-								
3	Previous Assignment	77.4	98.2	.540**	.126	.-							
4	Compensation sat.	3.45	.986	.332**	.269**	.137	(.904)						
5	Duration	40.1	53.2	.148	.221**	.161	.026	.-					
6	SSP quant.	2.370	2.483	.170*	.177**	.252**	.352**	.070	.-				
7	SSP qual.	4.205	.727	-.028	.012	.029	.107	.149	.027	(.885)			
8	POS	2.968	.851	.062	.126	.147	.328**	.109	.442**	.228**	(.883)		
9	Sensitivity	2.875	1.086	-.021	-.239**	-.072	-.095	-.212*	-.375**	-.161	-.378**	(.942)	
10	Work Attitudes	3.337	.734	.121	.137	.191*	.396**	.229**	.456**	.360**	.737**	-.470**	(.925)

Notes: Level of significance: † ≤ .1; * ≤ .05; ** ≤ .01; *** ≤ .001; n = 143; Scale reliabilities (Cronbach's α) in parantheses; Standardized coefficients shown.

Table 3: Regression results on expatriate work attitudes

Variable	Model 1	Model 2	Model 3	Model 4	Model 5
Step 1					
Age	-.009	-.143	-.075	-.011	-.019
Gender	.116	-.005	-.021	-.030	-.037
Previous assignments	.181*	.178**	.078	.036	.049
Step 2					
Compensation sat.		.415***	.260***	.144*	.159**
Duration		.212**	.158*	.128*	.094†
Step 3					
SSP team					
- quantity			.342***	.136*	.140*
- quality			.295***	.191***	.188***
Step 4					
POS				.571***	.512***
Step 5					
Sensitivity to terrorism					-.155*
<i>Moderation</i>					
<i>Sensitivity y</i>					
Compensation sat.					-.113*
SSP quantity					.123*
SSP quality					.042
POS					.011
Model F-value	2.410*	8.129***	13.075***	29.671***	21.187***
Model R ²	.049	.229	.404	.639	.681
Adjusted R ²	.029	.201	.373	.618	.649
Δ R ²		.179***	.175***	.235***	.042**

Notes: † ≤ .1; * ≤ .05; ** ≤ .01; *** ≤ .001; n = 143; Standardized coefficients shown.