INDIVIDUAL VALUE ORIENTATIONS AND THE SELECTION OF SUITABLE CROSS-CULTURAL MANAGERS

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The chapter reports results from a study designed to test the efficacy of a bipolar taxonomy of personal value orientations that measured a manager’s values associated with their “National Identity” and their “Cross Border Business Focus.” The underlying elements of these respective value orientations appear to be linked to assisting the selection and placement of managers for cross border business assignments. The results reported here have been derived from the responses of 658 managers; employed by: (1) An American transnational logistics firm; (2) a Western European transnational logistics firm, and (3) a Western European insurance business. Responses were received from managers who were both experienced and inexperienced in cross border business activity, and who currently work in 17 different international (Asian and Western) locations. Overall, 88.5% of respondents were male, 98% were over the age of 30 and 69% possessed degree level qualifications. In addition, 88% of respondents had had at least two cross border management appointments. Some interesting findings were derived. First, results identified a single factor solution for both
National Identity and Cross Border Business Focus. In addition, ANOVA and Regression tests; undertaken to compare between group differences towards the identified values, and the element(s) directing the model, supported the underlying nature of the taxonomy. Finally, overall results suggest that those labeled “Transnationalists” may prove to be the most appropriate appointees for medium to long term cross border assignments. The importance of this study exists in the extra information that can be provided to human resource management (HRM) professionals for the purpose of selecting and placing candidates, not simply for cross border business roles, but for particular types of cross border business roles.

Issues relevant to the selection of managers suitable for appointment to cross-border assignments have been discussed for many years. Hays (1974) was among the first to note that if effective performance of expatriates is as important to multinational corporations (MNCs) as suggested, MNCs needed to attend to more effective selection practices. Indeed; as noted by Fish, Bhanugopan, and Cogin (2008), reviews of “manager suitability” are not new, and have been conducted at a domestic level e.g. job-person compatibility (Villanova, Bernadin, Johnson, & Dahmus, 1994); and from a cross-border level e.g. person-organisation—host culture fit (Chatman, 1989) for quite some time” (p. 31).

Nevertheless, identifying suitable managers for cross-border assignments has always been a problematic issue. The key objective though is to ensure that the most appropriate person(s) is/are appointed, and that consequently, they have every opportunity to be successful when placed in a cross-border environment. Such environments can be, and in many instances are, quite some cultural distance (in both social and business terms) from that which appointees are accustomed. However, the key issue with respect to suitability for cross-border assignments and likely success was summarized by Mendenhall and Oddou (1988), “Technical competence has nothing to do with one’s ability to adapt to a new environment, deal effectively with foreign co-workers, or perceive and if necessary imitate the foreign behavioural norms” (p. 82). The ensuing debate with respect to cross-border assignment selection though has raised a variety of concerns. These include, but are not restricted to (1) awareness that in-country legalities for foreign nationals working in a host country need to be attended to; (2) ensuring appropriate preparation and adjustment issues relevant to the new role, the new business and the new cultural environments have been addressed; (3) understanding the necessary personal attributes, technical, business and strategic skills required for effective performance as a cross-border manager; (4) understanding why differences in assignment performance occurs; (5) awareness of the organizational and individual career implications of
accepting a cross-border assignment; (6) compensation and reward issues; and (7) understanding which managers are the most appropriate to represent businesses in strategically significant cross-border roles.

This research pursued the proposition that awareness as to the “cross-cultural suitability” of managers maybe based on a set of individual value orientations linked to a two dimensional bipolar typology introduced by Fish (1999) (see Figure 4.1) and tested by Fish, Bhanugopan, and Cogin (2008). The two dimensions being individual values associated with a manager’s “National Identity,” and individual values associated with a manager’s “Cross-Border Business Focus” and determining the elements that influences the social and business behavior of managers sent on cross-border business appointments.

Stages 1 and 2 of this research (Fish et al., 2008) supported both the extrapolative and interrelated nature of the taxonomy with significant results confirming the strength of the relationships between the identified constructs as potential predictors of “suitability” for cross-border assignments ($R^2_c 0.64, p < 0.05$). Stage 3 of the research (discussed here) provides further understanding of the individual values linked to each element of the model.


Figure 4.1. Cross Border Manager Types.
Findings appear to have the potential to provide human resource decision makers with useful information as to the “suitability” of managers for selection and placement opportunities in cross-border business assignments. While there are many types of cross-border assignments, from short term trouble shooting appointments to long term assignments, for the purposes of this research, a cross-border assignment was seen as a formal work assignment that required a manager to move (with or without their partner/spouse/family) to a foreign country for an intended period of at least 12 months.

While the concepts of National Identity and Cross-Border Business Focus were tested separately in terms of understanding potential behavior in various social and business circumstances, it is acknowledged that there may be overlap between them. That is, when operating in a cross-border business environment, the distinction as to where business stops and where nonbusiness starts (and vice-versa) can be very grey.

INDIVIDUAL VALUES AND TYPES

The first dimension tested was National Identity. This goes to an awareness of the influence a manager’s values might have on their social behavior when they encounter a new environment, and as a result, the extent to which inappropriate values might compromise behavior and ultimate effectiveness. The second dimension is a manager’s “Cross-Cultural Business Focus.” This goes to an awareness of the influence a manager’s values might have on their behavior in conducting business in and across foreign locations. As a result, the extent to which inappropriate values might compromise their behavior and their ultimate effectiveness can potentially be understood from two perspectives. As can be seen from the taxonomy four potential “types” of cross-border managers emerge.

First is the “Transnationalist.” This category reflects someone with a high value orientation towards the conduct of business across borders, and a low orientation towards how their National Identity is expressed in a new environment. Such managers are essentially multiculturalists. They tend not to value any one culture over and above any other culture; and they have the ability to move quite easily between cultures.

Because of their low National Identity orientation, and their high Cross-Border Business orientation, they are more likely to respect and respond positively to new and different social and business situations. In addition, they are more likely to improve their functioning and ultimate business performance, and to have a positive “impact” on cross-border social and business environments. Understanding who fits this “type” will likely lead to the identification of more culturally adept and adaptable cross-border managers for medium to long term assignments.
The “Internationalist,” while also having a high value orientation towards cross border business activity, also have a high value orientation towards their National Identity and as a consequence they may have a tendency to over employ their National Identity. Because of this, they may be more likely to see the cross-border role as an opportunity to further the notion, “my way is better than your way.” It is suggested that this “type,” while outwardly recognizing the value to be gained from cross-border business activity, would most likely maintain a strong home social and cultural identity and may pursue a “missionary” zeal in their approach to social and business situations.

While this “type” would likely be comfortable in accepting cross-border assignments, such a manager may not necessarily be in a position to achieve a balance between the needs of the foreign assignment and their home environment, as they are likely to identify too strongly with their home culture values. As a consequence, they may bring damaging monoculturalist values and behaviors into sensitive cross-border social situations. Hence their “impact” may be too strong.

The “Ethnocentrist” also has a high value orientation towards their National Identity, but they have a low value orientation towards doing business across borders. Because of this profile this “type” would very much be the corporate domestic citizen, and would be unlikely to fit the needs of the traditional cross-border business appointment if required to live and work in a foreign location for any period of time, especially an extended period of time. They are likely to have considerable difficulty in coming to terms with the opportunity, and adjusting appropriately. These people would be unlikely to value the personal career opportunities to be gained by living and working in foreign locations, and indeed would likely create serious problems for businesses if forced into a situation they have no desire to be in.

The “Transitionalist” is low on both sets of value orientations. These “types” could be described in a few ways. First, they may be someone who is young, and who holds quite different values to more senior people in the organization in which they work. Second, they could be someone whose values are based in a bygone era. This person may also be experiencing some degree of dissonance with respect to their current role. They may be nearing retirement, in the latter stages of their career, or disengaged resulting from a major organizational change initiative. Because of their low orientation on both dimensions, such people may not see the advantage in extending their career reach to somewhere different, particularly a foreign location, and as such may also show little commitment to the values broadly evident in their organizational culture at the present time.
Cross-Border Manager Selection

In summarizing a variety of research findings on cross-border manager suitability and selection, Dowling, Festing, and Engle (2008, pp. 110-111) identified four myths linked to effective selection practices. Myth 1: “there is a universal approach to management.” Emphasizing the need for managers to adapt their managerial behavior, when confronted with new host work and business affairs. Myth 2: “that people can acquire multicultural adaptability and behaviours.” Emphasizing that not everyone has the wherewithal to be a successful cross-border manager. Hence the need to understand who the most suitable for such appointments are. Myth 3: “there are common characteristics shared by successful international managers.” Emphasizing that one should not rely purely on a handful of specific selection issues, then employing them, across all selection circumstances to the exclusion of multiple sources of information. Myth 4: “there are no impediments to mobility.”

Their summary emphasizes the need to be aware that many issues exist that can, and indeed do, impede the availability and effective performance of managers, considered suitable for, or who are sent on, cross-border assignments.

From a related perspective, Harris and Brewster (1999, pp. 488-500) in their review of selection practices and effective role performance, have pointed to how an increasing list of selection and suitability criteria has emerged. However, they suggest that whilst the list is large, it is actually based on limited empirical work. They suggest that this has contributed to the mistaken belief that effective selection practices (1) are in place, (2) are formal and rational in their focus, and (3) ensure that the most appropriate people have been selected.

In fact, according to Harris and Brewster (1999) existing cross-border manager selection practices are anything but effective. Following their research, these authors argued that formal criterion in fact has a minimal influence on what can be a quite informal process. This suggests that quite unsophisticated, even irrational processes exist in selecting managers for what are strategically significant cross-border business roles. If this is correct, then the door to ineffective on the job performance, poor adjustment and even poorer business liaison is well and truly open.

In addition, Porter and Tansky (1999, pp. 47-60) point to a rarely mentioned, but nevertheless critical issue associated with selection, that is, the strategic intent of cross-border assignments. These authors argue that learning outcomes from cross-border assignments for both organizations and individuals are rarely considered, and that there is a need to understand a managers’ “learning orientation” before selection takes place. Awareness of learning orientation is likely to go to understanding how
information might be gathered, how managers might relate to their counterparts in foreign locations, and thus how managers might perform on the job and undertake their cross-border business activities more generally. That is they value the opportunity and thus seek out ways to perform better. Such awareness may also go to how the manager being considered for a cross-border assignment might respond to, and thus adjust to, new cultural and business circumstances. In an approach somewhat similar to that pursued in the research reported here, and which responds to the concerns of Porter and Tansky (1999), Graf (2004, pp. 667-685) provides some insights on this theme by commenting on the need to identify managers who have an appropriate mindset. Mindset here includes whether or not managers possess broad intercultural skills. It goes to the argument developed by Kobrin (1994, p. 508) that, “once one moves beyond industries ... the ability to compete globally, may well depend on how managers —and the organisations they comprise—view the world” (p. 508).

However, Graf (2004) argues that as skills such as “intercultural sensitivity” cannot be developed adequately in the short term, then selection processes should ensure applicants already have such skills. She suggests that organizations should concentrate on skills that can be developed quickly, and cites for example language skills, and knowledge about specific locations. However, this raises serious questions as to the role that cross-cultural skill development plays in organizations which have, and indeed hope to be successful in cross-border business activity, and who expect their managers to perform effectively. That is, if a skill such as “cultural sensitivity” cannot be enhanced in a “reasonable timeframe” as suggested by Graf, it is difficult to imagine how appropriate language skills can be developed in the short term as also suggested by Graf.

A more informed view is offered by Caligiuri (2006) in her commentary on selection practices. She suggests that expatriate assignments can be categorized on two separate continua; (1) the need for intercultural competence, and (2) the rationale for the assignment itself. Both have implications as to (1) who is the most appropriate manager to select, and (2) the particular type of cross-border assignment the manager might be appointed to. Based on these continuia, Caligiuri argues that more informed selections can take place. This extends the argument of Porter and Tansky (1999) with respect to the need for a more strategic focus, namely, selection decisions.

In later research, Caligiuri and Colakoglu (2007) in fact note the importance of appropriate selection, “selection is one of the first important steps in the expatriate management cycle that leads to successful assignments” (p. 398). While one might be forgiven for asking how many first steps there are, such a focus nevertheless highlights an important nexus between appropriate selection, and by implication, effective
adjustment and on-the-job performance. These authors continue and argue that the more sophisticated cross-border firms, that is, those with integrated global strategies operating in multiple locations, are more likely to have comprehensive expatriate selection initiatives than those less sophisticated cross-border firms operating in one or only a few locations, and by implication better performing cross-border managers. While this is a very appealing argument; the work of Harris and Brewster (1999) as noted earlier, might suggest otherwise. Nevertheless, appropriate business foci are integral to understanding an effective selection process and its outcomes.

A more macro, and somewhat geopolitical perspective, as to emerging and changing issues associated with our new century and millennium was highlighted by Scullion, Collings, and Gunnigle (2007). These authors point to issues such as (1) the changing economic landscape linked to India, China and the European Community, (2) increasing global terrorism, (3) the changing nature of personal careers, plus (4) changing patterns of global staffing as key factors to consider in establishing strategic international human resource management initiatives and practices. The selection of managers appropriate to operate in and across cultural boundaries is one of them.

All of this highlights and emphasizes the fact that it is too naïve to simply rely on a manager’s technical and business skills, and various types of domestic managerial experiences and success in order to determine (1) appropriateness for cross-border assignments and (2) possible effective on-the-job performance when on such assignments.

Porter and Tansky (1999) confirm this, and argue,

One major flaw in the selection of expatriate managers has been the tendency to choose those who have performed well in the home country without adequate consideration of additional qualities that will be necessary during assignments in another locale. (p. 47)

SOCIAL AND BUSINESS COMPETENCE AND SUITABILITY FOR CROSS-BORDER ASSIGNMENTS

Evidence as to poor cross-cultural competence and a lack of suitability has generally been found in business and personal adjustment difficulties, and notwithstanding the work of Harzing and Christensen (2004) with so-called, “failed assignments.” As noted above, traditional selection approaches for cross-border assignments have relied heavily upon assessing technical expertise and ensuring domestic business and career success. This has not always resulted in the identification of the most
appropriate manager, or indeed in identifying sufficient numbers of appropriate managers to ensure high caliber candidates who can meet the demands of today’s global business environment (Dowling, Festing, & Engle, 2008; Scullion, Collings, & Gunnigle, 2007). Given the growing importance of globalization and the increased complexity of cross-border assignments, Fish (1999), Kammeyer-Mueller and Wanberg (2003), and Dowling and Welch (2004) have each argued that selection criteria and methods beyond simply technical knowledge and domestic success should be employed to select managers for strategically important cross-border assignments. Important issues linked to cross-cultural suitability has not always been considered.

Fish (1999) and Dowling and Welch (2004) alerted businesses to the issue of “suitability” when discussing a variety of selection challenges. Each argued for more attention to a manager’s cross-cultural suitability in identifying those managers most appropriate for cross-border appointments. Indeed in other recent summaries of cross-border manager suitability (Collings & Scullion, 2007; Stroh, Black, Mendenhall, & Gregersten, 2005), issues linked to more effectively identifying those managers “suitable” for such assignments were highlighted.

Each “type” identified in the typology (see Figure 4.1) implies a level of potential suitability for appointment to cross-border assignments. Indeed, the extant literature on international HRM, and cross-border management more specifically, tends to consider a manager’s personality as distinct from their individual values as a means of determining manager suitability. This approach has employed an understanding of what Goldberg (1990) labeled “the Big-Five Personality Factors” (i.e., “extroversion”; “agreeableness”; “conscientiousness”; “emotional stability”; and “openness” or “intellect”). This approach has also gained support from McCrae and Costa (1997).

However, Schmit and Ryan (1993) and in particular Caligiuri (2000a) argue that, while personality appears to have something to offer, there is controversy as to whether the “big five” provide the best perspective in explaining behavior in various work settings. Also, Baruch (2004) suggests that attempting to profile global managers on the basis of personality is almost impossible, as there are too many traits, and one is unlikely to find them all in a given person.

Given the concern expressed as to the efficacy of “personality” as a means to appropriately assess cross-border assignment suitability, this research has approached the issue of competence and suitability from the perspective of a manager’s values, and in particular those linked to National Identity and Cross-Border Business Focus.

An approach based on individual values is supported through the argument of Wood, Zeffane, Fromholtz, and Fitzgerald (2006) that, “they
(individual values) are broad preferences concerning appropriate courses of action or outcomes … (and) reflect a person’s sense of right and wrong or what ought to be” (p. 52). It also recognizes that values are learned differently by individuals; as such they are specific to the individual and not uniform across a society (Hofstede, 2001). Indeed how one employs their national background and their focus on cross-border business in “foreign social and business environments may be critical to their own and their business’s success in developing and sustaining important cross-border business associations.”

As England (1967, p. 53, as cited in Fish et al., 2008, p. 32) notes, effective managerial behavior ultimately rests on a person’s “value system”; and understanding a manager’s “value system” is, “the difference in terms of how information is evaluated, how decisions are arrived at—in short, how one behaves.” Indeed, Davis and Rathool (1988) argue that understanding individual values is “crucial for developing internally consistent management styles for effective Transcultural Management Practice” (p. 11).

The benefits of such awareness is important for human resource management decision makers who are expected to make critical cross-border manager selection decisions in the best interests of not simply the business, but also the careers of individual managers. That is, it is important for decision makers to understand that certain personal antecedents (e.g., individual values) will contribute to a manager’s feelings and their behavioral outcomes when something new, in this case new social and business environments, are experienced.

As effective behavioral outcomes are critical to manager adjustment and acceptance in cross-border situations, awareness of important individual values is likely to provide important information as to which managers are not only suitable for cross-border assignments per se, but the type(s) of cross-border assignments they may be most suited to.

Importantly, key differences between managers will emerge when assessing individual values. As Hames (1994) has argued,

As one would expect, a person who comprehends the world through a particular “window” has a totally different set of value priorities to one who comprehends the world through another set of assumptions. (p. 147)

In this context then, it is therefore important to acknowledge that managers who do not value doing business across cultural borders, and managers whose values lack consideration for the fundamental requirements associated with relating effectively to new cultural circumstances in different cultural contexts, may prove to be inappropriate appointees for cross-border business assignments, irrespective of their technical competence and their domestic success.
Nevertheless, Fish et al. (2008) note that,

just as it is inappropriate to explain a manager’s suitability based on a single personality dimension, it would also be inappropriate to explain a manager’s social and business suitability, and! thus understand their suitability based on a single individual value dimension. (p. 33)

The taxonomy in Figure 4.1 is based on the interaction of two key individual value dimensions, and the results derived for the study appear to provide important information to assist more effective identification, selection and placement decisions.

**Cultural Competence**

Fish et al. (2008, p. 33, as cited in Pope-Davis, Prieto, Whitaker, & Pope-Davis, 1993), indicate that “Culturally competent managers are those who are sensitive as to how their exposed values can potentially ‘impact’ upon different racial or ethnic groups when placed in cross-border business roles.” Such managers are aware of their potential “impact” upon and understand how to “respond” to new and indeed foreign social and business situations. Equally, such managers are less likely to create adjustment problems for themselves and their businesses. Managers who are capable of responding in a positive way to new and foreign social and business circumstances are more likely to be perceived in a better light by their hosts, and hence be perceived by all as the most suitable for such roles.

Indeed Fish and Wood (1997) and Varner and Palmer (2005) made a similar point in arguing for raised awareness as to “cross-cultural competence” and “cultural self-knowledge in successful expatriation” respectively. Indeed, DeNisi, Toh, and Connolly (2006, as cited in Fish et al., 2008, p. 32) make the important observation that

as good relationships in host locations are a critical component of successful cross border assignments, the ability to monitor and adjust behaviours in these complex social and work contexts is a major concern for those selecting suitable people for cross border assignments.

Nevertheless, at various times during cross-border assignments evidence will emerge as to a manager’s suitability (or otherwise) for such appointments. If fortunate, information will emerge prior to placement in the role. Too often, though, information tends to emerge following arrival, when a manager’s “impact” upon and “response” to what is not simply a geographically distant land, but more importantly, a culturally
distant location has been exposed. As a consequence both the “cultural competence” of managers and the ability of organizations to select appropriate representatives are brought into question.

The importance is also discussed from different perspectives. For example, Fish et al. (2008) note the work of Anderson et al. (2003), who suggest that too many who find themselves in cross-cultural situations fail to acknowledge the “cultural safety” of their hosts. That is, they fail to take sufficient care in ensuring that their hosts are comfortable in their traditional circumstances following the arrival of a foreign business, and more specifically, the managers that represent such businesses.

Manager and Assignment Types

In addition to the above, some studies (Roberts, Kossek, & Ozeki, 1998) have explored particular types of cross-border assignments as distinct from types of managers per se. Unfortunately this approach has not necessarily pointed to who the suitable managers are for the various types of cross-border roles. For example, while providing a useful taxonomy of different cross-border assignments types (Aspatial, SWAT teams, Virtual Solutions etc.), Roberts et al. (1998) nevertheless point to the need to better identify not only those willing to undertake such assignments, and sometimes in less than attractive locations, but also and significantly, those who are “appropriate” for the different “types” of cross-border appointments.

As identified in Figure 4.1, the interaction between National Identity and Cross-Cultural Business Focus results in four possible cross-border manager types. First is the “Transnationalist”—this person is low on “National Identity” and high on “Cross-Cultural Business Impact.” Next is the “Internationalist”—this person is high on National Identity and also high on Cross-Cultural Business Impact. Next is the “Ethnocentrist”—this person is high on National Identity but low on Cross-Cultural Business Impact. Finally there is the “Transitionalist”—this person is low on National Identity and also low on Cross-Cultural Business Impact. Each has its own behavioral, and hence “impact” issues, and thus suitability implications.

A proposition explored within this research is that the Transnationalist maybe the most appropriate from a social and business impact perspective for the medium to long term cross-border assignments, that is, the Aspatial (Roberts et al., 1998) appointments. This is because from a National Identity perspective their behavior reflects an acknowledgment of how their behavior potentially impacts on the host culture. That is, they are self aware and willing to acknowledge the “cultural safety” of
their hosts. They are more likely to make the appropriate adjustments to their behavior to suit particular situations. In addition, their behavior is more likely to reflect the importance of doing business across borders, that is, their Cross-Cultural Business Focus is high. Also, they are more likely to have what Engle, Mendenhall, and Powers (2007) refer to as “Ortsinn,” that is, awareness, skills and knowledge associated with effective business behavior in specific cross-cultural locations. Hence, such people maybe more suitable for the demands of the traditional medium to long term cross-border manager role.

On the other hand, the “Ethnocentric,” because of their high National Identity and low Cross-Cultural Business Focus, may not be suitable for medium to long term assignments. Nevertheless, such managers maybe suitable for short-term projects, such as “SWAT Teams” (Roberts et al., 1998) that require specific technical expertise. Alternatively, they may also work in online projects, for example, “Virtual Solutions” (Roberts et al., 1998). Neither (especially the latter) demands significant personal contact with unfamiliar social and business cultures.

GENERAL STATEMENT OF THE RESEARCH

While previous research approaches (e.g., Caligiuri & Stroh, 1995) have tested different types of cross-border assignments based on different categorizations of management/business strategies (e.g., centralized, localized and global), and argued that different types of managers are required for each business type, little has been undertaken to understand who the types are. The research reported here has made some attempt to close this gap.

With few exceptions (Bartlett & Ghoshall, 1988; Caligiuri, 2000b; Graf & Harland, 2005; Manning, 2003; and Selmer, 2001) consideration as to the impact of one’s individual values linked to how National Identity and Cross-Border Business Focus drives behavior in cross-border social and business circumstances has received scant attention. Hence cross-cultural suitability has received mixed research attention. Indeed whatever selection approach has been taken, and whatever perspective has been reviewed vis. the selection and placement of cross-border managers, cross-cultural suitability for such appointments has not always been a central focus. It was this issue which underscored this research project. That is, the cross-cultural suitability of managers.

The framework identified in Figure 4.1 was originally pilot tested on a group of 64 Australian managers working in South-East Asia. Following the pilot test, the framework was further tested on 262 experienced cross-border managers working for an American transnational logistics firm.
and reported in Fish, Bhanugopan, and Cogin (2008). As a result of further study, involving a further 386 experienced and nonexperienced cross-border managers, some 658 managers (including the 262), changes to the identified constructs explaining the model were identified.

Whereas previously a three factor solution explained each of National Identity and Cross-Border Business Focus, results from the additional 386 respondents saw these reduced to a single factor solution for each dimension. The original study (Fish et al., 2008) identified the following constructs to explain National Identity: (1) “National Pride,” (2) “Consumer Ethnocentrism,” and (3) “Cultural Diversity.” In the most recent analysis of 658 responses (which as noted included the original 262 responses) these converged into one construct. The new construct has been labeled National Pride. On the other hand the constructs that originally explained Cross-Border Business Focus were identified as (1) “Diverse Cultural Learning,” (2) “Supporting Traditional Practice,” and (3) “Diverse Management Learning.” Based on the larger respondent group these also converged into a single construct. The new construct has been labeled “Diverse Learning.”

**METHOD**

As noted earlier the research reported here was undertaken in three stages. Stage 1 comprised a pilot study of some 64 Australian managers working as expatriates in South-East Asia. Stage 2 comprised a study of 262 experienced cross-border managers working for an American owned transnational logistics firm. Stage 3 involved a further 396 experienced and inexperienced managers working for (1) the same American transnational logistics firm, (2) a Western European transnational logistics firm, and (3) a Western European insurance business. Hence 658 respondents were involved.

A self-administered questionnaire was employed which incorporated scales representing the two orthogonal and bipolar “individual value orientations.” The first scale comprised a seven point: Very Strongly Disagree [VSD]—Very Strongly Agree [VSA] 19 item Likert scale measuring National Identity, and employed and adapted the National Identity scale of Keillor, Hult, Erffmeyer, and Babakus (1996). The second scale comprised a 23 item 7 point: Very Strongly Disagree [VSD]—Very Strongly Agree [VSA] Likert scale measuring Cross-Cultural Business Focus. Questions were derived first from the CYMYC Cosmopolitanism Scale developed by Yoon, Cannon, and Yaprak (1996) and the Pluralism/Cosmopolitanism Continuum developed by Earle and Cvetkovich (1997).
While the concept of “cosmopolitanism” is considered important to Cross-Cultural Business Focus, it was felt by the author that it does not explain the concept adequately. Business elements were lacking. Hence, the “Geocentric” construct developed by Kobrin (1994) was also employed in developing the Cross-Cultural Business Focus scale employed in this study to assist in focusing the scale towards a cross-border business perspective. Both scales were pilot tested in Stage 1.

Respondents were stratified in various ways. For example, (1) amount of cross-border experience, (2) current type of cross-border assignment, (3) cross-border manager type, (4) number of cross-border assignments, (5) cultural background, (6) gender, (7) age, and (8) education. The study adopted the following approach to identify defining factor constructs of each axis of the bi-polar taxonomy.

Employing SPSS 14.0, data were entered, cleaned and analyzed. Descriptive statistics and exploratory factor analyses were employed to assess dimension scores. The 19 item scale measuring National Identity scale and the 23 item scale measuring Cross-Cultural Business Focus were analyzed and compared using principle components analysis and maximum likelihood with varimax rotation. Factor loadings less than 0.50 were repressed, and cross loadings were discarded (Field, 2000); constructs with eigen values greater than 1 were selected. Factor reliability was determined to be acceptable with a Cronbach’s alpha value of 0.60 or greater (Haire, Anderson, Tatham, & Black, 1998). Factor constructs are based on maximum likelihood results. An orthogonal (uncorrelated) rotation was performed on each factor.

To determine cross-border manager types, that is, Transnationalist, Internationalist, Ethnocentrist or Transitionalist, a mean for each respondent was determined based on their responses to each identified construct (i.e., National Pride and Diverse Learning). Respondents were scored out of seven on each scale. High scores were those scores in access of 3.5. Conversely, low scores were below 3.5. Hence a respondent could be measured as high or low on either or both scales.

In order to determine any significant differences between the cross-border manager types, that is, Transnationalists, Internationalists, Ethnocentrists and Transitionalists with respect to the identified individual value dimensions, ANOVAs were employed with Tukey’s-b post hoc tests. Due to different respondent cell sizes a Welch test for uneven cell sizes was also employed. Regression analysis was also undertaken to confirm the ANOVA results. This is supported by Brace, Kemp, and Snelgar (2006, p. 207) who argue that emphasizing the similarity between multiple regression and ANOVA is a current trend in statistics.
RESULTS

A single factor, incorporating seven items explaining National Identity and labeled National Pride was derived (see Table 4.1). Also, a single factor incorporating seven items explaining Cross-Border Business Focus and labeled Diverse Learning was derived (see Table 4.2). The reliability coefficients, eigen values, and factor and scale coefficients were also acceptable in both sets of results (Nunnally & Bernstein, 1994). Displaying low levels of National Pride and high levels of Diverse Learning were highlighted by a large number of respondents (75.5%). These respondents were the Transnationalists. Of the 658 respondents 498 (75.5%) were identified as Transnationalists, 101 (15.5%) were identified as Ethnocentrists, 20 (3%) were identified as Internationalists and 39 (6%) were identified as Transitionalists.

Table 4.1. Factor Analysis for National Identity

<table>
<thead>
<tr>
<th>Factor Construct</th>
<th>(X^a)</th>
<th>SD</th>
<th>Factor Loading</th>
<th>Eigen Value</th>
<th>Explained Variance %</th>
<th>(\mu)</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Pride</td>
<td>2.94</td>
<td>1.50</td>
<td>.940</td>
<td>5.524</td>
<td>78.92%</td>
<td>.94</td>
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<tr>
<td>Citizens of my country should not buy foreign products because it hurts the businesses in my country and causes unemployment</td>
<td></td>
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<tr>
<td>Only those products not available in my country should be imported</td>
<td></td>
<td></td>
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<tr>
<td>It is always best for citizens to purchase products made in their home country for whatever reason</td>
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<tr>
<td>A specific religious philosophy is what makes a person a citizen of my country</td>
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<tr>
<td>It may cost me in the long run, but I prefer to support products made in my country</td>
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<tr>
<td>A true citizen of my country would never reject his or her religious beliefs</td>
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<tr>
<td>My country has a strong historical heritage</td>
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<tr>
<td>KMO = .924, Var., .7892%, (\alpha) = .94</td>
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</table>

\(^a\) Measured on a scale where 1 = Very strongly Disagree and 7 = Very strongly agree.
National Pride

The factor results employing confirmatory factor analysis with maximum likelihood extraction offered a robust one factor solution (KMO .924; eigen value 5.524; Var., 78.92%; α .94; x 2.94). The ANOVA tests proved to be significant on all inter-group comparisons (F 1552.088; p < .001). Transnationalists with an x 2.20 were significantly different to Internationalists (x 4.98), Ethnocentrist (x 5.97) and Transitionalists (x 3.51), including all other combinations. The Welch statistic for uneven cell sizes was also significant (1854.865; p < .001). The regression results also derived significant results. Initially, age, gender, cultural background, amount of experience and cross-border

<table>
<thead>
<tr>
<th>Factor Constructs</th>
<th>χ</th>
<th>SD</th>
<th>Factor Loading</th>
<th>Eigen Value</th>
<th>Variance Explained %</th>
<th>μ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diverse Learning</td>
<td>5.16</td>
<td>1.45</td>
<td>.945</td>
<td>5.650</td>
<td>80.71%</td>
<td>.94</td>
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<td>I tend to get intensely involved with the people around me.</td>
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<td>The development of wide ranging business affiliations is important</td>
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<tr>
<td>A lot can be learnt from foreign cultures about different ways of conducting business.</td>
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<td>Particular interests can be shared by diverse groups at the same time</td>
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<td>A person is more clearly understood as a member of multiple communities</td>
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<tr>
<td>When I make an important decision, I look for information from as many different sources as possible</td>
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<tr>
<td>World issues concern me more than the issues of any one country</td>
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KMO = .914, Var., 80.71%, α = .94

*a Measured on a scale where 1 = Very strongly Disagree and 7 = Very strongly agree.*
manager type were included in the model. Nevertheless, only cross-border manager type proved to provide a significant result:

\[ R^2_{\text{adj}} = 0.583; \beta = 0.764; F = 919.142; p < .001 \]

**Diverse Learning**

The factor results employing confirmatory factor analysis with maximum likelihood extraction also offered a robust one factor solution (KMO = 0.914; eigen value = 5.65; Var., 80.71%; \( \alpha = 0.94; x = 5.16 \)). The ANOVA tests proved to be significant on all comparisons except between Transnationalists and Internationalists (\( F = 1532.079; p < .001 \)). Transnationalists with an \( x = 5.85 \) were significantly different to Ethnocentrists (\( x = 2.24 \)) and Transitionalists (\( x = 3.58 \)). While there was no significant difference between Transnationalists and Internationalists, Transnationalists (\( x = 5.85 \)) were marginally stronger with respect to their feelings on this value than Internationalists (\( x = 5.76 \)). The Welch statistic for uneven cell sizes was also significant (1746.565; \( p < .001 \)). The regression results also derived significant results. Initially, age, gender, cultural background, amount of experience and cross-border manager type were included. Again, only manager type proved to provide a significant result:

\[ R^2_{\text{adj}} = 0.704; \beta = -0.839; F = 1563.996; p < .001 \]

**DISCUSSION**

The results of this study appear to support the strength of the bi-polar taxonomy for explaining individual values linked to both National Identity and Cross-Cultural Business Focus. National Identity explained in the research by the concept of National Pride, is related to a cross-border manager’s social behavior within any new cultural social setting. Hence, attention to how a cross-border manager might express their National Pride appears to be an important consideration for HR decision makers when selecting and placing managers in cross-border assignments. The notion of Diverse Learning explains Cross-Cultural Business Focus and is related to how a manager seeks to improve their actions in cross-border business situations. Hence, attention to how a cross-border manager might pursue their learning to improve their performance and that of their business appears to be an important consideration for HR decision makers when selecting and placing managers in cross-border assignments.
Failing to consider such information may result in cross-border managers contributing to poor social and business integration (see DeNisi, Toh, & Connolly, 2006). Further, it may also contribute to cross-border managers failing to enhance theirs and their organizations presence in cross-border business circumstances (Bender & Fish, 2000).

Garvin (1993) supports this by arguing that the “learning organization” needs to be “skilled at creating, acquiring, and transferring knowledge, and at modifying its behavior to reflect new knowledge and insights” (p. 80). In addition Porter and Tansky (1999) raise the importance of a manager’s “learning orientation” when examining the potential success (or otherwise) of expatriates. Nicholson (1997) alludes to similar issues associated with human nature in organizational life linked to the personal problems which can result from failing to take account of key personal dimensions such as those identified in this study.

This was also pointed out in a recent study by Bhanugopan and Fish (2006) who indicated that failure to attend to such issues maybe linked to problems associated with expatriate job burnout. Bhanugopan and Fish also made the point that as expatriates take up their assignments, mismatches can occur. Hence, without the appropriate understanding as to potential behaviors in such circumstances, personal and business adjustment difficulties and failed assignments may arise, with an ongoing need to attend to potentially expensive interventions to alleviate such problems. In addition, Yamazaki and Kayes (2004: ) argue that; “Effective managers no longer work solely in the comforts of their home culture, but also must learn to work across cultures” (p. 362).

An interesting aspect of this study can be noted from the dominant cross-border manager type identified, that is, that 75.5% were Transnationalists. By point of comparison; when respondents were provided with descriptive statements in the questionnaire as to traditional cross-border manager types, that is, Ethnocentric, Polycentric, and Geocentric, and requested to self identify which description they best fitted, 65% identified themselves as Geocentric 13% as Ethnocentric (15.5% in this study) and 22% as Polycentric. Geocentric elements were employed in the measure developed to identify cross-cultural business focus.

Nevertheless, the implications of this finding need to be tested further, as such a response may simply be a function of the respondents’ cross-border business experience. In addition, it is interesting to note that when comparing results between respondents, based on other independent variables (e.g., cultural background, age or gender) none produced any significant difference in results, namely, expressed value orientations. Again this may be a function of the fact that a large proportion of respondents fitted one particular type, that is, Transnationalist. Nevertheless,
this supports the work of Hipsher (2008) who argues that “after looking at the evidence, it does not appear that age, marital status, gender or ethnic background can be considered a significant predictor of expatriate success” (p. 31).

With such perspectives in mind, the monetary and nonmonetary costs of assignments and so-called “failed assignments” in particular become key issues. Hence, if a selected manager has a profile that is high on National Pride, this person may contribute to an assignment being cut short through an inability or unwillingness to adjust to important social and cultural circumstances. At a microlevel, this may manifest itself in an unwillingness to accept local food, or to adhere to local dress rules, a failure to acknowledge important local religious and cultural mores, or attempts to force particular nonhost values onto the host environment. As noted earlier, “cultural safety” concerns maybe created. Hence managers scoring high on National Pride maybe more suited to what Roberts et al. (1998) describe as SWAT Teams (short term trouble shooting assignments) and “Virtual Solution Assignments” (web linked assignments).

However, as noted by Fish et al. (2008), the majority of respondents to this study were low on National Pride and high on Cross-Cultural Business Focus. Such a result may suggest that respondents to this study were appropriately appointed by their organisations.

In this respect, a potential further advantage of the results derived from the application of the taxonomy goes to an element of human resource planning referred to as “employer branding” (Sparrow, Brewster, & Harris (2004). Firms who pursue selection practices which take the identified individual value dimension into consideration in the recruitment, selection and placement process, may be in a superior position to identify themselves as “employers of choice.” As a consequence, they may be in a better position to advertise the organization in this way. This may well be the case for the organizations involved in this study; that their recruitment, selection, and placement practices are such that they can clearly identify the key cross-border managers necessary for effective cross-border business activity.

Hence, when selecting managers for medium to long term cross-border assignments, organizations need to be looking for managers who have high scores on Cross-Cultural Business Focus and low scores on National Pride. The opposite may indicate that a person could have difficulties in developing sound personal relations, advancing their cross-border business careers, and at the same time experience difficulty in growing and sustaining the business. Fish et al. (2008) commented on this outcome by suggesting that,
given the broad focus of the two value dimensions one might reasonably expect that a manager’s social and business behaviour if guided too much by their own cultural values, and their own traditional ways of business practice, would potentially lead to a negative “cultural impact” in a host environment. (p. 44)

It should also be acknowledged that it is unrealistic to argue that all managers will maintain their value orientations over time. Keillor et al. (1996), who developed the concept of National Identity, argue in a later study (Keillor & Hult, 1999) that, “the theoretical construct of ‘National Identity’ is built around the notion that there are a relatively limited number of unique elements which explain it” (p. 66) Keillor and Hult originally identified these unique elements as “belief structure,” “national heritage,” “consumer ethnocentrism” and “cultural heritage,” This study has reduced these four constructs to one construct, namely, National Pride (which is actually a combination of all Keillor and Hult’s four constructs. This may be explained by the fact that in the Keillor studies, only 3 separate countries (1 Western and 2 Asian) were involved in their study, whereas in this study, managers from 17 different countries responded. It maybe that the more culturally diverse respondents are, the more likely it is that the constructs will converge.

The result also suggests that organizations should potentially ignore certain bio-data in their cross-border selection and placement practices, and develop more diverse staffing profiles. That is, there were no significant between group differences when groups were compared against all identified value dimensions by employing age, gender or country of origin. Cross-Border Manager Type (from the taxonomy) was the only defining variable.

From a different perspective it may be that those managers who do not have a predisposition to cross-border business activity may be incapable of shifting their style. That is, irrespective of any development interventions, very careful consideration would need to be given as to how their skills might be employed. It is here that the taxonomy suggested in Figure 4.1 may prove to be extremely useful in ensuring personal career needs can be attended to in a meaningful way for all, and at the same time the cross-border business needs of organizations are satisfied in a satisfactory manner. Nevertheless, in reporting the earlier results, Fish et al. (2008) made the point that,

given the objectives of this study, the nature of the role and the amount and level of experience in cross border business and the cultural background of respondents, it would be hoped that such a proportion would be predisposed towards being “Transnationalists.”
CONCLUSIONS—LIMITATIONS AND DIRECTIONS FOR FUTURE RESEARCH

The commitment of organizations to the selection and placement of more globally astute managers is now an aspect of cross-border manager appointment and deployment that cross-border organizations cannot ignore. As Schell and Solomon (1997) have noted,

Becoming globally astute is something we all must do. Most of us think that our culture and frame of reference is universal, but once we venture outside our national boundaries, we realize that this simply isn’t the case. Becoming globally astute means, being able to understand behaviours, and, to trans late that knowledge, in a variety of cultures, into appropriate responses, and winning tactics. (p. 4)

Cross-Border manager effectiveness may rest on possessing the individual values identified in this study. The ultimate purpose is to assist the learning and sophistication of cross-border businesses and to establish a diverse cadre of cross-border management talent and expertise. Understanding such issues may open the way to developing more informed selection and placement strategies, as well as identifying retention interventions necessary to assist in establishing more effective international HRM staffing strategies when mind, cultural and geographic borders are crossed.

From a different perspective, although models used for the selection of cross-border managers vary with the nationality of the organization, core concepts have centered on technical abilities and personal traits of potential candidates (Caligiuri, 2000a, 2000b). This focus provides necessary, but insufficient insights into the characteristics needed to perform effectively on a cross-border assignment. While early studies identified a number of specific issues that could impact the success or failure of cross-border managers, very little has been done to develop a set of selection tools that takes into consideration the “cross-cultural suitability” of managers, namely, increased levels of globalization found in today’s business environment and characterized by worldwide production markets and broader access to a range of foreign products for consumers and companies (Friedman, 2006). In this environment, effective cross-border managers must possess a complex amalgamation of technical, functional, cultural, social and political skills. In addition they must possess particular personal attributes to successfully navigate the intricacies of their new cultural environment (Fish, 1999; Nohria & Ghoshal, 1997).

The results of this study tend to support the strength of the multidimensional taxonomy that has been designed to explain the various National Identity and Cross-Cultural Business Focus behavioral
dimensions. Hence, attention to the individual constructs defining these dimensions, namely, (1) national pride, and (2) diverse learning appear to be important when making more effective selection and placement decisions for cross-border assignments.

The regression results support the general findings derived from the various ANOVA tests that cross-border manager type significantly influences the responses as to perception of the two individual value constructs identified in this study. In fact including both sets of results supports the argument of Brace, Kemp, and Snelgar (2006) that “a current trend in statistics is to emphasize the similarity between multiple regression and ANOVA” (p. 207).

Further, understanding the interplay between the constructs has the added benefit of providing scope to move away from the insular and parochial perspectives to cross-border manager selection which Harris and Brewster (1999) discovered, and indeed to address a number of the concerns implied by Dowling et al. (2008) with respects to the “myths” they identified among selection practices.

Nevertheless, being Transnationalist (or whatever type) is a state of mind. It is not simply a “type” of business activity. Thus understanding the focus taken by individual managers being considered for cross-border assignments is likely to assist in determining first, whether they are appropriate at all, and if considered appropriate, the type of assignment they are likely to be most suited for can be potentially realized. This will help to contribute to more effective cross-border management behavior, and one would hope, more effective performance.

The results also suggest that competent cross-border managers whilst acknowledging their own cultural background will be cognoscente as to how they express their national pride and how they diversify their learning. That is, Transnationalists appear to be suggesting that it is best not to exude too much of one’s own national pride in case it leads to, or is interpreted unfavorably, in social and cultural situations. Hence, behavior linked to expressions such as, “my way is better” or “our way is better” or “we do things differently where I live,” can be misinterpreted. This realization appears to come from the diversity of their learning and their willingness to change behavior to suit particular circumstances. In this respect, behavior should evidence a sense of cultural empathy towards the various social, cultural and business situations managers will inevitably find themselves in.

It is equally important that the findings reported here be tested further. These results suggest that Transnationalists possess a more sophisticated set of individual values conducive to conducting business more effectively in cross border situations. Nevertheless, to examine the results further; an in-depth analysis of the professional and ad-hoc experiences
(see Figure 4.1) of those labeled as Transnationalists may prove important in order to present further insights as to why they responded the way they did. Nevertheless, and even though there was a large group of such respondents and they came from quite diverse cultural backgrounds, there were no significant differences between respondents on the identified value constructs on any independent variable except taxonomy type.

Also, extending theories and frameworks and their underlying constructs into other cultural contexts does raise important questions as to whether a research instrument designed to measure important social constructs is cross culturally invariant (Hui & Triandis, 1985). In this respect it would be useful to test the instrument on respondents who have a common cultural background; and also among managers who cannot speak English, as well as on more respondents who have no experience of cross-border assignments. In this study both experienced and nonexperienced cross-border managers working in 17 different countries (7 Western and 10 Asian) responded to the questionnaire.

The cross-border manager classification taxonomy also needs further investigation. For example, Rudmin (2003) made the point that there is nothing intrinsically appealing about typologies as a means of labeling manager types. He suggested that “clusters” or a “grid” may be a more informed means of identification. Notwithstanding Rich’s (1992) argument regarding classification systems, that is, that ease of description should not be the guiding principle in choosing a label, results derived in this study are suggestive of clusters. Hence, a grid maybe a more appropriate means of understanding the types of cross-border manager identified in this study.

That is, simply labeling a person as Transnationalist (or whatever) may not take full account of the elements which make up the “type.” There may be important distinctions within one particular “manager type” whereby appointment to more than one “assignment type” may prove to be realistic. There is bound to be considerable “grey” at the boundaries. On the other hand; if more and more “types” are identified, this may prove dysfunctional, as multiple distinctions may lead to difficulties in providing clearer distinctions of “manager types” and logically assignment type placements.

The commitment of organizations to the selection, development and placement of more globally astute managers is now an aspect of cross-border manager appointment and deployment that cross-border organizations cannot ignore. As Schell and Solomon (1997) have noted,

Becoming globally astute is something we all must do. Most of us think that our culture and frame of reference is universal, but once we venture outside our national boundaries, we realize that this simply isn’t the case. Becoming
globally astute means; being able to understand behaviours, and to translate that knowledge in a variety of cultures into appropriate responses and winning tactics. (p. 4)

Cross-Border manager effectiveness then may rest on such managers possessing the value dimensions identified in this study. The ultimate purpose is to assist the learning and sophistication of cross-border businesses and to establish a diverse cadre of cross-border management talent and expertise. Understanding such issues may open the way to developing more informed selection and placement strategies, as well as identifying retention interventions necessary that will assist in establishing more effective International HRM staffing strategies when mind, cultural and geographic borders need to be crossed. It is critical therefore that selection criteria for cross-border assignments consider a manager’s ability and willingness to operate in a chaotic and rapidly changing environment.

In such conditions, a manager’s past experiences, and technical know how are unlikely to provide them with sufficient skills to be effective in cross-border situations. HRM decision makers need to be aware of how managers address their National Pride, and their Diverse Learning in addition to their technical skills and domestic business success if cross-border business effectiveness is to be achieved.

REFERENCES


