



Expatriate Social Networks in Terrorism-Endangered Countries: An Empirical Analysis in Afghanistan, India, Pakistan, and Saudi Arabia



Benjamin Bader ^{a,*}, Tassilo Schuster ^b

^a Department of Strategic Management, University of Hamburg, Germany

^b Department of International Management, University of Erlangen-Nürnberg, Germany

ARTICLE INFO

Article history:

Received 5 February 2014

Received in revised form 25 September 2014

Accepted 25 September 2014

Available online 18 October 2014

Keywords:

Expatriate social networks

Country risk

Terrorism

Psychological well-being

Social support

ABSTRACT

Despite the increasing relevance for international business, international assignments in terrorism-endangered countries have hardly been analyzed. Applying a social network perspective, this study investigates the impact of expatriate social network characteristics on psychological well-being in the terrorism-endangered environment of Afghanistan, India, and Pakistan. Drawing on data surveying 175 expatriates, the study finds that large and diversified networks positively affect the psychological well-being of international expatriates. When including the influence of terrorism it is revealed that a higher terrorism level per se does not necessarily negatively affect the psychological well-being of expatriates, however, the impact of expatriate social network characteristics on psychological well-being is amplified. Hence, social networks are more beneficial on expatriates' psychological well-being in countries which suffer from terrorism. Discussing these findings, the study also differentiates between closeness with host country nationals and other nationalities, and presents several implications for managers how to improve psychological well-being.

© 2014 Elsevier Inc. All rights reserved.

1. Introduction

Over the last years, the number of expatriate assignments has significantly increased, with companies sending staff to a very diverse group of host countries (Brookfield Global Relocation Services, 2013; Harvey et al., 1999). There are various reasons for assigning expatriates to foreign subsidiaries such as subsidiary coordination and control motives, transfer of technologies or organizational practices, as well as advancing the expatriate's personality and career (Chung and Beamish, 2005; Edström and Galbraith, 1977; Harzing, 2001; Stahl et al., 2002). Such tasks become increasingly important for establishing business activities on a global scale which enable multinational companies to meet the global demands in today's competitive environment (Shin et al., 2007). For the individual expatriate, relocating to a foreign country goes along with many changes in his/her life, which are usually perceived as very challenging and sometimes overwhelming (Bolino, 2007; Harvey and Novicevic, 2002). One big challenge is seen in leaving the expatriate's familiar social network behind. This often is accompanied with the loss or at least limitation of social support, which is usually drawn from this network (Wang and Kanungo, 2004; Wang and Nayir, 2006). Moreover, expatriates have to deal with different cultural values, unexpected behavioral rules, and often with language barriers. Concerning this matter, Osman-Gani and Rockstuhl (2008) state that differences in language, cultural values, and expectations about appropriate behavior lead to uncertainty and stress. However, in several regions other risks, like violent conflicts and the threat of terrorism, which can be tremendous sources of stress for an expatriate, are widespread (Czinkota et al., 2005, 2010; Kotabe, 2005; Oetzel and Getz, 2011) with severe

* Corresponding author.

E-mail address: benjamin.bader@uni-hamburg.de (B. Bader).

consequences for expatriates' psychological well-being (Reade and Lee, 2012). Recent research highlights that terrorist attacks cause post-traumatic stress, anxiety, feelings of insecurity, decreased self-efficacy, and a decrease in subjectively rated health (Peus, 2011). Just in the year 2011, more than 10,000 terrorist attacks took place, affecting nearly 45,000 victims in 70 countries and resulting in about 12,500 deaths. Over 75% of these attacks occurred in the Middle East and South Asia, two regions that are increasingly being considered strategically important investment regions of multinational companies (London and Hart, 2004; Nakata and Sivakumar, 1997; National Counterterrorism Center, 2012).

Overall, despite impressive work on expatriate psychological well-being, cultural adjustment, and job performance in the last decades (Avril and Magnini, 2007; Black and Gregersen, 1990; Black and Mendenhall, 1991; Harrison et al., 2004; Shay and Tracey, 2009; Takeuchi, 2010; Tung, 1998) there has to be an extensive search for guaranteeing successful assignments. While failure rates normally are estimated to range between 25% and 40%, in developing countries, this threshold is at about 70% (Chiu et al., 2009; for a critical discussion of failure rates, please see Harzing (1995)). In other words, up to two out of three expatriates either leave the assignment before having finished their tasks, or they stay while, due to psychological withdrawal, they perform poorly (Shaffer and Harrison, 1998). Such failure is quite costly for MNCs. Carraher et al. (2008) and Ramsey (2005) estimate the costs of a failed expatriate assignment to be ranging from two up to ten times the costs of a local hire. In the worst case, however, the entire investment abroad is in danger (Farh et al., 2010). One of the major reasons for failure is associated with poor adjustment and low psychological well-being (Bhaskar-Shrinivas et al., 2005). However, in line with Shay and Baack (2004), the degree of adjustment is not automatically a sufficient outcome measure. Whereas well-adjusted expatriates are not necessarily effective managers, poorly adjusted expatriates are probably even worse. In consequence, adjustment determines their mood and thus also affects their psychological well-being (Aryee and Stone, 1996).

A promising instrument to achieve a good well-being and foster adjustment is a satisfying social network (Li and Rothstein, 2009; Wang and Kanungo, 2004; Wang and Nayir, 2006) as it "mitigate[s] the harmful effects of environmental stressors such as terrorism" (Reade and Lee, 2012, p. 88). However, despite Harrison et al.'s (2004) call for new investigations of expatriates' social environment, this topic is still under-researched. In a similar way, Osman-Gani and Rockstuhl (2008) highlight that scholars have been arguing for the need to pay more attention to the concrete interaction of expatriates, empirical investigations of expatriates' social networks have only recently been offered, while Li and Rothstein (2009) consider the impact of expatriate social networks as under-emphasized. Reade and Lee (2012) finally note that social networks present an important component in coping with an ongoing threat of terrorism and serve to protect against negative psychological distress. Thus, when investigating expatriate adjustment or well-being, it is necessary to investigate potential effects originating from the social network. Therefore, a network perspective needs to be applied by including social network characteristics such as size (i.e. number of ties), closeness (i.e. proximity to network ties), frequency (i.e. regularity of contact with ties), and diversity (i.e. share of people with different demographic characteristics within the network).

At the same time, the relationship between the psychological response of expatriates and terrorism has only been scarcely analyzed and should be subject to further research (Czinkota et al., 2010; Reade and Lee, 2012). Hence, in order to address this lack of research, this study is the first to analyze expatriate social networks under the special setting of countries suffering from the prevalence of terrorism drawing on data of expatriates assigned to Afghanistan, India, Pakistan, and Saudi Arabia. This is important, as social networks impact psychological well-being in different ways depending on the host-country context (Wang and Nayir, 2006). Even though terrorist attacks are not a phenomenon of developing countries, as 9/11, the Madrid train bombings in 2004, or the bomb attack during the 2013 Boston Marathon have tragically shown and dramatically raised the public awareness (Li et al., 2005) that there are certain countries with a higher penetration of terrorist incidents. The National Counterterrorism Center (2012) reports terrorist attacks worldwide, identifying Afghanistan, India, and Pakistan as three of the four most dangerous countries. In this article we focus on these terrorism-endangered countries and integrated Saudi Arabia in order to discuss possible differences and account for a low level of terrorist incidents. We chose Saudi Arabia due to its geographic proximity and its high population of Muslims, which makes the country relatively similar to the other countries, though in India the share of Muslims is only about 13%. However, in contrast to them, there is no severe threat of terrorism reported in Saudi Arabia.

Our study aims at bridging the above mentioned research gaps and contributes to literature by 1) analyzing the structure of expatriate social networks in the terrorism-endangered environment of Afghanistan, India, and Pakistan, 2) enhancing expatriate literature by investigating the influence of several network characteristics on the expatriate's psychological well-being, and 3) providing a more differentiated picture of social support with regard to network closeness. Furthermore, practical implications for managers are provided, which are intended to help expatriates sustaining their social networks in terrorism-endangered countries.

The remainder of this study is organized as follows: First, we give a brief overview regarding the literature on (expatriate) social networks and develop a set of hypotheses in order to test our research model. In the next section, we then present the research design and sample, before we test our hypotheses against data gathered from 175 expatriates in four different countries (Afghanistan, India, Pakistan, and Saudi Arabia) using linear regression modeling. The paper concludes with a discussion of the results, also outlining theoretical and managerial implications.

2. Theoretical framework

In this study, we employ a social network perspective in order to analyze the psychological well-being of expatriates. Thereby, we focus on three terrorism-endangered countries, while also integrating a comparison country (i.e. Saudi Arabia). According to the social network perspective, expatriates can obtain valuable resources from their social network that enhance their psychological well-being during the foreign assignment. Caligiuri and Lazarova (2002) regard social interaction with host, home, and third-country nationals as an invaluable resource in order to receive information about culturally acceptable

Download English Version:

<https://daneshyari.com/en/article/1020273>

Download Persian Version:

<https://daneshyari.com/article/1020273>

[Daneshyari.com](https://daneshyari.com)