Journal of International Management 18 (2012) 85–101

Contents lists available at SciVerse ScienceDirect

Journal of International Management

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Organizational Commitment in Time of War: Assessing the Impact and Attenuation of Employee Sensitivity to Ethnopolitical Conflict

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ARTICLE INFO

Article history:
Received 22 March 2011
Received in revised form 14 September 2011
Accepted 14 September 2011
Available online 13 October 2011

Keywords:
Organizational commitment
Perceived organizational support
Liability of foreignness
Ethnopolitical conflict
Psychology of terrorism
Sri Lanka

ABSTRACT

We examine organizational commitment in foreign-invested and indigenous firms located in an operating environment characterized by ethnopolitical conflict and its violent manifestations of civil war and terrorism. Drawing on the management, psychology, and political science literature streams, we investigate whether employee sensitivity to ethnopolitical conflict contributes to explaining organizational commitment in a violent operating environment. The results of hierarchical regression analysis reveal that employee sensitivity to ethnopolitical conflict is inversely related to organizational commitment and has explanatory power beyond the traditional predictors of organizational commitment. Further, perceived organizational support is found to attenuate the negative relationship between employee sensitivity to ethnopolitical conflict and organizational commitment in foreign-invested firms but not in indigenous firms. The data suggest that an operating environment beset with violent ethnopolitical conflict may exact an indirect cost on the firm through lowered employee commitment, and that foreign-invested firms through a 'foreignness advantage' can manage this potential cost by maintaining a high level of perceived organizational support among their employees. Implications for research and practice are discussed.

1. Introduction

Organizational commitment continues to garner interest among scholars and practitioners alike because it holds the promise of enhanced employee performance in complex operating environments (Gregersen and Black, 1992; Taylor et al., 2008). Complex operating environments are generally construed as those with intricate organizational linkages and relationships set within and across a multitude of political, economic, legal and socio-cultural milieu (Bartlett and Ghoshal, 1989). The complexity of the global operating environment, compounded with the pressures of global competition, call for a maximization of employee performance. This is said to require employee identification with organizational values and goals, and employee effort toward achieving those goals (Taylor et al., 2008). These are hallmarks of organizational commitment.

Numerous studies have been conducted on the personal, job, and organizational predictors and correlates of organizational commitment (e.g., Cook et al., 1981; Meyer and Allen, 1997; Rhoades and Eisenberger, 2002). By contrast, the firm's external operating environment as a possible influence on employee commitment has received scant attention, with existing studies mainly focused on the socio-cultural environment (Gregersen and Black, 1992). Taylor et al. (2008) point out the need to consider the effect of negative forces in the global operating environment that may pose a challenge to gaining and maintaining organizational commitment. Turbulent change in the operating environment has been associated with such challenge (Dessler, 1999).

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doi:10.1016/j.intman.2011.09.002

Violent conflict can be deemed a negative, turbulent force in the operating environment (Getz and Oetzel, 2010; Oetzel et al., 2007). Ethnopolitical conflict, large-scale conflict between ethnic groups, is a leading cause of violence and instability around the world (Carter et al., 2009). In its manifestations of war and terrorism, ethnopolitical conflict can disrupt lives and business activities, endanger people and assets, and instill fear and anxiety in the populace (Chirot, 2001; Esman, 2004; Horowitz, 2000). We propose that an employee's sensitivity to these negative environmental forces could impact his or her commitment to the work organization. Employee emotions in the workplace have been examined in terms of responses to workplace violence and other phenomena internal to the organization (Barling, 1996; Leather et al., 1998; LeBlanc and Kelloway, 2002), but less is known about how employees may respond emotionally to violent events outside the organization and what those emotional responses might mean for employee attitudes toward the organization (Mainiero and Gibson, 2003; Ryan et al., 2003).

Our goal in this paper is threefold: 1) to investigate whether employee sensitivity to ethnopolitical conflict (ESEC) external to the firm contributes to explaining organizational commitment beyond well-established predictors of organizational commitment; 2) to examine whether perceived organizational support, that is, the support given to employees by a firm's leadership, serves to moderate the relationship between ESEC and organizational commitment, and 3) to assess firm ownership effects. While several studies have emerged on the effects of terrorism on workplace attitudes (Alexander, 2004; Byron and Peterson, 2002; Mainiero and Gibson, 2003; Ryan et al., 2003), and on employee commitment in the context of war (Messarra and Karkoulian, 2008; Reichel and Neumann, 1993; Vinokur, et al., 2011), this is the first study to our knowledge that empirically investigates the relationship between ESEC and organizational commitment, the organizational factors within management control that might moderate that relationship, and the differential effects of firm ownership.

We proceed with a review of the literature on ethnopolitical conflict and the psychological response to terrorism. Hypotheses are developed in the subsequent sections on organizational commitment and firm ownership effects. Research methods are then described, and results are analyzed. We conclude with implications for research and international management practice.

2. Ethnopolitical conflict: the organizational operating environment

2.1. Scope

Pervasive ethnic strife within, and sometimes across, nation-state boundaries, is said to be the defining characteristic of the post-Cold War era (Carment and James, 1998; Horowitz, 2000). Ethnicity has acquired high visibility in interstate and intrastate politics particularly since the disintegration of the former Soviet Union (Horowitz, 2000; Kriesberg, 1998b). Indeed, ethnopolitical conflict, large-scale conflict between ethnic groups, has become a ubiquitous, global phenomenon (Esman, 2004; Horowitz, 2000). Some of the better known ethnic conflicts around the world, past and present, include Israel and Palestine, Northern Ireland, Sri Lanka, Kashmir, Cyprus, Greece and Turkey, Bosnia, South Africa, and Rwanda (Carter et al., 2009; Coakley, 2009). Ethnopolitical conflict is considered to be a leading cause of violence and instability around the world (Carter et al., 2009). This is underscored by a recent study by Wimmer et al. (2009) who found that more than half of the armed conflicts fought between 1946 and 2005 were ethnic conflicts.

These facts have ramifications for international business. Ethnopolitical conflict is a form of civil disturbance, which is considered by multinational enterprises to be a significant risk (Heinisz and Zelner, 2010). This is because of the potential human, social and economic costs involved (Czinkota et al., 2005; Lopez and Wodon, 2005; Plümper and Neumayer, 2006). We propose that a violent ethnopolitical operating environment may exact indirect costs on the firm through lowered organizational commitment and by extension lowered employee productivity.

2.2. Definitions

Ethnopolitical conflict refers to the intrastate and interstate conflict between ethnic groups that has political overtones (Chirot, 2001). The term ethnopolitical conflict is often used interchangeably with the term ethnic conflict, and we do likewise in this paper. It should be noted at the outset that questions arise in the conflict literature regarding the extent to which conflict follows ethnic lines. Some maintain that ethnicity does not matter, that conflict arises, for instance, as a function of weak states that cannot accommodate the political mechanisms necessary to effectively manage conflict in society (e.g., Hironaka, 2005). In Marxian analysis, class is the basis for all social conflict so "*a priori* ethnicity cannot play any determining role" (Le Vine, 1997, p. 54). Others suggest that ethnicity does matter (e.g., Coakley, 2009; Gamage, 2009; Shastri, 2009; Wimmer et al., 2009).

Ethnicity can be defined as "a subjectively experienced sense of commonality based on a belief in common ancestry and shared culture" (Wimmer et al., 2009, p. 325). It is generally agreed that ethnicity is largely a cognitive phenomenon and a group phenomenon (Le Vine, 1997). The cognitive dimensions of ethnicity include ideas, perceptions and attitudes about the self, the group, and others (Le Vine, 1997), as well as the group boundary markers such as language, names, physical appearance, race, and religion (Coakley, 2009; Le Vine, 1997). An awareness of one's ethnicity, or ethnic awareness, is a form of collective identity or membership in a group that shares certain attributes (Esman, 2004). Individuals identify themselves as members of a reference group which, collectively, characterizes itself as distinct from other groups (Le Vine, 1997).

An ethnic group is politically relevant if its members are systematically and intentionally discriminated against by the ethnic majority in the domain of public politics. Ethnic politics concerns material interests, idealist motives, and genuine political goals (Wimmer et al., 2009).