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**Title:** Value Orientations and the Selection of Cross-Border Managers: An Investigation of Construct Validity Using Structural Equation Modelling

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**Abstract:** This paper reports research that tested the extrapolative and interrelated nature of a two-dimensional bipolar taxonomy based on a manager’s value orientations linked to, (i) National Identity and (ii) Cross-Border Business Focus. The taxonomy provides a basis for sourcing information as to the potential cultural and business suitability of managers for cross-border assignments. Three value dimensions were identified on both elements of the taxonomy, and initial results were reported in Fish, Bhanugopan and Cogin (2008 – in press). In addition, CFA and canonical correlations provided an initial evaluation as to the measurement fit between the constructs; and identified significant relationships. A Structural Equation Model (LISREL 8.80) is presented which examines the set of identified dimensions. Results were shown to be significant (p < .001); indicating a sound fit between the theoretical model, and the empirical findings. Findings appear to support the application of the taxonomy as a source of important information as to the cultural and business suitability of managers for (i) cross-border assignments per se; as well as, (ii) different types of cross-border assignments.
Value Orientations and the Selection of Cross-Border Managers: 
An Investigation of Construct Validity using Structural Equation 
Modelling

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Abstract

This paper tests the extrapolative and interrelated nature of a two-dimensional bipolar values taxonomy. The taxonomy provides a basis for sourcing information as to the potential cultural and business suitability of managers for cross-border assignments.

Three dimensions were identified on both elements of the taxonomy. Initial results; including CFA and canonical correlations to test the measurement fit, were reported in Fish, Bhanugopan and Cogin (2008 – in press). Significant relationships were identified.

A Structural Equation Model (LISREL 8.80) is presented here which further assesses the statistical properties of the identified value dimensions. Results were shown to be significant (p < .001).

Findings appear to support the application of the taxonomy as a source important information as to the cultural and business suitability of managers for (i) cross border assignments per se; as well as, (ii) different types of cross-border assignments.
Introduction

As numerous managers will be considered for different types of cross-border roles at various stages of their business careers; appropriate selection is a key concern in ensuring the business is represented by the most suitable person. Indeed at various times during a cross-border assignment evidence will appear as to the suitability or otherwise of managers for such appointments. In some cases information as to unsuitability may occur prior to departure. Unfortunately; and in too many cases, evidence as to unsuitability arises following arrival in what are not just geographically distant lands; but more importantly, culturally distant locations. The potential repercussions of failing to consider this issue have been evidenced in poor adjustment outcomes; and in so-called, failed assignments. Whilst a manager’s technical and general business skills may well have been up to the mark, and their career progress may also have been sound when originally selected and placed in a cross-border business role; a manager’s underlying cultural and business values may have been inappropriate, or indeed inappropriate for particular types of cross-border assignments.

To this; Fish, Bhanugopan and Cogin (2008 – in press) proposed, “that selection decisions for cross-border assignments, in addition to considering an applicant’s technical and business skills and their career progress, should also consider an individual’s cultural and business suitability.”

The potential repercussions of this were discussed at some length by Anderson, Perry, Blue, Brown, Henderson, Koushambbi, Kirkham, Lynam, Semeniuk and Smye (2003) who suggested; 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 hosts are comfortable in their traditional circumstances following the arrival of a foreign business and indeed the managers who represent such business. In a similar argument; Pope-Davis, Prieto, Whitaker and Pope-Davis, (1993); argued that whilst many managers who work offshore may well have high order technical and business skills, they may not be ‘culturally competent’.

How each of us perceives our personal behaviour, is not necessarily shared by others (Cai, Wilson and Drake, 2000). As such; none of us is likely to be fully aware of our potential behavioural ‘impact’ in the various work and social situations in which we find ourselves. This becomes more problematic when our behaviour is assessed in cross-border social and business situations. In such circumstances; each of us can without knowing; or meaning to do so, offend important cultural and / or business mores.

Certain personal factors linked to a managers’ values that manifest themselves in various behavioural patterns may highlight a manager’s potential cultural and business impact; and hence indicate, whether a manager is suitable for cross-border assignments per se; and and/or particular types of foreign assignments more generally. Whilst ‘behavioural fit’ linked to a manager’s suitability for various types of domestic management roles; has certainly been addressed, similar attention to positions associated with cross-border business assignments appears to have received much less attention.

A sample of 262 managers working for a large transnational American owned logistics firm responded to this study. The group comprised respondents from at least 13 different countries. Each respondent completed a questionnaire, based on a two-dimensional taxonomy of value orientations developed by Fish (1999). The dimensions tested were; (i) a manager’s values vis., their ‘National Identity’. Secondly; a manager’s values vis., their ‘Cross-Border Business Focus’ (see Figure 1) Information as to ‘type’, derived from the interplay between these two value
dimensions, may assist human resource management decision makers in the selection, placement and retention of managers for important cross-border management roles.

Initial results supported the proposed model with significant results ($p < .05$) confirming the strength of relationship between the identified value constructs as potential predictors of a manager’s ‘cultural and business suitability’ (Fish, et. al., 2008 – in press). This paper reports the Structural Equation Model (LISREL 8.80) and Path Analysis designed to examine the construct validity of the identified values.

**Cultural and Business Impact and Manager Suitability**

Irrespective of their technical and business skills; and their domestic career success, business ambassadors, cross-border managers, expatriates call them what you will, may be culturally incompetent. As a consequence; they may offend both the cultural and business mores of their business and cultural hosts, which in turn may result in poor business relations and career outcomes.

In supporting these points; Fish, et. al. (2008 – in press) noted that ‘culturally competent people’ are those who are sensitive as to how their exposed values impact upon different racial or ethnic groups. That is; inappropriate behaviour may negatively impact upon how a cultural and/or business host perceives the need to change, in order to assimilate to what they feel to be the dominant culture of an MNC, or indeed a cross-border manager’s personal style. Varner and Palmer (2005) made a similar point in arguing for raised awareness as to the potential impact of ‘cultural self-knowledge in successful expatriation’.

The repercussions from a business perspective may be manifested in an inability; or unwillingness, to establish and advance in particular ways important cross-border strategic business alliances. Whilst at an individual level; the repercussions may appear through the existence of a poor psychological contract; poor quality of work and family life, and poor career progress (Guzzo, Noonan and Elron, 1994; Baruch, 2004).

Understanding a manager’s potential ‘cultural and business impact’; may be a critical first step, in determining a manager’s suitability for important cross-border business roles. A manager’s suitability; and ultimate effectiveness, may be based on a set of value dimensions linked to ‘National Identity’ and ‘Cross-Border Business Focus’. As noted by England (1967), (in Fish et. al., 2008 – in press) effective managerial behaviour ultimately rests on a person’s ‘value system’. Indeed, understanding a manager’s ‘value system’ as noted by England (1967: 53) is; “...the difference in terms of how information is evaluated, how decisions are arrived at – in short, how one behaves”; and, as Davis and Rathool (1988: 11) have argued, it is “crucial for developing internally consistent management styles for effective Transcultural Management Practice.

Value Orientations

Fish, et. al. (2008 – in press) noted that values at national; organisational and individual levels have been explored and analysed for many years. Nevertheless; the potential benefits of understanding individual values vis., the selection of culturally and business suitable managers for cross-cultural management roles appears not to have been sufficiently considered.

Nevertheless; issues surrounding personality linked to manager suitability for cross-border manager roles have been explored. This has been based essentially on what Goldberg (1990) labelled ‘the Big-Five Personality Factors’ (i.e., extroversion; agreeableness; conscientiousness; emotional stability; and openness or intellect). However, Caligiuri (2000a) argues that whilst personality appears to have something to offer, there is controversy as to whether the ‘big five’ provide the best perspective in explaining behaviour in diverse cultural settings. Also, Baruch (2004) suggests that attempting to profile a global manager 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 as to the efficacy of personality as a means to determine suitability; this research has tested individual values. This approach has been undertakne for a number of reasons. First; Fernandez & Hogan (2002) argue, in their most simple form, ‘individual values’ represent what are important to us; and hence what are more likely to provide direction for our behaviour. Also, Baruch and Altman (2002: 242) argue that “…values, be they at the individual, organisational or national level underpin…behaviours”. Whilst Hofstede (2001: 5) argues that, “values are a broad tendency to prefer certain states of affairs over others”; and Schneider and Barsoux (2003: 33) point out that; “beliefs as to who are the right managers, are ultimately linked to values….”. Whilst a business can certainly impact upon foreign cultures and national values can also impact, it is essentially through the behaviour of individual managers that this occurs.

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Cross-Border Manager Taxonomy

Nevertheless; just as it is inappropriate to explain a manager’s suitability for cross-border assignments based on a single personality dimension, it would also be inappropriate to explain a manager’s suitability; indeed their potential cultural and business impact for cross-border assignments, based on a single value dimension.

In establishing the taxonomy underpinning this research Fish (1999) argued that; over and above knowledge of a manager’s technical and general business skills, and a manager’s domestic career success, knowledge as to two value dimensions maybe important in determining the most appropriate person for cross-border assignments; and more particularly, medium to long term cross-border assignments.

The value dimensions are first; the extent to which a manager actually values undertaking business across borders. Fish (1999) labelled this dimension ‘Cross-Border Business Focus’. Secondly; is the manner in which a manager actually values cross-cultural exchanges. Fish (1999) labelled this dimension, ‘National Identity’.

That is; managers who do not value doing business across cultural borders, and managers whose values lack consideration for the fundamental requirements associated with relating to situations and people in different cultural contexts, may be inappropriate appointees for cross-border business assignments. More specifically; managers whose values do not match the needs of dealing with people and situations in different countries may not be what Pope-Davis, et. al. (1993) refer to as; (i) ‘culturally competent’, or indeed (ii) attend to what Anderson et. al. (2003) refers to as the ‘cultural safety’ of their hosts. Fish (1999) argued that both needed to be considered if an effective selection and placement was to be achieved.

‘Cross-border business focus’ - comprises the first value dimension; and is linked to a manager’s potential ‘business impact’ in cross border business circumstances. Porter (1986) offered some insight when reviewing the conduct of global business, and how to achieve knowledge transfer through the effective use of management appointments. Bartlett and Ghoshal (1988) also discuss it in terms of a cross-border manager’s communicative competence to support the attitudes, values and norms that underpin effective transnational commercial activities. Whilst Darby (1995); in defining the ‘Euro-manager’, and Pucik and Saba (1998) when differentiating between the ‘global’ manager, and the ‘expatriate’; also addressed this concept.

Whilst not the same as ‘geocentrism’ (Kobrin, 1994); and ‘cosmopolitanism’ (Yoon, Cannon and Yaparak, 1996; Earl and Cvetkovich 1997; Selmer, 2001) ‘Cross-Border Business Focus’ nevertheless compliments them.

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1 The geocentric orientation is considered a global mindset that is characterized by the attitude of ‘the best man for the job’ irrespective of national origin (Wind, Douglas & Perlmutter, 1973). Geocentric managers do not necessarily assume either a local or a home country attitude. Strategic goals and marketing plans are adapted from either local management, home country strategies, or from any region of the world and attempt to balance local practices with global strategies.

2 Cosmopolitanism is the idea that all of humanity belongs to a single moral community. Cosmopolitanism may or may not entail some sort of world government or it may simply refer to more inclusive moral, economic, and/or political relationships between nations or individuals of different nations.
A manager; with a high ‘Cross-Border Business Focus’, may evidence behaviour, that seeks out, learns from, responds effectively to, and subsequently encourages cross-border business activity. Such managers would likely be more transnational in their focus, and hence more predisposed to working in and across diverse cultural business settings. On the other hand, a low orientation may evidence an inability to learn from cross-border experiences, or even not wanting to be involved. This may result in discouraging or under valuing, such business activity. Hence, when placed in a cross-border business situation, those who do not possess such a focus may exhibit inappropriate behaviours, that reflect values and perspectives linked to outdated notions of my way is better than your way.

‘National Identity’ is the second value dimension; and is associated with one’s ‘cultural impact’ when confronted with new cultural social circumstances. Here, effective behaviour should not contribute to a cross-border manager being perceived as, or indeed actually being, too ethnocentric. In particular; ‘hosts’ should feel ‘culturally safe’ (Anderson, et. al. 2003); and the host’s role in their home culture should not be challenged, belittled or brought into question by the expression of inappropriate ‘values’ by cross-border managers who are unaware of, or who fail to consider, their impact on a foreign culture.

For the purposes of this study, Keillor, Hult, Erffmeyer and Babakus’ (1996: 58) concept of ‘National Identity’ defined as, “the set of meanings owned by a given culture that sets it apart from other cultures”, has been employed. Keillor et. al. (1996) explained this concept through a person’s sense of ‘national heritage’, their ‘cultural homogeneity’, their ‘belief system’ and their ‘consumer ethnocentrism’. On this dimension ‘values’ linked to a manager’s sense of relating effectively to; and sustaining the concept of, ‘cultural safety’, are covered.

A manager with a high ‘National Identity’ may evidence behaviour reflective of an ethnocentric value base. Whereas a low ‘National Identity’ may evidence behaviour unencumbered by their traditional cultural values; and result in a manager being more predisposed to accepting, and responding positively towards significantly different cultures and experiences inherent within and across diverse cultures.

Manager and Assignment Types

As identified in figure 1; the interaction between ‘Cross-Border Business Focus’ and ‘National Identity’, results in four possible cross-border manager types. First is the ‘Transnationalist’ – this person is low on ‘National Identity’ and high on ‘Cross-Border Business Focus’. Next is the ‘Internationalist’ – this person is high on ‘National Identity’ and also high on ‘Cross-Border Business Focus’. Next is the ‘Ethnocentrist’ – this person is high on ‘National Identity’ but low on ‘Cross-Border Business Focus’. Finally there is the ‘Transitionalist’ – this person is low on ‘National Identity’ and also low on ‘Cross-Border Business Focus’. Each has its own behavioural implications.

As Fish (1999) explained; the ‘Transnationalist’ maybe the most appropriate from a cultural and business impact perspective for the medium to long term cross-border assignments, because from a ‘National Identity’ perspective they tend not to value one culture over and above any other. In addition, they place a high value on their involvement in cross-border business, i.e., their ‘Cross-Border Business Focus’ is high. Hence, such people maybe more suitable for the demands of the traditional medium to long term cross-border manager role. For example; the ‘Aspatial’ appointment, as detailed by Roberts, Kossek and Ozeki (1993). On the other hand; ‘Ethnocentrists’: because of their high ‘National Identity’, and low ‘Cross-Border Business
Focus’, may not be suitable for medium to long term assignments. Nevertheless; they maybe suitable for short-term projects, e.g. ‘SWAT Teams’ as per Roberts, et. al. (1993) that require specific technical expertise, or even on-line projects, e.g. ‘Virtual Solutions’ as per Roberts, et. al. (1993) which do not require the person to come into day-to-day personal contact with unfamiliar social and business cultures.

With few exceptions (Bartlett and Ghoshall, 1988; Caligiuri, 2000b; Selmer, 2001, Manning, 2003 and Graf and Harland, 2005) consideration as to one’s ‘cultural and business suitability’; including suitability for different types of cross-border assignments has received mixed research attention. As a consequence, ‘cultural and business suitability’ for cross-border business and management assignments, has largely been ignored.

As noted above, some studies have explored selection based on particular types of cross-border assignments as distinct from types of managers per se (Roberts, et. al., 1998). These writers pointed to the need to better identify, not only those willing to undertake a cross-border assignment; and sometimes in less than attractive regions, but also those who are ‘appropriate’ for different ‘types’ of cross-border appointments. They labelled cross-border assignments as; (i) Aspatial (traditional medium to long term cross-border assignments); (ii) Awareness Building (development experiences); (iii) SWAT Teams (projects) and, (iv) Virtual Solutions (stay at home web based assignments).

**General Statement of the Research**

As numerous managers will be considered for different types of cross-border roles at various stages of their business careers, the selection of appropriate and suitable managers is a key concern. In some cases information as to unsuitability may occur prior to departure. Unfortunately; and in too many cases, evidence as to unsuitability arises following arrival in culturally distant locations. The repercussions of this have been evidenced in poor adjustment outcomes; and in so-called, failed assignments. Whilst a manager’s technical and general business skills may well have been up to the mark, and their career progress may also have been sound when originally selected and placed in a cross-border business role; a manager’s underlying cultural and business values may have been inappropriate, suggesting that those selected under such circumstances were inappropriate for the particular cross-border assignment they were assigned to.

The two-dimensional bipolar taxonomy (see figure 1), provides the basic model for understanding the potential suitability of managers for cross-border assignments. The interaction of ‘National Identity’ and ‘Cross-Border Business Focus’; provides a potential means to understand the cultural and business values of a manager and thus may provide important information as to a manager’s suitability for cross-border assignments.

Further, it is logical to have a high (or low) orientation towards each value dimension at the same time. Hence, an interaction effect between both value dimensions is probable. Understanding a manager’s ‘Cross-Border Business Focus’ and their ‘National Identity’, including how these concepts interact, may provide valuable additional information when applied to the selection and placement of cross-border managers.

In stage one of the research confirmatory factor analysis established three value dimensions associated with both elements of the taxonomy. Namely; for ‘National Identity’ the established dimensions were, (i) National Pride; (ii) Consumer Ethnocentrism; and (iii) Cultural Diversity. For CSU Research Output

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‘Cross-Border Business Focus’ the established dimensions were; (i) Diverse Cultural Learning; (ii) Supporting Traditional Practices; and (iii) Diverse Management Learning.

For ‘National Identity’ the final variables identified were (i) possess identifiable cultural attributes (PCA), (ii) My country has strong cultural heritage (SCH), (iii) My country emphasises events of historical importance (EHI), (iv) Citizens of my country proud of their nationality (CPN), (v) Citizens feel they come from common historical background (CHB), (vi) I prefer to support my country’s products (SHP), (vii) only import products not made in home country (HCP), (viii) Always best for citizens to purchase products made in home country (PHP), (ix) like immersing myself in different cultures (IDC), (x) Specific religious philosophy is what makes a person a citizen of my country (SRP).

The final variables identified for ‘Cross-Border Business Focus’ were; (i) important to immerse in different cultural environments (ICE), (ii) particular interests can be shared by diverse groups at the same time (PSI), (iii) a lot can be learnt from different cultures about doing business (LCB), (iv) I appreciate the importance of following tradition (IFT), (v) Maintaining home country business practices ensures effective cross-border operations (MHB), (vi) A lot can be learnt from foreign cultures about different management practices (LCM), (vii) Identifying and developing new national cultures is important (NCI).

This stage of the research has; (i) tested the extrapolative and interrelated nature of the identified value dimensions; and (ii) made judgments as to the potential efficacy of the taxonomy to understand the cultural and business suitability of managers for cross-border assignments; and consequently, how such understanding might enhance the selection and retention of effective cross-border managers. The following hypotheses provide more specific direction for the research.

**Research Hypotheses**

The major constructs in the model comprise national pride, consumer ethnocentrism, cultural diversity, diverse cultural learning, supporting traditional practices and diverse management learning. The following six hypotheses which postulate 17 paths depict the extrapolations and inter-relationships among these constructions.

**National Identity**

$H_1$ - National Identity is driven by a network of interrelationships within the endogenous variable; vis., **national pride**. This will explain a large and statistically significant amount of the variance for each of the associated exogenous variables.

$H_2$ - National Identity is driven by a network of interrelationships within the endogenous variable; vis., **consumer ethnocentrism**. This will explain a large and statistically significant amount of the variance for each of the associated exogenous variables.

$H_3$ - National Identity is driven by a network of interrelationships within the endogenous variable; vis., **cultural diversity**. This will explain a large and statistically significant amount of the variance for each of the associated exogenous variables.
Cross Border Business Focus

$H_4$. Cross Border Business Focus, is driven by a network of interrelationships; within the endogenous variable, vis., diverse cultural learning. This will explain a large and statistically significant amount of the variance for each of the associated exogenous variables.

$H_5$. Cross Border Business Focus, is driven by a network of interrelationships within the endogenous variable; vis., supporting traditional practices. This will explain a large and statistically significant amount of the variance for each of the associated exogenous variables.

$H_6$. Cross Border Business Focus is driven by a network of interrelationships within the endogenous variable; vis., diverse management learning. This will explain a large and statistically significant amount of the variance for each of the associated exogenous variables.

Method

A self-administered questionnaire was employed which incorporated two scales related to the two orthogonal and bipolar ‘value orientations’, (‘National Identity’ and ‘cross-border business focus’). The first scale comprised a seven point (Very Strongly Disagree {VSD} – Very Strongly Agree {VSA}) 19 item Likert scale measuring ‘National Identity’, and employed an adapted ‘National Identity’ {Keillor, et. al. (1996)} scale with two additional questions based on language ability and cultural immersion from the work of Fish (1999).

The second scale comprised a 23 item seven point (Very Strongly Disagree {VSD – Very Strongly Agree {VSA}) Likert scale measuring ‘Cross-Border Business Focus’. This scale was developed and pilot tested by Fish (1999) with questions derived first, from the CYMYC Scale developed by Yoon, Cannon and Yaprak (1996) and the Pluralism / Cosmopolitanism Continuum developed by Earl and Cvetkovich (1997). Both scales sought to understand ‘cosmopolitanism’. Whilst the concept of ‘cosmopolitanism’ is considered important to such a mindset, it does not of itself define or explain ‘cross-border business focus’. Hence, the ‘Geocentric’ construct developed by Kobrin (1994) was also employed in developing the scale to assist in focusing the scale towards a cross-border business perspective.

Questionnaires were distributed to 312 cross-border managers working for a large transnational American owned logistics firm. All potential respondents had come to Singapore from various places around the world to attend an in-house management development program. 275 questionnaires were returned. Of these 13 were unusable, yielding 262 usable questionnaires. This produced a response rate of 84%. Respondents were stratified in various ways. For example; (i) amount of cross-border experience; (ii) current type of cross-border assignment; (iii) number of cross-border assignments; (iv) cultural background; (v) gender; (vi) age, and (vii) education.

The study adopted a two-step approach. First, employing SPSS 14.0, data were entered, cleaned and analysed. Descriptive statistics and factor analyses were employed to assess dimension scores. The 19 item scale measuring ‘National Identity’; and the 23 item scale measuring ‘Cross-Border Business Focus’ were analysed using Principle Components Analysis and Maximum Likelihood with varimax rotation to reduce the variables to a smaller set of underlying constructs. Factor
loadings less than 0.50; along with cross loadings were discarded, and 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 and Black, 1998). Factor constructs were based on maximum likelihood results (see tables 1 and 2) reported in Fish, et. al., (2008 - in press).

Secondly, the resulting factor scores were entered into a SEM which employed LISREL 8.80 (Joreskog and Sorbom, 1996). The SEM consisted of a measurement model constructed by observed variables that delineate the proposed relationship between exogenous and endogenous variables. The results reported here are based on the remaining variables (10 and 7 respectively) reported in Fish, et. al., (2008 – in press).

Results

The measures of ‘National Identity’ and ‘Cross-Border Business Focus’ were subjected to a series of confirmatory factor analyses utilising maximum likelihood to provide support for the issues of dimensionality, convergent and discriminant validity (Joreskog and Sorbom, 1996) (see tables 2 and 3). In table 2, the ten items linked to national identity are displayed. In table 3 the seven items linked to cross-border business are displayed. An orthogonal (uncorrelated) rotation was performed on the factors in each table. As can be seen from tables 2 and 3 items loaded favourably on each construct. The reliability coefficients and Eigen values were acceptable (Nunnally and Bernstein, 1994). Also, in terms of acceptability, each factor coefficient variable is above recommended levels. The total scale coefficients also reflect a relatively high score in both sets of results.

Estimation of the Base Model

In extending from a theoretical to a statistical model, a structural equation model was developed and conducted in two sequences (Joreskog, 1993). First by estimating the multidimensional base models associated with national identity and then cross-border business focus. Secondly; the convergent validity of the indicators of both models, which consist of the significant pathways that emerged from the first step was estimated. An analysis was attempted to estimate the base models concurrently for both sets of value dimensions. The base models (see Figures 2 and 3) assumed that the exogenous variables linked to value dimensions contributed to each of the endogenous variables. The model also assumed reciprocal relations between the latent (endogenous) variables themselves.

To examine the generalisability of multidimensional measures in this study, confirmatory factor analysis using LISERL 8.80 (Joreskog and Sorbom, 1996) was employed. The confirmatory use of structural equation modelling allows for a statistical test of the goodness-of-fit for the proposed factor solution. Path dependence is subsumed in the model.

Model Fit

Results of the model fit are shown in Table 4. The resulting factor scores were then employed in the SEM. Figures 2 and 3 detail the SEM Path Diagrams among latent and observed variables, with the LISREL model decomposed into two models. SEM provides ‘goodness-of-fit’ indices to demonstrate nomological validity and overall fit of the model to the data.
Table 2
Validation of the Constructs – National Identity Reliability and Multidimensionality

<table>
<thead>
<tr>
<th>Construct</th>
<th>Item</th>
<th>Loading</th>
<th>$\alpha$</th>
<th>Eigenvalue</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Pride</td>
<td>PCA</td>
<td>.971</td>
<td>.99</td>
<td>5.700</td>
<td>57.06</td>
</tr>
<tr>
<td></td>
<td>SCH</td>
<td>.964</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>EHI</td>
<td>.932</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>CPN</td>
<td>.923</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>CHB</td>
<td>.916</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consumer Ethnocentrism</td>
<td>SHP</td>
<td>.781</td>
<td>.82</td>
<td>2.41</td>
<td>77.48</td>
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<td></td>
<td>HCP</td>
<td>.721</td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td>PHP</td>
<td>.676</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Cultural Diversity</td>
<td>IDC</td>
<td>.999</td>
<td>.70</td>
<td>1.05</td>
<td>87.99</td>
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<tr>
<td></td>
<td>SRP</td>
<td>.579</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

KMO = .850, Var., 87.99%, $\alpha = .90$

Table 3
Validation of the Constructs – Cross-Border: Reliability and Multidimensionality

<table>
<thead>
<tr>
<th>Construct</th>
<th>Item</th>
<th>Loading</th>
<th>$\alpha$</th>
<th>Eigenvalue</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diverse Cultural Learning</td>
<td>ICE</td>
<td>.988</td>
<td>.99</td>
<td>2.99</td>
<td>42.76</td>
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<tr>
<td></td>
<td>PSI</td>
<td>.984</td>
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<td></td>
<td>LCB</td>
<td>.975</td>
<td></td>
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</tr>
<tr>
<td>Supporting Traditional Practices</td>
<td>IFT</td>
<td>.999</td>
<td>.99</td>
<td>1.98</td>
<td>71.10</td>
</tr>
<tr>
<td></td>
<td>MHB</td>
<td>.991</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diverse Management Learning</td>
<td>LCM</td>
<td>.997</td>
<td>.98</td>
<td>1.91</td>
<td>98.44</td>
</tr>
<tr>
<td></td>
<td>NCI</td>
<td>.964</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

KMO = .61, Var., 98.43%, $\alpha = .71$

The overall results for ‘National Identity’ and ‘Cross-Border Business Focus’ are shown in table 4. For ‘National Identity’ the $\chi^2 = 379.5$ (df = 32; p < .001). For ‘Cross-Border Business Focus’ results show a $\chi^2 = 50.30$ (df = 11; p < .001).

Further, for ‘National Identity’ the RMR = 0.011; GFI = 0.80, AGFI = 0.66, RMSEA = 0.19, the CFI = 0.91, the NFI = 0.91 and the NNFI = 0.88. Whilst for ‘Cross-Border Business Focus’ the RMR = 0.029, the GFI = 0.95, the AGFI = 0.88; the RMSEA = 0.11, the CFI = 0.97, the NFI = 0.96 and the NNFI = 0.94. Hence the model demonstrates a good fit, as values indicate low discrepancy between tested and observed outcomes (Steiger 1991). Finally, for ‘National Identity’, the ECVI is 1.43 and for ‘Cross Border Business Focus’ the ECVI is 0.31. These results further confirm a good fit between the measurement, the structural model and the data collected (Haire, Anderson, Tatham and Black, 1998).

Further, the comparative fit, shows the Non-centrality Parameter (NCP = z - df) as 294.03 with a 90% confidence interval i.e., 239.79 to 355.73 for ‘National Identity’; and 36.16 with a 90% confidence interval i.e., 18.58 to 61.28 for ‘Cross-Border Business Focus’. This result indicates an acceptably wide range. Furthermore, with NFI = 0.91 for ‘National Identity’ and 0.96 for ‘Cross Border Business Focus’ the model also indicates a high explanatory power regarding data variance and covariance, supports the model as a good fit (Byrne 1998).
Figure 2 – Measurement and Structural Model Results for National Identity
Figure 3 – Measurement and Structural Model Results for Cross-Border Business Focus
### Table 4
LISREL Goodness-of-Fit Measures for Convergent Validity

<table>
<thead>
<tr>
<th>Goodness-of-Fit Measures</th>
<th>Three Factor Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Identity</td>
<td>Cross-Border Business Focus</td>
</tr>
<tr>
<td>Absolute/ Predictive fit</td>
<td></td>
</tr>
<tr>
<td>Chi-square ($\chi^2$)</td>
<td>379.5 ($p = &lt; .001$)</td>
</tr>
<tr>
<td>Degrees of Freedom (df)</td>
<td>32</td>
</tr>
<tr>
<td>Expected cross validation index (ECVI)</td>
<td>1.43</td>
</tr>
<tr>
<td>Comparative Fit</td>
<td></td>
</tr>
<tr>
<td>Non Centrality Parameter (NCP)</td>
<td>294.03</td>
</tr>
<tr>
<td>Normed fit Index (NFI)</td>
<td>0.91</td>
</tr>
<tr>
<td>Non-Normed fit index (NNFI)</td>
<td>0.88</td>
</tr>
<tr>
<td>Incremental fit Index (IFI)</td>
<td>0.91</td>
</tr>
<tr>
<td>Comparative fit Index (CFI)</td>
<td>0.91</td>
</tr>
<tr>
<td>Relative fit Index (RFI)</td>
<td>0.87</td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
<tr>
<td>Root Mean Square Residual (RMR)</td>
<td>0.011</td>
</tr>
<tr>
<td>Root Mean Square Residual Approximation (RMSEA)</td>
<td>0.19</td>
</tr>
<tr>
<td>Goodness-of-Fit (GFI)</td>
<td>0.80</td>
</tr>
<tr>
<td>Adjusted Goodness-of-Fit Index (AGFI)</td>
<td>0.66</td>
</tr>
</tbody>
</table>

To confirm that both value dimensions were related; the models examining these relationships; were compared, and the resultant model revealed that the data were a sound fit. It was found that the ‘National Identity’ and ‘Cross-Border Business Focus’ constructs were potential predictors of cultural and business suitability for cross-border assignments, and each has been postulated as a sound construct for selection information (see tables 5 and 6).

The standardized path coefficients are highlighted in table 7 and 8 respectively. These results significantly substantiate the model's robustness and absolute fit (Hayduk and Glaser 2000). As such the hypotheses are supported. Nevertheless; hypotheses 3 is only partially supported. Whilst the overall model is statistically significant, the relatively high $\bar{x}$ for this dimension; namely Cultural Diversity, may have resulted because most respondents were identified as being of the ‘transnationalist type; and one would expect a relatively high mean score on this dimension for such types. Whereas Ethnocentrists would likely have a low mean score. This result maybe further confirmed by the low $\bar{x}$ for the remaining two value dimensions for ‘National Identity’ by transnationalist in this study.

Overall, the analysis revealed the structural model provided an acceptable fit for the collected data; indicating that these findings help describe the nature and make-up of the multidimensional value model as existing on a continuum of ‘National Identity’ and ‘Cross-Border Business Focus’ value dimensions.
### Table 5
**Correlation Matrix and t values of the Three National Identity Constructs**

<table>
<thead>
<tr>
<th>Construct</th>
<th>NP</th>
<th>CE</th>
<th>CD</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Pride (NP)</td>
<td>1.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consumer Ethnocentrism (CE)</td>
<td>0.57* (12.17)</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>Cultural Diversity (CD)</td>
<td>0.50** (5.17)</td>
<td>0.77** (5.93)</td>
<td>1.00</td>
</tr>
</tbody>
</table>

* = p < .05; ** = p < .01

### Table 6
**Correlation Matrix and t values of the Three Cross-Border Business Constructs**

<table>
<thead>
<tr>
<th>Construct</th>
<th>DCL</th>
<th>STP</th>
<th>DML</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diverse Cultural Learning (DCL)</td>
<td>1.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supporting Traditional Practices (STP)</td>
<td>0.00** (0.33)</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>Diverse Management Learning (DML)</td>
<td>0.10* (1.82)</td>
<td>0.02** (1.80)</td>
<td>1.00</td>
</tr>
</tbody>
</table>

* = p < .05; ** = p < .01

### Table 7
**Standardised path coefficients and results for National Identity**

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Construct</th>
<th>Path Parameter</th>
<th>β</th>
<th>t-value</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>H₁</td>
<td>National Pride (NP)</td>
<td>PCA</td>
<td>0.98</td>
<td>22.16***</td>
<td>Accepted</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SCH</td>
<td>0.99</td>
<td>22.17***</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>EHI</td>
<td>0.97</td>
<td>21.36***</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>CPN</td>
<td>0.96</td>
<td>20.93***</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>CHB</td>
<td>0.96</td>
<td>21.02***</td>
<td></td>
</tr>
<tr>
<td>H₂</td>
<td>Consumer Ethnocentrism (CE)</td>
<td>SHP</td>
<td>0.74</td>
<td>13.16***</td>
<td>Accepted</td>
</tr>
<tr>
<td></td>
<td></td>
<td>HCP</td>
<td>0.88</td>
<td>16.87***</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>PHP</td>
<td>0.74</td>
<td>13.18***</td>
<td></td>
</tr>
<tr>
<td>H₃</td>
<td>Cultural Diversity (CD)</td>
<td>IDC</td>
<td>0.20</td>
<td>2.88</td>
<td>Partly accepted</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SRP</td>
<td>0.74</td>
<td>13.16***</td>
<td></td>
</tr>
</tbody>
</table>

*** = p < .001

### Table 8
**Standardised path coefficients and results for Cross border business focus**

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Construct</th>
<th>Path Parameter</th>
<th>β</th>
<th>t-value</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>H₄</td>
<td>Diverse Cultural Learning (DCL)</td>
<td>ICE</td>
<td>0.95</td>
<td>14.12***</td>
<td>Accepted</td>
</tr>
<tr>
<td></td>
<td></td>
<td>PSI</td>
<td>0.85</td>
<td>11.75***</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>LCB</td>
<td>0.75</td>
<td>9.70***</td>
<td></td>
</tr>
<tr>
<td>H₅</td>
<td>Supporting Traditional Practices (STP)</td>
<td>IFT</td>
<td>0.92</td>
<td>13.35***</td>
<td>Accepted</td>
</tr>
<tr>
<td></td>
<td></td>
<td>MHB</td>
<td>0.98</td>
<td>14.88***</td>
<td></td>
</tr>
<tr>
<td>H₆</td>
<td>Diverse Management</td>
<td>LCM</td>
<td>0.88</td>
<td>12.34***</td>
<td>Accepted</td>
</tr>
<tr>
<td></td>
<td></td>
<td>NCI</td>
<td>0.93</td>
<td>13.52***</td>
<td></td>
</tr>
</tbody>
</table>
Discussion

Although only one organisation - an American owned transnational private sector logistics firm – was involved in this study, all respondents (n = 262) were experienced cross-border managers. Importantly however; respondents identified themselves as being citizens of at least 13 different Western and Asian countries, and all could speak English fluently.

The results of this study confirm the hypotheses and support the strength of the multi-dimensional taxonomy for explaining the various ‘National Identity’ and ‘Cross-Border Business Focus’ value dimensions. The study demonstrated a high fit between the theoretical model and the empirical findings as well as a different pattern of relationship among the components of the model.

Hence, the results derived from this study with respect to providing key information as to cultural and business suitability of managers for cross-border assignments suggests that dimensions linked to how a person expresses their ‘National Identity’ and how a person expresses their ‘Cross-Border Business Focus’ may need attention by human resource management decision makers when selecting and placing managers on cross-border assignments.

National Identity is related to value dimensions associated with a cross-border manager’s behaviour within the new cultural setting. That is, attention to how a cross-border expresses their national pride, their consumption patterns and expresses their cultural diversity appear to be important considerations in selecting managers cross-border assignments. That is; in employing such information, cross-border managers should not be seen to be over emphasising their own nation’s superiority at the expense of what they have and are experiencing in the host country. Also; that in consuming products and services in the host country, cross-border managers, should be open to what the host country has to offer. Finally, cross-border managers should place a strong value on the diversity of people, experiences and cultures that they experience.

Cross-Border Business Focus is related to value dimensions associated with a cross-border manager’s business behaviour in the new business setting. That is, attention to how a cross-border manager might ensure the potential for both diverse cultural and divers managerial learning in the proposed experience, whilst at the same time that they do not place too much emphasis on sustaining traditional practices.

Awareness of such value dimensions are likely to assist decision makers in the selection of effective cross-border managers; and at the same time, assist such managers in coming to terms with the potential for effective social and business networking in cross-border situations. Failing to consider such information may result in cross-border managers contributing to poor cultural and business integration. Further, it may also contribute to cross-border managers failing to enhance their learning; and its transfer, which are critical outcomes of cross-border assignments (Bender and Fish, 2000).

Garvin (1993: 80) also supports this issue in terms of the way the ‘learning organisation’ needs to be “...skilled at creating, acquiring, and transferring knowledge, and at modifying its behavior to reflect new knowledge and insights.” Modifying an organisation’s behaviour is reification in this context, but nevertheless implies the importance of ensuring that cross-border managers are appropriately selected for; and placed in, their particular cross-cultural assignment and cross-cultural circumstances. Nicholson (1997) alludes to similar issues associated with human nature in
organisational life linked to the personal problems which can result from failing to take account of key personal dimensions. Without effective selection and placement learning is less likely to occur; and without individual learning, development is even less likely to occur. As a consequence, new knowledge and meaningful insights into effective cross-border manager mastery becomes seriously problematic.

This was also pointed out in a recent study by Bhanugopan and Fish (2006) who indicated that failure to attend to such issues may be linked to problems associated with expatriate job burnout. Bhanugopan and Fish (2006) also made the point that as expatriates take up their assignments, mismatches can occur. Hence, without the appropriate understanding as to potential behaviours 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 the problems.

An interesting element of this study can be noted from the dominant cross-border manager type identified. Fish, et. al., (2008 – in press) noted that; “...89.3% were found to be of the ‘Transnationalist’ type.” Significantly; when provided with descriptive statements as to the various cross-border manager types; i.e., Ethnocentric; Polycentric; and Geocentric, then requesting respondents to identify which description each best fitted, 83.2% identified themselves as ‘Geocentric’.

In establishing the original taxonomy it was noted that the ‘Transnationalist’ was very similar to the ‘Geocentric’; and in fact, the ‘Geocentric’ type was referred to in establishing the ‘Cross-Border Business Focus’ scale employed in this study. Such a result appears to confirm the more sophisticated nature and experience of the managers who responded to this study. Nevertheless; the implications of this finding, needs 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 eg ‘cultural background’, ‘age’ or ‘gender’ none produced any significant difference in results vis., expressed ‘value orientations’.

With such perspectives in mind; the monetary and non-monetary 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 Identity’, this person may contribute to an assignment being cut short through an inability or unwillingness to adjust to important cultural circumstances. At a micro level, this may manifest itself in an unwillingness to accept local food, or to adhere to local dress rules, and as noted earlier, ‘cultural safety’ concerns may be created. Hence managers scoring high on ‘National Identity’ may be more suited to what Roberts et al (1998) describe as ‘SWAT Teams’ (short term trouble shooting assignments) and ‘Virtual Solution Assignments’ (terminal linked assignments).

However, as noted by Fish, et. al., (2008 – in press) respondents to this study tended to be low on ‘National Identity’ (see table 2) and for ‘Cross-Border Business Focus’ they were generally high (see table 3). Thus supporting the finding that, most respondents were ‘Transnationalists’. Indeed no respondent was identified as being ‘Ethnocentric’. Such a result may suggest that respondents to this study; given their reported ‘value orientations’, were appropriately appointed by their organisation. Hence, when selecting managers for medium to long term cross-border assignments; organisations need to be looking for managers who have high scores on ‘Cross-Border Business Focus’ and low scores on ‘National Identity’. The opposite may indicate that a person could have
difficulties in developing sound personal relation, advancing their cross-border business careers; and at the same time experience difficulty in growing and sustaining the business.

Fish, et. al., (2008 – in press) commented on this outcome by suggesting that:

“given the broad focus of the two value dimensions one might reasonably expect that a manager’s cultural 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. That is a manager who is high on ‘National Identity’; and low on ‘Cross-Border Business Focus’, may contribute to high levels of intolerance and inflexibility, when dealing with business colleagues and host country residents more generally.”

If such profiling is undertaken sufficiently early, then in addition to information relevant to technical and business skills and career progress, effective managers can potentially be better identified, and for particular types of cross-border assignments. Hence, those more suitable for medium to long term assignments (Aspatial careers) can be groomed earlier in the process and those more suited to say ‘virtual’ opportunities can be placed more effectively into such roles.

Conclusion – Directions for Future Research

Extending theories and frameworks and their interrelated constructs into other cultural contexts does raise important questions as to whether a research instrument designed to measure important social constructs is cross nationally invariant (Hui and Triandis, 1985). In this respect it would be useful to test the instrument on respondents who have a common cultural background and who cannot speak English. Also, with respondents who have no experience of cross-border assignments.

Nevertheless, to examine the results derived form this study further; an in-depth analysis of the professional and ad-hoc experiences (see Figure 1) of those labelled as ‘Transnationalists’ in this study may be necessary in order to present further insights as to why respondents responded the way they did. In particular; and even though there was a large group of respondents, and they came from quite diverse cultural backgrounds, there were no significant differences between respondents on the identified value constructs.

It should also be acknowledged that it is unrealistic to argue that all managers will maintain traditional ‘value orientations’ over time. Keillor et al (1996) who developed the concept of ‘National Identity’, argue in a later study (Keillor and Hult: 1999: 66) 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.” Keillor, et. al. (1999) identified these unique elements as ‘belief structure’, ‘national heritage’, ‘consumer ethnocentrism’ and ‘cultural heritage’. This study has reduced this list to three elements, namely ‘National Pride’ (which is essentially a combination of Keillor et. al’s ‘belief structure’ and ‘national heritage’), ‘Consumer Ethnocentrism’ (as per Keillor), and ‘Culturally Diverse’ (similar to Keillor et. al’s ‘belief structure’).

Results from this study appear to explain ‘National Identity’ based on three value constructs. In the Keillor et. al. (1996 and 1999) studies there were four separate constructs identified. It is therefore
important that this finding needs further testing, as such responses maybe a function of, respondents’ cross-border business experience. The results may also suggest that ‘Transnationalists’ possess a more sophisticated set of values conducive to conducting business across borders. Such a perspective is supported by the fact that 97.3% of respondents were on an assignment beyond their first. Also, 79.4% could speak at least one language in addition to English. This appears to emphasize their desire for cross-cultural competence and learning reflected in the key constructs linked to Cross-Border Business Focus identified in this study.

The result also suggests that organisations should potentially ignore certain bio-data in their cross-border selection practices; and thus developing more diverse staffing profiles. That is there were no significant between group differences when comparing against all identified value dimensions based on age, gender or cultural background. Nevertheless, this result warrants further testing as the majority of respondents to this study were all well experienced cross-border managers.

In this study, whilst some respondents did not nominate their cultural background, the vast majority did, and thirteen separate national groups were identified. It may well be that; the more separate cultural groups that can be identified, the more likely constructs will tend to converge. The result may also be explained by the fact that the vast majority of respondents to this study were identified as ‘Transnationalist’ and that constructs will also tend to converge when such people dominate the respondent profile. These results require further testing to include respondents with varying amounts and types of experience, and potentially from even more diverse cultural backgrounds.

Nevertheless; in reporting earlier results, Fish et. al. (2008 – in press) 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’.

Gaining answers to such questions may open the way to developing more informed selection and placement strategies and as well as identifying retentions interventions necessary to assist in establishing more effective International HRM staffing strategies for cross-border managers with a variety of cultural backgrounds and with varying degrees of experience when they cross mind, cultural and geographic borders.

Bibliography


