Factors Influencing Willingness to Work for Foreign Firms

Monica Semeniuk

Simon Fraser University

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Abstract

The field of international business has examined the rationale for expansion into foreign markets for many years. Recently, however, a light has been shone on the competition for talent in these markets, particularly concerning the scarcity of knowledge workers in North America and Western Europe. How will firms from emerging markets fare in this competition, when workers may form opinions about these firms based on the firms’ country of origin (COO), long before any job offer is made? Two constructs are proposed as influencing knowledge workers’ willingness to work (WTW) for foreign firms. The first, worker animosity, draws on the marketing literature to describe an adverse emotional reaction to prior and current events regarding the firm’s COO and the host country national’s (HCN) country of residence (COR). The second, psychic distance, refers to difference between the firm’s COO and the worker’s COR in terms of economics, politics, and social systems (namely culture, language and religion). A set of internal factors consisting of openness to change, cultural intelligence and education is also proposed as a moderator between psychic distance and WTW. Suggestions for future research and implications for practitioners end the paper.

*Keywords:* willingness to work, worker animosity, psychic distance, openness to change, cultural intelligence, education

Factors Influencing Willingness to Work for Foreign Firms

**Introduction**

Do knowledge workers care about the country of origin of a potential employer? If they do, what factors might influence their willingness to work to a foreign firm? As foreign direct investment (FDI) continues to grow in developed economies ([UNCTAD, 2014](#_ENREF_88)) at the same time as the pool of available human resources shrink ([Guthridge, Komm, & Lawson, 2008](#_ENREF_36)), these questions strike at the heart of organizations looking to expand into markets such as North America and Western Europe. When these firms come from emerging markets that are viewed with suspicion or apprehension, the perspectives of these potential employees becomes even more pertinent.

[Chambers, Foulon, Handfield-Jones, Hanklin, and Michaels (1998](#_ENREF_16)) first shone a spotlight on the recent difficulties faced by large American⁠1 firms in attracting and retaining talented executives. [Guthridge et al. (2008](#_ENREF_36)) expanded this issue to include knowledge workers, i.e. that group of people who take advantage of technology and generate more profit per person than other employees, yet require less managerial oversight. The impending retirement of baby boomers, coupled with decreasing numbers of young people entering the workforce in Western Europe has led to a focus on the need to view talent management as a priority. [Beechler and Woodward (2009](#_ENREF_11)) then took this issue to a global scale, noting that the type of employee required for the solid performance of an organization included both the steady performers as well as the stars ([Delong & Vijayaraghavan, 2003](#_ENREF_22)) and that the complexity of skills required had risen from conducting transactions to building relationships. So, who is competing for these reliable, profitable workers?

More and more firms. FDI flows to developed economies rose by 12% in 2013 compared to 2012 ([UNCTAD, 2014](#_ENREF_88)). The United States (US), Canada, United Kingdom and Australia were in the top dozen host economies for inflows in 2013 ([UNCTAD, 2014](#_ENREF_88)). One of the key countries contributing to those flows has been China, which became the third largest global source of outward FDI in 2102 (["China Goes Global 2013," 2013](#_ENREF_19)). Not only has China continued to include its ‘go global’ policy within its next five-year plan, but the implementation of it is seen as a priority to be accelerated ([Davies, 2013](#_ENREF_21)).

A survey of nearly one thousand Chinese companies showed the US and Germany as their preferred destinations for outward FDI (["China Goes Global 2013," 2013](#_ENREF_19)). Notwithstanding this preference, the largest overseas purchase by a Chinese company was completed in 2013 when the state-owned enterprise (SOE), China National Offshore Oil Company (CNOOC), won approval to buy the Canadian energy company, Nexen ([Penty, 2013](#_ENREF_65)). The strategic intent behind purchases such as these ([Rui & Yip, 2008](#_ENREF_68)) may be contributing to the opposition that Canadians feel toward take-overs by Chinese SOEs (["China Goes Global 2013," 2013](#_ENREF_19)). If these same Canadians are also the potential employees of these SOEs, how would they answer Tung’s ([2005](#_ENREF_85)) question of how they would feel about working for a Chinese boss? Would the answer be different if the company was from Brazil, India, or Turkey, such as Petrobas, Tata Motors, or the Ulker Group, respectively? Specifically, how does the country of origin of foreign firms affect a knowledge worker’s willingness to work for those firms?

This paper suggests that two constructs are associated with this willingness. The first construct, worker animosity, is derived from the marketing literature that associates individuals’ emotions with adverse events. The second concept, distance between countries, has been the focus of a great deal of attention in the field of international business, with inconsistent results. For example, although [Stöttinger and Schlegelmilch (1998](#_ENREF_81)) did not find a significant relationship between trade and psychic distance, [Dow and Karunaratna (2006](#_ENREF_26)) did, although [Dow and Karunaratna (2006](#_ENREF_26)) did not find a relationship between cultural distance and trade. Notably, much of this investigative work has been on the national level, resulting in Harzing’s ([2003](#_ENREF_41)) reminder that because decisions are made by individuals, analysis should also be conducted at the individual level. Since information does not always equate to perceptions, the subsequent question becomes one of determining links between the objective measures of distance and an individual’s subjectiveperceptions ([Ambos & Håkanson, 2014](#_ENREF_4); [Dow & Karunaratna, 2006](#_ENREF_26); [Nebus & Chai, 2014](#_ENREF_64)). This paper offers propositions to explain these links.

The two constructs of worker animosity and psychic distance form the basis of a model which illustrates the connection between them and willingness to work. A core feature of this model is the additional contribution of this paper, that of the moderating effect of internal factors on these relationships. Suggestions for future research, implications for practitioners, and a conclusion round out the remainder of the paper.

**Willingness to Work**

The construct of willingness to work (WTW) for a foreign firm has been the subject of two prior studies, one each in Denmark and Canada ([Tung, Worm, & Petersen, 2008](#_ENREF_84); [Tung, 2007](#_ENREF_86)). Both studies asked non-Chinese university students about their willingness to work for a Chinese firm within their respective countries of residence (COR). Results in both studies showed that the majority of students were open to the prospect of such employment. As the authors observed, each of these locations were centres of immigration or international commerce, thus the students may have been especially comfortable with foreign entities. Whether results would be similar in less-cosmopolitan centres is yet to be seen.

Although the construct of WTW does not appear to be prevalent in the human resource (HR) field within international business, its equivalent, willingness to buy⁠2, has been the subject of numerous marketing studies that examined its relationship to a target product’s country of origin (e.g. [Amine & Shin, 2002](#_ENREF_6); [Klein, Ettenson, & Morris, 1998](#_ENREF_55); [Wang & Lamb, 1983](#_ENREF_90)). Correspondingly, country of origin (COO) also has a relationship to WTW. For example, the main obstacle given for potential unwillingness to work for a Chinese company in both of the studies mentioned above was disagreement with the Chinese government’s policies and programmes. Notably, this obstacle was not relevant to a particular job posting in the company, or the company itself, but to the politics within the company’s COO.

Similarly, ‘willingness to buy’ has been partially explained by differences between consumers’ COR and the cultural, economic and political environments within the target product’s COO ([Wang & Lamb, 1983](#_ENREF_90)). In the same way that consumers utilize beliefs about a country’s economy, culture, and other products to assess the quality of a target product ([Verlegh & Steenkamp, 1999](#_ENREF_89)), knowledge workers may transfer beliefs about a country to a firm from that country. If consumer evaluations could have a stronger relationship to a product’s COO than to the brand name ([Han & Terpstra, 1988](#_ENREF_39)), is it not equally likely that a knowledge worker would place more emphasis on a firm’s COO than on the reputation of the firm itself? The decision to purchase a domestic product versus a foreign one may be partially based on the COO and product category ([Balabanis & Diamantopoulos, 2004](#_ENREF_9)), particularly if the country image is an important characteristic for that product category ([Roth & Romeo, 1992](#_ENREF_67)). Likewise, the COO of a firm may influence a knowledge worker’s willingness to work for a foreign versus domestic firm, especially if the worker associates the industry of the firm with its COO. Note that WTW refers to consideration of firms as potential employers. It does not address issues with specific firms or positions within a firm, nor does it address post-hiring issues, such as organizational commitment, staying intentions, and employee satisfaction.

**Worker Animosity**

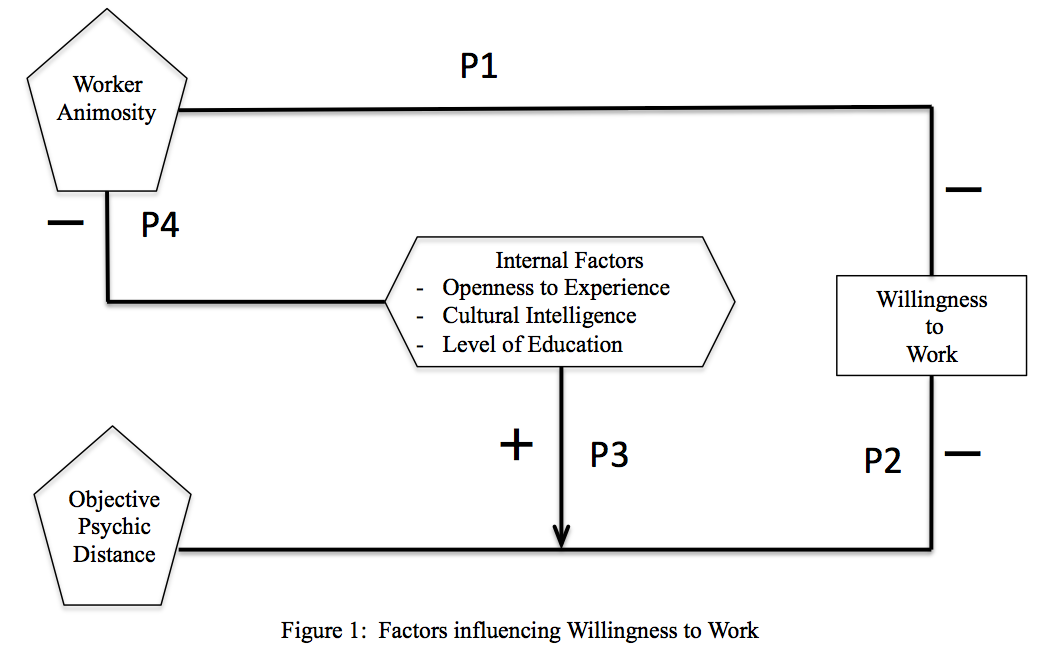
A consumer’s bias against a product from one country does not always translate into an equal bias against products from other countries ([Balabanis & Diamantopoulos, 2004](#_ENREF_9)). Consumers that reject all foreign products may be ethnocentric if they hold beliefs “about the appropriateness, indeed morality, of purchasing foreign-made products” ([Shimp & Sharma, 1987, p. 280](#_ENREF_77)). This concept of ‘consumer ethnocentrism’ is differentiated from that of ‘consumer animosity,’ which [Klein et al. (1998, p. 90](#_ENREF_55)) defined as “the remnants of antipathy related to previous or ongoing military, political, or economic events” that affect consumer behaviour. Thus, whereas an ethnocentric consumer may shun all foreign goods, consumers exhibiting animosity would spurn only goods from the disliked country or countries ([Riefler & Diamantopoulos, 2007](#_ENREF_66)). To extend these concepts into HR, an ethnocentric knowledge worker would reject the prospect of working for all foreign firms, whereas a worker who feels animosity toward a certain country would reject the prospect of working for any firm from that country, only.

Many situations are candidates for inciting animosity in consumers toward certain countries, which is then reflected in their willingness to buy products from these countries. In addition to the military, political, or economic events identified by [Klein et al. (1998](#_ENREF_55)), drivers of consumer animosity have included religion and national mentality ([Riefler & Diamantopoulos, 2007](#_ENREF_66)). The last item, ‘national mentality,’ was differentiated from culture, although it described cultural perspectives such as ‘way of life’ and gender roles. National mentality referred to values more than events, hence it is excluded from the definition of worker animosity, which is hereby defined as the remnants of antipathy related to previous or ongoing military, political, economic or religious events that affect worker behaviour.

Animosity has been divided into four types, along two sets of criteria: stable versus situational, and personal versus national ([Ang et al., 2004](#_ENREF_8)). Stable animosity refers to long-standing feelings based on historic events that are often passed down between generations. Situational animosity may be more specific than stable, and may be attributed to current circumstances. In contrast to the dimension of time, these circumstances can also be viewed in terms of the scale of their impact. National animosity can be engendered by the actions of one country in regard to another, such as political or economic sanctions. Personal animosity may result from the negative effect of actions by another country or people from that country, such as an individual’s job loss after economic sanctions were put in place ([Ang et al., 2004](#_ENREF_8)), or unpleasant interactions when travelling. The importance of historic military events cannot be overstated, as they have been shown to have stronger impact on consumer behaviour than current economic conditions ([Klein et al., 1998](#_ENREF_55)).

In addition to differentiating between timing and scale of events, consumers can also separate animosity toward a product’s COO from an evaluation of the product quality, such that animosity is associated with a reduced willingness to buy, despite acknowledgement of high quality ([Klein et al., 1998](#_ENREF_55)). Consequently, animosity toward a country can translate into an attitude about their products, which then leads to reduced ownership ([Klein et al., 1998](#_ENREF_55)). Taken further, the degree of willingness to buy can also be seen as endorsement or disagreement with a country’s policies ([Verlegh & Steenkamp, 1999](#_ENREF_89)). An example of the strong association between consumer behaviour and international events was seen in the boycotts against American and Danish products in the Middle East due to American support for Israel, and publication of cartoons in Danish media that were seen as anti-Muslim ([Mellahi, Demirbag, & Riddle, 2011](#_ENREF_62)). Reduction in willingness to buy specific products or from specific companies was based on emotional reaction to political events, as opposed to a rational evaluation of the product quality. Emotional reaction is not confined to the Middle East; American consumers have also associated animosity toward a country with a reduced willingness to purchase goods from that country ([Funk, Arthurs, Treviño, & Joireman, 2010](#_ENREF_32)). Given that some of these consumers may also be knowledge workers, animosity toward a country may be manifested in either or both, willingness to purchase goods and willingness to work for a firm from that country. This leads to the first proposition related to this model (See Figure 1):

Proposition 1: Worker animosity will be inversely related to WTW for firms from the disliked country.



Having now examined the effect that events may have on WTW, the next section will address the concept of environment, while demonstrating a parallel between the store atmosphere in marketing, and the elements of psychic distance in international business.

**Environment**

Our emotions are not only aroused by specific events; we also respond to our environment. More to the point, researchers from various fields agree that our first response to any environment is affective, and that those emotions have the strength to guide subsequent interactions within that environment ([Ittelson, 1973](#_ENREF_48)).The field of marketing has studied the impact of environment on consumers’ emotions and subsequent purchasing behaviour for decades. Broadly speaking, store atmosphere can influence consumers’ emotions in a manner that results in an increase in spending within the store ([Donovan & Rossiter, 1982](#_ENREF_25)). Elements of store atmosphere can be both tangible, e.g. the building and fixtures, and intangible, e.g. temperature and scents ([Hoffman & Turley, 2002](#_ENREF_42)). Music is one intangible element that has the ability to influence the emotions of shoppers in a manner that drives behaviour contrary to the shoppers’ conscious awareness ([Yalch & Spangenberg, 2000](#_ENREF_91)).

A review of 60 published empirical studies demonstrated that store atmosphere affected both the number of items purchased, as well as the total amount of money spent, even when consumers were not aware of the variations in atmosphere ([Turley & Milliman, 2000](#_ENREF_87)). Another relevant finding from marketing is that social factors, e.g. interactions with staff or other customers, are also elements of store atmosphere that have the power to either enhance or reverse consumer emotions, resulting in a change to both willingness to buy and subsequent spending ([Sherman, Mathur, & Smith, 1997](#_ENREF_76)). Negative emotions were not always a direct response to store atmosphere; they could also result from a divergence between the store and the consumers’ expectations ([Machleit & Eroglu, 2000](#_ENREF_58)). Elements of atmosphere become even more impalpable as stores move from physical buildings to an online environment. Design elements such as color and layout can have a strong effect on consumers’ desire to stay or return to a store website ([Kim, Fiore, & Lee, 2007](#_ENREF_53)). Although overall quality of a website is important as an element of the online environment, a positive response to a website brand has a stronger effect on increasing consumer trust and decreasing perceived risk than perceptions of quality, with a subsequent increase in the likelihood of spending ([Chang & Chen, 2008](#_ENREF_17)).

To summarize, the marketing literature has established a strong link between the environment, or atmosphere, and the consumer willingness to buy. The next section will transfer these concepts to the field of international business, in the comparable form of psychic distance and WTW.

**Psychic Distance**

The evaluation of foreign environments is a key component to international business. Examination of risks and benefits of expanding to foreign markets has taken the perspective of firms based in either developed economies (e.g. [Dunning, 1979](#_ENREF_27); [Dunning & Norman, 1987](#_ENREF_28); [Johanson & Vahlne, 1977](#_ENREF_49)) or emerging markets (e.g. [Guillen & Garcia-Canal, 2009](#_ENREF_35); [Khanna & Palepu, 2006](#_ENREF_52); [Mathews, 2006](#_ENREF_60)), as well as multiple permutations of their paths. Core to these examinations is the concept of ‘distance,’ to the point where one perception of it is that “international management *is* management of distance” ([Zaheer, Schomaker, & Nachum, 2012, p.19: Italics in original](#_ENREF_93)). Variations in the environment have also been defined and measured in many ways, primarily to explain trade flows. In a recent example, [Berry, Guille´n, and Zhou (2010](#_ENREF_12)) calculatednine dimensions of institutional distance between nations to explain foreign expansion choices of American firms. The CAGE framework by [Ghemawat (2001](#_ENREF_33)) identified components of cultural, administrative, geographic and economic environments that could affect firms’ selection of foreign markets for expansion. [Beckerman (1956](#_ENREF_10)) referred to ‘psychic distance’ as an element in promoting or deterring the personal connections between customers and suppliers when examining patterns of trade in Western Europe. [Johanson and Vahlne (1977, p. 24](#_ENREF_49)) expanded this concept to refer to “the sum of factors preventing the flow of information from and to the market” when examining the internationalizing path of Swedish companies. One of the elements that is included in all of these perspectives on distance is ‘culture,’ which was gaged independently in a test of its relationship to choice of mode of entry for foreign firms entering the United States by [Kogut and Singh (1988](#_ENREF_56)). Although the subsequent index for cultural distance, based on four dimensions of culture that were defined by [Hofstede (1980](#_ENREF_43)) has received much criticism ([Shenkar, 2001](#_ENREF_75)), the pervasiveness of its use speaks to the inherent belief in the wide effect of cultural differences ([Zaheer et al., 2012](#_ENREF_93)).

As noted above, an environment that includes differences between nations been shown to affect trade between them. In addition, changes in elements of an environment have been shown to affect individual consumers, often at the level of emotions. This paper proposes that an environment consisting of differences between nations will also affect individual knowledge workers’ willingness to work for foreign firms. Relevant elements in the environment have previously been identified as part of the ideational context of individual psychic distance, since these are based in individuals’ beliefs, attitudes, values and ideas ([Nebus & Chai, 2014](#_ENREF_64)), thus they are more likely to affect emotions. These elements lie in the domains of economics, politics, and social systems, specifically culture, language and religion, each of which is described, below.

**Economics**

[Nebus and Chai (2014](#_ENREF_64)) describe the economic domain within psychic distance as including individuals’ confidence in markets and perspectives on how they should be organized, e.g. capitalism or socialism. [Dow and Karunaratna (2006, p.582](#_ENREF_26)) address the link from economic development to individuals as influencing “the likely nature of the person’s employment.” Another individual perspective on economics is that consumers frequently view products from equally or more developed economies more favourably than from less-developed economies ([Kaynak & Kara, 2002](#_ENREF_51); [Verlegh & Steenkamp, 1999](#_ENREF_89); [Wang & Lamb, 1983](#_ENREF_90)). Following this line of thinking, it is likely that individual knowledge workers will be more inclined to believe that acceptable employment would be offered by firms from economies that are equally or more developed, and which follow a similar market system.

**Politics**

[Nebus and Chai (2014](#_ENREF_64)) describe the political domain within psychic distance as including attitudes toward political policies, state control, and wealth distribution. The concept of wealth distribution is especially applicable to knowledge workers who may be in a position of comparing competing offers for their services, and may base their faith in adequate remuneration on their perceptions of the way that employees are compensated in a firm’s home country. Moreover, the level of an individual’s agreement with a nation’s political policies, which can affect their willingness to purchase products from that country ([Verlegh & Steenkamp, 1999](#_ENREF_89); [Wang & Lamb, 1983](#_ENREF_90)), is also likely to translate into their willingness to work for a firm from that country. Therefore, individual knowledge workers will be more inclined to entertain the prospect of employment by firms from nations with a similar political system.

**Culture**

‘Culture’ is one of the elements that is most consistently included in studies of ‘psychic distance,’ from [Johanson and Vahlne (1977](#_ENREF_49)) and [Evans and Mavondo (2002](#_ENREF_31)), to [Dow and Karunaratna (2006](#_ENREF_26)) and [Dikova (2009](#_ENREF_24)),albeit with varying results. [Nebus and Chai (2014](#_ENREF_64)) include culture as part of social systems, which is particularly salient to an ideational context, given that one of the multiple definitions of culture is the “shared motives, values, beliefs, identities, and interpretations or meanings of significant events that result from common experiences of members of collectives and are transmitted across age generations” ([House, Javidan, Hanges, & Dorfman, 2002, p.5](#_ENREF_44)). In addition to being a dominant factor in determining individuals’ behaviour, culture affects how they communicate information to others and interpret information received from others ([Carlson, 1974](#_ENREF_15)). For knowledge workers whose main occupation revolves around the understanding and dissemination of information, anything that may inhibit them in this role is likely to be seen as a detractor from a potential opportunity. Thus, cultural differences between their country of residence and other countries are likely to reduce the willingness to work for firms from those nations.

**Language**

Differences in language were noted originally by [Beckerman (1956](#_ENREF_10)) as part of psychic distance, and have been included in many subsequent studies. In line with the prior argument concerning culture, differences in language also have the potential to cause impediments to communication ([Carlson, 1974](#_ENREF_15)), which could affect the successful fulfillment of a knowledge worker’s role. Consequently, differences in language between their COR and other countries are likely to reduce the willingness to work for firms from those nations.

**Religion**

Religious and spiritual beliefs have been, and continue to be, a prevalent aspect of industrial societies, despite modernization ([Inglehart & Baker, 2000](#_ENREF_47)). As a source of beliefs and values, religion may contribute substantially toward the ideational context of psychic distance as described by [Nebus and Chai (2014](#_ENREF_64))*.* While some studies have embedded religion within the cultural element of psychic distance (e.g. [Håkanson & Ambos, 2010](#_ENREF_37); [Hutzschenreuter, Kleindienst, & Lange, 2014](#_ENREF_45)), others, like [Dow and Karunaratna (2006](#_ENREF_26)), have included it as a separate element that provides results distinguishable from culture. Since many of the values within societies are based on those from the dominant religion, these values may be ingrained in individuals’ behaviour at work, as well as in their personal lives. Some of these values address how people treat others, both within and outside their religion, such as expectations for gender roles. One ramification of these values is the glass ceiling mentioned by many non-Chinese students when considering potential challenges in working for Chinese firms ([Tung et al., 2008](#_ENREF_84); [Tung, 2007](#_ENREF_86)). Although Confucian beliefs are more philosophical than religious, an example of behaviour based on these beliefs was seen in Korean firms that implemented hierarchical management practices in their foreign subsidiaries ([Yang & Kelly, 2008](#_ENREF_92)). Other issues regarding religion include the potential for tension when people of differing religions work together, thus impeding interactions and relationship building ([Hargie, Dickson, & Nelson, 2003](#_ENREF_40)). Consequently, differences in religion between their COR and other countries are likely to reduce the willingness of knowledge workers to work for firms from those nations.

Proposition 2: Elements of psychic distance within the political, economic, and social systems between a knowledge worker’s COR and another country will be inversely related to WTW for firms from the target country.

**Internal Factors**

Essentially, a country-of-origin effect is in the eye of the beholder, meaning that the same country may be perceived in different ways by various people. Thus, one of the determinants of the effect of COO is the nationality of the viewer ([Amine & Shin, 2002](#_ENREF_6)). In other words, Country X may be perceived differently by someone in Country Y than someone in Country Z, which is the premise behind measuring elements of psychic distance between any two countries. A subsequent consideration is that of asymmetry, in that an element of psychic distance between Countries X and Y may be perceived differently by individuals in Country X than those in Country Y ([Ambos & Håkanson, 2014](#_ENREF_4); [Shenkar, 2001](#_ENREF_75)). A situation that could instigate such asymmetry would be the case of exporting, wherein the distance to a country with a less-advanced institutional environment may seem higher from the viewpoint of the exporter than the equivalent geographic distance to a country of prestige, from the viewpoint of the importer ([Ambos & Håkanson, 2014](#_ENREF_4)). Consequently, the nature of the decision being considered will play a role in determining which elements of distance are relevant ([Nebus & Chai, 2014](#_ENREF_64)) and how they will be weighted, since some may have a greater impact than others ([Shenkar, 2001](#_ENREF_75)).

Yet another factor to consider in the effect of psychic distance is that of personality traits, since they can influence individuals’ reaction to their environment ([Meharabian & Russell, 1974](#_ENREF_61); [Russell & Snodgrass, 1991](#_ENREF_69)). An example of this reaction was seen by [Dichtl, Koeglmayr, and Mueller (1990](#_ENREF_23)) who found that subjective aspects of individuals altered their willingness to engage in export activities, despite favourable conditions. One of these aspects may be the level of familiarity that an individual has with the COO. Since familiarity has been shown to have an effect on consumers’ evaluation of products from that country ([Han, 1990](#_ENREF_38)), particularly when the level of knowledge about the country is low ([Maheswaran, 1994](#_ENREF_59)), it may also have an effect on knowledge workers’ evaluation of the firms from that country.

Similarly, the effect of psychic distance has been shown to be reduced by market-specific knowledge ([Dikova, 2009](#_ENREF_24)). Level of knowledge of the target country may have been one of the factors at play in the study by [Selmer, Chiu, and Shenkar (2007](#_ENREF_72)) which found that German expatriates were more well-adjusted in the United States than their American counterparts were in Germany. Since psychic distance may affect individuals differently ([Nebus & Chai, 2014](#_ENREF_64); [Sousa & Bradley, 2006](#_ENREF_78)), other factors may also moderate its interpretation. Thus, in the situation of knowledge workers evaluating foreign firms as potential employers, the COO of the firm, the psychic distance from the COO to the workers’ COR, and the characteristics of the individual worker may interact to form WTW. The specific characteristics that will be examined here fall into the categories of knowledge, skills, and personal attributes, namely level of education, cultural intelligence, and openness to change. They will be described below, in reverse order of listing.

**Openness to Change**

Values within the dimension of Openness to Change are associated with independent thought and action that precipitate change, as opposed to those emphasizing the preservation of stability and tradition ([Schwartz, 1994](#_ENREF_71)). Openness to change is, subsequently, associated with various skills and traits. [Funk et al. (2010](#_ENREF_32)) found a relationship between openness values and willingness to purchase hybrid foreign products. [Johnson, Lenartowicz, and Apud (2006](#_ENREF_50)) suggested that openness to new ideas could facilitate the learning of cross-cultural knowledge and skills. These cross-cultural skills and knowledge may have been the basis for adoption of Nordic values by the host-country nationals from Southeast Asia during their employment for a Nordic company ([Selmer & de Leon, 1996](#_ENREF_73); [Selmer & de Leon, 2002](#_ENREF_74)), despite the high psychic difference between the COR and COO. Knowledge workers who are open to change are likely to be comfortable working for a foreign firm that may exhibit different values, with the understanding that the workers may be expected to adapt their behaviour while at work. Thus, a high level of openness to change may moderate psychic distance, resulting in a higher willingness to work for firms from the target country.

**Cultural Intelligence**

Since the concept of cultural intelligence (CQ) first appeared in the literature in 2002 ([Earley, 2002](#_ENREF_29)), two approaches to CQ have been developed. In the first approach, the four dimensions of metacognition, cognition, behaviour and motivation were identified ([Ang et al., 2007](#_ENREF_7)). These dimensions aligned with Sternberg’s ([1986](#_ENREF_79))loci of intelligence that acknowledged the behavioural and motivational aspects of intelligence, in addition to metacognition and cognition.

In the alternate approach to cultural intelligence, [Thomas et al. (2008, p. 127](#_ENREF_82)) defined CQ as: “a system of interacting knowledge and skills, linked by cultural metacognition, that allows people to adapt to, select, and shape the cultural aspects of their environment.” The elements of CQ which incorporate the flexibility to be both reactive and proactive in the environment, namely adaption, selection and shaping, drew from a definition of the underlying concept, intelligence, as proposed by [Sternberg (1997](#_ENREF_80)). In order to leverage the strengths in each of these approaches, CQ will be defined here as a system of interacting motivation, cognition, and behaviour, linked by cultural metacognition, that allows people to select, shape and adapt to the cultural aspects of their environment.

Knowledge workers could exercise their option to select their cultural environment by choosing to accept a position with a foreign firm while residing in their own country. They might proactively shape their cultural environment by finding ways to share their values with other employees in a manner that benefits everyone. Adaptation may include altering their behaviour to match the expectations of their employer, as in the case of the HCNs observed by [Caprar (2011](#_ENREF_14)), who suggested that further studies should examine CQ as a potential factor for the success of HCNs.

The first of the four dimensions of CQ, motivation, acknowledges the need for people to be interested in cross-cultural interactions in order to exert the effort needed to operate effectively in multicultural settings and situations ([Ang et al., 2007](#_ENREF_7)). Since motivation can be both intrinsic and extrinsic ([Amabile, 1993](#_ENREF_3)), efforts to adapt or shape the cultural environment may be due to reasons as fundamental as continued employment, either from a personal desire on behalf of the individual or an expectation of this effort from the organization. The second dimension, cognition, refers to knowledge of cultures in general, as well as specific similarities and differences ([Ang et al., 2007](#_ENREF_7)). The third dimension represents the ability to enact the verbal and nonverbal behaviours that are appropriate to those same multicultural settings and situations ([Ang et al., 2007](#_ENREF_7)). The fourth dimension, metacognition, involves the ability to develop a plan for a multicultural interaction or situation, perceive the circumstances as they unfold, modify the plan if required, and learn from the experience ([Thomas et al., 2008](#_ENREF_82)). Overall, motivation provides the energy for the metacognitive processes to select appropriate behaviour, based on the individual’s cultural knowledge (cognition) and the circumstances of the specific situation.

Based on the inconsistent results from studies concerning cultural distance as one element of psychic distance, [Kirkman, Lowe, and Gibson (2006](#_ENREF_54)) recommended research into moderators between cultural distance and potential outcomes. CQ is proposed to be one such moderator. One of the challenges inherent in interactions that take place in an environment characterized by cultural distance is the potential for anxiety due to a lack of information that supports an accurate prediction of behaviour ([Bücker, Furrer, Poutsma, & Buyens, 2014](#_ENREF_13)). An individual with a high level of CQ would have a stronger ability to predict behaviours ([Bücker et al., 2014](#_ENREF_13)), and thus be confident in their own capability to adapt or shape the environment, as the situation warranted. This confidence would raise the level of tolerance for ambiguity, thus reducing feelings of stress or anxiety. [Bücker et al. (2014](#_ENREF_13)) confirmed a negative relationship between CQ and anxiety, and a positive relationship between CQ and both communication effectiveness and job satisfaction in cross-cultural situations. High levels of CQ have also been associated with intercultural effectiveness ([Thomas et al., 2012](#_ENREF_83)), job performance via work adjustment ([Chen, Kirkman, Kim, Farh, & Tangirala, 2010](#_ENREF_18)), cultural judgment and decision making, cultural adaptation and task performance ([Ang et al., 2007](#_ENREF_7)), as well as effective intercultural negotiations ([Imai & Gelfand, 2010](#_ENREF_46)). Thus, an individual with high CQ would be less likely to be intimidated or anxious about a work environment in a foreign firm that may encapsulate the elements of psychic distance between the individual’s COR and the firm’s COO.

**Education**

In a literature review covering thirty-years’ worth of articles concerning the effect of COO, [Al-Sulaiti and Baker (1998](#_ENREF_1)) cited nearly a dozen studies in support of the relationship between higher levels of education and a favourable view of foreign products. Similarly, [Dichtl et al. (1990](#_ENREF_23)) included level of education as one of the subjective aspects of individuals who were willing to engage in export activities. Based on these findings, knowledge workers with higher levels of education may be more willing to work for foreign firms, despite a high level of psychic distance to the firm’s COO.

In conclusion, knowledge in the form of education, the skill of cultural intelligence, and the personal values within the dimension of Openness to Change may moderate the effect of psychic distance in reducing knowledge workers’ WTW for foreign firms.

Proposition 3: Knowledge workers’ internal factors, namely openness to change, cultural intelligence, and level of education, will moderate the relationship between psychic distance and WTW for firms from the target country.

Furthermore, individuals with high levels of openness to change may be more likely to relinquish remnants of stable animosity that they have inherited from past generations. Individuals with high CQ would have the metacognitive abilities to interpret current situations in order to appreciate other cultures’ viewpoints in disputes. Finally, high levels of education may provide a historical perspective that sheds light on the rationale behind behaviour in other countries. Taken together, these factors would be associated with lower levels of worker animosity.

Proposition 4: Knowledge workers’ internal factors, namely openness to change, cultural intelligence, and level of education, will be inversely related to the level of worker animosity to the target country.

**Future Research**

The most obvious avenue for future research would be to test the propositions included in this paper. Potential respondents may be reached through professional associations, such as those for engineers, project managers, and software designers. Additionally, alumni of business schools may also provide relevant insight into the constructs discussed herein, such as worker animosity and WTW. As suggested by [Riefler and Diamantopoulos (2007](#_ENREF_66)), asking respondents to identify their own targets of animosity would be preferable to providing a list of options, so as not to trigger responses that do not accurately represent their current perspectives. Following the recommendation of [Ambos and Håkanson (2014](#_ENREF_4)), the elements within psychic distance would be measured independently.

A number of topics present themselves as potential extensions of this study. One would be the impact of international experience on the level of knowledge workers’ animosity and WTW. Another would be the effect of current events, such as media coverage concerning political debates between countries ([e.g. Grant, 2012](#_ENREF_34)). A third route would be to examine the ramification of legal issues experienced by foreign firms in a market ([e.g. Cole & Deskins Jr., 1988](#_ENREF_20)), to see if such issues engender animosity toward the COO, or are seen only as applying to the firm in question.

Finally, the relevance of COO to foreign firms, both in the form of worker animosity and psychic distance, is worthy of further investigation. Similar to the potential instability of cultural distance ([Shenkar, 2001](#_ENREF_75)) as an element of psychic distance, the impact of COO may change over time, for a number of reasons. First would be events that could cause levels of worker animosity to fluctuate, as consumer animosity does ([Amine, 2008](#_ENREF_5)). Second would be that many people do not know the COO of firms, particularly if the firm name is not indicative of its home country ([Samiee, Shimp, & Sharma, 2005](#_ENREF_70)). Third, the whole concept of COO of a firm may soon become redundant as global companies lose their associations with individual countries ([Alden, Kelley, Riefler, Lee, & Soutar, 2013](#_ENREF_2)).

**Implications for Practitioners**

The concept of WTW is focused on perceptions of knowledge workers prior to being hired by a foreign firm from a target country. Consequently, firms need to be aware of the image typically portrayed by their COO, and subsequently how this image may be interpreted by potential employees in other countries. From the perspective of distance, [Ambos and Håkanson (2014](#_ENREF_4)) recommend being conscious of both asymmetries and directionalities. In the case of WTW, an example would be the different perspectives that Brazilians and Germans might have of the differences in psychic distance elements between their countries, with the added dimension of which country is the COO of the firm, and which is the COR of the potential workers. Asymmetry is also pertinent to worker animosity, since events such as economic or military disputes may be remembered differently by residents of the various countries involved in the disputes ([Amine, 2008](#_ENREF_5)). One of the first steps in attempting to counter animosity is to study history in order to understand how events may have incited the original antipathy ([Amine, 2008](#_ENREF_5)).

[Luo, Shenkar, and Nyaw (2002](#_ENREF_57)) suggest two types of strategies for reducing the liability of foreignness that may affect foreign firms: offensive and defensive. Offensive strategies would assist the foreign firm in adapting to the environment in a host country and increase the credibility of that firm in the eyes of the host country nationals, such as the potential employees. While firms may be unable to change past events or the distance between elements of psychic distance between countries, they may be able to manage perceptions in ways that would cause potential workers to consider them more favourably ([Hoffman & Turley, 2002](#_ENREF_42)). One method of managing perceptions of knowledge workers in the host country would be to increase their knowledge of the firm’s COO by distributing favourable information about the firm and home country in order to improve the reputation of both ([Elango, 2009](#_ENREF_30)). Another means of managing perceptions would be creating an image that appeals to the adventurous spirit of knowledge workers who have a high level of openness to change. Alternatively, the firm could attempt to create an image of itself whereby it is seen to align more closely with the social, political or economic systems in the host country than in the COO, thus reducing the apprehension of workers who are less inclined to change.

The defensive strategies suggested by [Luo et al. (2002](#_ENREF_57)) are intended to reduce the liability of foreignness that may affect foreign firms by decreasing their dependence on host country resources. A straightforward method of reducing reliance on HCN knowledge workers would be to send expatriate workers from the home country, within the limits imposed by the host country laws. Another method that may bridge the gap between the two countries is to leverage the local community to find knowledge workers with an ethnic background similar to that of the firm ([Miller, Thomas, Eden, & Hitt, 2008](#_ENREF_63)). Thus, foreign firms can utilize both offensive and defensive strategies to manage perceptions and share information with HCN knowledge workers in an attempt to increase the workers’ WTW for foreign firms.

**Conclusion**

As firms expand to foreign markets, many of the firms will require the services of knowledge workers in their host countries. This paper offers propositions regarding factors that influence the willingness of those knowledge workers to work for foreign firms. First, it is expected that worker animosity, based on prior events, and psychic distance, based on differences in economic, political and social systems, will be inversely related to willingness to work. Furthermore, a set of internal factors, including openness to change, cultural intelligence, and level of education, are proposed as moderators. Firms that wish to attract these workers may need to actively manage the workers’ perceptions of the firm’s country of origin in order to be considered as viable employers.

Footnotes

1 The colloquialism “American” is used here to refer to the United States of America, as opposed to other parts or the entire regions of North, Central or South America.

2 Variations on ‘willingness to buy’ include ‘willingness to pay’ and ‘willingness to purchase’

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