DE GRUYTER
OPEN

Journal of Intercultural Management
Vol. 5, No. 4, December 2013, pp. 5–21
DOI 10.2478/joim-2013-0023

Ewa Magier-Łakomy
Małgorzata Rozkwitalska
Gdansk School of Banking

Country-of-origin effect on manager's competence evaluations

Abstract: Functioning of multinational corporations requires international staffing decisions, which involves, among other issues, sending expatriates to foreign subsidiaries and/or hiring inpatriates in the headquarters. The evaluation of a manager's professional competence by his/her subordinates, peers or superiors is determined, for example, by cultural stereotypes intertwined with the manager's nationality. Such an evaluation may affect the quality of cross-cultural interactions and therefore influence effectiveness of a MNC's staff. Thus the aim of this paper is to initially verify whether the country-of-origin of a manager may affect the perception of his/her professional competence. The analysis of this relationship is based on the literature review and the empirical findings from the authors' research. An experiment on management students is the research method that was applied in the study. As a result, the authors attempt to examine whether there are cultural stereotypes that ascribe higher or lower managerial competence to individuals from certain countries. The analysis may also contribute to the literature and research on liability of foreignness as well as cultural stigmatization issues. The empirical findings from the pilot study suggest that the nationality of a manager may affect the evaluation of his/her competences by other people.
Key words: country-of-origin effect, cultural barriers, cultural stigmatization, cultural stereotypes, international staffing, liability-of-foreignness, multinational corporations (MNCs)

Introduction

Effective functioning of multinational corporations (MNCs) requires, among other issues, a rational staffing decision making concerning job posts, frequently managerial ones, in the headquarters (HQ) and subsidiaries. Such a post may be filled by a foreigner – an expatriate or inpatriate. There is ample literature on international staffing regarding expatriate management and the staffing configuration [for the overview see Rozkwitalska M., 2012, pp. 50-57] as well as rather scant, yet growing studies on inpatriate management [see e.g. Harvey M., *et al.*, 2000, pp. 825-846; Harvey M. *et al.*, 2005, pp. 267-280; Harvey M., *et al.*, 2011, pp. 150-161]. They cover a relatively wide range of topics on International Human Resource Management (IHRM) that concern issues such as selection, the preparation and training of a candidate for overseas assignments, performance appraisal and compensation, repatriation, failure ratio on foreign assignments and its costs, and cultural adaptation of ex/inpatriates to international staffing options, their determinants, motives and effects, and the staffing trends and patterns [Rozkwitalska, 2012, pp. 50-57]. Nonetheless, only a few studies so far have tackled the problem of liability-of-foreignness (LOF) as a consequence of country-of-origin (COO) effect of an overseas relocated individual and how they impact on his/her quality perception by foreign locals. Although, the literature on intercultural management emphasizes the role of cultural stereotyping that causes misinterpretation in cross-cultural interactions [see e.g. Alder, N.J. and Gundersen A., 2008, pp. 80-86; Rozkwitalska, M., 2012a, pp. 49-55], it rather neglects the fact that cultural stigmatization associated with LOF may interrupt the evaluation of a foreigner's managerial competences[1]. Such an evaluation can later negatively influence cross-cultural interactions by generating barriers to them[2] and causing process loses [Harvey, M. *et al.*, 2005, pp. 267-280]. Therefore, to fill the gap identified above, the aim of this paper is to verify whether the nationality of a manager may affect the evaluation of his/her professional competence, or in other words, whether COO effect can be apparent when managerial skills of a foreign individual are assessed by locals.

The paper is structured as follows: it begins with the literature review concerning COO effect, LOF and stigmatization issues. Then, the relationship

---

1 An article by Harvey M. *et al.* [2005, pp. 267-280] is a good exception that provides a deep explanation on how stigmatization associated with LOF and being a consequence of COO effect may affect the perception of the quality of managers in MNCs. However, the analyses there were limited to inpatriates. Another study, conducted by Carr *et al.* [2001, pp. 441-457] tested whether COO effect can be observed when candidates for various job positions are selected. Generally, the respondents when determining their preferences for hiring employees from particular country group (i.e. Tanzania, East Africa and the West) indicated the locals as their first choice over expatriates. Nevertheless, a technical expertise of Westerners was valued higher than host country nationals and they were preferred for a job position where technical skills were a matter of importance.

2 The opposite situation is also possible, namely a MNC's staff may be prone to cooperate with an individual whose professional skills are valued higher due to his/her COO.

of these constructs with the evaluation of foreign managers is identified. The next part describes research method and the empirical findings. The final section deals with the contributions and limitations of the analysis, which are subsequently followed by concluding remarks.

Literature review

Country-of-origin effect is a concept relatively widely investigated in the international business literature. It has specifically attracted the attention of researchers in the international marketing field, where COO effect is defined as an influence of a country's origin of a product on its perception by its buyers [Ghazali M. *et al.*, 2008, p. 91]. It "refers to how individuals perceive value/utility of products/brands/organizations emanating from a particular country" [Moeller M. *et al.*, 2013, p. 92]. A few studies have also analyzed COO effect in international and intercultural management fields. However, here the researchers have mainly referred COO effect to the extent to which practices of MNCs are rooted in their COO with regards to various aspects of their functioning, suggesting that MNCs from different countries behave in distinctive ways [Ferner A. *et al.*, 2001, pp. 107-127]. For example, Pauly and Reich [1997, pp. 1-30] studied the behaviors of firms and they found out that those behaviors could be explained by differences in MNCs' national embeddedness. Other authors have analyzed how the nationality of MNCs determines their approach to human resource management (HRM) [Ngo H.-Y. *et al.*, 1998, pp. 632-652; Tregaskis O., 1998, pp. 136-163; Lindholm N., 1999-2000, pp. 45-66, Ferner A. *et al.*, 2001, pp. 107-127], the headquarter-subsidiary relationships [Lubatkin M. *et al.*, 1998, pp. 60-684; Harzing A.-W. *et al.*, 2002, pp. 96-118], the control mechanism used in foreign subsidiaries and the internationalization strategy of MNCs [Harzing A.-W. and Sorge A.M., 2003, pp. 187-214; Noorderhaven N.G and Harzing A.-W., 2003, pp. 47-66]. Another emerging stream in the international management literature on COO effect, with some works directly stemming from LOF studies, is concerned with the impact of COO on the acceptance of foreign affiliates [Moeller M. *et al.*, 2013, pp. 89-99] or inpatriates/immigrants/foreign newcomers by a host environment [Harvey M. *et al.*, 2000, pp. 825-846; Harvey M. *et al.*, 2005, pp. 267-280, Coates K. and Carr S.C., 2005, pp. 577-599; Jordar A. *et al.*, 2007, pp. 513-537]. Although the influence of COO/LOF on the evaluation of managerial competences of foreigners has not been directly examined yet, the latter stream provides understanding of COO effect, which can be useful with respect to the aim of this paper. Namely, it sees COO effect as a specific predisposition to a particular country that results in a positive or negative attitude towards an organization or a person (inpatriate/immigrant/foreign newcomer) from that state.

Separating from the literature the stream which concerns solely immigrants, it tackles primarily what problems they face when searching for a job outside their homelands. Thus, it focuses on COO/LOF effects impact on job search success regardless of in which types of organization, i.e. domestic or multinational, immigrants apply for jobs [see e.g. Carr S.C. *et al.*, 2001, pp. 441–457; Coates K. and Carr S.C., 2005, pp. 577–599; Fang T. *et al.*, 2013, pp. 98-109] and selection biases towards them. Among others, it conceptually refers to social dominance theory, which claims that people tend to "use implicit mental models about which countries-of-origin are socio-economically dominant over others, with deference flowing to the more dominant countries, and prejudice being directed at the rest" [Carr S.C. *et al.* 2001, p. 580]. Basing on this concept, it can be inferred that a foreign manager from a so-called dominant country would be preferred as an ex/inpatriate to others from different states, who may be challenged with biases concerning the evaluation of their professional competences. Therefore, the locals' mental hierarchies about countries of origin will affect the way they perceive foreign managers' skills.

COO effect is conceptually related to the LOF construct [Harvey M. *et al.*, 2005, pp. 267-280, Moeller M. *et al.*, 2013, pp. 89-99]. Liability-of-foreignness with regards to MNCs is defined as overall, additional costs of operating abroad relative to the costs incurred by domestic enterprises, usually well-embedded in a local setting. These costs are associated, among other issues, with the spatial distance between the HQ and its subsidiaries, unfamiliarity with cultural, economic, political, legal, technological host-environments, a political and host-country risk and a lack of legitimacy among the locals [for overview of the construct see Mezias M.J., 2002, pp. 265–282 and Denk N. *et al.*, 2012, pp. 322-334]. LOF suggests that a MNC faces additional challenges on overseas markets, which results from its foreign status that may become its liabilities [Moeller M. *et al.*, 2013, pp. 89-99]. For instance, when a subsidiary integrates into a host surrounding, it can encounter cultural barriers due to its insufficient knowledge of the local values and norms[3]. Then some practices and behaviors of its foreign managers differ from those legitimated or locally accepted and, as a result, ex/inpatriates may experience liabilities of foreignness [Mezias M.J., 2002, pp. 265–282][4]. Thus, such a foreign status is likely to turn into a

---

[3] Calhoun's paper on LOF [2002, pp. 301-321] delineates culturally driven sources of liability to a foreign subsidiary.

[4] LOF is a concept that was previously applied to explain obstacles faced by MNCs. However, later this concept was adapted to reflect challenges encountered at the individual level by foreigners. Therefore, it is hypothesized that foreignness may entail a liability, limiting a relative success of foreign actors in host markets, either an organization or a person. The major source of liability for an individual comes from his/her unfamiliarity with the local environment. Furthermore, a foreigner's lack of the local roots interrupts him/her gaining

public stigmatization of a firm and its relocated, alien employees [Zaheer S. and Mosakowski E., 1997, pp. 439–464; Moeller M. *et al.*, 2013, pp. 89-99].

Moeller *et al.* [1997, p. 94] defines public stigma as "a process by which the public labels human differences, ascribes meaning to these differences through stereotypes". A stigmatized person, since he/she deviates from the majority standard, can experience disapproval, rejection, exclusion and even discrimination [Miller C.T. and Kaiser C.R., 2001, pp. 73-92, [Harvey M. *et al.*, 2005, pp. 267-280] and his/her performance "may be compromised by concerns about confirming the negative stereotypes" [Moeller M. *et al.*, 2013, p. 94], which is a consequence of a so-called stereotype threat, causing stress and performance losses [Harvey M. *et al.*, 2005, pp. 267-280][5]. 'Foreignness' becomes a liability to managers from a different culture when they "attempt to construct a professional or managerial role identity in the domestic organization of their new country" [Harvey M. *et al.*, 2005, pp. 272]. In this case a relocated manager becomes an out-group member and as such suffers from a lack of acceptance by the others who perceive themselves as in-group members. Consequently, they may be reluctant to work or foster the relationships with him/her, having a detrimental effect on a MNC [Jordar A. *et al.*, 2007, pp. 513-537].

Basing on the models of the impact of COO on an organization's/impatriate's acceptance in a host country [Moeller M. *et al.* 2013, p. 92; Harvey M. *et al.*, 2005, p. 273] and social dominance theory [Coates K. and Carr S.C., 2005, pp. 577–599], a basic concept is developed of how COO/LOF effects influence locals' evaluation of a foreign manager's competences, which can be seen as his/her quality (see Figure 1).

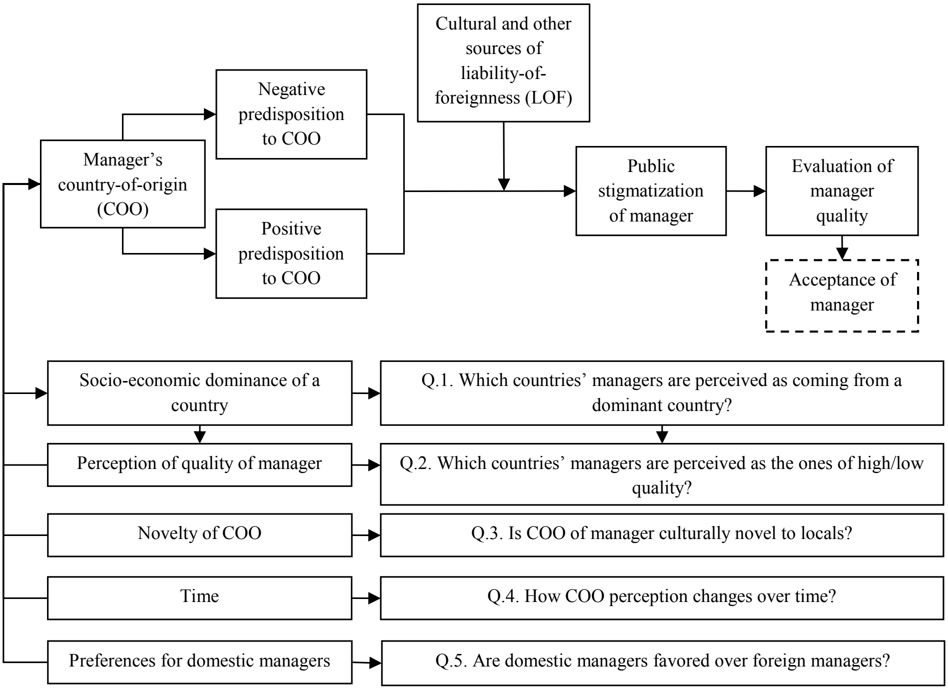
The four moderators were indicated that affect relationships between the image of a country and the perception of a manager from that state [Harvey M. *et al.*, 2005, pp. 267-280]. One of them, i.e. perception of quality of a manager, is determined, in congruence with social dominance theory, by the degree of socio-economic dominance of his/her country. By addressing to these four dimensions MNCs may increase a chance of hiring an ex/impatriate, who will be valued by his/her surroundings due to a positive reception of his/her quality and consequently limit COO/LOF effects experienced by a manager when entering an overseas organization.

---

necessary legitimacy. His/her COO may pose a stereotyping hazard [Fang T. *et al.*, 2013, pp. 98-109].

[5] It is worth mentioning that a stigmatized individual may be stereotyped both negatively but also positively [Harvey M. *et al.*, 2005, pp. 267-280].

Figure 1. Country-of-origin impact on the evaluation of the quality of a manager



Source: the authors.

The following section portrays the research method and the empirical findings concerning testing of the hypothesis that COO effect is apparent when managerial competences of foreigners are evaluated.

Method

To test the hypothesis that COO may have an influential effect on managerial competences evaluation two phases of the research were carried out.

The first phase was selective in character, namely the main aim of this phase was to empirically pick up the list of countries (so-called mental hierarchies, as stated in the theoretical part of the paper), which are associated with a high *versus* low level of a manager's competences and to determine whether domestic managers would be favoured over the foreign ones (see Figure 1 for theoretical background).

The aim of the second phase was to answer the question about COO impact on the evaluation of managerial competences and personal dispositions. Particularly, the authors tried to verify to what extent the perceived competences and anticipated personal dispositions of highly and lowly qualified managers differ among domestic and foreign managers.

Participants

40 students participated in the first phase of the research: 23 women and 16 men. All the participants were recruited from a group of undergraduate full-time students. The mean age of the participants was M=20.76, s=1.09. The participation in the research was voluntary. The data concerning one participant was excluded from the analysis because of violation of procedural rules, hence 39 outcomes were analyzed.

There were 105 participants (49 women and 56 men) in the second part of the research. The mean age of the participants was M=22.12, s=3.73. All the participants were undergraduate full- or part-time students of the following faculties: management, logistics, and finance. Participation in the second phase of the study was also voluntary. Due to the research aim and the procedural requirements, none of the participants of the previous phase did take part in the second one.

Procedure and material

The method applied to the study was an experiment composed of two phases, while the first one helped to prepare the material to the second one.

In the first phase the participants were asked to list three countries which, in their opinion, educate the best managers, and three countries that educate the worst ones. The participants were to write their proposition on a prepared form. Duration of this phase was approx. 5 min. The top selected countries were then used at the second phase of the experiment.

In the second phase, using a given questionnaire, the participants were asked to put themselves in a role of a firm's owner looking for a new manager. They read a short description of a fictitious person who applied for this position. The COO variable, on three levels, was introduced to the description. Basing on the results of the first selective phase, the following origins of a manager were chosen: American (the USA), Russian and Polish, whereas the third origin was introduced to compare domestic *versus* foreign COO effect. In consequence, three versions of the questionnaire were prepared, which differed only with regards to the description of the manager's origin. The participants of the experiments were divided into three groups (there were 35 people in each group). Each group was to fill in only one version of the questionnaire that included several evaluative questions or anticipations:

1. general in character (i.e. the readiness to like the described manager, the readiness for hiring a particular applicant, the duration of his/her potential employment, the level of employment risk)
2. related to managerial competences (i.e. his/her ability to lead his/her team effectively, an anticipated level of acceptance of that person by his/her

employees, anticipated chances for the firm development if the manager was employed)

3. anticipation of the manager's personal dispositions[6].

There was a five-step scale applied to the questions general in character and related to the managerial competences. The description of the scale was as follows: -2 - definitely no,-1- no, 0 - neither yes nor no, +1- yes, +2 - definitely yes). Concerning the evaluation of the manager's personal dispositions, a seven-step semantic differential was employed. The duration of this phase was approx. 20 min.

Results

The following results were obtained in the first phase of the study: The USA with the highest frequency was pointed out as the best country for managers' education (66,67%[7] of the respondents indicated this country), 58% of the respondents picked Germany as the best place for acquiring managerial skills and 51% of the respondents chose the UK. The remaining countries that were selected by the participants with a similar frequency were: France, Japan, China, Norway and Sweden. The detailed results showing the frequency of indications according to the place on the list are presented in Table 1.

Table 1. Frequency and percentage ratio of countries most often perceived as places with the highest level of managerial education – the ranking of mental hierarchies of countries

Country	**Number of total choices**	**Percentage of total choices**	Indication at 1st place on the list		Indication at 2nd place on the list		Indication at 3rd place on the list	
			N	%	N	%	N	%
USA	26	66.67	21	80.77	3	11.54	2	7.69
Germany	23	58.97	7	30.43	11	47.83	5	21.74
UK	20	51.28	6	30	6	30	8	40
Poland*	6	15.38	1	16.67	3	50	2	33.33

Source: the authors.

Percentage of total choices was calculated as a total number of choices related to the number of the participants (39).

*Poland was included to illustrate associations with the domestic level of managerial education.

---

6 Some personal traits were selected and incorporated to the initial version of the questionnaire.

7 The given percentage rates were set up regardless of the rank on the list.

The outcomes of listing countries with a low level of managerial education were highly dispersed. On the list much more countries (often with a single occurrence) were pointed at when compared to the first list (with the best countries). Russia was indicated the most frequently (30,77%) as a country with a low level of managers' education, the second country with the highest frequency was Poland, and the third – Ukraine. The remaining countries with a similar frequency indicated on the list were: Greece, Japan and Lithuania. With a single or double indication were: Hungary, Bulgaria, Turkey, the Czech Republic, the Netherlands and Italy. The detailed results showing the frequency of indications according to the place on the list are presented in Table 2.

Table 2. Frequency and percentage ratio of countries most often perceived as places with the lowest level of managerial education – the ranking of mental hierarchies of countries

Country	**Number of total choices**	**Percent-age of total choices**	Indication at 1st place on the list		Indication at 2nd place on the list		Indication at 3rd place on the list	
			N	**%**	**N**	**%**	**N**	**%**
Russia	13	33.33	9	75	2	16.67	1	8.33
Poland*	11	28.21	10	90.91	1	9.09	0	0
Ukraine	10	25.64	4	40	6	60	0	0
Belarus	6	15.38	0	0	3	50	3	50

Source: the authors.

Percentage of total choices was calculated as a total number of choices related to the number of participants (39).

*Poland was included in the research as a domestic origin. Associating this country with a low level of managerial skills can be an additional factor interfering the results.

Although the aim of the first phase was to select countries for the next step of the research, some additional preliminary information about COO effect was obtained from the difference of the scope of the countries indicated on the first and the second list (i.e. countries with high *versus* low managerial education). Namely, in the case of countries with a high level of managerial education the scope of the given answers was relatively small and the biggest number of indications were shared among the USA, Germany and the UK. A relative coherence in the evaluation of the countries with a high educational quality may suggest that the states which prepare better managers were easier identified by the respondents. By contrast, the scope of the given countries with a low level of managerial education was relatively high and the dominance of the chosen countries was not so distinctive.

Three types of analyses were applied to the data obtained from the second phase of the experiment, i.e. the expected COO influence on the evaluation of managers' competences was investigated by means of_one-way or two-way ANOVA, the data related to the anticipated manager's personal dispositions were described in terms of Osgood's semantic differential, while the correlation coefficient, as the third type of statistics, was introduced to analyze the potential statistical relation between a pair of given evaluations or anticipations.

The analysis of the variance was conducted in the following model for every dependent variable. The results of two way ANOVA in a model 3 x 2 (COO [USA, Russia, Poland] *x* [participant's sex [woman, man] showed a significant COO effect in "the readiness to like" the manager. In that case the main significant effect of sex occurred as follows: F(1, 99)=6.67, p<.05, M_{man}=1.14, M_{woman}=0.82). It illustrates that the men were more ready to like the potential manager than the women. Additionally, the main effect of COO was found: F(2, 99)=3.14, p<.05, M_{usa}=1.03, M_{Russia}=1.15, M_{Poland}=0,.76. Performing the LSD[8] test proved a difference between the USA and Poland (LSD: p=.03). The results demonstrate that domestic managers are less liked when compared to foreigners. The interaction between sex and COO was insignificant.

One-way ANOVA revealed the country of origin influence on the evaluation of the hypothetical manager's personal dispositions. With regards to the personal disposition "openness to people", the analysis of the variance exposed, at the level closed to significant, an influence of COO - F(2, 102)=2.8417, p=.06, M_{usa}=5.54, M_{Russia}=5.48, M_{Poland}=6.26. A particular difference occurred between Russia and Poland (LSD: p=.03), and the USA and Poland (LSD: p=.05). The obtained means reveal that high openness to people is generally expected from managerial work, but significant differences indicate that higher openness is anticipated in the case of domestic managers than foreigners.

ANOVA revealed a significant COO main effect: F(2, 102)=3.8361, p<.05, M_{usa}=2.42, M_{Russia}=3.31, M_{Poland}=2.83 concerning personal disposition "dominance". The means presented that dominance is anticipated in all the cases, however the difference was found between the USA and Russia (LSD: p=.03), i.e. higher dominance is expected with regards to American managers comparing to Russian ones.

The analysis of the variance was close to significant COO effect in anticipation of "effectiveness" F(2, 102)=2.801, p=0.06, M_{Poland}=6.2. Nonetheless, LSD test demonstrated a significant difference (p=.03) in anticipated effectiveness between Russian (M_{Russia}=5.63) and American (M_{usa}=0.09) managers.

A significant COO effect was revealed in the case of anticipation of a manager's "strength" F(2, 102)=3.975, p<.05, M_{usa}=6.03, M_{Russia}=5.23,

[8] LSD test - last significant differences according to Fisher's test.

M_{Poland}=5.68. Although high strength was expected from managerial work, the participants anticipated that a Russian manager would be less strong than an American one (LSD: p=.005).

The remaining analyses of the variance showed insignificant interactions or the main effect of COO or sex.

The second type of the analysis, namely semantic differential, was set up as descriptive in character. There was a wide scope of personal traits included in this part. Due to likely different categories of these personal dispositions, the authors did not decide to calculate the general mean indicators. The results of anticipated personal dispositions for managers from the USA, Russia and Poland are presented in seventeen dimensions (Figure 2). Subtle yet statistically significant differences in some dimensions were obtained in the analysis of the variance (see ANOVA results described above).

Due to the preliminary character of the conducted research, the third type of statistics was involved in the data analysis: the correlation coefficient. Its aim was to discover the potential statistical relation between every pair of the given evaluations or anticipations. The separate correlation coefficients were calculated for three distinguished countries: the USA, Russia and Poland. All the conclusions drawn from the analysis of the correlation served to initially explore the nature of COO effect.

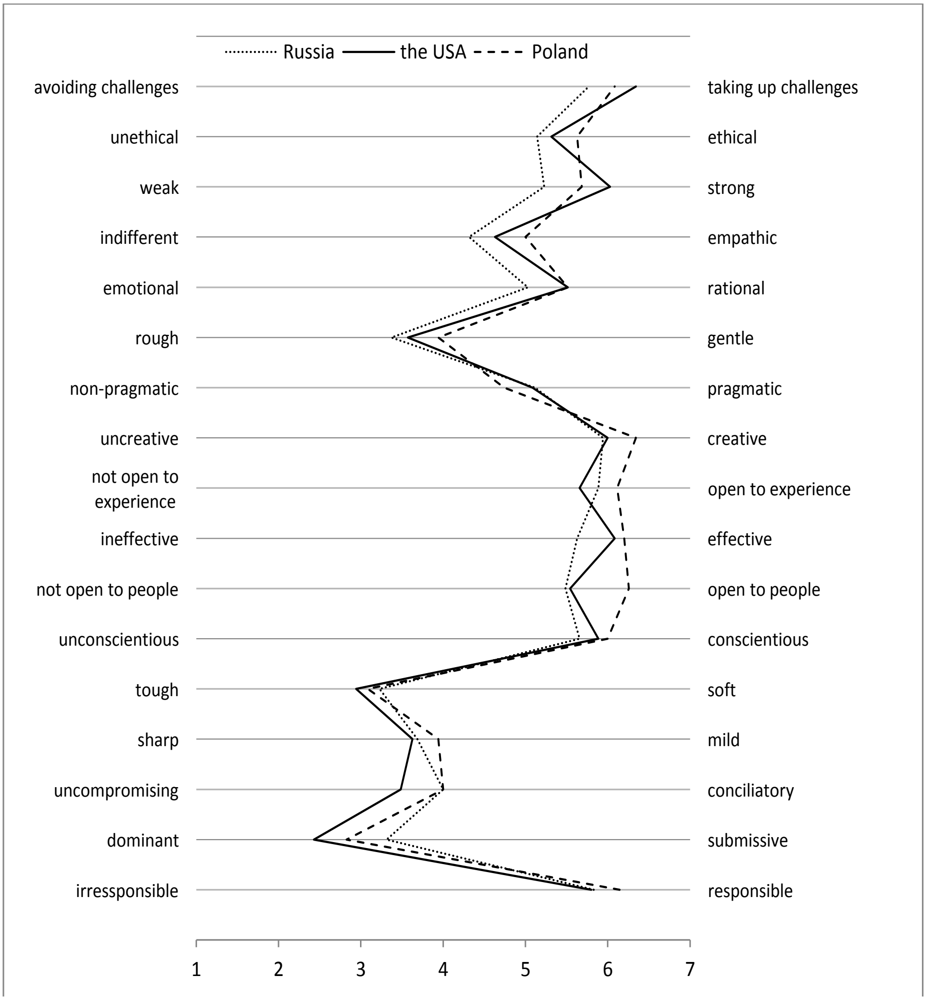
An interesting positive correlation was obtained in the case of the pair: "ethical" and "readiness to hire". For Russia and the USA the data coefficient was significant, r_{Russia}= 0.34, p<.05, r_{USA}= 0.48, p<.05, while for Poland the correlation was insignificant. It shows that readiness to hire foreign managers is significantly related to their level of ethical attitude. Concerning Polish managers, none of the given traits correlated with readiness to hire them. Mor4seover, readiness to hire foreign managers is positively correlated with:

1. conscientiousness - r_{Russia}= 0.36, p<.05, r_{USA}= 0.70, p<.05,
2. effectiveness - r_{Russia}= 0.53, p<.05, r_{USA}= 0.39, p<.05,
3. creativity - r_{Russia}= 0.47, p<.05, r_{USA}= 0.63, p<.05,
4. strength - r_{Russia}= 0.51, p<.05, r_{USA}= 0.4, p<.05,
5. taking up a challenge- r_{Russia}= 0.38, p<.05, r_{USA}= 0.63, p<.05,

The obtained positive correlations exposed congruent demands or expectations from foreigners regardless of the perceived level of their professional skills (low –Russia, high -USA). In addition, a lack of any correlations for "readiness to hire" with regards to a Polish manager proves a privileged position of a domestic manager. Both of the above aspects confirm, to some degree, COO impact on a manager's competences evaluation (see Figure 1 for the theoretical background).

Readiness to hire a foreigner negatively correlates with a submissive (r_{Russia}= - 0.36, p<.05), conciliatory (r_{Russia}= - 0.35, p<.05) or mild (r_{USA}= - 0.34, p<.05) attitude. Yet, no negative correlation was found in the data concerning a Polish manager.

Figure 2. Mean results related to anticipation of managerial personal dispositions



Source: the authors.

The participants were asked what kind of personal disposition the manager described in the short story would have shown, if he was employed. There was a 1-7 scale given in the questionnaire.

The results of semantic differential (see Figure 2) demonstrated that regardless of a country of origin, some personal features are not desirable among managers, i.e.: submission, being gentle, a mild attitude, being soft or conciliatory. However, the analysis of the correlation coefficients exposed that those features were only negatively related to readiness to hire a foreign manager. All over again, it indirectly confirms COO effect on a manager's competences evaluation, particularly in terms of different requirements imposed to foreign and domestic managers.

Further calculations revealed interesting results with regards to an American manager's origin. In that case the evaluation of a firm's future development correlated with some features of the manager such as responsibility (r_{USA}=0.42, p<.05), conscientiousness (r_{USA}=0.60, p<.05), effectiveness (r_{USA}=0.54, p<.05), openness to experiences (r_{USA}=0.38, p<.05), creativity (r_{USA}=0.48, p<.05), strength (r_{USA}=0.38, p<.05) and taking up challenges (r_{USA}=0.56, p<.05). Similar correlations were not found regarding Russian and Polish managers' origins. Comparable results obtained from the data on Poland and Russia may have a source in low managerial skills associated with these countries (see Table 2.). It is possible that expectations for a firm's development can be evoked only in the case of a highly skilled manager.

The most coherent results independent of a country of origin were obtained with regards to the following:

1. effectiveness, which correlates with responsibility (r_{Russia}= 0.59, p<.05, r_{USA}= 0.57, p<.05, r_{Poland}= 0.40, p<.05) and being conscientious (r_{Russia}= 0.83, p<.05, r_{USA}= 0.37, p<.05, r_{Poland}= 0.47, p<.05)
2. taking up challenges, which correlates with being conscientious (r_{Russia}= 0.81, p<.05, r_{USA}= 0.69, p<.05, r_{Poland}= 0.60, p<.05), openness to people (r_{Russia}= 0.48, p<.05, r_{USA}= 0.54, p<.05, r_{Poland}= 0.70, p<.05), openness to experience (r_{Russia}= 0.72, p<.05, r_{USA}= 0.61, p<.05, r_{Poland}= 0.74, p<.05), creativity (r_{Russia}= 0.75, p<.05, r_{USA}= 0.73, p<.05, r_{Poland}= 0.88, p<.05), strength (r_{Russia}= 0.51, p<.05, r_{USA}= 0.47, p<.05, r_{Poland}= 0.46, p<.05), and being ethical (r_{Russia}= 0.57, p<.05, r_{USA}= 0.42, p<.05, r_{Poland}= 0.39, p<.05),

The significant correlations obtained regardless of a country of origin lead to a conclusion that there are some essential features of managers which to some extent are not affected by their COO.

Discussion and conclusions

The main aim of the paper was to initially test the hypothesis that country-of-origin effect is apparent when managerial competences are evaluated by locals. Although COO effect is relatively widely investigated in the subject literature and research, most of the previous studies have defined COO effect in terms of product and buyers perception. In this paper, COO impact on evaluation of managerial competences and a personal manager's disposition were directly analyzed to fill in the obvious gap in the existing knowledge of COO and to shed a new light on it. Therefore, the main contribution of the conducted study is the investigation of COO effect in a new context of managerial competences evaluation. The analysis may also support, to some extent, the literature and research on liability of foreignness as well as cultural stigmatization. The practical implication of the study is that there is a necessity to consider COO of a manager while searching for an appropriate candidate for an overseas assignment.

The authors managed to demonstrate the influence of COO on the perception of a manager's competences. According to the empirical findings, the expected managerial effectiveness and strength differ depending on a manager's COO, namely lower effectiveness and strength are expected from managers whose countries were evaluated as demonstrating weak managerial potentials. However, generally congruent demands or expectations appeared towards foreigners regardless of the perceived level of their professional skills. Hence, to some extent domestic managers can be favoured over foreign ones. Some features which are recommended in managerial position were also confirmed as pivotal in the research, yet a few of them in some degree are resistant to the COO influence. The general conclusion regarding domestic managers is as follows: readiness to like a domestic manager is lower than readiness to like a foreign manager, yet expectations and requirements towards a domestic manager are lower comparing to foreign ones, which once again suggests a privileged position of local managers. Taking the foregoing into account, it can be posited that the hypothesis concerning that country-of-origin effect is apparent when managerial competences are evaluated by locals was initially confirmed. Nevertheless, the research was explorative and pilot in nature, thus additional studies are necessary to validate the expected relationship between COO of a manager and his/her evaluation by host country nationals.

The analyses in the paper are limited due to several reasons. Firstly, the provided empirical findings are based on the pilot study, which by its very nature, is initial and exploratory. Secondly, the participants of the experiment were young students whose work experience was relatively low or even not existent and who might have never met foreign managers. These factors could have affected their choices and evaluations. Thirdly, the respondents were Poles, thus generalization to other cultures is limited. Moreover, a preliminary version of the applied questionnaire did not allow for calculating the general indictor of personal dispositions or for clustering them according to statistical congruency. Furthermore, the experiment was designed to investigate the declared attitudes of the participants, which may have run counter to their implicit attitudes[9]. Finally, the research was designed to respond only to

[9] The aim of the experiment was not disclosed to the participants, however, it is likely that they were able to recognize it from the fictional story included in the questionnaire.

question 2 and indirectly to question 5 of the proposed model (see Figure 1)[10].

In view of the above, in order to increase the knowledge of the COO issue, future research is necessary that would explore in more detail the influence of COO on managers and employees cooperation. Further research could be conducted among people with greater work experience, employees in MNCs and respondents who have encountered foreigners at their work. Such a study may be carried out as a comparative analysis within the groups mentioned above. Moreover, future research may be extended to other nationalities in order to compare cross-culturally possible results. In addition, the part of the questionnaire related to psychological dispositions of managers should be better grounded in theory. The experiments may be redesigned or additional research methods could be applied in order to scrutinize implicit attitudes of respondents. Furthermore, to respond to question 4 of the model, future research is advised to be undertaken as a longitudinal study.

Bibliography

Adler, N.J. and Gundersen, A. (2008), *International dimensions of organizational behavior*, 5th ed., International Edition: South Western.

Calhoun, M.A., (2002), 'Unpacking liability of foreignness: identifying culturally driven external and internal sources of liability for the foreign subsidiary', *Journal of International Management*, vol. 8, pp. 301–321.

Carr, S.C., Rugimbanab, R.O., Walkomb, E. and Bolithoc, F.H. (2001), Selecting expatriates in developing areas: "country-of-origin" effects in Tanzania? *International Journal of Intercultural Relations*, vol. 25, pp. 441–457.

Coates, K. and Carr, S.C. (2005), 'Skilled immigrants and selection bias: A theory-based field study from New Zealand', *International Journal of Intercultural Relations*, vol. 29, pp. 577–599.

Denk, N., Kaufmann, L. and Roesch, J.-F. (2012), 'Liabilities of foreignness revisited: a review of contemporary studies and recommendations for future research', *Journal of International Management*, vol. 18, pp. 322–334.

Fang, T., Samnani, A.-K., Novicevic, M.M. and Bing, M.N. (2013), 'Liability-of-foreignness effects on job success of immigrant job seekers', *Journal of World Business*, vol. 48, pp. 98–109.

Ferner, A., Quintanilla, J. and Varul, M.Z. (2001), 'Country-of-origin effects, host-

Therefore, they could try to portrait themselves as people who were not biased towards certain nationalities (i.e. COO of the manager).

[10] Nevertheless, the list of countries with the best managerial education comprises those economies that may be seen as dominant (in accordance with social dominance theory). Thus, the list may reflect an answer to question 1 in the authors' model. It can be also assumed that all countries that were included in the experiment were not novel to the participant. This assumption refers to question 3 of the model.

country effects, and the management of HR in multinationals: German companies in Britain and Spain', *Journal of World Business*, vol. 36, no. 2, pp. 107–127.

Ghazali, M., Othman, M.S., Yahya, A.Z. and Ibrahim, M.S. (2008), 'Products and country of origin effects: The Malaysian consumers' perception', *International Review of Business Research Papers*, vol. 4, no.2, pp. 91-102.

Harvey, M., Ralston, D. and Napierpp, N. (2000), 'International relocation of inpatriate managers: assessing and facilitating acceptance in the headquarters organization', *International Journal of Intercultural Relations*, vol. 24, iss. 6, pp. 825-846.

Harvey, M., Novicevic, M.M., Buckley, M.R. and Fung, H. (2005), 'Reducing inpatriate managers' 'Liability of Foreignness' by addressing stigmatization and stereotype threats', *Journal of World Business*, vol. 40, iss. 3, pp. 267-280.

Harvey, M., Reiche, B.S., and Moeller, M. (2011), 'Developing effective global relationships through staffing with inpatriate managers: The role of interpersonal trust', *Journal of International Management*, vol. 17, iss. 2, pp. 150-161.

Harzing, A.-W., Sorge, A.M. and Paauwe, J. (2002), 'HQ-subsidiary relationships in multinational companies: A British-German comparison', in: Geppert, M., Matten, D. and Williams, K. (eds.), *Challenges for European management in a global context - experiences from Britain and Germany*, Basingstoke, London, New York: Palgrave.

Harzing, A.-W. and Sorge, A.M. (2003), 'The relative impact of country-of-origin and universal contingencies on internationalization strategies and corporate control in multinational enterprises: World-wide and European perspectives', *Organization Studies*, vol. 24, pp. 187-214.

Joardar, A., Kostova, T. and Ravlin, E.C. (2007), 'An experimental study of the acceptance of a foreign newcomer into a workgroup', *Journal of International Management*, vol. 13, pp. 513–537.

Lindholm, N. (1999-2000), 'National culture and performance management in MNC subsidiaries', *International Studies of Management & Organization*, vol. 29, pp. 45-66.

Lubatkin, M., Calori, R., Very, P. and Veiga, J.F. (1998), 'Managing mergers across borders: a two-nation exploration of a nationally bound administrative heritage', *Organization Science*, vol. 9, pp. 670-684.

Mezias, M.J. (2002), 'How to identify liabilities of foreignness and assess their effects on multinational corporations', *Journal of International Management*, vol. 8, pp. 265–282.

Miller, C. T., and Kaiser, C. R. (2001), 'A theoretical perspective on coping with stigma', *Journal of Social Issues*, vol. 57, iss. 1, pp. 73–92.

Moeller, M., Harvey, M. Griffith, D. and Richey, G. (2013), 'The impact of country-of-origin on the acceptance of foreign subsidiaries in host countries: An examination of the 'liability-of-foreignness'', *International Business Review*, vol. 22, pp. 89–99.

Ngo, H.-Y., Turban, D., Lau, C.-M. and Lui, S.-Y. (1998), 'Human resource practices and firm performance of multinational corporations: Influences of country origin', *The International Journal of Human Resource Management*, vol. 9, pp. 632-652.

Noorderhaven, N.G. and Harzing, A.-W. (2003), 'The "country-of-origin effect" in multinational corporations: Sources, mechanisms and moderating conditions', *Management International Review*, vol. 43, special issue 2, pp. 47-66.

Pauly, L.W. and Reich, S. (1997), 'National structures and multinational corporate behavior: enduring differences in the age of globalization', *International Organization*, vol. 51, pp. 1-30.

Rozkwitalska, M. (2012), 'Staffing top management positions in multinational subsidiaries – a local perspective on expatriate management', *Journal on GSTF Business Review*, vol. 2, no. 2, pp. 50-57.

Rozkwitalska, M. (2012a), 'Managing barriers in intercultural management', in: Rozkwitalska, M. (ed.), *Intercultural management issues*, Warsaw: Difin.

Tregaskis, O. (1995), 'HRD in foreign MNEs', *International Studies of Management and Organization*, 28, vol. 1, pp. 136-163.

Zaheer, S. and Mosakowski, E. (1997), 'The dynamics of the liability-of-foreignness: A global study of survival in financial services', *Strategic Management Journal*, vol. 18, iss. 6, pp. 439–464.