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Citation: Schuster, Tassilo, Bader, Benjamin, Bader, Katharina and Rousseau, Denise M. (2022) When Foreign Waves Hit Home Shores: Organizational Identification in Psychological Contract Breach-Violation Relationships During International Assignments. *Journal of Organizational Behavior*, 43 (3). pp. 369-385. ISSN 0894-3796

Published by: Wiley-Blackwell

URL: <https://doi.org/10.1002/job.2576> <<https://doi.org/10.1002/job.2576>>

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# When foreign waves hit home shores: Organizational identification in psychological contract breach–violation relationships during international assignments

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## Summary

In the context of international assignments, this study investigates the psychological contract breach–violation relationship from a multiparty employment perspective. Multiparty employment refers to arrangements where employees have concurrent psychological contracts with more than one party. Drawing on two waves of survey data from 221 expatriates, we find both direct relationships and asymmetric spillover effects of psychological contract breach on violation. Psychological contract breach by either the home or host organization is directly linked to psychological contract violation by the breaching party. Additionally, spillover effects occur such that a breach by the host predicts psychological contract violation by the home organization, though not the reverse. These relationships are shaped by the expatriates' organizational identification. Identification with the host buffers the direct effect between breach and violation by the host, while dual organizational identification mitigates the direct effect between breach and violation by the home organization. Identification with the home organization diminishes the spillover effect from host breach to home organization violation. The opposite, identification with the host, amplifies the spillover effect of host breach to home organization violation. By examining the distinct dynamics of home and host organization contract breach and violation, we develop theoretical implications for understanding PCs in multiparty work arrangements.

## KEY WORDS

expatriates, multiparty perspective, organizational identification, psychological contract

## 1 | INTRODUCTION

Managing international assignments is a challenging and costly human resource management activity (Ge et al., 2019). A major challenge is

dealing with expatriate psychological contract beliefs regarding the new role and anticipated supports (Pate & Scullion, 2018). Psychological contracts (PCs) are widely studied in employment, referring to the beliefs individuals have regarding their reciprocal obligations with

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another party, typically an employer (Rousseau, 1995; Rousseau et al., 2018). In the context of expatriate employment, however, psychological contract research remains in its infancy. Studies focus “solely on an expatriate's social exchange relationship with the assigning parent company” (Kumarika Perera et al., 2017, p. 479), disregarding the complexity inherent in PCs of expatriates (De Ruiter et al., 2018). As a result, existing expatriate studies fail to account for the multiparty employment arrangements during expatriation in which expatriates simultaneously form psychological contracts with both the parent company (home organization) sending them abroad and the foreign subsidiary (host organization) to which they are assigned.

This multiparty employment arrangement makes expatriate psychological contracts more complex than those observed in conventional employment: The two psychological contracts can differ and the outcomes of psychological contract breach (PCB) can be complicated. For instance, consider that a home organization has fulfilled its psychological contract with the expatriate, while the host organization has not. Conventional conceptualization predicts that expatriates reciprocate the home organization's contract fulfillment by demonstrating positive work attitudes and behavior toward the home organization and reciprocate breach by the host organization with negative attitudes and behavior toward it. However, this is too simplistic. Research suggests that expatriates can develop negative feelings toward the home organization following host organization breach, holding both entities accountable for PC fulfillment (Kumarika Perera et al., 2018).

This study investigates the direct and spillover effects of PCB across expatriate employing organizations. Both global mobility and psychological contract scholars have urged attention to multiparty employment and its underlying complexity (Alcover et al., 2017a; Coyle-Shapiro et al., 2019). Focusing on the differences in roles and anticipated future exchange relationship characterizing the two expatriate employing entities (home and host organization), we shed light on the nature and direction of their PC-related effects. Furthermore, Parzefall and Coyle-Shapiro (2011) argue that employees experiencing breach engage in a sense-making process that serves to maintain a coherent self-identity and alters the outcomes of breach. This self-identity is partly reflected in an individual's organizational identification, that is, “the perception of oneness with or belongingness to the organization” (Ashforth & Mael, 1989, p. 22). In international assignments, expatriates can identify with the home organization, the host organization, both, or neither (Vora et al., 2007). Such identification leads to a positive bias toward the object of identification as the expatriate seeks to maintain a positive self-concept (Ashforth et al., 2008). Building on this logic, we propose and test the influence of the expatriate's organizational identification on the breach-violation relationship (Kumarika Perera et al., 2018) and its role in potential spillover effects in multiparty work arrangements. As the first study to investigate organizational identification as a factor in the aftermath of PCB in multiparty arrangements, we call attention to the dynamics of primary and dual organizational identification as a boundary condition of direct and spillover effects.

## 2 | THEORETICAL BACKGROUND

### 2.1 | Psychological contracts in international assignments

Psychological contract research calls attention to the consequential effects that an individual's beliefs regarding an exchange with another party can have (Rousseau, 1989). A key PC principle is that when one party believes an agreement exists with another, that person perceives reciprocal obligations between them, regardless of the beliefs held by the other party. If these obligations are not fulfilled, PC breach can occur. A breach is conceptualized as a cognitive evaluation of the extent to which one party fails to fulfill its obligations (often operationalized as the opposite of contract fulfillment) and can lead to the experience of PC violation (Robinson & Morrison, 2000). PC violation refers to individual emotional reactions that follow breach perceptions, including feelings of disappointment and betrayal (Morrison & Robinson, 1997). Thus, PCB is theorized to be the cognitive trigger and psychological contract violation (PCV) the affective or emotional response. Although sometimes used interchangeably, breach and violation are distinct constructs and not every breach leads to a violation (Robinson & Rousseau, 1994; Rousseau, 2011). PCV, in turn, is a strong predictor of negative conative (e.g., work engagement), attitudinal (e.g., affective commitment), and behavioral (e.g., extra-role performance) work outcomes (Zhao et al., 2007).

Expatriate psychological contracts may be particularly prone to breach and violation. First, expatriation requires high contributions of the individual, involving both taking a new position and relocating to another country—often together with a family (Lazarova et al., 2010). In turn, the individual expects employer inducements to be substantial in terms of compensation, support, and career progression (Breitenmoser & Bader, 2021; McNulty et al., 2013). Further, fulfillment of obligations can only be evaluated once abroad and at a distance from the home organization. Faced with the incomplete information characterizing formal assignment contracts, expatriates often must “fill gaps” in their PCs by interpreting and updating their psychological contract over time. This postcreation contract development process incorporates new experiences and unexpected conditions encountered during the international assignment (Kumarika Perera et al., 2017) such as language barriers (Tenzer & Schuster, 2017; Zhang & Harzing, 2016) or safety issues (Bader & Berg, 2013; Bader & Schuster, 2015). Unanticipated job demands can add new performance obligations to the expatriate's role (Bader et al., 2021) and family sacrifices incurred abroad can give rise to beliefs regarding reciprocal supports owed by the home organization (Rousseau et al., 2018). Nonetheless, the employer may be unaware of this ex-post interpretation process, and even if aware might not agree.

Adding to the complexity of PCs in international assignments are the reciprocal obligations expatriates form with more than one employer (McLean Parks et al., 1998). Expatriates typically form separate psychological contracts with the home and host organization. Prior research suggests that the expatriate is likely to see the home

organization as the primary referent for their employment both at home and abroad (Kumarika Perera et al., 2018). Expatriates tend to perceive breach when the home organization offers insufficient support, communicates poorly, or enforces strategic changes that hinder the expatriate's assignment objectives (Haslberger & Brewster, 2009). Expatriates also tend to perceive the home organization's obligations to extend beyond their assignment's duration (Ren et al., 2013; Yan et al., 2002).

In contrast, expatriates are likely to form a PC with the host organization limited to the assignment's duration. Hence, they tend to regard the host organization as the referent when it comes to assignment-related task fulfillment, ascribing to it obligations related to task support. Accordingly, expatriates may see the PC breached by the host when it allocates inadequate task-related resources and information (Schuster et al., 2017; Toh & Srinivas, 2012), fails to empower them sufficiently (Mezias & Scandura, 2005), or limits their participation in strategic decision-making (Chen et al., 2010).

Representatives of the respective home or host organization need not be aware of PC-related commitments with the other, particularly if not made in writing. For instance, line managers in the home organization may have encouraged the expatriate to accept an international assignment, arguing that the learning experience and greater decision-making authority abroad can create future career opportunities (Paik et al., 2002). Yet, the host organization may be in the dark regarding such commitments (Welch, 2003). Once abroad, the expatriate who realizes that opportunities for learning or decision-making are not as anticipated, can experience PCB.

## 2.2 | Expatriate organizational identification

We propose that a factor in the dynamics of PCs in multiparty employment arrangements is the extent that individuals identify with each organization or entity. Organizational identification can alter how individuals evaluate their organizational experiences as well as their affect and behavior (Ashforth & Mael, 1989), reflecting its role as "a key component of the overall representation of the employee-organization relationship" (Epitropaki, 2013, p. 66). Mael and Ashforth (1992, p. 104) define organizational identification as "the perception of (...) belongingness to an organization, where the individual defines him- or herself in terms of the organization(s) in which he or she is a member." Consistent with this definition, beliefs regarding organizational identification are self-referential or self-defining to an individual (Pratt, 1998). As opposed to organizational commitment, which is an attitude, identification is a core part of the self-concept (Van Knippenberg & Sleebos, 2006). Through identification, individuals find meaning in their connection to collectives (Hogg & Terry, 2000), pride of membership (Dutton et al., 1994), and positive predispositions toward the entity and its actions (Reade, 2001a). A key issue is whether several identities can be salient or activated at the same time. Scholars assume that identity salience can change over time and several identities may be salient simultaneously (George & Chattopadhyay, 2005).

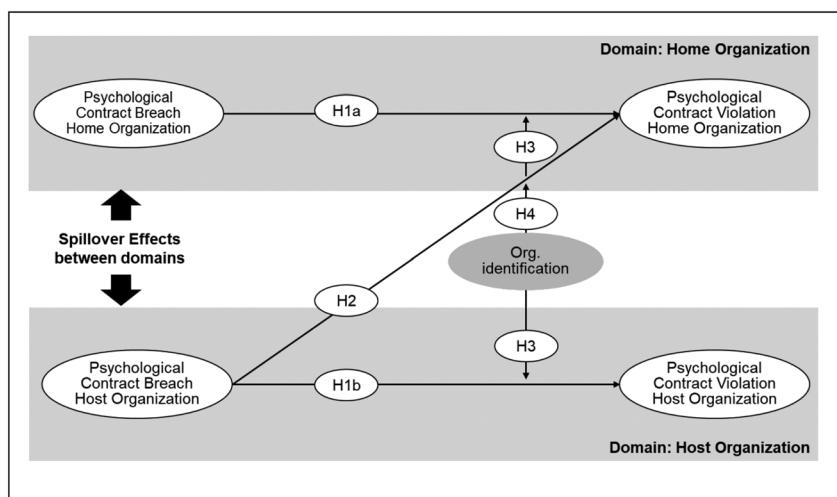
On international assignments expatriates can be expected to identify with either the home or host organization, both or neither. Dual identification can occur due to the nested relationship between home and host organization, priming the expatriate to attribute qualities of one entity to the other (Reade, 2001b; Vora et al., 2007; Vora & Kostova, 2007). It is fostered by a shared cognitive ground between them (Smale et al., 2015) when both entities have common goals and norms (Nahapiet & Ghoshal, 1998; Tsai & Ghoshal, 1998). On the other hand, when expatriates perceive the entities to be highly differentiated, identification can be stronger and primarily with one or the other. The psychological bond with the home organization is likely to be more important (De Ruiter et al., 2018), leading to stronger identification with it, reinforced by the view that expatriates represent headquarters (Reade, 2001b). However, research also proposes that employees often identify more strongly with their closest organizational unit (i.e., where daily duties are carried out) rather than with the organization as a whole (Bartels et al., 2007; George & Chattopadhyay, 2005). This observation suggests that expatriates sometimes identify more with the host than the home organization (Ashforth et al., 2008). Finally, expatriates can have silent identifications with other entities, including their profession or industry (Van Dick et al., 2004).

In the present study, we focus on how organizational identification with one or both of the parties affects expatriate PC dynamics. Accordingly, we distinguish between three types of organizational identification: Primary identification with the home organization, primary identification with the host, and dual identification with both. Organizational identification is expected to affect how individuals make sense of breach by one of the parties. Previous scholars suggest that after a breach-related experience individuals will engage in sense-making in order to interpret why it occurred, which alters how individuals react to a breach (Dulac et al., 2008). We argue that such changes in reactions are also likely to be motivated by attachment and relational factors (Morrison & Robinson, 1997). Van Knippenberg (2000) argues that identification is a form of attachment that can motivate individuals to stand up for the interests of a collective with which they identify and that this identification "lies at the heart of the perceptual, attitudinal, and behavioral effects of group membership" (p. 358). Drawing on the relevance of identification on the self-concept, we suggest that feelings of belonging and identification with one or more of the parties can alter how a breach by either of these parties unfolds. Figure 1 displays our research model.

## 3 | HYPOTHESES

### 3.1 | Effects of breach on psychological contract violation

Morrison and Robinson (1997) distinguished between PCB (i.e., the perception of a discrepancy between expected and delivered obligations) and PCV (i.e., an affective or emotional state that can follow that discrepancy perception). PCV is an intense emotional state


**FIGURE 1** Research model

characterized by “anger, resentment, bitterness, indignation, or even outrage” (Morrison & Robinson, 1997, p. 231), which employees develop following the perception that the employer has failed to meet its obligations. In a meta-analysis, Zhao et al. (2007) provide evidence that PCV is a proximal consequence of a PCB. It is important to underscore that while PCV and PCB are often (incorrectly) used interchangeably, they are separate constructs, one being a perception, the other an affective or emotional state. Their relationship is governed by an interpretation process following perception of breach (Morrison & Robinson, 1997).

Kumarika Perera et al. (2017, p. 489) theorize that expatriates are particularly at risk of developing a “negative affective state of psychological contract violation in response to psychological contract breach as they are likely to compare their sacrifices (e.g., family relocation, career disruption, lower living standards) with undelivered inducement(s) by the employer.” Consequently, expatriates who perceive that the home organization has failed to fulfill its obligations will likely develop negative emotional responses in the form of a PCV toward the home organization. Similarly, expatriates who perceive PCB by the host organization will develop feelings of violation toward it. We hypothesize:

**Hypothesis 1a.** PCB by the home organization is positively related to PCV toward it.

**Hypothesis 1b.** PCB by the host organization is positively related to PCV toward it.

Although research in single-employer settings shows that individuals target their affective response toward the responsible party, research on multiparty arrangements advances the notion of potential spillover effects where experiences with one party have consequences for another (Alcover et al., 2017b). Spillover effects can arise due to similarities between the parties, leading individuals to conflate them or to make a re-assessment of responsibilities from one party to another (Dawson et al., 2014). This logic suggests that

PCB not only generates feelings of violation toward the breaching party, but also to the nonbreaching party. However, we expect differences according to the specific party with whom the breach is associated.

We commence our argument with the host organization as the breaching entity. In the nested employment that constitutes international assignments (McLean Parks et al., 1998), expatriates may consider the host to be a subunit (or a representative) of the home organization. Relatedly, the host's interests, goals, values, and practices may be influenced by the home organization (Ambos et al., 2019). Accordingly, the home organization can have influence over the host's actions, and thus the expatriate can develop feelings of violation toward the home organization if the host breaches its PC. This spillover effect from host breach to home organization violation occurs as the expatriate considers the host's actions to be influenced, or at least tolerated, by the home organization. Further, since the home organization assigned the expatriate to the breaching host in the first place, it can be construed to bear some responsibility for the breach.

We expect different effects if the home organization breaches the PC. Although expatriates may be inclined to connect the host's actions with the home organization, it is less likely that expatriates relate the home organization's actions to the host. The host is likely to be seen as having less influence over how the home organization treats the expatriate. Second, the PC with the host organization is likely to be more narrowly defined within the duration of the assignment (Mezias & Scandura, 2005; Toh & Srinivas, 2012). It is less likely that events outside the host organization will affect how expatriates respond to it; thus, we expect that PCB by the home organization will be unrelated to PCV toward the host. Taking these two lines of reasoning together, we postulate that a spillover effect of PCB to PCV occurs from host breach to home organization violation, but not the reverse.

**Hypothesis 2.** PCB by the host organization is positively related to PCV toward the home organization.

### 3.2 | Moderating effects of organizational identification

Not all instances of PCB result in PCV (Dulac et al., 2008). Comprehensive research has established that whether PCB leads to PCV depends on an interpretative process that follows breach (Robinson & Morrison, 2000). Parzefall and Coyle-Shapiro (2011, p. 18) reason how employees who perceive a breach attempt “to reconfirm or clarify whether the breach had really occurred and whether there was a misunderstanding or misinterpretation” by seeking additional information about the reasons for breach. We argue that organizational identification can be an additional decisive factor that guides the outcomes of breach by an organizational party. Organizational identification relates to a sense of meaning and belongingness to one's organization, taking the form of a higher order cognitive schema through which individuals can interpret environmental cues including their employment experiences (Carver & Scheier, 2001; Rousseau et al., 2018). Identification can motivate cognitive effort in line with the interests of a collective with which an individual identifies (Van Knippenberg, 2000). Van Knippenberg (2000), who proposed that individuals consider the goals and interests of an object of identification as their own and react in accordance with what they believe, is in line with the interests of the identity target. Consequently, we argue that organizational identification can affect how individuals react to breach depending on which party they identify with as well as which party has caused the breach. Building on this logic, we next develop hypotheses regarding how different types of organizational identification moderate the direct effects from PC breach by the home and host organization to violation toward the home and host organization (H3a–H3d) and how it moderates the spillover effect from breach by the host to violation toward the home organization (H4a/H4b).

Organizational identification influences emotional responses as a function of the individual's need for a positive self-concept (Lee et al., 2015). Individuals who identify with an entity tend to focus attention on its positive aspects and downplay negative ones (Bergami & Bagozzi, 2000; Dutton et al., 1994). They also tend to behave in accordance with what they perceive as the norms and values of the identity target to avoid threats to their identity (Ashforth & Mael, 1989). Applying this logic to international assignments, expatriates who identify with either the home or host organization are likely to defend threats to their respective identity even if one of them breaches the psychological contract. Therefore, if an expatriate primarily identifies with the home or host organization and perceives a breach by this entity, that salient identity is expected to weaken any negative emotional responses to breach by the object of identification. We propose that if expatriates see themselves as part of that organizational entity, their need for a positive self-image and reinterpretation of this entity's actions will buffer the effects of breach by that entity.

Similar mechanisms apply if expatriates identify with both entities (dual organizational identification). Due to their feeling of belongingness to both entities, expatriates are expected to defend their self-

image and uphold their positive image of both organizations, which weakens the emotional response following breach. Through such a weakened effect, expatriates can maintain a positive identity-consistent assessment of the employer (Parzefall & Coyle-Shapiro, 2011). Consequently, identification with either or both parties to the PC is expected to buffer the effect of breach on PCV toward that party. Thus, we hypothesize:

**Hypothesis 3a.** Organizational identification with the home organization buffers the effects of PCB by the home on PCV toward the home organization.

**Hypothesis 3b.** Organizational identification with the host organization buffers the effects of PCB by the host on PCV toward the host.

**Hypothesis 3c.** Dual organizational identification buffers the effects of PCB by the home organization on PCV toward the home organization.

**Hypothesis 3d.** Dual organizational identification buffers the effects of PCB by the host organization on PCV toward the host.

We apply the same logic to explain the moderating role of organizational identification on the spillover effect (between parties) predicted in Hypothesis 2. There, we argued that a spillover effect is likely to occur in the direction of PCB by the host to PCV toward the home organization, and not vice versa. When expatriates perceive breach by the host with which they identify, they are likely to think and act in terms of this group membership (Van Knippenberg & Van Schie, 2000). Following this logic, the spillover effect of PCB by the host to PCV toward the home organization is strengthened by identification with the host.

On the other hand, if expatriates experience PCB by the host and identify themselves with the home organization, we expect the spillover from host PCB to PCV toward the home organization to be buffered. In line with the arguments above, expatriates identifying with the home organization are more likely to exonerate it to protect their positive self-concept. Finally, when expatriates identify with both organizational entities, spillover effects are less likely to operate, because sense-making serves to promote positive beliefs regarding both entities; thus, we expect no buffering or amplifying of spillover in the case of dual identification. Therefore, we hypothesize:

**Hypothesis 4a.** Identification with the host organization strengthens the spillover of PCB by the host on PCV toward the home organization.

**Hypothesis 4b.** Identification with the home organization buffers the spillover of PCB by the host on PCV toward the home organization.

## 4 | METHODOLOGY

### 4.1 | Sample

To collect multiwave data from expatriates currently on international assignment, we researched profiles on two online platforms, InterNations and LinkedIn.<sup>1</sup> We then emailed a token-based link to our online questionnaire, attaching a personalized invitation describing the purpose of the study. In total, we reached out to 2307 expatriates, followed by a reminder 2 weeks after initial invitation. We received 455 completed responses (response rate 19.7%). In a follow-up survey 6 months later, we invited them to participate in the second survey. Of those, 40 email addresses had been suspended in the interim; 221 respondents completed our questionnaire (response rate 53.3%). This is comparable with previous research on psychological contracts using a time-lagged design (Ng et al., 2010). In our sample, 23% are female, and average age is 40.4 years. In terms of time spent abroad, 4.6% were less than 1 year on the current assignment, 24.2% between 1 and 2 years, 26.0% between 2 and 3 years, and 35.2% more than 3 years. The five main assignment locations were China (20.4%), the United States (15.4%), Germany (11.8%), Singapore (9.0%), and Japan (4.5%). Finally, 73.2% were from companies headquartered in Europe, 13.2% in Asia, 6.8% in North America, and 6.8% elsewhere.

### 4.2 | Measures

Established scales were used to measure our main variables via a survey administered in English. As the level of English required is only intermediate, we are confident that it was appropriate and understandable for expatriates experienced in international business communication.

#### 4.2.1 | Psychological contract breach

PCB by the home and host organization was measured at Time 1, each with five items developed by Robinson and Morrison (2000) and using a 5-point scale (1 = *strongly disagree* to 5 = *strongly agree*). Widely used, it has been successfully applied in multiparty arrangements. Following Dawson et al. (2014), we adapted the original wording of Robinson and Morrison (2000) from “organization” to “assigning parent company” and “receiving foreign subsidiary.” A sample item is “I have not received everything promised to me by the assigning parent company in exchange for my contributions.” We developed similar items to assess PCB by the host organization such as “I have not received everything promised to me by the receiving foreign subsidiary in exchange for my contributions.” Cronbach’s alpha was .95 for PCB by home and .93 for PCB by host.

#### 4.2.2 | Psychological contract violation

PCV toward the home and host organizations was assessed at Time 2 with a 4-item scale developed by Robinson and Morrison (2000) with anchors from 1 = *strongly disagree* to 5 = *strongly agree*. Similar to PCB, we adapted the original wording from “organization” to “assigning parent company” and “receiving foreign subsidiary” to match our context. Items include statements such as “I feel a great deal of anger toward my assigning parent company.” Cronbach’s alpha was .95 for PCV toward the home and .96 toward the host.

#### 4.2.3 | Organizational identification

We assessed organizational identification at Time 1 by measuring primary or dual organizational identification of expatriates using a graphical scale, based on Shamir and Kark (2004), adapted to the context of international assignments (see Appendix A). Graphical scales were found to show a high convergent validity with conventional verbal identification scales. Moreover, as Farmer et al. (2015) argue, a graphical format provides a cognitive “speed bump” in surveys to help combat respondent fatigue and better illustrate the underlying logic. In line with Black and Gregersen (1992) and Vora et al. (2007), we showed respondents four different graphics and asked them to indicate the one best reflecting their organizational identification: primarily with the home, the host, both entities or neither.

#### 4.2.4 | Controls

Based on previous research on PCV, we measured several controls at Time 1: expatriate age, gender, organizational tenure, duration of international assignment and past international experience (Guzzo et al., 1994).

As all data were collected from the expatriate, we applied several remedies to reduce the likelihood of common method variance (CMV). Ex ante, we measured predictor and outcome variables at different points in time as recommended by Podsakoff et al. (2003). We informed respondents that there are no “right” or “wrong” answers and that we sought honest, spontaneous responses. Ex post, we first ran Harman’s single factor test (Harman, 1976) indicating that neither a single nor a general factor accounted for the majority of variance. The common latent factor test recommended by Podsakoff et al. (2003) and Chang et al. (2010) produced the same result.

## 5 | RESULTS

Table 1 displays means, standard deviations, and zero-order correlations for all variables. Correlations were all in their expected direction. Multicollinearity was evaluated using variance inflation factors (VIF).

**TABLE 1** Descriptive statistics and correlations

		Mean	SD	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.
1. Age		40.38	10.15	—											
2. Gender <sup>a</sup>		0.77	0.42	.24***	—										
3. International experience <sup>b</sup>		4.30	3.34	.68***	.32***	—									
4. Tenure <sup>b</sup>		10.53	6.96	.69***	.25***	.48***	—								
5. Assignment duration <sup>c</sup>		29.47	17.29	.42***	.22***	.50***	.31***	—							
6. PCB home organization		2.17	1.09	.00	—	-.05	-.02	-.11*	.00	(.95)					
7. PCB host organization		2.06	1.00	.03	-.03	-.02	-.12*	-.07	.41***	(.93)					
8. Org. ident: home organization		0.22	0.41	-.10	—	-.14**	-.09	-.05	-.13*	-.23***	-.09	—			
9. Org. ident: host organization		0.19	0.40	.02	.10	—	.05	-.04	.07	.25***	.15**	—	-.26***	—	
10. Org. ident: both		0.38	0.49	.08	.03	.03	—	.05	.08	-.22***	-.19***	-.42***	—	-.39***	—
11. PCV home organization		2.27	1.35	.06	.05	.05	—	-.03	.05	.58***	.42***	-.29***	.30***	—	-.42***
12. PCV host organization		1.97	1.26	-.04	-.01	-.11	—	-.11*	-.09	.24***	.51***	.06	-.08	—	-.28***
															.40*** (.96)

Note: Alpha reliability coefficients for the measures are shown in parentheses.

<sup>a</sup>1 = male; 0 = female.<sup>b</sup>Measured in years.<sup>c</sup>Measured in months.\*\*\*  
 $p < .01$ .\*\*  
 $p < .05$ . \*  
 $p < .10$ .

The VIF of the control variables, independent variables, and calculated interaction terms ranged between 1.16 and 2.82 with an average of 1.84, substantially lower than the threshold of 10 (Hair et al., 2006). Hierarchical moderated regression analysis using STATA 15 tested our hypotheses. Following Aiken and West (1991), we standardized

all control, independent, and moderator variables (dummy variables excluded) before computing interactions. Table 2 presents regression results for both the home organization (a) and host (b).

In Models 1a and 1b, we only included control variables, which explain a minute share of PCV variance for both home and host

**TABLE 2** Results from hierarchical regression analysis with psychological contract violation by home and host organization as dependent variables

	Psychological contract violation: Home organization						Psychological contract violation: Host organization			
	(1a)	(2a)	(3a)	(4a)	(5a)	(6a)	(1b)	(2b)	(3b)	(4b)
<b>Control variables</b>										
Age	0.02	-0.00	-0.00	0.01	0.01	-0.00	0.02	0.01	0.01	0.02
Gender	0.12	0.15	0.01	0.13	0.01	0.06	0.12	0.08	0.18	0.14
International experience	0.00	0.00	0.01	-0.01	-0.01	-0.00	-0.04	-0.04	-0.02	-0.05
Tenure	-0.03	0.00	0.01	0.00	0.01	0.01	-0.03	-0.01	-0.02	-0.02
Assignment duration	0.00	0.00	-0.00	0.00	0.00	0.00	-0.00	0.00	-0.00	-0.00
<b>Independent variables</b>										
PCB by home organization (PCB_P)		0.73***	0.72***	0.72***	0.74***	0.68***		0.05	0.09	-0.01
PCB by host organization (PCB_L)		0.32***	0.37***	0.30***	0.21*	0.49***		0.73***	0.90***	0.71***
<b>Moderator variables</b>										
Org. Ident: Home organization (ORG_P)			-0.65**				-0.56**			
Org. Ident: Host organization (ORG_L)					0.42*				-0.55**	
Org. Ident: Dual (ORG_D)				-0.87***						-0.53**
<b>Interaction terms direct effects</b>										
PCB_P × ORG_P			-0.28			0.16				
PCB_L × ORG_L								-0.54**		
PCB_P × ORG_L					-0.17					
PCB_P × ORG_D				-0.43*						
PCB_L × ORG_D									-0.08	
<b>Interaction terms spillover effects</b>										
PCB_L × ORG_L					0.43*					
PCB_L × ORG_P						-0.62**				
Intercept	1.47**	1.98***	2.23***	1.87***	1.76***	2.13***	1.57***	1.79***	1.99***	1.86***
R <sup>2</sup>	.02	.38	.44	.49	.44	.46	.03	.29	.36	.33
Adj. R <sup>2</sup>	.00	.36	.41	.47	.41	.43	.00	.26	.33	.30
F-stat	1.01	17.15	16.45	20.58	14.58	16.00	1.13	11.36	11.76	10.39

\*\*\* $p < .01$ .

\*\* $p < .05$ . \* $p < .10$ .

organizations (Model 1a: adj.  $R^2 = .00$ ,  $p > .05$ ; Model 1b: adj.  $R^2 = .00$ ,  $p > .05$ ). In Model 2a/2b, we included the independent variables to test the direct and spillover effects of PCB. In Models 3a/3b to 4a/4b, we included the interaction terms of organizational identification to test its moderating effects on the direct relationship of PCB (home/host) on PCV controlling for the direct effects of the moderator variables. In Models 5a and 6a, we tested the moderating effects of organizational identification on the proposed spillover effect.

### 5.1 | Direct and spillover effects of PCB on PCV

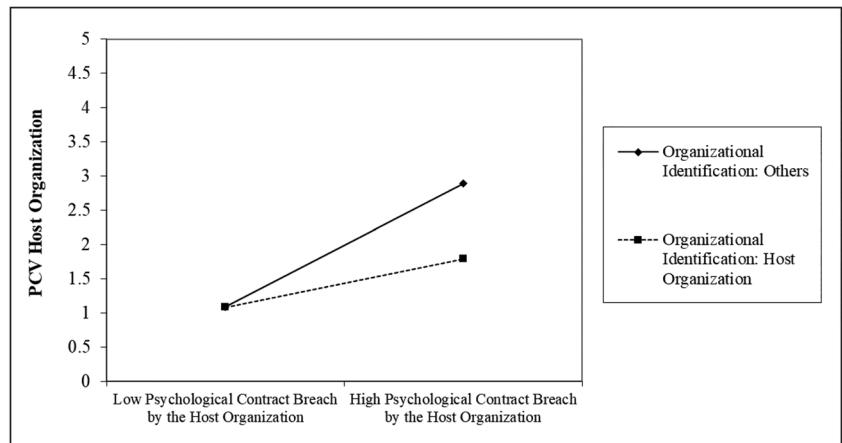
Testing Hypotheses 1a and 1b, we find support for both direct effects. PCB by the home organization ( $\beta = .73$ ,  $p < .001$ ; Model 2a) has a positive effect on PCV toward the home. PCB by the host organization ( $\beta = .73$ ,  $p < .001$ ; Model 2b) has a positive effect on PCV toward the host. Analysis supports the hypothesized spillover effect of Hypothesis 2, as PCB by the host is related to PCV by the home organization ( $\beta = .32$ ,  $p < .001$ ; Model 2a). While not hypothesized, we also tested whether PCB by the home organization is related to PCV toward the host, which it did not ( $\beta = .05$ ,  $p > .05$ ; Model 2b).

### 5.2 | Moderating effects on direct relationships (H3a–H3d)

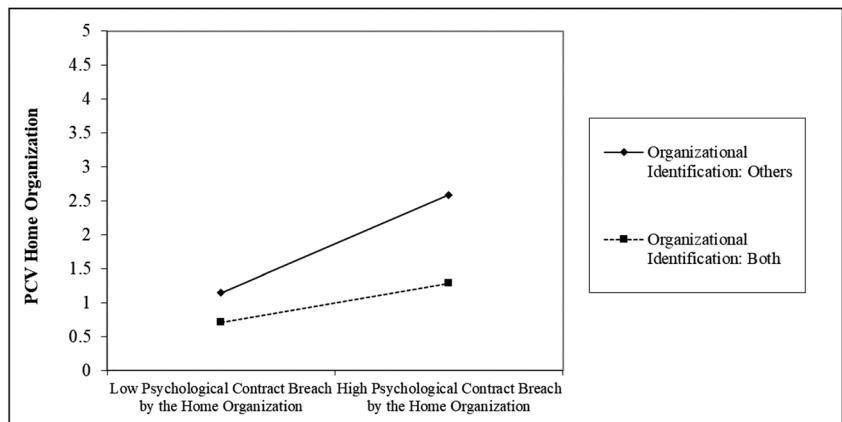
Testing Hypotheses 3a–3d, we found no support for Hypothesis 3a regarding the moderating effect of home organizational identification on the direct home PCB-PCV relationship ( $\beta = -.28$ ,  $p > .05$ ; Model 3a). Hypothesis 3b, arguing for a negative interaction of host organizational identification on the direct host PCB-PCV relationship ( $\beta = -.54$ ,  $p < .01$ ; Model 3b), was supported. A moderating effect of dual identification was found for the direct home PCB-PCV relationship ( $\beta = -.43$ ,  $p < .05$ ; Model 4a) but not for the direct host PCB-PCV relationship ( $\beta = -.08$ ,  $p > .05$ ; Model 4b). Following Aiken and West (1991), we depict the significant interaction effects, which support a buffering effect of identification with the host organization on the host PCB-PCV relationship (Figure 2) and dual identification on the home PCB-PCV relationship (Figure 3).

### 5.3 | Moderating effects on spillover relationships (H4a/H4b)

Testing Hypothesis 4a, we found a moderating effect of host organizational identification on the spillover of PCB by the host on PCV



**FIGURE 2** Psychological contract violation (PCV) toward the host organization by expatriates that identify with the host organization at low and high levels of psychological contract breach (PCB) by the host organization



**FIGURE 3** Psychological contract violation (PCV) toward the home organization by expatriates that identify with both organizational entities at low and high levels of psychological contract breach (PCB) by the home organization

toward the home organization ( $\beta = .43, p < .05$ ; Model 5a). Displaying the effect (Figure 4) supports that identification with the host intensifies the effect of PCB by the host on PCV toward the home organization. Testing Hypothesis 4b supports a moderating effect of home organization identification on the spillover of PCB by the host on PCV toward the home organization ( $\beta = -.62, p < .01$ ; Model 6a). Figure 5 shows that this is consistent with a proposed buffering effect. Although we did not hypothesize moderating effects for expatriates who neither identify with the home nor host organization, for the sake of completeness we tested for them, finding no interaction effect for nonidentifiers on any direct or spillover relationship. A summary of hypothesis-related results can be found in Table 3.

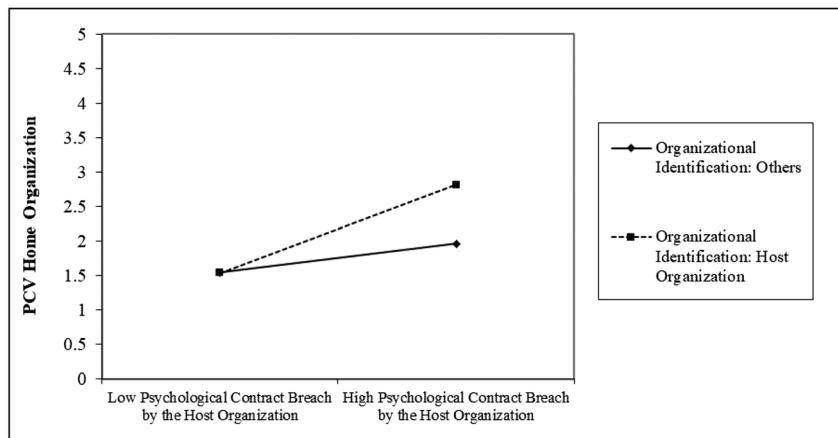
#### 5.4 | Post hoc tests

The meaning and interpretation of PCs and PCBs can differ across national cultures (Thomas et al., 2010). Distinct values and cognitive frameworks present across cultures can lead individuals to process information about their employment relation differently (Hui et al., 2004; Rousseau & Schalk, 2000; Thomas et al., 2003). Expatriates from an array of nations participated in our study. We conducted several post hoc tests to account for any differences attributable to home

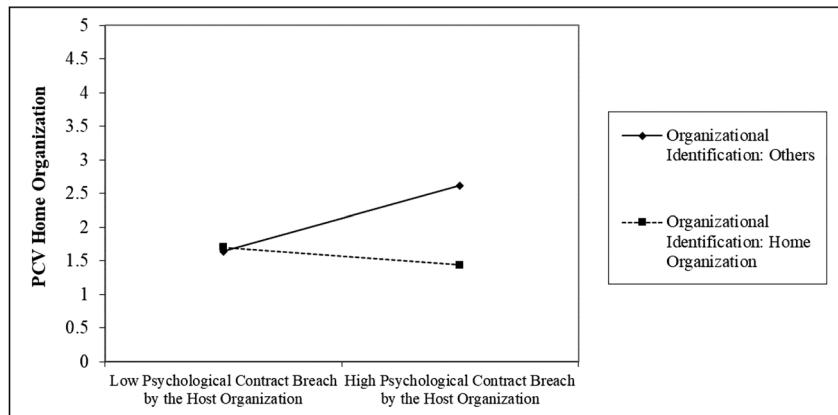
country (dummy coded as (a) five groups: Europe, North America, Asia, Latin America, versus Others; and (b) two groups: Europe versus Others) or its national culture (using Hofstede's original four cultural dimensions (a) dummy coded: low and high groups, (b) dummy coded: low, medium, and high groups, and (c) as measured on a scale). First, we used analyses of variance (ANOVAs) and chi-square difference tests to assess whether our main variables are affected by the home country or home country culture. Second, we reran our main analysis with home country and national culture of the home country as controls. Our results show that home country and national culture of home country have no effect on our main variables and only a very limited effect on our study findings. Consistent with prior research we propose that expatriates tend to identify with a more cosmopolitan community (Skovgaard-Smith & Poulfelt, 2018) and therefore conclude that the home country and national culture of our expatriates has only limited relevance in our study context. Details of our post hoc tests were shared with reviewers and are available upon request.

## 6 | DISCUSSION

This study investigated how expatriates react to PC breach in multi-party employment. As expected, breach by either the home or host



**FIGURE 4** Psychological contract violation (PCV) toward the home organization by expatriates that identify with the host organization at low and high levels of psychological contract breach (PCB) by the host organization



**FIGURE 5** Psychological contract violation (PCV) toward the home organization by expatriates that identify with the home organization at low and high levels of psychological contract breach (PCB) by the host organization

**TABLE 3** Summary of hypotheses testing

Hypothesis 1a: PCB by the home organization is positively related to PCV toward it.	Supported
Hypothesis 1b: PCB by the host organization is positively related to PCV toward it.	Supported
Hypothesis 2: PCB by the host organization is positively related to PCV toward the home organization.	Supported
Hypothesis 3a: Organizational identification with the home organization buffers the effects of PCB by the home on PCV toward the home organization.	Not supported
Hypothesis 3b: Organizational identification with the host organization buffers the effects of PCB by the host on PCV toward the host.	Supported
Hypothesis 3c: Dual organizational identification buffers the effects of PCB by the home organization on PCV toward the home organization.	Supported
Hypothesis 3d: Dual organizational identification buffers the effects of PCB by the host organization on PCV toward the host.	Not supported
Hypothesis 4a: Identification with the host organization strengthens the spillover of PCB by the host on PCV toward the home organization.	Supported
Hypothesis 4b: Identification with the home organization buffers the spillover of PCB by the host on PCV toward the home organization.	Supported

organization is positively related to violation-related emotions directed toward that party. More strikingly, spillover effects occur such that breach by the host increases the likelihood of PCV toward the home organization, even when the latter does not directly breach the contract—while the reverse does not occur. Observed relationships between breach and violation are also shaped by expatriate identification with the two parties that employ them. These findings have both theoretical and practical implications.

## 7 | THEORETICAL IMPLICATIONS

We advance scholarship, particularly theory and research on psychological contracts and expatriation, by highlighting two sets of implications for multiparty work arrangements.

### 7.1 | The role of different actors in multiparty arrangements

Supporting prior research in conventional employment, expatriates are likely to experience PCV and feel anger toward an entity breaching their psychological contract. However, adding to this, our study supports the notion of spillover effects in multiparty work arrangements (Dawson et al., 2014). Our findings suggest that expatriates tend to hold the home organization accountable for the host's breach, even when the home organization has otherwise fulfilled its contract, as they experience psychological contract violation regarding their home organization if the host organization breaches the contract. Note that this is not the case vice versa. Our observed spillover effects follow a certain logic, which we argue reflects interpretations that individuals tend to make about the responsibilities of the parties as the home and host organizations. While not hypothesized in our study, the assignment of responsibility for contract breach has been theorized to reflect beliefs individuals hold regarding causality, control, foreseeability, and intentionality (Morrison & Robinson, 1997;

Rousseau, 1995). From our study, we conclude that expatriates are predisposed to hold different beliefs based on the parties involved for different reasons.

First, scholars have theorized that breach need not lead to violation or can be altered if attributed to external circumstances or lack of intention, rather than purposeful reneging (Morrison & Robinson, 1997; Rousseau, 1995). For expatriates, an international assignment can make external circumstances salient, which then influences how they interpret breach and its effect on them (Kumarika Perera et al., 2018). We surmise that expatriates tend to judge the home organization to exert influence over the host by virtue of its relative position and power (i.e., headquarters vs. subsidiary or subunit). The home organization is thus viewed as liable and not an “innocent” party, consistent with the spillover effects Dawson et al. (2014) report in their study. In that study, the breach consultants experienced by their clients resulted in violation attributed to the consultancy firm employing them. That spillover effect was moderated by the consulting firm's obligation to intervene on their behalf as perceived by its employees. We suggest that expatriates also are likely to believe that the home organization exercises influence over the host and has the responsibility to mandate the host to change its actions when breach is experienced.

Second, in multiparty psychological contracts, spillover effects of PCB on PCV may also be predicated in part on a blurring of the boundaries and responsibilities between host and the more influential home organization. This blurring, we theorize, can be reinforced by the presence of overlapping PC obligations, affecting how responsibility for their fulfillment is assigned. The host as the proximal or local employer can be party to an array of obligations including a safe work environment, support for learning new skills and respectful treatment, common obligations also attributed to the home organization (Bal et al., 2011; Coyle-Shapiro & Conway, 2005; De Ruiter et al., 2018). Both host and the home organization may also be considered responsible for fulfilling obligations regarding the transition abroad (e.g., onboarding and language training, etc.) and family quality of life (e.g., partner support)—in line with the work and nonwork demands

expatriation imposes. How responsibilities are assigned for such overlapping obligations is a fruitful avenue of future study. Future research examining the actual obligations attributed to home and host and when and how they overlap is important to understanding the dynamics of PC breach and fulfillment in expatriation. We advise assessing expatriate perceptions of responsibility for PC fulfillment and the degree that home and host organizations overlap or differ in their obligations and responsibilities to the expatriate. These obligations can be operationalized in terms of the array of general obligations commonly assessed in PC research (Robinson & Rousseau, 1994) or as expatriation-specific obligations (Guzzo et al., 1994).

## 7.2 | Organizational identification in multiparty arrangements

We theorized that organizational identification alters how expatriates respond to PCB as it informs an individual's sense-making following breach. We infer from our results that expatriates who identify with one of the parties tend to be less affected if this organization breaches the psychological contract to avoid identity conflict or perceptions of incongruence. Accordingly, as we noted in our results, identification with the host organization mitigates the direct host PCB-PCV relationship and spillover relationships as well. In contrast, but in line with our hypotheses, identification with the home reduces the spillover effect. However, home organization identification fails to mitigate the direct home PCB-PCV relationship. That relationship is buffered *only* when dual identification exists. An important question here is: Why?

The moderating effect we detect regarding dual identification suggests an interesting phenomenon in multiparty arrangements, the expansion of the sense of self to include working relationships with several organizations or entities concurrently. While identification with the host buffers the direct effect of PCB by the host organization, identification with the home organization appears to be insufficient to shield it from its responsibilities as the primary employer. It appears that because the home organization is the primary and longer-term exchange partner (Kumarika Perera et al., 2018; Ren et al., 2013; Yan et al., 2002), mechanisms of sense-making after a breach (Morrison & Robinson, 1997) differ from those associated with the host. This seems to point toward individuals being less likely to reinterpret their home organization's actions based on their identification with it. Contrarily, individuals who identify with both appear to experience less negative emotion toward the home organization after a breach. We tentatively conclude that a broader identification with both parties is more likely to reroute interpretations of responsibility away from the home organization. This effect of dual identification does not hold true in the case of a breach by the host organization.

Our findings regarding identification also point to broadly overlooked phenomena in multiparty arrangements, the potential for the individual to come to identify with one, more, or all of the parties involved, and the nature of that identification (e.g., duration,

stability, and change) in temporary and nontraditional employment (Litchfield et al., 2021). Individuals seek to find stability in their identification, but due to the temporality of assignments, the strength of identification might be affected. Individuals have a strong drive to believe they are part of the settings in which they work (Ashforth & Mael, 1989) leading to an expansion of their sense of self to include the work setting (Rousseau, 1998). However, identity can take different forms in the individual's relationships with different parties. A *situated identity* is specific to a particular context (a temporary crew filming a documentary—or an expatriate abroad), primed by common task identification and shared experiences that create a sense of connection and positive perceptions of members. This identification tends to endure while the individual continues to interact with others in that setting. In contrast, *deep-structure identity* blurs the boundaries between self and other. It attaches special meanings to membership and the resources exchanged, making individuals more willing to expend efforts to protect the organization's interests and well-being. Deep structure identification is theorized to incorporate relational beliefs into their psychological contract (Rousseau, 1998). Future research on identification in multiparty arrangements should drill down into the extent and nature of identification, including whether it entails situated or deep-structure identities, primary or plural identities (Fitzsimmons, 2013), or identities differing in magnitude or form (Vora & Kostova, 2007). Research in multiparty arrangements can expand our understanding of organizational identity and its effects on psychological contracts in contemporary work settings by addressing alternative forms of identity in more detail.

## 8 | PRACTICAL IMPLICATIONS

This study calls attention to the complexity of multiparty arrangements and the opportunity for more effectively managing them. As foreign waves can hit home shores, the home organization risks being blamed by expatriates for disappointments abroad. HR professionals need to tune into how expatriates interpret their psychological contract and the responsibilities they attribute to the home and host organization. We advise the home organization to manage the host organization's expectations regarding the international assignment and its treatment of expatriates. On-going dialog and monitoring of the expatriate's experience abroad can help avoid mixed signals or being blamed for preventable problems. A good practice is for expatriates to keep in regular touch with managers at home via phone, email, virtual meeting platforms, or other collaboration tools to stay updated on company activities and share experiences. Moreover, both the home and host organizations should be prepared to renegotiate elements of the employment arrangement over the course of expatriation as the parties learn how to make the assignment more successful. Use of idiosyncratic deals to customize assignment and repatriation conditions can help prevent breach and serve as a countermeasure should it occur (Rousseau, 2005). Last, promoting quality relationships through communication creates and reinforces bonds between expatriates and their

multiple employers, fostering a greater and more generalized sense of identification with each party and more positive outcomes.

## 9 | LIMITATIONS

First, this study relies on data from individual expatriates only. Despite our time-lagged design and efforts to mitigate common methods bias, data from other sources including supervisors and archival records would be informative.

Second, our measure of organizational identification was a graphical representation of its global forms per past research (Shamir & Kark, 2004), rather than multi-item scales assessing its forms as continuous variables. Advantages of our measure include a focus on the higher order cognitive structure of identification consistent with the conceptualization of PC as a cognitive schema influenced by higher and lower order cognitive processes (Rousseau, 2001). Further, it reduces ambiguity and captures the number of and foci of organizational identification through forced choice. However, our measure did not fully represent the multiple aspects of organizational identification. Per Van Dick et al. (2004), organizational identification can reflect numerous foci (e.g., career, team, department, subunit, organization entities, company as a whole, and occupation) and dimensions (cognitive, affective, evaluative, and behavioral). We do not take into account potential identity integration (Fitzsimmons, 2013), or the magnitude and form of identification (Vora & Kostova, 2007). Thus, we encourage more research on the facets of organizational identification and its role in the dynamics of breach.

Third, our outcome variable was PCV, a key proximal consequence of PCB. However, PCB also predicts negative conative (e.g., work engagement), attitudinal (e.g., job satisfaction), and behavioral (e.g., task performance) outcomes, which we did not assess. Further, little is known about how expatriate PCs are formed or the link between PC content and each party's responsibilities. Future research is needed on the obligations comprising expatriate PCs, their association with each party, and the factors contributing to their breach or fulfillment.

Fourth, in assessing potential spillover effects from breach by one party to violation by another, the sense-making posited to underlie such effects is inferred but not directly assessed. We suggest that future research drill down into the nature of the obligations, parties are held responsible for, and the attributions made regarding breach.

Fifth, while we introduced organizational identification as a boundary condition of the outcomes of PCB, identification can also influence PCB directly. As our study design does not test this assumption, future research should look at direct effects of identity on PCB in multiparty arrangements.

Finally, prior research calls attention to the role of culture in PC dynamics (Rousseau & Schalk, 2000; Thomas et al., 2003, 2010). Our post hoc tests suggest that home country and national culture of the home country have only limited influence on the main variables and findings in this study. This may be due to the socialization of expatriates who often acquire new values by selecting into and participating in expatriation (Skovgaard-Smith & Poulfelt, 2018). At the same time,

we provide a framework for testing spillover effects in multiparty employment, which can be used to investigate generalizability to other cultural and employment contexts from consulting services to project work where workers have exchange arrangements with several organizations at the same time.

## 10 | CONCLUSION

Foreign waves can indeed hit home shores if the home organization becomes the target of negative emotions in response to PCB by the host organization abroad. At the same time, identification-building efforts may serve as a means of reducing the adverse consequences of breach, providing new insight into the psychological contracts of workers in multiparty arrangements.

## ACKNOWLEDGEMENT

Open Access funding enabled and organized by Projekt DEAL.

## DATA AVAILABILITY STATEMENT

Data cannot be shared due to privacy restrictions.

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## ENDNOTE

<sup>1</sup> Inclusion criterion was an intraorganizational cross-border change in the profile within the last 3 years. For instance, person A had listed work experience for company X in the company's home country Y, but now lists to be working for company X in country Z. This person would be considered an organizational expatriate and we would reach out to them.

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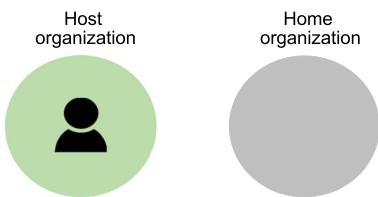
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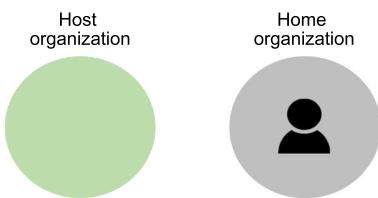
**How to cite this article:** Schuster, T., Bader, B., Bader, A. K., & Rousseau, D. M. (2021). When foreign waves hit home shores: Organizational identification in psychological contract breach-violation relationships during international assignments. *Journal of Organizational Behavior*, 1–17. <https://doi.org/10.1002/job.2576>

## APPENDIX A

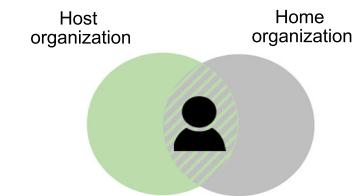
I identify myself primarily with the host organization



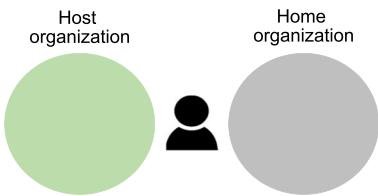
I identify myself primarily with the home organization



I identify myself with both home and host organization



I identify myself neither with the home nor with the host organization



**FIGURE A1** (a-d) Images and descriptions of organizational identification presented to respondents [Colour figure can be viewed at [wileyonlinelibrary.com](http://wileyonlinelibrary.com)]