

Article

***The Influence of Uncertainty Avoidance
on Future Intentions of
International Volunteers’
Service Abroad***

School of Business Administration

Master of International Business

University EAFIT

Master Thesis

Presented by:

Juan Gonzalo Perez

June 2017

Table of Content

Abstract	3
Keywords	3
Introduction	4
Literature review	6
Method	9
Sample and procedure	9
Instruments	10
Analysis	10
Results	11
Conclusions	13
References	14

Abstract

International Volunteer Service (IVS) has become more popular around the world and increasingly people take breaks from their studies or jobs to work as volunteers in other countries (Meneghini, 2016). However, research on how uncertainty avoidance affects future intentions of volunteering abroad is rather limited. Based on empirical data collected from 165 international volunteers who completed their service in Colombia, this study evaluated the effect of uncertainty avoidance on their intentions to continue working abroad. The Structural Equation modeling technique was used to analyze the data. The results indicate that uncertainty avoidance predicts future intentions to volunteer abroad.

Keywords

International Volunteer Service, Uncertainty Avoidance, International Business, International Management

Introduction

International volunteering service IVS in Colombia has become increasingly popular in recent years. There are grounds for believing that this increase on IVS is related to the improved image of the country abroad but also international travel becoming more widely available than ever before. Apart from that, there are a few NGOs promoting international understanding programs which aim to improve English language skills among students and teachers from educational public institutions. One of the pioneer NGOs in this model of IVS is the organization Volunteers Colombia (VC).

Volunteers Colombia (VC) is a Non-Governmental Organization (NGO) based in Colombia. It was founded in 2009 with the objective to expand the range of opportunities for low income students through English Co-Teaching and multicultural exchange. Between 2009 and 2016 it has brought over 1,500 international volunteers from over 35 different countries.

VC was the first organization to bring international volunteers to develop medium and long-term service programs designed to co-teach English in Colombia. The first program was implemented in 2009 with the participation of 5 international volunteers who taught at a small low-income school in an island closed to Cartagena. Today, Volunteers Colombia is one of the most relevant organizations in the development of international volunteer and cultural exchange programs in the country. Among those, is the Volunteachers SENA Program.

Volunteachers SENA is a government sponsored program. SENA (Servicio Nacional de Aprendizaje) is a government institution in charge of providing vocational training for young low-income Colombians who are looking to develop specific skills for the job market. The objective

of the program is to improve English language and intercultural skills among students and teacher through International Volunteers (IVs) who come to the country for periods of 5 to 10 months.

Throughout 2016, 262 IVs participated in the program. To participate, they had to comply with the following requirements: native or nonnative speakers with an international C1 certification according to the European Common Framework, professionals with a minimum of a bachelor degree, minimum one year of experience teaching English or TEFL/CELTA certification, 21-year-old or older, medical certificate proving that they are physically capable of participating in the program, maturity, flexibility, responsible and committed.

The process to participate includes fulfilling all the requirements in the application form, then a selection committee reviews and selects the candidates, who later, go through two different rounds of interviews. Once IVs are accepted into the program, an official letter of invitation is sent and the migration process starts.

At this point, feelings emerging from the uncertainty and ambiguity that characterize a new context become an important factor in the process of volunteer service abroad. The Globe study (House et al., 2004) defines Uncertainty Avoidance as “the extent which members of collectives seek orderliness, consistency, structure, formalizes procedures and laws to cover situations in their daily lives” (p.603).

Uncertainty Avoidance is considered an important aspect in the profiles of the International volunteers that participate in the program, along with their ability to teach in an international and intercultural context as well as the flexibility to adjust to unpredictable events. To help avoid uncertainty, the program requires international volunteers to attend a pre-departure training. This training provides information regarding visa procedures, terms and conditions of the program,

cultural adjustment tips, conditions in their placement cities, living style in Colombia as well as logistics upon arrival to the country. Next, once they arrive to the country they receive a two-week training which includes cultural adaptation, rules and regulation of the program, and thereby try to make life in general more predictable, taking away as much uncertainty as possible.

This brings up to the question of whether uncertainty avoidance influences the future intentions for IVS abroad. As an attempt to answer this question a study, including a sample of 165 program participants from 31 countries, was conducted.

Literature review

The GLOBE Study was conducted in the mid 1990's involving 127 investigators in 62 countries and it was designed to expand on Geert Hofstede's research which first took place in 1980 and then it was updated in 2001 (House et al, 2004). Both studies have developed measures for national cultural dimensions.

On the one hand, Hofstede came up with 6 dimensions (Power Distance, Uncertainty Avoidance, Individualism, Masculinity, Long Term Orientation and; more recently Indulgence) and the GLOBE study came up with 9 (Performance Orientation, Future Orientation, Gender Egalitarianism, Assertiveness, Institutional Collectivism, In-Group Collectivism, Power Distance, Humane Orientation and Uncertainty Avoidance). There are several differences among the studies but only two dimensions are similar in both; Uncertainty Avoidance and Power Distance.

Uncertainty Avoidance (UA) is a concept that was first used in the book the theory of the firm (Smit, 2015). Later, Hofstede (2001) describes UA as "Uncertainty-avoiding cultures shun ambiguous situations. People in such cultures look for structure in their organizations, institutions and relationships, which makes events clearly interpretable and predictable." (p. 148).

Subsequently, in 2004, UA is defined in the GLOBE Study (House et al, 2004) as “the extent which members of collectives seek orderliness, consistency, structure, formalizes procedures and laws to cover situations in their daily lives” (p.603).

Also, according to the transaction cost theory, uncertainty is one of the key determinants of market transactions between firms (Williamson, 1985) and plays a critical role in business and international business decisions (Hofstede, 1980). The focus on uncertainty avoidance in this article is justified because of its stated importance in international business management and its relationship with IVS in Colombia.

IVS has become more popular around the world and increasingly people take breaks from their studies or jobs to work as volunteers in other countries (Meneghini, 2016). However, research on how uncertainty avoidance affects future intentions of volunteering abroad is rather limited. Based on empirical data collected from 165 international volunteers who completed their service in Colombia, this study attempts to analyze the effects of uncertainty avoidance on their intentions to continue working abroad.

As described by Thomas (2001), International Volunteers are people who “make a total commitment to another culture for a specific term, so that their contribution is not a solitary act or a voluntary donation of time, but rather a distinct period in the individual’s life” (p. 22). The author also references a relation between adaptation to new norms of uncertainty as contributing factors to the economic success of their home country (Thomas, 2001). Additionally, Thomas (2001) argues that IVS enhance and develop professional skills related to global awareness, adaptability, and interpersonal skills.

According to Sherraden et al. (2006) the forms and structure of IVS are described based on the type of program and the type of sending organization. There is a distinction between IVS promoting international understanding and IVS providing development aid and humanitarian relief. The programs are divided in terms of the length of service and type of placement (individual or in groups). The authors make a distinction between short-term (1-8 weeks), medium-term (3-6 months), and long-term (6 months or more) service (Sherraden et al. 2006). Furthermore, the author states that “IVS can be assessed by its degree of internationality, or how much international exposure volunteers actually experience” (P.165).

After conducting research on exiting literature associated with the concept of uncertainty avoidance and IVS, a gap was found regarding the effect of uncertainty avoidance and future intentions to volunteer abroad. However, there are few studies where the concept of uncertainty avoidance is related to expatriates and study abroad programs for students.

On the one hand, Wright & Wright (2012) found that uncertainty avoidance has an influence in the decision-making process for students to study abroad. The authors use Hofstede’s Uncertainty Avoidance Index (UAI) to test for the work value homogeneity of students versus their country norm. They found that foreign students have a lower UAI than their country average, which means that they are less risk adverse than the population of their home country (Wright & Wright, 2012).

On the other hand, a study by Stroh, Dennis & Cramer (1994) analyzed the effects of uncertainty avoidance as predictor of expatriate adjustment. The authors based their model on the theory that high levels of uncertainty lead to lower levels of adjustment. The study found that by attending to human resource policies related to career development and spousal adjustment related issues, corporations should be able to lower premature return rate of their expatriates and enhance their

adjustment during international assignments (Stroh, Dennis & Cramer,1994). Following Stroh, Dennis and Cramer (1994) findings leads to the resulting hypothesis:

Hypothesis 1: Volunteachers SENA Pre-Departure and on site two-week training counteract the negative effect of UA on intentions to volunteers abroad.

Method

Sample and procedure

Data were collected via Google Surveys using convenience sampling (Lewis, Saunders & Thornhill, 2007). The survey was sent to 172 International Volunteers and a total 165 of them answered the survey in full which represents a 95% response rate; the survey was part of their international assignments. 36% of the volunteers participated for a period up to 5 months while 64% were in the program for up to 10 months.

Personal information relating to the period of data collection (2016). 46% were women and 54% were man. *The age was (minimum = 21, maximum = 55)*. 64 % were between 21 and 29, 30% were between 30 and 39, 5% between 40 and 49 and 1% are over 50 years old. *Economic level from country of origin*¹. 77% come from high income economies, 9% from upper middle income, 12% from lower middle income and 2% from low income.

¹ According to the World Bank (2017), for the current 2017 fiscal year, low-income economies are defined as those with a GNI per capita, calculated using the World Bank Atlas method, of \$1,025 or less in 2015; lower middle-income economies are those with a GNI per capita between \$1,026 and \$4,035; upper middle-income economies are those with a GNI per capita between \$4,036 and \$12,475; high-income economies are those with a GNI per capita of \$12,476 or more.

Instruments

Uncertainty Avoidance of International Volunteers who completed their service in Colombia was assessed with the 4 items of the GLOBE study (2004). The GLOBLE measure was selected for this study because is more recent than Hofstede`s study. The participants responded to the following items using a five-point Likert scale:

1. In this society, orderliness and consistency are stressed, even at the expense of experimentation and innovation.
2. In this society, most people lead highly structured lives with few unexpected events.
3. In this society, societal requirements and instructions are spelled out in detail so citizens know what they are expected to do.
4. This society has rules or laws to cover situations.

Future intentions. The participants were asked, using a five-point Likert scale, how strongly they intended to pursue more opportunities abroad of their home country after finishing the program.

Analysis

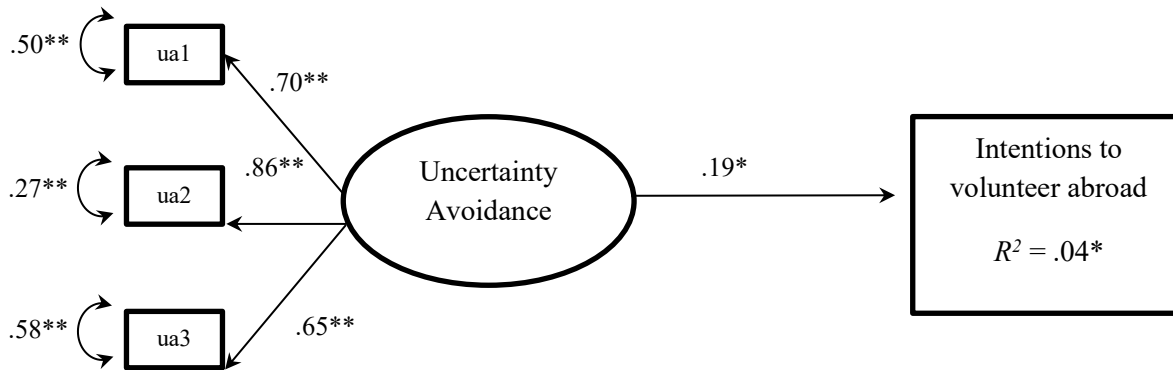
Mplus statistical package (v. 7.4; Muthén & Muthén, 1998-2015) was used to analyze the data. The Structural Equation Modeling approach was selected to test the theoretical model. SEM allows to analyze models containing latent –multiple indicators- (i.e. UA) and observed variables (i.e. Intentions to volunteer abroad) (Kline, 2010). Given the small sample size, the Bayes estimator was used (Song & Lee, 2012). The 95% Confidence Interval for the Difference between the observed and the Replicated chi-square values and posterior predictive p-value were selected to

assess the fit of the model. In both cases, non-significance suggests good fit to the data (Kaplan & Depaoli, 2012). The critical value considered for UA items factor loading was $> .04$ (Hair et al., 2008).

Results

Most of the participants (73%) answered that they would definitely continue to volunteer abroad. 18% manifested that they would continue working as international volunteers, whereas 7% were neutral. The other 2% of the respondents manifested little or no intentions to continue volunteering abroad. In a study conducted by Meneghini (2016), the author also found comparable results. When participants were asked whether they would engage in IVS in the future.; 55,8% asserted that they intended to volunteer overseas again in their life and 37,7% did not exclude it as a possibility (Meneghini, 2016). With regard to the measurement model, one factor loading did not reach the critical value. Consequently, the corresponding item (ua4) was deleted from the regression model. The re-specified model with three out of four UA items (see Figure1) adequately fitted the data ($p = .26$; 95% CI [-9.967, 19.484]) and explained 4 percent of the variance of intentions to volunteer abroad.

Figure 1. Re-specified model results



Note: $n = 165$; * significant at the $p < .05$ level; ** significant at the $p < .01$ level

Specifically, the results (see Figure 1) partially supported H1 as UA exerted a positive statistically significant effect on intentions to volunteer aboard. A plausible explanation for the positive effect is presented by Meneghini (2016), as she states that “what seems to characterize people’s motivations to engage specifically in International Volunteers Service is that this type of voluntary activity satisfies a desire for adventure or challenge. This is because IVS provides an opportunity to experience a way of life that, culturally speaking, is completely different from the person’s usual way of life” (P. 1221). In other words, volunteering abroad positively effects the level of uncertainty avoidance, making volunteers more open to new experiences as they are already experiencing something completely different from their usual way of life in their home country and therefore will be more likely to continue pursuing more opportunities abroad.

Conclusions

The resulting information is useful in order to develop better training programs for International Volunteer Service Programs. It will also help to determine the relation between uncertainty avoidance and intention to travel and work abroad. Uncertainty avoidance is becoming more relevant for international business as it provides managerial tools for not only International Volunteers Service programs, but also for expatriate missions and study abroad programs.

The fact that UA exerted a positive statistically significant effect on intentions to volunteer abroad allows to better understand the intentions to extend their service in the program and implement better strategies to reduce dropout rates. Moreover, based on the results of this study, we can assume that volunteers who manage to develop better skills to deal with uncertainty avoidance are more likely to continue working abroad and as a result gain better advantage in the international labor market. Future research should include more than 1 measure of UA to analyze the effects of that variable on intentions to volunteer abroad, and prove construct validity. Further, future studies should include a control group to help isolating the balance that training impose on the effect of volunteers' UA on their intentions to volunteer abroad. In that case, researchers could analyze the moderating effect of training on that relationship.

References

Hair, J. Anderson, R. Tatham, R. & Black, W. (2008). *Análisis multivariante*. Madrid: Prentice Hall.

Hofstede, G. (2001). *Culture's Consequences: Comparing Values, Behaviors, Institutions and Organizations Across Nations*. Thousand Oaks: Sage.

Hofstede, G. (1980). *Culture's Consequences: International Differences in Work-Related Values*. Beverley Hills: Sage.

House, R. J., P. J. Hanges, M. Javidan, P. W. Dorfman, & G. Vipin. (2004). *Culture, Leadership, and Organizations: The GLOBE Study of 62 Societies*. Thousand Oaks: Sage.

Javidan, M., R. J. House, P. W. Dorfman, P. J. Hanges, & M. Sully de Luque. (2006). 'Conceptualizing and measuring cultures and their consequences: a comparative review of GLOBE's and Hofstede's approaches'. *Journal of International Business Studies*, 37(6): 897- 914.

Kaplan D, Depaoli S. (2012). Bayesian structural equation modeling. In: Hoyle R, editor. *Handbook of structural equation modeling* (pp. 650–673). New York, NY: Guilford Press; 2012.

Kline, R. (2010). *Principles and practice of structural equation modeling*. New York: The Guilford Press.

Lewis, P., Saunders, M., & Thornhill, A. (2007). *Research Methods For Business Students*. Harlow, England Prentice Hall 2007.

Linda K. Stroh, Leslie E. Dennis, Tim C. Cramer, (1994) "PREDICTORS OF EXPATRIATE ADJUSTMENT", *The International Journal of Organizational Analysis*, Vol. 2 Iss: 2, pp.176 – 192

Meneghini, A. (2016). *A Meaningful Break in a Flat Life: The Motivations Behind Overseas Volunteering*.

Muthén, L.K. and Muthén, B.O. (1998-2015). *Mplus User's Guide*. Seventh Edition.

Sherraden, M., Stringham, J., Sow, S., & McBride, A. (2006). The Forms and Structure of International Voluntary Service. *Voluntas: International Journal of Voluntary and Nonprofit Organizations*, 17(2), 163-180. Retrieved from <http://ezproxy.eafit.edu.co:2111/stable/27928015>

Smit, C. (2015). *Uncertainty Avoidance in international Business; The Complete Guide*. Culture Matters.

Song X.Y., & Lee S.Y. (2012). A tutorial on the Bayesian approach for analyzing structural equation models. *Journal of Mathematical Psychology*, 56(3), 135-148.

Thomas, G. (2001). *Human traffic: Skills, employer and international volunteering* (1st ed.). London: Demos.

Venaik, S., & Brewer, P. (2010). Avoiding uncertainty in Hofstede and GLOBE. *Journal of International Business Studies*, 41(8), 1294-1315. Retrieved from <http://ezproxy.eafit.edu.co:2111/stable/40863979>

Williamson, A. E. (1985). *The Economic Institutions of Capitalism*. New York: Free Press.

World Bank Country and Lending Groups – World Bank Data Help Desk. (2017). Datahelpdesk.worldbank.org. Retrieved 23 May 2017, from

<https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups>

Wright, A., & Wright, D. (2012). Measuring Hofstede's Uncertainty Avoidance Using Foreign and Domestic Students.