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Expatriates in China: A Review of the Literature

Bruce W. Stening and Yi Yu

Abstract

This paper reviews the literature on expatriate managers and expatriate management in China that has been published since 1990, examining the major findings. The literature is divided into three categories: first, papers which generally describe issues related to the deployment of expatriates in China, their circumstances there and the challenges they face; second, research which has examined the adaptation of individual managers and their families to living and working in China; and, third, studies which focus on strategic human resource management matters, such as localization. The paper critically assesses the contributions made by these studies, both to theory and to management practice. Several gaps are identified which might be addressed by future research.

Introduction

Given the enormous injection of foreign direct investment into China over the past fifteen years or so, it is not surprising that there has been a great deal of attention directed to how the human capital – both local and foreign - involved in the projects funded by that investment is managed. Clearly, much is at stake, including the investment in that human capital itself. It is estimated that there are in excess of 90,000 expatriate managers (not including those from Hong Kong or Taiwan – sizable numbers in themselves) from a diverse range of countries currently working in China (People’s Daily Online, 2004) and, of course, many times that number of locals employees involved in the same firms. The performance of the firms which the expatriates and their local counterparts manage will arguably be heavily dependent on how well they perform their jobs which, in turn, will be a function of a large number of factors. The practical
importance, then, of understanding how best to select, train and manage expatriates in China is immense. If we accept that the likelihood of expatriate failure (as typically measured by their early departure from their assignment) is at least as great in China as elsewhere, the costs of not doing these things well will be considerable in many different ways – financially and strategically for their firms, as well as psychologically and in career terms for the individuals.

The deployment of expatriates around the world has attracted a large amount of interest in both the management and psychology literature, as several recent broadly based reviews of the literature clearly show (see for example, Thomas, 1998; Mendenhall et al., 2002; Harrison et al., 2004). While, overall, that body of work has contributed to our knowledge and understanding, the reviewers have invariably pointed to paradoxes, puzzles, anomalies and contradictions in the research findings. Given that, by its very nature, expatriation experiences are likely to differ, at least in some respects, from location to location, findings based on studies in China may be expected to contribute not only to specific knowledge about the issues in that country but, by comparison with other locations, to theory in the field more generally. Indeed, theory building in management, it has been argued (March, 2005) should be about deriving general theories from studies in a variety of diverse ‘environments’. Studies of expatriates in China, then, might be expected to make important contributions both practically and theoretically.

The purpose of this paper is to examine the research which has been conducted into matters broadly related to expatriate managers in China, with a view to doing several things: outlining the form that research has taken and the main findings which have emerged; assessing the contribution made by those studies to our understanding of matters related specifically to expatriates in China as well as to the literature on expatriate management more generally; and assessing the areas in which there appear to be significant gaps in our knowledge and understanding. There are two premises underlying the paper: first, that out of the large number of studies which have been written on the subject there should be a number of generalizable findings which have emerged and that this is a timely point at which to identify them; and, second, that, given the rapidly changing context in which expatriates in China operate, it might also be useful to identify the key matters of both practical and theoretical concern to which our attention should now be directed.

The paper is divided into several sections. In the next section, the major research findings of the literature on expatriates in China are outlined in some detail; after a discussion of papers which have described broadly issues related to the use of expatriates in China, their circumstances there and the challenges they face, there is an examination of the adaptation of individual managers and their families to living and working in China, followed by a consideration of studies which have focussed on strategic human resource management issues, such as localization. In the section that follows, the paper critically assesses the contributions made by these studies, both theoretically and to management practice, looking not just at what has been learned as a result of this work, but apparent weaknesses and shortcomings as well. Attention is directed to what future research might be undertaken on expatriates in China.

**Review of the Literature**

Research focusing on expatriate issues in China started seriously in the early 1990s and has grown enormously in the last decade. There have been three main streams of work. The first stream comprises studies that have explored the expatriate experience in China from a very general perspective. Typically, these studies have gathered data from expatriates who have been or are expatriates in China and are focussed on providing information and advice to managers preparing for their assignment to China and to firms seeking to set up an appropriate expatriation strategy and relevant policies. Most are descriptive in nature and concentrate on outlining the peculiarities of China that are most likely to be problematic. The second stream is research that has examined the adjustment difficulties faced by managers and their families assigned to China. This work has concentrated on examining empirically whether selected variables are related to
various measures of adjustment. The third stream is constituted of studies that have focussed on strategic human resource management matters, such as the replacement of expatriates by locals (localization) and general considerations of training and the like, most often in the context of Sino-foreign joint ventures. A small number of studies have dealt with topics in both the second and third streams.

The literature on the management of foreign enterprises in China is large and growing [note: a book on this topic co-authored by one of the authors of this paper is in press with a leading publisher but is not mentioned here in order that the blind review process is not compromised; if the paper is accepted, it will be included in the final version of the paper]. Though the topics covered are highly varied, a large body of it is either directly or indirectly related to matters associated with expatriates. The relevant literature was compiled through a combination of keyword searches of various databases and trawling of references in papers unearthed by the keyword searches. Several decision rules were established for the inclusion of studies in the review. First, the review comprises papers published in journals and not books or chapters in books. The reason for this rule was, first, that the review process is in general more rigorous for journals and, second, that journal material is much more readily accessible. In any event, the number of books that the search process found which were seriously analytical and research-focussed was very small. Second, only papers written since 1990 are included, on the basis that knowledge about this topic (and, indeed, most others relating to management in China) is changing very rapidly. Third, the focus is on papers that deal fairly directly with the topic. Thus, some very good papers (for example, Child and Tse, 2001) that are relevant in setting the context within which the issues relating to expatriates are framed are excluded. Similarly, papers which deal predominantly with human resource management issues - even in the context of foreign firms - in China (for example, Goodall and Warner, 1997; and Ding et al., 1997), but not specifically or in any detail with expatriate-related issues, are not included. Fourth, only papers dealing with expatriates in Mainland China have been included; Hong Kong, Taiwan and Macau are very different places in terms of the issues and problems they pose. Within those defined parameters, the review is as comprehensive as we were able to achieve.

**General Perspectives on the Expatriate Experience in China**

The economic, political and cultural context in which expatriates live and work in China is very different to that they may experience elsewhere. A number of papers have sought to describe and summarize the experience of expatriate managers there, arguing in one case (Weiss and Bloom, 1990: 28) that “…a little bit of experience can upset a lot of theory”. The assumption made by these papers has essentially been that organizations could significantly enhance expatriate managerial effectiveness by systematically building, updating and disseminating knowledge based on the experience of expatriate managers (Sergeant and Frenkel, 1998) and that international joint venture performance depended on effective human resource management policies and practices (Verburg, 1996).

Expatriates have been working in China for a very long time, dating back to the nineteenth century, especially after diplomatic relations were established with China and foreign enclaves set up there. As described in other historical studies of expatriate adaptation (for example, Stening, 1994, in relation to India), conditions in those early days were very arduous, involving lengthy separations from families, political turbulence and exposure to harsh climatic conditions and disease (Coates, 1988). Though conditions undoubtedly improved, certainly until well after the Cultural Revolution had ceased, they were still harsh. In one of the earliest papers covered by the time parameters of this review, Weiss and Bloom (1990: 24) concluded from their survey of twenty-six expatriates that “…living in China is a difficult and trying experience, especially for those unprepared or ill-advised about the living and working conditions”. The most significant issues troubling the expatriates in terms of day-to-day living were the lack of non-work activities and entertainment; lack of privacy; travel within China; language; and lack of expatriate communities. At work, many people found it difficult to form close relationships with
Chinese employees and could not understand differences in management styles and workplace practices. The conclusion of the study was that a much better job needed to be done by firms to both select and train managers for assignment in China.

Since the Weiss and Bloom (1990) study, various other papers have described the broad problems faced by expatriates in China, typically choosing to focus in on a few ‘key’ aspects that they believe are critical if there is to be successful adaptation. Bjorkman and Schaap (1994), for example, emphasized the importance of understanding guanxi and face and of sending expatriates to China who are sufficiently old and senior as to gain the respect of the locals. They, too, noted that few managers had received socio-cultural training to prepare them for their assignment. Their paper was one of the first to discuss the pros and cons of using overseas Chinese as expatriates in China, a debate that was picked up by many others (for example, Stewart and DeLisle, 1994; Selmer, 2001a) and which continues to this day.

Rather than generalizing across a large number of industries, some studies have focussed on the particular difficulties encountered by expatriates in one industry. Yu and Goh (1995), for example, specifically studied the hotel industry. Based on the results provided by 104 foreign hotel managers, they concluded that the most problematic management matters confronting them were (in order of importance), local staff attitudes and lack of competence; language barriers; cultural differences; lack of local management support; and government policy changes. In a similar vein, Feng and Pearson (1999) asked 133 expatriate hotel managers to rate the importance of different selection criteria in terms of their contribution to ‘success’ in China, identifying adjustment and adaptation skills, interpersonal relations skills, cultural stress management, knowledge of Chinese culture and survival language as the most important. Given the great strides made in upgrading the service sectors in China, one can imagine that were similar surveys conducted in the hotel industry today, the results might be quite different. Indeed, in a study conducted by Tung and Worm (1997), comparing the problems encountered by northern European expatriates assigned to China in the early 1990s with those only a few years later, the significantly more favourable attitudes and perceptions of the latter were ascribed by the authors to the dramatic improvements over that time in the social support structures for expatriates and, more generally, to positive changes in the living conditions resulting from economic growth in the country. In view of such rapid improvements in living conditions, especially in the major cities, since then, though many of the difficulties described by such early works might still be present, the severity of their impact on expatriates is likely to be much less.

As noted, some studies have identified particular cultural characteristics of China that might be regarded as critically important for expatriates but difficult for them to understand or develop skills in relation to. Starting with Bjorkman and Schaap’s (1994) paper, the concept that has received most attention is guanxi. Though it does not have a precise English equivalent (Fan, 2002; Chen and Chen, 2004), it is most often translated as ‘connection’ or ‘special relationship’. Michailova and Worm (2003) compare guanxi with Western styles of networking and discuss the historical and cultural basis for it and its relevance today. They point to the need for expatriates to be familiar with what it is and how it operates – and to go about developing their own guanxi – if they are to be successful. Such findings have been supported by several empirical studies. In a survey of 77 Canadian companies doing business in China, the development by expatriates of guanxi based on trust and mutual benefit were shown to be essential (Abramson and Ai, 1999). To answer whether they have continued significance and are applicable on the considerably larger scale of multinational corporate business in the 21st century, Hutchings and Murray (2002, 2003) interviewed twenty-two Australian expatriate managers in Shanghai and found that the necessity of establishing guanxi is determined by company size, being relatively more important in smaller companies. Further, they noted that expatriates spent much time building their guanxi in the first few years of their assignment but that, after that time, their networks were typically well established.
Though the concept is often treated at a very general level of abstraction, some work has pointed to the need to bore down into its meaning and implications for expatriates in very specific ways. For example, a particular type of guanxi, supervisor-subordinate guanxi, was empirically investigated in a study of 189 supervisor-subordinate dyads in China (Law et al., 2000). The study found that supervisor-subordinate guanxi is distinct from Western concepts such as leader-member exchange and commitment to supervisors in Western countries and provided additional explanatory power in relation to supervisory decisions regarding promotions and bonus allocations after controlling for performance. On the basis of their results, the authors pointed to the need for expatriate managers to understand the expectations of their Chinese staff and to develop appropriate guanxi with their Chinese subordinates.

Other than guanxi, through their interviews of Australian expatriate managers in Shanghai, Hutchings and Murray (2002, 2003) identified some other Chinese characteristics thought to be essential for expatriates to understand. For example, the saving and maintaining of the face (mianzi) of others was regarded as vital to their success in the country. Favours on some level exist outside China but it takes a much more structured form there.

While ‘culture’ and cultural differences between China and the countries of origin of the expatriates explain much about the difficulties that expatriates experience, as Hoon-Halbauer’s (1999) paper makes clear, a much wider range of factors should be taken into account, including such matters as the structural relationships of the partners to the international joint venture and its organizational culture. Only by considering these broader contextual variables can one hope to understand such things as ‘allegiance’, ‘lack of communication’ and ‘mistrust’. As we shall discuss later in the paper, many studies, especially those dealing with the adjustment and adaptation of individual managers have failed to account for these factors adequately.

There are, then, a number of studies that have painted a picture of what expatriates and their organizations might expect to encounter in China and the cultural aspects of China to which they need to have particular sensitivity. They are best considered in the broader context of human resource management issues encountered in China and are often put into starkest perspective when comparisons are made with other countries (Valentine and Godkin, 2001; Fey et al., 2004). On the negative side, they have consistently found that China is an especially challenging country in which to be an expatriate. On the positive side, they point to things getting markedly easier over time.

Studies of the Adjustment of Expatriate Managers at an Individual Level

There is a considerable body of research that has examined the adjustment of individual expatriate managers to China. Almost all of it has been conducted in the last ten years and more than half of that has been written (solely or in co-authorship) by Jan Selmer. Though, as we shall discuss, the studies have used several different dependent variables, the focus of attention in this work has been on how well expatriates adjust to living in China and what factors make their adjustment more or less difficult. This research is anchored in a very large body of previous work which has researched expatriate adaptation (and sojourner adjustment more generally), particularly from a psychological perspective (see Harrison et al. 2004, for a recent review of this literature). Our purpose in this section is to summarize the major findings of the studies conducted in China, where appropriate noting how they are similar to or different from the findings of research undertaken elsewhere.

The overwhelming concentration has been on the following dependent variables: ‘adjustment’, ‘psychological well-being’, ‘subjective well-being’ and ‘coping strategies’, with a much smaller number of studies examining ‘culture shock’, ‘intercultural learning and competence’, ‘success’ and ‘performance’. There has been an underlying assumption in most work that low levels of adjustment or well-being will be negatively associated with work performance. Even those studies that have purported to measure performance have relied on rather general and subjective (self-report) assessments. It should be noted, the lack of attention to objective measures of expatriate performance in relation to adjustment is a general phenomenon and not
specific to the China studies (Ward et al., 2001; Harrison et al. 2004).

Like studies of expatriate adjustment undertaken elsewhere, the China studies have relied heavily on the seminal conceptual work of Black and his colleagues (see Black, 1988; Black et al., 1991) and several others, particularly Ward and her colleagues (Searle and Ward, 1990; Ward and Kennedy, 1992, 1993; Ward and Searle, 1991). Black et al. (1991) distinguish between three facets of adjustment: adjustment to work; adjustment to interacting with host nationals; and adjustment to the general environment. This emphasis on the multifaceted nature of adjustment was a significant advance over previous unitary constructs. It was concerned with understanding the variety of sociocultural aspects of expatriate adjustment from a social learning perspective. There is an important distinction to be made (see Searle and Ward, 1990) between this type of sociocultural adjustment in which the emphasis is on the 'fit' between the expatriate and his/her environment and psychological adjustment where the focus is on the expatriate's sense of well-being and satisfaction. In terms of the measurement of these constructs in China, in common with most studies of sociocultural adjustment elsewhere, the instrument most often employed has been Black and Stephen's (1989) 14-item scale in which respondents assess themselves on a scale ranging from 1 (very unadjusted) to 7 (completely adjusted). Psychological adjustment has most commonly been measured using Goldberg's (1972) General Health Questionnaire (GHQ-12) which asks respondents to assess how well they have been feeling over recent weeks. In his research into coping strategies, Selmer (2001c, 2002b) used a 14-item scale self-report instrument 'informed by Dunbar' which assessed both problem-focused and symptom-focused coping mechanisms. There was also use of other scales - some developed by the researchers themselves - as well as qualitative assessments based on personal interview data. In order to avoid confusion in our subsequent discussion of independent variables, it should be noted that some variables have been used both as independent and dependent variables in different studies: for example, coping strategies (Selmer, 1999a; Selmer, 2001c, 2002b); psychological barriers to adjustment (Selmer, 2001c, 2004b; 2001a); and adjustment (used as an independent variable in Selmer, 1998, and as a dependent variable in many studies).

Overwhelmingly, the most frequently examined independent variable related to expatriate adjustment has been the nationality of the expatriate, most often comparing the relative adjustment levels of expatriates from different places. Comparisons have been made of Westerners and Overseas Chinese (Selmer, 2001a, 2002b, 2002c); Western Europeans and North Americans (Selmer, 2001b); Asian third-country nationals and Westerners (Selmer, 2002d); Overseas Chinese, other Asians, North Americans and Europeans (Wang and Kanungo, 2004); as well as Chinese expatriates in Hong Kong compared to Hong Kong expatriates in China (Selmer et al., 2003) and Westerners in China compared to Westerners in Hong Kong (Selmer, 2000a). Selmer and Shiu (1999) examined the adjustment of Overseas Chinese managers to China without comparison, and Napier and Taylor (2002) commented on this group, too. Several different dependent variables were used in these studies: the three Black et al. facets of adjustment (Selmer, 2000a; Selmer, 2001b; Selmer, 2002d; Selmer and Shiu, 1999; Selmer et al., 2003); coping strategies (Selmer, 2002b); psychological barriers to adjustment (2001a); psychological well-being (Wang and Kanungo, 2004); culture novelty (Selmer, 2002c); and subjective well-being (Selmer, 2002c).

Beginning with the results of studies that have looked at Overseas Chinese, most commonly in comparison with Westerners, the findings generally support the view that Overseas Chinese fare no better than other expatriates in China and, in several respects, significantly worse. Based on ten, in-depth interviews with Hong Kong expatriates in China, Selmer and Shiu (1999: 459) comment that, “Paradoxically, the common Chinese cultural heritage seems to aggravate the adjustment of the [Hong Kong Chinese expatriate business managers] in the PRC instead of facilitating acclimatization”. A mail survey of 790 expatriates (to which 154 responded) conducted by Selmer (2001a) provided some insight into where the problems might lie: comparing Overseas Chinese with Western
expatriates, he found no significant difference between them in terms of a perceived inability to adjust but significantly higher perceptions of an unwillingness to adapt on the part of the Overseas Chinese. Based on the results of the same survey, Selmer (2002b) identified the Overseas Chinese as using problem-focused (in his terms, ‘constructive’) coping strategies less often than the Western expatriates but symptom-focused strategies more often. Overall, the results of that survey (Selmer, 2002c) found that Western expatriates were generally better adjusted than Overseas Chinese, especially in relation to work adjustment but, interestingly, found there was no difference in subjective well-being between the two groups. In a comparison of women expatriates in China, Japan and Turkey, Napier and Taylor (2002) were able to confirm Adler’s (1987) oft-cited finding that women expatriates do not have particular difficulties by virtue of being women per se, but did observe that things were somewhat more difficult for women expatriates in China who were ethnically Chinese.

Based on the results from the same survey of 154 expatriates, Selmer (2001b) was also able to compare the adjustment of North Americans and Europeans to China, finding (contrary to his expectations) that the former had higher levels of sociocultural adjustment than the latter, though there were no differences in the psychological adjustment of managers in the two groups. Out of the same sample, Selmer (2002d) compared expatriates from other Asian countries with the Westerners and found that the former were less well adjusted in terms of all three Black et al. facets than the latter. In another paper (Selmer, 2000a), data from the Mainland China sample was also compared to data from a mail survey of 1,713 Western expatriates in Hong Kong (from which there were 343 usable returns). It was found that Western expatriates were better adjusted socioculturally to Hong Kong that they were to China but that there were no differences in terms of their psychological adjustment. Interestingly, the French expatriates in the study were not as well adapted socioculturally to either Hong Kong or China compared to their British and North American counterparts. Supplemeting the results of the interview-based study of Hong Kong managers in China (Selmer and Shiu, 1999) with interviews with sixteen Mainland Chinese managers in Hong Kong, Selmer et al. (2003) found that the Chinese adjusted to Hong Kong much better than vice versa. Muddying the waters regarding the adjustment of Overseas Chinese expatriates further, the results of a study by Wang and Kanungo (2004) showed that expatriates from other Asian countries were significantly lower in terms of psychological well-being than either their Western or Overseas Chinese counterparts. They also found that there was no significant difference between the Overseas Chinese, North American and European expatriates in terms of their adjustment to China.

Given the somewhat conflicting findings, it is difficult to summarize these results. Further research is clearly required before we can be confident about the relationship between expatriates’ nationality and their adjustment to China. However, it does seem that Overseas Chinese (and, for that matter, other Asian expatriates) have more rather than less difficulties adjusting than their Western counterparts. There is also some evidence that North Americans may adjust better to China than Europeans.

It is interesting that with the exception of Cui and Awa (1992), there has been little mention or empirical analysis of the importance of the broader range of personality traits in relation to the adjustment of expatriates in China. In a recent analysis of the findings of several studies into the relationship between the Big Five personality traits, on the one hand, and psychological adjustment and job performance of expatriates, on the other, significant relationships were found (Shaffer et al., 2006). Similarly, despite the apparent importance of the adaptation of spouses to the success of expatriate assignments (see, for example, Tung, 1981; Shaffer and Harrison, 1998, 2001), besides slight mention of it by Cui and Awa (1992), no empirical attention has been given to its importance in relation to China. Both personality traits and marital status/spouse adjustment would appear to be ripe for further investigation in China.

The importance of training has also been researched. In a mail survey of 158 European expatriates, Selmer (2002a) found that managers who received training (pre-
departure, post-arrival or sequential) adjusted more quickly to their assignments and were more satisfied with them than those who had not received training. On the other hand, there was no relationship between training and the respondents’ self-assessments of the success of their assignments. In another study, Selmer (2005a) targeted 1,929 expatriates by means of a mailed questionnaire and compared the impact of training on the adjustment of Western expatriates in international joint ventures in China with their counterparts in other types of organizations, reporting that there was no significant correlation between cross-cultural training and any of the adjustment variables in firms of either type. Though only 24 percent of the 165 respondents had received any training for their assignment, if the result is valid it would be of serious concerns to those firms that have invested in training.

Psychological barriers (defined as an inability to adjust or an unwillingness to adjust) have also been examined by Selmer (2001a, 2004b). In the 2001 study he looked at the two sets of barriers in relation the problem-focused and symptom-focused coping strategies used by expatriates in China and found ‘mixed’ findings, one hypothesis being strongly supported, one unsupported and two partially supported, making it hard to draw definitive conclusions or make clear recommendations for organizations. Using the same sample, the 2004 paper sought to differentiate between ‘newcomers’ to China and ‘long stayers’ in terms of psychological barriers. He reports (p. 804) that, “For newcomers, perceived inability to adjust had a negative association with both general adjustment and interaction adjustment, while unwillingness to adjust was negatively related to general adjustment. For long stayers, however, these psychological barriers were unrelated to all adjustment variables”. He goes on to say (p. 805) that there should be “...a certain amount of hesitation in making policy recommendations based on the findings”. Based on the same sample again, the question of length of stay is addressed by Selmer (1999b) in relation to culture shock. Using the U-curve hypothesis of adjustment phases initially propounded by Lysgaard (1955), he plots the adjustment of the sample according to how long they have been in China and finds clear support for a U-curve pattern in relation to the three dimensions of sociocultural adjustment but no such pattern in respect of psychological adjustment. Using data from the same sample, coping strategies are also treated as independent variables in relation to adjustment (Selmer, 1999a) producing the interesting finding that “...problem-focused strategies have a positive impact on international adjustment, while symptom-focused strategies can have a negative effect” (p. 46). Finally, the sample was analyzed (Selmer, 1998) to look at the relationship between the three dimensions of adjustment as independent variables vis-à-vis the subjective well-being of the expatriates, significant relationships being found in each case.

Adjustment may also be impacted by a number of other factors, some of which have been given empirical attention. In a paper which looked at the adjustment of Westerners, Selmer (2005) found that the size of the location was positively and significantly associated with both general and work adjustment; however, he reported (p. 1228) that, “Surprisingly, there was no relationship between the size of the location and adjustment to interacting with host nationals, presumably due to language problems”. Clearly, language barriers can create communication difficulties and lead to expatriates feeling frustrated and isolated, as underlined in several studies conducted in China (Kaye and Taylor, 1997; Feng and Pearson, 1999; Hutchings, 2002, 2003, 2005). To assess, then, whether mastering Chinese was important in promoting the adjustment of expatriates in China, based on the same sample as the location study, Selmer (2003) investigated and found that proficiency in Chinese was positively related to their interaction adjustment.

Aspects of interaction adjustment have also been examined in several studies that have studied the social networks of expatriates. As Wang (2002) pointed out, despite recognition of its likely importance, this has been an under-researched area. Researchers have been content to rely on the self-report assessments of expatriates as to how adjusted they feel in terms of their interactions with host nationals. Though that research has shown that interaction with host nationals is important in relation to an expatriate’s adjustment, it is highly likely, Wang argued, that relationships...
with other expatriates, both in work and non-work situations, will also be. Using Wang’s (2002) conceptual framework, Wang and Kanungo (2004) surveyed 166 North American, European, Overseas and other Asian expatriates in China in relation to the characteristics and impacts of their social networks. Their findings showed that expatriates from different cultural backgrounds established different personal networks (for example, the Overseas Chinese had smaller, closer and less active networks than those of the Westerners) and that the nature of their networks had a significant relationship with their psychological well-being.

The focus on social networks has been taken further in a recent study by Liu and Shaffer (2005) in which they examined the role played by local Chinese nationals working with expatriates and the effects of the behaviour of the former on the effectiveness of the latter. Using a ‘social capital’ construct, they predicted that social networks and access to information and resources, trust and norms of reciprocity and the local Chinese managers intercultural competency and task performance would have a significant impact on the adjustment and performance of the expatriates. In a survey of 147 expatriate managers in Beijing, Shanghai and Hong Kong, they found that the social capital variables were strong predictors of expatriate performance but had only a weak relationship with adjustment. On the basis of their results, they concluded that there should be “…more effort in helping expatriates identify social capital opportunities, mobilize social resources embedded in host social structures and develop shared norms with host nationals within organizations” (p. 250). These findings and recommendations are similar to those of Zimmermann et al. (2003) who undertook in-depth interviews with eighteen German expatriates in Guangdong. They were interested in the modes of adjustment adopted by the expatriates in relation to interaction adjustment, work adjustment and adjustment to living conditions and looked not just at outcomes but at processes and mechanisms of adjustment as well. They discovered that the characteristics of the local Chinese managers bore an important relationship with how well the expatriates adjusted; for example, if the Chinese managers had good English-language skills and had learned Western management techniques, the expatriates were more likely to have adjusted well. They concluded that, “It may…be necessary to broaden the perspective on expatriate adjustment by conceptualizing adjustment as part of a process of mutual adjustment” (p. 62, italics added).

Studies of Expatriate Management Issues at a Strategic HRM Level

There is no doubt that the adjustment of individual expatriates to China is a significant issue, not just for those expatriates themselves but also for the organizations for which they work. However, there is a much wider range of matters concerning the use of expatriates that organizations need to give attention to and which have been the subject of study: whether to use expatriates or not; how many expatriates to deploy; how to localize management; how to manage the relationships between partner groups in joint ventures; how to build trust between expatriates and their Chinese colleagues; and many others. All these matters are potentially important to the success of the operation in China and all have been significant challenges at the organizational level.

Strategically, expatriates are deployed for several important reasons. Dowling and Welch (2004: 69-72) identify six key roles they play: as agents of direct control; as agents of socialization; as network builders; as boundary spanners; as language nodes; and as transferors of competence and knowledge. Increasingly, the strategic aspects of what expatriates is now well recognized and there has been a significant alignment of HRM with the strategic management of organizations operating internationally (Scullion and Pauwre, 2005). These have been given specific attention in the context of how firms operate in China, most frequently in relation to the numbers of expatriates deployed and considerations of how far to localize operations there. In China, as elsewhere, while there are important considerations related to maintaining to strategic control and transfer of knowledge and learning to consider (generally encouraging the maintenance of a fairly high level of expatriates), there are various forces that are driving firms to consider increasing the proportion of local managers.
Issues about control are especially problematic in joint ventures that, by definition, involve joint control over matters such as staffing. In research that examined 117 US-Chinese joint ventures, Chalos and O’Connor (2004) established that expatriate levels are a function of various matters related to control. There was evidence that Chinese partners were willing to give up some control (by having larger numbers of expatriates and giving them greater responsibility) in cases where they were relatively knowledge-deficient. This points to the fact that a strategic decision to localize (or not) will have a serious impact on other facets of the business. Among others, a key concern for the foreign firm will be to ensure that there is a shift towards localization they are contributing sufficient other resources (quite likely knowledge in the form of intellectual property) that they are able to maintain their claim to control in the joint venture, a point clearly established by Yan and Gray (1994) in their comparative case study analysis of four US-Chinese joint ventures. The staking of claims and their resolution may be complicated, as Goodall and Warner (1998) found in their study of twenty foreign-invested enterprises in Shanghai, noting that “…the unresolved struggle between expatriate and local managers to shape company practices was highly visible” (p. 6). Looking at localization as an independent variable vis-à-vis whether HRM policies in 65 Chinese-Western manufacturing joint ventures were localized or standardized around the parent MNCs’ policies, Lu and Bjorkman (1997) found that there is a need to disaggregate those policies and look at the detail: there was a different impact in respect of various HRM matters (such as training versus recruitment).

In his paper on Japanese firms in China, Legewie (2002) argued that a higher reliance by Japanese firms on expatriates was a deliberate control strategy and represented an insider-outsider mentality which resulted in a number of problems, especially high turnover rates among local managers and poor responsiveness to markets. This observation is interesting insofar as it conflicts with the research of both Delios and Bjorkman (2000) and Taylor (1999) which found relatively low levels of expatriates in Japanese firms in China. Further, in his interviews with Chinese managers in the 31 Japanese firms he studied, Taylor (p. 869) noted that, “Where localization is considered important, such as in personnel matters, power is formally ceded to Chinese managers as such localization is a strategic advantage, not a forced compromise”. The differences in the findings of these three papers might be explained in various ways. Despite the observation that Japanese firms are steadily reducing the numbers of expatriates in their overseas operations (Beamish and Inkpen, 1998), there may well be companies in which the numbers are fairly high and this may cause some difficulties. However, in any case, the numbers don’t necessarily tell the whole story – it is what the managers actually do that is important to understand, as well as what is localized and what is not. What is clear is that more evidence is required before firm conclusions can be drawn.

Besides a desire to maintain relatively high levels of control by larger expatriate numbers, there may be other factors that inhibit localization. Selmer (2004) argues that one of those may be the unwillingness or inability of individual expatriates to bring about their own replacement: his research showed that expatriates’ unwillingness to localize was negatively associated with localization but that their self-evaluation that they were unable to localize (that is, train locals) did not impact upon localization. It may not be just that expatriates are unwilling to train locals to take over; as Bjorkman and Lu (1999: 21) observed, expatriates in China are under constant pressure and “…typically do not spend enough time coaching and training their local colleagues”. Bjorkman and Lu (1997, 1998, 2001) argue that it is essential that, where localization is a clear objective of the firm, expatriate performance evaluations be tied to it. Perhaps the single most significant constraint on localization, however, is simply a shortage of suitable Chinese managers. Lasserre and Ching (1997) noted this a decade ago; if anything, the problem is getting worse (Farrell and Grant, 2005), made worse by the vastly increased demand from Chinese companies. While many factors will determine the ability of foreign firms in China to attract and retain local managers, Goodall and Warner (1998) argue that relationships at the interpersonal level are critical. In the Chinese context, building interpersonal trust is essential (Law et al., 2000; Fryxell et al., 2004);
Gamble (2000) argues that an expatriate’s competence in Chinese language will facilitate this enormously. Taking those issues into consideration, it might be argued that there has been undue research on expatriates at the expense of an examination of Chinese managers’ perspectives. Arguably, if there are to be improved working relationships between expatriates and locals in China, more attention needs to be given in future studies to what locals feel and think about things. This will require interpersonal analysis at the level of dyads and not just broad attitudinal surveys.

One of the strong pressures for localization in China is the need for good interorganizational relationships, in general, and strong links with government, in particular. In their study of Japanese firms in China, Delios and Bjorkman (2000) explained the relatively lower levels of expatriates (compared to levels in other countries) in terms of the Japanese not having local contacts and expertise. Importantly, though, they noted that expatriate levels varied by industry in line with the need to have expatriates more or less heavily involved in the transfer of knowledge from headquarters to the subsidiary. Knowledge transfer is a very important consideration in setting the number of expatriates. The mindset that is involved in this transfer process is also important. In a study of twelve Singaporean MNCs in China, Tsang (1999) found that they generally had an ethnocentric mindset which was very much focused on transferring Singaporean practices to China, on the assumption that the Chinese methods were inferior. This called for a relatively large number of expatriates; however, the firms had great difficulty in finding people who willing to go. In terms of the issues of adaptation discussed in the previous section, Tsang also found that the firms selected people mainly on the basis of whether they could speak Chinese and their job knowledge and experience, not on whether they were likely to be able to adapt to living in China. He argued that as well as transferring knowledge, if they were to be successful, expatriates would need to unlearn various organizational routines that would not work in China. In another paper, Tsang (2001) points out the importance of selecting expatriates who will have credibility with local staff, in particular being considered old enough to hold their positions. Fernandez et al. (2006) adopted a rather novel perspective on learning by French expatriates in China, focusing on the way this is shaped by the individual expatriates’ identities.

As we know, much of the most important knowledge in organizations is tacit. In that regard, in his case study of a British-owned retail firm’s operation in China, Gamble (2003) found that expatriates play a critical role in facilitating ‘integrative learning’, transferring both explicit and tacit knowledge. To be effective, this required expatriates to have appropriate technical and interpersonal skills. This is very much in line with Bjorkman and Lu’s (1997) observation that expatriates need to be able to (sensitively) create new ways of thinking, especially in senior Chinese managers. Knowledge flows are not, however, one-way – expatriates also play a critical role in learning things in their host environment and transferring that knowledge back to headquarters. Sergeant and Frenkel (1998) report that, based on their interviews, this appears not to have been done well in China. In the general expatriate literature, much is made of the need for repatriated managers to feed what they have learned back into their firms (see, for example, Downes and Thomas, 1999; Bolino and Feldman, 2000); while this is, no doubt, true, as Gamble (2000) points out, the pace of change in China means that much of the knowledge of a repatriate is quickly out of date unless there are frequent return visits.

Only a limited amount of attention has been directed at examining the relationship between localization and firms’ performance, despite several calls for it (Lasserre and Ching, 1997; Delios and Bjorkman, 2000; Gamble, 2000). In a study of 77 Canadian firms in China, Abramson and Ai (1999) found no relationship and, on this basis, argued that local knowledge might best be gained through local consultants or joint venture partners rather than employees. They did find a positive relationship between how local employees are used and the firms’ success, informal involvement processes being better than formal ones. Mok and Yeung (2005), on the other hand, using a statistical model of 23 foreign-financed manufacturing firms in Guangdong found that firms with relatively high expatriate ratios performed less efficiently.
Paralleling the work done on the adaptation of individual expatriates to China which has contrasted Overseas Chinese expatriates and those of non-Chinese backgrounds, there has been comment on the strategic issues of using Overseas Chinese expatriates. Based on case studies of 29 foreign-invested enterprises, Gamble (2000) found a negative reaction on the part of local Chinese to Overseas Chinese expatriates. He notes that, in contrast to North American and European firms, Japanese and Korean companies rarely employ them. Legewie (2002: 914) comments that “…local managers often reject them [Overseas Chinese expatriates] and prefer working under Western expatriates…”.

As already mentioned, trust may be an especially important element for foreign firms to consider in respect of their operations in China. Child and Mollering (2003) provide a different and interesting perspective on this in their examination of the importance of confidence in the institutional framework. In their study of 615 Hong Kong firms that manage operations in China they found that, “Contextual confidence fosters trust in local staff” (p. 77). In that sense, expatriate/local relationships need to be considered in a broad perspective. Their research also found a significant relationship between trust and firm performance, though they acknowledge that causality cannot be said to be entirely clear. Building on the work of Child and Mollering, Li et al. (2006) looked at the impact of three strategies – localization, communication and control – in enhancing local senior managers’ trust in their overseas headquarters. They showed that localization did increase local managers’ trust but that this needed to be supported by a communication strategy which would enhance the localization program’s “…by aligning the goals of local managers and overseas headquarters and encouraging cooperative behaviour and collaborative work” (p. 79). Another recent interesting study using a multifaceted, inductive field study approach (Tsui-Auch et al., 2005) examined trust and distrust of expatriate managers in their local counterparts. It found that in China, because of what was described as a rise in “…pecuniary materialism and a problematic legal framework…” (p. 32), the issue of whom to distrust may be just as important as whom to trust.

An allied issue that has been researched in the context of foreign firms in China is that of organizational justice, especially in relation to perceptions of fairness vis-à-vis compensation disparities between expatriate and local staff. Underlining the importance of interpersonal relationships, Chen et al.’s (2002) study of 161 local Chinese employees in international joint ventures found that even where there were significant disparities, if the locals felt that the expatriates showed interpersonal sensitivity to this issue and were provided with credible explanations for why the expatriates should be paid more, this reduced perceptions of unfairness. Taking a somewhat broader perspective, Leung and his colleagues undertook two separate but related studies of organizational justice in joint venture hotels in China. In the first study (Leung et al., 1996), they found that the job satisfaction of local employees was affected not just by distributive justice (compensation issues and the like) but also procedural justice matters (such as the inclusiveness of decision-making processes). Among other things, their results showed that the job satisfaction of locals was negatively associated with Japanese and Overseas Chinese expatriates, largely because of perceptions of inequities concerning the justice issues. The later study (Leung et al., 2001) showed that perceived unfairness in relation to expatriates has increased over time. It also reinforced the negative attitudes concerning Japanese and Overseas Chinese expatriates, leading the authors to comment, “…contrary to widely held beliefs, expatriates are not necessarily more effective in maintaining positive attitudes among local employees in cultures that are similar to their own” (p. 943).

Though the success of international joint ventures is a function of many different variables, a key – if not essential – ingredient is effective leadership teams comprised of culturally diverse members, joint ventures by their very nature typically having senior managers from both the host and home country. The challenges are frequently greater in developing countries than in joint ventures between firms from countries of a similar level of development (Lane and Beamish, 1990). Research undertaken by a team of researchers (Li et al., 1999; Hambrick et al., 2001) provides a strong conceptual framework of the issues, focusing on gaps in the composition of
the leadership teams and their cognitive diversity and their impact in terms of tensions and conflicts between the parents – and, ultimately, the effectiveness of the joint venture. This framework is complemented by illustrations based on a case study of an international joint venture in the pharmaceutical industry in China. This work is useful, among other things, in pointing to the very wide range of attributes that must be considered in the selection of expatriates, many of them context (i.e. China) specific.

The general expatriate literature emphasizes that selection is only one side of things – training of expatriates for their specific assignment is the other. One would expect that in a country as different as China, training might be treated as more important in some other places. However, Sergeant and Frenkel (1998) report that many of the persons they interviewed complained that they did not get enough training or on-location support. Similarly, Selmer (2006) found very low levels of training overall and no association between corporate size, international stake or international experience and whether expatriates had received cross-cultural training or not. He speculates that “…the cultural differences may just be too dramatic, and due to time and resource constraints, the parent corporations may tend to abandon any ambitions to train managers in the language and culture of China” (p. 49). In a study of the training that Australian expatriates receive for their assignments (both pre-departure and post-arrival) in China, and in situ support for themselves and their families, Hutchings (2002, 2003, 2005) paints a bleak picture: while the challenges they faced were considerable, the training and support they received was very limited. Zhao (2005) makes a corollary point about the training of local Chinese – that it is just as important as training for expatriates in terms of the potential impact on a firm’s performance.

Critique of the Literature
As the review has shown, a considerable amount of research has been undertaken on expatriates in China over the past fifteen years. Indeed, over this period, more work has been done on China as a host-country for expatriates than any other single country. Given its growing importance as a place for foreign investment, the number of expatriates assigned there, not to mention its reputation as an ‘exotic’ location posing numerous challenges, this attention is hardly surprising. There are solid practical reasons why we need to know how best to deploy expatriates there such that their satisfaction and performance are high and the strategic objectives of the firms for which they work are realized. The purpose of this section is to critically assess the contribution made by that quantum of work, gauging what might be learned from it and in what directions we might go from here. While most attention will be on conceptual and methodological issues of interest to researchers, an assessment will also be made of the practical contribution made the work: how useful have the studies been in helping individual expatriates and firms deal with the range of issues they face in China?

It is not the purpose of the critique to analyze individual pieces of work in depth. Rather, reviews serve their purpose best if they review a whole field (or sub-parts of it). As Salipante et al. (1982: 345-346) noted, “Elaborate description of individual studies’ findings and validity are not an adequate substitute for integration and analysis…”. One of the most rigorous means of reviewing a particular issue is, of course, by means of a statistical meta-analysis. In the broad field of expatriate management, a number of meta-analyses have been carried out, most commonly in relation to expatriate adjustment and performance (Deshpande and Viswesvaran, 1992; Morris and Robie, 2001; Hechanova et al., 2003; Bhaskar-Shrinivas et al., 2005; Mol et al., 2005). Since the focus of this review is deliberately broad, and not limited to examining the importance of one (or a few) dependent variable(s), a meta-analysis was not appropriate. Rather, this review and critique is more in the style of a stream of reviews whose purpose has been to assess the expatriate literature more comprehensively (for example, Stening, 1979; Church, 1982; Mendenhall and Oddou, 1985; Kealey and Protheroe, 1996; Aycan, 1997; Thomas, 1998; Mendenhall et al., 2002; Harrison et al., 2004; Tucker et al., 2004). This review is different from previous reviews, however, insofar as it deals with the literature as it pertains to only one country of expatriate destination.
Conceptual Issues

Research on expatriates, for the most evident of reasons, has been undertaken in a variety of locations. From the reviews that have already been undertaken of that work, much has been achieved in terms of our understanding of the associated issues. Perhaps the most fundamental question that needs to be asked is what, then, might additional research, conducted in China, hope to add to what we already know? The obvious answer is one that adduces how the particular and peculiar features of China (in all their forms – cultural, social, political, economic and so forth) influence the variables (for example, expatriate satisfaction) and relationships (for example, between expatriate satisfaction and performance) in which we are interested. Simply to undertake studies of similar conceptual underpinnings and research designs in China as conducted elsewhere and report differences between them is ultimately of only superficial (and, probably, passing) interest unless it can, with some degree of elegance and sophistication, be explained why China is different. As Redding (1994) has pointed out, too few comparative cross-cultural studies adequately explicate how and why the cultures studied were chosen. This is a significant conceptual weakness in most of the research conducted on expatriates in China, very few of which (especially, it must be said, those that have dealt with micro-level issues of adaptation) have provided a strong theoretical framework that could explain why various relationships were hypothesized or found. Just because this is a fairly general problem in expatriate research (see Mendenhall et al., 2002) does not excuse the China researchers. Indeed, given the considerable diversity within China across various dimensions, such as generations (Ralston et al., 1996) and geographic regions (Child and Stewart, 1997), it is arguably even more important that research done there be underpinned by strong conceptual foundations. It is apparent that China-based expatriate studies are not getting widely cited in the more general management literature; arguably they will not until they begin making more solid theoretical contributions, especially in relation not only to how China is different, but why.

A serious shortcoming in much of the research on expatriates in China in the theoretical models reported in the literature is that they have been predominately bivariate, examining the impact of X on Y. This has resulted not just because the researchers’ may have conceptualized the question in simplistic terms but as a result of a tendency to salami-slice the data, reporting results out of the same data base in many different papers, using a different independent variable (or two) in each. One might be forgiven for thinking that, in such cases, better R²s have been sacrificed in the interests of increasing the number of papers. It might also be noted in passing that there are some instances where the content of papers by the same author(s) is virtually identical, which is disconcerting from several points of view.

The lack of theoretical rigor in much of the work is exemplified by the large number of studies in which relationships between variables were either other than hypothesized (with very often weak explanations for why that may have been) or where the findings were contradictory. The starkest example of the latter problem is studies that have examined nationality as a factor in adjustment. It is also clear that much work remains to be done to sort out cause-effect relationships. For example, while social networks might have a significant impact on psychological well being (Wang and Kanungo, 2004), it could plausibly be argued that the reverse might also be true. In some cases, there is not enough information about whether, or how, the researcher controlled other variables when considering the relationship between the independent and dependent variables.

An understanding of how and why China is different would also be provided by a greater number of comparative empirical studies in which the experience of expatriates in China is compared to those of expatriates of the same nationality in other countries, as was done by Delios and Bjorkman (2000) of Japanese expatriates in China and the United States. This would do much to help tease out the relative importance of different variables (especially, ‘culture’) in terms of their impact on dependent variables. Overall, considerably more attention needs to be given to the context of the expatriates’ experience. In that sense, it is not only the national cultural aspects that need to be examined, but the organizational cultural ones as well. Is the expatriate one of
many in their office or, alternatively, is he/she alone or one of a small group?; how is the firm structured, organized and coordinated?; what is the nature of the expatriates’ work/roles (a la Mintzberg, 1973)? The nature of the firm’s business and what it is that the expatriates’ are there to do could have a significant impact on many of the variables previously studied. In that sense, there may have been too much emphasis on the narrow psychological aspects of adaptation and too little on the sociological and social psychological. To be of greatest use, studies of the adaptation of individual expatriates need to be anchored in an appreciation and understanding of a broader range of human resource management considerations. Understanding those broader issues will require greater use of in-depth, qualitative methodologies, rather than surveys.

One dimension of the expatriate experience that is seriously under-researched is the nature of relationships between expatriate and local managers at the interpersonal (i.e. dyadic) level, a point made over twenty-five years ago in one of the early literature reviews of the field (Stening, 1979) - and reiterated more generally a couple of years later in relation to sojourner adjustment (Church, 1982) - that is still valid today. Intercultural analysis of dyads is critical to understanding expatriate issues at both the micro and macro levels. Harrison et al. (2004) refer to this as the expatriate’s ‘social environment’ and frame their discussion of its importance in terms of social capital. Though they do not refer specifically to China, in view of the greater importance and complexity of social relationships there compared to many other places (Boisot and Child, 1999), it could be argued that attention to this matter is especially important in China. Further, given the importance of relationships (guanxi) – and, central to that, trust – in China, social network analyses of expatriates and locals, involving not just psychological aspects and looking not only at networks among and between expatriates (Wang, 2002; Wang and Kanungo, 2004), but also including local managers, could be very valuable (Liu and Shaffer, 2005).

The narrowness of many of the conceptual frameworks is exemplified in the high reliance of micro-level studies conducted in China on the expatriate adjustment model propounded by Black (1988) and Black et al. (1991), and the adjustment scale developed by Black and Stephens (1989). While there is no doubting the reliability and validity of that work, much could be gained by extending it and, in particular, by examining the relationship between adjustment and performance (Bhaskar-Shrinivas et al., 2005). Despite much work on the adjustment of expatriates to China, the ‘so what?’ question is very much a live issue. The same might be said of studies that have examined strategic HRM issues such as levels of expatriate staffing: the relationship between a variable such as this and firm performance remains to be adequately resolved.

Methodological Issues

While various research designs and methodologies have been adopted for the study of expatriates in China, and there are discernible differences between micro and macro-level studies, a ‘modal’ type is readily identifiable:

- data is gathered by mailed questionnaires
- using cross-sectional (i.e. non-lontitudinal) designs
- undertaken by Western academic researchers
- using a limited range of standard instruments
- and typically single-method approaches
- asking for self-report assessments
- focused primarily on Western firms and Western expatriates (and to a lesser extent Overseas Chinese)
- involving few Chinese collaborators
- adopting quantitative data analysis techniques

There is nothing inherently wrong with this modal type, provided two conditions are met: first, that there are not methodological problems which are associated with any of those characteristics, or which exist independently of them; and, second, that the modal type is not the overwhelmingly dominant approach. Unfortunately, neither of those conditions is met, with the consequence that serious questions can be raised about the validity of the findings from the studies as a whole. We reiterate - this is not to question the validity, rigor, relevance and contribution of
individual studies, some of which are clearly excellent pieces of research, but rather to issue warnings about drawing solid conclusions from the stock of work reviewed. Let us examine several key matters to see where the problems of validity might lie.

As noted, most of the micro-level studies of the adaptation of individual expatriates to China have relied on responses to mailed questionnaires. Though mailed surveys have their usefulness (especially in gathering data from large numbers of respondents relatively quickly and economically), used on their own, without the checks which are provided by triangulation approaches, there can always be questions about their validity. The problems are exacerbated when, as is typical in such studies, first, the only data on the dependent variable (successful adaptation or some variant of it, say) are the assessments of the respondents themselves and, second, the response rates to the surveys are very low. The response rate to most of the surveys undertaken has been less than 25 percent. No amount of explanation about expatriates possibly having moved or having been misclassified (enabling, in one instance, a raw response rate of 8.5 percent to be raised to 25.4 percent) or comparisons with other studies to suggest that such response rates are ‘normal’ in this kind of research, can remove serious doubts about whether the survey results are genuinely representative of the populations that they purport to describe. Drawing conclusions from such data is inherently very risky.

Almost all of the research on expatriates in China has been cross-sectional. While the China studies are certainly not unique in this respect (Harrison et al., 2004), any examination of the adaptation of expatriates to a foreign environment clearly involves assumptions or hypotheses about how the process of adaptation evolves over time. Cross-sectional data unequivocally will not allow for an examination of the role played by time; in the absence of longitudinal data, all notions about the role it plays are necessarily speculative. It should be noted that Selmer’s (1999b) paper which examined the (self-reported) adjustment of Western business expatriates to China, and purported to provide support for the U-curve pattern of adjustment, did not map the adjustment of individuals over the time of their assignment but, rather, graphed adjustment in relation to the time each respondent had spent on assignment at the point of the survey, an altogether different thing, given the number of possible confounding variables.

As discussed in the previous section, studies of the adaptation of individual expatriates have relied on a few standard instruments, most notably those developed by Black and his collaborators (Black, 1998; Black et al., 1991; Black and Stephens, 1989). Leaving aside the conceptual limitations implied by using such a narrow range of measures, no matter how statistically reliable they may have been shown to be (Harrison et al., 2004), it is reasonable to question how reliable and valid they might be for the range of nationalities on whom they have been used in China. Since they were developed and validated principally for use in relation to American expatriates, it is essential that their validity is reported, as a matter of course, for each of the other nationalities on whom they are used. Researchers in this area might take heed of the observation in a recent paper surveying the international management literature (Kirkman and Law, 2005) that, “The finding of greatest concern…is that so few researchers who used survey-based methods rigorously validated their measures across the cultures in their studies” (p. 385).

Apart from the conceptual challenges of doing research in which ‘culture’ is a central variable (see Boyacigiller et al., 2004, for a recent comprehensive review), there are also significant methodological issues that need to be confronted. It is not our purpose to discuss such matters in detail here, as there are a number of papers that have canvassed these both in culture-general (for example, Cavusgil and Das, 1997; Tayeb, 2001; Usunier, 1998) and culture-specific terms (including China – see #### [written by one of the authors of this paper, this paper is currently under review and is not included here in order that the integrity of the double-blind review is not compromised - if the paper is accepted for publication it will be included in the final version]). Besides adopting longitudinal designs, the use of multi-method and inter-disciplinary approaches (the former to provide triangulation, the latter to provide richness in perspectives and
explanations) and the involvement of Chinese collaborators (to avoid potentially naïve assumptions and explanations) are highly recommended. Doucet and Jehn’s (1997) study of conflict in Sino-American joint ventures using computer-aided text analysis, interpretative categorization techniques and multidimensional scaling analysis, for example, provides important insights into intra- versus inter-cultural dimensions to expatriate’s behaviour, using in-group out-group theory as its base. Overall, there seems to be an assumption in much of the work conducted thus far on expatriates in China that quantitative approaches are more reliable and rigorous than in-depth, qualitative methodologies. This need not be the case. Indeed, a richly-analyzed case study of the type provided by Hambrick et al. (2001) or in-depth interviews with relatively small numbers of managers (for example, Zimmermann et al., 2003), may be contribute considerably more to understanding expatriate management issues than hundreds of responses to a questionnaire.

Three final observations might be made. First, while the quantity of the work, judged by the number of papers, looks considerable, many are derived from the same project or database. Among other things, this means that whatever biases might attach to one will attach to all of them. Second, most papers do not report when the research was undertaken. In view of the rapid changes that are occurring in the environment in which expatriates are operating in China, it is imperative that authors be required to provide this information in order that readers can form their own judgements about whether the findings are still likely to be valid. Third, several studies have collapsed data for expatriates from different countries into ‘Western’ (or ‘North American’ and ‘European’); yet there is evidence (Stening and Hammer, 1992) that the problems an expatriate faces are as much a function of precisely where they have come from (Finland as against France, say, or Greece as against Germany) as of where they are going to. While the reasons for doing so are clear (small sample sizes, in particular), combining the data from Finns and French, Greeks and Germans (not to mention Americans and Canadians) may cloud what is going on. Of course, where the country of origin is much less likely to be of importance (say in matters of disparities in expatriate-local compensation – see, for example, Chen et al. [2002]), this will not be a problem.

An Overall Assessment

In an interesting paper on what they describe as ‘the practitioner-researcher divide in industrial, work and organizational psychology’, Anderson et al. (2001) provide a two-by-two matrix with methodological relevance (high/low) on one axis and practical relevance (high/low) on the other. Accordingly, they differentiate between science that is ‘popularist’ (high relevance/low rigor); ‘pedantic’ (high rigor/low relevance); ‘puerile’ (low rigor/low relevance); and ‘pragmatic’ (high rigor/high relevance). While Anderson et al. have their own definition of relevance, another straightforward set of five criteria is put forward by Thomas and Tymon (1982). They argue that, to meet practitioner needs, research needs to have descriptive relevance (do the research findings accurately capture phenomena encountered by practitioners in their organizational settings?); goal relevance (are the dependent variables in the theory things that the practitioner wishes to influence?); operational validity (can the practitioner put the theory into practice by manipulating the independent variables?); non-obviousness (does the theory meet or exceed the complexity of common sense theory already used by the practitioner?); and timeliness (is the theory available to practitioners in time for them to use it to deal with real problems?).

The review and critique we have undertaken of research on expatriates in China, we believe, shows that a large part of it can, using Anderson et al.’s quadrants, accurately be labelled either ‘popularist’ or ‘puerile’. While some studies have demonstrated exemplary rigor, they are greatly exceeded in number by those that have been deficient in this regard, on at least one or another dimension – and, in some cases, many. Similarly, many studies do not pass the test in terms of the Thomas and Tymon relevance criteria, especially goal relevance (ultimately, firms are concerned about ‘firm-level performance’ yet there are very few such studies), non-obviousness (though it clearly doesn’t meet the rigor criterion we have been espousing, many managers of MNCs in China have told us they haven’t learned much from the studies which
have been undertaken) and timeliness (findings typically taking three or four years to be reported, a very long time in the context of contemporary China). Researchers need always to take into account the practicality of their recommendations. For example, in relation to his finding that the size of the location to which were expatriates were assigned was positively associated with both their work and non-work adjustment, Selmer (2005b: 1237) commented that “[T]herefore, assigning business expatriates to larger-sized locations in China may not only facilitate their work adjustment, but also their performance”. However, where a firm assigns their expatriates will presumably be determined primarily by the nature of their business and there may be only a limited amount of discretion about this. Overall, the challenge for researchers in this field is to move from presenting a narrow, historical record of what has happened to providing leading-edge thought about the issues that matter to practitioners, adding real value to their ongoing concerns. This does not, it should be said, mean doing market survey-type work. Neither does it mean pretending that there are simple, one-size-fits-all solutions. As Fryxell et al. (2004: 279) suggest, ‘success’ (in this case, of localization efforts) “…appears to be influenced by the right combination of elements rather than depending on straightforward linear relationship with individual elements…”.

Goodall and Warner (1998: 18-19) argue that there may be no other realistic option in China than for firms to proceed on the basis of emergent rather than intended strategies, a perspective reinforced by Walsh et al. (1999: 88) who wisely point out that, in the absence of precise guidance from research, each foreign firm in China will need to experiment to find the best solution for them. We would argue, however, that with some changes in what research is done and how it is done, practitioners should be in a position to feel much more confident that their experiments are leading them in the right direction.

In order to make significant advances in our knowledge and understanding of expatriate management issues in China, future research needs to adopt a somewhat different approach to the ‘modal’ approach employed to date. First, the conceptual foundations of the research need to be much more systematically and thoroughly established, and more comprehensive (that is, multivariate rather than just bivariate) models postulated and empirically explored. There are good, recent examples of how this can be achieved (see, for example, Harrison and Shaffer, 2005). In particular, there needs to be a much clearer explanation by researchers about why hypothesized relationships might be expected to be different in China than elsewhere: what is it in the Chinese context (culture, politics, history, economy, geography, or whatever) that makes it different – and, thus, important to study? Second, multi-method and interdisciplinary approaches should become much more of the norm, in order that deductive, hypothesis-testing methodologies such as surveys are complemented by hypothesis-generating methodologies such as ethnographies and case studies, ideally within the context of the same piece of research. The localization study of Fryxell et al. (2004) provides a good example of how this can be done, as does the study of trust and distrust by Tsui-Auch et al. (2005). Third, instead of just extolling the virtues of longitudinal designs, it is time that more people began actually doing them. Given the rapid pace at which the environment for expatriates in China is changing, it is an ideal laboratory in which to examine many of the questions that are important in expatriate research, albeit one in which the complexities of sorting out the relationships between variables is even more challenging because of that pace of change.

Fourth, since the nature of expatriate roles is that they are inextricably linked to the strategic objectives of their firms, a more holistic view needs to be taken, in which micro- and macro-level issues are examined in parallel rather than separately. Finally, much more attention needs to be given in future research to intercultural interpersonal analysis, looking at the nature of the relationships between expatriates and local managers at the dyadic level.

Conclusions

Advances have, no doubt, been made in our understanding of expatriate issues in relation to China. There is, however, a considerable way to go. The review has revealed a number of conceptual and methodological shortcomings
that need to be addressed before we can feel confident that the expatriate research being undertaken in China meets international standards of rigor. The field might be considered to have reached maturity when it begins to contribute significantly to the general field of expatriate management, as manifested in extensive citing of China-based studies in non-China related papers and in more general acknowledgement of the contribution of those studies to theoretical and methodological development.

In view of the self-evidently practical and applied importance of work on expatriate management, the challenge confronting researchers is not just to be rigorous but also be doing work that has high relevance, something this field has in common with many others in management (see Ghoshal, 2005). Our assessment is that much of the research that has been undertaken thus far on expatriates in China has not scored well on either criterion. In fairness to the researchers, scoring well on both is a very tall order, especially given the speed with which things change in China. If one works hard to undertake a meticulously rigorous study, the findings when published may be very dated and of little relevance. We proffer the view that researchers of expatriates in China must adjust not only what they do (to improve the conceptual rigor of their work) but also how they do it (not only in the narrow sense of methodological rigor but, more broadly, in terms of using methods that enable the data to be gathered quickly and easily and how the results are disseminated (getting it into the hands of practitioners before it is out of date). While the challenges are considerable, the payoffs for getting it right in a country of such economic significance as China are much greater.

REFERENCES


