

Conference Paper

The Dimensions of Expatriates Acculturation in China: A Review

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ORCIDBi Fangling: <https://orcid.org/0000-0002-3194-2821>**Abstract.**

Trade globalization pushes multinational corporations (MNCs) to conduct business in many geographic regions, and talent flow has emerged as one of the main avenues for building the competitive advantage of international organizations. The work performance of expatriates is crucial for MNCs, which will suffer significant financial losses due to the high failure rate of expatriates. Therefore, it is important to focus on determining what led to the abroad assignment failing and then improving the expatriate's work performance. Drawing on Black's theory of cross-cultural adjustment, this paper reviews past research on the impact of expatriate management practices on work performance with facets of cross-cultural adjustment as a mediating variable. This paper proposes a new dimension that affects the acculturation of expatriates in China, namely Guanxi, and introduces it into the research framework. This integration offers a more comprehensive framework for future research.

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1. Introduction

"*Guanxi* is a special culture in China. We can only accept the local culture. Those who cannot accept this kind of *Guanxi* society choose to live and develop in other countries. There is not much *Guanxi* in Korean society, a Korean expatriate in China said.

As companies grow, their employment mode maybe shifts to geocentric, and they will need to hire more expatriates who are sent to live and work in a foreign country to fulfil a specific role. Employing expatriate managers is a popular method for MNCs to successfully incorporate a foreign subsidiary into the organization's operational network [1]. Talent flow has also become a key channel to develop the competitive advantage of global organizations [2] which requires a team of employees with cross-cultural ability. Since Economic Reform in 1978, the total number of foreigners working in China has increased sharply. According to China's first national census in 2010, there are at least

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590,000 foreigners working or living in Chinese cities, and in 2020, there were more than 845,000.

Expatriates are invaluable to multinational companies, managing overseas subsidiaries, liaising with their parent companies, and contributing to the success of businesses in the global marketplace. Expats need to adapt to political, economic, linguistic norm, value and customs that are different from those in their home countries to overcome culture shock and to ensure the ultimate success of the task. International assignments also require different skills and abilities than those required to perform the same tasks at home. As a result, expats have to adapt their norms and values to the cross-cultural environment and ultimately succeed.

1.1. Problem statement

The global economy has encountered multiple exogenous shocks. The current state of the world economy is unstable as a result of political risks (like terrorism, trade conflicts, and political conflicts), economic risks (like the internet bubble, global financial crisis, and debt crisis), ecological risks (like natural disasters), and health risks (like COVID-19) [3]. To survive in a turbulent environment, MNCs face greater unexpected challenges and may be affected by accelerated disruption of business. There is a growing recognition that working across borders can be a challenging and stressful experience for employees. A failure of expatriates will bring huge losses to MNCs. The cross-cultural adjustment (CCA) of expatriates is a problem that MNCs have to consider when conducting international business.

Interpersonal relationship (*Guanxi*) is viewed as a strategic tool or a type of informal governance at the organizational level since it may be utilized to capitalize on social capital that is ingrained in and derived from the connections and networks that belong to the organization [4]. It is important for western companies to measure the quality of the relationship between the company and its Chinese counterparts, as bad *guanxi* are never considered favorable [5]. *Guanxi* is one of the most important factors affecting business performance.

Whether *Guanxi* will affect the cross-cultural job performance of expatriates, especially as COVID-19 sweeps the globe. After all, differences in values, rules, and behaviours across countries are even more pronounced in this special period. *Guanxi* are rooted in its high-context culture [5]. Studying the culture and core values of a particular country is essential to understanding business practices, especially for expats.

1.2. Research objective

The main goals of this study are: (1) to review the existing literature and to discuss the impact of each dimension on performance based on Black's cross-cultural adjustment model; (2) to explore the *Guanxi* dimension and to establish a new, more comprehensive framework for comprehending expatriate adjustment.

2. Literature Review

This chapter mainly reviews the past literature and introduces the Black's theories on the adjustment of expatriates. Understanding relevant theoretical research is beneficial to the theoretical framework to be constructed in this paper. The summary and integration of related literature are conducive to finding out the theoretical gaps in the existing research and clarifying the objectives and positioning of this study.

2.1. Job performance

Job performance is defined as the individual's controllable activities and behaviours that support organizational objectives [6]. There are three variables that can be used to gauge it: task performance, contextual performance, and unproductive work behaviour [7]. Job performance is different with effectiveness and productivity [8]. Expatriate adjustment positively effects performance. Expatriates who adapt well to work and interact comfortably with the local perform better in terms of job performance [9].

2.2. Individual dimension

This dimension consists of four subfactors: (1) "Cultural intelligence," (2) "Self-Efficacy," (3) "Relation Skills," (4) "Language Ability."

2.2.1. Cultural intelligence

Cultural intelligence (CQ) is the ability of an individual to function well in contexts with cultural diversity and includes metacognitive, cognitive, motivational and behavioural dimensions [10]. Expats with higher CQ perform better on international assignments since they are better at managing expectations of culturally diverse others and reducing exclusionary reactions that can happen in cross-border situations [11]. Performance

is influenced by four aspects of CQ both directly and indirectly (via cross-cultural adjustments at work) [12]. CQ can predict and have advantages on the performance of expatriates.

2.2.2. Self-efficacy

Self-efficacy refers to a person's confidence in their capacity to carry out a certain task successfully [13], which are skills required for developing relationships with host nationals. Performance increases as self-efficacy is increased since it is a prerequisite for motivation and performance [14]. Employees with high self-efficacy performed better than the others in their jobs [15]. Conversely, [16] reported self-efficacy have a negative influence on performance, because participants become overconfident and commit fewer resources to achieving their objectives [17].

2.2.3. Relational skills

Relational skills refer to a set of instruments and techniques that help people form relationship [18]. Relational skills familiarize the expatriate with what is appropriate in the host culture. One of the skills required for success in a new culture is a skill that can be related to developing relationships with the host country's nationals [19]. Relation skills minimize the uneasiness of being in an unfamiliar environment. It is simpler to communicate with the host nation's citizens [19]. Interpersonal skill has no direct influence on cross-cultural adaptation, but it may promote cross-cultural adaptation through communication skills [20].

2.2.4. Language ability

There is no doubt that language ability is one of the most important, and arguably central, factors in determining effective communication with members of the host community. Fundamentally speaking, language competence and extensive communicative competence are the core of sociocultural adaptation. Providing language training and social opportunities is important for expatriates to interact with foreign nationals [9]. Often, it is assumed that expats will gradually adjust themselves to achieve common goals as they learn the language, culture, and work with locals. Chinese proficiency of a mixed sample of expatriates in China facilitated their general, interaction, and

work adjustment [21]. Local language skills may have a limited impact on expatriates' job-related communication and performance [20].

2.3. Non-work factors

This dimension consists of two subfactors: (1) "Cultural novelty," and (2) "Family adjustment."

2.3.1. Cultural novelty

Depending on the expatriate's country of origin, some cultures are likely to be more difficult to adapt to than others, known variously as "cultural distance" or "culture toughness" [22]. Countries with similar cultures adjust more easily, whereas countries with different cultures find it more difficult [23]. Greater transition is required between countries with far cultural distances, which may make integration more challenging than between countries with close cultural distances [18]. In China, the adjustment of business expatriates was inversely connected with cultural distance [24].

2.3.2. Family adjustment

An estimated 86% of expats were accompanied by spouses or children, and spouse dissatisfaction and family discord are important factors affecting the success or failure of international missions [25]. The performance of expatriates depends on the support of their spouses [26]. The spillover effects of expatriate family adaptation and performance were confirmed in a quantitative survey of 81 expatriates [27]. There are interdependent and reciprocal ties between spouses and expatriates in the CCA process, which means there is a chance for both bad and good synergy between spouses and expatriates. On the one hand, the inability of family members is the main factor affecting expatriate failure [28]. On the other hand, it exemplifies how spouses and expatriates may work well together [29].

2.4. Cultural training

For expats, cross-cultural training (CCT) can reduce culture shock and early regression, among other advantages [30]. Cultural training before departure plays a positive role in adapting to international tasks, among which experimental training is the best

[28]. Trainees who learn appropriate behaviors for effective interactions and improve self-efficacy through CCT can reproduce behaviors that lead to effective interactions faster than untrained individuals [31]. Other researchers, however, hold the different view. For instance, the influence of pre-departure cross-cultural training on performance cannot be ascertained [32]. CCT is weakly and positively correlated with the job adjustment of expatriates in joint ventures [33].

2.5. Guanxi

Guanxi is defined as "a person's network of social networks [34]. Each *Guanxi* has a social component that is important to leverage the business. Influenced by Confucianism, Chinese have tended to believe the social environment around them is interdependent, and relationships become the focus of their personal experiences. The ways of doing business in China and the West are completely different [35]. If the role of cultural preference and understanding of *Guanxi* is not emphasized, the relationship may be damaged [5]. *Guanxi* not only brought millions of Chinese companies together in a social and business network, but in the *Guanxi* society, no company can go further unless it has a wide network of *Guanxi*. MNCs that want to conduct business with BRIC nations must comprehend and respect each nation's own business culture [5]. For good corporate performance, *Guanxi* is necessary but not enough; market-based capabilities are more likely to drive corporate performance significantly. Many joint ventures also illustrate the importance of *Guanxi* [36].

2.6. Facets of adjustment

Higher CCA levels mean less stress for expatriates, which increases work performance [37]. Previous study [14,15] revealed that adjustment failure rather than technical expertise is the primary cause of expatriation failure as an expatriate only experiences low stress if he feels comfortable in the host nation. When an expat is thoroughly acclimated to the host country, they are eager and dedicated to their work, which results in greater job performance [38].

2.7. Black cross-cultural adjustment theory

Cross-cultural adjustment (CCA) was a psychological outcome associated with adaptation, which suggests how comfortable one feels in his new role and how well-adjusted

to the demands of the role one is playing. CCA is a continuous process of interaction between two cultures [39].

Black [31] suggested that there are at least three specific facets of international adjustment: (1) work adjustment, (2) interaction adjustment, and (3) general adjustment. Additionally, he created pertinent measurement methods that were mostly utilized in the area of global human resource management [39]. General adjustment refers to the adaptation to the daily life, including diet, climate, leisure life and education, etc. Work adjustment is the adaptation to their work role, tasks, environment, and responsibilities. Interaction adjustment refers to the comfort level attained when engaging with the local in both work and non-work situations.

In 1991, Black [40] compiled and integrated research on both domestic and international adjustment, and identified five dimensions that emerged as essential to the cross-cultural adjustment process: (1) prior overseas experience; (2) pre-departure training; (3) organizational selection mechanisms; (4) individual skills (divided into self-dimension; relationship dimension; and perceptual dimension) and (5) nonwork factors categorized into cultural novelty (or cultural toughness or cultural distance) and family adjustment. The first three dimensions address problems that emerge before expats leave their home countries, while the last two dimensions concentrate on issues that happen once expats arrive at their foreign assignment [31,40].

2.8. Research gap

There is rare literature on the influence of *Guanxi* on work performance, with the CCA as a mediating variable. The practice of expatriate management originates in developed countries, but very little research has been done in developing countries during COVID-19, especially in China.

2.9. Research framework

The research model show in Fig. 1.

3. Conclusion

This review provides a new perspective on expatriates' adaptation to China based on its unique cultural background and social environment. *Guanxi* has a specific meaning that is more precise and more suitable for the unique cultural environment and context

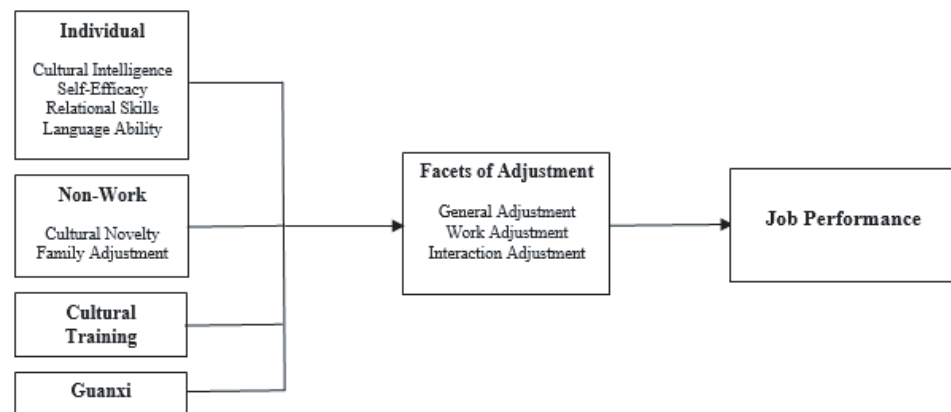


Figure 1: Research model.

of China than relational skills. By integrating related studies, this paper offers a more comprehensive framework. This framework can help researchers better understand the causes and effect of expats performance in China and theoretically contribute to the literature on CCA and work performance. To scientifically determine the effects of each antecedent variable on job performance, more empirical research on the proposed model is needed.

4. Authors' Contributions

This review proposes a new dimension that affects the cross-cultural adjustment of expatriates in China, namely *Guanxi*, and introduces it into the research framework of influencing the cross-cultural adjustment.

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