

An Intensive Review of Expatriates' Issues in China

Erni Tanius, Niezwa Abdul Wahid

Faculty of Business and Accountancy, Universiti Selangor, Jalan Zirkon A7/A, Seksyen 7,
40000 Shah Alam, Selangor, MALAYSIA.

Email: ernitanius@unisel.edu.my, niezwawahid85@gmail.com

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Abstract

Expatriation plays a crucial role in the sustainability and competitiveness of Multinational organisations. The cost of hiring expatriates is much higher than local employees; however, the contribution to company performance is significant. Therefore, China has become the main attraction for international business companies and an essential destination for expatriates worldwide. However, the literature reported that expatriates face several issues and challenges. Hence, this paper aims to identify the main issues expatriates face in China that influence their adaption and performance. This paper adopts a qualitative approach by using literature reviews. Forty-nine related articles were reviewed, and the finding revealed that the expatriates in China claimed they were having issues with language, culture and motivation. The result also indicated that the expatriates have difficulty adopting work and non-work culture, as well as their work performance, due to these issues. Therefore, this study suggested that further studies are needed, which is significant to the international human resource and expatriates that intend to work in China.

Keywords: Expatriates, Issues, Language, Culture, Motivation, China

Introduction

An Expatriate or 'ex-pat' has been described as a person residing in a country other than their native country. They are associated with an employee who is competent and trained. Expatriates' role is very critical to the performance and sustainability of multinational companies (Budhwar et al., 2019; Chen et al., 2018; Zhong et al., 2015). However, the literature reported that they face several issues during an international assignment, such as adoption in a foreign country (Swanson and Swanson, 2016; Mueller and Ramelle, 2020) and cross-culture adjustment (Halim, et al., 2019). Besides, language, open-mindedness, gender difference, culture (Kok and Li, 2020; Arifin and Abuisaac, 2018), and management attitudes (Shurafa & Mohamed, 2018).

Literature indicates that the expatriate issue is global, regardless of country and economic position. For example, in South Africa, expatriates said they were having an issue with unfamiliar customs, culture and work habits (Phiri & Pillay, 2015). Meanwhile, India was cross-cultural (Sharma & Dahiya, 2017). Furthermore, expatriates in Sweden claimed that local or business units influenced their performance (Wright & Lappas, 2017). Moreover,

internal and external cultures are identified as issues by expatriates in Denmark (Andersen & Lueg, 2017).

Additionally, Hilder (2015); Tenzer and Schuster (2017) specified that expatriates in Kenya and German had difficulty due to the local language. It is similar to expatriates in Kurdistan (Hamze, 2020) and Malaysia (Ramlan et al., 2018). Slovenia does not report on expatriates' issues (Pintar et al., 2017). However, Gudmundsdottir (2015) found that motivation facilitates expatriates working performance among Nordic expatriates in the United States. It parallels with Kaleramna et al (2018) study demonstrated the positive relationship between motivational factors and the professional adjustment ability of Indian Senior and Middle-level managers in western countries. Finally, Cura (2019) indicated that international experience and research interests motivate expatriates working in Kurdistan. The literature highlighted that the intervention to overcome these issues is critically and time needed to ensure the expatriates' adoption and performance in the host country. For example, Okpara and Kabongo (2017); Hye et al (2018) suggested that expatriates need cross-cultural motivation intervention. Meanwhile, Hilder (2015) propose language training to enhance the expatriates' communication with the local community. Finally, Darawong & Igel (2017); Silbiger et al (2020) emphasised intercultural communication skills to minimise relationship conflicts.

However, this paper only focuses on the expatriates in China as literature specifies that China has become an expatriates' destination (Expat Info Desk, 2022, September 12; commisceo, 2022). Furthermore, the World Bank (2022) reported that China's economic growth exceeded the pace of institutional development and was recorded as the most rapid economic growth in the world (2021, October 18). The GDP growth is almost 10 per cent a year (Every CRSR, 2019). As a result, there has been a tremendous increase in foreign direct investment and attracted expatriates to China. Nevertheless, the literature indicated that they faced many negative issues that hindered their adoption and performance (Expat financial, 2021, February 24; contributing to the high failure of an expatriate in China.

Hence, the objective of the study as the following

- To identify the language issue face by expatriates in China
- To determine the main culture issues experienced by expatriates in China
- To recognize the role of motivation in expatriates' adoption and performance in China

Methodology

The descriptive review is used in this study. Hence, related studies were searched, screened, and classified based on targeted characteristics. This paper aims to identify the issues expatriates face during their international assignment in China. So, the literature used was limited to the issues of expatriates in China. A total of 49 articles related to the expatriates' issues were reviewed. They are language, culture, and motivation factors. These articles were used as references and supported the study by giving evidence and information about issue faced by expatriates in China. The information was primarily gathered using academic journals and articles.

Result

The Language Issue Face by Expatriates in China

The first issue faced by expatriates in China is language. Mandarin is the official language used in China. However, it is the most challenging language to learn, and mainly Chinese prefer to speak their language. Hence, the literature found it as a critical barrier for expatriates in China (Li, 2015; Zhang & Peltokorpi, 2015; Platanitis, 2017; Goodall & Warner, 2020; Masayuki & Brewster, 2019).

Language influenced the expatriate's interaction, social support, and network-related work and non-work adjustment (Selmer & Luring, 2015). It prevented them from acquiring information, working within a team, and participating in decision-making (Wilczewski & Söderberg, 2018). Besides the inability to adapt to China's diverse societies (Care, 2018). Moreover, Chinese colleagues reluctantly share their views with expatriates who cannot speak their language. The worst scenario indicated that language differences resulted in misunderstanding and conflict in China compared with other host countries (Zhang, et al., 2017). Finally, Zhang & Harzing (2016) established that the expatriates' willingness to learn and use the local language leads to good expatriate-host country employee relationships.

The Main Culture Issues Experienced by Expatriates in China

The next is highlighted by literature is culture. It plays a significant role in expatriate adoption and performance (Zeng, 2018). Furthermore, it is also a key factor for expatriates' success (Akhil & Shimin, 2019). However, the past literature indicated that employees in China do not favour western culture (Yang & Self, (2019). Meanwhile, more than half the ex-pats in China (52%) claimed that the work culture in China did not encourage creativity, and another 44% said it does not support flexibility. Additionally, 50% claimed that the business culture does not promote independent work or flat hierarchies (InterNations, 2022, p. 12).

Furthermore, Cai and Hall (2015) found out that the issues of the structural and cultural differences in China influence the academicians' expatriate's jobs and performance. The Chinese community's lack of understanding of cultural protocol leads to conflict (Mejia et al., 2016). Hence, culture-specific tactics are needed, especially for western expatriates (Mejia et al., & Aday, 2015). Li (2015) supported that the expatriates faced working principles, cultural differences, and conflict with local employees.

Therefore, the literature suggests that cultural intervention is critically needed to improve the adaption and performance of expatriates in the host country. For example, Diemer B. (2016) recommended cultural intelligence intervention. Meanwhile, (Guo et al., 2018; Darawong & Igel, 2017) said that expatriates need to expose guanxi, a belief system in Chinese culture, to build trust and develop good relationships with peers in China. Besides creating a new cultural community by integrating different cultures (Daibao & Zhu, 2019). Finally, MNCs need to improve cross-culture relations to avoid confusion caused by cultural differences (Zeng, 2018).

The Role of Motivation in Expatriates' Adoption and Performance in China

The third issue faced by expatriates in China is motivation. The literature found that motivation positively predicted organisational and community relationships (Chen and

Shaffer, 2017) as it is the main factor for the expatriates' decision to renew their contracts as an expatriate (Thorburn, 2016). Motivation also influences expatriates' awareness of stress levels as a strategy to cope with stress (Yee et al., 2018). Furthermore, motivation has a positive relationship with the professional adjustment of expatriates (Kaleramna et al., 2018).

Therefore, Cai and Hall (2015) recommended that MNCs need to provide the induction program as pre-departure training for expatriates. It helps them to boost their motivation. Besides, the up-to-date and clear corporate policies may effectively motivate expatriates to the localisation process (Selmer & Luring, 2015). Additionally, knowledge sharing among expatriates and local employees will motivate expatriates to adapt and increase their performance (Usmanova et al., 2020). Hence, motivation workshops are needed to change expatriate retention in the host country (Hoke, 2020).

Limitations and Directions for Future Research

There are several limitations to this research. First, our research is based on qualitative methods, and we collected data based on previous related studies. We focused only on three areas: language, culture, and motivation, influencing the expatriates' adoption and performance in China. In the future, researchers could conduct research focusing on these three areas and other issues, such as families' adoption and working culture. Both are identified as issues by the previous study.

Furthermore, this study only identified the issue faced by expatriate as general; however, in reality, different type of industries, different levels and roles of expatriates faces different challenges and issues. Therefore, future studies may focus on the study, which includes different industries, levels, and roles. Next, the study depends on the literature on expatriates' issues in China, the number of related articles was limited, and the result may not have represented the actual situations. Thus, future research may adopt different methodologies, such as interviews, to ensure accurate data. Finally, more responses are needed to ensure the information represents most expatriates in China. Therefore, future researchers may use quantitative methodologies.

In conclusion, past studies show that issues faced by expatriates in China mainly languages, cultures, and motivation. These issues affected and influenced the retention of the expatriates. Most studies in the past found that due to the difference in language, the expatriates faced difficulty in work and non-work adaptation. Expatriates also indicated that they were difficulty getting accurate information and trust from local employees. Besides, the inability to adapt to rigid hierarchy is practised in China.

Meanwhile, motivation is strongly linked to expatriates' participation and adaptation to diverse ways of functioning in China. Overall, this study is significant to international companies as well as to expatriates him or herself. It provides essential information on the issues faced by expatriates in China. It also provides information on the effect of these issues, especially for new expatriates. The result can be a valuable reference for international human resource practices and expatriates him or herself. Furthermore, it will help the expatriates and MNCs in their pre-departure training. The most critical is to avoid misunderstanding and conflict and to ensure the adaption and performance of expatriates in China.

Finally, the study provides some theoretical support for languages, cultures, and motivation as the main issues faced by expatriates in China. Furthermore, the result of the study has a

significant impact on expatriates and MNC employees, who need to be mindful of the factors that they need to highlight in their pre-departure training. The finding indicated that these issues influence their performance as well as their adoption, besides their retention in the host countries. Therefore, elements of languages, cultures, and motivations should be emphasised in the expatriate's training. The study has also proposed that an extended study is needed, both quantitative and qualitative, such as by using a questionnaire or interview to provide empirical support for the current study.

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