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CHALLENGES FOR EXPATRIATE MANAGERS:  
AN EXPLORATION OF CROSS-CULTURAL MANAGEMENT,  
ADJUSTMENT, AND TRAINING ISSUES FACED BY  
ANGLO-AMERICAN MANAGERS IN HONG KONG

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## THESIS SUMMARY

This field work study furthers understanding about expatriate management, in particular, the nature of cross-cultural management in Hong Kong involving Anglo-American expatriate and Chinese host national managers, the important features of adjustment for expatriates living and working there, and the type of training which will assist them to adjust and to work successfully in this Asian environment. Qualitative and quantitative data on each issue was gathered during in-depth interviews in Hong Kong, using structured interview schedules, with 39 expatriate and 31 host national managers drawn from a cross-section of functional areas and organizations..

Despite the adoption of Western technology and the influence of Western business practices, micro-level management in Hong Kong retains a cultural specificity which is consistent with the norms and values of Chinese culture. There are differences in how expatriates and host nationals define their social roles, and Hong Kong's recent colonial history appears to influence cross-cultural interpersonal interactions.

The inability of the spouse and/or family to adapt to Hong Kong is identified as a major reason for expatriate assignments to fail, though the causes have less to do with living away from family and friends, than with Hong Kong's highly urbanized environment and the heavy demands of work. Culture shock is not identified as a major problem, but in Hong Kong micro-level social factors require greater adjustment than macro-level societal factors. The adjustment of expatriate managers is facilitated by a strong orientation towards career development and hard work, possession of technical/professional expertise, and a willingness to engage in a process of continuous 'active learning' with respect to the host national society and culture.

A four-part model of management training suitable for Hong Kong is derived from the study data. It consists of a pre-departure briefing, post-arrival cross-cultural training, language training in basic Cantonese and in how to communicate more effectively in English with non-native speakers, and the assignment of a mentor to newly arrived expatriate managers.

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## **PART ONE - BACKGROUND AND CONDUCT OF THE STUDY**

### **CHAPTER 1**

#### **INTRODUCTION**

##### **1.1 The Research Context**

The world is increasingly becoming a 'global community'. Over the past thirty years there has been a steady increase in the internationalization of economic activities.

There is more international trade and many firms now operate on a daily basis across national boundaries, even to the extent that the business functions of a single enterprise are not necessarily confined to only one country. Advances in communications and transportation have increased dramatically the volume of contacts between different regions, states and social groups. Infrastructure developments and the imperatives of increasingly sophisticated technologies have led to ever larger numbers of people being employed as expatriates outside of their home country.

These changes have been particularly striking in parts of Asia, where a number of the countries whose industrialization took place rapidly in the 60s and 70s, are now heavily committed to developing service sector economies. Hong Kong, a British colony until 1997 and now a Special Administrative Region of the People's Republic of China, provides a good example of this trend. Located at the tip of southern China, Hong Kong has moved from reliance on entrepôt trade to being a centre of light industry, to becoming a major commercial and financial centre in Asia. Its recent colonial history has meant that the territory has, not only been a meeting of East and



West in business, but has continued to serve as a conduit for Western ideas through its government agencies and educational institutions long after these direct influences have been removed from other parts of Asia.

Hong Kong is an ethnic Chinese society where over 90 percent of the local population speak Cantonese. Although most people come from southern China, primarily Guangdong province, and many are not more than a generation or two removed from their home communities there, Hong Kong has developed a strong indigenous culture which is reflected in speech patterns and colloquial expressions, movies, television and popular music. There is a strong sense of ethnic identity. People in Hong Kong perceive themselves to be different from mainland Chinese and Taiwanese, or other Chinese from Singapore and Malaysia.

Within Hong Kong there is a substantial expatriate community. Traditionally this has consisted primarily of the officials in the colonial administration, together with a variety of people associated with trading and commercial enterprises, and voluntary agencies. In recent years this group has expanded as more expatriate business people have arrived to work in the finance sector and in the regional headquarters offices which companies have established in recent years to take advantage of opportunities in the China market and elsewhere in Asia, for example Viet Nam. A growing economy also attracts independent professionals and entrepreneurs, and these groups are certainly represented in Hong Kong.



## **1.2 Academic Background**

Research on cross-cultural management and various issues of expatriation has been reported in the academic literature for many years, though there has been a substantial increase in the number of articles and books in recent years, as well as considerable attention in 'popular' business publications, including magazines, books and newspapers. The material ranges from debates about whether international management practices are converging in line with technological developments, to the development of models about expatriate 'culture shock' and adjustment, to programme evaluations of acculturation training to prescriptive advice about what to do or not do when outside of one's own country.

The literature is diverse and continues to develop in line with trends in international business and economic development. In recent years there has been additional interest in issues having to do with female expatriates, the adjustment and effectiveness of third country expatriates and the use of post-departure, rather than pre-departure, training with expatriate managers. Not to mention research into the new challenges posed by the posting of expatriates to countries such as those in Eastern Europe which, until very recently, have been closed to outside business people. Because internationalization is proceeding so rapidly, new questions arise even before the previously posed questions have not been answered satisfactorily.

### 1.3 Research Questions

Based on ideas from the academic and popular literature, and the researcher's own experience of living and working in Hong Kong since 1984, this study is organized around three key questions. Each one queries an issue which is relevant to cross-cultural management and expatriation, but they are posed within the specific context of Hong Kong's Chinese culture.

The first question is: What is the nature of cross-cultural management in Hong Kong involving Anglo-American expatriate managers and Chinese host national managers? That is, when these two groups work together, does evidence exist that by modifying their interactions with each other the overall effectiveness of their work can be enhanced?

The second questions is: What are the important features of adjustment for Anglo-American expatriate managers living and working in Hong Kong? There is already a rich literature concerning adjustment. This question is posed to test the applicability of these ideas to the Hong Kong context and whether or not this particular expatriate posting poses unique challenges related to either the elements or the processes of adjustment.

The third question is: What type of training and development will assist Anglo-American expatriates to adjust and to work successfully in Hong Kong? In other words, is there a training model which has a good potential for meeting the training needs of this particular group of expatriate managers?

Hong Kong provides a unique 'laboratory' within which to study cross-cultural issues concerning management and particularly expatriation. As there is a relatively large expatriate community it is possible to obtain data from a wide cross-section of informants and, given Hong Kong's long tradition of English-medium education, local informants can be interviewed directly without the need for an interpreter. Contact between East and West has been a feature of Hong Kong for well over 150 years so that, even though the nature of the interactions may have modified over time, the fact of foreigners and local Chinese working side by side is not unusual in the way it is in some other parts of the world.

Answers to these three research questions have the potential to further understanding about both theory and practice with respect to cross-cultural management by providing insights into how to better manage the expatriate experience to facilitate adjustment, successful performance and even personal growth and development. As well, training strategies, though identified within the Hong Kong context, might have more extensive applications for assisting expatriate managers.



#### **1.4 Structure of the Thesis**

This thesis is divided into twelve chapters, which are organized into three major sections. In this first chapter the research is introduced and the three study questions are posed. Chapters two, three, and four provide a review of the literature. In chapter two the focus is on defining culture, the nature of national cultures and major characteristics of Chinese culture. Chapter three examines the literature on expatriate adjustment and success, and chapter four reviews the key research findings in relation to training and development, with particular reference to the training needs of expatriates. In chapter five the research model and the process of the research, with the Anglo-American and Chinese host national respondents, are discussed. The strategies used, their rationale and an evaluation of their effectiveness are included.

The discussion is extended into the area of the data analysis in Chapter six, which also examines the nature of the study sample. Chapters seven, eight, and nine present the study findings. The material is organized in relation to 'dimensions', each one of which is composed of a number of questions from the research instruments, and each chapter discusses the findings of different groupings of dimensions. Material is presented both qualitatively and quantitatively.

Section three - Discussion and Conclusions contains the final three chapters. In chapter ten the first research question is addressed, whilst in chapter eleven the remaining two questions are discussed in relation to the literature. Chapter 12

concludes the thesis with a summary of the study's major findings and some suggestions for further research.

## **CHAPTER 2**

### **CULTURE AND CROSS-CULTURAL MANAGEMENT**

This chapter examines the ways in which culture can be defined and the nature of the concept of culture. The usefulness of equating culture and nation, and the work that has been done on identifying cross-national dimensions as a basis for “clustering” countries is discussed, with particular reference to Anglo-American and Asian clusters. Attention is given to the concept of organizational culture, which includes a discussion about cultural synergy. As this study is based on the assumption that Anglo-Americans and Chinese represent two distinct cultural clusters, Confucianism, as a system of organizing principles which distinguishes Chinese from Western culture, is considered in some detail, including the impact of Confucian ideas on Chinese culture across national borders. The chapter concludes by distinguishing between the different cultural norms of the Chinese and the Japanese, who are often mistakenly classified together under the rubric of ‘Oriental’.

These ideas from the literature support the assumptions of this study that technological developments have not resulted in a convergence of distinctive ‘national’ cultures, that culture is an important variable in determining managerial behaviours, that Chinese culture is distinctive and not just a part of an ‘Oriental’ culture shared with the Japanese, and all Chinese share a common cultural heritage, but that the Hong Kong

Chinese can be distinguished clearly from other groups of Chinese. The most salient features of Chinese culture are presented to provide a point of comparison with those most characteristic of Anglo-American societies.

## **2.1 Culture Defined**

The concept of culture originated with the work of anthropologists over 100 years ago (Ajiferuke & Boddewyn 1970; Potter 1989). It has been adopted so widely that Kroeber and Kluckhohn (1952) have been cited as identifying 164 separate usages of the term (Potter 1989). Within the past two decades culture has continued to receive considerable attention from researchers and writers on management issues and this is reflected in the literature, where definitions of culture abound. For example, culture has been defined as “. . . a historically derived system of explicit and implicit designs for living, which tends to be shared by all of specially designated members of a group” (Kluckhohn & Kelly, cited in Homans 1951: 98) and as “. . . that complex whole which includes knowledge, belief, art, morals, customs and other capabilities and habits acquired by man as a member of society” (Herskovitts 1952 cited in Phatak 1983: 17). Culture has also been defined somewhat more simply as “the way of life of a group of people” (Phatak 1983: 20) and “the way that different groups of people, who form some sort of aggregate, do things differently from other groups, and who may perceive their world differently” (Potter 1989: 18).



According to Child (1981a) culture can best be seen as a system of meaning which surrounds conceptually separate social systems for organizing human action. It is a set of normative and preferential conditions for action, not the action itself. Therefore, culture is not an all-encompassing explanatory variable, but rather it can be presumed to influence action in parallel with other non-cultural variables like whether or not the economic system is primarily market-oriented or the level of industrialization (Redding 1994).

Some common features can be identified across the range of definitions for culture. First of all, culture is collective and shared among individuals; it is never unique to just one person. It is representative of a whole society, or significant groups within a society. People who were socialized within the same culture are likely to display similar responses when interacting with the same environmental stimuli, so that it will be possible to characterize one group as distinct from another based upon their response patterns. A second important feature of culture is that it is a product of learning rather than being innate or instinctual. The behaviours which individuals display in virtually every aspect of their daily lives are judged as appropriate or not because people have learned to regard them as such in accordance with the prevailing norms of their society.



In this study culture is defined as “. . . the collective programming of the mind which distinguishes one group or category of people from another” (Hofstede 1993: 89), though individual differences remain salient because “. . . every person’s mental program is partly unique and partly shared with others” (Hofstede 1981: 17). This idea of culture as a form of shared mental programming which serves to distinguish one group from another has been supported by both Hofstede (1981; 1993) and Hutton (1988). Within this study’s research design it was anticipated that both the Anglo-American expatriate managers and the host national Hong Kong Chinese managers who participated would exhibit attitudes and behaviours indicative of a “collective mental programming” which would establish them as having originated from distinctively different cultures. Yet, individual managers were expected to exhibit a variety of personal attitudes and opinions.

## **2.2 The Nature of Culture**

Hofstede’s conceptualization of culture as mental programming implies that culture cannot be observed directly and its existence can only be inferred from verbal statements and observations of behaviour. This explanation is supported by Potter (1989: 18) who has suggested that culture “does not exist as anything that can be touched, seen, heard or measured”, and is rather like a field of energy such as gravity. It is not visible, but evidence of its existence is evident from its effects which are everywhere. Furthermore, the pattern which culture exhibits tends to be substantially

hidden from the cultural participants themselves (Potter 1989). Individuals living within their own culture understand its norms so well, they need not refer to them consciously in order to interpret correctly their social environment. It is simply “the way things are”. Hofstede’s idea that the last thing a fish will discover is water and this will only occur when it is landed in a fisherman’s net, suggests an analogy between the role of water in the environment of a fish and the all-pervasive nature of their own culture in people’s lives.

An individual’s cultural awareness is deeply rooted in his/her subconscious mind (Hutton 1988) and the behaviours appropriate in a particular culture are acquired through a socialization process which begins at birth (Phatak 1983; Potter 1989).

Homans (1951: 332) has described the process as follows:

Society puts its stamp on the individual through the application of social norms from infancy, thus molding the personality of individuals. “The society breeds its own character-type, its basic personality”. In addition, there is a process of organization, in a changing environment and technology, to meet needs, and this process creates the culture that may then be taught to the next generation.

Culture provides individuals with a sense of identity (Adler 1975; Phatak 1983) and with some sense of personal place (Adler 1975). It enables ideas to be communicated through the use of a common language (Phatak 1983), and it is a source of security (Webber 1969). Perhaps most importantly, culture allows for the regulation of social interaction by giving people confidence about how their behaviour will be received by

others in their society (Adler 1975; Phatak 1983). The ability of people to anticipate correctly the responses of others to their actions is an important skill in the daily conduct of activities. When confronted with another culture the correct anticipation of responses to particular behaviours is no longer assured. Therefore, individuals may experience considerable difficulties in accomplishing tasks, even those which they could handle easily in their own society.

Herskovitts (1952 as reported in Phatak 1983) and Hutton (1988), among others, have attempted to provide an understanding of culture by identifying a number of elements or dimensions which contribute to the composition of culture. Hutton's eight elements are 1) language, 2) values and attitudes, 3) education, 4) social organizations such as kinship and status systems, 5) technology, 6) politics, 7) law, and 8) religion. These are pictured as interacting reciprocally with culture, which forms a central focal point. Herskovitts (1952) identified only five dimensions, though he does include language, which he regarded as the most difficult cultural element for people entering a new culture to master because idiomatic interpretations are very problematic for those who attempt to learn a language through study rather than having been born into a society where the language is used commonly. Phatak (1983) added religion as a sixth element on the grounds that in some cultures religion is a central organizational feature and will effect how business is conducted.



An alternative approach to understanding culture, based on how information is structured and shared, has been developed by Boisot and Child (1990), in line with Kroeber and Kluckhohn's (1952) insight that culture has something to do with the way that social groups structure and share information across space and over time. When transactional or communication structures are considered, there is a positive relation between codification and diffusion. "The more information that can be compressed into codes, the more quickly and widely it can be transmitted" (Boisot & Child 1990: 286). The reduction of uncertainty and the achievement of conceptual and perceptual stability which occurs with higher degrees of codification can only be realized by way of a corresponding loss of perceptual texture and richness. By examining the extent to which information is codified and comparing this against whether or not the information is then diffused or not diffused it is possible to identify four distinctive transactional structures and models. As the process of codification is a social process and there are cultural differences in society's information-sharing behaviour, each model indicates clearly cultural and ideological preferences for the way in which communication is structured.

By focusing on the dynamic process of information-sharing behaviour, this conceptualization permits culture to be understood at a higher level of abstraction than the mere identification of elements (Hutton 1988) and dimensions (Herskovits 1952; Phatak 1983) and readily accommodates the impact of societal changes. It appears to

have wide applicability as it can be used as the basis for understanding behaviours in any culture. The elements/dimensions approach does not always lend itself to such comparability. For instance, the Western idea of religion as a particular system of spiritual belief, which individuals either accept or reject, may not be defined similarly in other societies. For the Chinese, spiritual beliefs may be tied much closer to more general values and beliefs deriving from Chinese history and culture, and not be so readily identifiable as a separate set of beliefs, manifested in prescribed rituals of worship as in the West. Many Chinese would not find the category of 'religion' a meaningful way to characterize their beliefs. In response to the question "What is your religion"?, a Chinese may very well respond "I am a Chinese". Confucianism, which is often equated with Western-style religion, is really a code of correct social conduct (Hofstede 1991). There is no belief in the life of the spirit or in the existence of one or more gods. Therefore, an examination of societies information-sharing behaviour would seem to provide a useful research framework for understanding the nature of culture across societies.

### **2.2.1 Cultural Change**

Perhaps not surprisingly, given the deeply rooted and all pervasive nature of culture, the literature indicates there is a tendency for societies to exhibit "cultural inertia" and resist changes in values and beliefs (Jabes & Gruère 1987; Phatak 1983; Webber 1969). However, this does not mean changes do not occur. Phatak (1983) has

identified gradual and continuous change as a characteristic of all cultures, although Hofstede (1981: 26, 1987) has argued that the process of changing norms is relatively slow, and is governed by “the law of conservation of culture” whereby old values often survive in new settings “. . . unless the outside influences are particularly violent (as in the case of military conquest or deportation)”. Recent research on Hofstede’s dimensions with respect to the United Kingdom and Hong Kong has identified the presence of slow changes in the dimensions, but confirms that “. . . the substantive differences between Hong Kong and the UK remain unchanged” (Lowe 1996a: 117), which is in agreement with Hofstede’s prediction about the stability of different cultures relative to one another despite overall changes taking place.

### **2.2.2 Cultural Relativity**

Anthropology has made a major contribution to the study and understanding of culture through the notion of “cultural relativity”, which posits that all cultures have equally valid patterns of survival within their environment (Schnapper 1979; Thiagarajan 1971), or in Adler’s (1975: 20) words “. . . every culture has its own unique system for dealing with the question of being”. The variations in value systems and behaviour patterns evident across cultures are historically developed and environmentally conditioned ways of handling fundamentally similar human problems. Thus no society can lay claim to being superior to any other. All are equally valid responses to the unique environmental challenges people in different parts of the world have had to



meet to ensure their survival and sustain social development. The imposition of values from one culture, in an attempt to override the values of another culture, is at variance with the principle of cultural relativism, though both historically and in the contemporary world it has been justified in relation to economic imperatives and on the basis of political and religious ideologies. However, at the end of the twentieth century the moral imperative for anyone working in a cross-cultural situation, such as expatriate managers, must surely be how to integrate and maximize the contributions of more than one cultural tradition; or how to select the most culturally appropriate course of action, rather than attempting to replace one cultural perspective with another one.

Thus, in studying cross-cultural interaction it is important to screen out, as much as is humanly possible, the subjective biases - i.e. prejudices - which tend to perceive a familiar culture in more positive terms than a less well-known culture. The cultural relativity principle does not accept the quick labeling of behaviours as 'good' or 'bad'; they are simply different. Any additional judgment concerning whether an action is appropriate or inappropriate can only be made once there is a thorough understanding of the circumstances surrounding what is taking place.

### 2.3 The Classification of Culture

A major problem with the concept of culture concerns how to determine an appropriate basis upon which to classify different cultures and to distinguish clearly one from another. Bochner (1982) has identified some of the different classification schemes for culture, such as drawing distinctions between “simple” and “complex” (Freeman & Winch 1957), between “tight” and “loose” (Pelto 1968), or based on the extent to which they are differentiated (Witlin & Berry 1975). Equating culture and country is one of the classification methods used most commonly (Hofstede 1976, 1980, 1991, Jenner 1984; Kelley et al. 1987; Pye 1985; Sirota & Greenwood 1971).

National boundaries are a relatively objective way to delineate the legal, political, and social environments within which organizations and people function, and they do provide a clear cut way of separating one collectivity from another. Hofstede (1983, 1984) regards this ‘national cultures approach’ to be compatible with the idea of culture as mental programming. Thus, he has written: “The national culture found is a kind of average pattern of beliefs and values around which individuals in the country vary” (1983: 78), so even though it is inappropriate to generalize the common elements of a nation to every person living there, the national culture *is* generally representative.



Various studies have attempted to “cluster” countries on the basis of similar goals (Sirota & Greenwood 1971) or cultural characteristics (Hofstede 1976), including an overview of Asian systems (Pye 1985). Ronen & Shenkar (1985) undertook a meta-analysis that grouped the countries which had been examined in a number of cross-national pieces of research. They based their analysis on the assumptions that cultures are distinct entities and nations can be operationalized as practical proxies for these entities. Using national units as the basis for defining cultures and allowing for comparisons between them has been argued as being a logical approach because national boundaries delineate the legal, political, and social environments within which organizations and workers function. This issue is examined in more detail in Section 2.3.1

Child (1981b) has argued that national culture is often a more satisfactory explanation for differences than either contingencies or socio-economic systems. He cites, as an example, the delegation of managerial decision-making which “. . . has been found to be encouraged by organizational growth (a contingency), [although] resistance to delegation appears to be consistently greater in some countries than in others” (Child 1981b: 4). Despite the basic similarities there are “. . . well-known differences in approach to organizations and management . . .” (Child 1981b: 4), and Child has concluded that “culture appears to mediate the processes which stem from contingency and socio-economic system” (Child 1981b: 4-5). This mediation is

particularly apparent in interpersonal behaviour and authority relationships (Child 1981b) and is consistent with the four dimensions of cultural difference - power distance, collectivism/individualism, uncertainty avoidance and masculinity/femininity - identified in Hofstede's work across over 50 capitalist countries.

Fukuda (1983) has written about culture being a variable which, though not able to explain everything, seems to have a considerable influence on both management philosophy and management process. This of course suggests that national characteristics lead to important practical issues when it comes to the management of people in organizations (Child 1981b), and when people from different national cultures must do business with one another.

Some countries tend towards cultural homogeneity, with all members having essentially the same ethnic identification and culture, whereas other countries contain many different ethnic groups. It may be there exists no society with complete cultural homogeneity, though Japan has been identified as a country which comes close. This is in contrast to the United States, which is a country of cultural diversity (Bochner 1982), and many states in Eastern Europe where recent events have demonstrated all too unequivocally the existence of very different cultures within the same country.

In equating culture and country it needs to be kept in mind that within national boundaries it may be possible to identify several aggregations based on cultural similarities. There are quite a number of countries with distinct sub-national groupings, - for example, Belgium and Canada. Despite this, the subcultures within a nation still share, as Hofstede has noted “. . . common traits that make their members recognizable to foreigners as belonging to their society” (1981: 24). On the other hand, there are other cultural characteristics which clearly span national boundaries and can be referred to as supra-national, such as the Islamic states who have a common value system based on religious principles (Child 1981b).

In the case of the Chinese, their culture can be defined as supranational, country-based and also as consisting of distinctive sub-national groupings. There are approximately 57 million overseas Chinese, the bulk of them being the *Nanyang* or southern ocean Chinese. They live not only in Hong Kong, Singapore, and Taiwan, but also in Thailand, the Philippines, Malaysia, Indonesia, Viet Nam and in primarily large urban areas in North America, Australia and the UK. Their preferred mode of operation is through networks based on family and clan relationships, which function in accordance with what can be identified as distinctively Chinese cultural values (Kotkin 1992; Naisbitt 1995; Redding & Ng 1982). There are also predominantly Chinese societies, such as Hong Kong and Singapore, which are clearly defined political entities and which can be distinguished one from another (Hofstede 1980, 1991). At the same



time there is an increasing recognition that within the relative homogeneity of Chinese culture there are sub-groupings. So, Hong Kong managers can be distinguished as having somewhat different values from North American Chinese or their counterparts in mainland China (Kelley et al. 1987; Stewart & DeLisle 1994; Tse et al. 1988). These complications do not however negate the validity of considering a culture to exist inside national boundaries. When expatriate managers work in Hong Kong they interact extensively with the Hong Kong Chinese as a distinct cultural grouping within the context of Greater China and the overseas Chinese communities, and their adjustment and effectiveness must be considered in relation to this territorial grouping.

### **2 3 1 Clustering Countries**

The current study focuses on the adjustment and behaviours of Anglo-American managers working in Hong Kong. This identification of Anglo-Americans as a relatively homogeneous group, not only distinct from, but also considerably different from the Hong Kong Chinese, is supported by the literature which has attempted to 'group' or 'cluster' countries with similar characteristics. Such a clustering is based on the reasonable assumption that similar work value systems are shared by countries in the same cluster, and understanding this will enable a better forecasting of potential difficulties and a more accurate determination as to whether the problems of certain groups of countries require different kinds of handling (Kraut 1975; Ronen & Kraut 1977).

The literature supports the existence of Anglo-American and Far Eastern clusters of countries with quite distinctive cultural norms, personal values, and approaches to daily life (Hofstede 1976, 1980; Pye 1985; Ronen & Shenkar 1985). When the West and China are compared directly, then the literature identifies a cultural gap greater than with either Japan or the Middle East (Tung 1986). The greater the differences between two cultural groups, the more likely it is they will encounter difficulties when interacting with one another. It has been strongly suggested this is the case with respect to Sino-American business negotiations where “. . . unquestionably the largest and possibly most intractable category of problems . . . can be traced to cultural differences between the two countries” (Pye 1982: 20, cited in Adler et al. 1989).

### 2.3 1 1 *Anglo-American Cluster*

In their meta-analysis of cross-national ‘clustering’ studies Ronen and Shenkar (1985)<sup>i</sup> found a tendency for countries to group together geographically. The one obvious exception, found to be common to all of the cluster studies, was the Anglo-American cluster which contained countries from around the world. By way of characterizing this cluster Ronen and Shenkar (1985: 449-50) referred to Hofstede’s research:

Hofstede (1980) found that countries in the Anglo cluster generally have a low to medium score on the power distance index, a low to medium score on the uncertainty avoidance index, and high scores on the individualism and masculinity indices.

The countries of the Anglo-American cluster most commonly include the United Kingdom, the United States, Canada, Australia, New Zealand and South Africa. These countries all share English as a common language, and language both shapes and reflects experience (Whorf 1967).

#### 2.3.1.2 *Asian Cluster*

Hofstede's (1980) cross-national study found a distinct Eastern cluster (Pakistan, India, Taiwan, Hong Kong, Thailand, Singapore, and the Philippines), which was characterized by high power distance and low to medium uncertainty avoidance. Individualism was low relative to collectivism and masculinity was rated at a medium level. Redding's (1976) earlier study of eight Far East countries using the Haire et al. (1966) questionnaire, had generated similar findings in favour of the existence of a Far Eastern cluster. However, Shenkar and Ronen (1985) have questioned the whole idea of a comprehensive Far Eastern culture in light of the huge geographical area encompassed and the diversity of languages and religions to be found in the Far East. A refinement by Pye (1985) has resulted in three clusters of countries. The first grouping consists of the East Asian Confucian cultures of China, Japan, Korea and Viet Nam. A second clustering is labeled as Southeast Asian Patron-Client systems and includes Burma, Thailand, Indonesia and the Philippines. A third and final clustering consists of South Asian Hindu and British-Colonial Systems such as India, Sri Lanka, Bangladesh, and Malaysia.



Even taking Pye's refinement into account the Far Eastern cluster provides a much less distinctive and cohesive grouping of countries than does the Anglo-American cluster. It is possible however to identify a unique cultural heritage, or a cross-national 'cluster', which is shared by all Chinese societies, even if these do not always form discreet political entities. This would include the People's Republic of China, Taiwan, Hong Kong and Singapore and the many overseas Chinese communities in South East Asia, North America, Australia and Europe. In every one of these Chinese communities there is a shared cultural heritage of Confucian values and beliefs, which is distinct from that of other Confucian influenced societies such as Japan, Korea and Viet Nam, and that has resulted in particular preferences for the structuring of organizations and interpersonal communications.

## **2 4 National Differences**

Probably the most influential study on cross-national differences, to date, has been Hofstede's (1980) examination of work-related values from the questionnaire responses of 116,000 employees in 72 national subsidiaries of the IBM corporation. Four cross-national dimensions were identified as common across all countries: individualism/collectivism; power distance; masculinity/femininity; and uncertainty avoidance. On each of these dimensions countries with similarities were grouped or 'clustered' together.

#### **2.4.1 Individualism/Collectivism**

This dimension concerns social integration and the closeness of the relationship between one person and the social groupings within his/her society. Put simply, in an individualist culture children learn to think of themselves in terms of “I”, and everyone is supposed to look after their own self-interest and the interests of their immediate family. In contrast, in a collectivist culture a child’s self-concept is formed in terms of “we”, with a much greater emphasis on the in-group. There is a more pronounced distinction between “us” and “them” (Hofstede 1980, 1987; Hutton 1988).

An individualist culture is loosely integrated with a high quality of life being defined in terms of individual success, achievement, self-actualization, and self-respect. It is assumed that individuals will primarily look after their own interests and those of their immediate nuclear family. A collectivist culture is tightly integrated. The underlying assumption is that individuals belong to one or more “in-groups”, such as an extended family or clan, to which they are bound permanently. The in-group protects the interests of its members and, in turn, expects unquestioning loyalty. People consider the respect of their reference group (sometimes referred to as preserving face) to be as important as self-respect is in individualist cultures.

#### **2.4.2 Power Distance**

“All societies are unequal, but some are more unequal than others” (Hofstede 1980: 136). Although inequality appears to be a universal phenomenon, the extent to which it is tolerated and considered to be normal varies between cultures. Differences also exist in the extent to which inequality is institutionalized: “. . . in some societies the hierarchy of inequality has become the fundamental principle on which all relations are based” (Hofstede 1987: 11).

Large power distance societies stress inequalities and develop systems in which everybody has a clearly understood status (Hutton 1988). They tend to support the existence of a large emotional distance between subordinates and their bosses. In small power distance countries, subordinates tend to be less dependent on their superiors. In general, there is a preference for consultation, with subordinates prepared to approach their bosses and even to contradict them. The emotional distance between subordinates and their bosses is relatively small (Hofstede 1991).

#### **2.4.3 Masculinity/Femininity**

All societies use the biological differences between the sexes as a basis for defining different social roles for men and women. In ‘masculine’ societies men dominate according to prescribed role expectations for both men and women. In ‘feminine’ societies the roles played by men tend to be defined less rigidly (Hutton 1988).



Femininity lays stress on interpersonal relationships, whereas masculinity emphasizes the desirability of achievement. Masculine cultures are more likely to reinforce as appropriate behaviours by males which are rational, assertive, and competitive. Striving for material success and being ambitious are important values, and there is considerable respect for what is big, strong and fast. Women are expected to perform in a help-mate or serving capacity. Feminine cultures do not make such sharp distinctions between the roles considered to be suitable for each gender. Women's roles may also be performed by men (Hutton 1988).

#### **2 4 4 Uncertainty Avoidance**

Basically, societies must somehow come to terms with the fact that the future is unknown and will always be so (Hofstede 1987). Unstructured, unclear or unpredictable situations often make people feel ill at ease, though the extent to which they do so tends to vary across different cultures. Where the feelings of discomfort are keenly felt, it is likely that attempts will be made to avoid situations of uncertainty by adopting strict codes to regulate behaviour and for people to believe more strongly in the existence of absolute truths.

In strong uncertainty avoidance societies the issue of personal security tends to be emphasized. People are taught to anticipate the future and create institutions which are designed to promote security and stability and to avoid risk. In these societies

there are likely to be beliefs, religions, and ideologies which claim absolute truth and are intolerant of others' beliefs (Hofstede 1987; Hutton 1988). Personal risk-taking is much more acceptable in weak uncertainty avoidance cultures. The acceptance goes along with relatively tolerant attitudes towards standards of behaviour. Individuals will normally have a high degree of tolerance of behaviours and opinions which are different from their own (Hofstede 1987).

#### **2 4 5 Confucian Dynamism**

A key methodological issue in cross-national research concerns the high likelihood of bias in the findings because the questions posed are constrained by the cultural biases of the designers of the research instruments. Hofstede was aware that the instruments he used in his IBM research may have failed to identify important non-Western values, and he collaborated in a subsequent 21-nation study using a questionnaire designed by Eastern social scientists (Hofstede 1991; Hofstede & Bond 1988). A comparison of this data with that of the original IBM research confirmed the existence of three cross-national dimensions power distance, individualism/collectivism, and masculinity femininity. The uncertainty avoidance dimension - that is, society's search for truth, was replaced with a new dimension when the Eastern-oriented questionnaires were used. This dimension has been labeled 'Confucian dynamism' and it concerns society's search for virtue.

The dimension of Confucian dynamism is composed of elements which Westerners normally would not find important and it has two poles. One pole is a long-term orientation towards the future. It tends to be more dynamic. The opposite pole is a short-term orientation towards the past and present and it tends to be more static. Comparisons between countries disclosed a clear trend. Those countries with top scores on the long-term orientation index, and therefore exhibiting the strongest alignment with Confucian dynamism, were, in rank order, the Confucian-oriented societies of the PRC, Hong Kong, Taiwan, Japan and South Korea.

## **2 5 Organizational Culture**

Beyond the idea that individuals are products of their national culture and therefore, their mental programming will influence their behaviour within the work organization, there is the idea that organizations have their own internal culture. This culture consists of the intangible values and beliefs of organizational members about relationships and processes, and their notions about appropriate ways of conducting daily activities. The organizational culture emerges from the organization's on-going activities and its scope is defined by the boundaries of the organization, rather than those of a country. Within these boundaries a common culture is shared; outside of the boundaries it is not. Looking as far back at the Hawthorne studies, research evidence has existed about the impact of workplace-originated values and norms on people's work behaviour. The idea that organizations have an internal culture of their



own was a theme prevalent in the popular management literature of the early 1980s (Peters & Waterman 1982; Deal & Kennedy 1982; Ouchi 1981).

There is now quite an extensive body of management literature which focuses on the idea of organizational or corporate culture, and its relationship to organizational productivity and individual performance (Posner et al. 1985). The literature often draws on ideas which are also used to explain the nature of national culture. For example, the idea of common values.

Our values comprise the things that are most important to us. They are the deep seated, pervasive standards that influence almost every aspect of our lives, our moral judgments, our responses to others, our commitments to personal and organizational goals. Values constitute our personal "bottom line". Organizations, too, have values. Implications about "what 'really' counts" can be read between the lines of every decision made, every objective formulated (Posner et al. 1985: 294)

Hofstede (1984) has suggested that in organizations which have an individualistic culture, and therefore values which favour individualism, there will exist a tendency for the task to be more important than the relationship. Whereas in collectivistic work organizations the relationship will take precedence over the task. Even though the formal structures and functioning of organizations may be an expression of the wider culture in which they are located, organizations within the same society will still tend to be different from one another (Hofstede 1984; Potter 1989).

### 2.5.1 Organizational Culture and Change

The organizational culture concept has implications for change processes in organizations. It suggests that rather than attempting to change the behaviour of specific individuals, the basic units for change ought to be thought of as groups, and the change process should focus on inter-group relationships. Changing relationships is has been argued, is a “. . . necessary precondition for the development of the more functional and positive atmosphere required for effective group effort” (Oh 1976: 80). In other words, successful managerial behavioural change in organizations is primarily a function of modifying the organizational culture (Lee 1971 cited in Oh 1976).

Rehder et al (1989) have discussed an example of how a non-traditional socio-technical system developed in a Japanese manufacturing firm was transferred and adapted to an American service organization. The traditional organization was characterized by structure-based centralization with a comprehensive system of rules and regulations. As plans could not be made for all contingencies, especially in a rapidly changing environment, high degrees of surveillance and control were required. In contrast, the non-traditional organization used centralization which was culture-based, a common mission supported by a set of shared values. This involved a general model of conduct with intense socialization to internalize values and goals. According to Rehder et al (1989) the process of changing the traditional organization into a non-traditional organization was a shift from structure to culture based upon socializing, or

perhaps more accurately, re-socializing, the organizational members. As explained by Rehder et al (1989: 23)

Socialization is the key to internalizing the values and goals necessary for members to function successfully in a new culture-based organization. The challenge is to saturate the organization from top to bottom with a shared vision and core values

The usefulness of the organizational culture concept has been questioned by Jabes and Gruere (1987). They contend that people working in organizations are part of larger national cultures and that because change is so common in organizations there is not time for them to develop their own culture. They regard the organizational culture concept as a 'knee-jerk' response to the economic crisis of the 1970s when there was an attempt to understand the essence of countries with successful trading economies - most notably Japan.

Despite some criticism, the application of the concept of culture to better understand organizational behaviour does appear to be generally accepted. It emphasizes the importance of values in determining work behaviours and processes. At the same time it must not be forgotten that organizations exist within a larger national culture and they are open systems interacting with, and being influenced by, their environment. Thus, national cultures are likely to be instrumental in determining the overall nature of organizational cultures.



### 2.5.2 Cultural Synergy

Cultural synergy refers to the benefits derived from blending numerous culturally specific approaches to create “a unifying organizational culture based on the best of all members’ national cultures” (Adler 1983: 30). This concept regards cultural heterogeneity as a resource for the organization to use and a source of mutually beneficial cooperation (Adler 1983; Maruyama 1984). Thus, an organization which has within it individuals whose values have been shaped by a variety of national cultures can, by effectively melding them together, achieve increased productivity and dynamism.

Hofstede (1981) has written about his belief that once people become aware of the cultural limitations of their own ideas they will appreciate the extent to which they will find it helpful to work with those who have had a different cultural conditioning. In his words:

... only other people with different mental programs can help us discover the limitations of our own. Once we have realized we are the blind confronting the elephant, we welcome the exchange with other blind persons (Hofstede 1981: 35).

Thus, cultural synergy may be regarded as an extension of the idea that the learning which can occur through cross-cultural contact is a potentially important source of personal growth.

## 2.6 Confucianism

This research examines the adjustment of Anglo-American expatriate managers in Hong Kong and the nature of their working relationships with Chinese host nationals. Therefore, in order to provide a background for the analysis, this section discusses some of the key characteristics of Chinese culture.

Many aspects of Hong Kong's society are shared with other Chinese societies, whilst others are unique and can be seen to have arisen from Hong Kong's history as a British colony and an important 'gateway' to mainland China. However, no understanding of the cultural norms which influence Chinese business practices can be achieved without taking into account Confucian principles and ideas. "...

Confucianism is most clearly identified as the foundation of China's great cultural tradition, and of Chinese interpersonal behaviour" (Dow 1973; Metzger 1977; Nivison & Wright 1959, Pye 1972, cited in Shenkar & Ronen 1987a), and "A Confucian analysis has continuing validity toward an understanding of Chinese interpersonal behavior" (Bond & Wang 1983: 59 cited in Shenkar & Ronen 1987a: 266). The four basic tenets of Confucian philosophy with particular relevance to interpersonal behaviour are harmony, hierarchy, developing one's moral potential, and reliance on kinship affiliation (Shenkar & Ronen 1987a).

### 2.6.1 Harmony

The principle of harmony stresses the need for conflict-free interactions, and can be considered as a necessary prerequisite for the successful functioning of group-based patterns of social relations. When there is a system of rules governing how people ought to behave across a range of social situations harmony is facilitated, for as long as everyone adheres to the rules there will be less potential for conflict or disharmony. A society where systems of rules and regulations are favoured implies there will be a higher degree of formality in social relations.

This emphasis on harmony implies that, among the Chinese, there is a tendency to accept and to seek to fit with, rather than attempt to change, environmental conditions. In Western societies managers are more likely to be encouraged “. . . to seek means for controlling their environment” (Tse et al. 1988: 85), and within Western style organizations harmony is regarded as less important than efficiency (Evans et al. 1987: 57). However, harmony continues to be a relevant feature of Chinese interpersonal relations despite political and technological changes: “The principle has not been challenged by modern Chinese ideologies, either in the PRC or in the noncommunist Chinese countries, and seems to have persisted in modern Chinese communities in Western countries” (Bond & Wang 1983, cited in Shenkar & Ronen 1987a: 266).



### 2.6.2 Hierarchy

The principle of hierarchy stresses the necessity for each individual to be conscious of his or her position in the social system (Eberhard 1971, cited in Shenkar & Ronen 1987a). The use of hierarchical principles in organizations seems to be well-suited to Chinese cultural norms:

It has always been easy for the Chinese to establish bureaucratic hierarchies because they have an instinct for recognizing fine status differences and their social order is a continuum of rankings from the lowest person to the highest official (Pye 1985: 209, cited in Boisot & Child 1990).

Despite being fiercely attacked by Maoist ideology in China, the hierarchy principle has become evident, once again, in the management of mainland Chinese enterprises (Laaksonen 1984, cited in Shenkar & Ronen 1987a).

The way in which the principles of harmony and hierarchy impact on group leadership has been explained as follows.

The political environment of the Chinese small group generates its authority structure, suggesting a pivotal position for the leader, who informs the other members as to what is socially and politically appropriate (see Confucius 1983: 12:19, 13:4; Hsiao 1979). Group members are expected to show deference to the leader so as to maintain the Confucian principles of harmony and hierarchy (Bond & Wang 1983, Metzger 1973) (Shenkar & Ronen 1987a: 269-270).

Leaders tend to be given first place because of their formal authority as deference to authority is integral to traditional Chinese society (Lindsay & Dempsey 1985: 75).

### **2.6.3 Development of Moral Potential**

According to Confucianism the development of a person's moral potential takes place as he/she fulfills social obligations within a legitimate framework of hierarchical deference and group interests. Individual opportunistic behaviour is unacceptable and is discouraged (Boisot & Child 1990). Once again, this principle has not been directly challenged in modern Chinese societies (Eberhard 1971; Metzger 1977).

### **2.6.4 Reliance on Kinship Affiliation**

The principle of reliance on kinship affiliation is regarded as the most appropriate model for governing interpersonal relations. Sun Yat-sen (1929), the father of modern China, explicitly endorsed reliance on kinship. The pivotal role of the family has been identified for all non-Communist Chinese societies (Baker 1979; Silin 1976; Lin 1977, cited in Redding 1986; Kotkin 1992; Naisbitt 1995). The final debt owed by an individual to his/her immediate family is considered to be so all-encompassing, it can never be fully discharged (Shenkar & Ronen 1987a).

A central feature of kinship affiliation is an emphasis on the collective, and this has been reinforced, rather than being questioned, in modern Chinese countries (Eberhard 1971; Whyte 1974, cited in Shenkar & Ronen 1987a). The close fraternal bonds of kinship and loyalty to the clan have been identified as particularly important in southern China. This has been explained as a consequence of the technology of rice

farming where a higher level of cooperation was demanded of family members during periods of planting and harvesting than among the wheat and millet farmers in the northern areas of China (Pye 1985).

## **2 6.5 Relationships, Obligations and Shame**

For the Chinese, the life domains of work, family and friendship are influenced by the Confucian emphasis on the kinship system and on hierarchy, and the designation of persons as “insiders” (familiar acquaintances) or “outsiders” (strangers) (Shenkar & Ronen 1987a) In order for business or professional relationships to develop there is a need for “mutual attraction” to exist, and therefore, “the Chinese prefer to do business with individuals or firms that they consider “known quantities” . . .” (Shenkar & Ronen 1987a)

Relationships are especially important in business because contracts are often based on trust rather than being specified in legal terms (Lockett 1988), and indeed, a lower value may be placed on transactions validated by contract rather than based upon status and trust (Boisot & Child 1990). A codified legal framework has not been a part of Chinese tradition in the same way as it has been in Western countries. It has even been suggested that “. . . the resort to law has in Chinese Confucian tradition been regarded as an admission of failure in social relationships” (Boisot & Child 1990:



306). The importance which Chinese attach to the quality of the relationship when two parties share a common undertaking, implies that expatriates need to spend considerable time and effort to build and maintain relationships when they are engaged in business transactions with Chinese people.

The strong emphasis which the Chinese place on the collective means that each person has “human obligations” to a group of identifiable, known others (Shenkar & Ronen 1987), and attention must be given to the repayment of “dues” (Meade & Barnard 1973, Redding 1982; Tung 1981, cited in Tse et al. 1988). The importance of these obligations cannot be underestimated. Indeed, a person’s social status “derives substantially from one’s fulfilling these human obligations, as perceived by the group” (Shenkar & Ronen 1987a: 269).

The need to maintain credibility through fulfilling social obligations provides the basis for a system of mutual obligation. The obligations can be thought of as “social capital” (Shenkar & Ronen 1987s). It is acceptable for an individual to ask for favours from someone else, and thus draw on his/her social capital if an understanding of mutual obligations exists between the two parties. In Western terms the meeting of an agreed obligation might be thought of in the context of the need to preserve one’s “good name” or to maintain one’s reputation. Within the Confucian-influenced norms of a Chinese society it is an absolute necessity that obligations to the in-group are

fulfilled. These exchange relationships create long-term moral obligations and there are no explicit rules for terminating such obligations (Lockett 1988; Tse et al. 1988). The dishonour which results from failure stains not only the individual's reputation but that of the family; the shame is shared by all.

Behavioural principles connected with the concept of shame tend to operate in Asian societies whereas in Western societies, which draw their moral precepts more extensively from the Judeo-Christian tradition, there is a much stronger emphasis on guilt. The differences between 'shame' and 'guilt' cultures has been defined as follows

A society that inculcates absolute standards or morality and relies on men's developing a conscience is a guilt culture by definition . . . . True shame cultures rely on external sanctions for good behaviour, not, as true guilt cultures do, on an internalized conviction of sin. Shame is a reaction to other peoples' criticism . . . shame has the same place of authority in Japanese ethics that 'a clear conscious' 'being right with God', and the avoidance of sin have in Western ethics (Benedict 1946: 222, cited in Redding 1980).

Thus, in Chinese societies shame functions as a mechanism to ensure adherence to collective norms and the fulfillment of mutual obligations. A Chinese tends to define his/her own identity in terms of his/her social network and this embedment is likely to favour behaviour which emphasizes the importance of obligation networks, cliques and patronage systems. In the case of Chinese businesses, ". . . the informal organization may be even more influential than in the West" (Redding 1980: 138). Relationships,

together with reciprocity, give rise to *guanxi*". When considered within the context of the shame principle and the need to fulfill one's responsibility to the collective by ensuring that no dishonourable behaviour takes place, then the power of these combined principles is evident.

## 2.6.6 The Concept of Face

One of the most widely recognized values of importance in Chinese culture is the concept of 'face' "[which] refers to the respect, pride, and dignity of an individual as a consequence of his or her position in society" (Tse et al. 1988: 83). Face is a norm which regulates responsibilities and interpersonal interaction in the family and, more generally, in society (Redding & Ng 1982; Tse et al. 1982). It is a recognition by others of a person's social standing and "... thus must be seen as situationally defined rather than part of personality (Ho 1976 cited in Lockett 1988: 488). The needs met through face have to do with making human interactions comfortable. This works through a process of joint responsibility, by all who are party to an interaction, for behaviours which provide for the maintenance of the individual's composure and the avoidance of embarrassment either to himself/herself or to others (Goffman 1955, cited in Redding & Ng 1982).

There are two dimensions to the Chinese concept of face. *Lien* refers to a person's moral character. It has to do with being a 'decent human being' and is more ascribed



than achieved. To have no *lien* is to have no integrity and it is “about the most severe condemnation that can be made of a person” (Hu 1944, cited in Redding & Ng 1982: 206). It provides the moral basis for business behaviour and explains the great importance of trust in Chinese business relationships, and the resulting informality about terms and conditions in contracts and agreements (Redding & Ng 1982). *Mien-Tzu* is the reputation which a person earns by their own efforts. It is useful, but not essential and is more achieved than ascribed. To have no *mien-tzu* would mean that a person had failed to be successful. Although obviously not the most desirable state of affairs, the condition does not have any real stigma attached to it.

Although it may be regarded as a universal social characteristic, not exclusive to Oriental peoples (Ho 1976), individual face saving is a cultural trait which is commonly cited in the literature as a feature which distinguishes Chinese from Western managers (Lee 1982, Redding 1982 cited Tse et al. 1988). Face has greater salience for Asian societies (Redding & Ng 1982), and ‘losing face’ is more keenly felt by a Chinese manager than by a Western one (Lockett 1988). A number of studies support the importance of face to the Chinese in their social interactions, irrespective of location. (Lindsay & Dempsey 1985 (PRC); Redding & Ng 1982 (Hong Kong); Silin 1976 (Taiwan), Wilson & Pusey 1982 (USA), cited in Lockett 1988).

It has been argued that face may be a key to explaining much of the behaviour of the Chinese (Stover 1974; Lin 1977 cited in Redding & Ng 1982). This suggestion is consistent with the ideas of Bond and Lee (1981) who have outlined three situations in which face will be important, each one of which can be identified as generally applicable in Chinese societies. There is, first of all, the set of circumstances which do not permit any escape if face is lost. Secondly, there are those societies where individual identity is dependent upon the activities of the collective, and finally there are authoritarian societies where criticism of a superior by a subordinate threatens the social order. The Chinese emphasis on the maintenance of hierarchy and the accomplishment of goals through group activities, has been discussed previously.

Face has been identified as operating in the social relationships between colleagues at work. It is an important aspect of the informal organization and is useful in keeping social relationships smooth and balanced, and in accordance with other important Chinese values. For example, “. . . one could “lose face” by failing to show proper rituals of “submission dependency” and deference to the authority figure” (Solomin 1971 cited in Lindsay & Dempsey 1985: 75). It has been found in the negotiations which take place in the organization, though its lesser salience in the personnel function may be a recognition of its capacity to be dysfunctional (Redding & Ng 1982). Lockett (1982: 492) has suggested that “while ‘face’ considerations may

inhibit critical discussion of issues, it can also be a powerful force for non-financial motivation”.

## **2.7 Chinese Culture Across National Boundaries**

Chinese communities with the Confucian cultural tradition are a significant feature of South East Asia. Outside of mainland China, Taiwan, Hong Kong and Singapore are predominately Chinese societies, whilst Malaysia, Indonesia, Thailand, Viet Nam and the Philippines contain cohesive Chinese communities, whose members are most often employed in trade and business. As each country represents a different political and, in some cases socio-economic system, it is reasonable to ask to what extent traditional Chinese values associated with Confucianism have changed due to environmental imperatives. This seems to be particularly relevant in the case of the PRC where the ideology of the Communist Party has had an overriding influence in national politics for the past four decades.

All South East Asian countries score on the collectivist, large power distance side of Hofstede’s original four dimensions, whilst Japan tends to be in the middle (Hofstede 1987). This means that the basic unit of society is the family, not the individual, and a person’s identity is very much bound up within a pattern of interpersonal relationships. Clear distinctions are made between in-group members and out-group members. Therefore, the American idea of people as “resources” has little salience. Other people



are placed somewhere in a network of relationships which is defined in terms of categories such as 'in-group' or 'out-group', or 'superior' and 'inferior'. Large power distances are maintained and relative statuses are more important than in countries such as the USA and the Netherlands (Hofstede 1987). Personal relationships almost always contain a vertical element - for example, father-son; older brother-younger brother; teacher-student.

Hofstede (1987) has written about the impact which the culture of South East Asia has had on attitudes towards personal development. "With the family as the unit of society, there is no desire for development of individuals that upsets the intricate system of mutual relationships and status" (Hofstede 1987: 15). For example, education serves more as a mechanism for acquiring status and less as a means of personal growth. In the West, challenge is associated with achieving a sense of accomplishment, and one's self-image is enhanced through using cognitive abilities (Shenkar & Ronen 1987a). However, in Chinese societies, where there are less clearly defined boundaries between the individual and the group, challenge "... becomes less a personal goal and more a collective endeavor (Whyte 1974)" (Shenkar & Ronen 1987b: 572).

Shenkar and Ronen (1987b) have studied the work-related values of the PRC, where the economic system has a socialist orientation and the Chinese societies of Taiwan, Hong Kong and Singapore, whose economies operate very much in accordance with the principles of market driven capitalism. Previous empirical studies had revealed a high degree of similarity in work-related values among the three capitalist societies (Hofstede 1980; Redding 1976) which was identified as having stemmed from the sharing of a common cultural tradition (Dawson, Law, Leung & Whitney 1977)

In their research, Shenkar & Ronen set out to compare the relative importance of various work goals in mainland China and in other predominantly Chinese countries as a way to better understand “. . . the differential impact of traditional culture on the one hand and modern ideology and economy on the other” (Shenkar & Ronen 1987b 571) Complete agreement was not found and on work goals such as autonomy, co-workers who cooperate, and promotion, there were significant differences between the PRC and the other Chinese countries Despite this however, the study’s overall findings led the researchers to conclude “ the groupings of work goals among managers from the People’s Republic of China appear to be generally in line with the groupings found in other Chinese countries” (Shenkar & Ronen 1987b 574) This has been supported by Lockett (1988 486) who has stated

While the social, political and economic changes in the PRC have been major since 1949, it is still possible to identify core values held in common with other areas of China such as Hong Kong and Taiwan and with overseas Chinese.

Such a finding is consistent with Lockett's (1988) cautionary note about not assuming there is a different culture in the PRC despite political and economic institutions which differ from those of other Chinese people.

Still, environmental influences cannot be discounted completely. Organizational behaviour in the PRC has been identified as a blend of ancient tradition and modern political ideology (Lindsay & Dempsey 1985). Political education has been identified as one of the widely used motivators in Chinese enterprises (Lindsay 1982; Tung 1981, cited in Lindsay & Dempsey 1985). Lindsay and Dempsey (1985) conclude that a unique set of behaviours and norms has emerged in China through a combining of traditional Chinese culture and modern socialist development.

With respect to Hong Kong, it has been argued that the local Chinese "... have a strong sense of ethnic pride and integrity underlying what they see as a veneer of Westernization" (Bond & King 1985: 261). This very strong sense of in-group identity has been demonstrated in a study by Bond (1985) with over 70 Form Four students from an Anglo-Chinese school in Hong Kong. There were 12 experimental conditions created in which three Hong Kong Chinese and three Westerners, were presented to the students in two minute recordings with an accompanying description,



identifying them as either Chinese or as British, and including some remarks in either Cantonese or English. The students were then asked to rate the speakers in terms of a benevolence factor having to do with honesty, friendliness and kindness, and a competence factor having to do with industriousness. Bond found that the students specifically rated a Cantonese speaker as more humble, honest and friendly than an English speaker regardless of the speaker's ethnicity. A finding which Bond wrote about as "perhaps surprising" had to do with the fact that "... the Chinese speaker was denigrated when speaking English rather than Cantonese. Subjects were responding as if the use of the out-group's language by the Chinese was an act of divergence" (Bond 1985: 59). In explaining these findings Bond (1985) referred to Clammers' (1982) observation about Chinese identity:

... to a Chinese his sense of Chineseness transcend all such variations, and is furthermore regarded as essentially a racial identity, rather than, for example, a religious one . . . , a linguistic one . . . , or a locality of origin one . . . (Clammers 1982: 128-29 cited in Bond 1985).

In a subsequent study of mutual stereotypes undertaken with interacting groups of local Hong Kong Chinese and American exchange students Bond (1986) found the groups each maintained strong stereotypes about the other. Yet in their daily lives as students the groups interacted, without overt conflict, across a range activities. Bond (1986) concluded that it is possible "to have inter-group harmony despite the presence of broad and clear stereotypes about one's in-group and the relevant out-group . . . ." (Bond 1986. 270); a conclusion also argued by Kalin (1984) and Taylor (1981) (cited in Bond 1986)

The existence of a very strong ethnic identity, based upon race, among the Hong Kong Chinese is suggested by Bond's research. This is at variance with the commonly held perception of Hong Kong as a relatively westernized society due to over 150 years of British colonial administration, and a long tradition of conducting commercial transactions with the West. A structured matching of cross-national characteristics would quite likely support the conclusion that Hong Kong is more westernized than most other Asian societies. This must however be viewed in relative terms. When compared to Anglo-American countries, Hong Kong is still very much a Chinese Asian society

Some measure of the extent to which Western values have been absorbed and are reflected in the behaviors of Hong Kong managers can be gathered from research by Tse et al (1988). They studied 145 executives from Canada, Hong Kong and the PRC, using an in-basket format, to determine what managerial decisions would be favoured in risky marketing situations. The Hong Kong executives always scored between the PRC and Canadian executives. In some instances their responses were similar to the Canadians; in others to the executives from mainland China.

Tse et al (1988) put forward the idea that the globalization process may be uneven across different cultural norms. For example, the Hong Kong executives appeared to adhere to the 'face-saving' norm as strongly as the PRC executives, but they were

similar to the Canadians on other norms. The study also found that Chinese values such as saving face, long-term exchange relationships and restricted competition, unquestioned respect for leaders, and pan-ethical views tended to persist in the PRC even after 38 years of Communist philosophy and 8+ years of modernization. This is consistent with the idea of Chinese culture as a set of core values which underlie social integration among all Chinese people whether in the PRC, Hong Kong, Taiwan or elsewhere overseas, and when subject to change do so only gradually over generations rather than years (Lockett 1988). It should be noted that Tse et al. (1988) have identified evidence pointing to a contradictory trend. They cite studies carried out in Singapore (McCullough, Tan & Wong 1986; Tan & Farley 1987) which found traditional Chinese values to be fading slowly because of Western influence.

## **2.8 Chinese Organizational Behaviour**

Lockett (1988) has identified four key features of Chinese culture which impact on organizations. The criteria for his choices are that these features underpin social interaction within organizations, differ from other cultures, have persisted over time, and they can be seen in the PRC as well as among Chinese elsewhere. The four features are 1) respect for age and hierarchical position; 2) group orientation; 3) the concept of 'face'; and 4) the importance of relationships.



That these cultural characteristics are most evident in the Chinese family business has been identified as a major factor contributing to the economic success of East Asia in recent decades (Naisbett, 1995; Redding 1984). There is a high degree of consistency in the way in which these family enterprises are structured and operated. They are nearly always small with overlap between ownership and control. Paternalism prevails, with a powerful father figure in the most senior post and other members of the family-based group occupying key positions throughout the system. Often there is specialization in one product or one kind of industry.

The psychology of the small family-controlled business, run paternalistically and dependent upon a network of personal contacts, seems to extend even to other types of organizations in South East Asia. Redding (1984: 13) has written that "... in the large corporations ... [the] sense of striking a personal bond between boss and employee is maintained". Lockett (1988) reports on research undertaken in Taiwan which found a prevalence of 'relationship oriented' as opposed to 'performance oriented' evaluations. The personal nature of business in South East Asia has also been identified in the popular literature. For example, Waters (1991: 74) has written: "Business is more personal in the Orient, instead of a system of rights and obligations with rigid boundaries created by laws and lawyers". Comparing Chinese family businesses with organizations of a similar size in the West, Redding (1984) concluded that the principal differences had to do with the degree to which decision-making was centralized. Within Chinese organizations there is a much greater tendency for

decisions to be made in the most senior ranks, resulting in a higher degree of dependency by subordinates.

As an organizational form Chinese family businesses seem to be particularly suited to certain sets of circumstances. According to Redding (1984: 13):

They appear to flourish in communities which provide freedom of action within certain sets of rules and regulations, and they flourish on a dramatic scale. One of the keys to their success is a capacity to express social responsibility through paternalism and thereby to act as manifestations of a Confucian ideal.

In a discussion about employee motivation in China, Harrell (1985) expressed the view that Chinese workers will work hard when they see the potential for improving the long-term material welfare of the groups to which they belong. As the family is the most important grouping, it can be seen that the small Chinese business organization, where there is a close link between business success and family prosperity, is ideally suited for tapping individual initiative in a way consistent with deeply felt cultural values

## **2.9 Differences Between Chinese and Japanese Culture**

The Chinese and the Japanese live in geographic proximity to one another in East Asia. Their societies have both been influenced by a common cultural tradition, most notably in the principles of Confucianism, and there are racial similarities between Japanese and Chinese people (Fukuda 1983; Redding 1984). The term 'Oriental' would seem to be an accurate categorization to encompass both traditions. Yet it is

not appropriate to conclude that the Chinese and the Japanese cultures are basically similar, just as it is not accurate to assume there is a fundamentally different Chinese culture in the PRC, despite the existence of political and economic institutions built on a socialist model distinct from the capitalist systems within which the overseas Chinese operate in South East Asia (Silin 1976; Fukuda 1983, cited in Lockett 1988).

### **2.9.1 Family Patterns**

The Chinese family pattern has been characterized as one favouring a passive approach to life. In teaching children the emphasis was traditionally placed on not bringing shame to the family and the highest form of achievement was in becoming a scholar-official. By way of contrast, the Japanese family encouraged a more aggressive and activist approach to the outside world, and material success was considered to be a legitimate way of bringing honour to the family (Pye 1985). The impact of these differences has been discussed by Pye (1985: 70) as follows:

These differences between the roles of sons in Chinese and Japanese families led to significant differences in the two cultures' reactions to modernization. Public authority in China, modeled on the ideal family, concentrated on preserving unity by seeking harmony among people who had compatible but distinctive roles. Well-being was not unimportant, for it was desirable for the "family" to prosper as a unit, but more important was the obligation to reduce conflicts and preserve order. In sharp contrast, the Japanese ideal of the family, which included competitiveness and even conflict, as well as the exploitation of circumstances for self-advancement, led to the idea that government also had to be concerned with competitive skills, effectiveness, and aggressive strategies.



Pye (1985) further suggests that the sharp distinction made by the Chinese between family members and those who were non-family resulted in a reluctance to trust anyone from outside of the family circle. "In Chinese enterprises the limits of trust and of decision-making responsibilities were often set by the size of the family" (Pye 1985: 70). In Japanese enterprises, on the other hand, non-family members could be accepted as participants in the central decision-making process and people with technical skills would be brought in on a routine basis. This same point has been argued by Fukuyama (1995) who has suggested that Japan, the US and Germany have been able to move beyond the family and to create a variety of new social groups that were not based on kinship, resulting, for example, in the development of large, professionally managed corporations.

## **2 9 2 Forms of Organization and Management**

Several culturally determined forms of organization have been identified in East Asia (Redding 1984). All are substantially different from each other and all are radically different from Western bureaucracy. Using the common theme of Confucian values in comparing Japan and China, Redding (1984) has suggested that the Japanese organization is an expression of national values which originated historically from a time when Japan was being directly influenced by China. Whereas the Chinese organization is a reflection of Confucian culture which has been retained in exile from its homeland.

It has been suggested that variations in interpersonal relationships between the leader and subordinates is a differentiating principle between Japanese and Chinese enterprises (Silin 1976 cited in Fukuda 1983). On the basis of a study of matched Hong Kong and Japanese firms, Fukuda (1983) concluded that even though Chinese managers appear to believe in team-work and collective efforts the same as Japanese managers, it was unlikely that the decision-making processes could be regarded as collective in the Japanese sense. He characterized the decision-making of Chinese managers as being a “top-down” narrowly collective process, in contrast to Japanese managers who used a “bottom-up” collective process, based on extensive informal discussion and consultation throughout the hierarchy, before a decision was submitted for formal and ultimate endorsement at the top. The group assumes a shared responsibility of a quite different order than what would be regarded as normal in a group of Westerners. According to this idea each person in a Japanese work group takes 100% responsibility, while the group as a whole assumes 500% responsibility (Maruyama 1984)

In terms of leadership, Fukuda (1983) has agreed with Silin's (1976) observation about Chinese patterns of leadership emphasizing a rational commitment to the leader rather than emotional ties, as is the case in Japan. He supports this point with a

quotation which suggests that “. . . their nation [China] is like a “tray of loose sands”, while the Japanese nation is welded together like “a piece of granite” (Lin 1962 cited in Fukuda 1983: 38). Chinese societies, unlike Japan and the US, do not develop strong social groups in the area between the family on the one hand and the state on the other (Fukuyama 1995).

### 2.10 Summary

The concept of culture has been defined as mental programming, which individuals learn from birth through the socialization process and which causes them to respond in particular ways to various reinforcement schedules. Culture is deeply rooted and all pervasive, with a resistance to social change agents like technology, which tend to push societies towards convergence.

An analysis of information-sharing behaviour, in terms of the extent to which there is a preference for highly coded and therefore easily diffused information, has provided a basis for distinguishing cultural differences. Also, distinctions between countries have been found along three values dimensions - individualism/collectivism, power distance and masculinity femininity. A fourth dimension of uncertainty avoidance has been identified using instruments developed by Western social scientists, while an instrument designed by Eastern social scientists has uncovered a values dimension labeled ‘Confucian dynamism’, which appears to operate in Chinese societies.



Additional research on the clustering of countries according to their values has found a distinctive 'Anglo-American cluster which differs significantly from Asian countries with Chinese populations. In Chinese societies, the principles of Confucianism, which are a basic historical underpinning of Chinese culture, continue to influence Chinese business practices and organizational behaviour. What is more, the salience of Confucian ideas appears to override the influence of national political and economic systems. Confucian values have had a differential impact on Chinese and Japanese societies and this has resulted in two clearly distinguishable cultures with different value systems.

The foregoing material suggests that cultural differences are an important influence on managerial behaviours, and that the interactions of Anglo-American expatriate managers and Chinese host national managers in Hong Kong, the adjustment and success of Anglo-American expatriates, and their training needs must be studied with this issue in mind. Further, the literature supports defining Hong Kong Chinese culture as distinct from Japanese and other Chinese cultural groupings. Thus, this study extends previous cross-cultural research within the specific domain of Hong Kong.

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<sup>1</sup> The studies reviewed by Ronen and Shenkar were Badawy (1979); Haire, Ghiselli & Porter (1966), Hofstede (1976, 1980); Griffeth, Hom, Denisi & Kirchner (1980); Redding (1976); Ronen & Kraut (1977); and Sirota & Greenwood (1971).

<sup>2</sup> Guanxi "means literally "a relationship" between objects, forces, or persons. When it is used to refer to relationships between people, not only can it be applied to husband-wife, kinship and friendship relations, it can also have the sense of "social connections," dyadic relationships that are based implicitly (rather than explicitly) on mutual interest and benefit. Once guanxi is established between two people, each can ask a favor of the other with the expectation that the debt incurred will be repaid sometime in the future" (Yang 1994: 1-2 cited in Xin & Pearce 1996: 1642).

## **CHAPTER 3**

### **EXPATRIATES: ADJUSTMENT AND PERFORMANCE**

In a modern world where the internationalisation of business continues apace expatriate managers are a particularly valuable human resource. It is important they do not fail to realize their full potential. This chapter considers the relevant research on expatriation, including several comprehensive models on the nature and impact of factors related to the adjustment and performance of expatriate managers. Concluding remarks indicate how this study will enhance the current state of knowledge about expatriate managers.

#### **3 1 Trends in Expatriation**

##### **3 1 1 Definition of an Expatriate**

The word expatriate is a noun used to describe a person who is living abroad with the intention of returning to his/her home country (Gullick 1990). Expatriates most commonly go overseas for the purposes of a) business, b) mission - including religious, government and non-profit agencies, c) teaching and research, and d) leisure (Cohen 1977 cited in Gullick 1990) The expatriates participating in this study were all employed on the basis of their professional or technical qualifications or business experience, and the sample did not include people working in unskilled or semi-skilled positions, who are often referred to as “guest workers” rather than expatriates.



Since World War II more and more international enterprises have become involved in the transfer of goods, financial capital and management from their home countries to “overseas” locations (Borrmann 1968; Ivancevich 1969) and this has resulted in a sharp increase in the numbers of expatriates (Hays 1974). Although the exact number of expatriates employed throughout the world is unknown (Brewster 1991), expatriation is no longer confined to American and European companies; it is also used extensively by Japanese firms, by companies based in newly industrialized countries such as Hong Kong and Taiwan (Fukuda & Chu 1994; Stewart & DeLisle 1994; Tung 1982, 1987), and by smaller firms whose expatriate owner/managers are returning to do business in a country where they have family or origin ties (Wright & Nasierowski 1994). Additionally, there are individuals whose expatriate status derives from self-employment or employment secured independently, rather than as a consequence of a company-based job assignment.

### **3.1.2 Research on Expatriation**

The trend towards globalization has gained momentum in the 1980s and the 1990s, with growing inter-firm and international mobility on the part of managers (Chan, 1994; Fish & Wood, 1993), and with its predictions about an increased demand for cross-culturally skilled individuals who can understand and accept cultures other than their own and who can function effectively and efficiently in a foreign environment (Adler, 1981; Hiltrop & Janssens 1990, Montagno 1996; Ravenscroft & Clark 1991; Tung 1981). Concomitantly,

there has been a substantial increase in interest about the topic of expatriation (Hiltrop & Janssens 1990). This has included expatriate administration (Croft 1995), the selection and success of women expatriates (Adler 1984a, 1984b, 1994), expatriate career development (Fish & Wood 1993) and training for cross-cultural management (Black, Gregerson & Mendenhall 1992; Hutton 1988; Keys & Wolfe 1988; Wright & Nasierowski 1994). Considerable research interest continues to be directed towards understanding better the reasons for expatriate failure and the nature of expatriate adjustment and success, and each of these major topics is examined in the following sections.

### **3.2 Expatriate Failure and Ineffectiveness**

#### **3.2.1 The Frequency and Consequences of Expatriate Failure**

The increased interest in expatriation has been associated with both a rapid increase in the number and size of multinational corporations and an increased awareness within organizations about the financial and emotional costs when expatriate failure occurs (Ronen 1986, Zeira & Banai 1985 cited in Hiltrop and Janssens 1990). Most commonly, expatriate failure is defined as returning home prematurely from an assignment abroad (Grove 1990), although this definition incorrectly assumes all overseas assignments to be time-limited. As well, it obscures an important aspect of expatriate failure which arises when expatriates are ineffective in achieving their work-related goals, but continue to occupy their positions overseas.

### 3.2.1.1 *The Costs of Expatriate Failure*

A review of the research literature on the premature return from overseas assignments of expatriate managers uncovered both consistent and contradictory findings. Mendenhall and Oddou's (1985) conclusion that the expatriate failure rate in multinational corporations from 1965 to 1985, fluctuated between 25 percent and 40 percent has been supported by Harvey (1985) who identified an identical rate for American expatriates. Similarly, Black and Stephens (1989) have reported failure rates to range between 16 percent and 40 percent. Tung (1984) found that in more than three quarters of the eighty US corporations participating in her comparative study, it was necessary to recall or dismiss 10 to 40 percent of the expatriate personnel because of poor performance. Only a quarter of these corporations reported a failure rate below 10 percent. Out of the 35 Japanese companies responding, 86 percent identified a failure rate of less than 10 percent and no company had a rate as high as 20 percent. Subsequently, Tung (1987, 1988) reported American expatriates' failure rates to be about twice those of their counterparts from Europe and Japan. Other research has indicated that even though Japanese companies with overseas operations tend to employ considerably more home-country managers than either US or European firms, their expatriate assignment's failure rates are usually much lower (Kobayashi 1990, Murray & Murray 1986 cited in Fukuda & Chu 1994)



On the other hand, a recent review of the literature has prompted Selmer (1993) to suggest the occurrence of expatriate failures has been declining over time (Brewster 1991, Dowling & Welch 1988, Lublin 1992, Napier & Peterson 1991 cited in Selmer 1993). Whilst the existence of such a trend would be encouraging, over 30 years of research provides plenty of evidence that it is premature to declare this issue inconsequential, particularly in light of recent findings. For example, Fukuda and Chu (1994) have concluded that, contrary to previous research about the relative success of Japanese expatriate assignments, the rate of expatriate failure among Japanese subsidiaries in Hong Kong and Taiwan is not any lower than found generally for US multinationals.

Black and Stephens (1989) have pointed out that it always takes time for managers to adjust to new work roles arising from either international transfers, domestic transfers or promotions. Whilst the adjustment is taking place there will be a period in which the costs to the organization will exceed the contributions made by the employee (Pinder & Das 1979 cited in Black & Stephens 1989). Costs will increase the longer the adjustment period and will, of course, be greater in those cases where a manager fails to adjust satisfactorily to his/her new role.

The tangible costs of a failed expatriate assignment include the costs of initial recruitment, relocation expenses and allowances, repatriation costs, career re-orientation for the unsuccessful expatriate and replacement recruitment costs (Conway 1984, Harvey 1985),

and the inevitable disruption in operations can result in lost opportunities and reduced profits (Murray & Murray 1986). Mendenhall and Oddou (1985) have reported an average cost per failure to the parent company of between \$US 55,000 and \$US 85,000, depending on the international exchange rate and location of the assignment (based on Misa & Fabricatore 1979), whilst Harvey (1985) has suggested that the cost of the premature return of expatriates ranges from \$US 50,000 to \$US 150,000 per returnee (based on Harris 1979, Harris & Moran 1979), and Black and Stephens (1989) referred to the direct costs of bringing a manager back and finding a replacement as ranging from \$US 50,000 to \$US 200,000 (based on Copeland & Griggs 1985; Misa & Fabricatore 1979). Even higher estimates have been mooted. In one study the per annum cost of maintaining a US family overseas was put at between \$US 150,000 to \$US 250,000 (Murray & Murray 1986), whilst in another it was suggested that an American multinational corporation spends well over \$US 300,000 per year on each expatriate (O'Boyle 1989 cited in Fukuda & Chu 1994).

These figures only indicate roughly the actual costs of expatriate failure. They are now somewhat outdated because of inflation and there will be substantial variation depending upon the location of the overseas assignment and the needs of the expatriate and his/her family. The figures also tend to reflect primarily the experiences of persons employed by American multinationals. Whatever the precise costs, there are undoubtedly substantial pecuniary losses for organizations, and quite likely for individuals too.

Failed expatriate assignments also represent a human capital loss of skills, knowledge and experience, which results in indirect as well as direct costs (Black, Gregersen & Mendenhall 1992; Fukuda & Chu 1994). Such implicit or “invisible” costs can result in reduced productivity in the foreign operation, damage to a company’s reputation and the loss of esteem among clients (Harvey 1985). Individuals may suffer reduced self-confidence and self-esteem in their managerial ability and lost prestige with their peers (Mendenhall & Oddou 1985). There is also evidence that valuable managerial talent is lost to organizations because even those whose performance prior to an overseas assignment was quite good, rarely stay with the company after failing as expatriates (Murray & Murray 1986).

### **3.2.2 Causes of Expatriate Failure**

Although the financial and other costs associated with outright failure can be serious, of equal concern are the numbers of expatriate managers whose unsatisfactory adjustment is manifest in their poor work performance. Research has suggested that a notable share of expatriate managers, and as many as 30 to 50 percent of American expatriates, who stay at their overseas assignments are regarded as ineffective or marginally effective by their parent organizations (Copeland & Griggs 1985; Mendenhall & Oddou 1985; Tung 1988), and their ineffectiveness incurs large direct and indirect costs (Black, Gregersen & Mendenhall 1992). It has also been suggested that the factors which hinder the



performance of those who do manage to complete overseas assignments are the same ones which cause complete failures to occur (Murray & Murray 1986).

#### 3.2.2.1 *The Failure of the Expatriate Family to Adjust*

Tung's (1981, 1987) research has been unequivocal in identifying the leading cause of expatriate failure in American multinationals to be the inability of the spouse to adjust to living in an environment physically or culturally different from the home country. The second cause of failure has been the inability of the expatriate employee to adopt to living or working in a foreign country, followed by other family-related problems.

The impact of family-related pressures upon the expatriate assignment and the continuing failure of many multinationals to consider this carefully in their selection process has been criticized extensively in the literature (Borrmann 1968; Hill 1977; Miller 1972; Tung 1981 cited in Harvey 1985). It has been found that not only do work-related problems affect home life, but an expatriate's family situation has an impact on his/her performance and success on the job (Garin & Cooper 1981; Tung 1982), and there is evidence of a significant link between the adjustment of the spouse and the adjustment of the employee during international transfer (Black 1988; Black & Stephens 1989).

Unlike the employed expatriate, family members do not have the stability of company structures and procedures, nor the network of colleagues on whom they can rely for

support. It is often the spouse who must deal directly with the foreign culture whilst settling in and ensuring the family's most basic needs are met, yet she/he has often not had the benefit of the orientation and language training provided to the expatriate manager. Moreover, experience has indicated it is the physical factors, such as a limited water supply or frequent electrical blackouts, which are acclimatized to more readily than emotional stress and anxiety due to being separated from family and friends in the home country (Harvey 1985). There is also evidence of a differential impact within the family itself. Children who are 3 to 5 years old often experience emotional difficulties, whereas 14-16 year olds tend to suffer from social frustrations (Gaylord 1979).

#### *3.2.2.2 The Impact of Culture Shock*

"The frustration and confusion that result from being bombarded by uninterpretable cues" (Adler 1981: 343) when a person is in a different or unfamiliar culture is referred to as 'culture shock' - a term coined by Oberg (1960) who saw it as an "occupational disease" (Church 1982) and an "occupational hazard" for individuals working overseas (Thiagarajan 1971). In fact, the business studies literature generally regards culture shock to be a psychological problem, though from an anthropological perspective it can be seen as a learning process, descriptive of an individual's adaptation to a new culture and an important aspect of self-development (Adler 1975; Gullick 1990). In line with this second perspective, a more comprehensive definition of culture shock is "... the period of transition and adjustment during which a person who has been relocated experiences some

degree of anxiety, confusion, and disruption related to living in the new culture” (Befus 1988: 381).

The extensive treatment which culture shock has received in the literature (Adler 1975; Almaney 1974; Earley 1987; Spradley & Phillips 1972; Thiagarajan 1971) would suggest the phenomenon is widespread. Culture shock most commonly occurs about six months after arrival in a foreign country (Torbiorn 1982 cited by Gertsen 1990), though husbands and wives may experience culture shock at different times (Hutton 1988) and it may not be experienced by everyone.

Befus (1988) has asserted that culture shock is now commonly referred to as cross-cultural adaptation, which implies a broad, somewhat positive perspective on expatriate adjustment. This point of view is however not supported by the management literature, where the term “culture shock” still tends to focus narrowly on maladjustment. In fact, Oberg’s original definition confined culture shock to the second stage of a four stage adjustment process that included 1) honeymoon - characterized by enthusiasm for the new cultural milieu and friendly, but superficial relations with locals; 2) crisis - culture shock - feelings of loss, rejection, anxiety or anger arising from differences in language, values, etc.; 3) recovery - crisis resolution as the expatriate learns the language and the culture of the country, 4) adjustment - the expatriate accepts and even appreciates cultural differences, though periodic episodes of anxiety may still occur (Gertsen 1990). A similar five stage model of expatriate adjustment conceptualizes the transitional experience as a



movement from a state of low self and cultural awareness to a state of high self and cultural awareness, with culture shock as a stage of 'disintegration', characterized by confusion and disorientation (Adler 1975). Current usage tends to be consistent with Stone (1993) who, in his study of Australian expatriates, refers to "adjustment *and* culture shock" as a major problem in expatriate administration.

The ability to cope with culture shock has been studied by Spradley and Phillips (1972) who used a Cultural Readjustment Rating Questionnaire (CRRQ) with a sample of returned American Peace Corps volunteers, Chinese foreign students in the United States, and a group of US students reporting on intercultural experience. They found that the difficulties experienced in cultural readjustment often arose from feelings about how people in the new culture were perceived to be violating the norms of their home country. It was their conclusion that "... the more difficult aspects of readjustment involve unlearning the norms and rules acquired during socialization" (Spradley & Phillips 1972: 526). Acceptance of this idea implies that one of the most important preparations for an individual undertaking overseas work is to acquire a thorough understanding of his/her own culture

Culture shock may, in fact, serve an important function in the adjustment process for many people. A part of it may be simply recognizing and coming to terms with being a part of a particular socio-cultural system and, as a consequence, being limited by the values and behavioural norms which that society proscribes.

Culture shock, as Hoopes and Althen (1971) and David (1971) have suggested, may very well be the way in which the individual reconfirms his or her own identity in the face of new linguistic, perceptual, emotional and cultural learning (Adler 1975: 22).

Thus, culture shock may be regarded as an important aspect of cultural learning, self-development and personal growth (Adler 1975).

### 3.2.2.3 *The Failure of the Expatriate Manager to Adjust*

No evidence exists to suggest a link between inadequate professional or technical skills and either the high failure rate or below standard performance of personnel assigned overseas (Conway 1984). In fact, 'technical expertise' or 'having a successful track record' has been found to be by far the most important selection criterion used by US multinational companies when deciding on expatriate assignments (Baker & Ivancevich 1971, Miller 1972, 1973, Tung 1982, Vassel 1983 cited in Mendenhall & Oddou 1985). The essence of this perspective is captured in the following quotation: "Managing [a] company is a scientific art. The executive accomplishing the task in New York can surely perform as adequately in Hong Kong" (Baker & Ivancevich 1971: 40). This implies that professional or technical skills alone will ensure success. Furthermore, a review of overseas experience has revealed it tends to result not in the enhancement of technical skills, but rather the further development of managerial skills such as making decisions under uncertain conditions, seeing situations from a number of perspectives and tolerating ambiguity (Adler 1981). A particularly interesting finding given the high correspondence

between these skills and those associated with effective managerial performance (Mintzberg 1973 cited in Adler 1981).

However, based on the early experiences of private, governmental and religious organizations working overseas, an awareness began to develop as early as the 1960s concerning the equal importance of human and technical elements for success, and a recognition that personnel were much more likely to be deficient in the human aspects of work performance than in technical skills (Harrison & Hopkins 1967). Ivancevich (1969) found American managers regarded personal attributes to be at least as important as technical competence in securing the respect of host national managers, and Hawes and Kealey (1981) determined that the transfer of skills from expatriates to locals was inhibited by inadequate intercultural interactions. Subsequent research has suggested very strongly the important influence of attitudinal factors, on successful adjustment to living and working in a foreign culture, such as tolerance for ambiguity, willingness to communicate, and degree of ethnocentricity, as well as individual differences in motivation and previous international experience (Black 1988; Black & Stephens 1989; Church 1982; Mendenhall & Oddou 1985 provide reviews). Torbiorn (1982), after studying Swedish expatriates, went so far as to conclude that expatriates need to be idealistic about working abroad to the point of having a sense of mission or “call to adventure”.



Despite considerable evidence about their importance to adjustment and satisfactory job performance, it is these motivational and attitudinal factors which are often not considered adequately when selecting individuals to work overseas. The selection criteria tend to focus instead on a person's technical expertise or successful track record in domestic operations, even though it is known that domestic success does not necessarily translate into success overseas (Tung 1981, 1984; Vassel 1983). As well, national cultures are very much different from one another and just as domestic success does not necessarily mean overseas success, so too it is a mistake to assume that an expatriate manager who can operate efficiently and effectively in one foreign location will do so everywhere (Baliga & Baker 1985). This is a point which is often overlooked or considered inadequately in the literature. There is a tendency to view expatriate adjustment and success as similar across cultures. Even if the general features of expatriation are similar, the attitudes and behaviours required for success will vary in accordance with different cultural milieux. This issue has not been given sufficient attention in the research to date.

Evidence also exists that expatriates do not receive adequate training prior to an overseas posting. The literature cites reasons for this as including a lack of belief in the effectiveness of training programmes, the temporary nature of the foreign assignment and insufficient time to conduct adequate acculturation training between the job assignment and the assumption of duties (Tung 1981; Zeira 1975). These issues are addressed in Chapter 4.

It should be noted that there appears to be no difference between the adjustment of male and female expatriate managers, though the latter are still very much in a minority. Neither is gender significant with respect to how expatriates are perceived by host nationals (Adler 1994; Hebard 1996). “Local managers see female expatriates as foreigners who happen to be women, not as women who happen to be foreigners” (Adler 1994: 33).

Conway (1984) has stated that many companies recognize that the qualities which make a domestic employee successful can predict overseas success, with the addition of “cultural empathy” and “relational skills”. Whilst Croft (1995) has advised that for expatriate assignments to succeed, companies need to look at core competencies and language skills, and must carefully evaluate whether the expatriate has the essential interpersonal skills and actually wants to go. These prescriptions, though consistent with general ideas in the literature, are not helpful in explaining the nature of expatriate adjustment or success, and provide only limited guidance to either expatriates or decision makers concerned with expatriate assignments. More sophisticated explanatory models will be discussed in the next section.

### **3.3 The Successful Adjustment and Performance of Expatriate Managers**

The concept of expatriate adjustment, as discussed in the research literature, refers to the ability of expatriates to modify or alter their attitudes and behaviours to allow them to live and work successfully in a host national culture. Black (1988) has pointed out that adjustment in a cross-cultural setting is not a unitary phenomenon and the expatriate employee has to adjust to the general environment, to interacting with host nationals and to work responsibilities. According to Black, Mendenhall and Oddou (1991) the literature on domestic and international adjustments contains similar ideas about individuals leaving familiar settings and entering an unfamiliar one where old routines are upset and psychological uncertainty is experienced. In the new setting, individuals endeavour to reduce the uncertainty by determining what new behaviours are required or expected and what old behaviours would be considered unacceptable or inappropriate and, to the extent various factors either increase or decrease uncertainty, adjustment is either inhibited or facilitated.

#### **3.3.1 The Relationships Between Adjustment and Success**

There appears to be a close link between adjustment and success, with the former sometimes identified as a prerequisite for the latter:

Although overseas satisfaction was not a good predictor of re-entry effectiveness or re-entry job satisfaction, adaptation to the overseas situation was a strong predictor. This correlation may indicate that an organization should provide predeparture cross-cultural training to help employees to adapt to overseas conditions. The theory that the more successful a person is at adapting to a foreign culture, the harder it will be to readapt to the home country was not supported by the present study.



Successful overseas adapters were assessed as more effective, as more satisfied, and as being in a better mood at the re-entry than were people who adapted poorly overseas. (Adler 1981: 352)

Black and Stephens (1989) have noted there is preliminary research support for a positive relationship between the employee's adjustment and his or her intentions to stay in the overseas assignment (Black 1988; Black & Gregersen 1988), and there is also a positive relationship between adjustment and performance (Earley 1987). Of course, the causal relationship could be interpreted to work in reverse, with the more successful expatriates experiencing higher levels of adjustment because of their success. It might also be argued that adjustment is a necessary, but not a sufficient, condition for expatriate success. Despite these possibilities it is reasonable to interpret the literature as supportive of the idea that the same factors contribute towards both adjustment and success for Anglo-American managers working overseas.

### **3.3.2 Models of Expatriate Adjustment and Performance**

In recent years a number of models of expatriate adjustment have been developed. These models have more explanatory power than earlier descriptions about the longitudinal adjustment of expatriates and their spouses and provide greater insights into the factors which need to be considered to facilitate successful adjustment.

Based on their extensive review of the literature, Mendenhall and Oddou (1985) have conceptualized the expatriate adjustment process in relation to four dimensions. Firstly, the 'self-oriented' dimension, consists of a) reinforcement substitution - replacing

pleasurable activities in the home culture with different, but equally satisfying, activities in the host culture; b) stress reduction - the ability to deal successfully with day-to-day demands; and c) technical competence - having the technical expertise and self-confidence in one's own abilities to accomplish the purpose of an overseas assignment. Their second dimension focuses on the activities and attributes that enhance the expatriate's ability to interact with host nationals. Included in this 'others-oriented' dimension are a) relationship development - the ability to develop long-lasting friendships with host nationals and b) a willingness and ability to communicate with host nationals. Labeled the 'perceptual' dimension, the third dimension refers to the ability of an expatriate to make correct attributions about the reasons or causes of a host national's behaviour. This allows for more accurate prediction and reduces uncertainty in interpersonal relations, as people from different cultures often misinterpret each other's behaviour because of learned cultural differences in their perceptions and evaluations of social behaviours. A final dimension of 'cultural toughness' accounts for the idea that some cultures seem to be more difficult to adapt to than others.

Hiltrop and Janssens (1990) divided the factors they found associated with expatriate performance into three broad categories beginning with the personal characteristics of the expatriate manager, including job-related technical competence, factors associated with personality and attitude such as stress tolerance and flexibility, and adaptive behaviours in relation to communication skills and cultural empathy. Their second category included the characteristics of the expatriate's family, and finally they identified the nature of

subsidiary-parent company relations. An earlier model of “overseas effectiveness” developed by Hawes and Kealey (1981) contains somewhat similar ideas with ‘personal/family adjustment’, and ‘satisfaction and inter-cultural interaction’, identified as separate factors. However, in their model task accomplishment is subdivided into ‘tangible’ tasks and duties and the ‘intangible’ transfer of knowledge and skills associated with training host nationals.

A somewhat narrower perspective has been taken by Gertsen (1990) whose three dimensions of intercultural competence emphasize communication processes consistent with the idea that “Culture, to a great extent, decides with whom we communicate, how we communicate, and what we communicate” (Gertsen 1990: 345). The dimensions are a) an affective dimension determined by the impact of attitudes and personality traits on an individual’s actual communicative behaviour in another culture; b) a cognitive dimension based on how human beings acquire and use information and knowledge about other cultures, based on the assumption that increased knowledge about another culture will lead to an increased understanding about ways of thinking and behaviour in the culture and will likely, though not necessarily, result in more positive attitudes and behaviours; and c) a behavioural, communicative dimension consisting of the ability to adopt appropriate and effective communicative behaviours.



These models are useful in directing attention to significant factors that contribute to expatriate adjustment. However, Mendenhall and Oddou's (1985) dimension of 'cultural toughness' is more of an external variable which, though it may affect the other dimensions, is not consistent with the focus on individual attitudes and behaviours. In fact, they identify cultural toughness as a mediating variable which will interact with each of the 'self-oriented', 'others-oriented' and 'perceptual' dimensions. Similarly, the variables of expatriate family adjustment and parent-subsidiary relations identified by Hawes and Kealey (1981) and Hiltrop and Janssens (1990) extend beyond the individual expatriate. Whilst contextual factors will be important in facilitating or retarding the adjustment process they do not lend themselves to modifications in the same way as those included in the first three dimensions identified by Mendenhall and Oddou and should perhaps be conceptualized as interacting with all of the other dimensions, but being of a different order. Family-related factors have been identified as sufficiently important to warrant being considered in a separate category of their own, though interacting with other dimensions.

Two other points about expatriate adjustment are worth considering. One concerns the argument that two different sets of factors may be at work with respect to expatriate adjustment. One set is related to the problem of ensuring expatriate success, whilst the other concerns the problem of avoiding failure (Hays 1974). For example, successful family adaptation may be crucial in avoiding failure in expatriate assignments, but it may not be as important in ensuring their success.

The second point, raised by Selmer (1993), suggests the concept of adjustment can be viewed from two different perspectives. There is a subjective adjustment dimension, arising from the point of view of the expatriate manager, which refers to the degree of comfort or satisfaction he/she feels in the new work role and the degree to which he/she feels adjusted to the demands in the work environment. As well, there is an objective adjustment dimension, derived from the point of view of the work environment, which reflects the degree to which the expatriate manager can be rated as well adjusted in so far as he/she meets the expectations, wishes and preferences in the work environment (Black 1988, Torbiorn 1982).

### **3.4 Summary**

There is a need to improve understanding about international management because of the increasing internationalization of business throughout the world. The reasons why expatriate managers fail and the nature of their adjustment and success are among those topics where further research is required. The failure of expatriate assignments concerns not just outright failure, but also the failure of managers to realize their full work potential. According to the literature, the most important cause of expatriate assignment breakdowns is the inability of expatriate families to adjust to living overseas and this issue, together with culture shock, the impact of technical and managerial skills, motivation and attitudinal factors on expatriate adjustment and success have been studied most extensively in terms of the general expatriate experience. There is however, still a gap

with respect to understanding these issues within the context of specific societies and cultures.

Just as the concept of a 'manager for all seasons' has been found wanting when trying to turn domestic success into overseas success, the concept of 'an expatriate for all seasons' must be questioned. This study is based on the premise that to further understanding about the factors necessary for the adjustment and success of expatriate managers, research must be culture-specific and identify the elements which are most important within a particular society, and that to do this successfully requires obtaining information not only from expatriates, but from host nationals as well.



## **CHAPTER 4**

### **CROSS-CULTURAL TRAINING AND DEVELOPMENT**

This chapter begins by drawing a distinction between training and development, defining cross-cultural training, and reviewing the arguments about the need for such training. This is followed by a discussion on whether cross-cultural training for expatriate managers should be oriented primarily towards adjustment or enhancing managerial performance, and the importance of self-awareness as a training objective. Data on cross-cultural training and the extent to which it has been regarded favourably or otherwise are presented and then followed with a discussion about the impact of cross-cultural training and the usefulness of different training strategies. The chapter concludes by arguing for more research into cross-cultural training, with attention particularly being given to issues of 'culture specific' training designed to meet the needs of expatriate managers working in a specific host national culture.

#### **4.1 The Relationship Between Management Training and Management Development**

Management development encompasses the human resource processes of recruitment, socialization and training, and is an issue linked closely to career development. It enables managers to acquire a deepened understanding about their work, to build their capability for transferring knowledge into action and to enhance their personal growth (Pucik, Tichy, & Barnett 1992). In comparison, management training is regarded as

“a subset of management development . . . and organizationally specific to those already in the ranks of management” (Keys & Wolfe 1988: 205-06). However, even the concept of training itself can be defined either broadly, as for example “the process of altering employee behavior and attitudes in a way that increases the probability of goal attainment” (Hodgetts & Kuratko 1991: 329) or more narrowly, as “the transfer of defined and measurable knowledge or skills” (Wills 1993: 9).

In this study a broad perspective has been adopted. The focus is on cross-cultural training for those who are practicing expatriate managers already, rather than individuals aspiring to such managerial posts. The term ‘training’, which is used throughout the discussion rather than the more cumbersome phrase of ‘training and development’, is meant to be broadly defined to include the acquisition and refinement of knowledge, skills, and attitudes, and to encourage personal growth.

#### **4.1.1 Definition of Cross-Cultural Training**

Cross-cultural, intercultural or acculturation training programmes are “. . . designed to prepare people for a successful sojourn to another country or for extensive interaction with members of minority groups in their own country” (Landis, Brislin & Hulgus 1985: 466). Being successful is interpreted as a combination of good personal adjustment, good interpersonal relations with members of the host culture and the effective completion of required tasks. As this study focuses on Anglo-American expatriate managers working

with host nationals in Hong Kong rather than minorities within their home countries, the definition of cross-cultural training adopted refers only to procedures which are intended to increase a person's ability to adapt and work successfully in a foreign environment (Tung 1981).

#### **4.2 The Need for Cross-Cultural Training**

To some extent all persons, and expatriate managers are no exception, are embedded within their own national culture such that their sense of identity and their behaviours are "culture bound" (Adler 1975; Adler 1981). From within this "invisible prison" it becomes hard to understand that others, from a different culture, may have a view of reality based on different assumptions and will therefore not regard the world in the same way (Thiagarajan 1971). Since members of the same cultural group share a "subjective culture" of common perceptions about their social environment, cross-cultural situations may result in misunderstandings because participants make faulty attributions about the reasons for one another's behaviour (Triandis 1972,). The larger the cultural differences between interacting groups, the more pronounced is the tendency for participants to distinguish between in-group members (family, friends, same-national colleagues) and out-group members (strangers, enemies, foreigners), who receive less favourable treatment (Bochner 1982), and therefore the greater the likelihood of faulty attributions. The problem will be rectified only when an individual comes to fully appreciate the subjective



culture of someone from outside of their ethnic group and to make similar behavioural attributions - that is, “isomorphic attributions”.

According to a commonly held view, when individuals from diverse cultural backgrounds are given opportunities to interact with one another it will lead to greater understanding and, in line with Triandis’s perspective, to an enhanced ability to make correct behavioural attributions. The research literature however, does not support this idea. Cross-cultural experience may actually lead to an increase in negative feelings about a target culture (Steinkalt & Taft 1979 cited in Landis et al 1985; Bloom 1971, Mitchell 1968, Tajfel & Dawson 1965 cited in Bochner 1982), and intergroup contact does not necessarily reduce inter-group tension, prejudice, hostility and discriminatory behaviour (Amir, 1969, 1976, Brein & David 1971, Cook & Selltiz 1955 cited in Bochner 1982). These findings have been interpreted as a move away from romantic and poorly formed attitudes toward realistic ones based on direct experience of reality, rather than a heightened dislike of the target group (Landis et al. 1985), but they nevertheless highlight the folly of placing too much trust in contact alone to generate positive feelings in cross-cultural interactions.

In a comprehensive Delphi study on the human resource issues facing multinational organizations the most important issue, at the level of the individual, was seen to be the need to train managers to be cross-culturally competent - that is, to be sensitive to

cultural considerations. This was interpreted broadly to include managers who work in domestic organizations with a multicultural work force, managers whose clientele is overseas, and expatriate managers. The participating experts agreed that rather than use selection to ensure the skills needed in international management, organizations should generally choose to train (Adler 1983).

Cross-cultural training has been widely advocated in the literature as a means of facilitating effective cross-cultural interaction (Brislin 1981, Bochner 1982, Harris & Moran 1979, Mendenhall & Oddou, 1986, Tung 1981 cited in Black & Mendenhall 1990). The main argument for using cross-cultural training is that it allows people a more rapid adjustment to a new culture and thus to be more effective in their new roles.

#### **4.3 The Goals of Cross-Cultural Training**

In the literature on cross-cultural training for expatriates different sets of objectives are not always distinguished clearly, nor is their possible relationship made explicit. Are managers, perhaps together with their spouses and children, to be trained to adjust successfully to living and working overseas? Or are managers to be trained in how to function more effectively within their new cross-cultural roles? These objectives may not even be mutually exclusive. There may be an interdependent relationship whereby

issues of work effectiveness cannot be addressed until the goals related to satisfactory adjustment have been achieved.

One broad common aim of cross-cultural training, applicable to achieving either adjustment or work effectiveness, is to teach “. . . members of one culture ways of interacting effectively with minimal interpersonal misunderstanding, in another culture” (Brislin & Pedersen 1976: 1 cited in Gudykunst et al. 1977). Another multi-purpose goal concerns the desire to educate managers to be multicultural rather than unicultural and “to train individuals who are comfortable and personally effective in multinational settings” (André 1985: 14). When broken into discrete components, cross-cultural training can be seen to help people cope with unexpected events in a new culture, to prevent ‘culture shock’ or individuals from being overwhelmed and consequently dysfunctional, to ensure that individuals do not inadvertently offend, and to reduce conflict due to unexpected situations and actions (Earley 1987). Mendenhall and Oddou (1985) have argued that cross-cultural training, or what they refer to as expatriate acculturation, is a multidimensional process rather than a one-dimensional phenomenon. In order to provide expatriates with a comprehensive preparation for living and working abroad they believe training programmes should orient expatriates in each of the four dimensions in their model of expatriate adjustment. That is, the self-oriented, other-oriented, perceptual and cultural-toughness dimensions.



A good training programme ought to provide the participants with approaches which will allow them to continue to develop as individuals and as managers working competently in a cross-cultural situation. One aspect of satisfactory development for expatriate managers must surely be the adjustment of the manager and his/her spouse and family to the overseas situation. Any cross-cultural situation is an interactive mix of individuals, organizational requirements and cultural context - the mix is going to be different depending upon the individuals involved, the nature of their organizations, and the characteristics of the cultural milieu.

Expatriate managers need approaches, rather than large quantities of information, consistent with a view of managerial training “. . . that firms should promote lifetime learning for managers . . .” (Keys & Wolfe 1988: 205). On-going learning need not apply just to cross-cultural issues, though it was argued over twenty-five years ago that “learning how to learn about cultural differences” and to transfer learning from one situation to another are important elements in cross-cultural training (Thiagarajan 1971: 75). This idea has been brought to the fore recently in a training programme for Korean managers learning about American culture and business practices. The training model was designed to help the participants understand the process of learning about cultures and to equip them with transferable skills. Thus, participants learned ‘how to observe’ and ‘how to analyze’ what they saw (Montagno 1996).

#### **4.3.1 The Importance of Self-Awareness**

The words “Know Thyself” were inscribed on the temple of Apollo at Delphi and they would appear to be as applicable today as in the days of ancient Greece. Expatriate managers need to understand themselves and to be aware of the extent to which they are products of their own culture and are constrained by the “invisible prison” which it imposes on them (Gudykunst et al. 1977; Harris & Harris 1972; Schnapper 1979; Thiagarajan 1971). Hofstede (1981) has made this point in his analogy about the fish only discovering water once it has been removed from it into the fisherman’s net. Similar observations have been made about the surprise experienced by Westerners and Orientals when they discover quite substantial differences between their respective cognitive views, and that this can create problems in cross-cultural interactions because for each person there is an “inherent inability to step outside one’s own world view and see the possibility of an alternative” (Redding 1980: 131). This implies there is a strong need for expatriate managers, before they begin to learn about another culture and prepare for overseas work, to have an explicit and rational understanding about their own culture.

Cross-cultural training, and the process of cultural awareness and adjustment, should begin with helping people to understand how their own behaviour, attitudes and responses are conditioned by a particular set of cultural values and beliefs. They need to identify and understand the values that are implicit in their own culture as a first step in avoiding cross-cultural difficulties (Copeland 1984; Phatak 1983; Spradley & Phillips 1972; Thiagarajan 1971). It has been suggested that:

Once we recognize that we have ways of behaving and thinking that are built into us by our culture and that our solutions to problems may rest on these hidden but pervasive “programmes”, we are in a much better position to work with people from other cultures, to develop and implement solutions to our similar and shared problems (Lane & Burgoyne 1988: 53).

And also:

. . . only other people with different mental programs can help us discover the limitations of our own. Once we have realized we are the blind confronting the elephant, we welcome the exchange with other blind persons (Hofstede 1981: 35).

“Most individuals are relatively unaware of their own values, beliefs, and attitudes” (Adler 1975: 14). Americans are particularly prone to “being shocked by culture” because they view themselves as being culture-free, but for many other expatriates as well the greatest culture shock associated with living and working abroad may be “. . . the encounter with one’s own cultural heritage and the degree to which one is a product of it” (Adler 1975: 22). Indeed, one of the most difficult aspects of adjustment may involve the unlearning of norms and rules acquired during socialization (Spradley & Phillips 1972: 526).

One of the barriers to cultural self-awareness may come from the concept of culture itself. It is relatively easy to observe the differences in other cultures and societies and to be conscious of how “they” are different. But, as Lane and Burgoyne (1988) have noted, even though it is important to understand how other cultures are different it should not be allowed to divert the attention of expatriate managers from how they themselves are “different”.



#### **4.4 Investment in Cross-Cultural Training and Reasons for Lack of Support**

Despite the expressed concern about cross-cultural training needs (which in the case of expatriates is sometimes specified as pre-departure training) many companies appear to be lukewarm in their commitment to such training. In a study to determine what Japanese practices might be applied to the United Kingdom, it was discovered that the investment in training in Japanese companies was five to six times greater than in many UK companies (Brown & Read 1984 cited in Latham 1988). Tung's (1981) comparative study of US, West European and Japanese firms found that 69 percent of the West European companies and 57 percent of the Japanese companies sponsored formal training programmes to prepare their personnel for overseas work. However, the proportion dropped to only 32 percent for American companies, a finding similar to Baker's (1984), whose research on language training and pre-departure orientation programmes in American multinationals, identified fewer than 25 percent offering pre-departure training, with a majority of the programmes being no more than 5 days in length. Similarly, in their comprehensive review of the cross-cultural training literature Black and Mendenhall (1990) found that only 30 percent of western managers who were sent on expatriate assignments of three to five years duration, received any cross-cultural training.

This relatively low commitment to pre-departure or cross-cultural training is associated with a widespread belief about the ineffectiveness of such training (Baker & Ivancevich

1971; Mendenhall & Oddou 1985; Tung 1981; Zeira 1975 cited in Black & Mendenhall 1990). Additional reasons include past dissatisfaction with the training programme on the part of expatriate trainees, a shortage of time between selection and the move overseas, and the view that because expatriate assignments are relatively short they do not warrant the training expenditure (Baker & Ivancevich 1971; Brislin 1981; Tung 1981; Zeira 1975 cited in Black & Mendenhall 1990). Cross-cultural training has also been criticized on the grounds of being too general and lacking in proper follow-up to evaluate its effectiveness (Tung 1981; Zeira 1975).

#### **4.5 The Impact of Cross-Cultural Training**

Many of the key questions concerning the impact of cross-cultural training have been answered positively in Black and Mendenhall's (1990) quite recent and very thorough review of 29 studies in the empirical research literature on training and development. When the research data were examined in relation to Mendenhall and Oddou's (1985) three skill dimensions of 1) skills related to the maintenance of self ( mental health, psychological well-being, stress reduction, feelings of self-confidence); 2) skills related to the fostering of relationships with host nationals; and 3) perceptual skills (cognitive skills that promote a correct perception of the host environment and its social systems), very strong support was found for the effectiveness of training and development in relation to each of these dimensions.

Ten of the 29 studies were concerned with the self dimension and the relationship between cross-cultural training and increased feelings of well-being and self-confidence. Positive relationships were found in all 10 studies. Despite a possible methodological problem arising from a reliance on self-report measures, which may have inflated the relationship between training and the self dimension dependent variable, those studies using an experimental design confirmed significant differences in pre- and post-test measures of self-confidence between experimental and control group subjects. The relationship dimension was examined in 19 of the studies; one half of which used control groups. There was support for the existence of a significant relationship between cross-cultural training and skills related to fostering relationships with host nationals in each of the 19 studies. A positive relationship between cross-cultural training and the development of appropriate perceptions relative to members of another culture was found in all 16 studies concerned with this perceptual dimension. In addition, nine studies examined the relationship between training and adjustment and all nine studies found a positive relationship between cross-cultural training and adjustment (Black & Mendenhall 1990: 199).

Of the studies reviewed, Earley's (1987) study is of particular interest because of its relevance to expatriate assignments in Asia. This piece of research compared a documentary approach against an approach employing sensitivity training and field experience to determine what type of training would be most effective in preparing people



for an overseas work assignment in Korea. It was concluded that “in general, managers who received either form of training were better performers and perceived less need to adjust to the new culture than individuals who received no such training” (Earley 1987: 695).

In spite of considerable support for the effectiveness of cross-cultural training, the possible limitations of training need to be kept in mind. It may be there are essential qualities or features of managerial competence which are innate or intuitive, with some managers able to gain a “feel for the situation” - cross-cultural or otherwise - much more readily than others. A case in point would be ‘vital energy’, which is an example given by Pye (1988) who goes on to suggest that just as ‘breadth of experience’ does not necessarily ensure successful performance, neither does ‘training’.

#### **4.6 Different Training Methods and Their Effectiveness**

##### **4.6.1 Major Training Strategies**

In his research with international managers Ratiu (1983) found that those identified as ‘most international’ tended not to talk about involvement and learning about whole “cultures”, rather they referred to their relationships with individual people. The ‘most international’ managers tended to learn from their international experience in ways that were intuitive, empirical, relational, and immediate; whilst other managers were inclined to be analytical, conceptual, theoretical and withdrawn. These findings were explained in terms of a general tendency for managers working in cross-cultural situations to respond

from either a 'red loop' - that is, an analytical perspective, or more of a 'blue loop' intuitive orientation.

It seems that macro-level red-looping is appropriate in intercultural and multicultural situations for developing that sense of psychological safety and control without which many people cannot function. [Whereas] . . . micro-level blue-looping seems to be appropriate to developing the sense of personal rapport that characterizes social adjustment in an unfamiliar environment (Ratiu 1983: 148).

According to Ratiu the tendency to jump quickly to red-loop conclusions may be countered by "bridges" that help people to maintain a blue-loop strategy in cross-cultural situations. These include such behaviours as keeping "in touch with" feelings, watching and listening very carefully, "tuning in" to the atmosphere or tone of social situations and following the "flow" of people and events, for example, in crowd situations. Ratiu concluded that ". . . training courses that seek to incorporate cultural-awareness issues need both red- and blue-loop components" (Ratiu 1983: 149).

Based on a general review of training strategies, Tung's (1981) continuum of "rigor" for cross-cultural training distinguishes among six methods according to the level of a trainees' affective involvement in the method. At the less rigorous end of the continuum an environmental briefing would consist of basic information about a country's geography, climate, housing, etc.. This could be extended to a cultural orientation by adding information about cultural institutions and value systems in the host country. On the other end of the continuum are field experiences for trainees, organized either in the country of assignment or with mini-cultures in the home country. In between these two extremes

training methods range from the use of the culture assimilator - a programmed training method used to present intercultural incidents and identify appropriate interactive responses within a target culture, to language training, and to sensitivity training designed to develop attitudinal flexibility.

Along somewhat similar lines Gudykunst, Hammer and Wiseman (1977) have identified six approaches to cross-cultural training: a) intellectual; b) area simulation; c) self-awareness; d) culture awareness; e) behavioural; and f) interaction. The intellectual approach is based on the transmitting of information through a traditional “university model” which assumes a key factor in functioning overseas is for a person to have a cognitive understanding of a culture’s people, customs, institutions and values. The physical environment is emphasized in the area simulation approach which attempts to create a specific environment or situation as similar as possible to that of the host culture. For example, American Peace Corps volunteers bound for Latin America were trained in Puerto Rico. Successful adjustment in another culture as a consequence of understanding one’s own self is the assumption underlying the self-awareness approach. A somewhat different perspective underlies the cultural self-awareness approach which “. . . assumes that in order to effectively function in another culture the trainees must first be aware of themselves as cultural beings” (Gudykunst et al. 1977: 101). In contrast, the culture awareness approach emphasizes the influence of culture on host national’s behaviour and regards an understanding of cultural systems as necessary before getting to know people as individual personalities. The behavioural approach is based on social learning principles



of modeling, simulation and experiential exercises which are designed to teach trainees specific behaviours that are used in the host culture. Finally, the interaction approach emphasizes cross-cultural communication with actual interaction taking place between trainees and host country nationals.

#### **4.6.2 Training Effectiveness**

In a comprehensive study, Burke and Day (1986) used meta-analysis procedures to empirically integrate the findings of 70 managerial training studies. Seven different training methods were included in the research. Namely: 1) lecture; 2) lecture/group discussion; 3) leader match; 4) sensitivity training; 5) behavioural modeling; 6) lecture/group discussion with role playing or practice; 7) multiple techniques. It was concluded that “overall, different methods of managerial training are on average moderately effective in improving learning and job performance” (Burke & Day 1986: 243).

Gudykunst, Hammer and Wiseman (1977) have expressed reservations about the effectiveness of using any one approach in isolation to prepare individuals to function in another culture, and Mendenhall and Oddou (1985) have recommended the combining or “integrating” of training programmes which have been used in order to cover all of the dimensions of expatriate acculturation and their subfactors. They have also recommended the inclusion of spouses and school-age children in pre-departure training programmes. Schnapper (1979) has recommended a blending of different training areas in an approach

which focuses quite specifically on the managerial role rather than more general adaptation to a host national culture. Included in this model are the managerial functions of leading, controlling, and planning, intercultural training with attention given to values, perceptions and assumptions, international business training - looking at business practices/functions such as production, marketing, finance across national boundaries, and lastly, language training.

#### **4.7 Developing An Appropriate Training Strategy**

A lesson arising from the early days of cross-cultural training in the American Peace Corps concerns the unsuitability of traditional training methods for situations in which individuals require the ability to adapt to or to act in unfamiliar and ambiguous social situations (Henry 1965). Generally, management education has been moving in the direction of using more and more experiential exercise learning materials in managerial training situations. This is based on the premise of “learning by doing”, and incorporates two levels of training; a content level concerned with ‘what’, and a process level concerned with ‘why’ (Certo 1976). Earley’s (1987) study of cross-cultural training supported the inclusion of both general and specific information in intercultural training. Even though interpersonal training in the form of role playing did not lead to outcomes superior to those found with lectures, it was strongly preferred by the participants.

Whatever training method is selected, consideration needs to be given to the relative effectiveness of the training method being considered for a particular training objective (Carroll, Paine & Ivancevich 1972). For example, the university model of lectures may be a good way to impart basic information, but not nearly as effective or meaningful as experiential learning in helping individuals to improve their skills in interpersonal interactions. (Harrison & Hopkins 1967; McDaniel Jr. et al. 1988).

Gudykunst et al (1977) have proposed a three stage approach to cross-cultural training, which could be used to combine a variety of training techniques. The first stage is referred to as perspective training and is designed to enhance self-awareness and facilitate a “psychological link” between the trainee’s own cultural perspective - that is, assumptions, values, patterns of thought, learned behaviours, and the perspective of another culture. The second stage focuses explicitly on interaction training. There is an opportunity for trainees to interact with people from the host culture, to improve their cross-cultural communication skills, and to learn about themselves and how they are perceived by host nationals. The third stage is context specific training, which is designed to impart information about a particular culture.

For determining an appropriate depth for cross-cultural training, Mendenhall & Oddou (1986) have suggested taking into account nine different factors. These include the length of stay, type of involvement in the culture, marital status and number of children. They



suggest attention needs to be given to the cultural toughness of the country, the degree of interpersonal interaction with host nationals that will be necessary, the hierarchical position of the expatriate and the type of interaction needed with host nationals (government bureaucrats, managers, blue-collar workers, etc.). Finally, attention needs to be given to the likelihood of the manager needing cross-cultural skills in his/her future career in the firm.

#### **4.8 Summary**

There is a high degree of consensus on general training principles in the cross-cultural training literature. A need to use a mix of techniques and to incorporate experiential material are agreed. Beyond this however, there is an absence of research addressing the issue of exactly what content to include or what training process to implement when addressing the cross-cultural training needs of expatriate managers in particular overseas countries. Also, very little consideration has been given to the appropriate timing of training. The bulk of the literature assumes that pre-departure training is a satisfactory approach to the training needs of expatriate managers, even though the idea has been proposed that cross-cultural training may be more effective if conducted once the trainee has lived and worked in the host culture for a brief period of time.

Cross-cultural training is often conceptualized rather narrowly as pre-departure training. It may be that there is a need for different training methods to be used at different times during expatriation. Culture shock has been conceptualized as a process taking place in

phases over time, and it may be appropriate to think in terms of a variety of training approaches, each designed to meet the adjustment needs at different points in the expatriate experience. Training of a general nature could be satisfactory for pre-departure, but a more intensive, experiential, and/or 'culture specific' training may be called for after an expatriate manager has gained some 'real life' experience in the host national culture.

Finally, there has continued to arise, in the literature, calls for additional research into the area of cross-cultural training (Jackson 1996; Wexley 1984; Wright & Nasierowski 1994). A dozen years ago it was asserted that "... research is urgently needed to ascertain the types of training procedures (e.g. culture assimilator, sensitivity training, field experience) that are more appropriate to use depending upon the type of culture, job and person" (Wexley 1984: 543). Yet, the call for more research into the area of cross-cultural management continues with a recent statement that this is needed because there is "... an increasing need for international companies to deliver high quality training in different countries across Europe and the world" (Jackson 1996: 21). This study endeavours to respond to these concerns by providing additional insights into aspects of cross-cultural training for adjustment and work effectiveness for Anglo-American expatriate managers working in Hong Kong.

## **CHAPTER 5**

### **THE CONCEPTUAL FRAMEWORK, METHODS, PROCEDURES AND THE CONDUCT OF THE RESEARCH**

The design of the study and the research model are presented in this chapter. At the beginning the three research questions are identified and the philosophical and theoretical perspectives underpinning the study are explained. A diagram of the research process is given which identifies the areas in which data were collected in order to answer the study questions. Operational definitions for the major variables are provided and the basis for the subsequent analytical work is outlined.

In addition, this chapter describes the steps followed in conducting this piece of research and the methodological and practical problems which had to be overcome as it progressed. This material is divided into five sections, beginning with a discussion about the nature of the sample and the sampling procedures. Sections on instrumentation and procedures, and the issue of triangulation follow, with the final section drawing attention to the limitations of the research.

#### **5.1 Purpose of the Research**

The extant literature on cross-cultural management, the adjustment of expatriates to their living and working environment, and training and development strategies for expatriate managers was reviewed in Chapters 2, 3, and 4. This determined that, despite a growing body of research on expatriates and the expatriation/repatriation



process, there has been relatively little research about specific national groups of expatriate managers in particular countries. Still less attention has been given to the views of host nationals regarding their work with expatriates and their perceptions of the expatriate experience. This study, therefore, sets out to examine the areas of cross-cultural management, working and living adjustment, and training and development, with respect to Anglo-American expatriate managers working in Hong Kong. Qualitative and quantitative research data, from Hong Kong Chinese host national managers as well as Anglo-American expatriate managers, have been collected and analyzed in relation to the three major study questions presented in the following sub-sections.

#### **5.1.1 Cross-Cultural Management in Hong Kong**

Despite the need to deal with a more or less common set of managerial issues, every manager has a wide range of possible strategies from which to choose, and the research literature suggests that national culture is important in determining which behaviours are chosen or emphasized. Even when individual personality differences are taken into account, managers with the same national background tend to exhibit general consistencies in their preferred approach to work. Likewise, even when the national culture is mediated by a strong organizational culture, aspects of the 'original' national culture will persist and continue to influence managerial practices.

Cross-cultural encounters occur in a variety of circumstances. They can take place between individuals of different cultural background sharing the same national context as, for example, the case of an Afro-Caribbean descended person working within the predominantly Anglo-Saxon mainstream in the United Kingdom. They can also take place when managers from one country travel to another country on a business trip, or when managers live overseas as expatriates working daily with the nationals of their host country. It is the last set of circumstances this study examines, with a focus on Anglo-American expatriate managers working extensively with Chinese host nationals in Hong Kong. The specific research question is:

**What is the nature of cross-cultural management in Hong Kong involving Anglo-American expatriate managers and Chinese host national managers?**

#### **5.1.2 The Adjustment of Anglo-American Expatriate Managers in Hong Kong**

The literature identifies expatriate managers as an important sub-grouping of managers generally. Besides the need to complete successfully their managerial tasks when working overseas, expatriate managers, together with their families, must adjust to living in a foreign environment. A satisfactory adjustment is an important prerequisite for the success of expatriate assignments. An inability on the part of the manager or his/her family to adjust to living overseas often results in the failure of the expatriate assignment, even though there is, of course, no guarantee that an expatriate who is well-adjusted will perform successfully.

Every overseas country will have particular characteristics which either facilitate or mitigate against the adjustment of expatriates. In some places there are fundamental problems related to infrastructure, such as an unreliable electricity supply, whereas in others the difficulties may centre on a lack of familiar recreation facilities for the expatriate's family. Common to all expatriation however is the potential for psychological discomfort due to missing friends, family, and familiar activities from the home country whilst, being confronted with an unfamiliar language, food, customs and social norms. In the worst cases this can lead to 'culture shock' and dysfunctional behaviours.

Expatriates in Hong Kong experience both the advantages and disadvantages of a highly urbanized environment. There is an excellent infrastructure with respect to communications and transportation; western consumer goods are readily available and there is a wide variety of recreational activities on offer. On the other hand, the cost of living is high, especially when it comes to suitable accommodation and there can be problems with children's schooling and/or the employment of spouses. Hong Kong is a Cantonese-speaking city and, despite being a unique blend of East and West and with a western-orientation in comparison to many other places in Asia, the society functions in accordance with strongly established Chinese cultural norms. For Anglo-American managers a greater or lesser degree of adjustment is required. This issue is studied in relation to the following question:



**What are the important features of adjustment for Anglo-America expatriate managers living and working in Hong Kong?**

### **5.1.3 Training and Development for Anglo-American Expatriate Managers in Hong Kong**

The literature has consistently pointed out that the methods used to recruit and train expatriate managers often do not necessarily guarantee successful overseas assignments. At the same time, changes in the worldwide economy such as the rise of the multinational corporation, the re-structuring of trading relationships and major shifts in economic activity across national boundaries, is a dominant theme in both the academic and popular writing about management. There is as well, evidence which suggests a causal relationship exists between training and development and enhanced managerial performance.

It can be anticipated that the particular knowledge and skills which expatriate managers need to operate successfully in one overseas work environment will not necessarily be the same as those which would ensure satisfactory managerial outcomes in a different country. Although, alternatively, it may be that managers can develop their analytical and intuitive resources in such a way as to permit a ready transfer between national cultures. Perhaps a combination of generalizable skills and country-specific knowledge is the key to optimum performance. There is only limited information about the specific training and development needs of expatriate managers in different overseas locations and what strategies have the most potential for addressing these needs. Thus, Anglo-American expatriate managers in Hong Kong

have particular training and development needs which derive from working in a society where Chinese culture is predominant and, when met, will assist them to transfer and to adapt more effectively their own managerial practices to Hong Kong's work environment. This piece of research furthers understanding in this area by addressing the third and final research question:

**What type of training and development will assist Anglo-American expatriates to adjust and to work successfully in Hong Kong?**

## **5.2 Theoretical Perspective Guiding the Research**

The theoretical framework for this study is based on the grounded theory framework of Glaser and Strauss (1967) who proposed, as an alternative to the testing of formal theories, the development of new theory 'grounded' in empirical research data.

According to Spradley (1979:12) the grounded theory strategy reduces the ethnocentrism of formal theories and it "... can be developed in any substantive area of human experience". The particular approach of this study is that of the 'comparative method' (Glaser & Strauss 1967 cited in Easterby-Smith et al. 1991), which examines adjustment and management issues for Anglo-American expatriates in Hong Kong across two groups of respondents and a number of different 'cases', each one of which is subject to the common variable of existing within the context of Hong Kong's Chinese culture.

Consequently, this research adheres primarily to the philosophy of phenomenology, or the inductive approach, whose key idea is that instead of the world being objective and

exterior, “human action arises from the sense that people make of different situations rather than as a direct response from external stimuli” (Easterby-Smith et al. 1991: 24). In other words, ‘reality’ is socially constructed and given meaning by people. Phenomena do not exist independently of people’s perceptions of them (Thomas & Tymon 1982), and it is the subjective dimension of purposive action which it is important to understand. Human action has an internal logic of its own which it is necessary to understand in order to make it intelligible (Laing 1967 cited in Gill & Johnson 1991) unlike the subject matter of the natural sciences, which has no comprehension of its own behaviour, and requires the imposition of an external logic to explain it.

### **5.2.1 The Level of Analysis**

The level of analysis refers to “. . . the level of social reality to which theoretical explanations refer” (Neuman 1994: 103). For social research there is generally considered to be a continuum with micro-level analysis at one end, - for example, individual processes and macro-level analysis at the other end, - for example, structural aspects of society (Neuman, 1994). The foremost concern of this study is with the relationships individuals have with their environment and how they interact with one another. The study questions address issues at the micro-level within a specific cultural context. Any implications which this research may have for relations generally between expatriates and host nationals in other countries should also be seen in relation to individual processes rather than system-level variables.



### **5.2.2 The Units of Analysis**

In this study the individual is the primary unit of analysis. Two groups of respondents were selected on the basis of their nationality/ethnicity, employment status and geographic location. One group contains Anglo-American expatriates employed in managerial positions' in Hong Kong. The other group is composed of Hong Kong Chinese managers working in Hong Kong where interaction with Anglo-American managers is, or has been in the recent past, a regular on-the-job occurrence. Thus, all of the individual managers interviewed in this study have had the common experience of living in Hong Kong and working in an Anglo-American/Hong Kong Chinese cross-cultural employment situation.

The respondents in the two groups were chosen with a view to achieving a high degree of cultural homogeneity within each group. The expatriate group consists of individuals whose primary socialization and current nationality derive from either the United Kingdom, the United States, Canada, Australia, New Zealand or South Africa. As discussed in Chapter 2 these countries constitute an 'Anglo-American' cluster within which there is a high degree of similarity in social values. Everyone in the host national group is of Chinese ethnic origin. They have been socialized into the Chinese culture of Hong Kong and all are fluent Cantonese speakers.

### 5.2.3 The Nature of the Research

This research is designed to develop an in-depth understanding about Anglo-American expatriate managers, who live and work within the Chinese cultural context of Hong Kong. The primary methodological problem has been how “. . . to generate data which give an authentic insight into people’s experiences” (Silverman 1993: 91). The challenge has been to ‘tap into’ the experiences of Anglo-American expatriate and host national managers in Hong Kong to further our understanding about issues such as the adjustment of expatriate managers, how they can work effectively in specific cross-cultural situations and their training and development needs.

As the research methodology adopted for this study derives from the philosophy of phenomenology, or the inductive approach, it draws primarily upon qualitative research methods. These tend to be a more ‘natural’ way of gathering data, often based on field studies rather than relying upon laboratory-based tests or large scale surveys (Denzin 1989; Easterby-Smith et al. 1991). The researcher starts the inductive process with systematic observations of the empirical world and then constructs explanations and develops theories consistent with the observations. The goal is to build interpretations, rather than to test hypotheses (Denzin 1989). It has been suggested that, in the social sciences, such an approach to the construction of theories is more likely to fit the data and to have a better chance of generating useful and plausible ideas than the deductive approach (Gill & Johnson 1991). This is because

the latter imposes an external frame of reference upon the behaviour of phenomena and emphasizes measurement, objectivity, causality, generalization and replication rather than social meaning (Bryman 1989; Jones 1979).

Quantitative methods tend to be somewhat inflexible and artificial. They can lead to important subjective and intersubjective data being relatively ignored (Thomas & Tymon 1982), and are “. . . not very effective in understanding processes or the significance that people attach to actions” (Easterby-Smith et al. 1991: 32). This severely limits the researcher’s ability to understand the nuances of human interaction in the social world. In addition, positivism is not so helpful in generating new theoretical ideas, as the focus is on testing theoretical constructs already developed. These considerations were taken into account when a phenomenologically oriented approach was chosen for this piece of research.

A model of the research process, outlined schematically later in this chapter, shows that key variables and theoretical constructs from the literature and the researcher’s own work experience were used to develop the research questions and to provide a structured logic to the overall data collection and analysis. These formed the organizing principles for the initial data analysis, though as ideas were developed from the empirical data the original groupings underwent significant modification. Within this somewhat positivist framework, most of the data were however derived from the subjective ideas and opinions of Anglo-American and Chinese host national managers,



as they reflected upon their own experiences and the knowledge gained from their work in Hong Kong. Thus, although this study is essentially phenomenological in orientation, quantitative data sources were incorporated into the research design to strengthen the study's internal validity.

The overall design of this study reflects the researcher's belief that it is useful to adopt a pragmatic approach, not confined exclusively to either phenomenology or positivism, when conducting field research. This is in line with the idea that: "Increasingly, authors and researchers who work in organizations and with managers argue that one should attempt to mix methods to some extent, because this provides more perspectives on the phenomena being investigated" (Easterby-Smith et al. 1991: 31).

### **5.3 Inter-related Propositions Upon Which the Study Questions are Based**

The important features of Anglo-American expatriate adjustment in Hong Kong and the nature of the cross-cultural encounters when these expatriates work together with Chinese host nationals are examined in this study. The implications for training and development are also explored. The study questions set out in the first section of this chapter are based on a number of interrelated propositions about Anglo-American and Chinese host national managers. These propositions, in turn, have been derived from previous research reported in the extant literature and from the researcher's own experience of living and working in Hong Kong. They are summarized as follows:

- 1) Managerial work is culture bound. Managerial behaviours are influenced by national culture, and these become evident in work situations which bring together expatriate and host national managers.
- 2) The management practices of Anglo-American<sup>ii</sup> managers which are effective when used in a Western cultural context, are not likely to be as effective when applied in the context of the Chinese society of Hong Kong.
- 3) Anglo-American managers will find that modifying or changing their management practices will help them to work more effectively in Hong Kong.
- 4) Expatriates have to adjust to any overseas posting, and the characteristics of the adjustment will vary between international locations. The unique living and working environment of Hong Kong will result in the development, by Anglo-American expatriates, of particular approaches to successful adjustment.
- 5) Training and development are useful in assisting expatriate managers to adjust to their overseas posting and are a way of assisting them to improve their ability to manage effectively.
- 6) The majority of expatriate managers have training and development needs which can be identified, and which can be used as the basis for designing a training and development strategy which will be useful in Hong Kong.
- 7) Hong Kong Chinese host nationals, who have had experience in working with Anglo-American expatriate managers, will be able to provide insights into the nature of cross-cultural management for Anglo-American expatriate managers in Hong Kong, their adjustment to living and working, and their training and development needs.

#### **5.4 The Research Process**

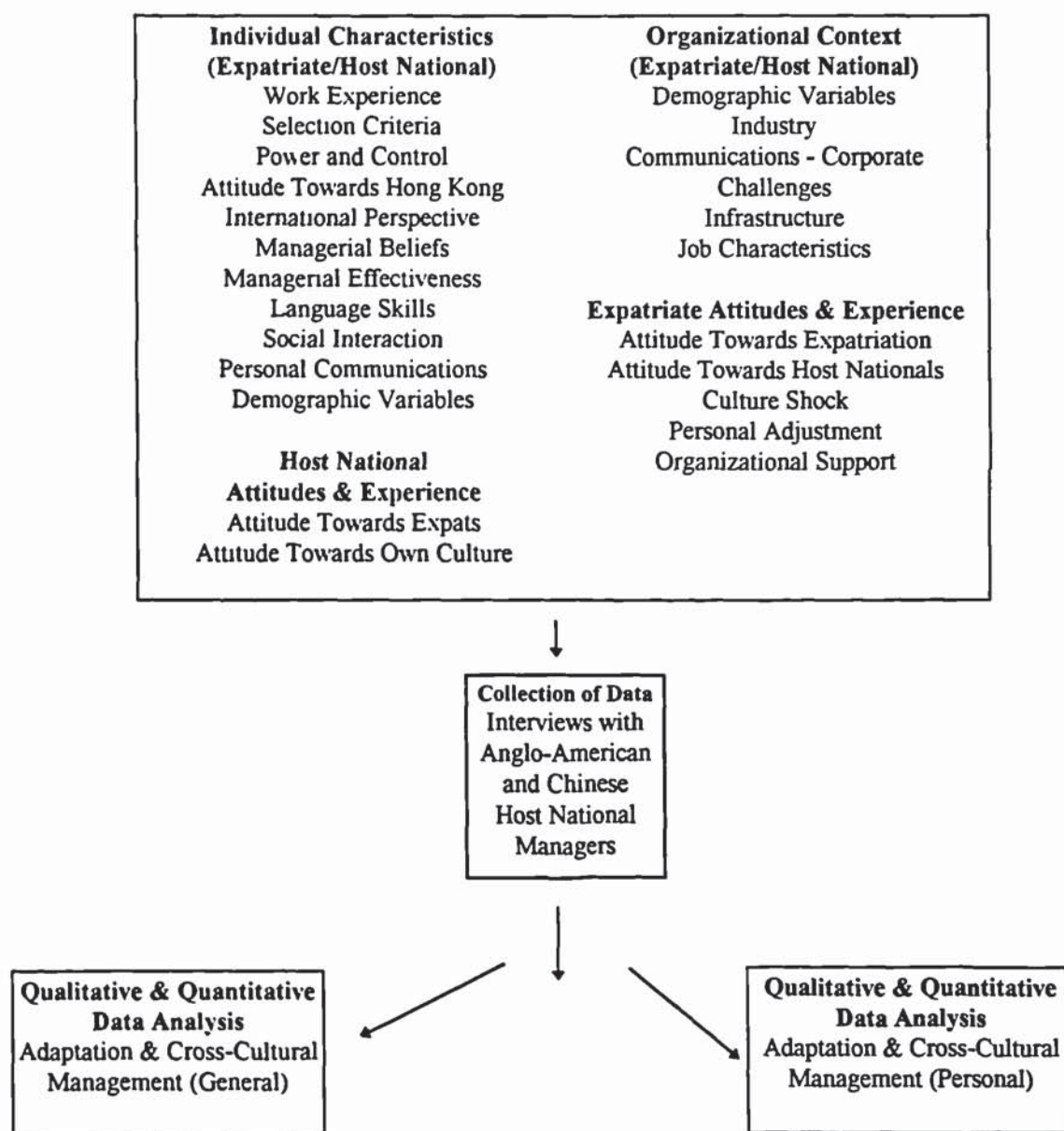
This piece of research is a fieldwork study. A model showing the nature of the research process is presented diagrammatically on the following pages. The model's upper portion outlines the variables and the issues specifically addressed in the interviews in order to 'capture' raw data, both quantitatively and qualitatively, for further analysis. In the central section a distinction is made between the analysis of data generated primarily from personal experience and the more cognitive data about general cross-cultural management. When the analysis was actually undertaken this dichotomy proved to be more artificial than real, but this aspect of the model highlights the study's strategy of undertaking the data analysis with more than one 'level' of understanding in mind. The data analysis from both perspectives feeds into the conclusions concerning the three research questions. When considering the model, it is important to keep in mind that the arrows do not represent causal relationships between variables. Rather they identify the flow of ideas, derived in the first instance from the literature and the researcher's experience, into the design of the research interviews, then from the interviews into the areas for data analysis, and finally from the analysis through to the study's conclusions.



Figure 5.1

**A Model of the Research Process  
to Study Aspects of Adaptation and Cross-Cultural Management  
for Anglo-American Expatriate Managers in Hong Kong**

**Concepts/Variables From Literature &  
Researcher's Personal Experience**



**Conclusions to the Study Questions**

The Nature of Cross-Cultural  
Management in Hong Kong

The Adjustment of Anglo-American  
Expatriate Managers in Hong Kong

Training & Development For  
Expatriate Managers in Hong Kong

#### 5.4.1 Operational Definitions

An operational definition “defines a concept by stating how it will be observed” (Denzin 1989: 14). The process of operationalization is based on the development of specific research procedures resulting in empirical observations or measures which, in turn, represent abstract concepts in the real world (Babbie 1992; Bryman 1989). In other words, these are variables or attributes on which people, organizations, etc. will exhibit variability (Bryman 1989). Operational definitions for the major concepts relevant to this piece of research are outlined as follows:

*Culture* - The shared mental programming of a group of people. Within the same culture individuals share psychological phenomena such as values, attitudes and beliefs, and their normal behaviour will fall inside the same parameters. These will all differ, to some extent, from other groups of people who also have a shared mental programming. Anglo-American culture is defined solely in relation to an individual’s country of origin, which would be a country where English is an official language and spoken extensively. For inclusion in the Chinese culture individuals would have grown up in Hong Kong, mainland China, or Taiwan, be of Chinese race, and speak Chinese as their mother tongue.

*Manager* - A person who is employed in a post defined as managerial by his/her employer.

*Management* - The work-related behaviours of anyone who is defined by their employer as a manager.

*Skills* - The developed capacities of managers to perform tasks required in carrying out any part of their job.

*Knowledge* - The facts, information and tacit understandings which managers can identify as influences on their work-related behaviours.

*Education and Training* - Any formal training activities or learning opportunities, either inside or outside their employing organization, to assist managers with either their adjustment in an overseas posting or their capacity to do their work more effectively.

*Managerial characteristics* - The attributes possessed by managers which can be categorized either quantitatively or qualitatively.

*Anglo-American expatriates* - Expatriates from the United Kingdom, the United States, Canada, Australia, New Zealand and South Africa which previous research has identified as having 'etic'<sup>iii</sup> attributes which distinguish them from other national 'clusters'.



*Host national managers* - Hong Kong Chinese managers which previous research has identified as having 'etic' attributes which distinguish them from other national 'clusters' and also 'emic' attributes characterizing a culture shared generally with ethnic Chinese in mainland China and in other parts of the world.

## **5.5 The Sampling Design and Sampling Procedures**

### **5.5.1 Population**

The specific pool of cases to be studied constitutes the target population. The concept of a population is however, an abstract one. With the exception of "specific small populations", the pool does not consist of a constant number of cases and it is in a state of constant flux (Neuman 1994: 196). Anglo-Americans expatriates employed in managerial positions in Hong Kong, who are the population of interest in this research, are unknown. No comprehensive listing of expatriate managers exists and there are only rough estimates about their actual numbers (Brewster 1991).

Even the total number of Anglo-Americans employed in Hong Kong cannot be identified with any degree of certainty. Hong Kong government statistics about foreign passport holders living in Hong Kong do not distinguish between those who are Anglo-American by birth and those who have acquired nationality in an Anglo-American country at some other time in their life. In recent years substantial numbers of Hong Kong Chinese have emigrated, for varying periods of time, and they have become holders of overseas passports. Those returning to Hong Kong to live and

work may, or may not, be counted as overseas nationals, depending on whether they use their passport or their Hong Kong identity card when they pass through the Immigration checkpoints.

Information about work visas is similarly not useful in identifying the Anglo-American expatriate population because, prior to 1 April 1997, British passport holders did not require work visas to obtain employment in Hong Kong. Work visas are also not needed by many other nationals who, upon the completion of seven years of continuous residence in Hong Kong, may apply to have the work visa requirement waived.<sup>iv</sup> Figures which indicate generally the size of the major Anglo-American groups in Hong Kong are given in Table 5.1. It should be noted that the figures reported as of December 31st, may under estimate the Anglo-American population in Hong Kong because the Christmas/New Year holiday period is a time when many expatriates are vacationing outside of Hong Kong; departures are reflected in these figures, whereas their returns, shortly after the beginning of the new year, are not taken into account.

**Table 5.1 Foreign Citizens in Hong Kong<sup>v</sup>**

	<b>Dec '96</b>	<b>Feb '96</b>	<b>June '95</b>	<b>Dec '94</b>	<b>Dec '93</b>	<b>Dec '92</b>	<b>Dec '91</b>
<b>USA</b>	34,700	36,000	32,100	29,900	26,100	23,500	21,000
<b>Canada</b>	30,600	29,000	26,900	24,700	20,400	17,500	15,000
<b>UK</b>	25,500	34,500	24,800	23,700	20,300	18,400	16,000
<b>Australia</b>	21,200	21,000	20,600	18,700	16,700	14,800	13,000

*South China Morning Post*, February 3, 1997

Source: Immigration Department

The movement of Anglo-American managers in and out of Hong Kong in recent years reflects changes driven by both political and market forces. In anticipation of the change of sovereignty in 1997 the Hong Kong government has, for a number of years, been localizing posts within the civil service. This has also been the case with some international companies. There are however, some contradictory trends. The Hong Kong government continues to employ expatriates with particular professional expertise and, in recent years, there has been an increase in the number of international companies based on Hong Kong, many of them using Hong Kong as a base to access the developing markets in the People's Republic of China (PRC). Therefore, the study population appears to be expanding as increased numbers of expatriates are employed in Hong Kong-based organizations.

### **5.5.2 The Nature of Sampling**

Sampling is “. . . the process of choosing the research units of the target population which are to be included in the study” (Sarantakos 1993: 125). Quantitative research, which is based on the positivist paradigm, requires that the properties of the external world be measured through objective methods rather than being inferred subjectively (Easterby-Smith et al. 1991), and an important principle of this type of research concerns the representativeness of the sample. To enhance the degree of confidence in generalizing a study's conclusions to the population, it is necessary for a sample to be chosen in a way which accurately reflects the characteristics or properties of the population it represents (Sarantakos 1993) and to be of sufficient size (Easterby-Smith



et al. 1991). Normally, the sampling will be based on probability theory and include the random selection of cases from the population.

In comparison, qualitative research uses non-probability sampling. No claim is made about the representativeness of the sample, rather the stress is on 'theoretical sampling', that is, the study is geared to including essential and typical units, or those which are seen to be theoretically important (Sarantakos 1993). Such samples "... tend to be 'purposive' rather than random" (Kuzel 1992; Morse 1989 cited in Miles & Huberman 1994: 27). According to this perspective:

... generalisation is based on the typical case studied, which is thought to be representative of a species; what qualitative research claims is that such findings can be interpreted beyond the cases studied and are examples of an 'exemplar generalisation', or 'analytic generalisation' (Mueller 1979: 13; Wahl et al. 1982: 206 cited in Sarantakos 1993: 27).

This means that generalizations from qualitative studies tend to be 'analytic' rather than from "sample to population".

### **5.5.3 The Nature and Representativeness of the Sample in this Study**

In this study non-probability sampling was used. This is consistent with the qualitative orientation of the research. It was also a response to two major methodological problems. First of all, the population of Anglo-American expatriate managers could only be roughly determined from official government statistics, whilst the population of Chinese host national managers could not even be estimated to this extent.

Secondly, there was the issue of gaining access to suitable respondents. A first attempt to secure an appropriate sample used a strategy recommended by Wright et al. (1988) and began by identifying, from the most up to date edition of *The British Directory* published by the British Chamber of Commerce and the British Trade Commission, the addresses and the chief executives of the Chamber's corporate members in Hong Kong. In April 1993, 102 letters addressed to the chief executive, on Aston Business School letterhead, outlining the nature of the research and inviting companies to participate, were posted. Seventeen positive pro-forma reply slips were received. There was about an equal number of apologies, with respondents stressing work pressures as a reason for not participating. The rest of the companies did not reply.

Unfortunately at this point, the two study questionnaires had not yet been finalized. Due to the demands of full-time employment and the part-time nature of this research, there was a time lag of nearly one year when the pilot testing and subsequent revisions proceeded much more slowly than planned. When the companies which had agreed originally to participate in the study were contacted again, many of them were no longer prepared to do so. Often this had to do with staff turnover, such that, the person who had originally authorized the company's participation in the research was no longer in post and the agreement could not be confirmed. Companies tended to cite time pressures, rather than a lack of interest, as the reason for opting out.

Owing to the difficulties in obtaining access to suitable respondents through formal channels the sample of expatriate and host national managers was obtained by use of a snowball sampling strategy. This technique produces a non-probability sample through a process that “. . . begins with one or a few people or cases and spreads out on the basis of links to the initial cases” (Neuman 1994: 199). It is consistent with the principles of qualitative inquiry and generates data which is appropriate for inductive, theory-building analysis (Miles & Huberman 1994). It is also a pragmatic response to the dilemma in a great deal of social sciences research that “. . . human . . . subjects are almost never drawn randomly from their populations because we seldom have access to entire populations from which to draw samples” (Van Wagenen 1991: 68).

For this research the snowball sampling began with a friend of one of the pilot study respondents. This woman, who is employed by a major Hong Kong bank in a senior personnel position with responsibility for expatriate staff, agreed to be interviewed. At the end of the interview she was requested to provide additional interview contacts. Subsequently, two more interviews were arranged with host national staff employed in the same bank. From there the complete sample was generated through a network based on personal contacts.

In most cases potential study participants would be contacted first by the person who had already participated in the study. Once the willingness of the potential respondent to be interviewed had been confirmed the researcher made initial contact either



through a letter with a follow-up telephone call, or by a telephone call in the first instance. This provided an opportunity to clarify the academic nature of the study, to ensure that the potential respondent met the sample criteria, and to confirm the confidentiality of the data obtained from individual respondents. A suitable time and venue for the interviews would also be agreed.

One or two days prior to the planned interview a telephone call would be made to confirm the appointment. Some interviews had to be re-scheduled, though there were only a couple of times when prior arrangements failed to materialize. For example, one respondent agreed to complete an interview on a working day between two major public holidays, forgetting his own plans to take leave. This respondent was interviewed later, and no potential respondent was ever 'lost' because of such a situation.

Upon completion of their interview, each respondent was requested to provide a referral to another manager who could contribute to the research. The wish to obtain data from individuals with a variety of backgrounds, working experiences and organizational affiliations was stressed. In some cases referrals were made to colleagues in the same organization, though in most cases the referrals allowed the researcher to access people working in different organizations.

#### **5.5.4 Snowball Sampling**

In this study, snowball sampling was very successful in locating suitable informants and gaining their cooperation. Although personal recommendations and 'contacts' are by no means unique to Hong Kong, they do seem to be particularly important within Hong Kong's Chinese-oriented business culture. The researcher was left with a strong impression that many of the respondents agreed to participate in this research primarily because it had been recommended to them personally by a close friend or colleague, and that it would have been impossible to gain their cooperation through more formal sampling methods.

There is of course some potential for bias when a sample is derived through snowball sampling. Respondents may be inclined to recommend others who are similar to themselves. For this piece of research, a conscious attempt was made to ensure 'maximum variation' in the cases included in the sample. In the end, the sample was varied across organizations, business sectors and there was a mix of occupational groupings, educational backgrounds, and years of work experience. The expatriate managers came from a cross-section of Anglo-American countries. If any bias exists it has come from the inclusion in the sample of relatively well-educated respondents and a larger proportion of women managers than would be found in the general population of managers in Hong Kong. However, the higher educational level facilitated conducting the interviews in English as it did not present a problem for the non-native

English language speakers, and managers who have a university education are more likely to be sympathetic toward, and willing to participate in, managerial research. Also, keeping in mind the need to be 'purposive' in selecting respondents, it was important to have included enough women managers in the sample to ensure the study's conclusions do not reflect a male bias in the data collection.

## **5.6 Instrumentation**

### **5.6.1 The Use of Interviews**

Interviews, questionnaires and structured inventories are self-report measurements which form one broad class of strategies for researching culture; the second being behavioral observations (Triandis 1980). Essentially an interview is a verbal face-to-face interchange in which the interviewer attempts to elicit, through verbal questioning, information or expressions of belief or opinion from another person or persons (Denzin 1989; Sarantakos 1993). Unstructured forms of interviewing tend to be used in qualitative research, whilst quantitative studies are more likely to rely on structured interviews, though the use of a questionnaire has been identified as indispensable for long qualitative interviews (McCracken 1988). This study relied upon an interview schedule which contained both open and closed-ended questions, as explained in the following sections.

There are two major potential sources of error in relying on a questionnaire/interview approach to collecting data (Denzin 1989). The first concerns the interviewer, who is



recognized as a fundamental source of bias. In this study, the data collection was in the hands of one researcher alone and if any bias existed it was at least consistent across all of the different data gathering episodes. The second difficulty has to do with 'instrument decay' - that is, the fatigue which can result from participating in a lengthy interview. It was anticipated that by asking respondents to complete some sections of the interview schedule prior to their interviews and in the process alerting them as to which questions would form the basis of the face-to-face discussions, the interviews could be shortened. In practice, the study participants favoured responding to the questions during the interviews. Despite being lengthy, 'instrument decay' did not prove to be a problem in conducting the interviews. This may very well have been because the cross-cultural management issues addressed in this study were directly relevant to the respondents' past and present experiences and therefore their own inherent interest in the topic overcame any tendency towards boredom.

#### *5.6.1.1 Interview Schedules*

A separate interview schedule was developed for the expatriate and host national samples. The interview schedule for expatriate respondents is reproduced in Appendix A, and the one for host national respondents is reproduced in Appendix B. To ensure consistency between individual respondents and to enhance reliability the interview schedules were used as a guide for the conduct of each interview (Silverman 1993). Questions were introduced in the same order, by the interviewer, in each interview. The interview schedules contain questions which can be classified in two categories

(Turner & Martin 1984). There are questions designed to elicit 'open-ended' responses, and questions with Likert-type scales that require answers in relation to fixed choice categories. Thus, both qualitative and quantitative data were collected from all study participants.

#### 5.6.1.2 *Pre-testing of the Interview Schedules*

The two interview schedules were developed in line with the key features of the research model and reflect ideas synthesized from an extensive review of the literature on culture, the adjustment, training and development of expatriates. To determine the appropriateness of the format and ensure that questions would be understood clearly by study participants, a series of pre-test interviews was completed. Pre-tests are often used to check 'mechanical' problems with research instruments such as the clarity of the questioning and the adequacy of the response categories to questions in the structured sections (Sarantakos 1993). In this instance each of the two instruments were tested in their entirety.

Four interviews were conducted with British expatriates and four with Chinese host nationals. All of the respondents were known personally to the researcher. The expatriates included two males from Hong Kong-based companies, one being a senior executive, the other a recently retired senior manager, a woman employed in training and development, and a woman heading a social agency in Hong Kong. The host national cohort was made up of two males working in the computer software industry,

a senior police officer and a lawyer, all of whom had had the experience of working with expatriates. Pre-testing took place between mid-October and late December 1993. All interviews were tape recorded and transcribed to allow a detailed review of their contents. When compared to fieldnotes, such procedures “. . . offer a highly reliable record . . .” (Silverman 1993:10-11).

The pre-testing was used to determine if the interviewees could accurately understand each question, if the mix of open and closed-ended questions would produce useful data, and to pinpoint any mechanical problems in conducting the interviews. Each pre-test interview participant was requested to comment frankly on any problems he/she found with the nature of the questions, the format of the interview schedule or with the conduct of the interview. Respondents were very forthcoming with their views which, together with the insights gained by the researcher, led to the modification of both the expatriate and the host national interview schedules. Although this involved only a little change in the general format of the schedules, many changes were made to the wording of questions to make them less ‘academic’. As well, some questions were added and others deleted.

#### *5.6.1.3 Use of Extended Interviews in English*

Interviews in the main study lasted anywhere from one and a quarter hours to over three hours in length; the average interview being between one and a half and two hours. The interviews with expatriate managers tended to be longer because more



questions were asked of them and they were, with only the couple of exceptions explained in Chapter 6, mother tongue speakers of English and therefore answered at greater length than the host nationals. Six interviews had to be divided into 2 sessions. This was because the initial interview exceeded the respondent's original time allocation and a second session had to be arranged to complete the interview schedule. In every case the respondent was asked whether he/she would like to complete the closed ended questions independently before the second meeting. All respondents declined, explaining they would prefer to record their responses during the interview. In no instance did a respondent decline to continue to participate in an interview, even when it could not be finished in one session.

According to Korten (1974:34) when research is based on cross-cultural comparisons it is normally “. . . desirable to have each cultural group speaking their own language”. In this study the interviews were conducted only in English, even though this was not the mother tongue of the host nationals. This strategy does however have an advantage. When both groups communicate in a western language it may be assumed a bias exists in favour of the western language culture; therefore differences coming through despite the language filter, could seem to be related to culture (Korten 1974).

#### 5.6.1.4 *Role of the Researcher*

The data collection took place at 'arms length' from the work situation where the actual behaviours under study occurred. It relied upon the willingness and ability of respondents to recall and articulate their experiences and to offer opinions. Therefore, the researcher had to assume responsibility for ensuring that all of the relevant objective information was supplied and that the interview probed, in adequate depth, the nature of the expatriate experience and the managerial work being studied.

Wright et al (1988) have pointed out that researchers are all products of a culture and they approach their own research with their own culturally-derived set of values, beliefs and assumptions, and consequently the researcher must be alert to the potential for cultural bias in the collection and interpretation of data. On the other hand, Hofstede (1987:10), in commenting on the ability of foreigners to modify management theory to fit better host cultures stated: "... maybe the outsider is sometimes in a better position to make culture-relevant observations than the insider who is fully embedded in a culture and has difficulty abstracting from it". The researcher in this case has had the benefit of living and working in Hong Kong for 10 years prior to conducting the research and therefore, the superficial aspects of Hong Kong's Chinese culture, which can attract the attention of a first-time visitor, were easily overlooked in favour of more in-depth observations. At the same time, as a foreigner and the product of a western culture, the researcher has been working 'at a distance' from the host national culture.

The researcher's previous experience in Hong Kong had a number of advantages. Close to the beginning of each interview, often at the point of introduction, the researcher would indicate that he had lived and worked in Hong Kong for 10 years. In response, host nationals often made remarks such as: "Oh, you must like it here then". Given the general perception that there is a high turnover of expatriates in Hong Kong, this information helped to create a positive atmosphere and to establish the researcher's credibility as someone who knew about, and was interested in, Hong Kong society. In addition, years of experience in working with Hong Kong Chinese proved useful for conducting the interviews as there are subtle differences in the structure and pace of English among native speakers of Cantonese in Hong Kong compared those whose mother tongue is English. An understanding of these meant there was no need to interrupt the interview's flow to gain clarification, and their reflection in the researcher's own speech assisted in building rapport with the host national respondents.

### **5.7 Triangulation**

Due to time and resource constraints, but primarily because of the difficulty of gaining access to expatriate managers at work, the managerial behaviours of interest in this study could not be observed directly. Rather, respondents answered questions about their perceptions and interpretations of past events. Such self-reports can be biased because respondents are unable or unwilling to remember, or to describe accurately,



what they have experienced (Kidder 1981). Consequently, extra effort had to be made to confirm that the study data were indeed an accurate reflection of the “real world” of Anglo-American expatriate managers in Hong Kong. This was accomplished through the use of aspects of methodological triangulation.

The triangulation metaphor in research is derived from navigation and military strategy where multiple reference points are used to locate an object’s exact position (Smith 1975: 273 cited in Jick 1979: 602). Triangulation involves combining methodologies, or using multiple methods, to study and analyze the same phenomenon (Denzin 1989), and it permits the unit(s) under study to be captured in a more complete, holistic and contextual way. According to Easterby-Smith et al. (1991: 31) those who conduct research in organizations and with managers “. . . argue that one should attempt to mix methods to some extent, because it provides more perspectives on the phenomena being investigated”. Indeed, methodological triangulation supports the idea that qualitative and quantitative methods can be seen as complementary within the same research design (Webb et al. 1966 cited in Jick 1979: 602).

#### **5.7.1 “Between-Method” Triangulation**

“Between-method” triangulation is the combining of two or more research strategies to illuminate the same class of phenomena (Denzin 1989). In the present study both Anglo-American expatriate and Chinese host national managers were interviewed using a questionnaire which combined fixed-alternative (closed) and free-answer

(open-ended) questions. This permitted both quantitative and qualitative data to be collected during the course of each semi-structured interview. Responses to the fixed-alternative questions were then used as the basis for quantitative data analysis, whilst the free-answer questions generated information suitable for a qualitative analysis.

Denzin (1989) suggests that the usual practice is to stress one dominant method in a piece of research with any other methods used to provide supplementary information. For this research the emphasis has been primarily on qualitative analysis, with the quantitative data being used to provide additional insights about specific issues. For example, to develop numeric comparisons about the beliefs of expatriate and host national managers concerning ideas which previous research has indicated are common features of the expatriate experience.

#### **5.7.2 “Within-Method” Triangulation**

“Within-method” triangulation involves the selection of one method and the employment of multiple strategies within that method to examine data (Denzin 1989). In qualitative research this can involve the use of “multiple comparison groups” which provide a check on internal consistency or reliability (Jick 1979), and is essentially triangulation “by data sources” (Denzin 1979: 237). In this study interviews were conducted with both expatriate and host national managers. As there is no evidence that the perceptions of host country nationals have been considered in any previous research on expatriate managers (Brewster 1991), their inclusion can be regarded as an

important methodological initiative consistent with the principles of triangulation in social sciences research.

A major aspect of this research is concerned with understanding managerial processes and experiences, and their significance to individual respondents. The interview methodology permitted the researcher to discover more about the actual work of expatriates and to probe issues in more depth than would have been possible using a survey approach. It was especially important for tapping the subjective dimensions of the expatriate's work, as during the interviews particular attention was given to understanding managerial processes and experiences, and their significance to individual respondents. Data collected from the interviews with Chinese host nationals included their perceptions of the adjustment and experiences of expatriate managers and their assessment of the training and development needs of expatriate managers. These insights were then juxtaposed against those of the expatriate managers themselves to compare the two perspectives. This is a particularly important check on the interpretation of reality because individual and cultural differences exist in the way in which situations are defined (Spradley & Phillips 1972) or, as explained by Glaser and Strauss (1967: 67): “. . . different people in different positions may offer as “the facts” very different information about the same subject . . .”.



## **5.8 Procedures**

### **5.8.1 Conduct of the Interviews**

Most interviews took place at the respondents' workplaces, either in their offices or in an interview or conference room. A small number of interviews were conducted in the researcher's office at City University. One, for example was conducted with a respondent, enrolled in some part-time study, who preferred to be interviewed at the university one day after the completion of her class.

Respondents were asked if they wished to have a copy of the interview schedule for their own reference during the interview. A majority chose this option, though there was a wide variation in the extent to which individual respondents read the questions on the schedule as the interviews progressed. The host national respondents tended most frequently to use opportunities to read, and presumably to double-check the meaning of, questions that were being presented to them orally. In particular, being able to refer to the interview schedule was helpful in securing answers to the closed-ended questions. Respondents could easily look at the interview schedule in front of them to make sure they understood clearly how each fixed choice category was defined. This procedure also saved time because the researcher did not need to repeat constantly the response categories; only the question itself had to be verbalized. The minority of respondents who indicated they did not want to look at a copy of the

interview schedule during the interviews were still given a sheet outlining the response categories for the closed-ended questions.

The strategy of combining oral and written forms of communication appears to be particularly useful with non-native speakers of English. The host national managers who participated in this research had received extensive schooling in English and, in most cases, brought to their jobs a number of years of managerial experience where they frequently communicated in English. They could be regarded as functionally bilingual in Cantonese, their mother tongue, and in English. Nevertheless, as Hong Kong is a society where over 96% of the population are Cantonese-speakers, most Hong Kong Chinese communicate orally far more often in Cantonese than in English. This meant it was always possible that some English-language terms and concepts, when presented orally, were not readily familiar to every host national manager. Consequently, the combining of verbal and written forms enhanced the level of question comprehension in this study.

### **5.8.2 Developing and Maintaining Rapport**

In the research interviews considerable attention was given to the establishment and maintenance of rapport between the interviewer and the respondents. As the interviews were quite lengthy and contained questions of a personal, and perhaps somewhat sensitive nature, it was particularly important to maintain rapport with the respondents throughout the entire interview. The researcher had to be sensitive to

those situations where the costs, in terms of lost rapport with the respondent, might outweigh the benefits to be gained from the collection of additional information. At all times, a primary consideration of the interviewing process was to make sure respondents felt a continuing high degree of personal comfort which, in turn, would be reflected in their inclination to be “open” in expressing ideas and opinions, thus ensuring high quality data.

During the interviews there were occasionally times when a host national respondent did not understand clearly the meaning of a question. If, after further explanation, the interviewee continued to indicate a lack of understanding, or responded to the question in a way that suggested some misunderstanding, then the next question would be posed. To belabour the issue would have been embarrassing and run the risk of undermining the general rapport of the interview. It must be emphasized that there was only a small number of cases where any misunderstanding arose, and this did not substantially reduce the quantity of interview data available for subsequent analysis. It was however, an issue about which the researcher needed to remain alert during the course of each host national interview.

### **5.8.3 Recording of the Interviews**

All interviews were tape-recorded using an audio cassette recorder. Permission to use a tape recorder was requested prior to each interview and all respondents agreed. This ensured a consistent recording of the interviews in a readily accessible format.



Generally the quality of the recordings was good and this facilitated the transcription work. In only a limited number of interviews, which were completed in the early stages of the fieldwork, did the quality of the audio recording prove to be a problem. This had to do with the positioning of the cassette recorder and was easily rectified.

### **5.9 Limitations and Delimitations of the Research**

Several delimitations of this research need to be acknowledged. The host national respondents were Hong Kong Chinese managers who were highly educated and had a good command of English, so the interviews could be conducted in English. It may mean however, that this group has more of a western-orientation than some other host nationals who work with Anglo-American expatriates, but who would not have the vocabulary or confidence to undertake an in-depth interview in English. Therefore, some caution must be exercised in generalizing the ideas of this study's host national respondents to Hong Kong's total population of host national managers. The expatriate respondents have been restricted to those with a similar national background. Whilst this has allowed for a higher degree of homogeneity amongst the respondents, it is probably not appropriate to generalize this study's findings to other groups of expatriate managers in Hong Kong such as southern Europeans or Japanese. In addition, the requirements of the study itself gave rise to several limitations. It was not possible to draw a random sample from the population, and the difficulties of gaining access to organizations meant a random sample could not be generated from

within organizations either. Time and energy limited the number of interviews executed, transcribed and incorporated into the analysis.

Notwithstanding the aforementioned points this research provides a much greater in-depth understanding of the expatriate experience in Hong Kong than has been achieved previously. By capturing the perceptions of both expatriates and host nationals, in the same piece of research, the validity of the findings has been enhanced and additional insights have been provided into those areas of cross-cultural management which may be problematic when individuals with Anglo-American and Chinese backgrounds work together.

#### **5.10 Summary**

This research was designed and implemented within a social constructionist or phenomenologically-oriented philosophical framework because the study participants' 'subjective' understanding and interpretation of their world is the most important issue addressed. The social phenomena under investigation are embedded in peoples' experiences and cannot be understood apart from them.

Three study questions were posed in relation to a research model incorporating key variables from the relevant literature and the researcher's decade of work experience in Hong Kong. The first question focuses on understanding the nature of cross-cultural management in Hong Kong involving Anglo-American and Chinese host national

managers. The second question seeks to determine what are the important features of adjustment for Anglo-American expatriate managers living in Hong Kong, whilst the third is concerned with what type of training and development will assist this particular group of expatriates to adjust successfully to Hong Kong's lifestyle and working environment.

A series of face-to-face interviews, using semi-structured questionnaires, was conducted with a snowball sample of Anglo-American expatriate managers and Chinese host national managers working in Hong Kong. The sampling design and instrumentation were developed so as to obtain as varied a group of respondents as possible and to capture both qualitative and quantitative data. Due regard was given to meeting the principles of sound research practice, whilst making every reasonable effort to execute the research in a way consistent with Hong Kong's social norms.



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<sup>1</sup> With only one exception all respondents identified their job as one which was formally designated a managerial position in their organization. The exceptional case was a Canadian employed in a small advertising agency where there was little distinction between the different grades of staff and, many of the decisions that would be reserved for managerial grade staff in larger organizations were, in fact, shared among the expatriate and Chinese staff in the agency. It is therefore considered useful to include this respondent's ideas as a part of the study data.

<sup>2</sup> The term Anglo-American manager refers to managers from Western countries such as the United Kingdom, the United States, Canada, Australia and New Zealand, and also South Africa. Previous research has identified employees from these countries as sharing common values which distinguish them from other Western and non-Western countries.

<sup>3</sup> There are two traditional approaches to making discoveries about cultural differences. The 'etic' approach uses objective observations to look at behaviour from the outside for the purpose of comparing cultures. It derives from the use of the international phonetic alphabet as a system of categories, used by linguists, presumed to apply to all cultures. From the same tradition, there is the idea that members of a given culture will have sounds which are phonemically distinct from one another. Thus, the 'emic' approach attempts to determine how a system looks from the inside through the discovery of categories and rules of behaviour derived from the user's point of view (Jones 1979).

<sup>4</sup> The information on work visas, etc. details the regulations applied in Hong Kong when the study data were collected. At the time of revising this chapter in 1997 there is uncertainty about what regulations will apply once the change of sovereignty occurs on 1 July 1997. Current indications are that important decisions are still pending with respect to the Hong Kong Special Administrative Region government's position on matters such as nationality, 'right of abode' and the status of Chinese with overseas nationality.

<sup>5</sup> The figures for December 1996 were confirmed with the Hong Kong Immigration Department in April 1997. The Immigration Department publishes figures for the top ten countries which, in December 1996 included the Philippines, Indonesia, Thailand, Japan, India, and Malaysia. According to the Immigration Department the figures on foreign population are derived from a physical count of arrival and departure records maintained by the Immigration Department. Such figures relate to the numbers of persons by their nationalities present in Hong Kong on a particular day (usually the last day of a month). Therefore, they do not represent the total number of foreign residents who have residential status in Hong Kong. The figures also vary from time to time because some foreign residents travel frequently on business trips or on vacation overseas.

## **PART TWO - THE EMPIRICAL FINDINGS**

### **CHAPTER 6**

#### **THE DATA ANALYSIS PROCEDURES AND SIGNIFICANT CHARACTERISTICS OF THE STUDY SAMPLE**

The analysis of the empirical data is discussed in this chapter. The rationale for the analysis is explained, together with a sketch of the qualitative and quantitative software packages used to organize and review the raw data generated by the research interviews. The study samples are described in terms of their key characteristics together with an explanation of how they have met the study criteria whilst guarding against any significant systematic bias.

#### **6.1 Data Analysis**

##### **6.1.1 The Nature of Qualitative and Quantitative Data**

Any research information that is not expressed in numbers is qualitative data and any research using such data is qualitative research (Tesch 1990). According to Weiss (1968: 344-45 quoted in Jick 1979: 609): “Qualitative data are apt to be superior to quantitative data in density of information, vividness, and clarity of meaning - characteristics more important in holistic work, than precision and reproducibility”. However, the choice of the most appropriate strategy for a particular study is not, in reality, an ‘either/or’ proposition. In general, qualitative research provides access to process, whereas quantitative research is best suited to explaining or clarifying structural regularities in social life (Bryman 1988), though it has been argued that each form of data can be used to both verify and generate theory (Glaser & Strauss 1967).



This piece of research is primarily qualitative in nature, but in keeping with the practice of many studies (Tesch 1990), both qualitative and quantitative data have been collected and are used in the analysis. These different data forms complement each other and provide mutual verification of ideas. Each approach has the potential to generate theory when they are brought to bear on the same subject.

### **6.1.2 Grounded Theory**

One way in which the relationship between theory and data can be formulated in qualitative research is through the development of grounded theory, an approach first elucidated by Glaser and Strauss (1967). Grounded theory is a means of generating theory which is embedded in data (Bryman 1988). Concepts emerging from the data are combined with existing ones in an iterative process leading to higher levels of abstraction. It is an alternative to the testing of formal theories and it can be “. . . developed in any substantive area of human experience” (Spradley 1979: 12). In other words, this process is most appropriate for the development of substantive, rather than formal theory.

Essentially, theory development is a process of sensemaking, and as such, it “. . . renders quite well the reality of social interaction and its structural context” (Glaser & Strauss 1967: 32). To develop grounded theory Glaser and Strauss (1967) propose an inductive approach based on the constant comparative method. Out of the raw data,



underlying uniformities and diversities are brought to the fore and then given meaning in terms of abstract concepts. It involves the development of ideas on a level of generality higher in conceptual abstraction than the qualitative material being analyzed. These concepts may, in turn, be consolidated into a smaller set of higher level concepts to the point where the analytic framework forms a substantive theory, which is a reasonably accurate statement of the social phenomena studied, and is in a form which other researchers can use.

This process of generating theory looks only for general relationships of direction. These may indicate either a positive or negative relationship between the concepts. There is no attempt to make precise measurements of each respondent or to determine the exact magnitudes of the relationships (Glaser & Strauss 1967). A single case finding is understood by comparing it with a range of similar and contrasting cases, and “. . . grounding it by specifying ‘how’ and ‘where’ and if possible ‘why’ it carries on as it does” (Miles & Huberman 1994: 29).

### **6.1.3 Quantitative Analysis**

Variables may be measured at several different levels (DiLeonardi & Curtis 1988). Nominal and ordinal measures are comprised of discrete categories, with the latter also involving an ordering principle. Interval measures are made up of continuous variables which have class intervals of equal length. Ratio measures have these same features, together with a logical and absolute zero point.

Nominal and ordinal measures have been used mostly to collect the quantitative data in this study. Nominal variables such as 'sex' and 'mother tongue' have been measured for all respondents. Likert scales, where a respondent is given a statement and asked to respond according to standardized response categories have been used to collect attitudinal data. The value of this format is that it provides for unambiguous ordinality in response categories and therefore it is possible to judge the relative strength of agreement on a particular variable (Babbie 1992). A few of the variables in this study, such as the respondents' years of work experience, are continuous, which means the class intervals are of equal size, they can be scaled along a continuum, and it is possible to average the values (DiLeonardi & Curtis 1988; Rudestam & Newton 1992).

The measurement levels determine the types of statistical tests that can be applied to the quantitative data generated, though some variability can be permitted. For example, “. . . it is a commonly accepted practice to assume that the class intervals in Likert scales are equidistant and continuous and, therefore, are interval-level data” (DiLeonardi & Curtis 1988: 21). According to Wright (1997) the decision about which level of data one is working with depends ultimately on how the researcher views the scale, and in this case they are regarded as interval scales based on the assumption that the differences between the categories are of equal distance.

Parametric tests can be used to make inferences about a larger population and are based on the assumption that the variable under investigation is normally distributed in the population. On the other hand, non-parametric tests do not adhere to the principle of normality and make no assumptions about the normal distribution of underlying data (DiLeonardi & Curtis 1988; Sarantakos 1993). Parametric tests not only apply the concept of the normal curve, they also assume the measurement of variables at least at the interval level (Siegel & Castellan, Jr. 1988). There are however, nonparametric tests that can be used satisfactorily with data measured on either ordinal or nominal scales.

In this study the snowball sampling procedure has generated a sample which is non-random and cannot support the assumption that the study data represent a normal distribution in the population. Although the Likert scales are assumed to be interval scales it is not inappropriate to apply statistical methods appropriate to the treatment of ordinal data, provided that only the ordinal characteristics of these data are taken into account (Boyle & Langley 1989). Therefore, this study has used the Mann-Whitney U test, which is appropriate for testing the significance of the difference between two independent samples of observations when the scale of measurement permits the ranking of subjects, (Evans 1996), unlike the chi-square which is less useful in testing the significance of ordinal level data (Evans 1996). The test also



assumes there are no tied ranks, which is clearly not the case in these data. However, the SPSS computer programme contains a procedure which corrects for tied sets.

#### **6.1.4 Computer Software Used**

The qualitative analysis was undertaken with the use of the Q.S.R. NUD\*IST (Non-numerical Unstructured Data Indexing Searching and Theorizing) software package, which assists in handling non-numerical and unstructured data in qualitative analysis, and enables the systematic analysis of large amounts of data. The procedure followed was, first of all, to introduce the transcripts of the study interviews into a Q.S.R. NUD\*IST database as on-line documents. Next, an index system, which is a collection of ideas about a project, was developed. This is organized according to a tree structure. From a root category the 'tree' expands hierarchically to develop and link new categories and sub-categories, and in this study the root was divided into two categories, one for expatriates and one for host nationals. The dimensions of the research model were used as the basis for developing the next level of categories or index nodes. Within each of these categories, sub-categories were designed to encompass the questions from the interview schedules. NUD\*IST gives each one of these index 'nodes' a unique address. Finally, once this index system had been designed it was used as a framework for structuring the interview data contained in the database on-line documents through a 'cut and paste' procedure. For example, the responses of all expatriates to a particular question would be 'cut' from individual

interviews in the data base and 'pasted' to the appropriate node in the expatriate index system for analysis.

The NUD\*IST programme also allows memos to be created for each node. These enable the data in the index system to be refined further and can be used by the researcher to record "remarks, explanations, reflections, reminders, thoughts or jottings" (7-4 NUD\*IST Manual). Often the memos were used to further summarize and distill the information into themes so as to highlight similarities and differences.

This research also made use of SPSS (Statistical Package for the Social Sciences), which is a statistical analysis and data management system widely used in the social sciences, to analyze quantitative data. It allows for the generation of tabulated reports, charts and plots of distributions and trends, descriptive statistics, and complex statistical analyses. An SPSS database was created for the numerical data collected from the respondents' questionnaires and SPSS procedures were used to describe, compare, and test the data.

DiLeonardi & Curtis (1988) identify a sample of around 30 as being the minimum necessary for statistical stability, though they caution that this is only a rough lower estimate for the utilization of most statistical techniques. In this study data were collected from 39 Anglo-American managers and these were supplemented with information from 31 Hong Kong Chinese managers.

### **6.1.5 Process of the Analysis**

The data collection process generated extensive qualitative and quantitative data. In order to organise these for further analysis the data derived from each question were combined into 29 'dimensions', which represent a common theme or area. These are outlined in Appendix C. Thus, the data from each one of the questions in the expatriate and host national interview schedules contributed to the development of a particular dimension. In turn, the dimensions were combined so as to address logically the three research questions, which are each discussed in a separate chapter in this thesis. Chapter 7 focuses on cross-cultural management in Hong Kong, Chapter 8 examines the adjustment of Anglo-American expatriate managers and in Chapter 9 recruitment and training are investigated.

## **6.2 Characteristics of the Sample**

This section of the thesis examines the dimension of 'Respondents' Characteristics', which contains data on key demographic variables, to ensure that the respondents interviewed have met the study criteria and that neither one of the samples contains any significant systematic bias.

### **6.2.1 Employment in a Managerial Post**

All 70 respondents were asked a filter question (Sarantakos 1993) to confirm that their positions are formally designated as managerial, and 69 gave unequivocal positive



affirmation. The one respondent who answered 'No' is employed as an English language copywriter with an advertising company which, because of its small size, has only one formal managerial position. Major decisions are however shared by all of the company's Chinese and expatriate staff, and this expatriate's work experiences in Hong Kong have been sufficiently managerial in scope to include his interview in the analysis.

Host nationals were also asked a filter question about whether they work with expatriate managers within their organization. This was followed by a contingency question (Sarantakos, 1993) concerning the nationalities of their expatriate colleagues. One host national said that he currently does not work with expatriates in his organization, which is a Chinese family-owned business. He has however worked with expatriates in the past and also has regular contacts with expatriates in his present job, therefore it is considered appropriate to include the data from his interview.

Sixty percent of the host nationals indicated they work with British expatriates, 43 percent with Americans and 37 percent with Australians, Canadians and/or New Zealanders. Their roles include those of subordinate, peer and superior; several interact with expatriate board members. Besides being engaged in direct supervisory relationships, host nationals meet with expatriates on committees and panels, and in teams and working groups. Their work can involve collaboration, consultation,

liaison, seeking or giving advice, and responding to information, analysis or service requests.

Contacts with Anglo-American expatriates outside of their own organization are identified by 84 percent of the host nationals with a nationality breakdown of British (69%), Americans (54%), and Australians, Canadians and New Zealanders (39%). Frequently this involves work with professionals such as accountants, lawyers and architects, or consultants, fund managers, auditors, bankers and media people. Other contacts include clients, professionals in the same field, and communication with other companies or government departments. Project liaison, information exchange, seeking advice, meeting legal requirements, negotiating deals, handling inquiries, and purchase transactions are all cited as reasons for this extra-organizational interaction.

#### **6.2.2 Nationality of Expatriate Respondents**

Expatriates were asked to identify the country of their birth and their current nationality. This information is tabulated in Table 6.1.

**Table 6.1** Country of Birth/Current Nationality: Expatriate Respondents

Country	Birth Nationality		Current Nationality	
	<i>f</i>	%	<i>f</i>	%
United Kingdom	12	30.8	14	35.8
USA	11	28.2	11	28.2
Canada	10	25.5	9	23.1
Guyana	2	5.1	-	-
Australia	1	2.6	1	2.6
New Zealand	1	2.6	1	2.6
Malaysia	1	2.6	-	-
South Africa	1	2.6	-	-
UK/USA*	-	-	2	5.1
Australia/Switzerland*	-	-	1	2.6
Total	39	100.0	39	100.0

\*Dual Nationality has been acquired by one person born in Australia, another born in the US and one born in Canada.

The discrepancies between birth nationality and current nationality in Table 6.1 highlight some respondents' unique characteristics. The respondent born in South Africa received his primary, secondary and post-secondary education there, but subsequently obtained British citizenship. The respondent who was born and educated in Australia obtained additional Swiss citizenship when working in Switzerland, whilst the respondent with Australian citizenship was born in Malaysia. Though of Chinese parentage the latter respondent received both secondary and post-secondary education in Australia and has lived there all of her adult life. In Hong Kong she perceives herself to be an expatriate with Anglo-Australian values which clearly distinguish her from the Hong Kong Chinese. She plans to return to Australia within the next few years. As for the two Guyanese respondents, one now has UK citizenship, after



having received post-secondary education in the UK and Canada, while the other has become an American citizen after completing post-secondary studies in the UK, Canada and the United States. These respondents are native speakers of English and have spent their entire careers employed outside of Guyana. All of these respondents have a background with sufficient 'Anglo-American' characteristics for them to be included appropriately within the expatriate sample of this study.

### 6.2.3 Host Nationals' Birthplace

All host national respondents are ethnic Chinese and, as indicated in Table 6.2, over 80 percent of them were born in Hong Kong. Just under 20 percent were born in other parts of China.

**Table 6.2** Birthplaces of Host National Respondents

Country of Birth	<i>f</i>	%
Hong Kong	25	80.6
People's Republic of China	5	16.2
Taiwan	1	3.2
Total	31	100.0

Host nationals were not requested to provide information about nationality as it does not alter their status as Chinese who have been educated and worked primarily in Hong Kong. At the time these interviews were conducted in 1995 the nationality issue was an extremely sensitive one in Hong Kong. It is beyond the scope of this chapter

to discuss this topic further, other than to state that as the information on nationality was not critically important in fulfilling the aims of this study it was not collected.

#### 6.2.4 Respondents' Gender

The gender composition of both respondent groups is very similar. These data, set out in Table 6.3, show that approximately 60 percent of the managers who were interviewed for this study are male and 40 percent are female.

**Table 6.3** Gender: All Respondents

Gender	Expatriates		Host Nationals	
	<i>f</i>	%	<i>f</i>	%
Male	24	61.5	18	58.1
Female	15	38.5	13	41.9
Total	39	100.0	31	100.0

#### 6.2.5 Respondents' Age, Marital Status and Highest Level of Education

The two groups of respondents exhibit both similarities and differences with respect to the variables of age, marital status and highest level of education, though in general, the expatriate respondents exhibit greater diversity as a group than do the host nationals. Respondents' ages are shown in Table 6.4.

**Table 6.4** Age Category: All Respondents

Age Category	Expatriates		Host Nationals	
	<i>f</i>	%	<i>f</i>	%
Under 25	1	2.6	-	-
25-34	13	33.3	4	12.9
35-44	15	38.5	20	64.5
45-54	10	25.6	7	22.6
Total	39	100.0	31	100.0

The modal age category for both groups is '35 - 44' years of age. This accounts for 38.5 percent of the expatriates and 64.5 percent of the host nationals. Both groups are almost equally represented in the '45 - 54' age category where 25.6 percent of the expatriates and 22.6 percent of the host nationals can be found. Only a relatively small percentage of 12.9 percent of the host nationals are between '25 - 34' whereas of the expatriates one-third (33.3 percent) are less than 35 years of age, with one expatriate aged under 25 years of age. Nevertheless, both groups of respondents are relatively young. This is quite consistent with Hong Kong's youthful age structure, where no less than 56 percent of the population is between 20 and 54 years of age (Census and Statistics Department, December 1996: 3). The data on expatriates could also reflect a general tendency for younger managers to either seek, or be recruited for, positions overseas. Some of the expatriate managers in this study came to Hong Kong expressly to look for work, rather than because of a company transfer. This may have



been a consequence of the more limited job opportunities in Western countries in recent years, or it may be that this particular group of expatriates contains a number of individuals who enjoy the 'adventure' of living and working in a foreign society.

As shown in Table 6.5 being married is the norm for both groups of respondents, though the expatriates exhibit more diversity in relation to marital status. Whilst 80.6 per cent of the host nationals are married and the remaining 19.4 per cent are single, only 59.0 per cent of the expatriates are married; another 7.7 per cent live with a partner. Just over 23 per cent of the expatriate respondents are single, three persons (7.7 per cent) are either separated or divorced and one person is widowed (2.6 per cent).

**Table 6.5** Marital Status: All Respondents

Marital Status	Expatriates		Host Nationals	
	<i>f</i>	%	<i>f</i>	%
Married	23	59.0	25	80.6
Single	9	23.0	6	19.4
Separated or divorces	3	7.7	-	-
Living with partner	3	7.7	-	-
Widowed	1	2.6	-	-
Total	39	100.0	31	100.0

From Table 6.6 it can be seen that the managers participating in this research are a well-educated group. Close to 85 percent have at least a first degree. Amongst the host nationals 29 percent have a degree, 9.7 percent have a degree plus a professional

qualification and 45.2 percent have a master's degree. Educational levels for expatriates are also high with 20.6 percent having degrees and 17.9 percent possessing a degree plus a professional qualification, one third (33.3. percent) have a master's degree and five persons (12.8 percent) are educated to the doctoral level.

**Table 6.6** Highest Level of Education: All Respondents

Highest Level of Education	Expatriates		Host Nationals	
	<i>f</i>	%	<i>f</i>	%
Master's degree	13	33.3	14	45.2
Degree	8	20.6	9	29.0
Degree + professional qualification	7	17.9	3	9.7
Doctorate	5	12.8	-	-
Sub-degree qualification	3	7.7	4	12.9
Professional qualification	2	5.1	1	3.2
Secondary school	1	2.6	-	-
Total	39	100.0	31	100.0

The way in which the sample has been located has no doubt influenced the high levels of education. It is likely also to reflect the trend towards the hiring of well-educated expatriates and the tendency for host nationals working with expatriates to be relatively well-educated themselves. A major issue here may be language because one would normally expect well-educated Hong Kong managers to have a good command of English and this, in turn, would facilitate their career development in positions where frequent communication with Anglo-American expatriates is called for on a regular basis.

### 6.2.6 Professional Association Membership

Respondents were asked about whether they maintained membership in any professional associations. Table 6.7 indicates a high degree of similarity between expatriates and host nationals. About 50 percent of each group choose to belong to at least one professional association.

**Table 6.7 Professional Association Membership: All Respondents**

Professional Association Membership	Expatriates		Host Nationals	
	<i>f</i>	%	<i>f</i>	%
Yes	19	48.7	16	51.6
No	20	51.3	15	48.4
Total	39	100.0	31	100.0

### 6.2.7 Respondents' Characteristics: Conclusion

The data from the 'Respondents' Characteristics' dimension, which have been presented in this section, confirm that the respondents meet the study criteria with respect to their work as managers and their background as Anglo-American or Hong Kong Chinese, and that the demographic variables do not suggest any systematic bias between the two study samples. Men and women are represented almost identically in each respondent group. One-third of the expatriates are under 35 years of age, which suggests this study may over-represent the views of this age category, though a bias in this direction may be preferable to one towards older respondents who might have a



less future-oriented perspective. Data on marital status and highest level of education indicate a somewhat wider range of options for expatriates, but the differences with host nationals are not substantial. Professional association membership are very similar.

### **6.3 Work Experience**

The dimension of 'Work Experience' is examined in this section. The amount of Hong Kong work experience, particularly for the expatriate sample, is a key consideration in determining the amount of confidence which can be given to the ideas they have put forward. According to these data both relative new-comers and longer term expatriates are represented in the sample; host nationals clearly have considerable Hong Kong work experience. It is reasonable to conclude that this study's respondents are in a position to "know what they are talking about".

#### **6.3.1 Full-Time and Hong Kong Work Experience**

Table 6.8 indicates that both groups of respondents have considerable work experience. The median number of years of total experience is 15 for the expatriate managers and 19 for the host national managers, though an obvious difference between the groups is revealed by the range of their work experience. For the expatriates there is a range of over 30 years, from a minimum of 2.5 years to a maximum of 32.5 years, whilst for host nationals it is less varied, spreading across only 20.5 years from a minimum of 4.5 years to a maximum of 25 years.

All of the host nationals have spent the majority of their career in Hong Kong, but the Hong Kong work experience of expatriate managers ranges from a minimum of half a year to a maximum of 29 years, though approximately 50 percent of them have worked in Hong Kong for less than four years. In comparison there is not even one Hong Kong Chinese respondent with less than 4.5 years of working experience in Hong Kong. The range of 20.5 is eight years less than that for expatriate managers. Much as one would expect, the expatriate managers generally have had much less Hong Kong-related work experience, though over 16 percent have 10 or more years of such experience, whilst one expatriate, with 29 years of work experience, has had an entire career in Hong Kong and could legitimately lay claim to being an 'Old China Hand'.

**Table 6.8 Full-Time and Hong Kong Work Experience: All Respondents**

Number of Years of Work Experience	Expatriate Managers				Host National Managers			
	Full-Time		Hong Kong		Full-Time		Hong Kong	
	<i>f</i>	%	<i>f</i>	%	<i>f</i>	%	<i>f</i>	%
0.5	-	-	6	15.4	-	-	-	-
1.0	-	-	2	5.1	-	-	-	-
1.5	-	-	2	5.1	-	-	-	-
2.0	-	-	2	5.1	-	-	-	-
2.5	1	2.6	3	7.7	-	-	-	-
3.0	2	5.1	3	7.7	-	-	-	-
3.5	2	5.1	1	2.6	-	-	-	-
4.0	-	-	1	2.6	-	-	-	-
4.5	-	-	-	-	1	3.2	2	6.5
5.0	-	-	3	7.7	-	-	-	-
5.5	1	2.6	-	-	-	-	-	-
6.0	1	2.6	1	2.6	-	-	-	-
6.5	-	-	1	2.6	-	-	-	-
7.0	-	-	1	2.6	-	-	-	-
8.0	1	2.6	2	5.1	-	-	-	-
9.0	-	-	-	-	1	3.2	1	3.2
9.5	1	2.6	-	-	-	-	-	-
10.0	1	2.6	5	12.8	2	6.5	5	16.1
11.0	2	5.1	-	-	1	3.2	2	6.5
12.0	2	5.1	1	2.6	2	6.5	1	3.2
12.5	1	2.6	-	-	-	-	-	-
13.0	2	5.1	-	-	-	-	-	-
14.0	-	-	3	7.7	1	3.2	1	3.2
14.5	1	2.6	-	-	-	-	1	3.2
15.0	2	5.1	-	-	1	3.2	-	-
15.5	-	-	-	-	1	3.2	-	-
16.0	1	2.6	-	-	1	3.2	-	-
17.0	1	2.6	1	2.6	-	-	1	3.2
18.0	1	2.6	-	-	3	9.7	3	9.7
19.0	-	-	-	-	3	9.7	4	12.9
19.5	-	-	-	-	1	3.2	1	3.2
20.0	5	12.8	-	-	4	12.9	3	9.7
20.5	-	-	-	-	-	-	1	3.2
21.0	1	2.6	-	-	1	3.2	-	-
22.0	-	-	-	-	-	-	1	3.2
23.0	-	-	-	-	1	3.2	-	-
24.0	2	5.1	-	-	2	6.5	-	-
24.5	-	-	-	-	1	3.2	-	-
25.0	1	2.6	-	-	4	12.9	4	12.9
26.0	1	2.6	-	-	-	-	-	-
28.0	1	2.6	-	-	-	-	-	-
29.0	1	2.6	1	2.6	-	-	-	-
30.0	2	5.1	-	-	-	-	-	-
31.0	1	2.6	-	-	-	-	-	-
32.5	1	2.6	-	-	-	-	-	-
Total*	39	100.0	39	100.0	31	100.0	31	100.0

\*Due to rounding all totals do not add up to 100%



#### 6.4 Language

An examination of the 'Language Skills' dimension reveals that, with one exception which has been discussed in a previous section, all expatriates are native speakers of English. Within the host national group over 93 percent speak Cantonese as their mother tongue. This information, presented in Table 6.9, provides additional evidence about the distinctiveness of each group of respondents.

**Table 6.9** *Mother Tongue: All Respondents*

Mother Tongue	Expatriates		Host Nationals	
	<i>f</i>	%	<i>f</i>	%
English	38	97.4	-	-
Cantonese	1	2.6	29	93.6
Putonghua	-	-	1	3.2
Shanghainese	-	-	1	3.2
Total	39	100.0	31	100.0

In addition, respondents indicated any languages spoken other than their mother tongue. A maximum of two is shown in Table 6.10. The languages spoken by host nationals are concentrated on Chinese dialects including Cantonese, Putonghua, Shanghainese and Hakka, and English. Within the expatriate group a wide variety of languages are spoken, including not only different forms of Chinese and the major European languages, but languages associated more closely with a single country such as Thai, Korean and Afrikaans. The data on reading and writing are not nearly as extensive as those on spoken languages and as they merely confirm the variety of

languages evident among the expatriate respondents they are not shown here. One final point about language concerns the use of an interpreter at work. For some expatriates working in mainland China an interpreter is employed by their company. However, only a few managers have had this experience and all of them found the service provided to be satisfactory.

**Table 6.10** Mother Tongue/Other Language(s)\* Spoken: All Respondents

<b>Mother Tongue</b>					
<b>Other Languages</b>	<b>Expatriates</b>		<b>Host Nationals</b>		
	English	Cantonese	Cantonese	Putonghua	Shanghainese
	<i>f</i>	<i>f</i>	<i>f</i>	<i>f</i>	<i>f</i>
	<b>38</b>	<b>1</b>	<b>29</b>	<b>1</b>	<b>1</b>
English	-	1	29	(1)	(1)
Cantonese	8 (1)	-	2	-	-
Putonghua	6 (3)	-	(26)	-	-
Hakka	-	-	(1)	-	-
French	13 (4)	-	-	-	-
German	1 (2)	-	-	-	-
Spanish	1 (3)	-	-	-	-
Korean	1	-	-	-	-
Afrikaans	1	-	-	-	-
Japanese	(1)	-	-	-	-
Arabic	(1)	-	-	-	-
Thai	(1)	-	-	-	-
Bahasa Malaysia	-	(1)	-	-	-
Dutch	(1)	-	-	-	-
<b>Total of Languages</b>					
<b>Other Than</b>	<b>31 (18)</b>	<b>1 (1)</b>	<b>31 (27)</b>	<b>1 (1)</b>	<b>1 (1)</b>
<b>Mother Tongue</b>					

\* The data indicate only the first two additional languages identified by respondents, with the second one enclosed in parentheses; other languages are not included.

### 6.5 Cosmopolitan vs. Local

The dimension of 'Cosmopolitan vs. Local' which is discussed in this section is based on an *apriori* assumption about the more cosmopolitan nature of the expatriate respondents in this study. That is, their life experiences, as reflected in where they were educated or worked, or where they had lived when younger, would be much more extensive than those of the host nationals. Confirmation of this dichotomy was sought by determining whether a greater number of the expatriate sample had work experience, education and early living experiences outside of their home country. These data, displayed in Tables 6.11, 6.12, and 6.13 are in Appendix D.

The data do not provide strong evidence to support the idea that the expatriates who participated in this study are more cosmopolitan than the host nationals. Whilst it is true that there is a more extensive range of educational and work experiences amongst the expatriates this is primarily a consequence of the expatriates originating in over half a dozen different countries, unlike the host nationals who are all from Hong Kong. The data only confirm that, within the expatriate sample, there are a small number of very cosmopolitan individuals.



## **6.6 Organizational Context**

This section examines the extent to which respondents have been drawn from across various sectors of the Hong Kong economy and from different organizations. It includes some data on the differing perceptions of expatriates and host nationals concerning characteristics of their organizations. This discussion relates primarily to the ‘Organizational Context (1)’ dimension outlined in Appendix C.

### **6.6.1 Industry**

In recent decades there has been a significant change in the extent to which the various economic sectors contribute to Hong Kong’s Gross Domestic Produce (GDP) and total employment. Only a small contribution now comes from primary production (agriculture and fisheries, mining and quarrying). Secondary production (manufacturing, construction and the supply of electricity, gas and water) has been declining as well, relative to the tertiary services sector (the wholesale, retail and import/export trades, restaurants and hotels; transport, storage and communications; finance, insurance real estate and business services; and community, social and personal services).

Rising costs in Hong Kong in conjunction with China’s ‘open-door’ policy and economic reforms have led to a steady relocation of manufacturing processes from Hong Kong across the border into mainland China in recent decades (Information

Services Department 1995, 1997). The contribution of manufacturing to Hong Kong's GDP declined steadily from 31 per cent in 1970 to only 9 per cent in 1995. During the same period the contribution from tertiary services rose from 60 per cent in 1970 to around 67 per cent in 1980, and then to 84 per cent in 1995 (Information Services Department 1995, 1997)

There has been an even more dramatic change in Hong Kong's job market since the early 1970s as the share of the manufacturing sector to total employment has dropped from 42 per cent in 1980 to 36 per cent in 1985, and further to 11 per cent in 1996. Contemporaneous with this development there has been an increase in the share of total employment accounted for by the tertiary services sector, which increased from 48 per cent in 1980 to 54 per cent in 1985, and then to 79 per cent in 1996 (Information Services Department 1997). This trend towards a higher proportion of employment being based in the tertiary services sector is well established in Hong Kong and shows no sign of abating. The majority of the respondents in this study are drawn from various industries within this sector, as indicated in Table 6.14. In addition to reflecting the dominant employment trend in Hong Kong, it is quite likely that tertiary services represent the sector of the economy where expatriate and host national managers work together most closely.

**Table 6.14** Employment by Industry: All Respondents

Industry	Expatriates		Host Nationals	
	<i>f</i>	%	<i>f</i>	%
Finance, insurance, real estate and business services	15	38.5	13	41.9
Community, social and personal services	10	25.6	11	35.5
Wholesale, retail and import/export trades	6	15.4	4	12.9
Transport, storage and communications	5	12.8	3	9.7
Manufacturing	2	5.1	-	-
Construction	1	2.6	-	-
Total	39	100.0	31	100.0

There is a similar proportion of expatriate and host national respondents represented in each employment category as shown in Table 6.14. The snowball sampling method used to identify appropriate respondents successfully identified managers who represent the growth areas in the Hong Kong economy. This also suggests that as the tertiary services sector continues to develop and as globalization trends impact on the territory there will be even more managers engaged in cross-cultural employment situations than is the case currently.

#### **6.6.2 Characteristics of Employing Organization**

Respondents were asked to identify the primary national affiliation of their employing organization and this has produced a diverse list. It reveals the international nature of the business environment in Hong Kong and highlights the extent to which Anglo-



American expatriate managers and host national managers work with one another in a variety of organizational contexts. Table 6.15 presents the data on the national identification of employing organizations for the study's participants.

**Table 6.15** National Identification of Employing Organization: All Respondents

National Identification	Expatriates		Host Nationals	
	<i>f</i>	%	<i>f</i>	%
American	12	30.8	4	12.9
Australian	-	-	1	3.2
British	7	17.8	3	9.8
Dutch	-	-	1	3.2
Hong Kong (American)	3	7.7	-	-
Hong Kong (British)	3	7.7	5	16.2
Hong Kong (Canadian)	1	2.6	1	3.2
Hong Kong (Chinese)	6	15.3	1	3.2
Hong Kong (Foundation)	-	-	1	3.2
Hong Kong (International)	-	-	1	3.2
Hong Kong (Public Sector)	2	5.1	11	35.5
Hong Kong (UK/Multinat'l)	1	2.6	-	-
Hong Kong (UK/US)	1	2.6	1	3.2
Hong Kong (US/Brazil)	1	2.6	-	-
Multinational	1	2.6	-	-
Swiss	1	2.6	1	3.2
Total	39	100.0	31	100.0

Just over one-third of the host national managers are identified as working in public sector organizations. However, with the exception of one respondent from the Royal Hong Kong Police Force and another from the Civil Aviation Department, the host nationals do not work in organizations normally identified as a part of the civil service. Although funded primarily by government, these organizations conduct their

operations with a high degree of autonomy. For example, the Hong Kong Productivity Council, the Hong Kong Academy for the Performing Arts, the Vocational Training Council, the Open Learning Institute of Hong Kong, the Management Development Centre of Hong Kong, and the City University of Hong Kong. All employ expatriate staff and some engage in extensive contacts with expatriates outside of their organization. Also, within the expatriate group a number of organizations have been classified as Hong Kong (Chinese) because their leadership is primarily Chinese, but their funding is largely from government, in much the same as the organizations just mentioned. Table 6.16 shows that a similar proportion of expatriate and host national respondents are employed in subsidiaries. When questioned about the extent to which structures and systems in their companies are similar to those in the company's home country, both groups of respondents identify a high degree of similarity, with a five-point scale mean for the expatriates of 3.74 and for the host nationals of 3.60. A second question, displayed in Table 6.17 in Appendix E, about the extent to which company policies favour one nationality over another generated a mean of 2.80 from host nationals compared to a mean of 2.09 for expatriates. This statistically significant difference ( $p=0.036$ ) in perception corresponds to findings in the qualitative data which indicate that host nationals believe expatriates have received, and still continue to enjoy, job-related perks which are not as readily available to local employees.

**Table 6.16** Employment in Subsidiary Organizations: All Respondents

Subsidiary Organization	Expatriates		Host Nationals	
	<i>f</i>	%	<i>f</i>	%
Yes	15	38.5	11	35.5
No	24	61.5	20	64.5
Total	39	100.0	31	100.0

As a way to determine whether the working environment of expatriate and host nationals respondents was systematically different, all respondents were questioned about whether there were, for those employed in subsidiaries, communication problems with the overseas headquarters, and if there were general communication problems between organizational units or between individuals. Analysis of these data did not reveal any significant differences, indicating that any communication problems which exist do not impact differentially on these respondents.

### 6.6.3 Organizational Context: Conclusion

Although respondents work in organizations located primarily within the tertiary industry sector of the Hong Kong economy these data provide additional confidence that the study's findings are not merely an artifact of systematic bias arising from the nature of the employing organizations. Expatriates and host nationals are not drawn exclusively from organizations with a particular national affiliation or status as a subsidiary. In general host nationals and expatriates agree on the extent to which



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the general economic integration of Hong Kong and China which has taken on such momentum over the past 15 years.

**Table 6.18** Work Location(s): All Respondents

Place	Working Time		Expatriates		Host Nationals	
			<i>f</i>	%	<i>f</i>	%
Hong Kong	All	(100%)	14	35.9	14	45.2
	Majority	(>50%)	17	43.6	16	51.6
	One-half	( 50%)	6	15.4	1	3.2
	Minority	(<50%)	2	5.1	-	-
	None	( 0%)	-	-	-	-
	Total		39	100.0	31	100.0
China	All	(100%)	-	-	-	-
	Majority	(>50%)	-	-	-	-
	One-half	( 50%)	2	5.1	1	3.2
	Minority	(<50%)	14	35.9	11	35.5
	None	( 0%)	23	59.0	19	61.3
	Total		39	100.0	31	100.0
Other Location	All	(100%)	-	-	-	-
	Majority	(>50%)	1	2.5	-	-
	One-half	( 50%)	2	5.1	-	-
	Minority	(<50%)	18	46.2	12	38.7
	None	( 0%)	18	46.2	19	61.3
	Total		39	100.0	31	100.0

### **6.7.2 Job Location: Organizational**

Respondents were asked whether their jobs were attached to a particular department or division within their organization. This question was applicable to 28 (71.8%) of the expatriates and 24 (77.4%) of the host nationals. These data, which are displayed in Table 6.19 on the next page, indicate that this study's snowball sampling strategy successfully identified respondents who work in a wide variety of organizational units, thus reducing the possibility the study's findings are biased because a few functional areas have been over-represented.



**Table 6.19** Department/Division of Job Attachment: All Respondents

Department/Division	Expatriates		Host Nationals	
	<i>f</i>	%	<i>f</i>	%
Administration	1	2.6	-	-
Agricultural Chemicals	2	5.1	-	-
Air Services Division	-	-	1	3.2
Airline Planning	-	-	1	3.2
Area Training	-	-	2	6.5
Business Administration	-	-	1	3.2
Business Communications	1	2.6	-	-
Business Development	1	2.6	-	-
Business Services	1	2.6	-	-
Campus Services	-	-	1	3.2
Client Services	-	-	1	3.2
Commercial Crime Bureau	-	-	1	3.2
Commercial Division	-	-	1	3.2
Communications Services	1	2.6	-	-
Corporate Banking	1	2.6	2	6.5
Creative	1	2.6	-	-
Credit & Collection	-	-	1	3.2
Derivatives Sales	-	-	1	3.2
Finance	4	10.3	1	3.2
Flight Operations	-	-	1	3.2
Group Public Affairs	1	2.6	-	-
Head Office	-	-	1	3.2
Management Information	1	2.6	-	-
MBA Division	1	2.6	-	-
Marketing	2	5.1	1	3.2
Operations & Service	2	5.1	-	-
Personnel/Human Resources	3	7.7	4	12.9
Private Banking	1	2.6	-	-
Quality Assurance	1	2.6	-	-
Research (& Development)	2	5.1	1	3.2
Sales & Marketing	1	2.6	-	-
School of Arts & Soc. Sc.	-	-	1	3.2
Not Applicable*	10	25.6	4	12.9
Missing	1	2.6	3	9.7
Total**	39	100.0	31	100.0

\*Respondents who are the most senior person in their organization, often managing their own company, are counted in the 'Not Applicable' category.

\*\*Due to rounding all totals do not add up to 100%

### 6.7.3 Nationality of Immediate Superior

Thirty-three (84.6%) of the expatriates and 30 (96.8%) of the host nationals confirm they have an immediate superior to whom they are responsible; one expatriate reports to two superiors. The nationalities of these superiors are outlined in Table 6.20.

**Table 6.20** *Nationality of Immediate Superior: All Respondents*

Nationality	Expatriates		Host Nationals	
	<i>f</i>	%	<i>f</i>	%
Anglo-American	18	46.1	16	51.6
Hong Kong Chinese	11	28.1	12	38.8
Anglo-Am. + H.K. Chinese	1	2.6	-	-
Brazilian	1	2.6	-	-
Indian (French national)	1	2.6	-	-
Pakistani	1	2.6	-	-
Singaporean Chinese	-	-	1	3.2
Swiss	1	2.6	1	3.2
Not Applicable	4	10.2	1	3.2
Missing Data	1	2.6	-	-
Total	39	100.0	31	100.0

The data in Table 6.20 establish that many of the Anglo-American and Chinese host nationals in this study are directly involved in superior/subordinate relationships in their daily work. A pattern whereby expatriates are always in more senior positions does not emerge. This appears to indicate that roles are changing from the traditional colonial situation whereby expatriates normally occupied the more senior positions and host nationals were under their supervision.

#### 6.7.4 Employment in Hong Kong: Personal Choice

Expatriates were asked to indicate the extent to which the acceptance of their present job in Hong Kong was a personal choice. These findings are given in Table 6.21.

**Table 6.21** Job Acceptance in Hong Kong - A Personal Choice: Expatriates

Extent of Personal Choice	Expatriates	
	<i>f</i>	%
To a Very Great Extent	32	82.0
To a Great Extent	2	5.1
To a Moderate Extent	1	2.6
To a Little Extent	1	2.6
To a Very Little Extent	-	-
Missing Data	1	2.6
Not Applicable	2	5.1
Total	39	100.0

Obviously, the majority of the expatriate respondents are working in Hong Kong because this is what they have chosen. This suggests that their ideas and opinions are not derived from their personal dissatisfaction with the experience of expatriation in Hong Kong, but rather these represent a balanced and well-thought out perspective on the issues addressed in this study.



#### **6.7.5 Job Characteristics: Conclusion**

The data outlined in this section, once again, support the conclusion that the composition of the study samples is not systematically biased in relation to either particular areas within the employing organizations or particular kinds of organizations. They also indicate that the majority of the respondents work primarily in Hong Kong and the superior/subordinate relationships frequently involve Anglo-American expatriates and Hong Kong Chinese host nationals, though some other nationalities are represented. It can be concluded as well that the responses of the expatriates are not generally biased due to personal dissatisfaction with their Hong Kong-based job.

#### **6.8 Power and Control**

From the pilot interviews it became apparent the collection of information about job titles would not give a clear indication of the amount of authority managers exercise, therefore a dimension labeled 'Power and Control' was developed to determine whether there is any overall discrepancy in the authority exercised by expatriates or host nationals. It uses the number of people supervised, respondents' self-assessments of their control over various activities and their perceptions of the extent to which they control their own work assignments as proxy measures of authority.

Expatriates report a mean of 10.17 people supervised compared to a mean of 7.32 for host nationals. However the standard deviation for the expatriates is 17.96 as against one of 7.23 for the host nationals. Given that the modal category for both groups is 4 people supervised, and within the expatriate sample there is one case of 100 employees being supervised and another of 60 employees, this measure of central tendency provides only a very limited idea about authority. The data on self-perceived authority and personal control over job assignments are presented in Tables 6.22 and 6.23.

**Table 6.22** Extent of Authority in Current Job: All Respondents

Area of Responsibility	Expatriates			Host Nationals		
	N	$\bar{x}$	SD	N	$\bar{x}$	SD
Hiring	37	4.05	1.29	30	3.93	1.36
Performance Appraisals	32	4.29	1.27	30	4.03	1.43
Disciplinary Matters	36	3.72	1.32	30	3.96	1.33
Dismissal	36	3.33	1.55	29	3.31	1.42

**Table 6.23** Control Over Work Assignment: All Respondents

Source of Work Assignment	Expatriates			Host Nationals		
	N	$\bar{x}$	SD	N	$\bar{x}$	SD
Overseas Headquarters	26	1.89	0.71	16	1.69	1.01
Immediate Supervisor/Committee - e.g. Board of Directors	34	2.44	0.96	30	2.80	0.85
Other Superiors	33	2.03	0.81	26	1.80	0.75
Subordinates	37	1.70	0.66	30	1.97	0.85
Self-assigned - Normal	39	3.20	0.86	31	2.97	0.91
Self-assigned - Contingency (emergency)	38	2.16	0.86	31	2.03	0.41

Table 6.22 indicates that, except for disciplinary matters, expatriates believe they exercise slightly more authority than do host nationals, though in the key area of dismissing employees the ratings are almost identical. These data do not suggest expatriates exercise substantially more power and control over these functions than do host nationals. Likewise, when control over work assignments is examined in Table 6.23 the discrepancy between the mean scores of the two groups of respondents does not suggest that one wields substantially more power than the other. These figures support the conclusion that differences found between expatriates and host nationals in



this study are not likely to be artifacts of power and control derived from hierarchical position.

### 6.9 Managerial Effectiveness

This section contains data on the dimension 'Personal Managerial Effectiveness'.

Both groups of respondents were asked to reflect upon their work in Hong Kong and to indicate how often they believed they were able to achieve their objectives. These self-assessments of effectiveness are presented in Table 6.24.

**Table 6.24** How Often do Work-Related Actions Result in the Achievement of Objectives?: All Respondents

Extent of Own Effectiveness		Expatriates		Host Nationals	
		<i>f</i>	%	<i>f</i>	%
Very Often	>80 - 100%	8	20.5	9	29.0
Often	>60 - 80%	21	53.8	15	48.4
About half	>40 - 60%	7	17.9	7	22.6
Not often	>20 - 40%	3	7.8	-	-
Seldom	>0 - 20%	-	-	-	-
Total		39	100.0	31	100.0

Generally, the self-assessments are quite positive. Expatriates have a mean of 3.87, compared to a mean of 4.07 for the host nationals. There is no significant difference between the two samples.

Respondents were also asked to rate the effectiveness of other expatriate managers within their own organization, as well as the effectiveness of expatriate managers working for other organizations. These two questions indicate very little difference between the two groups. Given the relatively high number of 'Do not know' responses, with 23 percent of the expatriates and 29 percent of the host nationals not able to answer the second question, no further analysis has been carried out on these questions.

#### **6.10 Managerial Beliefs**

A final area of comparison between the two groups of respondents concerns their beliefs about a number of issues relevant to cross-cultural management. The data in Table 6.25 confirm there are significant differences between expatriates and host nationals on two questions. Host nationals subscribe more heavily to the ideas of technological determinism. They perceive a greater convergence towards Western management systems because of technological developments than do expatriates. The latter group place more emphasis on the role of culture in determining approaches to management. Thus, the two groups of respondents display a fundamental difference in their perspectives on cross-cultural management. This provides additional confidence in concluding that the data in this study have been generated by two distinct groups of respondents with different perspectives who, though all employed as managers in Hong Kong-based organizations, do not share all of the same basic beliefs.

**Table 6.25** Extent of Managerial Beliefs: All Respondents

Statements of Belief	Expatriates			Host Nationals		
	N	$\bar{x}$	SD	N	$\bar{x}$	SD
"Because a certain practice works well in one country it does not necessarily mean it will achieve the same results if transplanted elsewhere" (Waters 1991:25)	39	4.26	0.76	31	4.16	0.76
"Management style is determined by the technology or the general state of development of a particular society and will, as the society develops, tend towards that prevalent in developed Western countries"*	37	2.81	0.91	31	3.36	0.84
"The particular culture of a society is a dominant factor in managerial style and management will retain it's own unique cultural identity even as the society develops"*	39	3.74	0.79	31	3.26	0.89
"In Western societies individuals control their behaviour in response to guilt, whereas in the East individuals control their behaviour in response to shame"	36	3.36	1.31	29	3.76	0.74
"There will develop an international corps of 'World Citizens' who will be managers without countries, and who will relate only to their companies"	38	2.95	1.21	31	3.10	1.19
"A potential consequence of multicultural work forces is the creation of 'cultural synergy', which is a unifying organizational culture based on the best of all members' national cultures"	38	3.18	1.16	30	3.07	0.98

Scores are derived from a 5 point scale; '5' indicates agreement to a very great extent (>80% -100%)

\* The test is significant at  $\alpha = 0.05$  according to the Mann-Whitney U test.

The perspectives of expatriates and host nationals about the nature of cross-cultural management in Hong Kong, and aspects of the adjustment, success, and training needs of expatriate managers, are discussed in the remaining three chapters of Part Two. In this discussion the different perspectives of each group, which are suggested by the



data in Table 6.25, become much more evident, as do those areas where there exists considerable agreement.

### 6.11 Summary

Although primarily qualitative, this study also uses quantitative analysis to assist in the process of answering the study questions. The qualitative analysis has been undertaken with the use of the NUD\*IST software package, whilst the quantitative analysis has used SPSS software to calculate measures of central tendency and conduct non-parametric statistical tests. The data have been further refined into 'dimensions', which incorporate the study questions and are used as the basis for examining each of the three research questions.

The second section of this chapter presents data in support of the conclusions that the two groups of respondents can be classified appropriately as Anglo-American expatriate managers and Chinese host national managers, and they are independent of one another. Further, the two samples do not differ significantly on important demographic variables, but they are groups with sufficient diversity to conclude that there is no systematic bias in their backgrounds.

All of the study respondents are employed in managerial posts with the Anglo-American and Chinese host national groups clearly distinguished from each other on the basis of their place of birth and current nationality. There is an almost identical

balance between men and women in the samples and even though age, marital status, and highest level of education are more varied for the expatriates, the differences are not substantial. The data on work experience for expatriates are wide ranging and it is evident this study has captured the ideas of those with both greater and lesser work experience in Hong Kong. The two samples are clearly different with respect to language. With only one exception all of the expatriates are native speakers of English, whilst all host nationals are mother tongue Chinese speakers with English as a second language. Although the samples can be clearly distinguished from another as distinct and independent groups there is no strong evidence to support a conclusion that the expatriates are significantly more cosmopolitan than the host nationals, despite half a dozen very cosmopolitan respondents having been included in the expatriate sample.

Respondents were drawn primarily from those employed in the tertiary services sector, which is the growth area of Hong Kong's economy. Their jobs are not concentrated in organizations with any particular national affiliation and the proportion of each group drawn from subsidiaries is more or less the same. The majority of their working time is spent in Hong Kong, though expatriates tend to spend a bit more time outside the territory. Over a third of the respondents in both groups spend at least some time in China. There is no concentration of respondents from any particular organizational area. Expatriates and host nationals interact with one another extensively on the basis of superior/subordinate roles, although the expatriate managers are not by any means

always in the more senior post, and neither group exerts significantly more power and control than the other. Finally, there are significant differences in some of the general beliefs of the two groups about cross-cultural management. Expatriates tend to place more emphasis on the role of culture in determining approaches to management, whereas host nationals are inclined to favour a higher weighting being given to the role of technology.



## **CHAPTER 7**

### **CROSS-CULTURAL MANAGEMENT IN HONG KONG**

Findings about the nature of cross-cultural management in Hong Kong are presented in this chapter. These data are from respondents' answers to the questions contained in the dimensions of 'Managerial Behaviour', 'Managerial Skills', 'Decision Making', 'Handling Conflict', 'Cultural Synergy', 'Social Interaction' and 'Perspectives on Chinese Management'. Additional data, collected from host nationals who answered the questions contained in the 'Perspectives on Expatriate Management' dimension, are included. Except for the dimensions labeled 'Social Interaction', 'Handling Conflict' and 'Cultural Synergy', this chapter is organized according to the significant themes in the data, rather than by dimensions.

#### **7.1 The Hong Kong Context**

Almost without exception host national respondents interpret the concept of 'Chinese society' to mean 'Hong Kong Chinese society'. Hard work and strong family ties are identified as key characteristics of Hong Kong's Chinese society with terms such as "hard working attitude", "strong incentive to work", "diligence", "family relationships", "family ties" and "strong family values", used frequently when host nationals explain what they admire most about their society. Hong Kong people are regarded as very resilient, with a 'can-do' mentality and the ability to adapt to change.

According to one person: “. . . they can adjust themselves very quickly to the influence from elsewhere in the world. They grasp opportunity really very quick. Whenever there’s opportunity, they will adjust their own way in order to grasp it” (host national, male, 35-44, 18 years experience, finance & insurance), and in the words of another: “Hong Kong people are pretty flexible too - they’re not like other Asians” (host national, female, 35-44, 20 years experience, banking). Additional characteristics about Chinese society which are mentioned as admirable include a preference for harmony and for finding the middle way, a culture of being respectful, tolerant, and being non-confrontational.

In much the same way, expatriates interpret ‘Chinese society’ to mean Hong Kong Chinese society. Expatriates admire the work ethic of the Hong Kong Chinese and their strong family values. Words and phrases such as “industrious”, “continual commitment to hard work”, “hard working”, “always trying to improve themselves” and “very serious about their work” characterize the former point. The latter point is described in terms of “strong family orientation”, “cohesiveness of the family”, “strength of the family unit”, “commitment to family”, and “a completely family oriented society”. One other point, which greatly impresses some expatriates, concerns the high degree of personal safety afforded to individuals living in Hong Kong.

The characteristic which host nationals find they admire least about their society is

what is described as 'selfishness'. As one respondent explains:

Sometimes I think these people - I mean we as Chinese - are more selfish people compared to Westerners. I mean we mind our own business more and we actually spend less time thinking about other people. We are concerned very much within our own circles and tend not to put too much attention on the welfare of the others.

(host national, female, 35-44, 11 years experience, banking)

Host nationals speak about a lack of social responsibility, not being very public spirited and a tendency towards narrow-mindedness. Whilst expressing the view that Hong Kong people must look after their own interests because no one else is going to do it for them, they judge quite severely the attitudes of their fellows, a typical remark being: "... even in Britain and in the United States you find - people are all very conscious about each other. The Chinese are selfish (host national, male, 25-34, 10 years experience, financial services).

The second major feature of Hong Kong Chinese society about which host nationals are critical is its money conscious nature. There is seen to be an inappropriate balance between work and personal life, with little time set aside for enjoyment. Comparisons are made with the somewhat different attitude of expatriates:

... in Hong Kong more local manager will join some gathering or dinner with customer in the evening. But some expatriates they prefer not to join these gatherings - they want to go back home to enjoy their own life. But Hong Kong people - they think that to them money is everything. They earn money. So, there is a different perception of what is important in life. (host national, male, 25-34, 9 years working experience, financial services)



Host nationals are also critical about a lack of systems in traditional Chinese organizations, a tendency to communicate indirectly through the grapevine, rather than speaking up in a more forthright manner, and a tendency towards nepotism in business. On this latter point there is a recognition that “. . . it’s true everywhere - you tend to do business with people that you can get along with - a fair point - but that tends to be even more so in Chinese society . . . ” (host national, male, 35-44, 10 years work experience, management training & development).

Expatriates are not as focused in their criticisms, but there are several themes which emerge clearly from their comments. Regardless of how long they may have lived in Hong Kong, expatriates continue to find the general rudeness and lack of common courtesy in public to be offensive. This behaviour is regarded as a product of Hong Kong’s crowded environment, and in the words of one expatriate: “. . . I guess in a way it is an unfair comparison because if you were to be down in the East End of London you would probably find the same sort of rudeness . . . with the educated Chinese it is not the same . . . ” (expatriate, male, 45-54, British, 14 years working in Hong Kong, construction). It is nevertheless quite clear that expatriates still do not like this type of behaviour. Expatriates also characterize people as being somewhat insular and selfish and at times displaying an aversion to foreigners. The utilitarian nature of interpersonal relationships is criticized by many expatriates. These perspectives are explained in the following quote:

And unless you've a relative of a Chinese or unless you have actually worked in an office with somebody for 20 or 25 years, you can't really say they're your friends. They know you. And they may like you. But kind of in their mind they say - well, what are you worth to me? Under what circumstances can I use you? And then once I do use you, I owe you a favour and you can use me. That kind of goes against the early - you know - childhood experiences of growing up that I had. We had a different philosophy.

(expatriate, male, 45-54, American, 29 years Hong Kong work experience, executive search company)

As well, some expatriates are critical of Hong Kong's highly materialistic society and the lack of a balanced life style.

## **7.2 The Nature of Chinese Management**

The questions designed to distinguish between Western and Chinese approaches to management in Hong Kong's organizations generated data which is more narrowly focused than had been intended. This is because there is a tendency for host nationals to regard Chinese management in terms of managerial behaviours in small Chinese run enterprises, whilst distinctive Chinese behaviours are not seen to exist to the same extent in larger organizations where structures and systems are more Western-oriented.

Chinese managers in Chinese organizations are seen as skilful in making effective decisions based on their personal analysis of situations without much reliance on facts and figures. Their conservative management approach emphasizes building

relationships and behaving in a courteous manner so as to encourage harmony. From the perspective of host nationals the personal concern shown in situations of traditional Chinese management is to be admired for being more humane than Western management, though the close personal relationships which develop between people are seen to have certain negative consequences. The word 'favouritism' is used frequently to refer to the unfairness which can occur when too much emphasis is placed on such relationships. Employees may be judged according to the nature of their relationships with power-holders rather than on their ability and performance.

Expatriates also tend to identify Chinese management with traditional small Chinese family-run business. It is seen to be based on "entrepreneurial guts", "intuitive decision-making" and "leading from the front". Hierarchical relationships are important and senior managers behave paternalistically towards the employees. Information tends to be hoarded and internal structures and relationships may be quite rigid. However, the management practices in the small Chinese business allow for a surprisingly high degree of flexibility as outlined in the quote in Appendix F.

### **7.3 Characteristics of Cross-Cultural Management in Hong Kong**

Although important differences are seen to exist in the managerial behaviour of expatriates and host nationals, it should be noted that within both groups there are



respondents who perceive the existence of only minor differences. Some expatriates find Chinese managers to be quite similar to Western managers, and have observed Chinese managers behaving both similar to and different from one another. This leads them to conclude that their behaviour is personality based rather than being derived from a shared cultural heritage. At the same time the data provide evidence that surface behaviours only mask more fundamental culturally-derived beliefs, as indicated by the following comment:

I've seen . . . Chinese managers that obviously have gone to the West or to the States for business training and exhibit habits from that training. And yet, at the same time, the more they come back into Chinese society the more they lost those things - or in some cases are embarrassed by them. . . . they're gong to fall back on the traditional ways - inside - while on the outside perhaps exhibiting Western business practices.  
(male, 35-44, British, 2.5 years Hong Kong experience, medical/health emergency services)

As well, expatriates believe that, with behaviours such as approaches to decision making, differences exist between Hong Kong Chinese managers and those from mainland China and Taiwan.

A minority of host nationals also perceive limited behavioural differences between expatriates and host nationals. They mention the tendency for everyone in Hong Kong to work hard to achieve common goals and refer to "a lot of similarities", "some differences" and behaviour being "different on some occasion - not every time". The differences are seen to be consequent upon dissimilar company systems and the requirements these impose on managers, as for example, the need for extensive

reporting to an overseas headquarters. Host nationals identify differences in their own behaviour in response to characteristics such as age, experience and personality, rather than simply the fact that the person with whom they are working is an expatriate. They do however, tend to draw a clear distinction between the behaviours and expectations of different groups of Anglo-American expatriates, as illustrated in the following quotes:

Like the Englishman and the American there is also a difference. For [an] American, straight forward approach is much more appreciated by them. While Englishmen, you need to put your words in a more polite way.

(host national, female, 35-44, 19 years work experience, performing arts administration)

. . . it depends what is your nationality. I can see Canadians, Australians and New Zealanders - they are frank. I mean, I call them a little bit more open - in a sense. British are - slightly - not as open. More close to Chinese I think. I mean, Orientals are not as open as Westerners. But I think British are in the middle between Westerners and Chinese.

(host national, male, 45-54, 25 years Hong Kong experience, airline industry)

In one interview a supplementary question was asked about whether American-Chinese managers would be regarded as expatriates. The respondent, who works in the human resources section of an American bank replied: "Yes - the company treats them as expats . . . and to a large extent they behave like expats" (host national, female, 35-44, 20 years work experience, banking).

## **7.4 Problems of Cross-Cultural Management in Hong Kong**

### **7.4.1 Host National Perspective**

Some host nationals perceive discrimination at the macro-level, in that many of Hong Kong's larger organizations the top positions have been dominated traditionally by expatriates, resulting in some perceived disadvantage to locals: "... for historical reasons, you know, Hong Kong being a colony of Britain I think I have to work much harder in order to achieve to the same extent as the expats" (host national, male, 35-44, 20 years experience, commercial security - public service). This is seen to be altering as, with the change of sovereignty and the opening of China, Hong Kong Chinese are now in a better position than previously. International companies regard them as useful in helping to develop a competitive edge in the China market and an emphasis on localization within Hong Kong means "... as a Chinese you stand a better chance now than before" (host national, male, 35-44, 10 years experience, maintenance & security services).

A minority of the host nationals find no particular difficulty in working with expatriates and any problems are attributed to individual rather than cultural differences. For example, one respondent thinks that "... the problem is no different from what we would encounter with Chinese most of the time" (host national, female, 35-44, 11 years experience, banking), and another suggests that "... people sometimes are difficult" (host national, female, 45-54, 25 years experience, corporate body), regardless of whether or not they are expatriates.



However, for most host nationals linguistic and cultural differences are seen to contribute to the problems encountered in working with expatriates. Typical comments include the following: “I think the problem is the gap between the expatriate and the Chinese (host national, male, 35-44, 25 years work experience, airline).; “. . . culture plays a very important role” (host national, female, 35-44, 19 years experience, performing arts administration); and “. . . when you want to really work with them [expatriates] closer . . there are still cultural differences (host national, female, 25-34, 4.5 years experience, banking). Host nationals believe they have different values from expatriates. For example, one host national says: “I hold certain values that I’ve been educated [with] all along since I was a child. And I believe those values may not be the same as those values of the expatriates” (female, 35-44, 20 years experience, personnel - tertiary education).

The ability of host nationals to speak Cantonese is an obvious advantage to them, particularly when it comes to working with support staff. As well, a shared understanding of a common culture facilitates the two-way exchange of ideas.

Whereas with expatriates the ability to communicate at this level can only be built up over time, if at all. This basic understanding of local employees is seen to extend to a better understanding of the Hong Kong market and way of doing business. A parallel issue concerns the advantages which host nationals have when it comes to accessing information from Hong Kong’s Chinese language press and electronic media. These

are relatively 'closed' to expatriates, as are many of the informal sources of information provided by well-established local social networks and even the office grapevine.

#### **7.4.2 Expatriate Perspective**

A handful of expatriates report "very few" or "remarkably few" problems in their managerial work in Hong Kong; most identify one or more. One set of problems concerns Hong Kong's macro-economic environment; linguistic and cultural differences constitute a second set of problems.

Many of the problems identified at the macro-level are not related directly to working as an expatriate. These concern the demands of working within a very competitive marketplace, the need to prioritize tasks and manage time carefully, and the tensions associated with balancing work and leisure activities. However, high levels of staff turnover and sharply escalating business costs stand out as specific issues which often must be addressed by managers in Hong Kong.

Expatriates express frustration at their own limited abilities in Cantonese and how difficult they find it to ensure that what they have said in English is being interpreted correctly. A general lack of feedback is noted as contributing to the problem of whether or not ideas are being understood. The language issue extends beyond formal communications, it isolates individuals from informal networks and potentially useful

sources of information. Even when English is used extensively in the workplace expatriates may find it disappears almost completely in certain social situations. Communication barriers can make it much more difficult to get to the crux of a matter and to establish any satisfactory degree of trust with host nationals.

### **7.5 Social Contact**

Consistent with the idea that Chinese attach considerable importance to personal relationships, which was touched on in Section 7.1, host nationals raise a number of points about the informal, social contacts which develop between colleagues in the work place and carry over into activities after work hours. They are aware of how these contacts may be used to both develop and enhance working relationships, to exchange information and informally resolve work-related problems. As well they believe expatriates need to mix with the local community to gain a better understanding about Chinese culture and to build up the skills they'll require to work in Hong Kong. However, the problems in initiating such cross-cultural contacts are not underestimated. Different lifestyles, language barriers, and the family obligations of locals are mentioned as specific problems. One manager reports: "Although we try to encourage the expat to mix with the Chinese definitely that is not easy. Because, as I say, the language problem and also the culture. But, anyway - if you try to mix more, definitely their relationship will be improved" (host national, male, 45-54, 24 years work experience, pharmaceuticals).



This study examined social contact between expatriates and host nationals within the work place and outside of it. These data are displayed in Tables 7.1 and 7.2. By way of introduction to the data in Table 7.1 it should be mentioned that in the Chinese society of Hong Kong it is customary to have a daily lunch, usually a Cantonese *dim sum* meal, in a restaurant. People like to socialize over lunch and are quite prepared to extend their work day in exchange for a longer lunch break.

**Table 7.1** Social Interaction at Lunch: All Respondents

Nature of the Lunch	Frequency	Expatriates		Host Nationals	
		<i>f</i>	%	<i>f</i>	%
Lunch Exclusively With Expatriates*	All	-	-	-	-
	Majority	10	27.0	1	3.2
	Half of the time	6	16.2	-	-
	Minority	29	51.4	28	90.3
	Never	2	5.4	2	6.5
	Not applicable	2	Missing	-	-
	Total	39	100.0	31	100.0
Lunch With Expatriates and Host Nationals	All	-	-	-	-
	Majority	5	13.5	1	3.2
	Half of the time	6	16.2	3	9.7
	Minority	22	59.5	26	83.9
	Never	4	10.8	1	3.2
	Not applicable	2	Missing	-	-
	Total	39	100.0	31	100.0
Lunch Exclusively With Host Nationals*	All	1	2.7	1	3.2
	Majority	5	13.5	18	58.2
	Half of the time	-	-	6	19.4
	Minority	31	83.8	6	19.4
	Never	-	-	-	-
	Not Applicable	2	Missing	-	-
	Total	39	100.0	31	100.0

\* The test is significant at  $\alpha = 0.05$  according to the Mann-Whitney U test.

The data in Tables 7.1 and 7.2 identify clear differences in social contacts between expatriates and host nationals. In relation to lunch and after-work activities both groups choose to socialize primarily within their own ethnic/national group. These social patterns exhibit statistically significant differences.

**Table 7.2** Participation in Social Activities Outside of Work: All Respondents

Participants	Extent of Participation	Expatriates		Host Nationals	
		<i>f</i>	%	<i>f</i>	%
Expatriates*	To a very great extent	9	23.1	1	3.2
	To a great extent	14	35.9	1	3.2
	To a moderate extent	11	28.2	8	25.8
	To a little extent	4	10.3	12	38.8
	To a very little extent	1	2.5	9	29.0
	Total	39	100.0	31	100.0
Host Nationals*	To a very great extent	-	-	10	32.3
	To a great extent	3	7.7	15	40.4
	To a moderate extent	13	33.3	4	12.9
	To a little extent	6	15.4	2	6.4
	To a very little extent	17	43.6	-	-
	Total	39	100.0	31	100.0
Host National Colleagues*	To a very great extent	1	2.8	3	10.0
	To a great extent	1	2.8	4	13.3
	To a moderate extent	6	16.7	7	23.3
	To a little extent	13	36.0	14	46.7
	To a very little extent	15	41.7	2	6.7
	Not applicable	3	Missing	1	Missing
	Total	39	100.0	31	100.0

\* The test is significant at  $\alpha = 0.05$  according to the Mann-Whitney U test.

After-hours socializing appears to reflect different cultural norms. Expatriates are more inclined to spend time drinking and chatting, in comparison with host nationals who are more likely to prefer karaoke-style entertainment. The feelings of many host nationals towards socializing with expatriates are encapsulated in this quotation:

. . . I mean if you were educated overseas and came back, I think it would be easier to mix with them. But, for a local Chinese like I am . .



. it's okay to work with them in the work area as a colleague . . . but that's it. It's really not easy to . . . to become really good friends . . . really become friends after office hours.  
(host national, female, 25-34, 4.5 years experience, banking)

The problem of limited social contact may not only restrict the opportunities for expatriates and host nationals to get to know one another better, but there may be 'political' implications as well. Informal social communication can relate back to work. One respondent explains that even if an expatriate and a local have the same level of authority within an organization, the expatriate will probably be perceived as being more powerful when an organization has expatriates in senior posts "because you know - having a drink after work and they talk and - pass a few words on to your boss. And then there will be some influence - you know - and the Chinese people will not because they don't have that kind of contact" (host national, male, 35-44, 25 years work experience, airline industry). Of course, such after-hours activities can facilitate informal communication between host nationals too.

#### **7.6 Skills/Abilities Required by Expatriate Managers in Hong Kong**

The interview data reveal differing perceptions about the extent to which expatriates need to develop new or different skills, abilities and attitudes when working in modern Hong Kong compared to what might have been necessary in the past. One perspective on this issue is illustrated by the following quotation:

I don't buy into this business of you'd better change your style to Hong Kong, I think Hong Kong has really developed in the last decade. . . . but it has internationalized and people are much more aware and receptive to different management styles.  
(expatriate, male, 35-44, Canadian, 10 years Hong Kong experience, finance & insurance)

In contrast with the foregoing idea, another expatriate states: "I alluded earlier to the fact that this is probably the closest that I had seen to the UK [in Asia]. But having said that . . . it is a different society after all, and things do not necessarily run perhaps as one would be used to back home" (male, 35-44, British, 2.5 years Hong Kong experience, pharmaceuticals). Despite these differing views, the majority of this study's respondents do identify factors which they believe will assist expatriate managers to function successfully in cross-cultural work situations in Hong Kong. These include interpersonal skills, technical/professional skills, cultural sensitivity, adaptability, and above all a cosmopolitan and positive attitude.

When managerial skills are specifically considered, there is a general consensus amongst expatriates that the skills required by a manager employed in the UK or the US are the same, or certainly similar, to the ones needed in Hong Kong. These are based on the same need to interact effectively with people and to treat them with respect. However, many interviewees qualify their responses in some way. They believe that the same skills are "used in a different way - need to be patient for different reasons", the balance between interpersonal and task-related skills is different, and the skills expatriates use in Hong Kong are used "at a lower level" than in their own country because people who are working within their own culture have a "shared understanding". The "pace of work is different" in Hong Kong and "a certain cultural sensitivity is needed" even though the skills applied may be much the same.

One respondent suggests there is a need for degrees of the same skill and this can be conceptualized in terms of points on a continuum.

### **7.7 Decision Making**

A substantial minority of expatriate managers believe that the decision making practices in their current job in Hong Kong are similar to what they have experienced previously in their home countries. One respondent sees decision making as a function of personality and “. . . by and large, the decision making process is pretty much the same” (expatriate, male, 45-54, American, 10 years working in Hong Kong, tertiary education), whilst the succinct opinion of another is that there is “No substantial difference” (male, 35-44, British, 6.5 years of Hong Kong experience, multinational).

Even when these opinions are taken into consideration, the data reveal that in Hong Kong's cross-cultural environment there do exist differences in decision making behaviours. For example, one expatriate respondent sees the decision making process as more top-down than in the United Kingdom, whilst another one refers to the existence of an organizational culture of ‘pleasing the boss’. An Australian manager contrasts the flexible approach she had experienced previously with a more structured approach in Hong Kong where lines of reporting are emphasized and concludes “. . . so that I really had a lot to get used to when we first arrived here” (expatriate, female, 35-44, Australian, 4 years of Hong Kong experience, financial services). A



particularly strong view concerning the way in which hierarchy impacts on decision making is expressed as follows: “. . . arguing with the boss is regarded as a crime whether or not you are right or wrong or whatever is relevant, it is absolutely not to be done and certainly not done in public” (expatriate, male, 35-44, New Zealander, 1.5 years of Hong Kong experience, corporate body). This perspective is challenged by another manager whose approach is to “Basically praise in public, criticize in private, not that different than I would have done in the US” (expatriate, male, 25-34, American, 1.5 years of Hong Kong experience, manufacturing).

It should be noted that the nature of the employing organization may have an important bearing on this issue. Managers who were working in organizations which have a short history, or were just becoming established believe they have more flexibility, more autonomy and more freedom in making their own decisions than in their previous jobs. They see Hong Kong as an entrepreneurial place where there is less reliance on precedent.

Expatriates perceive that when decision making involves only Anglo-Americans there is a higher degree of ‘openness’ and more interaction than in expatriate/host national decision making groups. In their home countries many expatriate managers engaged in a more participative approach to decision making than is the norm in Hong Kong and some of them find this to be frustrating. For example, a manager in the finance & insurance field draws the following analogy: “I find getting decisions from Chinese

staff to be akin to pulling teeth . . . “ (expatriate, male, 35-44, Canadian, 10 years of experience in Hong Kong). Whilst a management consultant suggests “. . . sometimes you feel like you’re speaking in an echo chamber - there’s no response out there . . .” (male, 25-34, American, 8 years of experience in Hong Kong). Although these strongly expressed opinions are not typical of the majority of the expatriate respondents, there is a general view that Hong Kong Chinese are more conservative and less inclined to make their opinions known than are Westerners.

There is however a view that the participation of host nationals depends upon the nature of the decision and for relatively minor decisions the degree of participation may not differ substantially from that of Westerners. When the decisions are important however there will be input only up to a point and then the final decision will rest with the senior manager. Indeed the managerial role seems to be defined somewhat differently by Hong Kong Chinese than it is by expatriates. It is suggested that within a Western context a manager normally presents a problem and invites analysis and opinions from staff, whereas in Hong Kong, management spells out both the problems and the analysis, before inviting comments. Therefore staff will already have some insight into management’s perspective on an issue and can develop their responses accordingly.

## **7.8 Communication**

The importance of effective communication for successful cross-cultural management in Hong Kong is a theme common to a number of dimensions in this study. The interview data reveal the markedly different approaches of Anglo-American expatriates and Chinese host nationals to the issue of communication, the strategies which they use to facilitate more effective communication and the role of meetings in Hong Kong.

### **7.8.1 Different Approaches to Communication**

There is general agreement amongst all respondents about the tendency for Anglo-American expatriate managers to communicate in a more open and straight forward manner than is generally the case with host national managers. Even when expatriates occupy subordinate positions they are much more likely to ask for reasons when given instructions or suggestions for change. Thus expatriates will “. . . put everything on the table; if they don't like anything - they will tell you” (host national, female, 35-44, 11 years experience, banking). They are also inclined to expect views to be frankly expressed by their colleagues and subordinates. These more direct forms of communication are welcomed by some host nationals. For example:

. . . I can express my view more straight forwardly. I can show the justification behind my view directly, and not be too afraid that they will be annoyed. Of course I have to avoid insulting words. But, I always have the feeling that it's not a problem if I show my knowledge and if even I tell them - 'Oh, from my experience it is like that' - and they will accept.  
(host national, female, 35-44, 18 years work experience, social service agency)



And another example: “. . . when I deal with expatriate staff I don’t have to consider about the ‘face’ - giving face - that sort of thing . . . . If you are Chinese you have to say things very subtly, so you don’t offend them [other Chinese] - leave some reservation, so they feel they retain their pride” (host national, female, 35-44, 12 years work experience, retail).

The interview data suggest however that expatriates can be excessively confrontational in the Hong Kong context and not sufficiently sensitive to the feelings of host nationals. Expatriates’ style of communication can be too direct and “. . . sometimes they will sort of corner people and that may not be acceptable to some Hong Kong Chinese I think” (host national, female, 35-44, 20 years work experience, tertiary education). In the words of one respondent:

They [expatriates] tend to have many opinions. Too many opinions. . . . They won’t hesitate when there is something which is not clear. They will speak out. Chinese save face; they will not speak out. If they have anything they are not sure, not certain - they try to hide it; to cover up their ignorance or to cover up their weaknesses. For foreigners - especially Americans - they will ask questions usually you would not think of.  
(host national, male, 25-34, 10 years work experience, financial services)

Expatriates contrast their need to dig for information and ideas from local staff in Hong Kong, to their experiences in Western countries, where people are much more likely to be forthcoming with a comment or a criticism. The potential loss of valuable data is compounded for many expatriate managers because they cannot communicate

in either oral Cantonese or written Chinese and are therefore cut off from supplementary sources of information such as the grapevine. The informal feedback that managers can often use as a gauge to how their ideas are being received in the organization is often denied them.

The ability to understand what host nationals are endeavouring to communicate is referred to by one expatriate respondent as “reading between the lines”, and is regarded as being a particularly important skill to develop. This means that to obtain an adequate awareness of problems expatriate managers need to be sensitive to “little, tiny hints” about what is really going on and “. . . you [the expatriate manager] have to sense those implications [of subtle communication] and understand how to work with those” (male, 45-54, American, 3 years Hong Kong experience, telecommunications). In particular, subtle expressions of agreement/disagreement can be subject to misinterpretation. This point is indicated in the following excerpts from the interviews:

You know - what they [Hong Kong Chinese] say means different things as well - I mean, when someone says ‘yes, I will go do it’ - that doesn’t necessarily mean they will. It might mean ‘I have a real problem with what you’re asking me to do, but I’m not going to say anything and you’ll work it out in 2 weeks time when you don’t have it’.  
(expatriate, female, 25-34, British/American, 3 years Hong Kong experience, telecommunications)

. . . learning that perhaps they [Hong Kong Chinese] are not necessarily going to say ‘no’ when they mean ‘no’. Trying to understand those communication skills.  
(expatriate, female, 25-34, Canadian, less than 1 year Hong Kong experience, financial services)

The same point is made by a host national when referring to the need to distinguish positive and negative meanings accurately:

A Chinese says 'We want to improve the [our] relationships'. This may be interpreted by an expatriate as good news, indicating a genuine desire on the part of the Chinese to improve the relationship. Actually, the correct interpretation may be very negative, because what is being said by the Chinese is that the relationship is not good and we are trying to improve it. If, in the end, the relationship is still no good then it is your fault because we tried to make it better.  
(host national, male, 35-44, 24.5 years work experience, banking)

Consequently, even when direct verbal communication takes place an expatriate may not find it easy to decipher the complete message which a host national is presenting.

### **7.8.2 Strategies For Effective Communication**

In Hong Kong communication problems appear to be exacerbated by a tendency for two-way communication to be much more restricted than in Western countries. Thus, when managers convey instructions or decisions, particularly to peers or subordinates, there may be misunderstandings because the clarification process of confirming or questioning either does not occur or is extremely limited. Both groups of respondents are aware of this issue, though expatriates see it as more of a practical managerial problem because they cannot use the informal communication channels available to host national managers. Expatriates refer to their concern to make sure people actually know what is required, rather than merely assuming they have been understood. According to one respondent: "The important thing is to get feedback. One can deliver a message, but then you've got to have some mechanism to force



feedback to you to identify what message has actually been received” (expatriate, male, 35-44, Canadian, 10 years Hong Kong work experience, finance & insurance); and in the words of another: “You know one thing I’ll do now that I wouldn’t have done before is I’ll always confirm things several times. When I was in the US this wasn’t necessary - to repeat things two and three times, but it really is here” (expatriate, male, 25-34, American, 1.5 years Hong Kong experience, manufacturing). Another experienced expatriate manager explains the need for an enhanced awareness of how ideas are being received:

. . . I tend to be more concerned looking for subtle signals of acceptance that would not be apparent to somebody who had just arrived . . . it is the way things are answered, it’s follow-up action that’s taken and so on, and certainly I have to be attuned to these hidden signals. It’s more than just body language or tone of voice - it’s the gestalt of what’s happening . . . I will also take the time out to explain why I want them to do something by giving them the rationale so that they understand the bigger picture. This is also important in the sense of getting their acceptance. In the UK you have to do it as a matter of course, but here you don’t . . . .  
(expatriate, male, 35-44, British, 17 years Hong Kong experience, Hong Kong-based multinational)

Expatriate respondents also talk about going beyond verbal confirmation to check on work directly to ensure ideas are being translated into actions in a satisfactory manner. They believe it is important to put expectations directly and firmly and, as much as possible, to ensure there is little opportunity for ambiguity. This might, for example, involve explaining the nature of an approach used in their home country, and then actively encouraging host nationals to provide feedback on its suitability for Hong Kong or what modifications are necessary.

In addition to actively seeking feedback, modifying interpersonal style through “heightened interpersonal diplomacy” and introducing an “element of subtlety in the way you approach things”, expatriates suggest the need to build bridges or conduits to allow opinions to be channeled to managers in ‘safe ways’. Employees can then communicate in a more indirect, less threatening way and “. . . it saves everybody’s face if you can do things through a channel”, because no one person gets embarrassed about it (expatriate, female, 35-44, British, 10 years Hong Kong experience, social service agency). For example, by developing structures like a staff association through which ideas can be routed, no individual is singled out. Managers can use similar entities, for example, ‘the Board’ or the ‘Executive Committee’ to communicate ideas to host national staff.

Host nationals express a high degree of awareness about how their communication strategies change when they are working with expatriates and give some specific advice about how communication can be more effective. They warn it is very necessary for expatriates to be perceived to be sincere with their body language matching their speech. This point is illustrated by the following interview excerpt in which an expatriate emphasises that effective communication concerns not just the content, but also the way something is presented:

There’s a whole lot more communication that you have to do with your face and your body - here - because you are limited by language. And so I find that I’m very careful in the way I say things to project a friendlier way of saying it. You never know how it’s coming across. And when you hear somebody who speaks English quite well and who

is Chinese - they'll say something that's on a delicate note, but it will come out very ham-handedly. And you have to assume that what others hear from you comes across the same. And you have to be very careful about that.

(male, 25-34, Canadian, less than 1 year working in Hong Kong, advertising)<sup>i</sup>

The need for expatriates to accommodate staff with weaker English language skills is emphasised. This is seen in terms of tolerance and “. . . give time to listen and to respect the Chinese people, even though they are their subordinates” (host national, female, 35-44, 18 years work experience, social service agency). Host national respondents indicate that when dealing with Chinese managers it is important to show more respect for their rank and status than is normally the case with expatriate managers. Differences of opinion must be dealt with very skilfully. Respect must always be shown and a humble attitude adopted, and Chinese managers should never be challenged directly. Whereas when communication takes place with expatriates it is more likely to be framed around a mutual sharing of views. Both parties to the interaction are accorded a more or less equal status, even if the host national occupies a subordinate position.

### **7.8.3 Meetings**

Particularly salient for cross-cultural management in Hong Kong are the ideas expressed about the need to agree issues with seniors/colleagues/staff individually prior to introducing them publicly. One-to-one communication is seen to be important for presenting arguments, particularly to senior colleagues, and for encouraging people



to ask for information they need. Both of these may be difficult in a public forum because host nationals are often reluctant to reveal openly their lack of understanding, or present an opinion contrary to one supported by a more senior colleague.

The nature of meetings in Hong Kong can be seen from the following quotations:

. . . I particularly like the meeting forum because I am good at meetings so I tend to want to have things decided there. And that was why I found myself fairly ineffective. I was achieving nothing in my meetings. (expatriate, male, 35-44, British, 2 years Hong Kong work experience, tertiary education)

I had a difficult time in learning how to be in meetings with Chinese managers 'cos meetings have a different meaning here than they do where I'm from . . the companies I worked for in the States you went to the meeting, you got stuff done . . . you walk out - with an action-plan of sorts; you'd have to get these things done by a certain time and decisions were made in these meetings, and here I don't think I've ever been to a meeting where a decision has been made in a meeting - it's not the purpose of meetings. I've never quite understood what the purpose is - but I go to them and I play my role nowadays but I'd say that's been a problem - so learning how to get things accomplished in a very different way - it's been a problem. (expatriate, female, 45-54, American, 7 years Hong Kong experience, banking)

Chinese managers know very well that their staff won't speak up openly in a big meeting . . . when I'm managing my department, to collect information I will talk to them one-on-one. You don't expect them to tell you too much in a big meeting, especially on sensitive issues - the expat managers I can see that they like to hold meetings and collect information in the meeting [they] are very frustrated because they won't speak up and they will complain why they only tell me when they are one-on-one and I say that's the way Chinese function and they have to learn this way . . . . (host national, female, 35-44, 20 years work experience, banking)

In Hong Kong there is more a tendency to - not exactly be secretive, but to be private about decisions so that you quite often find that a particular director on a board does not necessarily want the other directors to know what his own decision is, so that by doing it by a one by one consensus tends to satisfy that objective, you consult everybody but you consult them privately.

A good meeting in Hong Kong will normally in effect have been decided in advance because it will be agreed what the consensus is. You shouldn't really ever get the soap opera boardroom confrontations that you sometimes do get in real life - not just in soap operas - in the UK. If that happens in Hong Kong something has gone terribly wrong. It should be all sorted out before it ever gets to that stage.  
(expatriate, male, 45-54, British, 14 years Hong Kong experience, construction)

So, in Western countries meetings are often used as a mechanism to promote a forthright exchange of views and to resolve disagreements. In Hong Kong's local culture meetings are more likely to be used to confirm decisions agreed previously in private discussions.

## **7.9 Language**

Language is an integral part of communication. Within the study data it comes across as a distinct issue and therefore it is given separate treatment in this section.

### **7.9.1 English**

Despite often achieving a high degree of fluency in English, it is a second language for Chinese host nationals in Hong Kong and this has implications for understanding and expressing ideas. This issue was raised previously, in relation to this study, in Sections 5.6.1.3 and 5.6.1.4. Language may also be a significant factor in building up friendships; host nationals talk about how much easier they find it to build up informal personal relationships with Chinese colleagues. Host nationals sometimes experience difficulty in fully comprehending what is being expressed because expatriates speak



too quickly, particularly in meetings, or they use unfamiliar colloquial terms. Even more critically, expatriates often make incorrect assumptions about the degree of understanding local people have about many of the terms they use to enrich their speech, but which are essentially 'culture bound'<sup>iii</sup>. In other words, when presenting ideas expatriates often assume host nationals know more about Western culture than they do. Humour is, of course, a particularly difficult area. For example, it is highly unlikely host nationals will understand the 'Essex girl' jokes of their British colleagues. Americans are not likely to understand them either.

Because Hong Kong's host nationals are often required to speak English in cross-cultural situations, they find this naturally gives native English speakers an advantage in communicating their point-of-view. In the words of one respondent: "... if you are working with your Chinese staff definitely you can express your instruction and you can express your feeling much better or easier than if you use a foreign language" (host national, male, 45-54, 24 years work experience, pharmaceuticals). Host nationals, even if they have a very good command of English still may, at times, experience difficulty in finding just the right word to express their thoughts:

It's really when you have a feeling in your mind . . . you may not be a hundred percent sure that you can express to your audience - who is an expat. Generally - yes - okay, because in a working environment for simple matters, we both are intelligent people [and] it's not difficult to understand what I need. But when I come to a complicated matter [and] I need to be very precise, then I have a certain worry that you may not fully understand what I'm talking about.  
(host national, male, 35-44, 20 years experience, commercial security, public service)



Host nationals are very conscious of having enhanced their English language skills because of the need to work with expatriates. The following comment provides a summary of this thinking: “That’s very important because they [expatriates] don’t speak Cantonese, and I have to understand what they are talking about and I have to put across my message as well . . . . So it’s definitely something I have enhanced a great deal” (host national, female, 35-44, 21 years experience, performing arts administration). Host nationals do distinguish between different groups of Anglo-American expatriates and may vary their use of English depending upon the nationality of the expatriate with whom they are communicating. The British are perceived to be more conservative with a preference for facts and “no nonsense”, and the use of “polite words”. They tend to appreciate the use of the third person, - for example “It was agreed that . . .”. Whilst with Australians it is possible to be a bit more relaxed and to joke to a greater extent. A very straight forward communication style is seen to be suitable for Americans.

### **7.9.2 Chinese**

Expatriates who arrive in Hong Kong with Chinese language skills obviously find them very useful and the additional opportunities, to use both Cantonese and Putonghua<sup>iii</sup>, help to improve their fluency. The “ability to speak some basic Cantonese” is seen to be a helpful communication tool. The usefulness of learning to speak the local language is pointed out by a number of host national respondents. They mention how much easier it makes accessing the Chinese community and how it helps to overcome

problems in communicating with junior staff at work. It is a way to build trust and respect, and is a demonstration of an expatriate's "willingness to learn". One expatriate makes the point that an enhanced awareness of cultural issues arises from the process of learning a language. He goes on to suggest that it is not absolutely necessary to speak Cantonese in order to 'tune in' to Hong Kong's culture; more important than language fluency is the attitude one conveys when taking the trouble to learn, at least some, of another language. It is a way to show respect for another culture.

The difficulties of learning Chinese are not underestimated by host nationals. It is suggested that being fluent in Cantonese is not really necessary, though expatriates should have a positive attitude and be willing to at least try to learn a bit. With an eye on the future, host nationals express their belief that Putonghua will become an increasingly important language skill for both Cantonese speaking Chinese and English speaking foreigners working in Hong Kong.

### **7.9.3 Strategies For Enhancing Language Effectiveness**

The interview data reveal several strategies which expatriates can use to communicate more effectively in English with non-native English speaking host nationals. First of all, respondents refer to the use of written communication to supplement or reinforce verbal communication. Specific mention is made of taking more extensive minutes in meetings than would have been the case in one's home country and using them to

confirm action points. The need for expatriates to accommodate staff with weaker English language skills is emphasized. This is seen in terms of tolerance and “. . . give time to listen and to respect the Chinese people, even though they are their subordinates” (host national, female, 35-44, 18 years work experience, social service agency).

Finally, a unique idea about developing better communication skills comes from an expatriate manager who reports how, because of understanding the ways in which people can use English as a second language, she now structures her speech to fit the speech patterns of the person to whom she is speaking. She explains:

. . . after six months of studying Cantonese I realized I would never speak - so, I needed to be able to communicate with people a lot better . . . [I] started studying English as a second language and found it helped more than anything else on a day-to-day basis. . . . syntax-structure, vocabulary are not necessarily the same as native American/English speakers so it took me a very short time to figure it out. Whereas a native speaker might have five words for one thing, the people in Hong Kong might only have one word, so if I could learn what their word was then I would be able to communicate whereas otherwise I was using words that were most common to me - likewise syntax-structure - the syntax-structure that's normal for us doesn't always make sense to them . . . .  
(female, 45-54, American, 7 years Hong Kong experience, financial services)

Although no one else had gone to the extent of formally studying English as a second language, ideas similar to this are raised by other expatriates. For example, one manager tells how he has worked on “. . . being able to present things that are still intelligible and articulate to the English ear and understandable to the Chinese ear”; he



goes on to say “You find yourself picking words - and leaving other words out” (expatriate, male, 25-34, Canadian, less than 1 year Hong Kong work experience, advertising).

## **7.10 Interpersonal Relationships**

### **7.10.1 Interpersonal Skills and Building Relationships**

Expatriate respondents make frequent reference to their need for effective interpersonal or “people skills” and note that, though important in any job, they are even more critical when one is working in a different culture. Because Chinese are less open in expressing their views and their feelings expatriates cannot expect local people to just come to them; they need to make an extra effort to talk to people, to be “friendly and non-discriminatory”, to break down barriers and establish good interpersonal relationships. Direct references are made to the need to exercise “diplomacy” and “interpersonal sensitivity”. In their interviews expatriates emphasize the issue of building up trust with host nationals, some of whom, may have previously experienced racism or discriminatory attitudes. One manager describes this point as follows:

One thing which was much, much more important was gaining people’s trust. Because when I came in I was an outsider in every respect of the word. In terms of how I looked, how I talked and background. Many of them had not really worked for a foreigner before. So I thought it was really critical to gain their trust as quickly as possible.  
(male, 25-34, American, 1.5 years Hong Kong experience, manufacturing)

Expatriate respondents feel it takes longer to develop good working relationships in Hong Kong than in Western countries. This can impact on how expatriates behave, as explained by one respondent: “. . . I used to work on the basis that I trusted people unless I had a good reason [not to trust them], I have now learned that the way to operate here is not to trust people until you have a good reason to, and that is a completely different way of operating” (expatriate, male, 35-44, New Zealander, 1.5 years Hong Kong work experience, corporate body).

Host national respondents have a somewhat different perspective. They perceive expatriates as being more open in establishing relationships because their focus is on competence and they tend to be less concerned about an individual’s background, or connections with influential people. As Hong Kong is a relatively small place local people’s relationships are often based on a ‘shared history’, such as having attended the same school. Otherwise mutual trust between host nationals may develop at an even slower pace than with host nationals and expatriates. This phenomenon is explained as follows:

. . . you really don’t know well, maybe he [host national] knows someone that you are not aware of and if he takes it seriously then you may get into trouble. But with expatriate people normally we also talk about each others background but we know we will not be taking it too seriously.  
(host national, male, 35-44, 10 years work experience, maintenance & security services)

The importance of interpersonal skills is a common theme in the data from the host nationals’ interviews, though these respondents appear to think about them in a

more general way than do expatriates. In Hong Kong organizations expatriate managers are very much a minority group and most of their interpersonal contacts are with host nationals - that is, the majority group. Therefore, cross-cultural encounters form a significant part of their daily work experience. Host nationals, even those who work closely with expatriate managers, are likely to experience far fewer such situations on a regular basis.

Host nationals emphasize that with Chinese managers building relationships is reflected in their approach to making decisions. One respondent states: "A little bit of difference - I don't know whether this is true or not - we spend a bit more time when we're making decisions - local Chinese - . . ." (host national, female, 35-44, 20 years of experience, banking). The view is expressed that relationships with expatriates are more direct and business oriented. This was explained in detail during one interview.

The respondent's comments follow:

. . . if I can be frank, what happened to me is I would make it a much shorter process when I deal with the expatriate managers . . . When you deal with local managers you tend to maybe spend a little bit more time getting to know each other, - chatting a little bit. Then you get into other issues as well and make the decision. So, in that sense it's different . . . With the Western or the expatriate manager you tend to just get things done and then get out. There's not much socializing involved you know. . . . the problem is not that you don't want to socialize, but you are talking about people who have a very different cultural background. You know they might want to talk about the football game, the basketball game and if you don't know the subject there's not much conversation you know. That's the cultural barrier. We don't know enough about them to share a conversation and vice versa. So, it becomes - something that will affect whether you have that closeness.

(host national, male, 35-44, 10 year of work experience, banking)



To illustrate the divide that can exist between Western and Chinese perceptions about the nature of good management another anecdote is presented in Appendix H. For many expatriates the greater degree of power distance than is generally found in the West is regarded somewhat negatively. They complain about a non-acceptance of questioning, the concentration of decision-making power in one person in the organization, superiors abusing their positions to get staff to do things which are beyond the scope of their normal job, and treating subordinates with less respect than they deserve. One expatriate remarks: "I don't think subordinates feel very good about going to their bosses with ideas, they find it very difficult to challenge their bosses. It hardly ever happens" (female, 25-34, Canadian, less than 1 year Hong Kong work experience, financial services). Expatriate also complain that the tendency to refer decisions upwards in the hierarchy makes it difficult to delegate authority or manage by performance in teams because team members will only relate to the boss. Expatriates also express frustration at the social distance between Chinese and foreigners. and the 'low trust' nature of Chinese society:

... the thing that as a foreigner we find it very difficult to break into is their networks of executives and people that they've known through their lives, and that they would rather do business with a guy they've known from school even if the price is wrong or the product is wrong. You know, we can't call that unfair trade practice, but I'd say that is probably one thing that I would least admire. Jealous maybe would be a better word.

(expatriate, male, 35-44, British, 2.5 years Hong Kong work experience, medical/health emergency services)

This point ties in with the ideas put forward previously in Sections 7.1 and 7.5.

### 7.10.2 Working Style

Expatriates are described by host nationals as being more straight-forward than locals and not always very sensitive of the feelings of others, as explained by one respondent:

“... if you have a problem with [a] Chinese - they will probably do [handle it] in a more tactful manner or diplomatic manner that makes you feel not so bad” (host national, 35-44, 11 years experience, banking). Expatriates are also seen as being inclined towards making quick decisions and acting hastily. A respondent explains:

I think the main area is in terms of patience. In my experience the expatriate tend to be not as patient; they have a more clear-cut concept of efficiency, or they take things more sort of simple, straight-forward, more transparent - more sort of crystal clear. But dealing with local Chinese business affairs, very often they need time to understand you, to accept you and build a trust, and also you pass them some suggestions and views - it takes time for them to digest, to reflect, to sell it through to their management.  
(host national, male, 45-54, 25 years work experience, management development)

Host nationals perceive their fellow Chinese as less aggressive and outspoken and sometimes experience problems with the more ‘demanding’ manner of expatriates. Consistent with the data about meetings examined in Section 7.8.3, they refer to the tendency for expatriates to raise more questions in meetings, thereby lengthening the decision-making process. Expatriates are seen to approach problems differently with less emphasis put on the human element. They are seen to be less diplomatic than Chinese, particularly when they are put into a situation where they have full authority,

and terms such as “high-handed”, “aggressive” and “insensitive” are used to refer to their behaviour.

On the other hand, host nationals frequently make positive remarks about expatriates being “open” or “open-minded” and they mention that they tend to welcome alternative opinions and to emphasize fairness. Expatriates are seen to be somewhat ‘bold’ in being prepared to speak-up, to move forward to take responsibility, and to be less fearful of making mistakes than host nationals. Giving praise and acknowledging work well done are considered to be strong points. Host nationals find expatriates tend to give recognition more readily than locals.

Host nationals perceive expatriates as being generally friendly and perhaps even a bit easier to get along with than local managers. Indeed, they expect expatriates to be more open; to be franker than locals in expressing their ideas and in pointing out shortcomings. They believe expatriates operate with an understanding that a difference of opinion is not a personal attack and, consequently, no hard feelings will linger. Typical opinions are the following:

. . . sometimes Chinese employees they understand some suggestion is foolish, not workable but they dare not to say and therefore the project will [be] put forth as assigned by the boss and finally it was not successful as predicted by the employees. Chinese colleagues will not give their advice - “no, it won’t work” - “no, it’s not good” - usually they won’t talk in this way, but expats will if they find there’s a problem with the design. I think this is something we have to learn.  
(host national, female, 35-44, 14 years work experience, private foundation)



. . . if I work for an expat I find it very comfortable and, in a way, I can work happily with them, because they are open. If they want 'one' - then you do 'one' and they are happy. So, I like the way - as what you say open. Open to me is not a drawback.  
(host national, female, 35-44, 19 years work experience, performing arts administration)

When it comes to defining 'work' roles and 'personal' roles the data in this study suggest a line of demarcation between work and personal relationships more clearly drawn in Hong Kong than in Western countries. Therefore, trusting work relationships will not necessarily lead to more extensive personal relationships or the sharing of more personal information. As described by one host national:

. . . if I talk with expatriates 'Well how are you today'? 'How was your week-end?', They will appreciate it, but if you talk to a local manager, and ask them how was your week-end?, well they will say 'Well, no big deal, what's wrong'? 'Why are you asking'?  
(male, 35-44, 10 years work experience, maintenance & security services)

Similarly, an expatriate respondent makes the point that people tend to be very private in Hong Kong: "They [host nationals] tend not to want to talk to you about their family life or - I mean in England - you know - you hear about people's divorces and so on and so forth, - it just doesn't happen here" (expatriate, female, 35-44, British, 10 years Hong Kong experience, banking).

It is suggested that expatriates are inclined to handle only emergencies outside of regular working hours, but locals are less likely to distinguish so clearly between their personal time and their work time. As a specific instance, a local Hong Kong

company could expect an employee to give up his/her annual leave if it is in the company's interest and this would be accepted to a much greater degree by host nationals than by expatriates who would favour supporting an employee's right to annual leave over a company's right to make demands on an employee's 'private time'.

### 7.10.3 Teamwork

Both groups of respondents were asked about teamwork. In other words, did they need to work closely with other people to accomplish their work goals or could they accomplish their work goals by working independently. These data are displayed in Table 7.3. Over two-thirds of the expatriates and just under one-third of the host nationals indicate that teamwork is a normal part of their job. This implies their jobs involve extensive contact with their work colleagues on a regular basis.

**Table 7.3** Teamwork Required in Present Job: All Respondents

Extent of Teamwork	Expatriates		Host Nationals	
	<i>f</i>	%	<i>f</i>	%
To a very great extent	15	38.5	9	29.0
To a great extent	11	28.2	11	35.5
To a moderate extent	8	20.5	6	19.4
To a little extent	3	7.7	4	12.9
To a very little extent	2	5.1	1	3.2
Total	39	100.0	31	100.0

Expatriates perceive the processes of participative management or teamwork as being constrained in Hong Kong. They believe group discussions are less likely to generate a flow of ideas and to lead to debate, and it is much more difficult to use techniques such as brainstorming. On the other hand, host nationals regard the increased involvement of subordinates in decision making, which expatriate managers are often inclined to promote, as suitable for the 'younger generation' in Hong Kong, many of whom have been educated in Western approaches to management. From the expatriate respondents comes a further suggestion that a team orientation doesn't work well in Hong Kong as cross-functional teams tend to break down because individual managers focus their energies on attempting to impress the managing director.

#### **7.11 Technical Skills/Professional Expertise**

In explaining what skills have helped them function successfully in their present jobs expatriates are very clear about their need to have a "solid professional background" and the "technical expertise for the job". Not only is knowledge required, but it is necessary to behave in a professional manner. It is suggested by one respondent that because there is less teamwork among peers in Hong Kong, managers earn respect from their subordinates through their ability to solve problems. Thus, ". . . you've [expatriate manager] always got to be ready to give a good answer to solve the problems" (expatriate, female, 35-44, Australian, 4 years Hong Kong experience, financial services).



Given Hong Kong's modern infrastructure and well-educated labour force, localization, an increasing emphasis on Chinese language skills and the changes in Hong Kong's political status, there arises the question about what expatriates can actually contribute to the territory. This issue comes to the fore in the data collected from host nationals, who regard one of the most important reasons for expatriates to be employed in Hong Kong to be the possession of a particular skill or professional expertise which is not readily available amongst local people. They believe that expatriate managers must "justify their existence" by demonstrating clearly their "competitive advantage" and what "added value" an organization gains by employing them.

Expatriates are seen as sources of new ideas, technologies and concepts. In developing this point one respondent says: "... Hong Kong has always been acting as a link between China and the Western world, and we need the good points from both cultures ... ." (host national, male, 45-54, 24 years of experience, pharmaceuticals). In addition, host nationals perceive expatriates as being in a better position to know the history and understand the strategies of their overseas-based companies. They mention the tendency for locals to change jobs frequently in Hong Kong's relatively fluid job market, and suggest it is expatriates who may well demonstrate a higher commitment to the organization. Though on the other hand, expatriates are seen to

be less consistent in achieving organizational goals than their host national counterparts.

In addition to professional/technical skills expatriates appear to fulfill an important function as 'change agents', to help Hong Kong to keep up with new developments and to achieve higher levels of productivity. Expatriates perceive themselves to be less risk-averse and willing to take the initiative more quickly than locals. For example, one respondent pinpoints his company's difficulties in developing host national managers to assume the risk of guiding a team and managing the client relationship: ". . . we find it takes us longer than it has in other parts of the world" (expatriate, male, 25-34, American, 8 years Hong Kong work experience, management consultant). This perspective has some support amongst host national respondents, one of whom ventures to say: "I think expatriates more adapt to change than Chinese managers. If they invent this new system - they prefer to use it. But for Chinese people, they may think that the existing system is okay. They prefer not to change" (host national, male, 25-34, 9 years work experience, financial services).

### **7.12 Leadership**

In Section 6.10 the different beliefs of expatriate and host national managers about several ideas related to management were identified, and differences are evident again in their attitudes towards leadership. Host national subordinates generally feel comfortable in following their managers' directives, and in giving them the high degree

of respect which they regard as their due. Expatriates are however more likely to favour a leadership style in which managers discharge their responsibilities by engaging in frequent consultation and creating opportunities to delegate power to subordinates. This contrast is captured in the following quote:

They're [host nationals] more vertical . . . I think expat manager are more into these 'group hug-type' decisions and Chinese managers are more . . . here's the decision, just do it . . . comfortable directing people . . . you do this . . . and I think Americans are much more involved in, let's have a meeting, get the sandwiches and maybe we'll make a decision.  
(expatriate, male, 25-34, American, less than 1 year working in Hong Kong, multinational)

Respondents suggest that leadership styles which incorporate a very high degree of flexibility are not suitable because local staff will not be clear about what needs to be done. Therefore, managers in Hong Kong are expected to assume a strong leadership role and this can be somewhat disconcerting for expatriates who are used to a more collegial and participative approach. The study data do suggest however that, with experience, expatriate managers in Hong Kong may themselves develop more authoritative and less participative leadership styles. On this point one respondent said: "I think some expat managers, particularly after they've been here for a while, do tend to adopt more Chinese ways . . . this Chinese characteristic . . . of the boss making the decision and giving the order. . . . I certainly have seen expat managers who have moved [in] that direction" (expatriate, male, 45-54, American, 10 years Hong Kong work experience, tertiary education).



Despite some modifications in their behaviour most expatriates clearly favour a participatively-oriented style of leadership and some work actively to make this approach successful. For example, one expatriate respondent talks about how soliciting opinions is really a long-term process of confidence building:

But the first stage is to make people feel confident that their opinions are being valued. That perhaps they are not being put into positions of responsibility that they feel uncomfortable with - that is, at the end of the day - it is my decision and not theirs. And once [this happens] they tend to open out a bit more in group situations, . . . which is the way I like to work . . . with a group of managers kicking around an issue.  
(expatriate, male, 35-44, British, 5 years Hong Kong experience, Hong Kong-based multinational)

Other expatriates explain that in order to encourage host nationals to express their ideas it is important to assure them, as with any group of employees, that they have something worthwhile to contribute. But more importantly it is necessary to convey the idea that they are not overstepping the boundaries of their position by doing so and that, in any event, the final decision and the consequences produced will rest with the expatriate manager alone.

Finally, one other issue related to leadership emerges from the data. Expatriates who assume senior management posts are expected to demonstrate their 'leadership credentials' very early on in their assignment. According to one respondent: ". . . I don't know if this is peculiar to Hong Kong, but because of the pace of the place, the staff here expect you to 'hit the ground running' - and to come in and immediately

make a difference . . . to jump in and make a difference on day one” (expatriate, male, 35-44, British, 2.5 years Hong Kong experience, medical/health emergency services).

### **7.13 Attitude**

Data derived in response to a cross-section of questions in this study suggest that expatriate managers in Hong Kong must drop certain negative attitudes and be prepared to develop positive ones in relation to a “willingness to learn” about the new society where they are living and working.

#### **7.13.1 Negative Attitudes**

Those attitudes which are seen to be negative or ‘prejudiced’ focus on two issues. The first concerns notions about racial or national superiority, whilst the second has to do with technical or professional pre-eminence. The following extracts from the interviews provide evidence about the considerable importance which expatriates attach to these points:

I think one of the big problems that I’ve noticed . . . is a lot of expatriates when they come here see themselves as being . . . the answer to all problems; they’re brought here because they are superior. . . . there are some brilliant people here, and people simply make the assumption that . . . because somebody is Chinese equals not as clever or not as capable . . . .  
(expatriate, female, 35-44, British, 10 years Hong Kong experience, banking)

I think they have to get over the idea that - first they are better than the Chinese. They have to start from that premise and then they have to start and believe that they don't know everything that's ever happened on the face of the earth; they have to be, to a certain extent, humble. They have to take time to learn a new way of thinking and how different people approach decisions, . . . that their way is not always the right one.

(male, 25-34, American/British, 3.5 years working in Hong Kong, manufacturing)

Too often people come out here from North America, from Australia, from Europe and they think that there's only one way of doing it and their way is best. It may be true. But, most often it's not, and most often it's not the way things are done here.

(male, 45-54, American, 29 years Hong Kong experience, executive search company)

From the point-of-view of host nationals, because expatriates have traditionally occupied more senior management positions in Hong Kong organizations, this higher status has, in some cases, resulted in a degree of arrogance. One respondent explains:

. . . I think generally speaking there could be this attitude of arrogance, but it is a matter of degree. Some exercise it to perhaps an unacceptable extent and others are very - sort of - careful about it, and especially perhaps for people who have stayed here longer - they would try to - sort of - mellow down a bit when they mix - more with the local community.

(host national, female, 35-44, 20 years work experience, tertiary education)

As Hong Kong has become more developed and the return to Chinese sovereignty has taken place there is a growing national sentiment and “. . . that . . . superiority - the superior tone, or undertone - that expatriate managers will find perhaps less and less - sort of - people accepting that” (host national, male, 45-54, 25 years work experience, management development). In addition, host nationals express feelings of resentment



towards expatriate managers who refer constantly to how things are done in their home country. According to one respondent:

I think that if they believe they are the best . . . especially the new expat managers when they come in they will also comment like 'we don't do that in the States', but that is the worse thing you can do 'cos they have to understand the local culture - the local way of doing things - it doesn't mean that the local way is best - but still you can't change people overnight.

(host national, female, 35-44, 20 years work experience, banking)

Another host national suggests: "They [expatriates] may be over-confident and believe that if it works in Scotland then why will it not work here" (male, 35-44, 10 years experience, maintenance and security services). The need to take into account the local situation is also stressed by another host national who says: ". . . there's no advantage not being local, . . . what works in the local market is . . . the ability to adapt to local situations rather than what works in their country - it's not relevant" (male, 35-44, 10 years work experience, management training & development).

#### **7.13.2 Learning Attitude**

Expatriate respondents stress the importance of a 'learning attitude' for managers newly arrived in Hong Kong. They recommend an approach which is based on observing how local people interact, talking to people and listening carefully to what they have to say. It is best for new arrivals to be cautious ". . . rather than jumping in with both feet trying to make decisions before you really know what's going on" (expatriate, male, 25-34, British, less than 1 year Hong Kong experience, telecommunications), though one should not be overly anxious about a lack of

familiarity with all of the customs: “. . . you can be forgiven for certain things, and not have it held against you” (expatriate, male, 25-34, Canadian, less than 1 year Hong Kong experience, advertising). Even managers who have held senior posts in their home country have a lot to learn. A respondent cautions:

. . . just get quiet for a moment and have a look and see what's happening - you'll see some interaction between people within your own company and outside that is different to what you've experienced before and you must learn how that works if you want to be as successful as you were . . . .  
(expatriate, male, 25-34, British, 3 years Hong Kong experience, telecommunications)

Throughout the expatriate interviews the belief that expatriates must examine their competencies in light of new circumstances and to not automatically assume that what has worked well elsewhere can be applied in Hong Kong comes across again and again. The following excerpts from the interviews illustrate this point:

You could not come in here and say - “I've been successful in Britain, or I've been successful in the US as a manager - I know how to manage”. As westernized as Hong Kong is, it is a considerably different culture . . . . So I think you have to come here with a very open attitude about things, and you have to be very willing to learn from the situation.  
(expatriate, male, 45-54, American, 10 years Hong Kong experience, tertiary education)

. . . the ones [expatriates] that succeed seem to be the ones that are able to realize that although Hong Kong, on the face of things, looks very similar to the environment they have just come from - it isn't the same environment. . . . Hong Kong is completely different. The ones that realize that and adapt to that seem to be very successful.  
(expatriate, male, 25-34, British, 3 years Hong Kong experience, telecommunications)



. . . they have to be prepared to say - “Well, this is the way that I would do it, but there may be a better way in this environment and then let’s see what they have to say” . . . For example, the Asians are masters of compromise I think, so therefore you can’t be non-compromising as a manager because you are going against the grain, therefore you have to learn to compromise sensibly.  
(expatriate, male, 35-44, British, 17 years Hong Kong experience, Hong Kong-based multinational)

Attitudes which incorporate a ‘willingness to learn’ element are also identified and supported by host nationals, who regard it as important for expatriates working in Hong Kong to be mentally prepared to learn something new and different because, in the words of one, “Although Hong Kong is a very westernized city, but still we have our own Chinese culture” (host national, female, 35-44, 19.5 years work experience, corporate banking). Host nationals affirm how important it is for expatriates not only to gain some understanding about Chinese culture, the nature of Western/Oriental differences, and the constant changes which are characteristics of Hong Kong’s business environment, but additionally to demonstrate an “interest” and a “sensitivity” towards the culture, to “appreciate local values” and “respect the local differences”. One manager says: “. . . some expatriates feel that they are just coming over here . . . as experts . . . and so they seem to have this, sort of - though unspoken - sort of sense of superiority that they are coming to offer us something” (host national, male, 45-54, 25 years work experience, management development). He goes on to counsel expatriates to remember it is a two-way process of learning as well as teaching and they can take some of what they have learned in Hong Kong back to their home countries. In a similar vein another host national advises that “. . . when expats come



to Hong Kong they need to have the patience and the willingness to listen or else they will be dominating and they won't be able to collect the information they should have" (host national, female, 38-44, 20 years experience, banking).

#### 7.14 Cultural Competency

Cultural competency for expatriates is related closely to attitude and in Hong Kong it needs to be understood within the political and social context of a society undergoing decolonization. It has been argued previously in this thesis that some resentment exists among host nationals about the advantages which have traditionally been provided to expatriates by the colonial system.

Expatriates are often employed on 'expatriate terms' which, for instance, give them higher standards of housing than are available to local staff at the same level. Though these material differences are tending to disappear and more organizations provide expatriate and host national employees with the same benefits, there are still tensions as illustrated by the following quote: "But maybe because all the expatriates are recruited from elsewhere and they need to be paid more - maybe, but from our Chinese people . . . I can say it's unfair. It's unfair" (host national, male, 35-44, 25 years work experience, airline). Further, feelings of resentment towards foreigners in Hong Kong, go far beyond issues of material advantage. The extent to which this is the case can be gleaned from the tone of a letter, reproduced in Appendix I, written by a senior host national civil servant to the editor of the English language *Sunday Morning Post*.

Unlike host nationals, expatriates seldom refer to Hong Kong's colonial system and its consequences.

Many host nationals indicate substantial agreement with Hofstede's (1981) conclusion that people's ideas are culturally limited. One respondent states: "... no matter how open-minded you try to pretend, you are inclined to judge things by your own experience or your own cultural background (host national, male, 45-54, 24 years working experience, corporate banking). Even when advice is accepted from others outside of one's own culture it tends to be filtered, and though people with a cosmopolitan background will more easily accept different perspectives, everybody has their own biases and prejudices. It is suggested that one can be easily fooled by Hong Kong because its very western surface characteristics tend to hide the basic 'Chineseness' of the society.

Some host nationals, in a point similar to one about limited differences existing between how expatriates and host nationals manage noted in Section 7.3, only accept with reservations the idea of people being culturally limited. Personality, the influence of a broad-based upbringing, exposure to other societies directly or via the media and personal experiences are all cited as factors which can enable individuals to expand their perspective beyond the boundaries of their own culture. Education, based on a western blueprint, is regarded as a major influence in Hong Kong with the result, according to one respondent, that "... the Hong Kong people are not very Chinese"

(host national, female, 35-44, 18 years experience, social service agency). A reciprocal process which can cause the thinking patterns of expatriates to converge more towards those of the Chinese is also identified: “So some *gweilo*<sup>iv</sup> can be very Chinese and some Chinese can be very foreign” (host national, male, 25-34, 10 years experience, financial services).

Nevertheless, the study data suggest that host nationals are very conscious of the differences which can arise with expatriates due to their different cultural backgrounds. For example, they feel compelled to explain things in greater detail and, even then, may experience some uncertainty about whether they have been fully understood. In the words of one respondent:

. . . sometimes if they [expatriates] come up with a certain idea or suggestion, which I don't think is applicable to the Hong Kong environment I have to explain back to them in more detail to convince them why those ideas or why those suggestions are not applicable. Because in a way it is due to the cultural difference. Because if a Chinese makes such a suggestion to me, I can explain to them much easier because they understand the background, they know more of my thinking, they can follow my way of thinking. Whereas for the expatriate if I turn them down I have to explain to them why I think in this way and why I make such a decision.  
(host national, male, 45-54, 24 years experience, pharmaceuticals)

A more detailed illustration about the nature of this lack of shared understanding and how it can impact on decision making is illustrated by the anecdote presented in Appendix I.



Some host nationals express the view that even though local and overseas managers may use the same managerial skills, expatriates must be “aware of the differences in culture” and “adapt to the culture”. An example of this occurring, after a difficult beginning between an expatriate manager and host national staff, is outlined in Appendix J. At the same time, there are host nationals who recognize it is not always easy to bridge the ‘cultural divide’, as indicated by the following statement:

I’ve tried to work with expatriates for the last 25 years. And . . . I know there is a cultural difference. I try to understand their culture. But I still can’t understand all the jokes they make! In reverse - it wouldn’t be easy - isn’t it. So, you . . . understanding a culture is not going to be easy.  
(host national, male, 45-54, 25 years experience, airline industry)

In being sensitive to Hong Kong’s culture, expatriates need to ensure they are not overly intrusive. As example of this type of behaviour is revealed in the following excerpt from one of the interviews:

We have a boss here - he is British. This posting is his first time here in Hong Kong. I think because he knows that the British have a very conservative outlook so he is always trying to be friendly, but almost too friendly. . . . I think most of the Hong Kong people - especially in the commercial area, in the business area - they are quite westernized I would say - so, there’s really no need to be too . . . he was too anxious - a bit too anxious to melt into the local culture. . . . When we would have lunch he would volunteer to join us, but sometimes you know when the whole group of staff are Chinese, we would like to . . . I mean, have a more relaxed lunch talking in Chinese - Cantonese - rather than having you there and have to talk to you in English - and somebody has to explain what is going on and things. . . . I appreciate he appreciates asking to join us . . . but, I think the timing - when it’s a whole bunch of staff - all Chinese and clerical staff I think it is not appropriate.  
(host national, female, 25-34, 4.5 years work experience, banking)

Host nationals tend to perceive, in general, their own cultural competency to be greater than that of expatriates because they have been educated in a British-influenced system and are more familiar with the beliefs and values of Western societies. On the other hand, they perceive expatriates as lacking in this area, with most having no understanding about the nature of Chinese society prior to their arrival in Hong Kong. Specific differences mentioned include the general tendency for Chinese to be less outspoken and confrontational than expatriates, to be respectful of seniors and to be concerned about face.

Expatriate respondents identify the need for foreigners in Hong Kong to be sensitive to the local culture and for new arrivals to work hard to develop cultural competency. A straight forward example is the need to appreciate the higher value Hong Kong employees often place on financial reward and job title over such things as training and management development opportunities. On the issue of cross-cultural understanding, one manager remarks: “. . . you know I think that is a big issue and I think a lot of people don't have it in terms of the language they use, the way that they express themselves in actually understanding . . . making an effort to understand what is being said to them” (expatriate, female, 25-34, British, 2 years Hong Kong experience, financial services). The need to respect Chinese culture is emphasized by a different manager who says:

You've got how many thousand years of culture there? With very strong, very constructive, very sympathetic traditions. Don't dismiss them all in clichés. Don't dismiss face as a cliché . . . . And I've seen expatriates do it and I think it galls. You're actually destroying something you could work with so constructively.  
(expatriate, female, 35-44, British, 10 years Hong Kong experience, social service agency)

At the same time, there are respondents who specifically reject the notion of "going native". This is reflected in the following comment: "I don't subscribe to the theory that it's essential to completely absorb oneself in the local culture - you have to be sensitive to it and the issues, but it's important not to be paralyzed by them and at the end of the day my management style isn't Chinese . . ." (expatriate, female, 35-44, Australian/Swiss, 6 years Hong Kong experience, finance - corporate body).

Expatriates refer to the need to be more patient, flexible, and sensitive and to work hard at understanding the way in which host nationals are thinking. They talk about making a conscious effort to understand local differences in attitudes towards people and ideas, and to appreciate the need for caution when drawing on past experiences, so as to ensure decisions are appropriate in the Hong Kong context. Expatriate respondents also refer to being more aware of what they say and how they say it. This has to do particularly with the concept of 'loss of face'. One respondent explains its impact on her behaviour: "There is this 'loss of face' business which I think dominates most of what they do. Whereas, I've always been brought up - if someone upsets you



- speak up, clear it, and go on. So, I've had to modify that very very much"

(expatriate, female, 45-54, British, 12 years Hong Kong experience, private club).

Aggressive behaviour is not well-received. In the words of one respondent: "I think out here we, despite the reputation of Hong Kong as being a very fast moving place, we tend to move a little bit more slowly, in a calculated sort of way. . . . to be aggressive is not perceived as good. They'll back off and won't have anything to do with you" (expatriate, male, 45-54, American, 29 years Hong Kong experience, executive search company). Respondents emphasize that this is not a superficial issue and the concept of 'loss of face' needs to be seen within a larger context of ". . . maintaining harmony, maintaining comfortableness, comfortable relationships with everybody. And people work very hard at making comfortable relationships . . ."

(expatriate, female, 35-44, British, 10 years Hong Kong experience, social services agency).

### **7.15 Flexibility**

Host nationals tend to characterize the expatriate style of management as being "too rigid about rules" and having a "lack of flexibility" which fails to account sufficiently for human factors. The essence of the host national perspective is summed up in the following remarks: Expatriates are ". . . sometime too rule and regulation binded as regarding human nature" (host national, female, 35-44, 14 years working experience, private foundation) and expatriates ". . . take business as business - it's right, it's wrong - it's black, it's white - there's no middle way. To a certain extent that is quite

effective I think, but it is less comfortable to me” (host national, female, 45-54, 25 years experience, corporate body).

Expatriates are seen to judge performance somewhat differently from locals. A rational, scientific, and systematic approach to analyzing problems is regarded as typical of expatriates. Host nationals speak critically about expatriates being too strict in following rules and regulations and discounting human factors, such as loyalty, in their decision making. On the other hand, the tendency for expatriates to be clear in defining work and social relationships is admired. Host nationals tend to believe that expatriates can be more objective and to base decisions on logically derived principles because they are free from the social obligations and already established relationships which exist among the Chinese. They are admired for the stress they put on setting clear objectives and using systems and procedures, though the sheer volume of procedures and the mechanistic characteristics of such systems may actually result in less effective communications and wasted time. The element of fairness is mentioned in relation to personal assessments, which are seen to be clear and systematic, improving the chances people have to progress through the organization.

Managing in a flexible manner is mentioned frequently in the expatriate interviews. For example, being versatile in responding to other people’s style and sympathetic to other people’s motivations. In the words of one expatriate: “. . . being accommodating in presenting myself to them - my point of view” (expatriate, male,

25-34, American, 8 years Hong Kong experience, management consultant).

Respondents point out that overseas, in the UK for example, jobs tend to be clearly defined and one does only what one has been hired to do. Whereas in Hong Kong one may find it necessary to function much more as a 'jack of all trades' This is consistent with other comments in the interviews about expatriate managers being open-minded, tolerant and willing to learn. As one respondent suggests: "... the learning curve is pretty much vertical" (expatriate, female, 25-34, Canadian, one year working in Hong Kong, financial services). In addition, expatriate respondents mention the need to bring tremendous energy to their jobs and to adjust to a faster pace with much longer working hours.

## **7.16 Dimension: Cultural Synergy**

### **7.16.1 Personal Experience of Cultural Synergy**

Adler (1983) identifies cultural synergy as a unifying organizational culture which derives from the blending of the best of employee's national cultures in a multi-cultural work setting. Although the concept of cultural synergy was not always familiar, and required further explanation in some of the interviews, the responses from expatriates and host nationals are very similar, with a two-third/one-third split in favour of those who have experienced cultural synergy. These data are presented in Table 7.4.



**Table 7.4** Cultural Synergy Experienced: All Respondents

Cultural Synergy	Expatriates		Host Nationals	
	<i>f</i>	%	<i>f</i>	%
Yes	25	64.1	19	61.3
No	14	35.9	11	35.5
Missing Data	-	-	1	3.2
Total	39	100.0	31	100.0

Respondents point out the increased likelihood of cultural synergy occurring when a common goal is being pursued and the individuals interacting with one another are at the same level in the organization. One host national suggests it is possible for cultural synergy to work only if a limited number of cultures are involved. An interesting perspective on cultural synergy is provided by an expatriate manager whose company holds an annual computerized business simulation competition. Year after year it is the multinational team which generates the highest aggregate profit and wins the game. In explaining this phenomenon the respondent has this to say:

I am a great believer that if you had a homogenous group of British managers who are not working together as a team and a mixed group of multicultural managers who are not working well together as a team, then the homogenous group will come out better at the end of the day. But if you have two that are operating well as a team then the multicultural team will come out on top. The synergy being the vision and the creativeness of the Westerner combined with the bottom line focus of the Asian.

(male, 35-44, 17 years Hong Kong work experience, multinational)

### 7.16.2 The Absence of Cultural Synergy

When attributions are made about why cultural synergy does not exist in their work organization, expatriates tend to relate this to a degree of non-acceptance of foreigners by local staff. Expatriates attribute exclusion to attitudes of host nationals, rather than their own attitudes, and to the prevailing norms of the work situation. Expatriates also identify the organizational culture as having an important bearing on the way in which people work together. The lack of cultural synergy in one case is seen to be because of the overriding dominance of the company's host national owner.

Host nationals relate the lack of cultural synergy to three distinct factors. In the experience of one host national manager the work situation does not produce cultural synergy simply because her work group is dominated by expatriates whose norms determine the way in which work is accomplished. Another host national refers to the issue of level, raised previously in this chapter, whereby expats tend to occupy the more senior positions, with all of the middle managers and support staff being Hong Kong Chinese. A third perspective has to do with the way in which differences in terms and conditions of employment may work against cultural synergy. This is explained in relation to a specific case:

We recognize that we may not have enough bodies to fill the positions like - for example, air traffic controllers - we recruit a lot from Australia, Canada and UK because we can't train enough to catch up with demand. But the nature of the beast is that the perks and the benefits, even though the pay is the same, - they are so much more superior than locals that you have this . . . different species if you like. (host national, male, 45-54, 23 years experience, transport)

### **7.17 Handling Conflict**

In considering the nature of conflict in Hong Kong it should be noted there are features about Hong Kong's business environment which influence how conflict is regarded and handled. In Hong Kong senior staff often have greater power than would be the case in Western countries. It is possible for them to take much more decisive actions, for example, to terminate someone's employment. Mechanisms such as committees, written proposals, formal evaluations, may not be used to the same extent as in Western countries and actions, particularly in traditionally operated Chinese businesses, can often be based on the word of one senior manager. Employees have fewer protective mechanisms and there are not as many formal channels of redress as might be found elsewhere. The trade union movement is relatively weak in Hong Kong and, with the exception of the public services, most white collar workers do not belong to collective bargaining units.

#### **7.17.1 Attitudes Towards Conflict**

Although expatriates believe that the issues giving rise to conflict in Hong Kong are essentially similar to those in Western countries, their significance may not be comparable. The same issues can be weighted differently. A human resources director states: "For example, the issue of A getting more pay than B is a far greater issue here than it would be in the UK. They seem to take it as a personal affront if two clerks [are] standing next to each other, [and] one is getting paid more than the other (male, British, 35-44, 17 years Hong Kong experience, Hong Kong-based



multinational). Similarly, another respondent explains: “. . . the value system is a bit different here in Hong Kong; the title, relative pay, that’s a big issue in Hong Kong. Everybody knows how much others are paid. The community is much smaller here. These things are taken much more personally here because more people know about it” (female, 25-34, American, 5 years Hong Kong experience, tertiary education). There is also a view that there is a greater degree of sensitivity about what constitutes conflict: “. . . a lot of things . . . that we would see in Hong Kong as conflict would not be defined as such in the US. It would simply be disagreement . . .” (male, American, 45-54, 10 years Hong Kong experience, tertiary education).

From the study data comes evidence that conflict is often seen in an unfavourable light in Hong Kong. As explained by a host national:

I don’t think I like conflict. I mean, that is one area of Western management I totally disagree to - [the Western approach - conflict will generate good ideas and enhance the organization] - I don’t agree to that. I think conflict will hurt relationships, and conflict may not promote innovation among Chinese culture . . . because it will just shut up some of the people’s mouths; they will keep quiet for a long time. (male, 45-54, 25 years working experience, airline industry)

He goes on to explain that whenever there is open conflict and open disagreement it creates a losing situation and if somebody loses then he/she will always feel badly about it. Expatriate managers, as well, perceive local management as being uncomfortable with overt conflict. One manager suggests that “. . . in Hong Kong conflict is more likely to be low key so you as a manager have to be able to pick out

the conflict” (male, 35-44, Canadian, 10 years Hong Kong experience, finance & insurance). In the words of another respondent: “Most of the conflict, honestly, that I have seen in Hong Kong has occurred between Westerners or between very western Chinese people - I very rarely see visible overt conflict among Chinese people” (female, American, 45-54, 7 years Hong Kong experience, banking).

The tendency for people to be quiet about disagreements and to ‘sit on things’ rather than bring them into the open, causes conflict to drag on: “And then either something drastic happens or it shows in different ways - like someone just won’t do things . . . ” (female, British/American, 25-34, 3 years Hong Kong experience, telecommunications). The former point is taken up by another manager who believes that because conflict is not an issue that local management feels very comfortable with, even relatively minor disagreements may be avoided, allowing the issue to escalate, so that overt conflict arises simply because issues have not been addressed at an earlier stage.

The tendency for conflict to develop, whilst the expatriate manager is not aware of the problem, is identified by another expatriate manager as follows:

. . . because I am sitting on top wanting an answer on something . . . and I’m not aware of what that conflict is or why there is a conflict - but perhaps it’s a face issue between two managers - that one manager does not want to be seen to be taking directions from another manager. Those sort of issues that I wouldn’t necessarily be aware of. All I know is that something is not happening.  
(male, British, 35-44, 5 years Hong Kong experience, Hong Kong-based multinational)



Besides the non-completion of work, other covert behaviours identified as indicative of conflict are those of sabotage or the quiet undermining of the organization's work, and the withholding of necessary information. Employees may also resolve conflict simply by leaving the organization.

### **7.17.2 Anticipating Conflict**

The need to anticipate conflict and to resolve controversial issues privately, as much as possible, is illustrated by the experience of a senior manager in a public corporate body which has responsibility for monitoring fairly complex commercial transactions in Hong Kong. She describes the process of securing agreement on a highly contentious policy issue:

. . . one of the things you need to do here much more than anywhere else is to achieve consensus before you go public - so you have to spend an enormous amount of time behind closed doors - so before we even issued our consultation [paper] we knew what everybody thought - so we went round and talked to all the key players - you've got to identify every key person - you've got to speak to them one on one - you've got to solicit their genuine view . . . the only way to avoid [a conflict situation] is actually to go around and find out everybody's real bottom line - come up with some kind of proposal that takes into account all of those things that you figure you can sell them and then put that out as the consultation and then all the posturing and the grandstanding begins, but that's kind of irrelevant 'cos you know where they stand and you also know you've taken the wind out of their sails before you've come out with the document because you've already factored in their position . . . that is a way of doing business that doesn't happen in the West, but by gosh, it needs to happen here, so I think that the pre-consultation, the need for establishing people's real bottom line is an absolute critical difference.  
(female, Australian/Swiss, 35-44, 6 years Hong Kong experience, corporate body)



The need to anticipate potential disagreements and determine how these might be resolved is also important at the interpersonal level, where it is necessary to take into account the status of the people concerned. In addition, the issue needs to be pursued in a private forum. This is illustrated by following experience:

. . . I found with . . . local managers - if you make the mistake of taking something they've done wrong or haven't done well and putting it in front of them - forcing them to look at it - they get very angry - so you can fail completely, but you won't get fired . . . but if you make one of the more senior manager face his mistake in front of anybody else then that's a pretty fast way of ending your job.  
(male, British, 25-34, 3 years Hong Kong experience, telecommunications)

#### **7.17.3 Resolving Conflict**

A wide range of strategies for resolving conflict are revealed in the data. Some managers are very clear about the approach they prefer to take, but many adopt a pragmatic 'whatever works' attitude. Respondents tend to stress the importance of striving to reach a compromise. The need to try to avoid direct conflict, if at all possible, is emphasized by many respondents, particularly in line with the point about how important it is considered to maintain harmonious relationships. It is not regarded as appropriate to acknowledge directly the existence of conflict as might be done in Western countries. So, for example, statements such as 'We're not working well together at the moment' or 'Do you have a problem with what I'm doing?', which might form the basis for a dialogue elsewhere would not necessarily receive a positive response in Hong Kong.

Host nationals, in particular, emphasise that there is a constant need to search for compromise in attempting to resolve conflict. No matter what specific approach is used they regard it as important to be on the lookout for common ground. One expatriate expresses this point as the seeking of alternative solutions, rather than simply arguing the original point, and a second manager talks about trying to communicate as flexibly as possible whilst always working to promote a harmonious atmosphere. Respondents refer to attempts to minimize differences, even when these are inevitable. Both host nationals and expatriates refer to situations where they have felt it to be necessary to refer a matter to a more senior level for resolution. A general deference to authority in Hong Kong means that decisions made by more senior managers tend to be regarded as final.

#### **7.18 Summary**

Expatriates and host nationals both characterize Hong Kong as a hard working society whose people are strongly committed to family relationships. At the same time, they are critical of what they see as Hong Kong's materialistic lifestyle and a tendency towards insularity among local people. Chinese management is identified closely with traditional family-run businesses; host national managers working in larger organizations, with Western structures and systems, are not seen to be practicing 'Chinese' management in the same way. Variables such as age, experience and personality are regarded as important influences on managerial behaviours, though the

impact of culture is evident throughout the data with cross-cultural differences identified as being potentially problematic.

Host nationals are conscious of inequalities due to Hong Kong's colonial heritage, and identify linguistic and cultural barriers between themselves and expatriates. The latter point is confirmed by expatriate respondents who believe that coping successfully in Hong Kong often involves modifying previous skills and behaviours, rather than developing them anew. There is evidence that informal social contacts between expatriates and host nationals are quite limited both within the work place and outside of it.

Expatriates feel more committed to 'open' decision making processes, whereas host nationals feel comfortable with a more 'top-down' orientation. Similarly expatriates prefer more direct 'two-way' communication and feel comfortable discussing things with others in meetings. Host nationals are inclined to prefer more subtle forms of communication and for contentious issues to be resolved 'behind closed doors'.

Specific advice for expatriate managers includes the need to be extra sensitive to communication issues, to develop multiple feedback mechanisms, to communicate using highly integrated verbal and non-verbal cues, and not to expect meetings to facilitate decision making in the same way as in their home countries. This also has implications for teamwork, as the tendency to structure working relationships along vertical lines undermines the free flow of ideas and forthright exchange of views which



are the hallmarks of a well functioning team. Communicating more effectively in English is seen to be important for expatriates. This includes modifying pace, vocabulary, syntax, and colloquial expressions. The ability to speak either Cantonese or Putonghua is a very major advantage for anyone working in Hong Kong.

Hong Kong's cross-cultural environment places the onus on expatriates to develop good working relationships with host nationals. Given the social distance between the two groups and the differences in their communication styles , expatriates are seen to need to emphasize their strong points - for example, to be friendly and open to suggestions, whilst toning down the more straight-forward and perhaps somewhat threatening aspect of their interpersonal style. At the same time, it seems that expatriates need to be aware that the boundaries set between work and personal life means it may not be possible for them to develop close personal relationships with host national colleagues in quite the same way they have been used to doing in their home countries. Clearly demonstrated technical skills/professional expertise will enable expatriates to establish more readily their credibility in Hong Kong and need to be demonstrated to host nationals early on in the expatriate assignment. Likewise expatriates who assume leadership positions are expected to demonstrate their ability to make a difference right from the beginning.

The attitudes which expatriates adopt are likely to prove extremely important to their success in Hong Kong. Negative attitudes related to national or technological superiority must be eschewed in favour of 'learning attitudes' characterized by openness and inquiry and a willingness to listen to and learn from host nationals. Cultural competency needs to be developed with sensitivity to Hong Kong's recent history and expatriates must work hard at understanding the nature of Hong Kong's Cantonese society.

Finally, there are several points related to cultural synergy and conflict. Cultural synergy is seen to be largely absent from Hong Kong organizations. It is agreed that host nationals tend to feel uncomfortable with overt conflict and expatriates must become attuned to picking up on low level expressions of conflict. It is suggested that they also need to anticipate conflict situations and be prepared to resolve conflicts through compromise.

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<sup>i</sup> I am grateful to Kate Somers, an experienced language and management educator in Hong Kong for pointing out that this example illustrates the difficulty a speaker of a tonal language, such as Cantonese, can experience in controlling intonation patterns in an intonal language, like English. Therefore, 'delicate' comments appear to be spoken in quite a brusque way.

<sup>ii</sup> A common example would be related to familiarity with pop music, movies, sports figures, which, when used in analogies or jokes, are readily understood by people who share the same background, but not by those outside of their culture. Expatriates in Hong Kong cannot assume host nationals are familiar with programmes shown on local English-language television or recent reports in the major English language newspaper (*South China Morning Post* - often referred to by expatriates as *the paper*, though Hong Kong has dozens of Chinese language dailies).

<sup>iii</sup> Putonghua is the official language of China and means 'language of the people'. It is still sometimes referred to as Mandarin, though this is now more likely to be used to refer to the Chinese which is spoken in Taiwan.

<sup>iv</sup> The term *gweilo* translated literally from Cantonese means 'ghost person', though in recent years it has come to mean 'white' expatriates (different terms are used for Japanese and Indian expatriates). Until recently it was only used orally and had no written form, though in recent years it has, along with other Cantonese terms, become a part of written Chinese.



## **CHAPTER 8**

### **EXPATRIATE ADJUSTMENT IN HONG KONG**

This chapter presents findings derived from questions about the adjustment of Anglo-American managers in Hong Kong. The questions, answered by both expatriate and host national respondents, were grouped into the five dimensions of 'Attitudes Towards Hong Kong', 'Challenges', 'Culture Shock', 'Personal Adjustment' and 'Expatriate Adjustment', whilst the dimension on 'Open vs. Closed Minded' and one on 'Family Adjustment', were developed from data collected only from expatriate managers.

#### **8.1 Attitudes Towards Hong Kong**

Respondents were questioned about what they particularly liked and disliked about working in Hong Kong. Positive factors are generally agreed by all, with expatriates somewhat more critical than host nationals concerning the negative features.

##### **8.1.1 Hong Kong's Economic Growth and Development**

Expatriates refer frequently to the opportunities afforded by Hong Kong's rapid development as an important commercial centre in the Asia-Pacific region. They mention the chances to learn and broaden their work experience, to participate and contribute. Such ideas are typically reflected in these statements by expatriates: "... an environment where - if you want - just about anything can happen" (male, 25-34,

British, 3 years Hong Kong experience, telecommunications); “. . . this feeling that I am making a difference, a contribution” (female, 25-34, American, 5 years Hong Kong experience, tertiary education), “. . . you get to do more than you would if you were in New York” (female, 25-34, Canadian, 1 year Hong Kong experience, financial services) and “People give you much more of a chance than anywhere else I’ve ever come across . . much more of a meritocracy. . . . (male, 25-34, British, less than 1 year Hong Kong experience, telecommunications).

Host nationals perceive Hong Kong as a good place for people to develop their career and have a strong belief that there are plenty of opportunities for those who work hard or have capital to invest. The following comments are characteristic of the host national perspective: “. . . you have chances, you have a lot of chances” (female, 35-44, 19 years work experience, fine arts administration); “As long as you are the person for the job and you work at it . . you get it” (female, 35-44, 12 years work experience, retail); and “It really is not hard for you to be somebody - I mean if you have the capability” (female, 35-44, 11 years work experience. banking).

### **8.1.2 Age and Gender**

The positive feelings about general opportunities can be refined further in relation to both age and gender. Age is not seen to be a barrier when it comes to taking on major tasks: “Other people respect you more, they ask your opinion . . .” (expatriate, female, 25-34, Canadian, 1 year Hong Kong experience, sports promotion company); “. . .

certainly in terms of working - youth was a disadvantage in England and it isn't here.

I like that aspect" (expatriate, female, 25-34, British, 2 years Hong Kong experience, financial services). When it comes to opportunities for women, a number of the female respondents comment favourably:

I like the fact that I'm a foreigner and not a woman - I like that a lot . . . in the States it would be . . . a lot harder to get my skills noticed . . . out here all I have to do is seem to be professional and be able to communicate what I do know and don't know and I have opportunities; so I've had a huge growth in my career just by being here.

(expatriate, female, 45-54, American, 7 years Hong Kong experience, banking)

The degree of acceptance - the sense [that] people will respect you for what you are, what you can do - there are fewer prejudices - I'm not saying there are none, but there seem to be fewer and I don't know enough about Chinese society to comment, for example on the acceptance of the role of women, but I do find it unusual that women are in quite senior positions - not foreigners - but certainly Chinese women - they're outspoken and they're not expected to stay home - many of the friends I have here fall into that category.

(expatriate, female, 35-44, Australian/Swiss, 6 years Hong Kong experience, finance - corporate body)

Hong Kong seems like a - a lot of people say - a very Chinese society, but I find a lot more opportunity here than other country. I work in Japan sometimes - at conferences there all the time - and I think - Japan is the most developed nation in Asia and I think - as a woman - our position is a lot higher than Japanese women.

(host national, female, 35-44, 12 years work experience, retail)

Some respondents did speculate about the reasons why opportunities for women should be so readily available and, though there was no general consensus, credit tends to be given to employment opportunities which have been generated by Hong Kong's economic prosperity.



### 8.1.3 Challenge and Excitement

Closely related to opportunities, for expatriates, is the challenge and the inherent excitement of working in such a dynamic environment. They refer to Hong Kong's vibrancy and dynamism and to its "buzz". They describe the city as an interesting and exciting place to be located. The idea was put succinctly by one expatriate who characterized the work situation in Hong Kong simply as "Adrenaline" (male, 45-54, British, 14 years Hong Kong experience, construction). Another expatriate manager, employed in the service industry, explains in more detail: "I like the excitement of this place and it changes every day. When I go into my office - I can never say this is how my day is going to be like. It changes and you have to adapt to those changes" (female, 45-54, British, 12 years Hong Kong experience, private club). Similarly, a manager in the manufacturing sector says: "I like the excitement of being in an area where things develop and are changing so quickly" (expatriate, male, 25-34, American, 1.5 years Hong Kong experience, manufacturing). And in the words of another:

I guess it's quite something being in a place where everybody is doing something . . . . It's exciting and it's challenging and it drives you. It's wearing and it's exhausting but . . . everywhere else seems snail-paced by comparison. You know, you walk around and everybody is doing something. Everybody!  
(expatriate, female, 25-34, British/American, 3 years Hong Kong experience, telecommunications)

Concomitant with Hong Kong's exciting work environment are the challenges it poses for managers. Working in Hong Kong is described as "very challenging" and "an adventure on a grand scale". Reference is made to the need to be able to "work over

your proficiency level". The work pressures can be very invigorating and a source of motivation as indicated in these quotes: "... the pace, the routine - it is a narcotic . . . " (expatriate, male, 35-44, Canadian, 10 years Hong Kong experience, finance & insurance); "You just like to get up and come to work and try to get through that in-tray, so that by the end of the day that tray is empty. And it gives you a very satisfying feeling" (expatriate female, 35-44, Australian, 4 years Hong Kong experience, financial services).

#### **8.1.4 Fast Pace and Efficiency**

Positive comments about the speed with which work can be accomplished in Hong Kong are made by both expatriates and host nationals. In their descriptions the expatriate respondents refer to the faster pace, the efficiency and the ability to plan on deadlines being met. Services in Hong Kong are seen to be efficient, with the highly competitive environment providing numerous alternatives for the buyer. This view is summarized in the words of one expatriate manager who says he likes particularly: "The aggressiveness in people to get something done . . ." (male, 35-44, British, 2.5 years Hong Kong experience, medical/health emergency services).

Likewise, host nationals talk appreciatively about how quickly things can be achieved and Hong Kong's capacity for efficiency and adaptability, with "a lot of things happening very quickly". The competitive environment is seen to be important in facilitating this "drive to achieve" and "not waste time on unproductive activities".

There is a tendency for host nationals to compare overseas jurisdictions unfavourably with Hong Kong. For example, one respondent comments:

. . . it's taken for granted you can achieve the result because you move so slow, there is a lot of chance for you to prepare. But in this place [Hong Kong], well - you complete really in minutes - not count by number of days - or even in some other countries by number of months. (host national, male, 35-44, 18 years Hong Kong experience, finance insurance)

#### **8.1.5 Hong Kong's Infrastructure**

Positive features of Hong Kong's infrastructure cited by expatriate respondents are the relatively simple tax system, well-developed communication and transportation systems, the availability of needed products, and a well-educated labour force. The convenience of doing business both within Hong Kong and in the region is mentioned. According to one respondent: "Hong Kong is a city built on convenience" (expatriate, male, 25-34, American, 8 years Hong Kong experience, management consultant), whilst another manager comments: ". . . whatever you want you can get it - whether it's a service or a good - it's very easy to get things" (expatriate, male, 25-34, American, 1/2 year Hong Kong experience, marketing - American multinational).

Host nationals echo similar points. They mention low taxes and the work incentives arising from salary differentials and the absence of a state-sponsored safety net, good communications and public transportation, and up-to-date facilities and equipment. The well-educated work force is not identified specifically, though host nationals do mention the hard working nature of Hong Kong people.



#### 8.1.6 Hong Kong as an International City

The multi-cultural mix of people generated through Hong Kong's role as an international city is tremendously appealing to many expatriate respondents who indicate that they enjoy the variety and the contact they are able to experience with people from around the world. They refer to how exciting it is to participate in groups where there is an international mix of personnel. Hong Kong is described as a "melting pot" of peoples from many different parts of the world and consequently "... you have the opportunity - even if you don't travel - to deal with those [different] perspectives right here in Hong Kong. And I haven't seen any other place that has that big a real mix as Hong Kong does" (expatriate, male, 45-54, American, 3 years Hong Kong experience, telecommunications).

Host nationals do not express as much enthusiasm about the international features of Hong Kong's environment, but some respondents do comment favourably on Hong Kong as being "very international" and that it is beneficial to work in a mixed culture environment. Exposure to people from different backgrounds is acknowledged as broadening one's outlook on life. As a corollary to this issue, it should be noted that some host nationals perceive Hong Kong less in terms of its status as an 'international city' and more in terms of it simply being a well-known environment. In other words it is home to them. They refer to their familiarity with the place and how comfortable this makes them feel. It is where their family and friends are located, they know the

'system' and are used to it and, living and working in Hong Kong, gives them a sense of security.

#### **8.1.7 Benefits**

Various benefits associated with employment in Hong Kong are identified by both groups of respondents. Expatriates tend to refer to "the money" as being one of the things they like best. Along the same lines host nationals mention the attractiveness of high pay packages, particularly because of Hong Kong's system of relatively low taxation. Additionally, expatriates talk about enjoying a more hedonistic lifestyle than in their home country, making specific mention of travel and entertainment opportunities and affordable domestic help.

#### **8.1.8 Interpersonal Relationships**

A number of expatriates find their host national colleagues are great people to work with and identify their relationships with people, both within and outside their own organization, as a rewarding feature of life in Hong Kong. One manager refers to having worked in Hong Kong for a long time and as a result is now in a position to use his contacts and relationships to facilitate his work. A younger manager comments:

It's a very small environment so you can end up getting to know everybody in particular industries very quickly 'cos it's the same people moving around . . . so you can get to know a group of people very quickly and . . . if you make the right contacts things can come very easy, whereas in the UK that was much harder because of geographical distances or just the unwritten rules of business interaction where you didn't do things like that.

(expatriate, male, 25-34, British, 3 years Hong Kong experience, telecommunications)

On the other hand, expatriates refer to “lack of trust”, “lack of rapport” and the frustration of “being in the dark all the time” when explaining what they dislike about working with host nationals. Comparisons are made with their home countries and with other expatriate postings when highlighting some of the difficulties they experience in relating to local Hong Kong Chinese. Several excerpts from the interviews illustrate these points:

From a working point-of-view I found that people in Thailand are a lot warmer. Just very friendly, very welcoming. Try to make you feel at home kind of people. I think they try a lot harder. In Korea there is much more involvement. One could spend time with other people. One does get invited back home to see people’s families. And all the time I’ve spent in Hong Kong - for 2 years first and then these 6 months, I’ve never been invited back to anyone’s home. So, I don’t get a lot of excitement out of living here.

(expatriate, male, 35-44, British, 2.5 years Hong Kong experience, pharmaceuticals)

Also coming from Canada, an immigrant country which absorbs people and integrates them into the society, it is very difficult to come to terms with Hong Kong when you realize you will always be an outsider here, always a foreigner, no matter how long you live here or even if you speak Chinese or not, and this is hard for a Canadian to understand. You know you are not Chinese - you can’t blend in!

(expatriate, female, 35-44, Canadian, 2.5 years Hong Kong experience, banking)

These points reinforce the ideas presented previously, in Sections 7.5 and 7.10, about the nature of interpersonal relationships in Hong Kong and the difficulties expatriates can experience in relation to them.



Despite these problems, some expatriates do come to terms with the interpersonal differences they encounter in Hong Kong as indicated in the following explanation:

. . . I've grown more accustomed to the people over time and their way of doing things - I can't say I particularly like it - not sure I particularly dislike it though. I always thought people were ruder and more abrupt here, but that's okay. I guess it's just a very focused environment and for me right now it's easy to say that's the focus that suits me . . .  
(expatriate, male, 25-34, American, 8 years Hong Kong experience, management consultant)

#### 8.1.9 Work Demands

A theme common to the responses of many expatriates is their dislike of the long working hours. They mention specifically their dislike of keeping office hours on Saturday and the fact that, however much they may enjoy their work, their lives tend to become unbalanced with little time available for personal interests. "The hours are killers, and the amount of free time is definitely lacking" (expatriate, male, 45-54, American, 8 years Hong Kong experience, American multinational) and ". . . there is such a degree of emphasis on work, other things fall by the wayside; this is very frustrating" (expatriate, male, 25-34, American, 1.5 years Hong Kong experience, manufacturing) are typical comments.

Hong Kong's position as an international city and a regional base for many businesses means there is a need for extensive travel for some Hong Kong-based managers. One female expatriate identifies the conflict between travel demands and the needs of her two young children as the reason why she left her previous job. In a similar vein another manager says: "And it's [travel] is generally accepted as being okay. Most

people do it. You have a baby and go away the next week. That's something that I think is a big problem" (expatriate, female, 25-34, British, 2 years Hong Kong experience, financial services).

Host nationals express a particular dislike of the high pressure and stress associated with working in Hong Kong. From one manager's point-of-view: "Sometimes working in Hong Kong is driving people crazy in terms of the unrealistic demand or expectation from your boss" (host national, male, 35-44, 10 years experience, maintenance & security services). Hong Kong is seen to be a highly competitive environment which makes it very difficult to relax, and where there is often a lack of balance between work and personal life. Typical of their comments are the following: ". . . and at times I would ask the question whether it is worth it. . . . Whether I should . . . step back a little bit. Think about quality of life" (host national, female, 35-44, 19 years work experience, tertiary education);

The work pressure may be somewhat higher than other countries because even the boss in other countries - I think in America or Australia - they prefer to get home in the evening. But some of the local boss in Hong Kong, even the expatriate - they work very hard until 9 o'clock or 10 o'clock. So, they don't create a balance between their home life and their work life.  
(host national, male, 25-34, 9 years working experience, financial services)

Expatriates tend to regard the work pressures somewhat more positively, though there are limitations as indicated in this comment: "It is constantly exciting until it gets to be

too much, then it is bloody horrible” (expatriate, male, 45-54, British, 14 years Hong Kong experience, construction).

#### **8.1.10 Features of General Living in Hong Kong**

The sources of greatest dislike for expatriates arise not from their work, but rather from features of Hong Kong’s environment and lifestyle. The most frequently mentioned issues are traffic and congestion, pollution, a crowded environment and the sometimes almost overwhelming crush of people. Typical comments about these dislikes include the following: “. . . you just get sick and tired of struggling through the crowd in Central at lunch time . . . ” (expatriate, female, 35-44, Australian/Swiss, 6 years working in Hong Kong, finance- corporate body); “. . . I don’t like all the concrete” (expatriate, female, 25-34, American, 5 years Hong Kong experience, executive education); and “The [negative] impact that the crowded city has on the development of your child” (expatriate, male, 35-44, British, 17 years Hong Kong experience, Hong Kong-based multinational).

These views are shared by host nationals who are also very conscious of the congestion of people and traffic, the pollution, shortage of social and recreational facilities, and in particular, the high cost of living. They also refer disparagingly to Hong Kong’s short-term perspective. Put succinctly by one respondent: “Quick return, Quick profit. No vision” (host national, male, 45-54, 23 years Hong Kong experience, transportation). A short-term increase in income is valued over the



longer-term potential for career development and this makes it difficult to retain employees. This generally short-sighted approach is often explained in terms of the uncertainty surrounding Hong Kong's political future. As one respondent explains:

Uncertainty behind '97. No matter how hard working you are now, it can ruin you. All this can collapse after that. . . . Unlike if you are working in New York or London . . . it can be the same after 20 years, 30 years, so you can climb up the ladder step by step . . . But here - there's no guarantee.

(host national, male, 25-34, 10 years experience, financial services)

#### 8.1.10.1 *Accommodation*

Probably the key issue for anyone living in Hong Kong is their accommodation. As companies have tended to reduce expatriates' housing allowances in moves designed to equalize 'overseas' and 'local' benefits, it has become a greater concern for expatriates in recent years. Some expatriates simply do not like apartment living; for others accommodation has become a quality of life issue. The essence of the problem is expressed in this comment: "The amount of affordable living space gets smaller and smaller and smaller - for the money you pay for it" (expatriate, male, 45-54, American, 29 years Hong Kong experience, executive search company). Accommodation is also an issue for Hong Kong managers, who are aware that even with relatively high salaries they are not able to afford accommodation comparable to what they could afford in a Western country.

#### 8.1.10.2 *Recreation and Daily Living*

Expatriates refer frequently to the lack of options beyond the work place. One expatriate suggests that Hong Kong is “. . . not a particularly multi-faceted city. . . . a lot of Hong Kong is based on making money. . . . And there isn't maybe the arts or the - you know, you name it - that kind of tempers that” (expatriate, female, 35-44, British/American, 3 years Hong Kong experience, telecommunications). The inability to indulge in simple pleasures, such as a car ride in the countryside, and the expense of everything else are mentioned as particular irritants. One manager identifies his dislike as “The fact that it cost me \$2,000 to play golf yesterday” (expatriate, male, 35-44, Canadian, 10 years Hong Kong experience, finance & insurance) and the need to pay \$30,000 for a family holiday in Thailand at Christmas. Other expatriates refer to the more luxurious expatriate lifestyles available in places like Thailand and Indonesia where it would be no problem to “go play golf on Sunday” Additionally, some respondents feel that there is considerable difficulty in handling day-to-day living in Hong Kong. Illustrative of this perspective is the following quote: “. . . even going to buy an extension cord in [a] hardware store is an effort . . . everything becomes an effort, even taking a taxi home sometimes, a lot of the taxi drivers don't speak English” (expatriate, male, under 25, Canadian, less than 1 year Hong Kong experience, private banking).

## 8.2 Culture Shock

The 'Culture Shock' dimension examines the perceptions of the study respondents about the extent to which culture shock is experienced by expatriate managers in Hong Kong and how it is handled. The quantitative questions presented in Table 8.1 reveal a significant difference in the general attitudes of expatriate and host nationals managers towards the idea of culture shock as an occupational hazard. This difference in perception was evident again in the responses to the open-ended questions, with host nationals, perhaps because of their limited first-person experience, having fewer ideas to relate and examples to cite on the subject of culture shock.

**Table 8.1** The Extent to Which Culture Shock is Perceived as an Occupational Hazard For Individuals on Overseas Assignment: All Respondents

Extent of Culture Shock	Expatriate Managers		Host National Managers	
	<i>f</i>	%	<i>f</i>	%
To a very great extent	10	25.6	3	9.7
To a great extent	16	41.0	6	19.4
To a moderate extent	7	17.9	8	25.8
To a little extent	3	7.7	9	29.0
To a very little extent	3	7.7	4	12.9
Not applicable - Hong Kong	-	-	1	3.2
Total	39	100.0	31	100.0
(p-value)*				

\* The test is significant at  $\alpha = 0.05$  according to the Mann-Whitney U test.

According to one experienced expatriate: "... I've known lots and lots of people over the last 30 years and virtually every one of them has gone through - you know -



some form, mild or not so mild, of culture shock” (male, American, 45-54, 29 years Hong Kong experience, executive search company). This view is not wholly shared by other respondents. Even though expatriates tend to regard culture shock as more of an occupational hazard for individuals on overseas assignment than do host nationals, when referring specifically to Hong Kong a general feeling exists that culture shock is too strong a term. For the expatriate experience in Hong Kong, it seems that the impact of cultural differences might better be described as ‘cultural awareness’ or ‘great interest or amazement’. These attitudes cluster around two key factors - the toughness of the expatriate assignment and the nature of the expatriate experience.

#### **8.2.1 Toughness of the Expatriate Assignment**

Both groups of respondents regard Hong Kong as an easier place to complete an expatriate assignment than many other places in Asia. This is particularly the case for expatriates who have worked in less-developed countries where there was a greater degree of ‘toughness’. As one expatriate explains “ I haven’t encountered any [culture shock] and I think it relates to the fact of coming through India to China to here. When I got here there was nothing that was a shock” (male, American, 45-54, 3 years Hong Kong experience, telecommunications). Respondents believe Hong Kong’s Western features cushion the impact of culture shock. Host nationals have a sense of Hong Kong as a Westernized place, where organizational structures and procedures are based on Western models and local staff are experienced in working with expatriates. This view is shared to some extent by expatriates, one of whom

characterizes Hong Kong as “. . . a Chinese city with a Western system . . .” (male, British, 34-44, 2.5 years Hong Kong experience, medical/health emergency services). This is theme which was also identified in the earlier examination of cross-cultural management in Chapter 7.

### **8.2.2 The Nature of the Expatriate Experience**

Some respondents are dismissive towards the whole notion of culture shock in Hong Kong. There is however, some recognition that severe culture shock can sometimes occur: “Most of the time people adapt. But every now and again you get somebody who - you know - who after a few weeks has had enough and they simply want to go home. They can’t handle it any more” (expatriate, female, 35-44, British, 10 years Hong Kong experience, banking). A job assignment in Hong Kong may also prove to be more difficult for expatriates who either do not have previous overseas experience or who come from less cosmopolitan places in their home countries. A host national used the Cantonese term *heung hah low* - meaning ‘people from the village’ to refer to expatriates with such backgrounds.

Despite some antipathy towards the term ‘culture shock’ expatriates do identify instances of surprise, or perhaps misunderstanding, they have experienced because of cultural differences. Within the work place, these have to do primarily with working relationships, and aspects of communication. Outside of the work place, expatriates

comment on visible aspects of daily life, the physical constraints of the environment, aspects of public behaviour and differences in belief systems.

#### *8.2.2.1 Relationships Within the Workplace*

Expatriate respondents mention a number of issues, which require a bit of adjustment, having to do with the nature of their relationships with local colleagues and how their colleagues perceive them. One person refers to her experience of having been brought into her organization as an expert and finding it stressful to be cast in the role of being a top performer upon whom high expectations are placed. Another talks about the difficulty of adjusting to a working environment where individuals are very scared or fearful of their superiors. Knowing whom to trust or turn to upon arriving on the job was considered to be a problem by one respondent who describes this feeling in relation to being surrounded by so many Chinese colleagues all at once.

#### *8.2.2.2 Communication Within the Workplace*

Expatriate respondents appear to be very aware of differences in communication approaches and they see this as a kind of culture shock. There is a feeling that sometimes it is difficult to obtain necessary information, with locals being secretive and reluctant to pass things on. This is also identified in relation to difficulties in obtaining direct answers to questions. An example concerns the experience of a newly arrived expatriate manager who questioned his subordinates about whether a particular



course of action had given rise to any lawsuits in the past, and he was told 'no'.

Reflecting on this with the experience of hindsight he states: "The interesting thing is that now I know that they might not have told me even if we had gone to court"

(male, Canadian, 45-54, 14 years Hong Kong experience, financial services). Another expatriate suggests this is particularly a problem at the beginning of the job assignment when local colleagues are "friendly, but not overly honest". In fact this may not exactly refer to honesty in the sense of being untrustworthy but rather it may be indicative of a less direct approach to interpersonal communications than Westerners normally use. This is illustrated with the following anecdote:

. . . one of my responsibilities was promoting some of these Swiss based products within the Hong Kong part of the organization - so I had a standard presentation that . . . I'd done many times before and I had the impression that it was very well received and after the presentation I'd be meeting with some very senior managers around the place and thought I'd obtained a commitment from them to doing certain things - but, of course, you go back very, very pleased with yourself - mission accomplished - but what you don't realize if you've never worked in this environment before is that the Chinese will never tell you they don't like it and they'll never tell you the products stink even, they'll never tell you they have no interest whatever, so it takes a pretty high amount of cultural adjustment to read between the lines and I think that was the first thing I had to learn and the most difficult - never take anything at face value . . . .

(expatriate, female, 35-44, Australian/Swiss, 6 years experience in Hong Kong, finance-corporate body)

Meetings are identified specifically as an example of how communication patterns differ, as outlined in Section 7.8.3.

### 8.2.3 Handling Culture Shock in the Workplace

When expatriate respondents identify differences that might be regarded as a kind of culture shock, they emphasise the importance of not developing a dislike for the work situation and becoming stuck into a negative frame of mind. One expatriate manager describes this in terms of: "Actually appreciating the differences, rather than seeing them on a hostile basis" (female, British, 35-44, 10 years Hong Kong experience, social service agency). Similarly another expatriate talks about coping through development of a detached attitude together with a degree of flexibility: "By and large I stepped back and watched, mostly I accepted and adapted" (male, Canadian, 35-44, 10 years Hong Kong experience, finance & insurance). Finally, a number of respondents refer to their own determination to "stick it out" and not to allow the situation to get the better of them.

Reference is made to the need to establish a close relationship with a local person who is prepared to tell the expatriate honestly what is happening. In other words, to interpret the behaviours of local people and explain local norms. How such a relationship might work is described as follows: ". . . what they felt was important for me - stuff like that - a mentor in many ways" (expatriate, male, 25-34, American/British, 3.5 years Hong Kong work experience, manufacturing).

The data reveal a variety of coping strategies used by expatriates. One expatriate who feels he encountered problems with his Hong Kong Chinese superiors for expressing his opinions in a forthright manner at staff meetings describes how his behaviour has changed: “. . . basically I shut up and I really only speak now in small meetings and even then I try not to” (male, 35-44, New Zealander, 1.5 years Hong Kong work experience, corporate body). Another expatriate tells about the need to use outside parties to ensure his own interests were protected when a project he had initiated was unilaterally taken out of his control and given to a more senior host national colleague for execution. A third expatriate talks about how it has been necessary, at times, to assert forcefully her right to gain access to needed information, though she has found that by combining this attitude with an explanation as to why the information is required, it has always been forthcoming. Another approach which is described as being effective in dealing with cultural differences is to bring the issue into the open for discussion. This is illustrated with the following case of an expatriate manager:

I verbalize my amazement. . . . when I first discovered that my immediate subordinates would really rather cash in their holiday<sup>i</sup> I did a little quick survey around the office because I was really in shock - I really was in shock! I just couldn't believe it. I went around asking - I was very vocal about it. And then we decided it was a difference - it was a cultural difference. I was so open that nobody was offended - it was just interesting.  
(female, 25-34, British, 2 years Hong Kong work experience, financial services)



#### 8.2.4 Culture Shock Outside of the Workplace

Many expatriates relate anecdotes concerning 'culture shock' in the local markets. These often concern the preparation of various animals for consumption and chickens, frogs, eels, snakes and dogs tend to feature in these stories. Of more significance, and mentioned by many expatriates, are aspects of public behaviour which can be encountered in Hong Kong. Spitting, a general rudeness and impatience, which is described variously as a 'complete lack of manners' or 'poor public manners'. Getting in and out of lifts and public transportation such as the Mass Transit Railway (MTR) (underground) are mentioned as troublesome. Expatriates express feelings of being uncomfortable with the aggressiveness of people and the tendency for individuals to always attempt to get just a little bit ahead in a queue. Besides having to put up with features of big city living such as noise and a crowded environment, expatriates find that getting service in a shop or communicating requirements in English can pose particular problems. As one expatriate manager comments: "One is in a foreign language city, and one didn't expect to be"<sup>ii</sup> (male, 35-44, British, 5 years Hong Kong experience, finance in a Hong Kong-based multinational).

In Hong Kong there are strongly held beliefs that might be referred to as superstition by those who do not subscribe to the same beliefs themselves. Expatriates indicate a general awareness of these differences, though only one respondent expresses real surprise at the concept of *feng shui*<sup>iii</sup>, which is a well-known feature of the belief

system of Hong Kong Chinese. She contrasts the significance of *feng shui* in Hong Kong with her previous experience in China, where she found people did not have a lot of time for such things and tended to regard them as superstitious nonsense. Arriving in Hong Kong and finding it to be so much a part of the system she finds quite amazing.

#### **8.2.5 Handling Culture Shock Outside of the Workplace**

A general attitude of pragmatism is evident in the responses to the open-ended question about coping with culture shock outside of the workplace, which expatriates tend to characterize in terms of things which irritate or annoy, rather than 'shock' them. This is typified by the statement of an expatriate who says: "I used to get very frustrated, and now I just realize it's part of Hong Kong and that's the deal" (male, 35-44, British, 2.5 years Hong Kong experience, pharmaceuticals). Other expatriates speak about "just getting on with it - there's no other way around it", being "open-minded", "people are just different, that's all", "you just accept it", "laugh - as a way to deal with those situations" and "a lot of adapting - but not to that extreme [culture shock]".

The key to successfully handling what might be referred to as culture shock, whether severe or mild, seems to be a general recognition that nothing will be gained by fighting against the local culture. It is the expatriate who must adapt and modify

his/her behaviour and perceptions of what is 'normal' or 'correct'. A British expatriate puts it this way: "I think the thing to concentrate on in coping with culture shock is realizing it's not their problem, it's your problem. . . . you've come here. You have come 6,000 miles to live in a different culture . . ." (female, 35-44, 10 years Hong Kong experience, social service agency). This issue of coping, including the consideration of what expatriates have learned from their Hong Kong experience is explored more extensively in the next section..

### **8.3 Open vs. Closed Minded (Expatriates)**

Among other things, expatriates were asked to consider the extent to which people are aware of their own culture, if they themselves had ever felt estranged from their own cultural background, and if their overseas experience had made them more internationally minded. These ideas give a general sense of how open this group of managers has been to learning about themselves and others, and some additional insights into the nature of the expatriate adjustment in Hong Kong.

#### **8.3.1 Awareness of Own Culture**

Very substantial agreement exists concerning the idea that one is not really aware of one's own culture until one is outside of it. Expatriates find it tends to put things into perspective; the place one thought was the centre of the world isn't so after all and its



strengths and weaknesses become more apparent. In some cases, missing familiar things results in a heightened sense of appreciation for what has been left behind, and a stronger awareness of who one is as a person.

A much greater awareness of oneself is seen to be an important consequence of living and working overseas. Expatriates talk about questioning their own attitudes and behaviours; a typical statement being: “. . . when you see other people do things differently then you reflect on why do I do things the way I do . . .” (expatriate, female, Canadian, 2.5 years work experience in Hong Kong, banking). Some speak about expatriation being an intense experience which has caused them to question who they are, what they want out of life and what’s important to them. Take this comment for instance:

There is a friend of mine who says that Hong Kong is the shiniest mirror he’s ever seen and that it really reflects . . . It does give you a view of who you are and what you want in a way that very few places do . . . (expatriate, male, New Zealander, 35-44, 1.5 years work experience in Hong Kong)

For some, the ‘Hong Kong experience’ is multi-cultural rather than just cross-cultural. One expatriate has found himself the lone Englishman working in a US-headquartered multinational with many American expatriates, as well as local Chinese, an experience characterized as “quite interesting”.

### 8.3.2 More Internationally Minded

A small number of expatriates suggest that working in Hong Kong has not made them more internationally minded because they had developed such a perspective previously. However most expatriates acknowledge, without reservations, the impact which living and working in Hong Kong has had on them. Put succinctly by one: “. . . this was a great eye-opener for me” (female, Australian, 4 years Hong Kong experience, financial services). Amongst the most important are the opportunities Hong Kong, as an international business centre, provides to gain an awareness of a wide range of business cultures.

With reference to becoming more internationally-minded, expatriates often indicate how much they have learned and continue to learn through their daily experiences. Characteristic of this attitude are these words: “. . . with Hong Kong - I don't think I'll ever stop learning - something new always seems to crop up” (expatriate, female, British, 10 years Hong Kong work experience, banking). In their comments, respondents convey a sense of excitement at having broadened their horizons and suggest they plan to continue to learn and to develop themselves as people.

This self-awareness is not always identified in relation to feeling positive about being more internationally-minded. Some expatriates credit the expatriate experience with forcing them to recognize their own boundaries. So, for example, extensive exposure

to Hong Kong's way of life can lead to less tolerance for certain characteristics of the society, with someone suggesting a tendency towards being "less internationally-minded" in the sense that as there is a heightened awareness of not being in tune with local values and developing an even greater appreciation of European culture. This point of view is evident in the following interview excerpt:

. . . it is important to learn about a culture, but one doesn't have to like it. I see people arriving in Hong Kong fresh 'off the boat' who are really eager and they want to be Chinese - rush out and learn the language, eat everything that Chinese eat - do everything that Chinese do and I feel like saying to them - "Look you're not - you're never going to be - this isn't actually your country". I think that with that experience behind me I don't feel the same urgency to adapt - I think actually you adapt better by recognizing your limitations in adapting.

The same respondent goes on to describe her decision not to attend any more charity balls which, for many business people, are a prominent feature of Hong Kong's social scene:

. . . but there came a point with me when I had to say I don't enjoy this and I'm glad I made a decision not to pursue it and to say this isn't actually my culture, these are not my values and frankly this is not how I want to spend my free time. - So there have been many instances like that when you start out trying to absorb as much as possible - trying to go native in a way - in a way you have to go through those experiences because you might like it - you never know, and I think it's important to make that effort but it's as equally important to say well, I've been there, done that and it's not me, so I guess those are the kinds of things that I've experimented with.  
(expatriate, female, Australian/Swiss, 35-44, 6 years Hong Kong work experience, finance - corporate body)

In commenting on whether or not they had become more internationally-minded the expatriate respondents referred to observing, listening, reading, traveling, engaging in



new professional and social contacts, exploring different ways of doing business, and reflecting frequently about what was happening in their life.

### 8.3.3 Nationality and Estrangement

By and large, nationality is not identified as a significant issue in itself. The more fundamental points seem to be that, first of all, expatriates will by definition be perceived differently regardless of their particular national origin, as explained in the following comment: "So, I would say that whether it's British or whatever - if you're a white face or a dark face or whatever - you're always on the edge of the society. Local people never really bring you in" (expatriate, male, 35-44, British, 2.5 years working in Hong Kong, pharmaceuticals). Secondly, expatriates may benefit from what seems to be a general 'openness' within Hong Kong's entrepreneurially-oriented economy. This is evident in the sentiments expressed in the following quotation:

. . . one of the things that I find very rewarding about Hong Kong is that you actually tend to be accepted for what you can bring to the party rather than for what your culture, background, race, colour or creed is and that's something that for me is one of Hong Kong's real strengths - for me as a woman and as a professional I've never felt disadvantaged in this position.  
(expatriate, female, 35-44, Australian/Swiss, 6 years Hong Kong experience, finance - corporate body)

For some expatriates estrangement from their own countries or cultures is not an issue because they return at least annually, entertain visitors from home and tend to socialize with own-country nationals in Hong Kong. There are also those who regard home to be wherever they are located currently, without a strong feeling of affinity for the

country of their birth nationality. Those who regard estrangement as an issue interpret it in somewhat different ways. In some cases it has to do with shifting their main focus of interest away from their home country to their present life in Hong Kong. On a personal level it is often difficult to continue to relate to former peers or classmates, and the material rewards of expatriate life can become a barrier. A week in Bali at Christmas and another week in Thailand at Easter can seem incredibly exotic to home country friends who are struggling to meet mortgage and car payments. Expatriates recognize that their attitudes and behaviour may change as a result of living abroad.

A number of expatriates describe either embarrassment or disgust at the behaviour of some of their compatriots as in this quote: “. . . I have met a lot of slimy Canadians here in Hong Kong . . . a lot of them think they are just so good in whatever respect and people should be . . . bowing to them. They get very, very arrogant” (female, Canadian, less than 1 year Hong Kong work experience, financial services). One expatriate expresses distaste for those who come from the ‘old boy’ public school culture, the street culture ‘yobs’ - friendly, but not particularly well-educated - and the “. . . people who haven’t learned a word of Chinese after living here for 10 years. There are lots of people here who are like that. I find them pretty awful” (female, 25-34, British, 2 years Hong Kong work experience, financial services). Whilst another British expatriate says she tries not to mix socially with expatriates who are critical about Chinese or put them down in any way.

#### 8.3.4 Expectations About Hong Kong

Expatriates express many different views concerning what they expected it would be like to live and work in Hong Kong. For many moving to the territory was a 'great adventure' and they arrived wanting to explore and discover. For others there were few preconceived ideas and it just seemed like a reasonable alternative: "I had been to Hong Kong on holiday. I liked the climate. And it was a damn sight more exciting than Southwark in south London" (expatriate, female, 35-44, British, 10 years Hong Kong experience, social service agency). Many recall being very naive about what they would face, some finding it more challenging than expected, others encountering fewer difficulties than they had feared.

Upon arrival some Westerners find Hong Kong's physical environment is a problem. The "frightening number of people", lack of space, having to work in a small office, pollution, and lack of trees are mentioned. Whilst on the other hand, there is a generally positive reaction to its fast-paced, business-oriented style. The extent to which it is a wealthy and modern city is a revelation for some expatriates. For those who had the benefit of previous contact with Hong Kong there were relatively few surprises.

Expatriates acknowledge they can find themselves spending a great deal of energy to accomplish relatively mundane tasks of daily living, particularly if they are not



employed on 'expatriate terms', which is becoming a more common trend in Hong Kong. One respondent explains: "... transportation, shopping, getting things repaired in the house - I find that to be, even after 7 years, a real influence on my work ... It's been a challenge" (expatriate, female, 45-54, American, 7 years Hong Kong work experience, banking). Arranging to have a car repaired and making travel arrangements are also referred to specifically as problematic. To some extent this may have to do with language barriers as mentioned previously.

Once again, the problem of the dichotomy between expatriates and locals which was identified previously in the material presented in Chapter 7, is evident in this data on expatriates' expectations about Hong Kong. According to one: "... I've been disappointed that I've been unable to really get to know more Chinese people and understand ... how they live their lives" (expatriate, male, British, 5 years Hong Kong experience, finance - Hong Kong-based multinational). Just how difficult establishing social relationships can prove to be is illustrated by the experience of one person:

I thought because I had lived in China and I do know about China and all those sorts of things and because I spoke some Cantonese and obviously [was] making an effort - that I'd have a sort of wider margin of acceptance ... generally I'm sort of disappointed about how difficult it is to integrate. ... But you know I feel very ashamed - two years I've been here and I haven't really made one local friend ... I've lived abroad before - I've never had that situation. So I find that a bit sad. (expatriate, female, 35-34, British, 2 years Hong Kong work experience, financial services)

Despite the mix of those who expected it to be easy to adjust and those who expected it to be even more difficult, there is no evidence that this group of expatriates have

been unable to bring their expectations into line with the 'real situation' in Hong Kong. Some refer to being happier than when they first arrived and others acknowledge their expectations are now more realistic. Typical of their general attitudes is this respondent's comment: "I would say that I am beginning to understand more and more the culture, and the more you understand it, the more you enjoy it" (expatriate, male, 35-44, American, less than 1 year Hong Kong work experience, telecommunications). In addition, respondents also refer to the need to learn constantly.

### **8.3.5 What Learned as a Manager in Hong Kong**

Although expatriates readily qualify their insights into what they have learned about management with the suggestion that they're not necessarily unique to Hong Kong, there are several learning points which they regard as crucial. The absolute importance of building good personal relationships and treating others with respect is strongly emphasized. The following interview excerpts demonstrate the depth of feeling on these points, and reinforce the very similar ideas which were raised in the examination of cross-cultural management issues in Chapter 7.

You have to be more sensitive here to other people's faults . . . I think that here there is a loss of face so you have to be very careful how you present a problem so that they can always save face, for the most part Cantonese get very defensive if they feel that you have a problem with their work or their behaviour.  
(expatriate, male, under 25, Canadian, less than 1 year Hong Kong work experience, private banking)

I think the one thing it's taught me is . . . that if you do have a problem with somebody, you've got to deal with that problem right at that point in time. But you've got to do it discreetly. You've got to do it behind closed doors, and you've got to make sure the guy comes out with his



face in tact. Regardless of what you've doing. Even if you're firing him.

(expatriate, male, 45-54, 8 years Hong Kong work experience, US multinational)

I have learned that there are different ways to do things basically, there are different ways to accomplish the same goal within the same time period and maybe using in some cases a more gentle approach, more face-saving approach, you don't have to tear somebody apart - is what I have also learned - to get results . . . .

(expatriate, male, 25-34, American/British, 3.5 years Hong Kong work experience, manufacturing)

Expatriates refer to being more sensitive about the impact of their actions on others, even to the point of being less direct in their questioning of colleagues and subordinates. The importance of building rapport with others is stressed and respondents refer to having learned to be much more aware of the importance of personal relationships.

Once again, aspects of communication are identified as important. Expatriates stress the need to think ahead before presenting ideas and to spend more time in preparation than would be necessary in their home countries. The need to double-check and to re-confirm is also stressed, with one respondent suggesting it is necessary to have some mechanism to force feedback so as to identify if the correct message has actually been received. The general lack of feedback applies as well to giving professional advice:

" . . . in some instances, particularly in the Middle East, they more or less tell you - yes, I have heard your advice but I know better, they never do that in Hong Kong"

(expatriate, male, 45-54, British, 14 years Hong Kong experience, construction).



There is considered to be a need to ask a lot more questions and to never assume or take anything for granted.

A large number of respondents refer to the personal growth and development which has occurred because of their Hong Kong experience. A broadened perspective, increased tolerance and patience, enhanced personal flexibility and self-confidence are all mentioned. Coping strategies which have been learned include the need to pace oneself carefully because of the extra psychic and physical energy which are demanded in a cross-cultural situation in a foreign country, and the need to arrange for deliberate 'down time' to re-charge one's batteries. Additional learning points mentioned by individuals include the need to appear to be decisive, such that an expatriate manager should be circumspect when it comes to expressing concerns or personal worries. Another person believes there are times when people hide behind cultural differences to justify their own 'agenda'. In other words, people's behaviour is a product of much more than culture and expatriate managers need to think beyond cultural explanations in understanding the characteristics of their work environment.

#### **8.4 Expatriate Adjustment**

This section examines the perceptions of all respondents about what factors assist Anglo-American managers to adjust to working and living in Hong Kong, and why their assignments may be terminated prematurely. Expatriates reflected on their own experience whilst host nationals commented on the adaptation of Anglo-American

managers generally. Table 8.2 presents the data on adaptation to work and Table 8.3 the data on adaptation to living in Hong Kong.

**Table 8.2** Adaptation of Anglo-American Expatriate Managers to Working in Hong Kong: All Respondents

Extent of Adaptation	Expatriates		Host Nationals	
	<i>f</i>	%	<i>f</i>	%
To a very great extent	17	43.6	4	12.9
To a great extent	17	43.6	20	64.5
To a moderate extent	5	12.8	6	19.4
To a little extent	-	-	-	-
To a very little extent	-	-	-	-
Do not know	-	-	1	3.2
Total	39	100.0	31	100.0
(p-value)*				

\* The test is significant at  $\alpha = 0.05$  according to the Mann-Whitney U test.

**Table 8.3** Adaptation of Anglo-American Expatriate Managers to Living in Hong Kong: All Respondents

Extent of Adaptation	Expatriates		Host Nationals	
	<i>f</i>	%	<i>f</i>	%
To a very great extent	14	35.8	4	12.9
To a great extent	17	43.6	10	32.3
To a moderate extent	6	15.4	13	41.9
To a little extent	1	2.6	3	9.7
To a very little extent	1	2.6	-	-
Do not know	-	-	1	3.2
Total	39	100.0	31	100.0
(p-value)*				

\* The test is significant at  $\alpha = 0.05$  according to the Mann-Whitney U test.

The expatriate managers in this study report positively on the extent to which they have adapted to work in Hong Kong. The perception of host national managers about the extent of expatriate managers' adjustment to work in Hong Kong is also positive, though there is a significant difference between the two groups. This discrepancy may relate to the nature of the question. The expatriates were responding to their personal feelings; they were not being asked to assess generally the adaptability of Anglo-American managers, whereas the host nationals were being asked to make a general assessment. Adaptation to living in Hong Kong is perceived less favourably than adaptation to working, and once again there is a significant difference between the expatriates and host nationals.

#### **8.4.1 Adaptation to Working in Hong Kong**

This section categorizes and discusses the ideas of all respondents about the factors which assist expatriate managers in adjusting to their work in Hong Kong. A number of host national managers misinterpreted this question and, instead of responding with ideas about what factors actually exist to assist expatriates, they answered in terms of what factors 'would' or 'could' be useful. The handling of such situations during the interviews is discussed in Section 5.8.2.

Expatriates identify five general factors bearing on their adjustment to working in Hong Kong. They stress the central importance of work as a part of Hong Kong's ethos and regard their ability to cope with long work hours and demanding job



assignments as critical to their own adjustment. Intrinsic job satisfaction is also considered important. Supportive working relationships, which may be with either expatriates or host nationals, was the third factor identified. Company culture is considered to be helpful in so far as it can provide a Western 'buffer' between individual managers and the host national society. Finally, the opportunity for improved material benefits in the form of pay and perquisites is seen to facilitate adjustment. These issues are discussed in Section 8.4.1.1.

In general, host national managers make less of a distinction between work-related and non-work-related aspects of adaptation than do expatriates. They believe Hong Kong has a Western-orientation, which is reflected not only in the territory's characteristics but also within specific organizations and in a work force who have a long experience of working together with foreigners and communicating in English. Company support to expatriates is mentioned, most notably in the form of 'expatriate' employment packages.

#### 8.4.1.1 *Work Ethic*

As discussed at the beginning of Chapter 7 there is a strong work ethic in Hong Kong. Work occupies a central role in people's lives and the normal working day is lengthy, often extending to evening social functions because of the need to entertain clients and overseas visitors in accordance with the norms of Asian business practices. Quantitative data supporting this idea are contained in Tables 8.4 and 8.5 in Appendix

K. Expatriates report a mean of 5.7 days and 58.6 hours worked each week. The comparable figures for host nationals are only slightly less at 5.5 days and 54.7 hours. The median category for expatriates is 60 hours and for host nationals it is 55 hours. Only one respondent reports working less than 40 hours per week. Working hard seems to be an important way for expatriate managers to 'blend in' and to gain acceptance from local colleagues. In this regard, four specific work-related factors are identified. Namely, the nature of the work, work colleagues, the company culture and the terms and conditions of employment.

8.4.1.1.1 *The nature of the work.* Expatriate managers describe their work using words like "interest", "challenges", "responsibilities" and "opportunities". They mention the feelings of self-worth arising from the need to negotiate a very steep learning curve. The perspective of many expatriates is captured in this statement: "There is a fairly high payoff in terms of intrinsic satisfaction in work" (expatriate, female, 25-34, Canadian, 1 year Hong Kong experience, finance/sports promotion company).

8.4.1.1.2 *Work colleagues.* The importance of supportive colleagues is emphasized, though the source is not confined to one group only. Expatriate co-workers are identified, as are host national peers and Hong Kong Chinese colleagues who have worked overseas. Sometimes a specific person has been particularly helpful, in other cases it has been a group of people. One respondent refers to a good relationship with

the boss and another mentions good support from subordinates such as secretaries.

The need to have colleagues who can be trusted and with whom one feels comfortable is highlighted by several respondents.

8.4.1.1.3 *Company culture.* Some expatriates perceive their company and its culture as a buffer between them and the rest of Hong Kong society: “You are not working totally in a Hong Kong culture” (expatriate, male, 45-54, American, 3 years Hong Kong experience, telecommunications). The extent to which company culture, as a reflection of a familiar national culture, can facilitate adjustment is illustrated by this comment: “. . . my culture shock was greater when I worked for a Swiss bank, . . . being [an] English speaking Canadian [I] felt much more comfortable in a British organization than in a non-British organization” ( expatriate, male, under 25, less than 1 year working in Hong Kong, banking). Another point bearing on the organizational environment has to do with the medium of communication. The quite extensive use of English in business in Hong Kong is seen as being helpful to the adaptation of Anglo-American expatriates. This general view is tempered slightly by the perceptions of managers newly arrived from English-speaking countries, who tend to be more critical about low-level English language standards.

8.4.1.1.4 *Terms and conditions of employment.* The advantages of earning high salaries and being entitled to generous benefits packages are factors mentioned by several expatriate managers. They imply that, whatever difficulties expatriate



managers may face, the material payoff is sufficiently above what they would normally receive in their home country to make it all worthwhile.

#### 8.4.1.2 *A Westernized Milieu*

Hong Kong's cosmopolitan nature, its sophisticated infrastructure and large expatriate community are seen by host national managers to be important factors in adjustment, and features which distinguish Hong Kong from other overseas locations. According to one host national manager: "... so I can perceive expat managers have big culture shock when they go to other Asian countries while Hong Kong in whole Asia - it should present a very little culture shock" (female, 35-44, 20 years work experience, banking). The perceived extent of Hong Kong's Westernization prompted one respondent to suggest that expatriate managers don't encounter major difficulties, while another suggested expatriates do not need any assistance in adjusting to Hong Kong. These ideas are consistent with material discussed in Chapter 7 and in Section 8.2 of this chapter.

Host nationals believe most large organizations in Hong Kong have a Westernized organizational culture. Not only are 'home country' values imported but expatriates are likely to encounter many colleagues from Anglo-American countries in the normal course of their work. Of course, the extensive use of English in the work place is considered to be a key feature in assisting adjustment. One host national suggests

expatriates can feel they don't need to make any changes when working in Hong Kong because they can still speak their own language.

Hong Kong is regarded as receptive to expatriates because local people have a long tradition of working with them as colleagues. Host national managers also feel there has been considerable Western culture 'taken on board' by Hong Kong Chinese who have been educated or worked overseas. It was mentioned however, that the degree of acceptance accorded to expatriate managers does vary between organizations. Greater acceptance can be expected if their arrival is perceived as being an 'added value' to the organization and not seen to block the career advancement of local managers.

#### 8.4.1.3 *Company Support*

Host nationals refer to company literature on where to find various shops and services as an indication of company support to help expatriates to adjust. No other specific company initiatives are identified, though it was implied that work-related perks such as company-leased flats or generous housing allowances facilitate the adjustment process. There are however two areas where host nationals believe that companies could be more pro-active. The first has to do with pre-departure preparation through the medium of written descriptive information about Hong Kong's basic features. The second, concerns the need for someone, already familiar with the environment, to be readily available to answer questions for newly arrived expatriates. Something along

the lines of a mentoring relationship seems to be envisaged. It is usually suggested that it be “someone from their own country” or peers “coming from the same place”, rather than cross-cultural mentoring between an established host national and a newly arrived expatriate. The presence of other expatriates in the work place is perceived as helpful.

#### 8.4.1.4 *Personal Attitudes and Understanding Local Culture*

Besides identifying what factors contribute to the adjustment of expatriate managers to working in Hong Kong, host nationals have views about how expatriates can facilitate their own adjustment. In terms of attitude, host nationals consider it unwise for expatriates to form opinions about Hong Kong prior to their arrival, and suggest that expatriates must consciously shift their thinking away from their home country so as not to give any impression of home country superiority. The tendency to act superior is regarded very negatively by host nationals, though one did see it as quite normal. An appropriate attitude is described by a host national as one based on “. . . the basic philosophy of trust . . . if they [expatriates] can’t communicate trust it doesn’t work” (male, 35-44, 10 years work experience, management training).

Understanding local culture appears to be a critical point. It was raised by a cross-section of host national respondents who feel that expatriates must “understand”, “appreciate” and be “sensitive to the local/Chinese culture”. This is illustrated with the following two comments: “. . . the understanding of the local culture is the sort of



factor which will assist them in adjusting to work in Hong Kong - certainly you have to have an understanding of how the people conduct business in this environment” (host national, male, 45-54, 24 years work experience corporate banking); “More listening to the local Hong Kong people. And try to understand more about our culture because maybe there is some advantage . . . . They have to learn how to use those advantage and to adapt to an existing environment” (male, 25-34, 9 years work experience, financial services).

#### **8.4.2 Adaptation to Living in Hong Kong**

This section categorizes and discusses the ideas of all respondents about the factors which assist in the adjustment of expatriate managers to living in Hong Kong. Similar to the discussion about work, expatriate managers use their own experiences as the basis for commenting upon the more general situation. Host national managers tend to distinguish less clearly between ‘work adjustment’ and ‘non-work adjustment’ and, once again, there is a tendency to answer in terms of ‘would’ or ‘could’ rather than identifying ‘what is’.

##### **8.4.2.1 *Social Contacts***

Expatriates consider a wide variety of non-family relationships to be important. Some respondents were able to contact friends from school or university when they arrived in Hong Kong. Respondents speak about how the existence of a community of expatriates to give advice, and the opportunity to socialize/network/share with people

who have already been through the experience of coming to terms with Hong Kong have proven to be helpful. The category of friends regarded as most important varies considerably between respondents. Some find it useful to make contact with friends from home who have moved to Hong Kong; one woman mentions the importance of socializing with home country nationals of the same age; another mentions the importance of knowing some locals. It is even suggested that relationships should be formed with people who share the same sense of humour.

Given the emphasis expatriates place on their social networks in helping them to adjust, it is interesting to note the comment of an American female expatriate manager in explaining her strategy for continuing to live successfully in Hong Kong: “. . . and I have been quite selfish aligning myself with people who have been in Hong Kong a long time, not mixing too much with people who have just arrived” (25-34, 5 years Hong Kong experience, education). This suggests that even though people who are new arrivals find it helpful to establish social links with those already settled, there may be some resistance from the latter group to ‘go out of their way’ to help newcomers. Partly this may relate to the relatively high turnover of expatriate managers, who may be transferred in on time-limited contracts of 2 or 3 years. For those already established the constant development of new relationships can lead to a form of ‘friendship fatigue’ with respect to the desire to establish social contacts with people who will not be around in the long-term.

Host nationals think that being open-minded, curious, and taking the initiative to know more about Hong Kong are important in facilitating adjustment. There is some suggestion that having a sense of curiosity is linked closely with being open-minded, tolerant and ready to accept living in Hong Kong. Different examples are given such as attending sports and cultural activities “. . . to know this is the way we live and this is what we believe, this is where our culture comes from . . .” and mixing with the community by shopping in the local markets, “. . . don’t confine oneself to living in an apartment and do what they used to do in UK” (host national, male, 35-44, 24.5 years work experience, banking).

Host nationals also recognize the importance of social support from family and friends. One respondent says there is a need for expatriate managers to have their families with them “. . . because it will help them to really focus and concentrate their efforts in the work instead of just missing their families all the time and having emotional ups and downs which will influence their work” (host national, female, 35-44, 14 years work experience, private foundation). The need for friends is considered essential by many, though whether they ought to be local or expatriate is not clear. One respondent suggests that national or ethnic groupings can provide a safety valve for the members of the expatriate family:



. . . if you don't want to mix up with local people after work by all means you can stay on with your ethnic group. This applies to Japanese, Koreans, Americans, British - informal places like the pub, . . . [or] American Club or something or Japanese sort-of-association, so you can always find some place to hide away if you want to - or if you want to open yourself up and join others you can work for those voluntary groups - it's always welcome.  
(host national, male, 45-54, 25 years work experience, management education)

#### 8.4.2.2 *Terms and Conditions of Employment*

The increased material advantages which the expatriate lifestyle has traditionally offered are appealing. A bigger paycheck is perceived by some as having a positive impact on their ability to adapt. Housing is a very valuable commodity in Hong Kong and quite a number of respondents refer to it, citing the advantages of their subsidized accommodation. This varies depending upon personal needs and lifestyle and different features are mentioned: "quiet", "just 10 minutes from work" and living in an a community with large numbers of expatriates "made it a lot easier for my family to fit and provided convenient access to an international school". An expatriate employment package can provide many advantages. One expatriate manager describes it this way: "In this particular job there is all kinds of stuff I never had before . . . money, car, free accommodation, clubs, amah<sup>iv</sup>, free school fees, all kinds of stuff that I didn't have before and I won't have after I leave. My wife hates housework so this is wonderful as far as she is concerned" (male, 45-54, Canadian, 14 years Hong Kong experience, financial services).

This is however an area where change is currently taking place as fewer companies hire expatriates on 'overseas' or 'expatriate' terms. This is partly because these benefits are perceived to be linked to colonial privilege, and therefore regarded as inappropriate in the light of Hong Kong's changing political status. There is also the need for companies to contain costs by standardizing their employment packages as much as possible. Terms and conditions of employment are likely to vary considerably between organizations, but this trend does suggest there will be an increasing tendency for expatriates in Hong Kong to have less of a 'buffer' between themselves and the local community and to experience life in the territory on a more equal footing with local people.

Amongst host nationals there is general agreement about the importance for expatriates of a "comfortable", "convenient", and "appropriate" residence, though opinions on the matter vary considerably. One respondent suggests it is best if the company can take care of accommodation, another sees being single as an advantage because of the high cost of rent in Hong Kong. Someone else believes that because expatriates enjoy company benefits such as housing and a vehicle it is easy for them to adjust because, unlike local people, they are sheltered from high living expenses. The changing nature of the expatriate 'package' is alluded to in a number of the responses. One person suggests that expatriates ought to live in an environment that will suit them and mentions places such as Discovery Bay<sup>9</sup> but goes on to say ". . . I see more

and more expatriates living in housing estates . . . and they can adapt to that too”.

Another respondent says: “I myself live in Laguna City” and there are quite a number of expatriates live there - clubhouse facilities, the environment’s clean and tidy. But they give up space”.

Of course, even now, not all expatriates have such benefits. One respondent feels strongly that being on a local package had been an advantage. It has meant that she has lived in Chinese housing with Chinese people and she believes this has forced her to adapt a lot. There is other evidence in the data suggesting some people respond very well to being immersed totally in the society and that this facilitates, rather than hinders, their adjustment. According to a senior human resources manager, who started his career as a police officer, his complete adjustment to life in Hong Kong has resulted from having an opportunity to work closely with local Chinese, being required to learn to speak Cantonese and “. . . then [to] be totally immersed in a non-English speaking Chinese environment helped me” (male, 35-44, British, 17 years Hong Kong experience).

#### 8.4.2.3 *Language*

Expatriates make two points about the relationship between language and adjustment. In Hong Kong English language media and services are far more readily available than in countries such as Japan and Korea and this facilitates adjustment. Gaining some



mastery in Cantonese is also seen to contribute to adjustment by giving expatriates enhanced feelings of competence in handling their environment. Host nationals strongly encourage expatriates to learn some Cantonese as a part of the adjustment process.

#### 8.4.2.4 *Natural Curiosity and Opportunities to Relax*

Expatriates identify various features about themselves which are helpful in adapting to life in Hong Kong. Foremost amongst these is natural curiosity. A fascination for the culture, the society and the region is seen to be important. Adapting is easier when individuals have a desire to explore and find out, and to be stimulated by a new environment. In this regard, Hong Kong is an excellent location. Not only is there a rich local culture, but there is ready access to many other places of interest in Asia.

The need to develop opportunities for relaxation in line with one's personal interests is considered to be important. For example, walking in one of the country parks or taking short holiday trips outside of Hong Kong. In the words of one young expatriate: "... the only way to take Hong Kong is with a good dose of a break. You can only take so much of it . . ." (male, 25-34, Canadian, less than 1 year Hong Kong experience, advertising). In a similar vein another expatriate says:

. . . getting out on a very regular basis - the need to escape is very important - going to Lantau or Macau used to be okay, but in the last couple of years Hong Kong has encroached on all of those places so it is no longer escaping . . . it doesn't matter where you go it's just the need to get out . . . but I think it involves using your passport.  
(female, 35-44, British, 5 years Hong Kong experience, non-departmental public body)

### **8.4.3 The Failure of Expatriate Managers in Hong Kong**

Both groups of respondents were asked whether they personally knew of any cases where Hong Kong-based expatriate managers had found it necessary to leave Hong Kong before completing their work contracts or work assignments, and if so, what circumstances had made this necessary. Just slightly under 60 per cent (23 respondents) of the expatriates, and about 64 per cent (20 respondents) had the necessary knowledge to answer this question. The data analysis reveals three factors: company-related contingencies, the failure of an individual manager to adjust, and the failure of the family to adjust to Hong Kong. The last point will be discussed in conjunction with the 'Family Adjustment' dimension in Section 8.5.

#### **8.4.3.1 *Company-related Contingencies***

There are a number of straight-forward reasons why expatriate assignments are cut short. These include the decision of a company to restructure internally or to reorient the focus of their activities, thereby removing the reason why a particular expatriate has been recruited into a Hong Kong-based position. Sometimes companies recall expatriates because of an urgent need arising in the company's home base or because there is a promotion opportunity elsewhere. It is also possible for a job assignment to be cut short prematurely for reasons having nothing to do with its being located in Hong Kong. There may be a mismatch between the requirements of the job and the job-holder's skills. It may be that there are problems affecting the organization more

generally - the undertaking of an 'impossible mission', or in-house personnel changes may prompt an expatriate to request being posted back home.

#### 8.4.3.2 *Personal Adjustment/Effectiveness*

The failure of expatriate managers to adjust is attributed to several different kinds of factors. The most straight-forward are those related to the physical characteristics of Hong Kong such as the high population density and other features of big city living. In some cases expatriates, who have never lived abroad previously, find themselves not suited mentally or emotionally to live overseas; a conclusion they reach only once they are *in situ*.

The second group of factors has to do with the high demands of Hong Kong's work environment. Difficulties include the inability to cope with stress and a failure to adjust quickly enough to their work requirements, as well as the long working hours and how, for some managers, these can have a very negative impact on their personal lifestyle. As explained by one respondent:

So, if you want your - you know - five hour evenings, then you're in the wrong place. . . . one guy who left a year ago. Very, very bright guy. But just - you know - this just wasn't the place for him and . . . he's back in Texas and he has long evenings and lives in a huge house and is two hours away from his family and is in seventh heaven.  
(expatriate, female, 25-34, British/American, 3 years Hong Kong experience, telecommunications)



A third group of factors is related directly to the ability of expatriates to cope with the demands of Hong Kong's cross-cultural work environment. These demands may be manifest in various ways. They can arise from the need to balance many factors in everyday management that are not fully comprehended, or the need to adjust to an Asian management style - for example, having a Chinese boss. It may be that it is the extent of the cultural differences which undermine expatriate performance. In describing a situation where an expatriate manager was dismissed because of poor performance a host national respondent states: ". . . they just cannot produce because culture is different. . . . We had to [ask them to leave] . . . They didn't do the right thing" ( male, 35-44, 10 years work experience, management training & development). In another situation where an expatriate was not able to alter his style to suit the local business culture and ultimately had to leave, there was conflict with other managers. According to the expatriate manager who relates this case, he personally found the style to be fine ". . . but it drove the locals insane" (male, 25-34, British, 3 years Hong Kong experience, telecommunications).

Respondents stress the need for expatriate managers to communicate effectively and identify an "inability to communicate" as the source of many problems. This is seen to be related to interpersonal dynamics, rather than specific language ability. One respondent explains what happens: ". . . they just can't seem to develop a repartee, an understanding between themselves and whoever they are talking to" (expatriate, male,

35-44, 17 years Hong Kong experience, Hong Kong conglomerate). A 'lack of fit' between the individual and the demands of the situation is also identified. There is a need for 'diplomacy' and to behave with a 'certain degree of respect' and a 'certain amount of polish'.

The failure of expatriates to manage successfully is also attributed, by the expatriate respondents, to their inability to master the 'politics' of working in a Hong Kong-based organization. A failure to be "politically astute" which could lead, for example, to expatriates being "outmaneuvered by their Chinese managers". One respondent identifies this in terms of 'company politics' where the expatriate is blamed for something going wrong and subsequently removed. His statement about the extent of this problem is as follows: "It happens every year. I mean, I've been in the American Chamber of Commerce now many, many, many years and you see this happening and there are at least a dozen or more every year" (male, 45-54, American, 29 years Hong Kong experience, executive search company).

Overt racism is not identified as a major problem though its existence is not denied. It may be that, at least in the case of host nationals, there was some reluctance to raise the issue during an interview with an expatriate interviewer. One exception is the following excerpt from an interview with an expatriate respondent: ". . . they [expatriate managers] just don't like the Chinese, basically they have some racist

inclination to them and so they just look upon them with disdain and they just move away and often it's a reflection on them. They normally don't do too well when they get back to their home country" (male, 35-44, British, 17 years Hong Kong experience, Hong Kong multinational).

One final point concerns the experience of expatriate managers of Chinese descent who come to work in Hong Kong. The placing of an overseas Chinese into a post in Hong Kong probably requires just as much, and perhaps even more care, than when a non-Chinese expatriate takes on such a position. Such a situation is described as follows:

I have one colleague who has to cut short. The trouble is that he is a Canadian Chinese. If he is a Caucasian I don't think he would have this kind of problem. The problem was that people expected him to speak Cantonese and he didn't speak any; he is a third generation Canadian . . . they expect this guy who looks Chinese to speak their language . . . they just exclude him.  
(host national, male, 35-44, 15.5 years work experience, education)

### **8.5 Family Adjustment**

This section explores expatriate family adjustment in Hong Kong. Approximately two-thirds (66.7%) of the expatriate respondents have a family-oriented domestic arrangement. Family adjustment to Hong Kong is reported to be relatively high with a full three-quarters (76%) having adjusted to a 'great extent'. A majority of the



expatriates in this study acknowledge the 'great' or 'very great extent' to which family adjustment has had an impact on their own work performance. These data are displayed in Tables 8.6 and 8.7 in Appendix L.

Expatriate and host national respondents are highly consistent in identifying problems related to the adjustment of spouses and family members as the most frequent reason for expatriate assignments to fail in Hong Kong. Stated succinctly by one expatriate respondent: "Once the family situation starts to crumble, it's good-bye". Family issues are perceived to be far more important in causing assignments to deteriorate to the point of break-down than factors associated directly with work. The following anecdote typifies this issue:

I remember there is a guy - an Australian - and his family just couldn't take it and the wife and children packed up and left, so he had to just follow suit. And he himself was quite prepared to stay on. But, because of family pressure he just had to give up and go.  
(host national, female, 35-44, 12 years work experience, retail)

The reasons for the difficulties vary, though the unhappiness of wives with life in Hong Kong is often mentioned: "... the wives don't like it here"; "wife threatened divorce ... said I'm going home ..."; "... their wife committed suicide because she couldn't deal with life here". In some cases this may be associated with women having given up a career to accompany their husbands overseas, only to discover the language and cultural barriers prevent them from finding suitable employment, though the phenomenon is by no means confined to women alone. Increasingly women managers

are arriving in Hong Kong with a 'floating' husband who experiences difficulties in obtaining work.

Hong Kong is not considered to be a good place for expatriate teenagers. This issue is at the forefront of those raised specifically by expatriate respondents. Involvement with drugs appears to be a major problem as indicated in the following comment:

"Again, every year - maybe two or three that I know of - have to leave Hong Kong because their children have been arrested on drugs and so on" ( expatriate male, 45-54, American, 29 years in Hong Kong, management consultant).

Additionally, the demands of long hours and social commitments, where spouses are not always welcome, are perceived as taking a heavy toll on family life. Expatriate positions in Hong Kong can include responsibilities in China or other parts of Asia, forcing managers to spend a considerable amount of time traveling. Limitations imposed by the physical environment (" . . . there wasn't any grass for the children to play on . . .") can prove stressful. There can also be problems with ensuring suitable schooling , particularly in the case of non-Cantonese speaking children who have special learning needs.

## 8.6 Summary

Both expatriates and host nationals are conscious of the opportunities arising from Hong Kong's dynamic economic growth and both younger respondents and women believe this operates in their favour. There is a positive reaction to the fast pace with which business is conducted, the international character of the city and the resulting challenges this presents for managers. Modern communications and transportation, and the availability of a skilled labour force are viewed similarly. Respondents also affirm that financial reward is one of the features they like most about working in Hong Kong. There is some ambiguity about interpersonal relationships. On the one hand, expatriates express good feelings about their colleagues, on the other hand they point out their feelings of frustration and unhappiness associated with certain facets of their relationships with host nationals. The latter group only refer to interpersonal relationships in very personal terms. For example, a poor relationship with their boss. Apart from their comments about Hong Kong's international character they do not seem to perceive their relationships with expatriates as being a feature which they either like or dislike about working in Hong Kong.

Inevitably perhaps expatriates regard culture shock as being more of an occupational hazard than do host nationals, although they regard the term culture shock as probably being too strong in characterizing what occurs when expatriates are confronted with Hong Kong's cultural differences. Hong Kong is seen to be relatively Westernized and possessing a sophisticated infrastructure, and these ameliorate the potential for



culture shock. The nature of working relationships and patterns of communication are identified as areas where cultural differences exist. The coping strategies of expatriates at work include establishing a suitable 'mentoring' relationship, changing individual behaviour in line with local norms and behaviours, by either being more circumspect or more forthright. When it comes to cultural differences experienced outside of the workplace, an open-minded and pragmatic approach is suggested as a way of meeting the challenges of daily living in a crowded and busy Oriental city. Throughout the discussion there is a strong sense that handling some cultural differences is simply a part of living overseas and, certainly in Hong Kong, it is reasonable to expect that expatriates can develop suitable coping strategies.

Living outside of one's home country does tend to make people more aware of their own culture and to broaden their perspective on the world, though a heightened understanding of personal values may result with expatriates insisting upon very clearly defined personal boundaries in relation to the host national culture. Nationality may at times be a consideration, especially with other expatriates, but it is seen as less significant than the more obvious fact of being a foreigner in a relatively homogeneous society. The major problems mentioned by Anglo-American expatriates concern the limitations imposed by an urban, densely populated environment, the tedium of accomplishing routine daily tasks and the difficulty of integrating into the host national society. Expatriates stress the importance of building good interpersonal relationships and working hard to facilitate communication. In addition, they emphasize their

personal growth and often refer to the various strategies they use not only to cope with, but to get the most out of the 'expatriate experience'. This is not a passive approach. It is through engagement in a process of active learning that they have derived the benefits of expatriation which they identify. The objective and subjective dimensions of new experiences are continuously incorporated into their own understandings which, in turn, undergo frequent modification.

Adaptation to Hong Kong is perceived, by expatriates and host national managers, to be generally satisfactory. There is a belief that adaptation to work occurs to a greater extent than adaptation to living; a view held more strongly by host nationals than by expatriates. The latter group stress the central importance of work and identify intrinsic satisfaction derived from employment, supportive work colleagues and the company culture as important factors in adapting to work. Host nationals emphasize the Westernized character of the Hong Kong environment, the Westernized organizational culture of many companies, and a work force well-adapted to working with foreign managers. When adaptation to living is considered, expatriates regard work and work-related benefits as influencing this area as well as having access to a suitable social circle, and certain personal characteristics such as having a desire to explore and learn about Hong Kong and Asia. Possession of natural curiosity on the part of expatriates was considered important by host nationals, who believe the existence of appropriate social support, and the generally good employment and living conditions of expatriates facilitate adjustment. The unsuccessful adaptation of families

to life in Hong Kong is identified by both expatriates and host national managers as a major factor affecting the premature termination of expatriate managerial assignments.



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<sup>1</sup> This refers to a company option whereby staff can forfeit their annual holidays in exchange for a cash payment.

<sup>2</sup> The ability of Hong Kong Chinese to communicate in English often seems to be overestimated. This may stem partly from the perception outside Hong Kong that, as a British colony, English has been taught extensively in the schools for many decades. However, even local people will overestimate the extent to which English can be used - i.e. bilingual Chinese, who always communicate in Cantonese, but can also speak English, do not really understand the problems which may be encountered if a person is not able to communicate in Cantonese in Hong Kong.

<sup>3</sup> *Feng shui* is the belief that "the relative positioning of buildings and furniture in relation to each other and in relation to the physical environment, can influence the events that occur to the occupants of the buildings" (Ekblad in Bond (1996):384).

<sup>4</sup> *Amah* is a term which refers to a domestic helper, who is often responsible for child care in addition to housekeeping duties.

<sup>5</sup> Discovery Bay is a suburban community on Lantau island, known for its safe, clean and green environment. It is about a 30 minute ferry ride from Central Hong Kong. There is currently no road access. The community is relatively low-rise, has a middle class character and tends to attract many expatriate families.

<sup>6</sup> Laguna City is located on the eastern Kowloon peninsula. It is a private housing development designed to cater to middle class families. It is more of a high rise development and has a greater population density than Discovery Bay; the flats are generally smaller and the facilities not as extensive.

## **CHAPTER 9**

### **SELECTION AND TRAINING**

Data collected from expatriates and host nationals concerning selection and training issues are introduced in this chapter. This includes some questions from the dimension on 'Organizational Context' and all of the questions which were collected for the dimensions of 'Selection Criteria' and 'Training'. The chapter provides information about the experiences of expatriates in being selected and the mechanisms used in the process, the opinions of study respondents about the usefulness of using domestic performance as a key selection criterion for an overseas job, and their ideas about what important criteria should be used when selecting managers to work in Hong Kong. The extent to which companies regard overseas experience as important is explored. So too are the ideas of expatriate and host national respondents about training for expatriate managers and their families. The purpose of training is examined in relation to the typical host national groups an expatriate working in Hong Kong encounters. The chapter ends with a discussion about pre-departure training.

#### **9.1 Selection Mechanisms**

Expatriates were asked to identify which mechanisms their organizations use to select managers for an overseas assignment. Many were unable to respond because they did not have the necessary information or it did not apply to their particular circumstances as for example, in a case where an expatriate was the manager of his/her own business.

The data, from 21 respondents, presented in Table 9.1 represent the top five choices from a list of 10 possibilities. The categories are not mutually exclusive.

**Table 9.1** Mechanisms Used to Select Managers for Overseas Assignments:  
Expatriates

Selection Mechanism	<i>f</i>	Rank Order
One to one personal interview	19	1
References	15	2
'Word of mouth' (i.e. personal contact)	14	3
Executive search ('head hunters')	13	4
Advertisement	9	5

The selection mechanisms are standard ones, with a clear emphasis on the face-to-face personal interview. These rather limited data do imply an interesting point about the importance of personal suitability. Advertisements generate applications which can be screened for formal qualifications and experience, whereas the other mechanisms more readily lend themselves to assessing characteristics such as personality and social finesse. In particular, the emphasis given to 'word of mouth' would seem to support this point as it implies someone giving an informal, but frank and confidential, assessment about the suitability of an applicant for an expatriate assignment.



## **9.2 Selection Experience**

Expatriates were questioned about why they had been selected to come to Hong Kong and, if they had been recruited from within their company, the nature of the selection process. It was not possible to discern any particular themes from these data as the responses varied extensively. Past work record, relevant professional qualifications, previous experience in the region, having a good working relationship with the previous incumbent while still located in the home country, and through mutual agreement with the company are all mentioned. So too are being contacted by a recruitment agency (i.e. being 'headhunted'), being recommended by 'word of mouth' and even in one instance being in a position to self-select onto the short list of potential candidates. In several cases, respondents had come to Hong Kong expressly to look for a suitable job.

## **9.3 Standard Selection Criteria**

Respondents were requested to indicate the extent to which the factors of 'Medical Fitness', 'Needed Expertise', 'Adaptability', 'Maturity' and 'Emotional Stability' should be taken into account when expatriate managers are selected to work in Hong Kong. These data are presented in Table 9.2 on the next page.

**Table 9.2 Criteria to Select an Expatriate Manager For Hong Kong: All Respondents**

Criteria: To What Extent Taken Into Account	Expatriates		Host Nationals	
	<i>f</i>	%	<i>f</i>	%
<b>Medical Fitness*</b>				
To a very great extent	5	12.8	5	16.1
To a great extent	10	25.6	19	61.3
To a moderate extent	11	28.2	5	16.1
To a little extent	8	20.5	1	3.2
To a very little extent	5	12.8	1	3.2
Total	39	100.0	31	100.0
<b>Needed Expertise</b>				
To a very great extent	15	38.4	15	48.4
To a great extent	20	51.3	14	45.2
To a moderate extent	4	10.3	2	6.5
To a little extent	-	-	-	-
To a very little extent	-	-	-	-
Total	39	100.0	31	100.0
<b>Adaptability</b>				
To a very great extent	22	56.4	15	48.4
To a great extent	12	30.8	12	38.7
To a moderate extent	4	10.3	4	12.9
To a little extent	1	2.6	-	-
To a very little extent	-	-	-	-
Total	39	100.0	31	100.0
<b>Maturity</b>				
To a very great extent	9	23.1	7	22.6
To a great extent	16	41.0	18	58.1
To a moderate extent	11	28.2	6	19.4
To a little extent	2	5.1	-	-
To a very little extent	-	-	-	-
Do not know	1	2.6	-	-
Total	39	100.0	31	100.0
<b>Emotional Stability</b>				
To a very great extent	18	46.2	15	48.4
To a great extent	13	33.3	12	38.7
To a moderate extent	5	12.8	3	9.7
To a little extent	1	2.6	1	3.2
To a very little extent	1	2.6	-	-
Do not know	1	2.6	-	-
Total	39	100.0	31	100.0

\* The test is significant at  $\alpha = 0.05$  according to the Mann-Whitney U test.

The criteria of 'Adaptability' and 'Emotional Maturity' tend to be ranked highly. Expatriates in particular place considerable emphasis on the ability to adapt. 'Needed expertise' is also considered to be important. In line with opinions expressed elsewhere in the interviews, host nationals tend to believe quite strongly that the holding of jobs by expatriates needs to be justified in terms of bringing to Hong Kong expertise not otherwise available. There is substantial agreement with this point-of-view from expatriates, though their overall emotional reaction may be less intense.

This could be why, when the Mann-Whitney test is applied, there is a significant difference between the opinions of expatriates and host nationals about the importance of 'Medical Fitness'. Although expatriates identify Hong Kong as a stressful work environment it is not likely that they perceive it as a physically taxing location and besides, it is a place where modern medical facilities are readily available. Host nationals, on the other hand, who are keen to ensure expatriates come to Hong Kong with something unique to offer may feel that a part of this must be an assurance that a person is medically fit to perform his/her duties.

#### **9.4 Domestic Performance as a Key Selection Criterion**

The literature indicates an emphasis continues to be placed on a successful home country performance when managers are recruited for overseas posts, despite no strong evidence to support a link with success as an expatriate manager. This issue



was explored with host nationals, who have a range of opinions. About a third regard the idea of basing an overseas posting on domestic performance to be “reasonable”, a “good idea”, or “the only possible criterion”. Such a historical perspective is seen to be relatively objective, especially when compared with trying to determine a person’s adaptability, which is referred to by one respondent as simply an “educated guess”. A much smaller group of host nationals suggest it depends very much on the nature of the overseas assignment. For specific technical positions which are internal to the organization it might be appropriate, but for jobs such as marketing, home country performance may be of limited relevance.

Most host nationals accept that domestic performance is only one factor to be considered along with a number of other factors. They suggest it would be “risky” and “not totally wise”, and even “wrong” to focus on only one criterion. One host national expresses it this way:

. . . if you are sending him to a quite different country in terms of culture, language, way of operation, then I think this could be quite dangerous. Rather the emphasis should be placed on the manager’s adaptability, flexibility, and also his exposure and experience in these overseas countries and cultures.  
(male, 45-54, 25 years work experience, management development)

Additional criteria to be considered are discussed in another section of this chapter, however the following statement captures the essence of what many host nationals had to say on this point: “For people to work overseas they must - apart from being good technically and professionally - they must have the character of being able to adapt to a

new environment and to understand the other people” (host national, female, 35-44, 21 years work experience, performing arts administration).

### **9.5 Key Selection Criteria For Hong Kong**

The selection criteria that the study respondents would use to select an Anglo-American expatriate for a managerial position in Hong Kong can be grouped into four general categories. By far the most important criterion is considered to be an individual’s personal attributes, including good interpersonal skills. Previous international working experience, preferably in the Asia Pacific region is the next most important criterion with suitable technical skills/professional qualifications regarded just a little less highly. Finally, language skills are mentioned, particularly by expatriates who suggest that this must be an important consideration when anyone is being recruited to undertake China-related business.

#### **9.5.1 Personal Attributes**

Expatriates and host nationals are highly consistent in what they regard as essential characteristics for Hong Kong-bound expatriates. Frequently cited terms include: “flexibility”, “adaptability”, “open-minded”, “tolerance” and “strong people skills”. This is usually presented in terms of working cross-culturally in line with the sentiments of this respondent: “. . . the aptitude and attitude to work with people of different backgrounds” (host national, female, 35-44, 20 years experience, tertiary education). Motivation is also considered to be a critical factor. This relates to being

committed to working overseas and having a genuine interest in the learning opportunities provided by an assignment in Hong Kong beyond merely reaping the material rewards of an overseas job. Host nationals suggest it may be necessary to screen for racial prejudice, and expatriates emphasize the need to ensure the existence of a strong personal work ethic.

### **9.5.2 Technical/Professional Skills**

Expatriates in particular mention the need for appropriate qualifications and the need to match individual skills with job requirements. One expatriate indicates that technical qualifications should be given priority over personal attributes and a host national takes the view that the only justification for bringing expatriates into Hong Kong is because they have a particular expertise which is not locally available and must be imported. However, the following quote provides quite a different perspective:

You can get by with limited technical skills if you have excellent interpersonal skills. You cannot get by if you have excellent technical skills and terrible interpersonal skills, so I would say interpersonal skills is probably the number one criteria.  
(expatriate, male, under 25, Canadian, less than 1 year Hong Kong experience, private banking)

Even when not stated directly, it is certainly implied that superior social skills and a 'good' personality are likely to have a greater positive impact on an expatriate manager's success than simply technical expertise.



### 9.5.3 Overseas Experience

Experience working and living abroad is mentioned by both expatriates and host nationals as something to be considered before employing an expatriate manager in Hong Kong. There is a preference for Asian, rather than European experience, but there is a general recognition that individuals with some international experience stand a better chance to adjust and work successfully. In the absence of overseas work experience, then a background of international travel could be evidence of an individual's genuine desire to take on the challenges of an expatriate posting. Although, as with the qualifications criterion, respondents expressed considerable flexibility about this criterion:

. . . I think that often time, an individual's potential is as important as what they've done in the past. . . . I think a smart individual can confront a whole series of situations and adapt to them and learn very very quickly. And if they haven't done them before sometimes you get interested in them and you deal with them much more energetically and, in the end, handle them better than somebody that's done it a hundred times.

(expatriate, male, 45-54, American, 29 years Hong Kong experience, executive search company)

### 9.5.4 Language

A fourth category of recruitment criteria centres on the issue of language. This is more of a concern to expatriates than host nationals, who do not have high expectations about expatriates being able to communicate in Chinese. Expatriates often express their views about language in terms of the ideal - that is, fluent in both Cantonese and English, but a number make the point that for anyone with

responsibilities related to China it is important for them to either be fluent in, or at least prepared to learn, Putonghua.

### 9.6 Expatriation: Company Support

This section examines the answers of expatriates to questions about the extent to which their companies support expatriation as an important aspect of their career development and what pre-departure training was made available to expatriates when they took up their jobs in Hong Kong. Table 9.3 and 9.4 display these data, which are somewhat limited because of the number of expatriates who were not able to respond to the questions. About one-half of the expatriate respondents in this study work in companies where overseas experience is seen to be important to at least 'a moderate extent'. The active career planning support that companies provide is relatively limited with less than a third of the respondents rating this at better than or equal to 'a moderate extent' and no one indicating it take place to 'a very great extent'.

**Table 9.3** Extent to Which Company Regards Overseas Experience as an Important Component of an Expatriate Manager's Career Development: Expatriates

Degree of Extent	<i>f</i>	%
To a very great extent	3	10.7
To a great extent	10	35.7
To a moderate extent	7	25.0
To a little extent	4	14.3
To a very little extent	4	14.3
Do not know	4	Missing
Not applicable	7	Missing
Total	39	100.0

**Table 9.4** Extent to Which Company Engages in Active Career Planning With Managers Who Undertake Expatriate Assignments: Expatriates

Degree of Extent	<i>f</i>	%
To a very great extent	-	-
To a great extent	7	31.8
To a moderate extent	4	18.2
To a little extent	3	13.6
To a very little extent	8	36.4
Do not know	6	Missing
Not applicable	11	Missing
Total	39	100.0

### 9.7 The Need For Training

There is strong support in favour of training. Expatriates use words and phrases such as “useful”, “very important”, and “absolutely vital”, and several mention the importance of including spouses and families in any training initiatives. Whilst acknowledging the greater need of individuals without previous overseas experience, the premise that pre-departure training helps all potential expatriates to shape appropriate expectations about life in Hong Kong is supported. Host nationals describe training as “essential”, “necessary”, and “very important”, with the caveat that previous overseas experience has a direct bearing on individual training needs.

Only a small minority of respondents indicate there is no role for training in assisting Anglo-American expatriates to adjust and work successfully in Hong Kong. One



expatriate suggests that a day of pre-departure training “wouldn’t hurt”, one believes there is little real need for cross-cultural training these days, another thinks that if companies select well then cross-cultural training is not important, whilst a fourth suggests Hong Kong is “not a hard place”. This view is echoed by a few host nationals, one of whom believes only a “moderate” need for training exists because Hong Kong is just “another city”.

### **9.8 Support For Different Areas of Training**

Respondents were asked to determine the importance they would give to four training areas if they were designing a training programme for an Anglo-American expatriate with no previous work experience in Hong Kong. Table 9.5 presents the data. In general cross-cultural management is seen to be the most important, whereas general management is the least important area. This is presumably because only experienced managers are chosen for expatriate assignments, making general training unnecessary.

The importance of cross-cultural training is rated as ‘Great’ or ‘Very Great’ by around 75 percent of the expatriates compared to over 93 percent of the host nationals. This discrepancy may be a product of the fact that the expatriates in this study are well-adjusted in Hong Kong and, in most cases, they have not had any formal training. There are also those expatriates who have worked in less developed places, facing cultural and linguistic barriers greater than in Hong Kong, which they have then experienced as a posting where cross-cultural issues can be handled effectively without

any formal training. Host nationals rate international business training and managerial training as more important than expatriates, though this may be because they distinguish less precisely between managerial, cross-cultural and international business training than do native speakers of English.

**Table 9.5 Importance of Different Training Areas: All Respondents**

Training Area	Extent of Importance	Expatriates		Host Nationals	
		<i>f</i>	%	<i>f</i>	%
<b>Managerial Training</b> (General Management Functions)	To a very great extent	2	5.1	3	9.6
	To a great extent	11	28.2	8	25.8
	To a moderate extent	13	33.4	8	25.8
	To a little extent	6	15.4	20	32.3
	To a very little extent	7	17.9	2	6.5
	<b>Total</b>	39	100.0	31	100.0
<b>Cross-Cultural Training</b>	To a very great extent	15	38.5	10	32.3
	To a great extent	14	35.9	19	61.3
	To a moderate extent	7	17.9	2	6.5
	To a little extent	2	5.1	-	-
	To a very little extent	1	2.6	-	-
	<b>Total</b>	39	100.0	31	100.0
<b>International Business Training</b>	To a very great extent	7	17.9	10	32.3
	To a great extent	15	38.6	12	38.7
	To a moderate extent	7	17.9	7	22.6
	To a little extent	7	17.9	1	3.2
	To a very little extent	3	7.7	-	-
	Do not know	-	-	1	3.2
	<b>Total</b>	39	100.0	31	100.0
<b>Language Training</b>	To a very great extent	6	15.4	5	16.1
	To a great extent	5	12.8	7	22.6
	To a moderate extent	12	30.8	5	16.2
	To a little extent	10	25.6	13	41.9
	To a very little extent	6	15.4	1	3.2
	<b>Total</b>	39	100.0	31	100.0

Over 40 percent of all respondents rate the importance of language training to be 'Little' or 'Very Little'. Despite a 28 percent concentration of responses in the top two categories of 'Great' or 'Very Great', this is an area where respondents express considerable ambivalence. Language training is described as "very helpful", yet upon closer examination a somewhat more complex picture emerges. Language skills are recognized as being particularly useful for day-to-day conversations about practical matters - shopping, giving instructions to taxi drivers. However, expatriates emphasize that, unless a person has studied Cantonese or Putonghua prior to his/her arrival in Hong Kong, it is only the rare individual who will attain a level of fluency sufficient for business purposes.

### **9.9 The Timing of Cross-Cultural Training**

Respondents were asked about whether cross-cultural training ought to take place prior to the posting abroad or if it had greater potential to be effective if it was conducted after the manager had worked in the host culture for a brief period of time. As indicated in Table 9.6 there is substantial support, especially from expatriates, for cross-cultural training once expatriation has occurred.



**Table 9.6** Support For Cross-Cultural Training After Overseas Posting:  
All Respondents

Extent of Agreement	Expatriates		Host Nationals	
	<i>f</i>	%	<i>f</i>	%
To a very great extent	13	33.3	6	19.4
To a great extent	13	33.3	9	29.0
To a moderate extent	11	28.2	9	29.0
To a little extent	1	2.6	6	19.4
To a very little extent	1	2.6	1	3.2
Total	39	100.0	31	100.0

Indeed, a theme which emerges consistently from the data, is the need to think in terms of different training paradigms for pre-departure and *in situ* training. Prior to departure there is seen to be a need for a thorough practical briefing, together with some prescriptive advice about basic ‘do’s’ and ‘don’ts’. However, both expatriates and host nationals generally consider it inappropriate to offer in-depth training to expatriates prior to their overseas posting because, without any exposure to their new environment or “hands-on experience” with local people, ideas cannot be put into a proper perspective and may even be resisted. As two respondents explain:

. . . after a few months of experience of the place . . . some in-depth cross-cultural training ‘cos then you’ve had some experience and you’ve got a lot more questions - you can relate to it more effectively. And that should take place in Hong Kong rather than in an environment where you can’t really understand what’s going to happen to you.  
(expatriate, female, 35-44, Australian/Swiss, 6 years work in Hong Kong, finance - corporate body)

[pre-departure training] . . isn't quite as effective because there'll be some resistance in those people to believe what you're telling them and you'll be saying this, this and this will happen to you and they'll go 'nah, can't possible be like that' - to there'll be resistance . . . .  
(expatriate, male, 25-34, British, 3 years work in Hong Kong, telecommunications)

This approach is characterized as being "just like doing an MBA programme" (host national, male, 35-44, 20 years experience, commercial security, public service), where trainees are often assumed to have, as a framework for their studies, relevant work experience.

Besides a lack of experience, a number of other reasons are given to support a differential approach to training. It is suggested that expatriates, particularly if it is their first work assignment overseas, may underestimate the cultural differences to be faced and will therefore be dismissive of cross-cultural training prior to arrival. The practical demands of moving, including a need for a great deal of basic information, are often pressing just before departure, leaving little energy for other activities. Some expatriate respondents also point out that the characteristics of Hong Kong's particular culture are not explained easily and, when people do not have first-hand experience, negative stereotypes may be developed or reinforced and can "lead to more difficulty than enlightenment".

#### **9.10 The Purpose of Cross-Cultural Training in Hong Kong**

Respondents' opinions about five different target areas for cross-cultural training in Hong Kong were collected. These data are displayed in Table 9.7 on the following page.



**Table 9.7** The Importance of Different Areas of Cross-Cultural Training in Hong Kong: All Respondents

Training Area	Extent of Importance	Expatriates		Host Nationals	
		<i>f</i>	%	<i>f</i>	%
<b>Interact More Effectively With Chinese Subordinates</b>	To a very great extent	9	23.1	11	35.5
	To a great extent	22	56.4	15	48.4
	To a moderate extent	5	12.8	4	12.9
	To a little extent	1	2.6	1	3.2
	To a very little extent	2	5.1	-	-
	<b>Total</b>	39	100.0	31	100.0
<b>Interact More Effectively With Chinese Peers</b>	To a very great extent	11	28.2	11	35.5
	To a great extent	19	48.7	16	51.6
	To a moderate extent	5	12.8	3	9.7
	To a little extent	3	7.7	1	3.2
	To a very little extent	1	2.6	-	-
	<b>Total</b>	39	100.0	31	100.0
<b>Interact More Effectively With Chinese Superiors</b>	To a very great extent	12	30.8	15	48.4
	To a great extent	19	48.7	12	38.7
	To a moderate extent	5	12.8	4	12.9
	To a little extent	2	5.1	-	-
	To a very little extent	1	2.6	-	-
	<b>Total</b>	39	100.0	31	100.0
<b>Interact More Effectively With Chinese Business People Outside of Own Organization</b>	To a very great extent	14	35.9	11	35.5
	To a great extent	17	43.6	15	48.4
	To a moderate extent	7	17.9	4	12.9
	To a little extent	1	2.6	-	-
	To a very little extent	-	-	-	-
	Do not know	-	-	1	3.2
	<b>Total</b>	39	100.0	31	100.0
<b>Interact More Effectively With Local Chinese People Outside of Own Organization</b>	To a very great extent	7	17.9	2	6.5
	To a great extent	12	30.8	8	25.8
	To a moderate extent	11	28.2	17	54.8
	To a little extent	7	17.9	4	12.9
	To a very little extent	2	5.1	-	-
	<b>Total</b>	39	100.0	31	100.0

The data in Table 9.7 suggest differing perspectives between expatriates and host nationals with respect to interacting with Chinese superiors and local people outside of the work environment. When the internal work situation is considered there is substantial agreement about the need to help expatriates to interact more effectively with their Chinese subordinates and peers. However, interaction with Chinese superiors appears to be regarded as somewhat more important by host nationals. Their modal category is '5', with a mean of 4.36 and a standard deviation of 0.71, in comparison with the expatriates whose modal category is '4', with a mean of 4.00 and a standard deviation of 0.95, though the difference is not significant. A second issue concerns the differing importance placed on training for interaction with local Hong Kong people outside of the work place. The means are similar, 3.3 for host nationals and 3.4 for expatriates, but the modal category is '3' for the former group and '4' for the latter. Over 48 percent of the expatriates consider such training to be of 'Great' or 'Very Great' importance, whilst the comparable figure for host nationals is only 32 percent.

### **9.11 Pre-Departure Training**

Only three expatriate managers report having received any pre-departure training and in only one case was training made available to the family. One expatriate working for an American telecommunications firm reports being briefed prior to his arrival. A briefing plus a discussion and sensitivity training were received by another manager employed with the same organization. Whilst the pre-departure training of a third

person, arranged by the Hong Kong government, consisted of a briefing plus discussion, and an opportunity to meet with managers who had undertaken the same assignment previously. Even when taking into account that over one-half of the respondents in this study did not enter their posts through the 'traditional' method of transfer directly from their home country, the general lack of attention to any kind of pre-departure training is apparent. The issues of both pre-departure training is explored in the remainder of this chapter.

#### **9.11.1 Approaches to Pre-Departure Training**

Respondents suggest a variety of pre-departure training strategies. For the purposes of a straight forward pre-departure briefing it is considered appropriate to draw on material produced already by the Hong Kong Tourist Association, the Trade Development Council and the various Chambers of Commerce in Hong Kong. From the host national interviews come several suggestions about arranging pre-departure meetings with either expatriates who have had Hong Kong experience or Hong Kong Chinese. These 'buddy meetings' would give people an opportunity to pick up some key points from managers who had experienced expatriation in Hong Kong.

A day or a week of pre-departure training is dismissed by one host national human resources manager as "not very effective". He characterizes such things as learning how to use chopsticks or to use a few Cantonese phrases, as being "for tourists", and not suitable for managers who have to interact with host nationals on a daily basis.



Instead, a comprehensive, immersion experience is favoured. This could involve posting an individual to a multicultural environment within their own country. For example, work could be based in a Chinatown area. The logistical problems make this an ideal rather than a practical option in most cases, but the point which this host national manager emphasizes is the need for a level of learning which extends beyond merely providing information.

### 9.11.2 The Content of Pre-Departure Training

The pre-departure training favoured by many respondents takes the form of a factual briefing about Hong Kong, supplemented with specific advice designed to avoid embarrassment during initial contacts with host nationals. The following table outlines the major briefing issues arising from the study interviews.

**Table 9.8** Pre-Departure Briefing: Important Areas For Hong Kong

<b>Facts</b>	<b>Practical Issues</b>	<b>Perspective on Society</b>
Weather	Transportation	History
Geography	Schooling	Cost of living
Government structure	Accommodation	Lifestyle
Basic infrastructure	Medical facilities	Business environment
Economy; standard of living	Hiring domestic help	Social values: emphasis on money
Social structure of society	Immigration - e.g. need for identity card	Work: attitudes, pace, requirements
	The company and their work role	Broad introduction to Chinese culture & traditions
	Recreation: need to book movie tickets & make travel plans well in advance of holiday periods	Awareness of possible negative factors - lack of space, pollution, limited leisure facilities

With the exception of several respondents who regard pre-departure training as a procedure to 'screen out' inappropriate candidates, most respondents see it as preparation for the practical aspects of life in Hong Kong, and an opportunity to help people develop realistic expectations concerning their new work assignment. There is only limited support for teaching Cantonese prior to arrival. Without exposure to the language and perhaps without confronting directly the common misconception that "everyone in Hong Kong speaks English", it is not seen to be important. The often short preparation time and the need to start work very soon after arrival tend to limit what can be included in any pre-departure programme.

Some specific issues are identified as important for expatriates right from the beginning so as to avoid embarrassment and/or giving offence. These include basics, such as having a ready supply of business cards to exchange when meeting new people in either business or social situations, to more serious matters having to do with attitudes and behaviours. Status is very important in Hong Kong. Expatriates will be expected to be conscious of the status of senior host national colleagues and business contacts and tailor their public behaviours accordingly. This norm varies considerably from the more relaxed approach often taken in North America or Australia. Conversations with sexual overtones, or jokes, which in an Anglo-American society might be regarded as amusing, are highly inappropriate and Hong Kong Chinese are very likely to find them to be offensive.

### 9.12 Summary

Host nationals regard expatriates as sources of expertise and knowledge, consequently they believe this should be emphasized in the selection criteria, together with medical fitness. Both host nationals and expatriates rate adaptability and emotional maturity as relatively important criteria. Domestic performance is seen to be a necessary, but not sufficient criterion, for an overseas posting. Individuals with strong “people skills”, who are adaptable and, if possible, with overseas experience in Asia are preferred. Expatriates place more emphasis on Chinese language skills than do host nationals.

A majority of the respondents support training for expatriate managers. Some mention, in addition, the importance of including the expatriate family in any training strategy. Cross-cultural training is perceived to be the area of greatest need, though in-depth training is favoured only after an expatriate has lived and worked in Hong Kong for at least a brief period. Otherwise, the impact of training will be undermined by the cognitive state of the individual which reflects the lack of experience and the need to focus on the practical demands of moving abroad. Host nationals place slightly more importance on training for interaction with superiors than do expatriates, which may be indicative of the higher regard paid to status in Chinese societies. They also tend to see training for interaction with non-business people as less important than expatriates. This could reflect a perception that expatriates do not need to, or are not interested in, interacting with the society around them. Finally, respondents make a clear distinction between factual pre-departure briefing and in-depth *in situ* training.



## **PART THREE - DISCUSSION AND CONCLUSIONS**

### **CHAPTER 10**

#### **ANGLO-AMERICAN EXPATRIATE MANAGERS: CROSS-CULTURAL MANAGEMENT IN HONG KONG**

Hong Kong has a unique history of combining Eastern and Western cultures and, in many ways, is one of the most Westernized places in East Asia. In the light of this, it is reasonable to expect that the managerial behaviours which Anglo-American expatriate managers have used previously in their own countries will be equally as effective in Hong Kong. However, the first issue explored in this study, namely the nature of cross-cultural management involving Anglo-American expatriate managers and Chinese host national managers, has determined that particular problems of misunderstanding and miscommunication do arise. These problems undermine the development of good working relationships and can, ultimately, have a negative impact on organizational efficiency and effectiveness. The study has also uncovered strategies which expatriate and host national managers can use to modify their interactions so as to ameliorate these problems and enhance the overall effectiveness of their work. In this chapter the most important findings in relation to these cross-cultural management issues in Hong Kong are identified and discussed.

#### **10.1 The Impact of Culture**

The convergence thesis suggests that, in the case of a society such as Hong Kong which has industrialized and is now moving towards a post-industrial economy, managerial philosophies and behaviours will resemble those of countries which have

already undergone this economic transformation. In contrast, the divergence thesis argues that even though societies may converge on a macro-level with respect to technological development and organizational systems and structures, micro-level management practices will continue to diverge in line with the cultural norms of different societies (Child 1981a). This study has found that the latter perspective is accepted to a greater extent by expatriates than by host nationals, and that within both groups there are respondents who point out the impact of other variables such as age, education, and work experience on management practices in Hong Kong.

Nevertheless, the research data support the conclusion that management behaviours in Hong Kong are influenced extensively by culture. For host nationals, this is identified for both cross-cultural situations and those where only Chinese are involved, such as in small family-run businesses. Many of the behaviours and attitudes described in this study in relation to decision making, problem solving and handling conflicts in Hong Kong can be understood in terms of factors which have previously been identified as characteristic of Chinese societies. Similarly, expatriates identify distinctive preferences in their approaches to management arising from their Western backgrounds. Thus, this study supports the idea that the imperatives of technological development do not override the cultural norms and values which influence how managers engage in their managerial activities.

As well, the data from this study support the “cultural inertia” proposition (Jabes & Gruère 1987; Phatak 1983; Webber 1969), which suggests that societies resist changes in values and beliefs. This piece of research confirms that the key characteristics of Chinese societies, as outlined in Chapter 2, are an integral part of the late twentieth century Chinese society of Hong Kong, despite the experiences of rapid industrialization and a sustained Western influence in the form of 150 years of British colonial rule. The continued maintenance of a strong sense of ethnic pride and integrity under a “veneer of Westernization” is in line with findings about Hong Kong society reported previously in the literature (Bond 1986; Bond & King 1985).

The host national managers who participated in this study regard themselves as relatively Westernized. They speak English, they have been educated in a Western-oriented system, and in some cases they have been educated or worked in Western countries outside of Hong Kong. In relation to their parents’ generation they are no doubt ‘Westernized’. However, the continued existence of a major ‘cultural divide’ between host nationals and expatriates supports Lowe’s (1996a) conclusion that substantial ‘relative’ differences remain between Hong Kong and the UK, even though these societies are each experiencing changes. This general finding is a particularly strong one given the host national sample used in this research. Had the respondents been drawn from a more ‘local’ host national group - for example, those who spoke no English, then this finding about cultural differences between expatriates and host nationals would likely have been even more pronounced.



This study found that expatriates encounter, in Hong Kong, approaches to management that tend to be more structured and less participative than what they have experienced previously in their own countries. Expatriate managers find team building and team work, so fundamental of cross-functional decision-making, present a particular challenge because it is difficult to generate an atmosphere which facilitates the operation of a group of equals. Host nationals naturally defer to the most senior person in the group.

Host nationals feel uncomfortable with overt conflict and attempt to maintain harmonious relationships at all times, unlike Anglo-American expatriates who are more inclined to believe it is a good thing to “get everything out on the table” for resolution. This research data has found that the issues which give rise to conflict may be similar to those in the West, but the issues themselves can have a different significance in Hong Kong. For example, ‘face’ and status are particularly important to Chinese managers and expatriates may find that these have more impact on managerial behaviours than they would have had in their home countries. As well, the actual existence of conflict may not be displayed as overtly in Hong Kong as in Western societies and it may become manifest in different ways, such as through non-completion of work, sabotage, withholding of information or even leaving the organization rather than in direct verbal disagreement. Because the existence of conflict may not always be easy to detect, this study suggests that expatriate managers

may enhance their own effectiveness by working proactively to anticipate conflict situations. In addition, the data from this research provide support for the idea that before contentious issues reach a public forum, managers need to consult extensively with all of the relevant parties, so that each one understands what is being proposed and their individual positions can be prepared. 'No surprises in public' is a succinct way of expressing the essence of this approach. The preference, by host nationals, to avoid conflict and for clearly defined superior/subordinate social roles which this study has identified can be understood as being consistent with the Confucian theme of harmony, which is a basic characteristic of Chinese societies (Pye 1985).

## **10.2 The Hong Kong Context**

This study has found that macro-level variables, unique to Hong Kong's history and current status, are fundamental to understanding the nature of cross-cultural management in Hong Kong and tend to influence relationships between expatriates and host nationals. Although Hong Kong has existed for over 150 years as a distinct political entity, and is often regarded as somewhat similar to Singapore for the purposes of cross-national comparisons (Hofstede 1980, 1991), factors exist which give it a fundamentally different character.

Most significantly there is Hong Kong's recent colonial history and the change of sovereignty when, on July 1, 1997 Hong Kong, became a Special Administrative Region (SAR) of the People's Republic of China after more than 150 years as a British

colony. The full implications of this political change will not be evident until some time in the future, but aspects of a psychological impact arising from the territory's transition from colonial status have been identified in this research. Whilst not wanting to overstate the case, some host nationals believe expatriates have derived "unfair" employment and lifestyle benefits from the colonial system, whilst others have encountered expatriates who not only displayed arrogant and superior attitudes towards local people but engaged in outright racist behaviours. These perceptions concerning the privileges and arrogance of expatriates, continue to have the potential to taint cross-cultural interactions and to undermine the building of good working relationships between expatriates and host nationals.

It can certainly be argued that, at least in the last decade of colonial rule in Hong Kong, a considerable amount of political power was being exercised by local people within an extensively modified form of colonial governance. However, the fact remains that unlike other places in Asia such as Singapore, Malaysia, Indonesia and the countries of Indo-China where a generation or more have grown up since the days of colonial administration, the power differentials between foreigners and locals which colonial systems establish, have been a part of the life experience of all Hong Kong Chinese. These study data suggest that the tendency towards relatively strong "us" and "them" distinctions, which are characteristic of all collectivist societies (Hofstede 1980; Hutton 1988), have been reinforced for many host nationals in Hong Kong



through certain discriminatory features, either real or imagined, of the colonial system. Therefore, until very recently expatriates have been identified as an integral part of the colonial elite, not just as foreigners working within a host national environment.

Hong Kong is one of Asia's four 'little tigers' and together with Singapore, South Korea and Taiwan has experienced sustained economic growth over the past three decades and, as has been pointed out previously, this has been further enhanced since the mid-1980s by the opening up of China's economy. Hard work is a strongly held value amongst the Hong Kong Chinese and they are proud of what their small territory has been able to achieve. At the same time host nationals recognize that the bringing together of 'East' and 'West' has been a key factor in Hong Kong's economic success and as the second millennium approaches the professional expertise and different perspectives of expatriate managers continue to be welcomed in its dynamic business environment. Expatriates can even find there are better opportunities available to them in Hong Kong than in their home countries. For example, these study data suggest that this situation exists for both women and younger expatriate managers.

### **10.3 Cultural Competency**

Having established the existence of important cultural differences between expatriates and host nationals in Hong Kong, this research went on to examine whether there are ways in which expatriates can improve their cultural competency, - that is, their ability

as individuals from one culture to work successfully within the environment of another culture. In the case of Chinese host national societies this is closely related to the development and maintenance of satisfactory interpersonal relationships, and the creation of “social capital” (Shenkar & Ronen, 1987; Tse et al. 1988).

This study has found that, for expatriate managers in Hong Kong, professional knowledge, skills and abilities are necessary but, without good interpersonal skills, they are not sufficient for success. Although expatriates are regarded as contributors of expertise, international experience, and as ‘change agents’, their ultimate success is contingent upon how host nationals perceive their personal attitudes, and how they interact with host nationals. This is a crucial feature of cross-cultural management in Hong Kong in the 1990s. As has been suggested in the previous section any hint of arrogance, superiority, or lack of respect for the local culture is not acceptable and will quickly undermine working relationships. Evidence from this research suggests that Hong Kong people are not zealously nationalistic and they are unlikely to confront directly any foreigner whose attitude they find offensive. Instead, as has been mentioned before, their displeasure will be made known through, for example, non-completion of tasks or the withholding of information.

This study has also identified the importance, for expatriates, of a positive ‘learning attitude’ as a way for them to enhance their cultural competency and to manage more successfully in Hong Kong’s cross-cultural environment. By observing, listening and

being 'open' to learning about their new environment and the impact of their own attitudes and behaviours on host nationals, expatriates gain a better understanding of how to manage successfully. In addition, such a 'learning attitude' helps to convey respect for the local culture which, according to the respondents in this research, is a critical foundation upon which to build satisfactory relationships with host nationals.

The cultural relativity concept maintains that all cultures have behaviour patterns which are valid within their environment (Adler 1975; Schnapper 1979; Thiagarajan 1971), and no one approach to accomplishing tasks is necessarily better or worse than any other, rather each is suitable within a particular cultural context. Therefore a 'learning attitude' assists expatriates to come to terms with the behaviour patterns of host nationals. For, as this study has confirmed, even though Hong Kong's host nationals subscribe strongly to capitalist values and they have been open to Western influences through technological transfer and education, they often prefer to work in a manner which is consistent with their cultural values. To take an obvious example, an expatriate manager may believe it is best for disagreements to be identified and confronted directly, however this is not an approach with which host nationals in Hong Kong would generally feel comfortable and, if pursued, might prove counter-productive. From a cultural relativity perspective one strategy is no better or worse than another, each is suitable within a particular cultural context, but an expatriate needs to learn which one is most appropriate in the host national environment within which he/she is operating. At the same time, this research has found it to be



appropriate for expatriates to temper their curiosity to learn with a degree of sensitivity towards local sensibilities. There are areas, related to family for example, which many host nationals may feel comfortable sharing with expatriates only after knowing them for a long period of time, though perhaps not even then.

As has been discussed in Section 10.1 Chinese host nationals perceive themselves to be more culturally competent than Anglo-American expatriates. In other words, they believe they are quite Westernized even if they do not feel entirely comfortable with all Western values or understand every nuance of Western culture. However, this research reveals that despite Hong Kong's Westernized facade the society adheres strongly to Chinese values and culture, and therefore the onus is very much on expatriates to learn about the host national culture and to adapt to it, and to develop their cultural competency, rather than being critical of host nationals for not being more 'Westernized'.

#### **10.4 Social Isolation of Expatriate Managers**

One of the key features of cross-cultural management in Hong Kong which this study identifies, and one which can seriously undermine managerial effectiveness, is the high degree of social isolation which expatriate managers experience in relation to the host national society. The limited social interaction between expatriates and host nationals is particularly evident outside of the work place where social activities are seldom

shared, but it is also a feature of working relationships. Despite a cosmopolitan facade, Hong Kong is still quite a traditional society. Family ties are particularly strong and the patterns of socializing identified in this study indicate the host national and expatriate communities have only limited social interaction. Therefore, individual expatriate managers often find there are limited opportunities for them to establish regular close contacts with their host national colleagues.

Several features about Hong Kong conspire to isolate expatriates. There is the legacy of a colonial system wherein a degree of racial segregation existed. There is the highly urbanized nature of life in Hong Kong. People tend to be extremely busy, with limited time for social interaction. Linguistic and cultural barriers are quite profound and, in particular, there is the family-oriented nature of Hong Kong society. This study has found that host nationals often choose to spend what free time is available to them with their close relatives, and these family circles tend to be quite closed. In most cases they are certainly closed to expatriates. This latter point is consistent with Fukuyama's (1995) conclusions about the low trust nature of Chinese societies. Fukuyama has argued that familism is the essence of Chinese Confucianism and the degree of trust is reduced significantly as soon as individuals move beyond their families. Therefore, host nationals in Hong Kong feel most comfortable when their social contacts are maintained within an 'inner circle' of family and long-established friendships.

In Hong Kong relationships building is extremely important, but this study suggests it is a particular challenge for Anglo-American expatriates because the normal patterns of social interactions restrict the opportunities available for individual expatriate managers to establish closer contact, and presumably better understanding, with their host national colleagues. Because the opportunities for informal interactions are relatively limited, expatriates can find that they are denied valuable information and feedback, which would otherwise be available to them through the grapevine.

### **10.5 Language**

Herskovitts (1952) identified language as the most difficult cultural element for people entering a new culture to master because of the problems which non-native speakers have in understanding idiomatic interpretations. This study has identified language as a key issue in cross-cultural management in Hong Kong. It came to the fore again and again in the interviews with both expatriates and host national respondents. First of all, as the Hong Kong SAR assumes its new role as a part of China and economic reform and development continues on the mainland, Putonghua is going to be increasingly important as a medium of communication. This study indicates that for expatriate managers who anticipate their career to focus primarily on Greater China becoming fluent in Putonghua will be vitally important to their ability to work effectively. However, language education in Anglo-American countries still tends to



concentrate primarily on European languages such as French and German, meaning few expatriate managers are likely to have any Chinese language background to build upon when they arrive in Hong Kong. Attaining language fluency in Putonghua at the level required for business communication, rather than just basic social situations, requires tremendous time, energy and commitment on the part of individual managers, not to mention the company resources which intensive language training can absorb. Besides, expatriates are usually hired because of expertise or experience which has nothing to do with either their ability to function in Chinese or how adept they might be at learning a language other than English. Some Hong Kong-based expatriates may even find themselves with regional responsibilities extending to countries such as Thailand, Indonesia, or Korea, where fluency in each of the national languages would be useful.

Nevertheless, English is the *lingua franca* used widely around the world, and in many of the countries of East and South-East Asia, host national managers have developed some degree of fluency in English. Within Hong Kong expatriates are likely to spend a great deal of their time communicating, either with individuals who use English as a second language, or with mixed groups of native and non-native English speakers. Based on the data in this study, and the author's personal observations, it is apparent that native speakers of English can learn to enhance their own way of speaking so as to improve its intelligibility to non-native speakers. In Hong Kong this means

structuring speech patterns to be more consistent with those used in Cantonese, choosing the words and phrases which are most commonly used by host nationals, including some that are direct translations of local terms. Careful attention to pace, syntax, choice of idiomatic terms, and exclusion of culture-specific references, even ones generally familiar to people in Hong Kong's English speaking community, can greatly enhance the communication effectiveness of Anglo-American native English speakers in their interactions with host nationals.

In addition to the foregoing strategy this study has also identified a need for Anglo-American expatriate managers, and their families, to receive some instruction in basic Cantonese. Such tuition enhances expatriates' feelings of competence within the foreign environment, and contributes to conveying an attitude of respect towards the host national society. Making an effort to learn some of the local language, and through this process also gaining a better understanding of the local culture, may be seen to be a tangible manifestation of the 'learning attitude' discussed previously in Section 10.3.

#### **10.6 Public/Private Dichotomy**

There are cross-cultural management problems with respect to the setting which Anglo-American expatriates and Hong Kong Chinese host nationals prefer to use for communication and decision making. This study has identified that host nationals have a strong preference for sensitive or potentially controversial issues to be handled

discreetly in face-to-face discussions “behind closed doors”. They have an aversion to making important decisions in meetings where their opinions and actions are subject to the scrutiny of their colleagues and seniors. Expatriates, on the other hand, are generally more comfortable expressing their ideas in a public forum and tend to regard the open exchange of differing views to be a healthy and productive exercise.

The preference of Chinese host nationals for private over public discussions is consistent with the Confucian principles, discussed in Chapter 2, of maintaining harmony and deferring to those more senior in the hierarchy. Openly disagreeing with the chairperson of a meeting would violate both of these and could also possibly result in a ‘loss of face’ before one’s work colleagues (Redding & Ng 1982, Tse et al. 1988). This preference for more discreet discussions can also be understood in relation to the concept of shame, which has been identified as functioning, in Oriental societies such as Hong Kong, to ensure adherence to collective norms and the fulfillment of mutual obligations (Benedict, 1946; Redding 1980). Therefore, the more people involved, the greater the shame a person experiences when social conventions are violated.

This preference for private discussions can also be seen in terms of information-sharing behaviour (Boisot & Child 1990). When the process takes place in public a higher degree of codification may be required to fulfill the procedural norms of the public forum and this can result in some loss of texture and richness in the message. In a meeting assertive behaviours are often needed to ensure one’s point-of-view is



understood, whereas one-to-one interaction more readily accommodates subtle forms of communication, such as indications of agreement or disagreement.

Given the strong feelings of host nationals about the privacy issue, which have been uncovered in this study, expatriate managers may find there is a need for iterative rounds of individual discussions to take place to resolve controversial matters, though meetings may also be used successfully, if a supportive, non-confrontational atmosphere is developed. An additional point to note, is that meetings where expatriates are present are likely to be conducted in English, a situation which denies host nationals the advantages of mother tongue communication and can make it even more difficult for them to articulate their views in such a forum.

## **10.7 Role Definition**

This study suggests that expatriates and host nationals define their social roles in fundamentally different ways and this can contribute to misunderstandings and undermine the building of good relationships. The three issues identified are family roles, the context within which work roles are defined, and the degree to which individuals are personally integrated into their work roles.

### **10.7.1 Family Roles**

In Section 10.4 reference was made to Fukuyama's (1995) research which identifies the essence of Chinese Confucianism to be the elevation of family bonds above all

other social loyalties. Once a person leaves the family circle there is, in Chinese societies, a relatively low degree of trust. Confirmation of Hong Kong as essentially a 'low-trust' society has been found in this research. This can be seen in the similarities and differences between how expatriates and host nationals define their social roles.

In non-family organizations in Hong Kong both groups define distinctive social roles with respect to their work and family life. What appears to be different is the way in which the role boundaries are set and maintained. Host nationals are more inclined to keep personal and family life separate from their work place. This research found that host nationals prefer to surround their family lives with a high degree of privacy. As discussed previously in Section 10.4 there is little evidence that family issues or problems are shared with work colleagues. Family matters tend to be kept confidential as 'outsiders' are not to be trusted.

#### **10.7.2 The Context of Work Roles**

Role relationships within the workplace appear to be regarded, by host nationals, in a wider context than they are in the case of expatriates. Thus, in this study, host nationals are critical of expatriates for being too oriented towards rules and regulations, and not being sufficiently flexible in taking into account human factors. So, for example, an expatriate manager would be inclined to distinguish clearly between the 'work' role and the 'friendship' role of a colleague. However, host nationals are more likely to see it as appropriate to take into account friendship or

long-standing relationships in their decision making in the work environment. These are an indication that a higher degree of trust has been established and, from a host national's point-of-view, it is necessary for this to be recognized. So for example, if the issue is one of technical expertise versus a good personal relationship, a host national would be inclined to choose the latter in the interests of harmony in the work place, even at the risk of some loss of competence. Long-standing relationships are particularly important and because Hong Kong is a relatively small place host nationals continue to maintain close ties with, for instance, classmates from their graduating year at university, even many years after the original friendship was established. These relationships are one way of dealing with the low trust nature of Hong Kong society, and allowing individuals to extend themselves beyond the family circle.

At the same time, social obligations often make it difficult for host nationals to maintain the integrity of role boundaries because once a relationship has been established, it entails a higher degree of commitment than would be the case for expatriates. A greater degree of flexibility is expected in relationships once trust has been established, and host nationals can come under considerable pressure to fulfil these social obligations. Indeed, this study suggests that host nationals find expatriates have an advantage in being free of such commitments as it allows their decision making to be more objective, even though they criticize the frequent reluctance of expatriates to be flexible about the boundaries of work roles to accommodate social factors.



### 10.7.3 Work Role Integration

This study also suggests that host nationals are integrated into their work roles in a different way from expatriates. For example, expatriates seem to comfortably distinguish between disagreement/conflict and attacks on their character. In comparison, Chinese host nationals feel very uncomfortable with overt conflict. An attack on someone's opinions is seen to be much more personal than is the case with expatriates. It is not just finding fault with a person's ideas, it is seen as questioning that person's personal integrity, and has the potential to result in a serious 'loss of face'.

Host nationals and expatriates appear to fulfil their social roles in different ways as, for example, with respect to family obligations. Westerners are inclined to define their spousal or parental roles in terms of an obligation to spend as much quality time with their families as possible. To the extent that Hong Kong's heavy work commitments erode this time, expatriates feel it undermines their ability to fulfil their family roles effectively. Host nationals on the other hand, are more inclined to believe they can satisfy their family obligations in other ways. So, if the demands of the work organization reduce the amount of time they can spend with their families, this is not seen as problematic in the same way as it often is for expatriates. By working hard, advancing their careers and making more money, Chinese managers are securing the future of their families and fulfilling their family role in a way regarded to be just as important as spending time with family members.

### 10.8 Cultural Synergy

Hong Kong is noted for its success at blending East and West and in many ways may be seen as a model of 'cultural synergy' at the macro-level of economic development. In this micro-level study, when asked directly about whether they have experienced cultural synergy about two-thirds of the respondents affirm they have done so. Yet there is little additional evidence in the data that Adler's (1983) concept of cultural synergy, as a unifying organizational culture derived from members' national cultures, is a common feature of managerial work in Hong Kong. Status differences related to different terms of employment, a host national preference for hierarchically structured relationships and the social distance between expatriates and host nationals combine to undermine the creation of an atmosphere in which cultural synergy can flourish. From this study it appears that much cross-cultural management in Hong Kong, at the organizational level, is a mere accommodating of Western and Chinese perspectives rather than a blending of their significant features.

The existence of a common, clearly defined goal to which employees are committed will be important for cultural synergy to develop. In addition, it may be necessary to have a greater heterogeneity within the work organization. A group which consists of one or two senior expatriate managers and a half a dozen local managers does not generate the right conditions for synergy. Behaviours are conditioned by traditional understandings about the roles of superiors and subordinates, which feel comfortable to the participants. If cultural synergy is to work successfully the participants must

believe there is value to be derived from engaging in a cross-cultural dialogue. These conditions do not seem to exist in Hong Kong at the present time. Despite recognizing the advantages of mixing Western and Oriental perspectives in Hong Kong, there is a sense that Western ideas have been imposed as a part of the colonial system, and host nationals tend to perceive themselves as Westernized in any case, so they may see little value in trying to learn anything more from expatriate colleagues.

This study has found an absence of cultural synergy in cross-cultural management in Hong Kong. The study data also suggest that the conditions necessary for cultural synergy to occur may not exist at the present time. However, this does not mean that Anglo-American expatriates and host nationals cannot work together effectively, particularly if expatriates cultivate attitudes and behaviours, and enhance their skills, in line with the cultural norms of Hong Kong's Chinese society.

### **10.9 Summary**

Areas which this piece of research has identified as having an impact on the nature of cross-cultural management in Hong Kong, and which may either undermine or enhance good working relationships between expatriates and host nationals, are discussed in this chapter. These include the pervasive influence of Chinese culture, and Hong Kong's history and current political status, as well as the nature of social relationships and the impact of language. Expatriate preferences, are compared against those of host nationals, in terms of their interpersonal interactions and how



their various social roles tend to be defined. A final point notes that the concept of cultural synergy does not seem to either exist, or to be applicable to the cross-cultural situation in Hong Kong.

The norms and values of Hong Kong society are, despite Western influence, still very much consistent with those identified as characteristic of Chinese culture, whilst Hong Kong's political history as a colony, its new status as a SAR of China, and its economic success, appear to influence how expatriates are perceived, both negatively and positively, by host nationals. Data generated by this research suggest that expatriate managers will enhance their chances of working successfully with host nationals when they project an image which clearly distances them from foreigners who have displayed arrogant, even racist, attitudes and behaviours in the past.

Cultural differences clearly exist, but these need not overwhelm the building of cross-cultural relationships. It appears that, for expatriates, a 'learning attitude' of being interested, but not intrusive, is helpful in gaining cultural competency. This means taking advantage of every opportunity to observe, to listen and to be open to learning about alternative ways to accomplish tasks or interact with others. A satisfactory level of cultural competency appears to derive from the cultivation of social skills appropriate to the host national environment.

Three approaches to language are likely to prove useful to expatriates in Hong Kong. Learning basic 'survival' Cantonese upon arrival, learning how to modify English-language speech patterns and vocabulary, including a high degree of sensitivity to the use of colloquial terms has the potential to greatly enhance communication with non-native speakers of English and, for those who plan a long-term career commitment to Hong Kong and China, mastering Putonghua. The first two approaches are suitable for most expatriates, and their families, without an inordinate commitment of time and resources by either managers or their organizations.

In line with the cultural norms of Chinese societies, host nationals prefer to resolve important matters in a private setting. Meetings are suitable for conveying information and confirming previously agreed actions, but are unlikely to be used successfully to make important decisions or to resolve conflicts in Hong Kong.

For expatriates and host nationals role boundaries appear to have greater or lesser flexibility in line with the character of Hong Kong as a 'low trust' society. Host nationals tend to keep family matters out of the workplace, but they regard it as appropriate, to a greater extent than expatriates, to take into account personal relationships when interpreting organizational rules. Role obligations may be fulfilled differently by expatriates and host nationals.

## **CHAPTER 11**

### **ANGLO-AMERICAN EXPATRIATE MANAGERS IN HONG KONG: ADJUSTMENT, PERFORMANCE AND TRAINING**

This chapter discusses two research questions. The first is: What are the important features of adjustment for Anglo-American expatriate managers living and working in Hong Kong? The second question addressed is: What type of training and development will assist Anglo-American expatriates to adjust and to work successfully in Hong Kong?

#### **11.1 Expatriate Failure**

The conclusions in the literature that, first of all, an expatriate's family situation affects his/her performance and success on the job (Garin & Cooper 1981; Tung 1982) and, secondly, the inability of the spouse to adapt to the host national country is a key cause of expatriate failure (Tung 1981, 1987) are supported by this study. However, Harvey's (1985) conclusion that physical factors are acclimatized to more readily than is the separation anxiety generated by living away from family and friends is not supported to a similar extent. Possibly because Hong Kong's sophisticated transportation and communication links with the rest of the world enable families to maintain regular contact, the latter issue is not identified, whilst family difficulties are often attributed to features of Hong Kong's highly urbanized environment.



The literature identifies clearly the importance of family adjustment in contributing to the success or failure of expatriate assignments. Expatriate failure has been linked to the inability of the spouse to adjust to an overseas environment (Tung 1981, 1987), and an expatriate's family situation has been found to impact on his/her performance and success on the job (Garin & Cooper 1981; Tung 1982), and evidence exists of a significant link between spousal adjustment and that of the employee during international transfer (Black 1988; Black & Stephens 1989). In addition, Hays (1974) has made the point that family adjustment may be crucial in avoiding failure in expatriate assignments, but it may be less important in ensuring success, and Gaylord (1979) has identified the possibility of a different impact within the family itself.

The data from this study lend support to the importance of family adjustment as a contributing factor to the overall adjustment of expatriate managers in Hong Kong. What seems far more significant however, is the reported relationship between the spouse/family's failure to adjust and early termination of the expatriate assignment. This lends support to Hay's point about the differential impact of family adjustment on avoiding failure as opposed to ensuring success. In this study there is also evidence which supports the idea that each overseas posting may present particular challenges for different expatriate families. In the case of Hong Kong this means the requirements of demanding work assignments which include long working hours, and possibly out-of-territory travel can be problematic. So too is the social environment

for adolescents, which is regarded as 'high risk' for anti-social behaviour, especially involvement with illegal drugs.

The tendency for host nationals to readily attribute expatriate failure to problems experienced by the spouse and/or family is worth noting. Rarely are difficulties in the work situation identified. This suggests there may have developed a generally held 'acceptable' explanation for expatriate failure in Hong Kong. In other words, expatriate failure is not a consequence of problems within organizations or in relationships with host nationals, rather the difficulties are caused by spouses and families who, *despite all of the perks of their expatriate packages*, fail to adjust successfully to life in Hong Kong.

The absence of a link between inadequate professional and technical skills and either failure or sub-standard performance, as reported by Conway (1984), is confirmed in this research. The adjustment difficulties identified have to do with characteristics of Hong Kong's environment or the 'human elements' of cross-cultural work situations. It may be that the importance traditionally given to 'technical expertise' in the selection of expatriates (Baker & Ivancevich 1971; Miller 1972, 1973; Tung 1982, Vassel 1983 cited in Mendenhall & Oddou 1985) effectively screens out managers with relatively weaker professional/technical skills. From this study it appears that, in line with Harrison & Hopkins (1967), work performance deficiencies are more likely

to be associated with human aspects of the job rather than technical skills or the nature of structures and processes within work organizations.

### **11.2 The 'Cultural Toughness' of Hong Kong**

In Chapter 3 the point was made that Mendenhall and Oddou's (1985) dimension of 'cultural toughness', which accounts for the idea that some cultures seem to be more difficult to adapt to than others, acts primarily as a mediating variable for the other three dimensions in their model of the expatriate adjustment process. For expatriates, particularly if they have arrived via a non-Western country and/or they have worked previously in other parts of Asia, Hong Kong is regarded as a relatively easy place to live and work, at least initially. From this research it appears that, for many expatriates, the 'cultural toughness' aspects of Hong Kong actually surface only as time goes by. Environmental considerations such as overcrowding, noise and air pollution, and discourteous public behaviour may begin to be more annoying, once an expatriate has 'settled in'. In addition, difficulties in accomplishing tasks and establishing satisfactory interpersonal relationships may become more apparent. Although organizational structures may appear initially to be very similar to those in an expatriate's home country, the actual decision making processes can prove to be very different. Local colleagues are friendly and cooperative in the work place, but over time expatriates can find themselves without any local friends and an increasing sense of living in an alien society. The nature of Hong Kong's physical environment and its social milieu can present expatriates with a form of 'cultural toughness' which, though



relatively mild when compared to some other places, is nevertheless pervasive and continuous.

Host nationals readily acknowledge the same features of Hong Kong's environment as problematic and are sympathetic to the idea that these may have a greater impact on expatriates than on local people. The workplace is viewed as an environment which facilitates the adjustment of Anglo-American expatriate managers because the structures and the 'culture' of many organizations are Western-oriented, local people have a long tradition of working with foreigners and the English language is used extensively. In addition, host nationals regard the benefits of 'expatriate packages' with generous salaries, housing allowances, and travel benefits as providing a substantial 'cushion' for expatriates and their families. This is despite the trend in recent years to reduce these packages and to employ more expatriates on 'local' terms.

One other point should be mentioned in conjunction with the nature of the expatriate experience in Hong Kong. Because expatriates arrive and leave regularly and even, in recent years, large numbers of host nationals have emigrated, establishing stable friendship networks can be difficult. This is probably less of a problem for young, single professionals. It can however be a source of emotional stress for families, particularly spouses, who can find social relationships are undermined by 'friendship fatigue' - that is, longer-established expatriates are tired of reaching out to befriend

new arrivals. Yet, these expatriates are the very people who can often assist those who are newly arrived to 'settle into' Hong Kong.

Hong Kong may be regarded as being one of the easier places to adjust to in Asia, though the nature of the factors contributing to its 'cultural toughness' may be somewhat different from what has traditionally been identified in the literature on expatriate adjustment. On the other hand, its highly urbanized environment and the particular cultural norms of its Chinese society give rise to different adjustment problems. In addition, as integration with China proceeds there may be, within the next few years, a reduction in Western influences on Hong Kong's business and social life which will increase the 'cultural toughness' factor.

### **11.3 Culture Shock**

Expatriates and host nationals differ significantly in their belief about the extent to which culture shock is an occupational hazard, with expatriates inclined to support the idea and host nationals to reject it. Despite these differing perceptions, if the traditional definitions of culture shock, which refers to "frustration and confusion", "occupational disease" and "occupational hazard" (Alder 1981; Church 1982; Thiagarajan 1971) are used, this study provides little evidence it is a problem in Hong Kong. Befus's (1988) definition of culture shock as cross-cultural adaptation more accurately describes the experiences of Hong Kong's Anglo-American expatriates.

Within their workplace they do appear to develop greater sensitivity to cultural issues and to learn how to enhance their effectiveness by using different approaches to communication, but this does not seem to follow the distinctive pattern of Oberg's four stage adjustment process (Gertsen 1990), where stage two 'culture shock' is a period of crisis.

The process of adjustment outside of the workplace appears to be more intense. Leaving aside specific incidents where individuals have been startled, such as in the local Chinese markets, expatriates tend to experience cultural differences on a regular basis. The ruder aspects of public behaviour and difficulties communicating in English are identified not as 'shocks', but rather as on-going sources of frustration which do not necessarily decline appreciably over time. Even when a satisfactory general adjustment has taken place individuals may still find themselves becoming irritated by these features of Hong Kong society.

#### **11.4 Individual Adjustment**

Attitudinal factors have been found to influence successful adjustment to living and working in a foreign culture (Black 1988; Black & Stephens 1989; Church 1982; Mendenhall & Oddou 1985). As well, in several of the models of expatriate adjustment and performance there is at least one aspect which focuses on the individual expatriate. Hiltrop and Janssens (1990) refer to this in terms of the personal characteristics of the expatriate. In the Mendenhall and Oddou (1985) model the idea



is incorporated in the 'self-oriented' dimension. The data in this study suggest a number of important factors having to do with attitudinal factors and individual adjustment.

The adaptation of expatriate managers to living and working in Hong Kong is facilitated by the Western-oriented internal structures and processes of many organizations, and the use of English for both written and oral communication. The material benefits derived from high salaries and employment perks mean that, for many, there is the chance to enjoy a lifestyle which is more luxurious than what would normally be available to them in their home country. On the other hand, the 'low trust' nature of Hong Kong society makes it somewhat more difficult for expatriates to develop good working relationships with colleagues and business contacts. It appears that the intricacies of social interaction require greater adjustment than do the features of Hong Kong's macro-economic environment.

This study suggests that those expatriates who are very highly motivated to develop their careers will adjust most readily to Hong Kong. Such individuals will be quite single-minded in devoting themselves to their work and be prepared to meet the demands of an exceptionally strong work ethic, with long working hours. Given this orientation, Hong Kong provides many opportunities for managers to engage in fulfilling career assignments. The intrinsic satisfaction derived from working hard and

meeting the challenges of a fast-paced commercial city is an important source of satisfaction and appears to contribute substantially to expatriate adjustment.

Aspects of Mendenhall and Oddou's (1985) 'self-oriented' dimension have emerged in this study. Technical competence - having the technical competence and self-confidence in one's own abilities to accomplish the purposes of an overseas assignment, which is the third aspect of Mendenhall and Oddou's 'self-oriented' dimension may be the most critical in Hong Kong. Given the emphasis on work performance, an ability to meet the professional/technical demands of a job is a prerequisite for any further adjustment. Failure in this area, could well mean that the entire job assignment would fail.

Reinforcement substitution and stress reduction behaviours are both identified in this study. Expatriates are definite in their belief that expatriate managers in Hong Kong, despite working hard, need to pace themselves and to ensure they have strategies to 'recharge their batteries'. Of course these vary from person to person, and have to be developed within the limitations imposed by the Hong Kong environment.

An additional point identified in this research concerns personal growth and development or self-discovery, which has to do with the willingness of expatriates to learn from their experience. This is a process of continuous learning, rather than a one-time only learning episode. It includes an enhanced awareness by expatriates of

their home country culture, including both its strengths and limitations. This greater self-awareness develops as individuals learn to appreciate that the same phenomena may be interpreted very differently in different societies and that there are a wide variety of approaches to solving any particular problem. Such a broadened perspective may extend beyond the host national culture to include other national groups represented in Hong Kong's internationally-oriented business environment. At the same time, a part of this process of self-awareness may involve defining more clearly personal values and beliefs to determine if some of them are incompatible with those of Hong Kong society. The growth experience for expatriates can include setting personal boundaries, as well as expanding horizons.

This study reveals that an important aspect of adapting to Hong Kong appears to be the individual manager's natural curiosity about the place. The constant pursuit of questions concerning every aspect of the society facilitates adjustment. Torbiorn (1982) has written about the need for expatriates to be idealistic about their overseas assignments. It is what he terms a "call to adventure". In the case of Hong Kong a less frontier-oriented perspective is probably appropriate. However, this idea of expatriates cultivating an attitude of 'active learning' does seem to fit the Hong Kong case. Expatriates need to be proactive; to take the initiative to know more about Hong Kong. It involves being open-minded and curious, and constantly prepared to learn through listening, observation and direct questioning. It appears to have a peripheral relationship with Mendenhall and Oddou's 'perceptual' dimension, which



has to do with expatriates learning to make correct attributions about host national behaviours, though this study suggests it is a characteristic more integral to the attitude of expatriates.

Other factors which appear to be important have to do with greater personal self-awareness concerning the need to be sensitive to how one's actions are affecting others, the importance of building rapport and a variety of factors concerned with communication. This latter point tends to support the emphasis which Gertsen (1990) places on communication processes in his model of intercultural competence. Communication, a theme which consistently runs through the data generated by this study, is discussed in more detail in Section 7.8.

### **11.5 A Model of Expatriate Adjustment in Hong Kong**

When the individual factors which this research has uncovered as most critical for the adjustment of Anglo-American expatriate managers in Hong Kong are consolidated, several dimensions emerge. Each of these identifies an area which is important to the adjustment process. These are generally consistent with dimensions previously identified in the literature, though specific features may be conceptualized so as to account for the unique features of expatriation in Hong Kong.

#### **11.5.1 Professional/Technical Expertise**

Expatriates must have a clearly identifiable area of expertise related to their education or previous work experience. Besides facilitating the successful accomplishment of work through personal ability and self-confidence as outlined in Mendenhall and Oddou's (1985) 'technical competence' idea, it is critically important in helping expatriates to establish their credibility with host nationals in Hong Kong. This is in line with Selmer's (1993) view that there is both a subjective and an objective adjustment dimension and the latter one pertains to the degree to which the expatriate manager is able to meet the expectations and wishes in the work environment (Black 1988; Torbiorn 1982). As this study has indicated host nationals view expatriates in the light of their recent experiences of colonialism and they expect expatriates to provide an element of 'added value' to justify their employment in Hong Kong.

#### **11.5.2 Orientation to Work**

This dimension refers to the importance of work in an individual's life. Expatriate managers who are very highly motivated to develop their careers and value particularly the intrinsic satisfaction of a job well done, will adjust most successfully to the job demands and long working hours in Hong Kong. For those who place a premium on leisure activities with family and friends, adjustment to the pace of work in Hong Kong is likely to be more difficult.

### **11.5.3 Self Development**

This dimension involves reflection, a willingness to 'learn', which is attitudinal as much as it is behavioural, and the development of coping strategies. Reflection refers to the willingness of expatriates to better understand their own behaviours with respect to the host culture and the extent to which they are able to come to terms with their own 'cultural limitations'. This process involves thinking through experiences such as for example, how a person communicates with host nationals. It is a process of self-discovery, leading to a greater awareness of one's own strengths and weaknesses. The nature of this process may be even more intense in Hong Kong than in some other overseas countries because its business community is quite international, and therefore expatriates may find their cross-cultural contacts extend well beyond those with host nationals. It may also include determining which aspects of the host national lifestyle to adopt and which to reject, and coming to terms with having the status of a foreigner whose integration with the local community will always be severely restricted.

### **11.5.4 Family Adjustment**

The literature identifies clearly the importance of family adjustment in contributing to the success or failure of expatriate assignments. Expatriate failure has been linked to the inability of the spouse to adjust to an overseas assignment (Tung 1981, 1987), an expatriate's family situation has been found to impact on his/her performance and success on the job (Garin & Cooper 1981; Tung 1982), and evidence exists of a significant link between spousal adjustment and that of the employee during



international transfer (Black 1988; Black & Stephens 1989). In addition, Hays (1974) has made the point that family adjustment may be crucial in avoiding failure in expatriate assignments, but it may be less important in ensuring success, and Gaylord (1979) has identified the possibility of a different impact within the family itself.

Therefore, in line with this previous research, and taking into account the discussion in Section 11.1, no model of expatriate adjustment is complete without attention being paid to the importance of family adjustment. In Hong Kong it appears to have a high potential to contribute to expatriate failure. Whilst expatriate success is likely to be affected positively by a good adjustment on the part of the spouse and family, this does not appear to be absolutely necessary for success to occur.

### **11.6 Selection**

In this study the key selection criteria for recruiting expatriates to work in Hong Kong are identified as technical/professional skills, personal attributes, international experience and language. With respect to technical/professional skills, expatriates are expected to have something to offer which is not available locally. This is very much in line with the trend towards localization in Hong Kong and the perceptions of host nationals that the days of colonial privilege are at an end. Interestingly, this study has found support for the view that social/interpersonal skills are probably more important to success than technical skills. It seems likely that professional expertise helps to establish initial credibility, but an expatriate manager's long-term success will depend

much more on his/her ability to communicate and interact effectively with host nationals.

Personal attributes which are particularly important for expatriates coming to Hong Kong include a strong work ethic, no tendency towards racial prejudice, and an open-minded, flexible and adaptable attitude. It is considered important for expatriates to have some interest in the learning opportunities arising from an overseas assignment. In other words, expatriates who express a genuine interest in the nature of Hong Kong society are considered to be much better potential employees than those who are motivated to work abroad only because of financial or career advancement possibilities. This ties in with the point about viewing favourably previous international experience, but if this is lacking then evidence of having traveled abroad would be considered important as an indication of a person's interest in things outside of their home country. Using domestic experience as a selection criterion is not favoured strongly, though it is regarded as one criterion which could be considered together with others. It is seen to be more objective than other criteria such as adaptability, though this is regarded as important in its own right.

### **11.7 A Model of Management Training for Hong Kong**

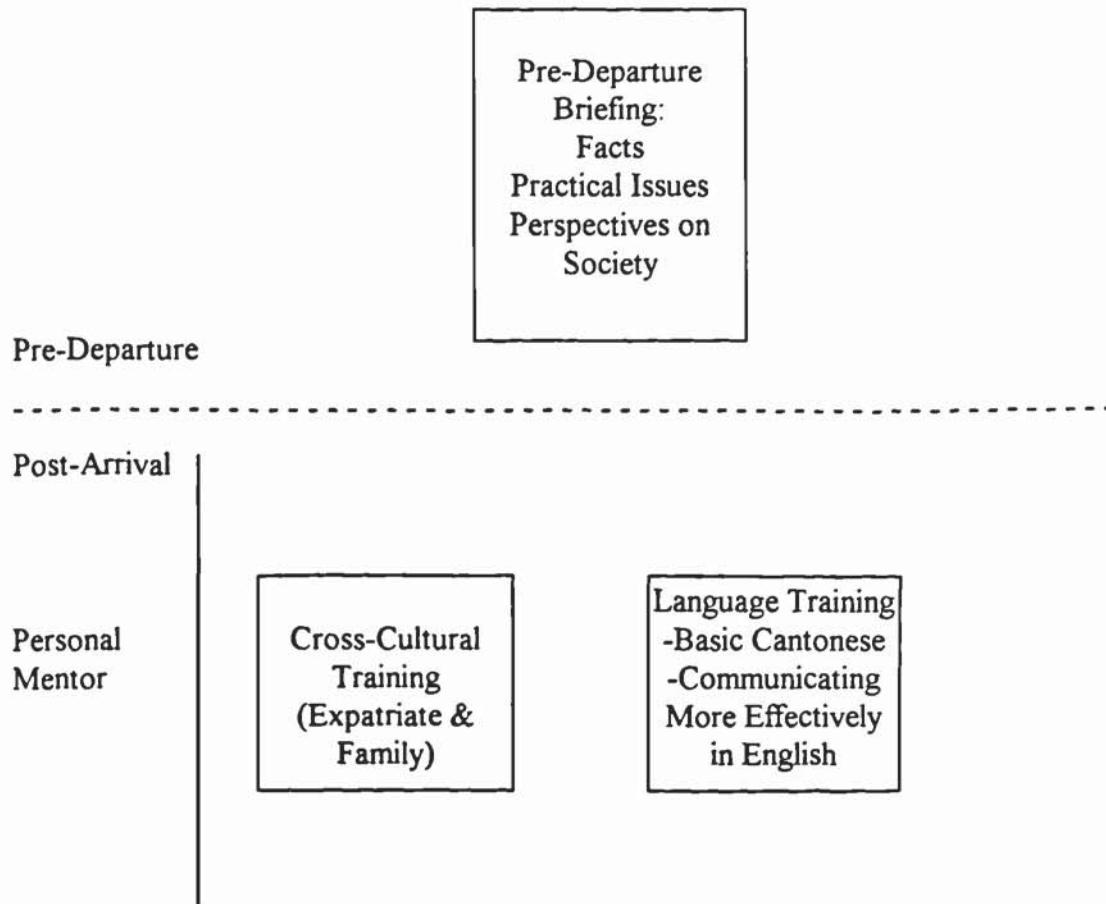
Adler (1983) has argued in favour of training over selection to ensure appropriate international management skills, and training has received considerable support as a means to enhance effective cross-cultural interactions (Brislin 1981, Bochner 1982,

Harris & Moran 1979, Landis & Brislin '983, Mendenhall & Oddou 1986, Tung 1981 cited in Black & Mendenhall 1990). Despite the misgivings of a few respondents, this study found there is agreement about the usefulness of training to assist expatriates to cope more adequately with an overseas assignment. In particular, the areas of cross-cultural and language training are identified as worthy of attention.

There is also evidence in this research which suggests there are particular features of Hong Kong's living and working environment that need to be taken into account in the designing of a suitable training programme for expatriates. Based on these ideas, a 'culture specific' training model suitable for Anglo-American expatriate managers posted to Hong Kong has been developed. It is presented in Figure 11.1 and discussed in the following sub-sections. The purpose of this model is to outline a training programme for expatriates which will, in line with the ideas about intercultural training presented in Chapter 4, facilitate their good personal adjustment and good interpersonal relations with members of the host culture, and the effective completion of required tasks. The model consists of three primary components: a pre-departure briefing and, during the first six months of arrival, cross-cultural training and two kinds of language instruction. The assignment of a personal 'guide' or mentor within the employing organization is recommended as an additional support feature. The appropriateness of combining different approaches to training is consistent with ideas outlined in the literature (Gudykunst, Hammer & Wiseman 1977; Mendenhall & Oddou 1985; Schnapper 1979).



**Figure 11.1** Training For Expatriate Managers in Hong Kong



The training model developed from this research allows for the incorporation of Ratiu's 'red loop' or analytical perspective, and his 'blue loop' or intuitive orientation. The former is emphasized in the pre-departure briefing, whilst the latter comes to the fore when the *in situ* cross-cultural training takes place. The comprehensiveness of the model is apparent when it is considered in terms of Tung's (1981) continuum of 'rigor'. The model's components range from less rigorous (briefing) to a moderate degree of rigor (language training) to more rigorous (cross-cultural training in the host

national country). When compared to Gudykunst, Hammer and Wiseman's (1977) six approaches to cross-cultural training, four are incorporated in this training model. These are the intellectual, cultural self-awareness, cultural awareness, and the interaction approaches. In this training model the last approach is facilitated by the 'real world' experiences of expatriates when they engage in cross-cultural communication with host nationals.

#### **11.7.1 Pre-Departure Briefing**

Prior to their arrival in Hong Kong expatriates and their families can benefit from an extensive briefing. This would include basic facts related to weather and geography, information on practical issues such as immigration, education and health services, and some additional material on the nature of Hong Kong society. Ideally, the briefing should be both verbal and written, and conducted by someone who is knowledgeable about Hong Kong. This is a time to help managers and their families to prepare psychologically for their overseas posting and also to encourage a sense of excitement about the potential learning opportunities which will result. It also provides a chance to answer questions and rectify misunderstandings. For example, even though Hong Kong has a semi-tropical climate and it is perceived to be a warm place, there can be very cool winter weather when heavier winter-type clothing will be necessary

An appropriate briefing should include materials about Hong Kong's history and current transition from a British colony to a Special Administrative Region within

China. To assist expatriates to appreciate better the nature of contemporary Hong Kong society it would be appropriate for both the Western and the Chinese interpretation of important historical events to be included. Hong Kong's political status and some insights into the issues currently on the public agenda would be useful. The internet edition of the *South China Morning Post* is a good source of up-to-date information.

Beyond very basic information, it is not suggested that extensive materials about Chinese culture or social norms be included in the briefing. This study has determined that it is not an appropriate time for a great deal of attention to be given to cross-cultural issues prior to expatriates leaving their home country. Without any practical experience to draw upon, many of the ideas may be either misinterpreted or simply rejected outright. It also runs the risk of generating unwarranted stereotypes, such that a newly arrived expatriate will attempt to interpret all host national behaviours within a narrowly defined "us" and "them" framework, which may undermine, rather than enhance, cross-cultural effectiveness.

#### **11.7.2 Cross-Cultural Training**

The second component of the training model consists of in-depth cross-cultural training, provided on either a group or an individual basis by a professional trainer, beginning about six weeks after the expatriate has begun work and continuing on a monthly basis for the next six months, with a final session after about one year. If



applicable, this should include the spouse and school-age children as recommended by Mendenhall and Oddou (1985). It is based on the finding, in this study, that cross-cultural training is more likely to be effective if it is conducted once the trainees have lived and worked in the host culture for a brief period of time. These sessions would be used to assist expatriates to process their experiences. As this study has found a general absence of cultural shock in Hong Kong, this will be an opportunity for expatriates to come to terms with some of the less immediately obvious, but no less meaningful, issues which they will have begun to encounter in their work and daily living. This component of the training is expected to be more reflective than experiential, with participants thinking about their experiences and how to apply insights gained about themselves and the host cultural to future behaviours. There might also be times when, under the guidance of a skilled facilitator, activities such as role-plays are used to help participants clarify their attitudes and modify their behaviours.

Of course, the focus should not only be on the host national culture. There should be opportunities for participants to gain a better understanding of themselves and the extent to which they are constrained by the “invisible prison” of their own culture (Gudykunst et al. 1977; Harris & Harris 1972; Schnapper 1979; Thiagarajan 1971) and are “different” within the host country context (Lane & Burgoyne 1988). The literature identifies clearly the first step in the process of cultural awareness and adjustment as the need to identify and understand the values implicit in one’s own

culture (Copeland 1984; Phatak 1983; Spradley & Phillips 1972; Thiagarajan 1971), and there is nothing in this study which contradicts the relevance of self-knowledge as an aspect of cross-cultural training.

### **11.7.3 Language**

This study has found that, in the case of expatriates whose work is oriented extensively towards China, speaking Putonghua is a vital job-related skill and those not already fluent in the language will need to make every effort to learn it. However, for other expatriates based in Hong Kong a two-pronged approach to language appears to be most appropriate. Soon after arrival a course in basic 'Survival Cantonese' for expatriates and their spouses should be provided. This ought to equip individuals with sufficient skills to handle normal daily transactions such as taking a taxi, or ordering a simple meal in a local restaurant. When individuals have some facility in the local language their self-confidence is enhanced and it also helps them to better understand the local culture. As well, it would be worthwhile for companies to provide additional support to those who wish to pursue their Cantonese study beyond a basic level, though an introductory course is likely to prove sufficient for most people. Secondly, instruction in communicating in English as a second language should be provided. This study has identified this as an area with a great deal of potential for assisting expatriates to communicate more effectively. It would be designed to assist expatriates to better appreciate some of the difficulties locals experience in using oral

English, and to help expatriates to modify their speech patterns, syntax, vocabulary and idiomatic expressions to better communicate within the local Hong Kong context.

#### **11.7.4 Personal Mentor**

The appointment of a personal mentor or 'guide' - preferably a local person, but in any case a person who is familiar with the organization, perhaps someone who has lived abroad and knows about the expatriate's home country, would supplement nicely the more formal aspects of the training model. This study has found that expatriate managers often experience considerable social isolation within Hong Kong's 'low trust' environment, and they feel a need to have available someone who can answer their questions and provide insights into local norms and behaviour. A specifically designated confidante could fulfil this role.

### **11.8 Summary**

This study has found that expatriate failures in Hong Kong are most likely to be attributable to the inability of the spouse and/or family to adjust, and deficiencies in expatriates' 'people skills' rather than their professional/technical expertise. Hong Kong does not exhibit a high degree of 'cultural toughness' in the traditional sense in which it has been defined in the literature. Rather, with the passage of time certain living and working difficulties may be exacerbated, thereby enhancing the degree of 'cultural toughness'. Likewise this research did not find evidence that Anglo-



American expatriates experience culture shock. Their experiences appear to be more closely aligned to a gradual and less intense process of cross-cultural adaptation.

This study has found that a number of attitudinal factors are important for the individual adjustment of expatriate managers in Hong Kong. Being highly motivated towards career development through hard work and possessing professional/technical skills, required by the job and perceived to be important by host nationals, will assist adjustment. So will the ability to find activities to combat job stress through relaxation and the conscious development of an attitude of 'active learning' whereby an individual becomes more aware of his/her own culture and attempts to further understanding about the host national culture, whilst enhancing personal communication skills. Family adjustment is important, with some indication it has a greater impact on expatriate failure than on success, and that Hong Kong may prove more problematic for families where there are children in their teens.

Professional/technical skills appear to be particularly important for expatriates in establishing initial credibility with host nationals in Hong Kong, though over the longer-term interpersonal skills seem to be even more important for success. Other selection criteria considered to be of value include a strong work ethic, open-mindedness and a healthy sense of inquiry, which includes an enthusiasm for working overseas that extends beyond the benefits of material rewards.

The data from this study have been used to develop a training model, with four key elements, to assist Anglo-American expatriates to adjust and work successfully in Hong Kong. The first element consists of a comprehensive pre-departure briefing to provide facts and information about practical issues, plus some perspective on Hong Kong's history and society. At the point where an expatriate takes up his/her job the second is operationalized in the form of a personal 'guide' or mentor assigned to the new arrival in the workplace. Once the expatriate and, if applicable, his/her family have settled into their new accommodation, then language training in basic Cantonese and in using English more effectively with non-native speakers is undertaken. About six weeks after arrival cross-cultural training begins, with sessions of about one a month for six months and then a follow-up session at the end of the first year. This research has determined that this training model provides an effective answer to the question of what type of training will assist Anglo-American expatriate managers to adjust and to work successfully in Hong Kong.

## **CHAPTER 12**

### **CONCLUSIONS AND SUGGESTIONS FOR FURTHER RESEARCH**

This final chapter summarizes this study's major findings in relation to each of the three research questions, though of course, the findings are not mutually exclusive. Suggestions for further research are provided as well.

#### **12.1 Cross-Cultural Management in Hong Kong**

**What is the nature of cross-cultural management in Hong Kong involving Anglo-American expatriate managers and Chinese host national managers?**

##### **12.1.1 Convergence vs. Divergence**

- Despite convergence with respect to Western technology and business practices within large organizations in Hong Kong, micro-level management practices continue to retain a cultural specificity which is consistent with the norms and values of traditional Chinese culture.
- The increased 'Westernization' of host national managers in Hong Kong has taken place alongside changes in Western societies themselves, so there is not necessarily a reduction in the relative 'cultural' differences between expatriates and host nationals.



### **12.1.2 The Hong Kong Context**

- Anglo-American expatriates in Hong Kong work in an environment where some host national managers perceive that host nationals have received inequitable treatment because of Hong Kong's recent colonial history and these feelings may influence, even if only slightly, cross-cultural interactions in Hong Kong.
- Hong Kong has a historical role of blending East and West, and expatriates continue to be welcomed particularly because of the professional/technical knowledge and skills which they bring with them from their home countries.

### **12.1.3 Privacy**

- Hong Kong's host nationals much prefer to discuss key issues and problems on a one-to-one basis in private, rather than in a public forum such as a meeting.
- Host nationals tend to feel more comfortable when a meeting is used to disseminate information or to confirm ideas where substantial agreement has been determined prior to the meeting. When a meeting operates as an open forum to debate issues, to question and to challenge, host nationals are likely to feel less comfortable participating openly in such activities than are expatriates.

### **12.1.4 Social Roles**

- Hong Kong is essentially a 'low trust' society and this is seen in how host nationals and expatriates define their various social roles.

- Host nationals are inclined to draw a clear distinction between their personal/family life and their role in the workplace, and family obligations may be fulfilled in different ways. Expatriates may place more emphasis on 'quality time' with their family, whereas host nationals may find it more acceptable to sacrifice this in favour of furthering the interests of the family through making more money and becoming more successful.
- In making decisions expatriates are less likely to see it as appropriate to take into account friendship or the existence of a long-standing personal relationship in making work-related decisions and are more inclined to make decisions in accordance with formally established rules and regulations.

#### **12.1.5 Cultural Synergy**

- There is little evidence that cultural synergy exists in Hong Kong organizations. Rather there is an accommodating of Chinese and Western perspectives, not a blending of their significant features.

#### **12.1.6 'Cultural Toughness'**

- Hong Kong appears to be one of the easier places in Asia to live and work, though the 'cultural toughness' of the society can become more apparent in the longer term.

- As Hong Kong integrates further with China the 'cultural toughness' factor may become an increasingly important feature of cross-cultural management in Hong Kong.

## **12.2 Adjustment of Anglo-American Expatriate Managers in Hong Kong**

**What are the important features of adjustment for Anglo-American expatriate managers living and working in Hong Kong?**

### **12.2.1 Cultural Competency**

- The success of expatriate managers in Hong Kong will be facilitated by the adoption of a 'learning attitude' concerning the local culture, together with an open-minded acceptance of the cultural relativity principle that all cultures exhibit behaviour patterns which are valid within their own environment. As in all other overseas locations, the onus rests very much with expatriates to develop a satisfactory degree of cultural competency. Host nationals in Hong Kong already perceive themselves to be relatively competent when it comes to working with foreigners.



### **12.2.2 Social Isolation**

- In line with the familism and low trust nature of Hong Kong society there is relatively little social contact between expatriates and host nationals outside of the work place, and even at work the degree of socializing may be limited. Consequently, expatriate can find themselves being somewhat isolated from the host national society at a personal level.

### **12.2.3 Expatriate Failure**

- The inability of the spouse and/or family to adapt to Hong Kong is identified as a major reason for expatriate assignments to fail.
- The causes of family failure appear to have less to do with separation anxiety generated by living away from family and friends, than they have to do with the demanding nature of many expatriate jobs and Hong Kong's highly urbanized environment.
- Family failure appears to be a more acceptable explanation for the failure of expatriate assignments than either problems within organizations or problems experienced by expatriates in their working relationships with host nationals.

#### **12.2.4 Culture Shock**

- Culture shock is not identified as a problem in Hong Kong. However, expatriates may find that some of the cultural differences they experience on a regular basis are on-going sources of irritation.

#### **12.2.5 Individual Adjustment in Hong Kong**

- In Hong Kong it appears that the greatest adjustment challenges facing expatriate managers have to do with micro-level social factors rather than macro-level factors related to the general business environment.
- The adjustment of expatriate managers is facilitated by a strong orientation towards career development and hard work, possession of the professional/technical expertise required for their job, reinforcement substitution and stress reduction behaviours, and a willingness to engage in a process of continuous 'active' learning with respect to every aspect of the host national society and culture

#### **12.2.6 A Model of Expatriate Adjustment in Hong Kong**

- 1) Professional/Technical Expertise - Possession of professional/technical expertise readily identifiable by host nationals.
- 2) Orientation to Work - Highly motivated towards career development and by the intrinsic satisfaction of a job well done.

- 3) Self Development - A willingness to engage in a continuous process of learning within the context of the host national culture.
- 4) Family Adjustment - Spouse and family adjustment so as to avoid expatriate failure and enhance the chances for a successful personal adjustment.

### **12.3 Training For Anglo-American Expatriate Managers in Hong Kong**

**What type of training and development will assist Anglo-American expatriates to adjust and to work successfully in Hong Kong?**

#### **12.3.1 Language**

- The ability to speak Putonghua will be essential for expatriates whose long-term career plans are focused on Greater China.
- The ability to speak basic Cantonese will be helpful to expatriates in Hong Kong.
- The modification of speech characteristics such as syntax, vocabulary and idiomatic expressions, by native English language speakers, can assist them to communicate much more effectively with people who are using English as a second language in Hong Kong and/or other parts of Asia.

#### **12.3.2 Selection**

Key selection criteria for recruiting Anglo-American expatriates to work in Hong Kong are professional/technical expertise, personal attributes - particularly a willingness to learn and adaptability, previous international experience, and Chinese language skills.



### **12.3.3 A Model of Management Training For Hong Kong**

- 1) Pre-Departure Briefing - A briefing that includes facts, information about practical issues of settling-in, and some basic ideas about the history, politics, and socio-economic characteristics of Hong Kong.
- 2) Cross-Cultural Training - A reflective exercise, in the form of sessions about six weeks apart for the first six months, for expatriates, their spouses and school-age children which would assist them to process their experiences and better understand themselves in relation to the host national culture. There would be a follow-up session a year after arrival.
- Language - Basic 'survival' Cantonese and instruction in communicating more effectively in English with people who are using English as a second language.
- Personal 'Guide' - A confidante or mentor in the workplace who would provide a trustworthy source of information to help expatriate managers adjust during the first year of their assignment.

### **12.4 Suggestions For Further Research**

To generate the data upon which this study's conclusions are based it was necessary to rely on the ability of respondents to recall past experiences and on their willingness to share their opinions. Such a research strategy is subject to the well known shortcomings related to memory loss or distortion, the 'filtering'; of past events in light of more recent ones and the tendency for respondents to be inclined to present answers which they believe the researcher will find acceptable. It is also subject to

shortcomings because it is attempting to understand the nature of processes, not just discreet events.

Based on the experience of this study three recommendations are put forward for further research:

- A more comprehensive understanding of the questions addressed in this research would be facilitated by the direct observations of the work-related interactions between expatriate and host national managers.
- Longitudinal studies have far greater potential for capturing the key elements of the cross-cultural processes which have been examined in this study.
- The model of cross-cultural training for expatriate managers needs to be tested in a study where there is an experimental and a control group. The logistical and ethical considerations which would need to be taken into account are considerable, however such a study is the next logical step in determining whether the model's potential can be fulfilled.

Besides the testing of the training model this research has identified some other areas which appear to be fruitful for additional research, particularly comparative work with other countries. A further examination of the proposition that Hong Kong is a low trust society where people define their various social roles differently than in other societies is one such area. The nature of various relationships and friendship/acquaintance networks has the potential to inform understanding about

workplace behaviours, including approaches to solving problems and making decisions. With Hong Kong now becoming an SAR of China the issues of 'cultural toughness' and culture shock in relation to expatriate adjustment deserve further attention. Will Hong Kong become an easier or a more difficult expatriate posting? Not only are there the practical issues of importance to business, but it has the potential to shed further light on the convergence vs. divergence issue. This study has found in favour of divergence at the level of micro-management, but as Hong Kong's recent colonial status recedes into history, and given China's rapid modernization, it may be that a greater degree of convergence will take place in the future.

The foregoing ideas are not definitive by any means. They are simply indicative of some of the possibilities that, when considered alongside this study's major findings, have the potential to further understanding about expatriation and cross-cultural management. For as transportation and communication links become ever more sophisticated, and the globalization of business continues to affect countries around the world there is reason to believe that these issues will continue to be important well into the twenty-first century.



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## Appendix A: Expatriate Interview Schedule

Code Number \_\_\_\_\_

### SECTION I: BACKGROUND (A)

Before discussing your work I would like to ask you several general questions about your background.

1. What is the approximate length of your full-time work experience?
2. How long have you worked in Hong Kong?
3. Where have you worked besides Hong Kong?
4. For what period(s) of time?
5. What is your current nationality?
6. What was your nationality at birth?
7. Did you grow up in [COUNTRY OF BIRTH NATIONALITY]?

Yes

☐

1

No

☐

2

[IF NO] - Could you explain your circumstances when you were growing up?

8. Did you ever live overseas before the age of 20?

Yes

☐

1

No

☐

2

## SECTION II: MANAGERIAL WORK

I would now like to ask you, in some detail, about your present job.

9. What is the job title of your current position? \_\_\_\_\_
10. Is your position formally designated as a managerial post?

Yes		No	
<input type="checkbox"/>	1	<input type="checkbox"/>	2

### BEHAVIOUR

11. In your work how do you go about making decisions?
12. Are the ways in which you make decisions in your current job in Hong Kong different from those you experienced while working in [HOME COUNTRY].

Yes		No	
<input type="checkbox"/>	1	<input type="checkbox"/>	2

[IF YES]

13. What are the differences?
14. Can you identify ways in which you have modified your managerial behaviour since you began work in Hong Kong?

Yes		No	
<input type="checkbox"/>	1	<input type="checkbox"/>	2

[IF YES]



15. Could you describe how your behaviour has changed?

**SKILLS**

16. What skills have helped you to function successfully at your present job in Hong Kong?
17. Are these skills the same ones that you would require if you were working in a similar job in [HOME COUNTRY]?
18. Can you identify any new skills that you have **DEVELOPED** because of your job in Hong Kong?
- [IF SO] Please describe them.
19. Can you identify any skills that you have **ENHANCED** because of your job in Hong Kong?
- [IF SO] Please describe them.
20. Generally, what skills and abilities do expatriate managers need when working in Hong Kong?
21. How do you think that such skills and abilities can be developed most effectively?
22. [OPTION] Generally, what skills and abilities do expatriate managers need when working in [ADDITIONAL WORK LOCATION]?
23. [OPTION] How can these be acquired most effectively?

24. Can you identify any management practices from your [HOME COUNTRY] that you would like to see adopted more extensively in Hong Kong?
25. Can you identify any management practices from your [HOME COUNTRY] that you believe cannot be adopted successfully in Hong Kong?

## ATTITUDES

26. There is a saying that "The last thing a fish will discover is water and this is discovered only when landed in a fisherman's net" (Hofstede, '81). This suggests that we are not aware of our own culture unless we find ourselves outside of it.

What is your opinion?

27. What effect has being [NATIONALITY] had on your work as a manager in Hong Kong?
28. Before you began working in Hong Kong what did you expect it would be like to work here?
29. In what ways have your expectations changed?
30. In the time you have been working in Hong Kong, have you ever felt estranged from your own national background?
31. Could you explain more fully?
32. What have you learned from working as a manager in Hong Kong?
33. What problems have you encountered in your work as an expatriate manager in Hong Kong?
34. What do you admire most about Chinese society?
35. What do you admire least about Chinese society?



- 36. What do you admire most about Chinese management?
- 37. What do you admire least about Chinese management?
- 38. Since beginning work in Hong Kong do you think that you have become a more internationally-minded person?
- 39. [IF YES] In what ways? ..
- 40. What key learning experiences have assisted you in becoming more internationally minded?
- 41. What things do you particularly like about working in Hong Kong?
- 42. What things do you particularly dislike about working in Hong Kong?

### **CONFLICT RESOLUTION**

- 43. Recall the most recent conflict situation you have been involved in at work and describe the nature of the situation and how you handled it?
- 44. If a similar conflict situation had arisen in [HOME COUNTRY] how would you have handled it?
- 45. Do conflict situations arise because of different issues in Hong Kong than in [HOME COUNTRY]?

## COMMUNICATION

The following questions concern verbal communication, (i.e. speaking with or listening to others) either with individuals or in meetings or on the telephone.

46. Out of your total working time, how often would you spend time speaking with or listening to others?

<input type="checkbox"/>	1	Seldom (0 - 20%)
<input type="checkbox"/>	2	Not often (>20% - 40%)
<input type="checkbox"/>	3	About one-half of the time (>40% - 60%)
<input type="checkbox"/>	4	Often (>60% - 80%)
<input type="checkbox"/>	5	Very often (>80% - 100%)
<input type="checkbox"/>	99	Not applicable/Do not know/Missing data

47. Approximately how often does the speaking with or listening to others take place with people who are employed IN your organization?

<input type="checkbox"/>	1	Seldom (0 - 20%)
<input type="checkbox"/>	2	Not often (>20% - 40%)
<input type="checkbox"/>	3	About one-half of the time (>40% - 60%)
<input type="checkbox"/>	4	Often (>60% - 80%)
<input type="checkbox"/>	5	Very often (>80% - 100%)
<input type="checkbox"/>	99	Not applicable/Do not know/Missing data

48. Approximately how often does the speaking with or listening to others take place with people who are employed OUTSIDE of your organization?

<input type="checkbox"/>	1	Seldom (0 - 20%)
<input type="checkbox"/>	2	Not often (>20% - 40%)
<input type="checkbox"/>	3	About one-half of the time (>40% - 60%)
<input type="checkbox"/>	4	Often (>60% - 80%)
<input type="checkbox"/>	5	Very often (>80% - 100%)
<input type="checkbox"/>	99	Not applicable/Do not know/Missing data

49. If you think about speaking with or listening to people employed WITHIN your organization during a normal working day what proportion of your time would you spend in discussions with:

<input type="checkbox"/>	Hong Kong Chinese managers only
<input type="checkbox"/>	Anglo-American expatriate managers only
<input type="checkbox"/>	Other expatriates only (e.g. Japanese)
<input type="checkbox"/>	Hong Kong Chinese and Anglo-American expatriates at the same time
<input type="checkbox"/>	Chinese support staff only
<input type="checkbox"/>	Expatriate support staff only
<input type="checkbox"/>	Support staff - both expatriate and Chinese at the same time



50. If you think about speaking with or listening to people employed OUTSIDE of your organization, during a normal working day what proportion of your time would you spend in discussions with:

- \_\_\_ Hong Kong Chinese managers only
- \_\_\_ Anglo-American expatriate managers only
- \_\_\_ Other expatriates only (e.g. Japanese)
- \_\_\_ Hong Kong Chinese and Anglo-American expatriates at the same time
- \_\_\_ Chinese support staff only
- \_\_\_ Expatriate support staff only
- \_\_\_ Support staff - both expatriate and Chinese at the same time

## SECTION III: MANAGERIAL EFFECTIVENESS

51. Reflecting upon your work in Hong Kong, how often do you believe that your actions are effective? That is, you are able to achieve your objectives.

<input type="checkbox"/>	99	Not applicable/Do not know/Missing data
<input type="checkbox"/>	1	Seldom (0 - 20%)
<input type="checkbox"/>	2	Not often (>20% - 40%)
<input type="checkbox"/>	3	About one-half of the time (>40% - 60%)
<input type="checkbox"/>	4	Often (>60% - 80%)
<input type="checkbox"/>	5	Very often (>80% - 100%)

52. Reflecting upon your observations of other expatriate managers who work for your company in Hong Kong, how often do you believe that their actions are effective?

<input type="checkbox"/>	99	Not applicable/Do not know/Missing data
<input type="checkbox"/>	1	Seldom (0 - 20%)
<input type="checkbox"/>	2	Not often (>20% - 40%)
<input type="checkbox"/>	3	About one-half of the time (>40% - 60%)
<input type="checkbox"/>	4	Often (>60% - 80%)
<input type="checkbox"/>	5	Very often (>80% - 100%)

53. Reflecting upon your observations of expatriate managers who work for other companies in Hong Kong, how often do you believe that their actions are effective?

<input type="checkbox"/>	99	Not applicable/Do not know/Missing data
<input type="checkbox"/>	1	Seldom (0 - 20%)
<input type="checkbox"/>	2	Not often (>20% - 40%)
<input type="checkbox"/>	3	About one-half of the time (>40% - 60%)
<input type="checkbox"/>	4	Often (>60% - 80%)
<input type="checkbox"/>	5	Very often (>80% - 100%)

54. Please describe a recent situation where you believe that you were particularly effective.
55. What factors contributed to your success?
56. Please describe a recent situation where you believe that you were particularly ineffective.
57. What factors contributed to your lack of success?



## SECTION IV: NATURE OF THE WORK SITUATION

In this section I would like to ask you some general questions about your company and also obtain some more information about your job.

### ORGANIZATION

58. What is your company's national identification? (i.e. Where is the company's headquarters)?

- |                          |   |                            |
|--------------------------|---|----------------------------|
| <input type="checkbox"/> | 1 | American                   |
| <input type="checkbox"/> | 2 | Australian                 |
| <input type="checkbox"/> | 3 | British                    |
| <input type="checkbox"/> | 4 | Canadian                   |
| <input type="checkbox"/> | 5 | Hong Kong (Chinese)        |
| <input type="checkbox"/> | 6 | Hong Kong (Foreign)        |
|                          |   | Specify _____              |
| <input type="checkbox"/> | 7 | New Zealand                |
| <input type="checkbox"/> | 8 | People's Republic of China |
| <input type="checkbox"/> | 9 | Other (specify) _____      |

59. Is your company a subsidiary?

- |                          |   |     |                          |   |    |
|--------------------------|---|-----|--------------------------|---|----|
| <input type="checkbox"/> | 1 | Yes | <input type="checkbox"/> | 2 | No |
|--------------------------|---|-----|--------------------------|---|----|

[IF NO, THEN PROCEED TO QUESTION 63]

60. To what extent are structures and systems in your company in Hong Kong similar to those in [COMPANY'S HOME COUNTRY]?

<input type="checkbox"/>	99	Not applicable/Do not know/Missing data
<input type="checkbox"/>	1	To a very little extent (0 - 20%)
<input type="checkbox"/>	2	To a little extent (>20% - 40%)
<input type="checkbox"/>	3	To a moderate extent (>40% - 60%)
<input type="checkbox"/>	4	To a great extent (>60% - 80%)
<input type="checkbox"/>	5	To a very great extent (>80% - 100%)

61. To what extent are there policies in your company which favour one nationality over another?

<input type="checkbox"/>	99	Not applicable/Do not know/Missing data
<input type="checkbox"/>	1	To a very little extent (0 - 20%)
<input type="checkbox"/>	2	To a little extent (>20% - 40%)
<input type="checkbox"/>	3	To a moderate extent (>40% - 60%)
<input type="checkbox"/>	4	To a great extent (>60% - 80%)
<input type="checkbox"/>	5	To a very great extent (>80% - 100%)

62. To what extent are there communication problems (i.e. problems transmitting information) between the parent company in [COMPANY'S HOME COUNTRY] and your company in Hong Kong?

<input type="checkbox"/>	99	Not applicable/Do not know/Missing data
<input type="checkbox"/>	1	To a very little extent (0 - 20%)
<input type="checkbox"/>	2	To a little extent (>20% - 40%)
<input type="checkbox"/>	3	To a moderate extent (>40% - 60%)
<input type="checkbox"/>	4	To a great extent (>60% - 80%)
<input type="checkbox"/>	5	To a very great extent (>80% - 100%)

63. To what extent are there communication problems (i.e. problems transmitting information) between organizational units within your company?

<input type="checkbox"/>	99	Not applicable/Do not know/Missing data
<input type="checkbox"/>	1	To a very little extent (0 - 20%)
<input type="checkbox"/>	2	To a little extent (>20% - 40%)
<input type="checkbox"/>	3	To a moderate extent (>40% - 60%)
<input type="checkbox"/>	4	To a great extent (>60% - 80%)
<input type="checkbox"/>	5	To a very great extent (>80% - 100%)



64. To what extent are there interpersonal communication problems in your company?

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 99 | Not applicable/Do not know/Missing data |
| <input type="checkbox"/> | 1  | To a very little extent (0 - 20%)       |
| <input type="checkbox"/> | 2  | To a little extent (>20% - 40%)         |
| <input type="checkbox"/> | 3  | To a moderate extent (>40% - 60%)       |
| <input type="checkbox"/> | 4  | To a great extent (>60% - 80%)          |
| <input type="checkbox"/> | 5  | To a very great extent (>80% - 100%)    |

65. To what extent do you find that there are problems with infrastructure (e.g. poor telephone lines) that impede your efforts to achieve work goals in Hong Kong?

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 99 | Not applicable/Do not know/Missing data |
| <input type="checkbox"/> | 1  | To a very little extent (0 - 20%)       |
| <input type="checkbox"/> | 2  | To a little extent (>20% - 40%)         |
| <input type="checkbox"/> | 3  | To a moderate extent (>40% - 60%)       |
| <input type="checkbox"/> | 4  | To a great extent (>60% - 80%)          |
| <input type="checkbox"/> | 5  | To a very great extent (>80% - 100%)    |

66. [IF 'TO A MODERATE EXTENT' +, PROBE] Could you please provide more information about the problems that you encounter.

67. To what extent does your company regard overseas experience to be an important component of a manager's career development?

<input type="checkbox"/>	99	Not applicable/Do not know/Missing data
<input type="checkbox"/>	1	To a very little extent (0 - 20%)
<input type="checkbox"/>	2	To a little extent (>20% - 40%)
<input type="checkbox"/>	3	To a moderate extent (>40% - 60%)
<input type="checkbox"/>	4	To a great extent (>60% - 80%)
<input type="checkbox"/>	5	To a very great extent (>80% - 100%)

68. To what extent does your company engage in active career planning with managers who undertake overseas assignments?

<input type="checkbox"/>	99	Not applicable/Do not know/Missing data
<input type="checkbox"/>	1	To a very little extent (0 - 20%)
<input type="checkbox"/>	2	To a little extent (>20% - 40%)
<input type="checkbox"/>	3	To a moderate extent (>40% - 60%)
<input type="checkbox"/>	4	To a great extent (>60% - 80%)
<input type="checkbox"/>	5	To a very great extent (>80% - 100%)

69. In selecting managers for overseas assignments which of the following mechanisms are used by your company?

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 1  | Advertisement                           |
| <input type="checkbox"/> | 2  | Head hunters                            |
| <input type="checkbox"/> | 3  | Application forms                       |
| <input type="checkbox"/> | 4  | Intelligence tests                      |
| <input type="checkbox"/> | 5  | Psychometric tests                      |
| <input type="checkbox"/> | 6  | Language aptitude tests                 |
| <input type="checkbox"/> | 7  | References                              |
| <input type="checkbox"/> | 8  | Personal interview (one-to-one)         |
| <input type="checkbox"/> | 9  | Interview panel                         |
| <input type="checkbox"/> | 10 | 'Word-of-mouth'                         |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/Missing data |

70. Why do you think that your company selected you to come here?

71. If it was your responsibility to select a manager for a job in Hong Kong, what criteria would you use?



In your opinion, when your company selects managers for an overseas assignment to what extent should the following factors taken into account?

	Not applicable/ Do not know/ Missing data	To a very little extent (0-20%)	To a little extent (>20%- 40%)	To a moderate extent (>40%- 60%)	To a great extent (>60%- 80%)	To a very great extent (>80%- 100%)
72. Medical fitness	<input type="text"/> (99)	<input type="text"/> (1)	<input type="text"/> (2)	<input type="text"/> (3)	<input type="text"/> (4)	<input type="text"/> (5)
73. Needed expertise	<input type="text"/> (99)	<input type="text"/> (1)	<input type="text"/> (2)	<input type="text"/> (3)	<input type="text"/> (4)	<input type="text"/> (5)
Personal suitability with respect to:						
74. Adaptability	<input type="text"/> (99)	<input type="text"/> (1)	<input type="text"/> (2)	<input type="text"/> (3)	<input type="text"/> (4)	<input type="text"/> (5)
75. Maturity	<input type="text"/> (99)	<input type="text"/> (1)	<input type="text"/> (2)	<input type="text"/> (3)	<input type="text"/> (4)	<input type="text"/> (5)
76. Emotional stability	<input type="text"/> (99)	<input type="text"/> (1)	<input type="text"/> (2)	<input type="text"/> (3)	<input type="text"/> (4)	<input type="text"/> (5)

77. To what extent are you responsible for the hiring of your subordinates?

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 1  | To a very little extent (0 - 20%)       |
| <input type="checkbox"/> | 2  | To a little extent (>20% - 40%)         |
| <input type="checkbox"/> | 3  | To a moderate extent (>40% - 60%)       |
| <input type="checkbox"/> | 4  | To a great extent (>60% - 80%)          |
| <input type="checkbox"/> | 5  | To a very great extent (>80% - 100%)    |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/Missing data |

78. To what extent are you responsible for the completion of formal performance appraisals on your subordinates?

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 1  | To a very little extent (0 - 20%)       |
| <input type="checkbox"/> | 2  | To a little extent (>20% - 40%)         |
| <input type="checkbox"/> | 3  | To a moderate extent (>40% - 60%)       |
| <input type="checkbox"/> | 4  | To a great extent (>60% - 80%)          |
| <input type="checkbox"/> | 5  | To a very great extent (>80% - 100%)    |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/Missing data |

79. To what extent are you responsible for disciplinary matters (i.e. actions taken because of misconduct) with respect to your subordinates?

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 1  | To a very little extent (0 - 20%)       |
| <input type="checkbox"/> | 2  | To a little extent (>20% - 40%)         |
| <input type="checkbox"/> | 3  | To a moderate extent (>40% - 60%)       |
| <input type="checkbox"/> | 4  | To a great extent (>60% - 80%)          |
| <input type="checkbox"/> | 5  | To a very great extent (>80% - 100%)    |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/Missing data |

80. To what extent do you have the power to dismiss your subordinates from their posts?

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 1  | To a very little extent (0 - 20%)       |
| <input type="checkbox"/> | 2  | To a little extent (>20% - 40%)         |
| <input type="checkbox"/> | 3  | To a moderate extent (>40% - 60%)       |
| <input type="checkbox"/> | 4  | To a great extent (>60% - 80%)          |
| <input type="checkbox"/> | 5  | To a very great extent (>80% - 100%)    |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/Missing data |



## JOB NATURE

Please indicate how much of your normal work assignment comes from the following sources:

(81) A. Overseas Headquarters:

- |                          |    |  |
|--------------------------|----|--|
| <input type="checkbox"/> | 5  | All (100%)                                 |
| <input type="checkbox"/> | 4  | Majority (>50%)                            |
| <input type="checkbox"/> | 3  | Approximately<br>One-half (50%)            |
| <input type="checkbox"/> | 2  | Minority (<50%)                            |
| <input type="checkbox"/> | 1  | None (0%)                                  |
| <input type="checkbox"/> | 99 | Not applicable/Do not<br>know/Missing data |

(82) B. Immediate superior:

- |                          |   |   |
|--------------------------|---|---|
| <input type="checkbox"/> | 5 | All (100%)                                  |
| <input type="checkbox"/> | 4 | Majority (>50%)                             |
| <input type="checkbox"/> | 3 | Approximately<br>One-half (50%)             |
| <input type="checkbox"/> | 2 | Minority (<50%)                             |
| <input type="checkbox"/> | 1 | None (0%)                                   |
| <input type="checkbox"/> |   | Not applicable/Do not know/<br>Missing data |

(83) C. Other Organizational superiors

- |                          |    |  |
|--------------------------|----|--|
| <input type="checkbox"/> | 5  | All (100%)                                 |
| <input type="checkbox"/> | 4  | Majority (>50%)                            |
| <input type="checkbox"/> | 3  | Approximately                              |
| <input type="checkbox"/> | 2  | Minority (<50%)                            |
| <input type="checkbox"/> | 1  | None (0%)                                  |
| <input type="checkbox"/> | 99 | Not applicable/Do not<br>know missing data |

84) D. Subordinates

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 5  | All (100%)                                      |
| <input type="checkbox"/> | 4  | Majority (>50%)                                 |
| <input type="checkbox"/> | 3  | Approximately<br>One-half (50%)                 |
| <input type="checkbox"/> | 2  | Minority (<50%)                                 |
| <input type="checkbox"/> | 1  | None (0%)                                       |
| <input type="checkbox"/> | 99 | Not applicable/Do not know<br>know/Missing data |

(85) E. Self-assigned as normal part  
the job (e.g. sending  
and receiving correspondence  
or responding to customer  
request)

- |                          |    |  |
|--------------------------|----|--|
| <input type="checkbox"/> | 5  | All (100%)                                 |
| <input type="checkbox"/> | 4  | Majority (>50%)                            |
| <input type="checkbox"/> | 3  | Approximately<br>one-half (50%)            |
| <input type="checkbox"/> | 2  | Minority (<50%)                            |
| <input type="checkbox"/> | 1  | Never (0%)                                 |
| <input type="checkbox"/> | 99 | Not applicable/Do<br>not know/Missing data |

(86) F. Self-assigned:unforeseenf  
(eg. new developments  
in market conditions, an  
emergency)

- |                          |    |  |
|--------------------------|----|--|
| <input type="checkbox"/> | 5  | All (100%)                                 |
| <input type="checkbox"/> | 4  | Majority (>50%)                            |
| <input type="checkbox"/> | 3  | Approximately<br>one-half (50%)            |
| <input type="checkbox"/> | 2  | Minority (<50%)                            |
| <input type="checkbox"/> | 1  | Never (0%)                                 |
| <input type="checkbox"/> | 99 | Not applicable/Do not<br>know/Missing data |

87. When at work, what proportion of the time do you have lunch exclusively with other expatriates?

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 5  | All (100%)                              |
| <input type="checkbox"/> | 4  | Majority (>50%)                         |
| <input type="checkbox"/> | 3  | Approximately one-half (50%)            |
| <input type="checkbox"/> | 2  | Minority (<50%)                         |
| <input type="checkbox"/> | 1  | Never (0%)                              |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/Missing data |

88. When at work, what proportion of the time do you have lunch with mixed groups of expatriates and non-expatriates?

<input type="checkbox"/>	5	All (100%)
<input type="checkbox"/>	4	Majority (>50%)
<input type="checkbox"/>	3	Approximately one-half (50%)
<input type="checkbox"/>	2	Minority (<50%)
<input type="checkbox"/>	1	Never (0%)
<input type="checkbox"/>	99	Not applicable/Do not know/Missing data

89. When at work, what proportion of the time do you have lunch exclusively with non-expatriates?

<input type="checkbox"/>	5	All (100%)
<input type="checkbox"/>	4	Majority (>50%)
<input type="checkbox"/>	3	Approximately one-half (50%)
<input type="checkbox"/>	2	Minority (<50%)
<input type="checkbox"/>	1	Never (0%)
<input type="checkbox"/>	99	Not applicable/Do not know/Missing data



In the interpersonal contacts which you have with non-expatriates during a normal working day to what extent do the non-expatriates belong to the following categories?

(90) A. Superiors:

- ☐ 5 All (100%)
- ☐ 4 Majority (>50%)
- ☐ 3 Approximately One-half (50%)
- ☐ 2 Minority (<50%)
- ☐ 1 None (0%)
- ☐ 99 Not applicable/Do not know/Missing data

(91) B. Peers:

- ☐ 5 All (100%)
- ☐ 4 Majority (>50%)
- ☐ 3 Approximately One-half (50%)
- ☐ 2 Minority (<50%)
- ☐ 1 None (0%)
- ☐ 99 Not applicable/Do not know/Missing data

(92) C. Subordinates:

- ☐ 5 All (100%)
- ☐ 4 Majority (>50%)
- ☐ 3 Approximately One-half (50%)
- ☐ 2 Minority (<50%)
- ☐ 1 None (0%)
- ☐ 99 Not applicable/Do not know/Missing data

(93) D. Contacts outside of own organization

- ☐ 5 All (100%)
- ☐ 4 Majority (>50%)
- ☐ 3 Approximately One-half (50%)
- ☐ 2 Minority (<50%)
- ☐ 1 None (0%)
- ☐ 99 Not applicable/Do not know/Missing data

94. How many people report to you directly?

Please indicate what proportion of your working week you normally spend in the following locations?

(95) A. Hong Kong:

(96) B. China (Including Shenzhen):

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 5  | All (100%)                              |
| <input type="checkbox"/> | 4  | Majority (>50%)                         |
| <input type="checkbox"/> | 3  | Approximately One-half (50%)            |
| <input type="checkbox"/> | 2  | Minority (<50%)                         |
| <input type="checkbox"/> | 1  | None (0%)                               |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/Missing data |

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 5  | All (100%)                              |
| <input type="checkbox"/> | 4  | Majority (>50%)                         |
| <input type="checkbox"/> | 3  | Approximately One-half (50%)            |
| <input type="checkbox"/> | 2  | Minority (<50%)                         |
| <input type="checkbox"/> | 1  | None (0%)                               |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/Missing data |

(97) C. Other Location(s)

(98)

Specify \_\_\_\_\_

Specify \_\_\_\_\_

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 5  | All (100%)                              |
| <input type="checkbox"/> | 4  | Majority (>50%)                         |
| <input type="checkbox"/> | 3  | Approximately One-half (50%)            |
| <input type="checkbox"/> | 2  | Minority (<50%)                         |
| <input type="checkbox"/> | 1  | None (0%)                               |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/Missing data |

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 5  | All (100%)                              |
| <input type="checkbox"/> | 4  | Majority (>50%)                         |
| <input type="checkbox"/> | 3  | Approximately One-half (50%)            |
| <input type="checkbox"/> | 2  | Minority (<50%)                         |
| <input type="checkbox"/> | 1  | None (0%)                               |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/Missing data |

99. Is your job attached to a particular department or division (e.g. marketing, public relations)?

☐ 1 Yes

☐ 2 No

100. [IF YES] Which department or division \_\_\_\_\_

101. Do you have one immediate superior to whom you are responsible?

☐ 1 Yes

☐ 2 No

102. To which of the following groups does your immediate superior belong?

☐ 1 Anglo-American expatriate

☐ 2 Hong Kong Chinese

☐ 3 Mainland Chinese

☐ 4 Other (please specify which nationality \_\_\_\_\_)

103. In a normal working week how many days do you work?

104. In a normal working week how many hours do you work?



## SECTION V: PERSONAL EXPERIENCE

This section focuses on your experiences in adjusting to a new working and living environment.

### CULTURE SHOCK

105. Can you describe any culture shock that you have experienced within your workplace in Hong Kong?
106. How did you deal with it?
107. Can you describe any culture shock that you have experienced outside of your workplace in Hong Kong?
108. How did you deal with it?
109. To what extent do you agree with the idea that culture shock is almost an occupational hazard for individuals on overseas assignment?

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 1  | To a very little extent (0 - 20%)       |
| <input type="checkbox"/> | 2  | To a little extent (>20% - 40%)         |
| <input type="checkbox"/> | 3  | To a moderate extent (>40% - 60%)       |
| <input type="checkbox"/> | 4  | To a great extent (>60% - 80%)          |
| <input type="checkbox"/> | 5  | To a very great extent (>80 - 100%)     |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/Missing data |

### ADJUSTMENT

110. To what extent do you feel that you have adapted to working in Hong Kong?

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 1  | To a very little extent (0 - 20%)       |
| <input type="checkbox"/> | 2  | To a little extent (>20% - 40%)         |
| <input type="checkbox"/> | 3  | To a moderate extent (>40% - 60%)       |
| <input type="checkbox"/> | 4  | To a great extent (>60% - 80%)          |
| <input type="checkbox"/> | 5  | To a very great extent (>80 - 100%)     |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/Missing data |

111. To what extent do you feel that you have adapted to living in Hong Kong?

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 1  | To a very little extent (0 - 20%)       |
| <input type="checkbox"/> | 2  | To a little extent (>20% - 40%)         |
| <input type="checkbox"/> | 3  | To a moderate extent (>40% - 60%)       |
| <input type="checkbox"/> | 4  | To a great extent (>60% - 80%)          |
| <input type="checkbox"/> | 5  | To a very great extent (>80 - 100%)     |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/Missing data |

112. Can you identify factors which have assisted you in adjusting to living in Hong Kong?

113. Can you identify factors which have assisted you in adjusting to your work in Hong Kong?
114. Do you personally know of any cases where expatriate managers have had to cut short a job assignment in Hong Kong?
- [IF YES]
115. Can you summarize what happened?
116. While working in Hong Kong have you encountered work situations where other people did not respond to your actions as you had anticipated that they would respond?
117. [IF YES]      *Please describe a situation.*
118. What follow up action did you take?
119. What did you learn from the experience?
120. What would you do if you were confronted by the same situation again?



## SECTION VI : CROSS-CULTURAL MANAGEMENT

These next questions ask you to give your ideas about features of cross-cultural management.

121. People can have very different perceptions about an event that they observed or experienced. Do you recall any situations when this has occurred while working in Hong Kong?

[IF SO]

☐

1 YES

☐

2 NO

122. [IF YES] Can you tell me more about that?

To what extent do you think that the following factors determine whether or not an expatriate manager will be successful working in Hong Kong?

(123)A. General managerial skills

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 1  | To a very little extent<br>(0 - 20%)        |
| <input type="checkbox"/> | 2  | To a little extent<br>(>20% - 40%)          |
| <input type="checkbox"/> | 3  | To a moderate extent<br>(>40% - 60%)        |
| <input type="checkbox"/> | 4  | To a great extent<br>(>60% - 80%)           |
| <input type="checkbox"/> | 5  | To a very great extent<br>(>80% - 100%)     |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/<br>Missing data |

(124)B. Technical skills

- |                          |    |  |
|--------------------------|----|--|
| <input type="checkbox"/> | 1  | To a very little exte<br>(0 - 20%)         |
| <input type="checkbox"/> | 2  | To a little extent<br>(>20% - 40%)         |
| <input type="checkbox"/> | 3  | To a moderate extent<br>(>40% - 60%)       |
| <input type="checkbox"/> | 4  | To a great extent<br>(>60% - 80%)          |
| <input type="checkbox"/> | 5  | To a very great extent<br>(>80% - 100%)    |
| <input type="checkbox"/> | 99 | Not applicable/Do not<br>know/Missing data |

(125)C. Organizational ability

<input type="checkbox"/>	1	To a very little extent (0 - 20%)
<input type="checkbox"/>	2	To a little extent (>20% - 40%)
<input type="checkbox"/>	3	To a moderate extent (>40% - 60%)
<input type="checkbox"/>	4	To a great extent (>60% - 80%)
<input type="checkbox"/>	5	To a very great extent (>80% - 100%)
<input type="checkbox"/>	99	Not applicable/Do not know/ Missing data

(126)D. Belief in mission

<input type="checkbox"/>	1	To a very little exte (0 - 20%)
<input type="checkbox"/>	2	To a little extent (>20% - 40%)
<input type="checkbox"/>	3	To a moderate extent (>40% - 60%)
<input type="checkbox"/>	4	To a great extent (>60% - 80%)
<input type="checkbox"/>	5	To a very great extent (>80% - 100%)
<input type="checkbox"/>	99	Not applicable/Do not know/Missing data

(127)E. Financial reward

<input type="checkbox"/>	1	To a very little extent (0 - 20%)
<input type="checkbox"/>	2	To a little extent (>20% - 40%)
<input type="checkbox"/>	3	To a moderate extent (>40% - 60%)
<input type="checkbox"/>	4	To a great extent (>60% - 80%)
<input type="checkbox"/>	5	To a very great extent (>80% - 100%)
<input type="checkbox"/>	99	Not applicable/Do not know/ Missing data

(128)F. Relational abilities

<input type="checkbox"/>	1	To a very little exte (0 - 20%)
<input type="checkbox"/>	2	To a little extent (>20% - 40%)
<input type="checkbox"/>	3	To a moderate extent (>40% - 60%)
<input type="checkbox"/>	4	To a great extent (>60% - 80%)
<input type="checkbox"/>	5	To a very great extent (>80% - 100%)
<input type="checkbox"/>	99	Not applicable/Do not know/Missing data

(129)G. Ability to deal with local  
nationals

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 1  | To a very little extent<br>(0 - 20%)        |
| <input type="checkbox"/> | 2  | To a little extent<br>(>20% - 40%)          |
| <input type="checkbox"/> | 3  | To a moderate extent<br>(>40% - 60%)        |
| <input type="checkbox"/> | 4  | To a great extent<br>(>60% - 80%)           |
| <input type="checkbox"/> | 5  | To a very great extent<br>(>80% - 100%)     |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/<br>Missing data |

(130)H. Cultural empathy

- |                          |    |  |
|--------------------------|----|--|
| <input type="checkbox"/> | 1  | To a very little exte<br>(0 - 20%)         |
| <input type="checkbox"/> | 2  | To a little extent<br>(>20% - 40%)         |
| <input type="checkbox"/> | 3  | To a moderate extent<br>(>40% - 60%)       |
| <input type="checkbox"/> | 4  | To a great extent<br>(>60% - 80%)          |
| <input type="checkbox"/> | 5  | To a very great extent<br>(>80% - 100%)    |
| <input type="checkbox"/> | 99 | Not applicable/Do not<br>know/Missing data |

(131)I. An adaptive and supportive family

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 1  | To a very little extent<br>(0 - 20%)        |
| <input type="checkbox"/> | 2  | To a little extent<br>(>20% - 40%)          |
| <input type="checkbox"/> | 3  | To a moderate extent<br>(>40% - 60%)        |
| <input type="checkbox"/> | 4  | To a great extent<br>(>60% - 80%)           |
| <input type="checkbox"/> | 5  | To a very great extent<br>(>80% - 100%)     |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/<br>Missing data |

(132)J. Language ability

- |                          |    |  |
|--------------------------|----|--|
| <input type="checkbox"/> | 1  | To a very little exte<br>(0 - 20%)         |
| <input type="checkbox"/> | 2  | To a little extent<br>(>20% - 40%)         |
| <input type="checkbox"/> | 3  | To a moderate extent<br>(>40% - 60%)       |
| <input type="checkbox"/> | 4  | To a great extent<br>(>60% - 80%)          |
| <input type="checkbox"/> | 5  | To a very great extent<br>(>80% - 100%)    |
| <input type="checkbox"/> | 99 | Not applicable/Do not<br>know/Missing data |



133. To what extent have the expectations of local managers about how expatriate managers should behave been compatible with your own patterns of behaviour?

<input type="checkbox"/>	1	To a very little extent (0 - 20%)
<input type="checkbox"/>	2	To a little extent (>20% - 40%)
<input type="checkbox"/>	3	To a moderate extent (>40% - 60%)
<input type="checkbox"/>	4	To a great extent (>60% - 80%)
<input type="checkbox"/>	5	To a very great extent (>80% - 100%)
<input type="checkbox"/>	99	Not applicable/Do not know/Missing data

134. To what extent have you modified your behaviour patterns because of those expectations?

<input type="checkbox"/>	1	To a very little extent (0 - 20%)
<input type="checkbox"/>	2	To a little extent (>20% - 40%)
<input type="checkbox"/>	3	To a moderate extent (>40% - 60%)
<input type="checkbox"/>	4	To a great extent (>60% - 80%)
<input type="checkbox"/>	5	To a very great extent (>80% - 100%)
<input type="checkbox"/>	99	Not applicable/Do not know/Missing data

135. In your experience have you found that expatriate and Chinese managers behave similar to or different from one another?

136. [IF SIMILAR] Can you describe the similarities?

137. [IF DIFFERENT] Can you describe the differences?
138. Can you describe what happens when you undertake a decision-making exercise that involves Chinese members of staff?
139. How would the decision-making exercise differ if it involved only [HOME COUNTRY] members of staff?
140. Can you identify consistent patterns of behaviour with either Chinese or [HOME COUNTRY] members of staff?
- [IF YES]
141. Can you describe the patterns of behaviour in more detail?
142. To what extent does your job require teamwork?

<input type="checkbox"/>	1	To a very little extent (0 - 20%)
<input type="checkbox"/>	2	To a little extent (>20% - 40%)
<input type="checkbox"/>	3	To a moderate extent (>40% - 60%)
<input type="checkbox"/>	4	To a great extent (>60% - 80%)
<input type="checkbox"/>	5	To a very great extent (>80% - 100%)
<input type="checkbox"/>	99	Not applicable/Do not know/Missing data

143. To what extent do you employ an interpreter in your work?

- |                          |    |                                  |
|--------------------------|----|----------------------------------|
| <input type="checkbox"/> | 1  | Never (0%)                       |
| <input type="checkbox"/> | 2  | Minority (<50%)                  |
| <input type="checkbox"/> | 3  | Approximately one-half (50%)     |
| <input type="checkbox"/> | 4  | Majority (>50%)                  |
| <input type="checkbox"/> | 5  | All (100%)                       |
| <input type="checkbox"/> | 99 | Not applicable/unable to respond |

144. In what situations?

145. Is the interpreter employed as a full-time employee by your organization?

146. To what extent are you satisfied with the arrangements for interpretation?

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 1  | To a very little extent (0 - 20%)       |
| <input type="checkbox"/> | 2  | To a little extent (>20% - 40%)         |
| <input type="checkbox"/> | 3  | To a moderate extent (>40% - 60%)       |
| <input type="checkbox"/> | 4  | To a great extent (>60% - 80%)          |
| <input type="checkbox"/> | 5  | To a very great extent (>80% - 100%)    |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/Missing data |



To what extent do you agree with the following statements?

- (147) A. "Because a certain practice works well in one country it does not necessarily mean it will achieve the same results if transplanted elsewhere" (Waters, '91, p.25)

<input type="checkbox"/>	1	To a very little extent (0 - 20%)
<input type="checkbox"/>	2	To a little extent (>20% - 40%)
<input type="checkbox"/>	3	To a moderate extent (>40% - 60%)
<input type="checkbox"/>	4	To a great extent (>60% - 80%)
<input type="checkbox"/>	5	To a very great extent (>80% - 100%)
<input type="checkbox"/>	.99	Not applicable/Do not know/Missing data

- (148) B. Management style is determined by the technology or the general state of development of a particular society and will, as the society develops, tend towards that prevalent in developed western countries.

<input type="checkbox"/>	1	To a very little extent (0 - 20%)
<input type="checkbox"/>	2	To a little extent (>20% - 40%)
<input type="checkbox"/>	3	To a moderate extent (>40% - 60%)
<input type="checkbox"/>	4	To a great extent (>60% - 80%)
<input type="checkbox"/>	5	To a very great extent (>80% - 100%)
<input type="checkbox"/>	.99	Not applicable/Do not know/Missing data

- (149) C. The particular culture of a society is a dominant factor in managerial style and management will retain its own unique cultural identity even as the society develops.

<input type="checkbox"/>	1	To a very little extent (0 - 20%)
<input type="checkbox"/>	2	To a little extent (>20% - 40%)
<input type="checkbox"/>	3	To a moderate extent (>40% - 60%)
<input type="checkbox"/>	4	To a great extent (>60% - 80%)
<input type="checkbox"/>	5	To a very great extent (>80% - 100%)
<input type="checkbox"/>	99	Not applicable/Do not know/Missing data

- (150) D. In Western societies individuals control their behaviour in response to guilt, whereas in the East individuals control their behaviour in response to shame.

<input type="checkbox"/>	1	To a very little extent (0 - 20%)
<input type="checkbox"/>	2	To a little extent (>20% - 40%)
<input type="checkbox"/>	3	To a moderate extent (>40% - 60%)
<input type="checkbox"/>	4	To a great extent (>60% - 80%)
<input type="checkbox"/>	5	To a very great extent (>80% - 100%)
<input type="checkbox"/>	99	Not applicable/Do not know/Missing data

- (151) E. There will develop an international corps of 'World Citizens' who will be managers without countries, and who will relate only to their companies.

<input type="checkbox"/>	1	To a very little extent (0 - 20%)
<input type="checkbox"/>	2	To a little extent (>20% - 40%)
<input type="checkbox"/>	3	To a moderate extent (>40% - 60%)
<input type="checkbox"/>	4	To a great extent (>60% - 80%)
<input type="checkbox"/>	5	To a very great extent (>80% - 100%)
<input type="checkbox"/>	99	Not applicable/Do not know/Missing data

- (152) F. A potential consequence of multicultural work forces is the creation of "cultural synergy", which is a unifying organizational culture based on the best of all members' national cultures.

<input type="checkbox"/>	1	To a very little extent (0 - 20%)
<input type="checkbox"/>	2	To a little extent (>20% - 40%)
<input type="checkbox"/>	3	To a moderate extent (>40% - 60%)
<input type="checkbox"/>	4	To a great extent (>60% - 80%)
<input type="checkbox"/>	5	To a very great extent (>80% - 100%)
<input type="checkbox"/>	99	Not applicable/Do not know/Missing data



153. Have you ever experienced "cultural synergy" in your work place?

☐

1 YES

☐

2 NO

[IF YES]

154. Could you please describe the circumstances in detail

[IF NOT]

155. Why do you think that there was no "cultural synergy"?

## SECTION VII : TRAINING

If you were designing a training programme for someone from your home country, without any previous work experience in Hong Kong, to that extent would the following training areas be important?

	Not applicable/ Do not know/ Missing data	To a very little extent (0-20%)	To a little extent (>20%- 40%)	To a moderate extent (>40%- 60%)	To a great extent (>60%- 80%)	To a very great extent (>80%- 100%)
156. Managerial Training (General Managerial functions)	<input type="text"/> (99)	<input type="text"/> (1)	<input type="text"/> (2)	<input type="text"/> (3)	<input type="text"/> (4)	<input type="text"/> (5)
157. Cross-cultural training (Interpersonal Interaction)	<input type="text"/> (99)	<input type="text"/> (1)	<input type="text"/> (2)	<input type="text"/> (3)	<input type="text"/> (4)	<input type="text"/> (5)
158. International Business Training (Business Practices Across National Boundaries)	<input type="text"/> (99)	<input type="text"/> (1)	<input type="text"/> (2)	<input type="text"/> (3)	<input type="text"/> (4)	<input type="text"/> (5)
159. Language Training	<input type="text"/> (99)	<input type="text"/> (1)	<input type="text"/> (2)	<input type="text"/> (3)	<input type="text"/> (4)	<input type="text"/> (5)

Please indicate the extent to which you agree with the following statements?

The purpose of cross-cultural training for Hong Kong should be to:

	Not applicable/ Do not know/ Missing data	To a very little extent (0-20%)	To a little extent (>20%- 40%)	To a moderate extent (>40%- 60%)	To a great extent (>60%- 80%)	To a very great extent (>80%- 100%)
160. Help you to interact more effectively with your Chinese subordinates	<input type="text"/> (99)	<input type="text"/> (1)	<input type="text"/> (2)	<input type="text"/> (3)	<input type="text"/> (4)	<input type="text"/> (5)
161. Help you to interact more effectively with your Chinese peers	<input type="text"/> (99)	<input type="text"/> (1)	<input type="text"/> (2)	<input type="text"/> (3)	<input type="text"/> (4)	<input type="text"/> (5)
162. Help you to interact more effectively with your Chinese superiors	<input type="text"/> (99)	<input type="text"/> (1)	<input type="text"/> (2)	<input type="text"/> (3)	<input type="text"/> (4)	<input type="text"/> (5)
163. Help you to interact more effectively with Chinese Business people outside of your organization	<input type="text"/> (99)	<input type="text"/> (1)	<input type="text"/> (2)	<input type="text"/> (3)	<input type="text"/> (4)	<input type="text"/> (5)
164. Help you to interact more effectively with Local Chinese people outside of your organization	<input type="text"/> (99)	<input type="text"/> (1)	<input type="text"/> (2)	<input type="text"/> (3)	<input type="text"/> (4)	<input type="text"/> (5)



165. When cross-cultural training is provided to managers, it often takes place prior to their posting abroad. However, it has been suggested that cross-cultural training may be more effective if it is conducted after a manager has lived and worked in the host culture for a brief period of time.

To what extent do you agree?

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 1  | To a very little extent (0 - 20%)       |
| <input type="checkbox"/> | 2  | To a little extent (>20% - 40%)         |
| <input type="checkbox"/> | 3  | To a moderate extent (>40% - 60%)       |
| <input type="checkbox"/> | 4  | To a great extent (>60% - 80%)          |
| <input type="checkbox"/> | 5  | To a very great extent (>80% - 100%)    |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/Missing data |

166. Were you recruited for your present job from within your company?

- |                          |   |     |                          |   |    |
|--------------------------|---|-----|--------------------------|---|----|
| <input type="checkbox"/> | 1 | YES | <input type="checkbox"/> | 2 | NO |
|--------------------------|---|-----|--------------------------|---|----|

167. [IF YES] Can you describe the selection process?

168. To what extent was the acceptance of your job in Hong Kong a personal choice?

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 1  | To a very little extent (0 - 20%)       |
| <input type="checkbox"/> | 2  | To a little extent (>20% - 40%)         |
| <input type="checkbox"/> | 3  | To a moderate extent (>40% - 60%)       |
| <input type="checkbox"/> | 4  | To a great extent (>60% - 80%)          |
| <input type="checkbox"/> | 5  | To a very great extent (>80% - 100%)    |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/Missing data |

169. Did you attend a formal predeparture training programme prior to coming to Hong Kong?

- |                          |   |     |
|--------------------------|---|-----|
| <input type="checkbox"/> | 1 | Yes |
| <input type="checkbox"/> | 2 | No  |

170. How did your company prepare you for your move to Hong Kong?

171. What is your assessment of this preparation?

172. [IF APPLICABLE] Did your company prepare your family for their move to Hong Kong?

173. [IF YES] Was your family included in the predeparture training programme?

174. [IF APPLICABLE] Which of the following training methods were used?

- |                          |   |  |
|--------------------------|---|--|
| <input type="checkbox"/> | 1 | Briefing only  |
| <input type="checkbox"/> | 2 | Briefing + group discussion  |
| <input type="checkbox"/> | 3 | Briefing + group discussion + role play exercises  |
| <input type="checkbox"/> | 4 | Sensitivity training   |
| <input type="checkbox"/> | 5 | Role play exercise   |
| <input type="checkbox"/> | 6 | Case studies   |
| <input type="checkbox"/> | 7 | Social interaction with managers previously on overseas assignment and/or their families |
| <input type="checkbox"/> | 8 | Others   |

175. What is your opinion about the need for predeparture training programmes?

176. What orientation/training did you receive when you arrived to take up your present job in Hong Kong?



## SECTION VIII : NON-WORK ENVIRONMENT

In living overseas there are often non-work related factors which are important. This section asks you about some of these factors.

### FAMILY

177. Are you living in Hong Kong with your family (i.e. spouse and/or children)?

Yes

☐

1

No

☐

2

[IF YES]

178. To what extent has your family adjusted to living in Hong Kong?

☐

1

To a very little extent (0 - 20%)

☐

2

To a little extent (>20% - 40%)

☐

3

To a moderate extent (>40% - 60%)

☐

4

To a great extent (>60% - 80%)

☐

5

To a very great extent (>80% - 100%)

☐

99

Not applicable/Do not know/Missing data

179. Are all members of your family equally well adjusted to living in Hong Kong?

Yes

☐

1

No

☐

2

180. Could you say some more about that?

181. To what extent has your family's level of adjustment to living in Hong Kong affected your work performance?

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 1  | To a very little extent (0 - 20%)       |
| <input type="checkbox"/> | 2  | To a little extent (>20% - 40%)         |
| <input type="checkbox"/> | 3  | To a moderate extent (>40% - 60%)       |
| <input type="checkbox"/> | 4  | To a great extent (>60% - 80%)          |
| <input type="checkbox"/> | 5  | To a very great extent (>80% - 100%)    |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/Missing data |

**LEISURE TIME**

182. To what extent do you participate in social activities with expatriates in Hong Kong?

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 1  | To a very little extent (0 - 20%)       |
| <input type="checkbox"/> | 2  | To a little extent (>20% - 40%)         |
| <input type="checkbox"/> | 3  | To a moderate extent (>40% - 60%)       |
| <input type="checkbox"/> | 4  | To a great extent (>60% - 80%)          |
| <input type="checkbox"/> | 5  | To a very great extent (>80% - 100%)    |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/Missing data |

183. To what extent do you participate in social activities with local Chinese in Hong Kong?

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 1  | To a very little extent (0 - 20%)       |
| <input type="checkbox"/> | 2  | To a little extent (>20% - 40%)         |
| <input type="checkbox"/> | 3  | To a moderate extent (>40% - 60%)       |
| <input type="checkbox"/> | 4  | To a great extent (>60% - 80%)          |
| <input type="checkbox"/> | 5  | To a very great extent (>80% - 100%)    |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/Missing data |

184. To what extent do you participate in social activities with any of your local Chinese work colleagues?

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 1  | To a very little extent (0 - 20%)       |
| <input type="checkbox"/> | 2  | To a little extent (>20% - 40%)         |
| <input type="checkbox"/> | 3  | To a moderate extent (>40% - 60%)       |
| <input type="checkbox"/> | 4  | To a great extent (>60% - 80%)          |
| <input type="checkbox"/> | 5  | To a very great extent (>80% - 100%)    |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/Missing data |



185. During the past 7 days have you spent any leisure time with your local Chinese work colleagues?

Take for example dining out/sports activity

186. Would you say this is typical?

Yes

☐

1

No

☐

2

## SECTION IX : FUTURE

In this section I would like you to think about the future.

187. Can you identify what major challenges your organization is currently facing?
188. Do you anticipate any change in those challenges in the next 3 to 5 year period?
189. What are the major changes which are likely to affect your organization over the next 10 years?
190. What do you think are the major challenges for expatriate managers in Hong Kong over the next 10 years?
191. How can these challenges best be met?
192. How much longer do you expect your current posting to last?
193. When you leave this post do you expect to return to [HOME COUNTRY]?

Yes

☐

1

No

☐

2

[IF YES]

194. How do you feel about returning?

## SECTION X : BACKGROUND (B)

Please tick the box which correctly completes the following statements.

195. My gender is:

☐

1

Male

☐

2

Female

196. My age category is:

☐

1

Under 25

☐

2

25-34

☐

3

35-44

☐

4

45-54

☐

5

55 or over

197. My current marital status is:

☐

1

Single

☐

2

Married

☐

3

Separated or divorced

☐

4

Widowed

☐

5

Living with partner



198. The highest level of education which I have completed is:

- |                          |   |  |
|--------------------------|---|--|
| <input type="checkbox"/> | 1 | Secondary School                               |
| <input type="checkbox"/> | 2 | Sub-degree qualification (e.g. higher diploma) |
| <input type="checkbox"/> | 3 | Professional qualification                     |
| <input type="checkbox"/> | 4 | Degree (BA or equivalent)                      |
| <input type="checkbox"/> | 5 | Degree + Professional Qualification            |
| <input type="checkbox"/> | 6 | Master's Degree                                |
| <input type="checkbox"/> | 7 | Doctorate                                      |
| <input type="checkbox"/> | 8 | Other  |

199.

☐ 1 I am

☐ 2 I am not

a member of a Professional Association.

The name of the Association is:

---

200. I received my primary (elementary) education in the following country(ies):

---

---

201. I received my secondary (high school) education in the following country(ies):

---

---

202. I received my post-secondary (college/university) education in the following country(ies):

---

---

203. My mother tongue is \_\_\_\_\_.

204. Do you know any language other than your mother tongue?

Yes  
☐ 1

No  
☐ 2

If the answer to Question 204 is 'YES' then please answer Question 205, etc.

My familiarity with other languages is as follows:

205. Language : \_\_\_\_\_. Language : \_\_\_\_\_.

206. I can understand what is spoken

207. I am able to speak

<input type="checkbox"/>	1	None (0%)
<input type="checkbox"/>	2	A little understanding (<50%)
<input type="checkbox"/>	3	Some understanding (50%)
<input type="checkbox"/>	4	Working knowledge (>50%)
<input type="checkbox"/>	5	No problem (100%)
<input type="checkbox"/>	99	Not applicable/Do not know/Missing data

<input type="checkbox"/>	1	None (0%)
<input type="checkbox"/>	2	A little understanding (<50%)
<input type="checkbox"/>	3	Some understanding (50%)
<input type="checkbox"/>	4	Working knowledge (>50%)
<input type="checkbox"/>	5	No problem (100%)
<input type="checkbox"/>	99	Not applicable/Do not know/Missing data



208. I can able to read

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 1  | None (0%)                                   |
| <input type="checkbox"/> | 2  | A little understanding (<50%)               |
| <input type="checkbox"/> | 3  | Some understanding (50%)                    |
| <input type="checkbox"/> | 4  | Working knowledge (>50%)                    |
| <input type="checkbox"/> | 5  | No problem (100%)                           |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/<br>Missing data |

209. I am able to write

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 1  | None (0%)                                   |
| <input type="checkbox"/> | 2  | A little understanding (<50%)               |
| <input type="checkbox"/> | 3  | Some understanding (50%)                    |
| <input type="checkbox"/> | 4  | Working knowledge (>50%)                    |
| <input type="checkbox"/> | 5  | No problem (100%)                           |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/<br>Missing data |

## SECTION XI - CONCLUSION

210. Company Name: \_\_\_\_\_

<b>Interview Time</b>  Begin: _____ A.M. _____ P.M.  End:     _____ A.M. _____ P.M.	<b>Date of Interview</b>  _____
---	---------------------------------------

Note to self: Give a brief description of the respondent, and of any special conditions that affected the interview.

## Appendix B: Host National Interview Schedule

CODE NUMBER \_\_\_\_\_

HOST NATIONAL

### SECTION I: BACKGROUND (A)

Before discussing your work I would like to ask you several general questions about your background.

1. What is the approximate length of your full-time work experience?
2. How long have you worked in Hong Kong?
3. Have you ever worked full-time outside of Hong Kong?
4. For what period(s) of time?
5. What is your ethnic origin?
6. Where were you born?
7. Did you grow up in [COUNTRY OF BIRTH]?

Yes		No	
<input type="checkbox"/>	1	<input type="checkbox"/>	2

[IF NO] - Could you explain your circumstances when you were growing up?

8. Did you ever live overseas before the age of 20?

Yes		No	
<input type="checkbox"/>	1	<input type="checkbox"/>	2



## HOST NATIONAL

### SECTION II: MANAGERIAL WORK

I would now like to ask you, in some detail, about your present job.

9. What is the job title of your current position? \_\_\_\_\_

10. Is your position formally designated as a managerial post?

Yes

☐

1

No

☐

2

### BEHAVIOUR

11. In you work how do you go about making decisions?

12. Do you work with expatriate managers within your organization?

[IF YES]

13. What nationality(ies) are the expatriates?

14. Can you describe the nature of your work-related contacts with expatriates within your organization?

15. Can you identify ways in which you modify your managerial behaviour when you are working with expatriates?

[IF YES]

16. Could you describe how your behaviour changes?

17. Do you have work-related contacts with expatriates outside of your organization?

Yes	No
<input type="checkbox"/> 1	<input type="checkbox"/> 2

18. What nationality(ies) are the expatriates?

19. Can you describe the nature of your work-related contacts with expatriates outside of your organization?

### **SKILLS**

20. What skills have helped you to function successfully at your present job in Hong Kong?

21. Can you identify any new managerial skills that you have **DEVELOPED** because you need to work with expatriates?

[IF SO] Please describe them.

22. Can you identify any managerial skills that you have **ENHANCED** because you need to work with expatriates?

[IF SO] Please describe them.

23. Based on your experience in working with expatriate managers, what skills and abilities do you think that expatriate managers need in order to be successful working in Hong Kong?
24. How can expatriates develop these skills and abilities most effectively?
25. [OPTION] Generally, what skills and abilities do expatriate managers need when working in [ADDITIONAL WORK LOCATION]?
26. [OPTION] How can these be acquired most effectively?
27. Can you identify any aspects of the way that expatriate managers manage that you believe are particularly useful in accomplishing work successfully in Hong Kong?
28. Could you provide a more detailed description?
29. Can you identify any aspects of the way that expatriate managers manage that you believe are not useful in accomplishing work successfully in Hong Kong?
30. Could you provide a more detailed description?

### **ATTITUDES**

31. Hofstede ('81), a Dutch researcher and writer, has concluded that people's own ideas are culturally limited. What do you think?
32. Can you illustrate what you have just said with examples from your work experience in Hong Kong?



- 33. What effect has being Chinese had on your work as a manager in Hong Kong?
- 34. What have you learned from working with expatriates in Hong Kong?
- 35. What problems have you encountered in your work with expatriates in Hong Kong?
- 36. What do you admire most about Chinese society?
- 37. What do you admire least about Chinese society?
- 38. What do you admire most about Chinese management?
- 39. What do you admire least about Chinese management?
- 40. What do you admire most about the way that expatriate managers manage?
- 41. What do you admire least about the way that expatriate managers manage?
- 42. What things do you particularly like about working in Hong Kong?
- 43. What things do you particularly dislike about working in Hong Kong?

#### **CONFLICT RESOLUTION**

- 44. Do you recall the most recent conflict situation you have been involved in at work?

Yes		No	
<input type="checkbox"/>	1	<input type="checkbox"/>	2

45. [IF YES] Can you describe the nature of the situation and how you handled it?

### **COMMUNICATION**

The following questions concern verbal communication, (i.e. speaking with or listening to others) either with individuals or in meetings or on the telephone.

46. Out of your total working time, how often would you spend time in speaking with or listening to others?

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 99 | Not applicable/Do not know/Missing data |
| <input type="checkbox"/> | 1  | Seldom (0 - 20%)                        |
| <input type="checkbox"/> | 2  | Not often (>20% - 40%)                  |
| <input type="checkbox"/> | 3  | About one-half of the time (>40 - 60%)  |
| <input type="checkbox"/> | 4  | Often (>60% - 80%)                      |
| <input type="checkbox"/> | 5  | Very often (>80% - 100%)                |

47. Approximately how often does the speaking with or listening to others take place with people who are employed IN your organization?

<input type="checkbox"/>	99	Not applicable/Do not know/Missing data
<input type="checkbox"/>	1	Seldom (0 - 20%)
<input type="checkbox"/>	2	Not often (>20% - 40%)
<input type="checkbox"/>	3	About one-half of the time (>40 - 60%)
<input type="checkbox"/>	4	Often (>60% - 80%)
<input type="checkbox"/>	5	Very often (>80% - 100%)

48. Approximately how often does the speaking with or listening to others take place OUTSIDE of your organization?

<input type="checkbox"/>	99	Not applicable/Do not know/Missing data
<input type="checkbox"/>	1	Seldom (0 - 20%)
<input type="checkbox"/>	2	Not often (>20% - 40%)
<input type="checkbox"/>	3	About one-half of the time (>40 - 60%)
<input type="checkbox"/>	4	Often (>60% - 80%)
<input type="checkbox"/>	5	Very often (>80% - 100%)



49. If you think about speaking with or listening to people employed WITHIN your organization, during a normal working day what proportion of your time would you spend in discussions with?

- ☐ Hong Kong Chinese managers only
- ☐ Anglo-American expatriate managers only
- ☐ Other expatriates only (e.g. Japanese)
- ☐ Hong Kong Chinese and Anglo-American expatriates at the same time
- ☐ Chinese support staff only
- ☐ Expatriate support staff only
- ☐ Support staff-both expatriate and Chinese at the same time

Expatriate \* - The term, as used in this question, includes foreigners - e.g. speaking with someone over the telephone from the U.S.A. - that person is technically a foreigner, not an expatriate.

50. If you think about speaking with or listening to people employed OUTSIDE your organization, during a normal working day what proportion of your time would you spend in discussions with?

- ☐ Hong Kong Chinese managers only
- ☐ Anglo-American expatriate managers only
- ☐ Other expatriates only (e.g. Japanese)
- ☐ Hong Kong Chinese and Anglo-American expatriates at the same time
- ☐ Chinese support staff only
- ☐ Expatriate support staff only
- ☐ Support staff-both expatriate and Chinese at the same time

HOST NATIONAL

## SECTION III: MANAGERIAL EFFECTIVENESS

51. Reflecting upon your work in Hong Kong, how often do you believe that your actions are effective? That is, you are able to achieve your objectives.

<input type="checkbox"/>	99	Not applicable/Do not know/Missing data
<input type="checkbox"/>	1	Seldom (0 - 20%)
<input type="checkbox"/>	2	Not often (>20% - 40%)
<input type="checkbox"/>	3	About one-half of the time (>40 - 60%)
<input type="checkbox"/>	4	Often (>60% - 80%)
<input type="checkbox"/>	5	Very often (>80% - 100%)

52. Reflecting upon your observations of expatriate managers who work for your company in Hong Kong, how often do you believe that their actions are effective?

<input type="checkbox"/>	99	Not applicable/Do not know/Missing data
<input type="checkbox"/>	1	Seldom (0 - 20%)
<input type="checkbox"/>	2	Not often (>20% - 40%)
<input type="checkbox"/>	3	About one-half of the time (>40 - 60%)
<input type="checkbox"/>	4	Often (>60% - 80%)
<input type="checkbox"/>	5	Very often (>80% - 100%)

53. Reflecting upon your observations of expatriate managers who work for other companies in Hong Kong, how often do you believe that their actions are effective?

<input type="checkbox"/>	99	Not applicable/Do not know/Missing data
<input type="checkbox"/>	1	Seldom (0 - 20%)
<input type="checkbox"/>	2	Not often (>20% - 40%)
<input type="checkbox"/>	3	About one-half of the time (>40 - 60%)
<input type="checkbox"/>	4	Often (>60% - 80%)
<input type="checkbox"/>	5	Very often (>80% - 100%)

54. Please describe a recent situation where you believe that you were particularly effective.

55. What factors contributed to your success?

56. Please describe a recent situation where you believe that you were particularly ineffective.

57. What factors contributed to your lack of success?



HOST NATIONAL

## SECTION IV: THE WORK SITUATION

In this section I would like to ask you some general questions about your company and also obtain some more information about your job.

### ORGANIZATION

58. What is the national identification of your organization?

- |                          |   |                                   |
|--------------------------|---|-----------------------------------|
| <input type="checkbox"/> | 1 | American                          |
| <input type="checkbox"/> | 2 | Australian                        |
| <input type="checkbox"/> | 3 | British                           |
| <input type="checkbox"/> | 4 | Canadian                          |
| <input type="checkbox"/> | 5 | Hong Kong (Chinese)               |
| <input type="checkbox"/> | 6 | Hong Kong (Foreign) specify _____ |
| <input type="checkbox"/> | 7 | New Zealand                       |
| <input type="checkbox"/> | 8 | People's Republic of China        |
| <input type="checkbox"/> | 9 | Other (specify) _____             |

59. Is your company a subsidiary?

- |                          |   |                          |   |
|--------------------------|---|--------------------------|---|
| Yes                      |   | No                       |   |
| <input type="checkbox"/> | 1 | <input type="checkbox"/> | 2 |

[IF NO, THEN PROCEED TO QUESTION 63]

60. To what extent are structures and systems in your company in Hong Kong similar to those in [COMPANY'S HOME COUNTRY.]

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 99 | Not applicable/Do not know/Missing data |
| <input type="checkbox"/> | 1  | To a very little extent (0 - 20%)       |
| <input type="checkbox"/> | 2  | To a little extent (>20% - 40%)         |
| <input type="checkbox"/> | 3  | To a moderate extent (>40% - 60%)       |
| <input type="checkbox"/> | 4  | To a great extent (>60% - 80%)          |
| <input type="checkbox"/> | 5  | To a very great extent (>80% - 100%)    |

61. To what extent are there policies in your company which favour one nationality over another?

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 99 | Not applicable/Do not know/Missing data |
| <input type="checkbox"/> | 1  | To a very little extent (0 - 20%)       |
| <input type="checkbox"/> | 2  | To a little extent (>20% - 40%)         |
| <input type="checkbox"/> | 3  | To a moderate extent (>40% - 60%)       |
| <input type="checkbox"/> | 4  | To a great extent (>60% - 80%)          |
| <input type="checkbox"/> | 5  | To a very great extent (>80% - 100%)    |

62. To what extent are there communication problems (i.e. problems transmitting information) between the parent company in [COMPANY'S HOME COUNTRY] and your company in Hong Kong?

<input type="checkbox"/>	99	Not applicable/Do not know/Missing data
<input type="checkbox"/>	1	To a very little extent (0 - 20%)
<input type="checkbox"/>	2	To a little extent (>20% - 40%)
<input type="checkbox"/>	3	To a moderate extent (>40% - 60%)
<input type="checkbox"/>	4	To a great extent (>60% - 80%)
<input type="checkbox"/>	5	To a very great extent (>80% - 100%)

63. To what extent are there communication problems (i.e. problems transmitting information) between organizational units within your company?

<input type="checkbox"/>	99	Not applicable/Do not know/Missing data
<input type="checkbox"/>	1	To a very little extent (0 - 20%)
<input type="checkbox"/>	2	To a little extent (>20% - 40%)
<input type="checkbox"/>	3	To a moderate extent (>40% - 60%)
<input type="checkbox"/>	4	To a great extent (>60% - 80%)
<input type="checkbox"/>	5	To a very great extent (>80% - 100%)



64. To what extent are there interpersonal communication problems in your company?

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 99 | Not applicable/Do not know/Missing data |
| <input type="checkbox"/> | 1  | To a very little extent (0 - 20%)       |
| <input type="checkbox"/> | 2  | To a little extent (>20% - 40%)         |
| <input type="checkbox"/> | 3  | To a moderate extent (>40% - 60%)       |
| <input type="checkbox"/> | 4  | To a great extent (>60% - 80%)          |
| <input type="checkbox"/> | 5  | To a very great extent (>80% - 100%)    |

65. To what extent do you find that there are problems with infrastructure (e.g. poor telephone lines) that impede your efforts to achieve work goals in Hong Kong?

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 99 | Not applicable/Do not know/Missing data |
| <input type="checkbox"/> | 1  | To a very little extent (0 - 20%)       |
| <input type="checkbox"/> | 2  | To a little extent (>20% - 40%)         |
| <input type="checkbox"/> | 3  | To a moderate extent (>40% - 60%)       |
| <input type="checkbox"/> | 4  | To a great extent (>60% - 80%)          |
| <input type="checkbox"/> | 5  | To a very great extent (>80% - 100%)    |

66. [IF 'TO A MODERATE EXTENT' +, PROBE: Could you please provide more information about the problems that you encounter.]

67. In many companies it is standard practice to select expatriate managers for an overseas assignment based primarily on their domestic performance. What is your opinion of such a selection criterion?
68. What criteria would you use to select an expatriate for a managerial position in Hong Kong?

When a company selects people for an assignment in Hong Kong to what extent should the following factors be taken into account?

		Not applicable/ Do not know/ Missing data	To a very little extent (0-20%)	To a little extent (>20%- 40%)	To a moderate extent (>40%- 60%)	To a great extent (>60%- 80%)	To a very great extent (>80%- 100%)
69.	Medical fitness	<input type="text"/> (99)	<input type="text"/> (1)	<input type="text"/> (2)	<input type="text"/> (3)	<input type="text"/> (4)	<input type="text"/> (5)
70.	Needed expertise	<input type="text"/> (99)	<input type="text"/> (1)	<input type="text"/> (2)	<input type="text"/> (3)	<input type="text"/> (4)	<input type="text"/> (5)
Personal suitability with respect to:							
71.	Adaptability	<input type="text"/> (99)	<input type="text"/> (1)	<input type="text"/> (2)	<input type="text"/> (3)	<input type="text"/> (4)	<input type="text"/> (5)
72.	Maturity	<input type="text"/> (99)	<input type="text"/> (1)	<input type="text"/> (2)	<input type="text"/> (3)	<input type="text"/> (4)	<input type="text"/> (5)
73.	Emotional stability	<input type="text"/> (99)	<input type="text"/> (1)	<input type="text"/> (2)	<input type="text"/> (3)	<input type="text"/> (4)	<input type="text"/> (5)



74. To what extent are you responsible for the hiring of your subordinates?

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 1  | To a very little extent (0 - 20%)       |
| <input type="checkbox"/> | 2  | To a little extent (>20 - 40%)          |
| <input type="checkbox"/> | 3  | To a moderate extent (>40% - 60%)       |
| <input type="checkbox"/> | 4  | To a great extent (>60% - 80%)          |
| <input type="checkbox"/> | 5  | To a very great extent (>80% - 100%)    |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/Missing data |

75. To what extent are you responsible for the completion of formal performance appraisals on your subordinates?

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 1  | To a very little extent (0 - 20%)       |
| <input type="checkbox"/> | 2  | To a little extent (>20 - 40%)          |
| <input type="checkbox"/> | 3  | To a moderate extent (>40% - 60%)       |
| <input type="checkbox"/> | 4  | To a great extent (>60% - 80%)          |
| <input type="checkbox"/> | 5  | To a very great extent (>80% - 100%)    |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/Missing data |

76. To what extent are you responsible for disciplinary matters (i.e. actions taken because of misconduct) with respect to your subordinates?

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 1  | To a very little extent (0 - 20%)       |
| <input type="checkbox"/> | 2  | To a little extent (>20 - 40%)          |
| <input type="checkbox"/> | 3  | To a moderate extent (>40% - 60%)       |
| <input type="checkbox"/> | 4  | To a great extent (>60% - 80%)          |
| <input type="checkbox"/> | 5  | To a very great extent (>80% - 100%)    |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/Missing data |

77. To what extent do you have the power to dismiss your subordinates from their posts?

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 1  | To a very little extent (0 - 20%)       |
| <input type="checkbox"/> | 2  | To a little extent (>20 - 40%)          |
| <input type="checkbox"/> | 3  | To a moderate extent (>40% - 60%)       |
| <input type="checkbox"/> | 4  | To a great extent (>60% - 80%)          |
| <input type="checkbox"/> | 5  | To a very great extent (>80% - 100%)    |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/Missing data |

## JOB NATURE

Please indicate how much of your normal work assignment comes from the following sources:

### (78) A. Overseas Headquarters

<input type="checkbox"/>	5	All (100%)
<input type="checkbox"/>	4	Majority (>50%)
<input type="checkbox"/>	3	Approximately one-half (50%)
<input type="checkbox"/>	2	Minority (<50%)
<input type="checkbox"/>	1	None (0%)
<input type="checkbox"/>	99	Not applicable/Do not know/Missing data

### (79) B. Immediate superior

<input type="checkbox"/>	5	All (100%)
<input type="checkbox"/>	4	Majority (>50%)
<input type="checkbox"/>	3	Approximately one-half (50%)
<input type="checkbox"/>	2	Minority (<50%)
<input type="checkbox"/>	1	None (0%)
<input type="checkbox"/>	99	Not applicable/Do not know/Missing data

### (80) C. Other Organizational superiors

<input type="checkbox"/>	5	All (100%)
<input type="checkbox"/>	4	Majority (>50%)
<input type="checkbox"/>	3	Approximately one-half (50%)
<input type="checkbox"/>	2	Minority (<50%)
<input type="checkbox"/>	1	None (0%)
<input type="checkbox"/>	99	Not applicable/Do not know/Missing data

### (81) D. Subordinates

<input type="checkbox"/>	5	All (100%)
<input type="checkbox"/>	4	Majority (>50%)
<input type="checkbox"/>	3	Approximately one-half (50%)
<input type="checkbox"/>	2	Minority (<50%)
<input type="checkbox"/>	1	None (0%)
<input type="checkbox"/>	99	Not applicable/Do not know/Missing data



(82) E. Self-assigned as normal part of the job (e.g. sending and receiving correspondence or responding to customer requests).

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 5  | All (100%)                              |
| <input type="checkbox"/> | 4  | Majority (>50%)                         |
| <input type="checkbox"/> | 3  | Approximately one-half (50%)            |
| <input type="checkbox"/> | 2  | Minority (<50%)                         |
| <input type="checkbox"/> | 1  | None (0%)                               |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/Missing data |

(83) F. Self-assigned as a contingency (e.g. unforeseen developments in market conditions, an emergency)

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 5  | All (100%)                              |
| <input type="checkbox"/> | 4  | Majority (>50%)                         |
| <input type="checkbox"/> | 3  | Approximately one-half (50%)            |
| <input type="checkbox"/> | 2  | Minority (<50%)                         |
| <input type="checkbox"/> | 1  | None (0%)                               |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/Missing data |

84. When at work, what proportion of the time do you have lunch exclusively with other host nationals?

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 5  | All (100%)                              |
| <input type="checkbox"/> | 4  | Majority (>50%)                         |
| <input type="checkbox"/> | 3  | Approximately one-half (50%)            |
| <input type="checkbox"/> | 2  | Minority (<50%)                         |
| <input type="checkbox"/> | 1  | Never (0%)                              |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/Missing data |

85. When at work, what proportion of the of the time do you have lunch with mixed groups of expatriates and non-expatriates?

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 5  | All (100%)                              |
| <input type="checkbox"/> | 4  | Majority (>50%)                         |
| <input type="checkbox"/> | 3  | Approximately one-half (50%)            |
| <input type="checkbox"/> | 2  | Minority (<50%)                         |
| <input type="checkbox"/> | 1  | Never (0%)                              |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/Missing data |

86. When at work, what proportion of the time do you have lunch exclusively with expatriates?

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 5  | All (100%)                              |
| <input type="checkbox"/> | 4  | Majority (>50%)                         |
| <input type="checkbox"/> | 3  | Approximately one-half (50%)            |
| <input type="checkbox"/> | 2  | Minority (<50%)                         |
| <input type="checkbox"/> | 1  | Never (0%)                              |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/Missing Data |

In the interpersonal contacts which you have with expatriates during a normal working day to what extent do the expatriates belong to the following categories?

(87) A. Superiors:

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 5  | All (100%)                              |
| <input type="checkbox"/> | 4  | Majority (>50%)                         |
| <input type="checkbox"/> | 3  | Approximately one-half (50%)            |
| <input type="checkbox"/> | 2  | Minority (<50%)                         |
| <input type="checkbox"/> | 1  | None (0%)                               |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/Missing data |

(88) B. Peers:

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 5  | All (100%)                              |
| <input type="checkbox"/> | 4  | Majority (>50%)                         |
| <input type="checkbox"/> | 3  | Approximately one-half (50%)            |
| <input type="checkbox"/> | 2  | Minority (<50%)                         |
| <input type="checkbox"/> | 1  | None (0%)                               |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/Missing data |

(89) C. Subordinates:

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 5  | All (100%)                              |
| <input type="checkbox"/> | 4  | Majority (>50%)                         |
| <input type="checkbox"/> | 3  | Approximately one-half (50%)            |
| <input type="checkbox"/> | 2  | Minority (<50%)                         |
| <input type="checkbox"/> | 1  | None (0%)                               |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/Missing data |

(90) D. Contacts outside of own organization:

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 5  | All (100%)                              |
| <input type="checkbox"/> | 4  | Majority (>50%)                         |
| <input type="checkbox"/> | 3  | Approximately one-half (50%)            |
| <input type="checkbox"/> | 2  | Minority (<50%)                         |
| <input type="checkbox"/> | 1  | None (0%)                               |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/Missing data |



91. How many people report to you directly?

Please indicate what proportion of your working week you normally spend in the following locations.

(92) A. Hong Kong:

(93) B. China (Including Shenzhen):

<input type="checkbox"/>	5	All (100%)
<input type="checkbox"/>	4	Majority (>50%)
<input type="checkbox"/>	3	Approximately one-half (50%)
<input type="checkbox"/>	2	Minority (<50%)
<input type="checkbox"/>	1	None (0%)
<input type="checkbox"/>	99	Not applicable/Do not know/Missing data

<input type="checkbox"/>	5	All (100%)
<input type="checkbox"/>	4	Majority (>50%)
<input type="checkbox"/>	3	Approximately one-half (50%)
<input type="checkbox"/>	2	Minority (<50%)
<input type="checkbox"/>	1	None (0%)
<input type="checkbox"/>	99	Not applicable/Do not know/Missing data

(94) C. Other Location(s):

(95)

Specify \_\_\_\_\_

Specify \_\_\_\_\_

<input type="checkbox"/>	5	All (100%)
<input type="checkbox"/>	4	Majority (>50%)
<input type="checkbox"/>	3	Approximately one-half (50%)
<input type="checkbox"/>	2	Minority (<50%)
<input type="checkbox"/>	1	None (0%)
<input type="checkbox"/>	99	Not applicable/Do not know/Missing data

<input type="checkbox"/>	5	All (100%)
<input type="checkbox"/>	4	Majority (>50%)
<input type="checkbox"/>	3	Approximately one-half (50%)
<input type="checkbox"/>	2	Minority (<50%)
<input type="checkbox"/>	1	None (0%)
<input type="checkbox"/>	99	Not applicable/Do not know/Missing data

96. Is your job attached to a particular department or division (e.g. marketing, public relations)?

☐ 1 Yes

☐ 2 No

97. [IF YES] Which department or division? \_\_\_\_\_

98. Do you have one immediate superior to whom you are responsible?

☐ 1 Yes

☐ 2 No

99. To which of the following groups does your immediate superior belong?

☐ 1 Anglo-American expatriate

☐ 2 Hong Kong Chinese

☐ 3 Mainland Chinese

☐ 4 Other (Please specify which nationality) \_\_\_\_\_

100. In a normal working week how many days do you work?

101. In a normal working week how many hours do you work?

HOST NATIONAL

## SECTION V: PERCEPTION OF EXPATRIATE EXPERIENCES

This section focuses on your perception of what expatriates experience in adjusting to a new working and living environment.

### CULTURE SHOCK

102. Can you describe any culture shock on the part of Anglo-American expatriates that you have observed within your workplace in Hong Kong?
103. What do you think might be useful to Anglo-American expatriates in coping with such culture shock?
104. To what extent do you agree with the idea that culture shock is almost an occupational hazard for individuals on overseas assignment?

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 1  | To a very little extent (0 - 20%)       |
| <input type="checkbox"/> | 2  | To a little extent (>20 - 40%)          |
| <input type="checkbox"/> | 3  | To a moderate extent (>40% - 60%)       |
| <input type="checkbox"/> | 4  | To a great extent (>60% - 80%)          |
| <input type="checkbox"/> | 5  | To a very great extent (>80% - 100%)    |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/Missing data |



### ADJUSTMENT

105. To what extent do you feel that Anglo-American expatriates generally adapt to working in Hong Kong?

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 1  | To a very little extent (0 - 20%)       |
| <input type="checkbox"/> | 2  | To a little extent (>20 - 40%)          |
| <input type="checkbox"/> | 3  | To a moderate extent (>40% - 60%)       |
| <input type="checkbox"/> | 4  | To a great extent (>60% - 80%)          |
| <input type="checkbox"/> | 5  | To a very great extent (>80% - 100%)    |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/Missing data |

106. To what extent do you feel that Anglo-American expatriates in general adapt to living in Hong Kong?

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 1  | To a very little extent (0 - 20%)       |
| <input type="checkbox"/> | 2  | To a little extent (>20 - 40%)          |
| <input type="checkbox"/> | 3  | To a moderate extent (>40% - 60%)       |
| <input type="checkbox"/> | 4  | To a great extent (>60% - 80%)          |
| <input type="checkbox"/> | 5  | To a very great extent (>80% - 100%)    |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/Missing data |

107. Can you identify factors that you believe assist expatriate managers in adjusting to work in Hong Kong?
108. Can you identify factors that you believe assist expatriate managers in adjusting to living in Hong Kong?
109. Do you personally know of any cases where expatriate managers have had to cut short a job assignment in Hong Kong?
- [IF YES]
110. Can you explain the nature/circumstances of what happened?

## HOST NATIONAL

**SECTION VI : CROSS-CULTURAL MANAGEMENT**

These next questions ask you to give your ideas about features of cross-cultural management.

To what extent do you think that the following factors determine whether or not an expatriate manager can work successfully in Hong Kong?

(111)A. General managerial skills

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 1  | To a very little extent<br>(0 - 20%)    |
| <input type="checkbox"/> | 2  | To a little extent<br>(>20% - 40%)      |
| <input type="checkbox"/> | 3  | To a moderate extent<br>(>40% - 60%)    |
| <input type="checkbox"/> | 4  | To a great extent<br>(>60% - 80%)       |
| <input type="checkbox"/> | 5  | To a very great extent<br>(>80% - 100%) |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/Missing data |

(112)B. Technical skills

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 1  | To a very little extent<br>(0 - 20%)        |
| <input type="checkbox"/> | 2  | To a little extent<br>(>20% - 40%)          |
| <input type="checkbox"/> | 3  | To a moderate extent<br>(>40% - 60%)        |
| <input type="checkbox"/> | 4  | To a great extent<br>(60% - 80%)            |
| <input type="checkbox"/> | 5  | To a very great extent<br>(>80% - 100%)     |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/<br>Missing data |

(113)C. Organizational ability

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 1  | To a very little extent<br>(0 - 20%)        |
| <input type="checkbox"/> | 2  | To a little extent<br>(>20% - 40%)          |
| <input type="checkbox"/> | 3  | To a moderate extent<br>(>40% - 60%)        |
| <input type="checkbox"/> | 4  | To a great extent<br>(>60% - 80%)           |
| <input type="checkbox"/> | 5  | To a very great extent<br>(>80% - 100%)     |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/<br>Missing data |

(114)D. Belief in mission

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 1  | To a very little extent<br>(0 - 20%)        |
| <input type="checkbox"/> | 2  | To a little extent<br>(>20% - 40%)          |
| <input type="checkbox"/> | 3  | To a moderate extent<br>(>40% - 60%)        |
| <input type="checkbox"/> | 4  | To a great extent<br>(60% - 80%)            |
| <input type="checkbox"/> | 5  | To a very great extent<br>(>80% - 100%)     |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/<br>Missing data |



(115)E. Financial reward

<input type="checkbox"/>	1	To a very little extent (0 - 20%)	<input type="checkbox"/>
<input type="checkbox"/>	2	To a little extent (>20% - 40%)	<input type="checkbox"/>
<input type="checkbox"/>	3	To a moderate extent (>40% - 60%)	<input type="checkbox"/>
<input type="checkbox"/>	4	To a great extent (>60% - 80%)	<input type="checkbox"/>
<input type="checkbox"/>	5	To a very great extent (>80% - 100%)	<input type="checkbox"/>
<input type="checkbox"/>	99	Not applicable/Do not know/Missing data	<input type="checkbox"/>

(116)F. Relational abilities

<input type="checkbox"/>	1	To a very little extent (0 - 20%)	<input type="checkbox"/>
<input type="checkbox"/>	2	To a little extent (>20% - 40%)	<input type="checkbox"/>
<input type="checkbox"/>	3	To a moderate extent (>40% - 60%)	<input type="checkbox"/>
<input type="checkbox"/>	4	To a great extent (60% - 80%)	<input type="checkbox"/>
<input type="checkbox"/>	5	To a very great extent (>80% - 100%)	<input type="checkbox"/>
<input type="checkbox"/>	99	Not applicable/Do not know/ Missing data	<input type="checkbox"/>

(117)G. Ability to deal with local nationals

<input type="checkbox"/>	1	To a very little extent (0 - 20%)	<input type="checkbox"/>
<input type="checkbox"/>	2	To a little extent (>20% - 40%)	<input type="checkbox"/>
<input type="checkbox"/>	3	To a moderate extent (>40% - 60%)	<input type="checkbox"/>
<input type="checkbox"/>	4	To a great extent (>60% - 80%)	<input type="checkbox"/>
<input type="checkbox"/>	5	To a very great extent (>80% - 100%)	<input type="checkbox"/>
<input type="checkbox"/>	99	Not applicable/Do not know/Missing data	<input type="checkbox"/>

(118)H. Cultural empathy

<input type="checkbox"/>	1	To a very little extent (0 - 20%)	<input type="checkbox"/>
<input type="checkbox"/>	2	To a little extent (>20% - 40%)	<input type="checkbox"/>
<input type="checkbox"/>	3	To a moderate extent (>40% - 60%)	<input type="checkbox"/>
<input type="checkbox"/>	4	To a great extent (60% - 80%)	<input type="checkbox"/>
<input type="checkbox"/>	5	To a very great extent (>80% - 100%)	<input type="checkbox"/>
<input type="checkbox"/>	99	Not applicable/Do not know/ Missing data	<input type="checkbox"/>

(119)I. An adaptive and supportive family

<input type="checkbox"/>	1	To a very little extent (0 - 20%)	<input type="checkbox"/>
<input type="checkbox"/>	2	To a little extent (>20% - 40%)	<input type="checkbox"/>
<input type="checkbox"/>	3	To a moderate extent (>40% - 60%)	<input type="checkbox"/>
<input type="checkbox"/>	4	To a great extent (>60% - 80%)	<input type="checkbox"/>
<input type="checkbox"/>	5	To a very great extent (>80% - 100%)	<input type="checkbox"/>
<input type="checkbox"/>	99	Not applicable/Do not know\Missing data	<input type="checkbox"/>

(120)J. Language ability

<input type="checkbox"/>	1	To a very little extent (0 - 20%)	<input type="checkbox"/>
<input type="checkbox"/>	2	To a little extent (>20% - 40%)	<input type="checkbox"/>
<input type="checkbox"/>	3	To a moderate extent (>40% - 60%)	<input type="checkbox"/>
<input type="checkbox"/>	4	To a great extent (60% - 80%)	<input type="checkbox"/>
<input type="checkbox"/>	5	To a very great extent (>80% - 100%)	<input type="checkbox"/>
<input type="checkbox"/>	99	Not applicable/Do not know/ Missing data	<input type="checkbox"/>

121. In your experience have you found that expatriate and Chinese managers behave similar to or different from one another?

122. [IF SIMILAR] Can you describe the similarities?

123. [IF DIFFERENT] Can you describe the differences?

124. Can you describe what happens when you undertake a decision-making exercise that involves Anglo-American expatriate members of staff?

125. Can you identify consistent patterns of behaviour with either expatriate or Chinese members of staff?

[IF YES]

126. [PROBE] Can you describe the patterns of behaviour in more detail?

127. How would the decision-making exercise differ if it involved only Chinese members of staff?

128. To what extent does your job require teamwork?

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 1  | To a very little extent (0 - 20%)       |
| <input type="checkbox"/> | 2  | To a little extent (>20% - 40%)         |
| <input type="checkbox"/> | 3  | To a moderate extent (>40% - 60%)       |
| <input type="checkbox"/> | 4  | To a great extent (>60% - 80%)          |
| <input type="checkbox"/> | 5  | To a very great extent (>80% - 100%)    |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/Missing data |



To what extent do you agree with the following statements?

(129)A. "Because a certain practice works well in one country it does not necessarily mean it will achieve the same results if transplanted elsewhere" (Waters, '91, p.25).

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 1  | To a very little extent (0 - 20%)       |
| <input type="checkbox"/> | 2  | To a little extent (>20% - 40%)         |
| <input type="checkbox"/> | 3  | To a moderate extent (>40% - 60%)       |
| <input type="checkbox"/> | 4  | To a great extent (>60% - 80%)          |
| <input type="checkbox"/> | 5  | To a very great extent (>80% - 100%)    |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/Missing data |

(130)B. Management style is determined by the technology or the general state of development of a particular society and will, as the society develops, tend towards that prevalent in developed western countries.

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 1  | To a very little extent (0 - 20%)       |
| <input type="checkbox"/> | 2  | To a little extent (>20% - 40%)         |
| <input type="checkbox"/> | 3  | To a moderate extent (>40% - 60%)       |
| <input type="checkbox"/> | 4  | To a great extent (>60% - 80%)          |
| <input type="checkbox"/> | 5  | To a very great extent (>80% - 100%)    |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/Missing data |

(131)C. The particular culture of a society is a dominant factor in managerial style and management will retain its own unique cultural identity even as the society develops.

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 1  | To a very little extent (0 - 20%)       |
| <input type="checkbox"/> | 2  | To a little extent (>20% - 40%)         |
| <input type="checkbox"/> | 3  | To a moderate extent (>40% - 60%)       |
| <input type="checkbox"/> | 4  | To a great extent (>60% - 80%)          |
| <input type="checkbox"/> | 5  | To a very great extent (>80% - 100%)    |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/Missing data |

(132)D. In Western societies individuals control their behaviour in response to guilt, whereas in the East individuals control their behaviour in response to shame.

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 1  | To a very little extent (0 - 20%)       |
| <input type="checkbox"/> | 2  | To a little extent (>20% - 40%)         |
| <input type="checkbox"/> | 3  | To a moderate extent (>40% - 60%)       |
| <input type="checkbox"/> | 4  | To a great extent (>60% - 80%)          |
| <input type="checkbox"/> | 5  | To a very great extent (>80% - 100%)    |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/Missing data |

(133)E. There will develop an international corps of 'World Citizens' who will be managers without countries, and who will relate only to their companies.

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 1  | To a very little extent (0 - 20%)       |
| <input type="checkbox"/> | 2  | To a little extent (>20% - 40%)         |
| <input type="checkbox"/> | 3  | To a moderate extent (>40% - 60%)       |
| <input type="checkbox"/> | 4  | To a great extent (>60% - 80%)          |
| <input type="checkbox"/> | 5  | To a very great extent (>80% - 100%)    |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/Missing data |

(134)F. A potential consequence of multicultural work forces is the creation of "cultural synergy", which is a unifying organizational culture based on the best of all members' national cultures.

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 1  | To a very little extent (0 - 20%)       |
| <input type="checkbox"/> | 2  | To a little extent (>20% - 40%)         |
| <input type="checkbox"/> | 3  | To a moderate extent (>40% - 60%)       |
| <input type="checkbox"/> | 4  | To a great extent (>60% - 80%)          |
| <input type="checkbox"/> | 5  | To a very great extent (>80% - 100%)    |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/Missing data |

135. Have you ever experienced "cultural synergy" in your work place?

[IF YES]



136. Can you please describe the circumstances in detail

[IF NOT]

137. Why do you think that there was no "cultural synergy"?

## HOST NATIONAL

### SECTION VII : TRAINING

If you were designing a training programme for an Anglo-American expatriate, without any previous work experience in a Chinese society like Hong Kong. To what extent would the following areas of training be important?

	To a very little extent (0-20%)	To a little extent (>20%- 40%)	To a moderate extent (>40%- 60%)	To a great extent (>60%- 80%)	To a very great extent (>80%- 100%)	Not apply/ Not know/ Missing
138. Managerial Training (General Managerial function)	<input type="checkbox"/> (1)	<input type="checkbox"/> (2)	<input type="checkbox"/> (3)	<input type="checkbox"/> (4)	<input type="checkbox"/> (5)	<input type="checkbox"/> (99)
139. Cross-cultural training (Interpersonal Interaction)	<input type="checkbox"/> (1)	<input type="checkbox"/> (2)	<input type="checkbox"/> (3)	<input type="checkbox"/> (4)	<input type="checkbox"/> (5)	<input type="checkbox"/> (99)
140. International Business Training (Business Practices Across National Boundaries)	<input type="checkbox"/> (1)	<input type="checkbox"/> (2)	<input type="checkbox"/> (3)	<input type="checkbox"/> (4)	<input type="checkbox"/> (5)	<input type="checkbox"/> (99)
141. Language Training	<input type="checkbox"/> (1)	<input type="checkbox"/> (2)	<input type="checkbox"/> (3)	<input type="checkbox"/> (4)	<input type="checkbox"/> (5)	<input type="checkbox"/> (99)

Please indicate the extent to which agree with the following statements?

The purpose of cross-cultural training for Anglo-American expatriate managers working in Hong Kong should be to:

		To a very little extent (0-20%)	To a little extent (>20%- 40%)	To a moderate extent (>40%- 60%)	To a great extent (>60%- 80%)	To a very great extent (>80%- 100%)	Not apply/ Not know/ Missing
142.	Help them to interact more effectively with their Chinese subordinates	<input type="checkbox"/> (1)	<input type="checkbox"/> (2)	<input type="checkbox"/> (3)	<input type="checkbox"/> (4)	<input type="checkbox"/> (5)	<input type="checkbox"/> (99)
143.	Help them to interact more effectively with their Chinese peers	<input type="checkbox"/> (1)	<input type="checkbox"/> (2)	<input type="checkbox"/> (3)	<input type="checkbox"/> (4)	<input type="checkbox"/> (5)	<input type="checkbox"/> (99)
144.	Help them to interact more effectively with their Chinese superiors	<input type="checkbox"/> (1)	<input type="checkbox"/> (2)	<input type="checkbox"/> (3)	<input type="checkbox"/> (4)	<input type="checkbox"/> (5)	<input type="checkbox"/> (99)
145.	Help them to interact more effectively with Chinese business people outside of thier organization	<input type="checkbox"/> (1)	<input type="checkbox"/> (2)	<input type="checkbox"/> (3)	<input type="checkbox"/> (4)	<input type="checkbox"/> (5)	<input type="checkbox"/> (99)
146.	Help them to interact more effectively with local Chinese people outside of thier organization	<input type="checkbox"/> (1)	<input type="checkbox"/> (2)	<input type="checkbox"/> (3)	<input type="checkbox"/> (4)	<input type="checkbox"/> (5)	<input type="checkbox"/> (99)



147. When cross-cultural training is provided to expatriate managers, it often takes place prior to their posting abroad. However, it has been suggested that cross-cultural training may be more effective if it is conducted after a manager has lived and worked in the host culture for a brief period of time.

To what extent do you agree?

<input type="checkbox"/>	1	To a very little extent (0 - 20%)
<input type="checkbox"/>	2	To a little extent (>20% - 40%)
<input type="checkbox"/>	3	To a moderate extent (>40% - 60%)
<input type="checkbox"/>	4	To a great extent (>60% - 80%)
<input type="checkbox"/>	5	To a very great extent (>80% - 100%)
<input type="checkbox"/>	99	Not applicable/Do not know/Missing data

148. What is your opinion about the need for predeparture training programmes for expatriate managers?

149. What would you like to see included in a predeparture training programme for expatriate managers coming to work in Hong Kong?

HOST NATIONAL

**SECTION VIII : NON-WORK ENVIRONMENT**

Non-work related factors can have a bearing on the work situation. This section asks you about some of these factors.

**LEISURE TIME**

150. To what extent do you participate in social activities with Anglo-American expatriates in Hong Kong?

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 1  | To a very little extent (0 - 20%)       |
| <input type="checkbox"/> | 2  | To a little extent (>20% - 40%)         |
| <input type="checkbox"/> | 3  | To a moderate extent (>40% - 60%)       |
| <input type="checkbox"/> | 4  | To a great extent (>60% - 80%)          |
| <input type="checkbox"/> | 5  | To a very great extent (>80% - 100%)    |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/Missing data |

151. To what extent do you participate in social activities with local Chinese in Hong Kong?

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 1  | To a very little extent (0 - 20%)       |
| <input type="checkbox"/> | 2  | To a little extent (>20% - 40%)         |
| <input type="checkbox"/> | 3  | To a moderate extent (>40% - 60%)       |
| <input type="checkbox"/> | 4  | To a great extent (>60% - 80%)          |
| <input type="checkbox"/> | 5  | To a very great extent (>80% - 100%)    |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/Missing data |

152. To what extent do you participate in social activities with any of your local Chinese work colleagues?

<input type="checkbox"/>	1	To a very little extent (0 - 20%)
<input type="checkbox"/>	2	To a little extent (>20% - 40%)
<input type="checkbox"/>	3	To a moderate extent (>40% - 60%)
<input type="checkbox"/>	4	To a great extent (>60% - 80%)
<input type="checkbox"/>	5	To a very great extent (>80% - 100%)
<input type="checkbox"/>	99	Not applicable/Do not know/Missing data

153. During the past 7 days have you spent any leisure time with your local Chinese work colleagues?

Take for example dining out/sports activity

154. Would you say this is typical?

Yes		No
<input type="checkbox"/>	1	<input type="checkbox"/> 2



## SECTION IX : FUTURE

**In this section I would like you to think about the future.**

155. Can you identify what major challenges your organization is currently facing?
156. Do you anticipate any change in those challenges over the next 3 to 5 year period?
157. What are the major changes which are likely to affect your organization over the next 10 years?
158. What do you think are the major challenges for Anglo-American expatriate managers in Hong Kong over the next 10 years?
159. How can these challenges best be met?

HOST NATIONAL

**SECTION X : BACKGROUND (B)**

Please tick the correct box and fill in the blanks for the open-end questions.

160. My gender is:

☐

1

Male

☐

2

Female

161. My age category is:

☐

1

Under 25

☐

2

25-34

☐

3

35-44

☐

4

45-54

☐

5

55 or over

162. My current marital status is:

☐

1

Single

☐

2

Married

☐

3

Separated or divorced

☐

4

Widowed

☐

5

Living with partner

163. The highest level of education which I have completed is:

- |                          |   |  |
|--------------------------|---|--|
| <input type="checkbox"/> | 1 | Secondary School                               |
| <input type="checkbox"/> | 2 | Sub-degree qualification (e.g. higher diploma) |
| <input type="checkbox"/> | 3 | Professional qualification                     |
| <input type="checkbox"/> | 4 | Degree (BA or equivalent)                      |
| <input type="checkbox"/> | 5 | Degree + Professional Qualification            |
| <input type="checkbox"/> | 6 | Master's Degree                                |
| <input type="checkbox"/> | 7 | Doctorate                                      |
| <input type="checkbox"/> | 8 | Other  |

164.

☐ 1 I am

☐ 2 I am not

a member of a Professional Association.

The name of the Association is:

---

165. I received my primary (elementary) education in the following country(ies):

---

---



166. I received my secondary (high school) in the following country(ies):

---

---

167. I received my post-secondary (college/university) education in the following country(ies):

---

---

168. My mother tongue is \_\_\_\_\_.

169. Do you know any languages other than your mother tongue?

Yes

No

☐

1

☐

2

If the answer to question 169 is 'yes' then please answer question 170, etc.

My familiarity with other languages is as follows:

170. Language : \_\_\_\_\_.

171. I can understand what is spoken

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 1  | None (0%)                                   |
| <input type="checkbox"/> | 2  | A little understanding (<50%)               |
| <input type="checkbox"/> | 3  | Some understanding (50%)                    |
| <input type="checkbox"/> | 4  | Working knowledge (>50%)                    |
| <input type="checkbox"/> | 5  | No problem (100%)                           |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/<br>Missing data |

172. I am able to speak

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 1  | None (0%)                                   |
| <input type="checkbox"/> | 2  | A little understanding (<50%)               |
| <input type="checkbox"/> | 3  | Some understanding (50%)                    |
| <input type="checkbox"/> | 4  | Working knowledge (>50%)                    |
| <input type="checkbox"/> | 5  | No problem (100%)                           |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/<br>Missing data |

173. I am able to read

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 1  | None (0%)                                   |
| <input type="checkbox"/> | 2  | A little understanding (<50%)               |
| <input type="checkbox"/> | 3  | Some understanding (50%)                    |
| <input type="checkbox"/> | 4  | Working knowledge (>50%)                    |
| <input type="checkbox"/> | 5  | No problem (100%)                           |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/<br>Missing data |

174. I am able to write

- |                          |    |   |
|--------------------------|----|---|
| <input type="checkbox"/> | 1  | None (0%)                                   |
| <input type="checkbox"/> | 2  | A little understanding (<50%)               |
| <input type="checkbox"/> | 3  | Some understanding (50%)                    |
| <input type="checkbox"/> | 4  | Working knowledge (>50%)                    |
| <input type="checkbox"/> | 5  | No problem (100%)                           |
| <input type="checkbox"/> | 99 | Not applicable/Do not know/<br>Missing data |

HOST NATIONAL

SECTION XI - CONCLUSION

<p><b>Time of Interview</b></p> <p><b>Begin:</b> _____ A.M.</p> <p>_____ P.M.</p> <p><b>End:</b> _____ A.M.</p> <p>_____ P.M.</p>	<p><b>Date of Interview</b></p> <p>_____</p>
---	--

Note to self: Give a brief description of the respondent, and of any special conditions that affected the interview.



## APPENDIX C

### QUESTIONS FROM THE INTERVIEW SCHEDULES ORGANIZED INTO DIMENSIONS

#### Dimensions Discussed in Chapter 6: The Data Analysis and Significant Characteristics of the Study Sample

	<b>Respondents' Characteristics</b>
<b>Question Number Expat / Host National</b>	<b>Question</b>
5/5	What is your current nationality? / What is your ethnic origin?
6/6	What was your nationality at birth? / Where were you born?
9/9	What is the job title of your current position?
10/10	Is your position formally designated a managerial post? (Yes/No)
195/160	Gender?
196/161	Age category?
197/162	Current marital status?
198/163	Highest level of education completed?
199/164	Membership in a professional association?

	<b>Work Experience</b>
<b>Question Number Expat / Host National</b>	<b>Question</b>
1/1	What is the approximate length of your full-time work experience?
2/2	How long have you worked in Hong Kong?

	Language
Question Number Expat / Host National	Question
143	To what extent do you employ an interpreter in your work?
144	In what situations?
145	Is the interpreter employed as a full-time employee by your organization?
146	To what extent are you satisfied with the arrangements for interpretation?
203/168	My mother tongue is ?
204/169	Do you know any language other than your mother tongue? (Yes/No)
205/170	Other language (one)
206/171	I can understand what is spoken
207/172	I am able to speak
208/173	I am able to read
209/174	I am able to write
	Information on additional language (two) (three) (four) was collected in the same format.

	Cosmopolitan vs. Local
Question Number Expat / Host National	Question
3/3	Where have you worked besides Hong Kong? / Have you ever worked full-time outside of Hong Kong?
4/4	For what period(s) of time?
7/7	Did you grow up in [country of birth nationality]? / Did you grow up in [country of birth]? (Yes/No) Could you explain your circumstances when you were growing up?
8/8	Did you ever live overseas before the age of 20? (Yes/No)
200/165	I received my primary (elementary) education in the following country(ies).
201/166	I received my secondary (high school) education in the following country(ies).
202/167	I received my post-secondary (college/university) education in the following country(ies).

<b>Organizational Context (1)</b>	
<b>Question Number</b>	<b>Question</b>
58/58	What is your company's national identification? (i.e. Where is the company's headquarters?)
59/59	Is your company a subsidiary? (Yes/No) (screening question)
60/60	To what extent are structures and systems in your company in Hong Kong similar to those in [company's home country]?
61/61	To what extent are there policies in your company which favour one nationality over another?
62/62	To what extent are there communication problems (i.e. problems transmitting information) between the parent company in (company's home country) and your company in Hong Kong?
63/63	To what extent are there communication problems (i.e. problems transmitting information) between organizational units within your company?
64/64	To what extent are there interpersonal communication problems in your company?

<b>Job Characteristics</b>	
<b>Question Number Expat / Host National</b>	<b>Question</b>
95/92	Please indicate what proportion of your working week you normally spend in the following locations. Hong Kong
96/93	China (including Shenzhen)
97/94	Other locations (one)
98/95	Other locations (two)
99/96	Is your job attached to a particular department or division (e.g. marketing, public relations?) (Yes/No)
100/97	[If yes] Which department or division?
101/98	Do you have an immediate superior to whom you are responsible? (Yes/No)
102/99	To which of the following groups does your immediate superior belong? Anglo-American expatriate; Hong Kong Chinese; Mainland Chinese; Other
168	To what extent was the acceptance of your job in Hong Kong a personal choice?



<b>Power &amp; Control</b>	
<b>Question Number Expat / Host National</b>	<b>Question</b>
77/74	To what extent are you responsible for the hiring of your subordinates?
78/75	To what extent are you responsible for the completion of formal performance appraisals on your subordinates?
79/76	To what extent are you responsible for disciplinary matters (i.e. actions taken because of misconduct) with respect to your subordinates?
80/77	To what extent do you have the power to dismiss your subordinates from their posts?
81/78	Please indicate how much of your normal work assignment comes from the following sources. Overseas headquarters.
82/79	Immediate superior.
83/80	Other organizational superiors.
84/81	Subordinates.
85/82	Self-assigned as a normal part of the job (e.g. sending and receiving correspondence or responding to customer requests).
86/83	Self-assigned as a contingency (e.g. unforeseen developments in market conditions; an emergency)
94/91	How many people report to you directly?

<b>Personal Managerial Effectiveness</b>	
<b>Question Number Expat / Host National</b>	<b>Question</b>
51/51	Reflecting upon your work in Hong Kong, how often do you believe that your actions are effective? That is, you are able to achieve your objectives?
52/52	Reflecting upon your observations of other expatriate managers who work for your company in Hong Kong, how often do you believe that their actions are effective?
53/53	Reflecting upon your observations of expatriate managers who work for other companies in Hong Kong, how often do you believe that their actions are effective?
54/54	Please describe a recent situation where you believe that you were particularly effective?
55/55	What factors contributed to your success?
56/56	Please describe a recent situation where you believe that you were particularly ineffective?
57/57	What factors contributed to your lack of success?

Managerial Beliefs	
Question Number Expat / Host National	Question
	To what extent do you agree with the following statements?
147/129	“Because a certain practice works well in one country it does not necessarily mean it will achieve the same results if transplanted elsewhere” (Waters 1991: 25)
148/130	Management style is determined by the technology or the general state of development of a particular society and will, as the society develops, tend towards that prevalent in developed western countries.
149/131	The particular culture of a society is a dominant factor in managerial style and management will retain it's own unique cultural identity even as the society develops.
150/132	In Western societies individuals control their behaviour in response to guilt, whereas in the East individuals control their behaviour in response to shame.
151/133	There will develop an international corps of ‘World Citizens’ who will be managers without countries, and who will relate only to their companies.
152/134	A potential consequence of multicultural work forces is the creation of ‘cultural synergy’, which is a unifying organizational culture based on the best of all members’ national cultures.



**Dimensions Discussed in Chapter 7:**  
**Cross-Cultural Management in Hong Kong**

<b>Managerial Behaviour</b>	
<b>Question Number Expat / Host National</b>	<b>Question</b>
14/15	Can you identify ways in which you have modified your managerial behaviour since you began work in Hong Kong? (Yes/No) / Can you identify ways in which you modify your managerial behaviour when you are working with expatriates?
15/16	[If yes] Could you describe how your behaviour has changed? / Could you describe how your behaviour changes?
24	Can you identify any management practices from your [home country] that you would like to see adopted more extensively in Hong Kong?
25	Can you identify any management practices from your [home country] that you believe <u>cannot</u> be adopted successfully in Hong Kong?
/27	Can you identify any aspects of the way that expatriate managers manage that you believe are particularly <u>useful</u> in accomplishing work successfully in Hong Kong?
/28	Could you provide a more detailed description?
/29	Can you identify any aspects of the way that expatriate managers manage that you believe are <u>not useful</u> in accomplishing work successfully in Hong Kong?
/30	Could you provide a more detailed description?
116	While working in Hong Kong have you encountered work situations where other people did not respond to your actions as you had anticipated that they would respond?
117	[If yes] Please describe a situation.
118	What follow-up action did you take?
120	What would you do if you were confronted by the same situation again?
135/121	In your experience have you found that expatriate and Chinese managers behave similar to or different from one another?
136/122	[If similar] Can you describe the similarities?
137/123	[If different] Can you describe the differences?
140/125	Can you identify consistent patterns or behaviour with either Chinese or [home country] members of staff? / Can you identify consistent patterns of behaviour with either expatriate or Chinese members of staff?
141/126	[If yes] Can you describe the patterns of behaviour in more detail?
	People can have very different perceptions about an event that they observed



121	or experienced. Do you recall any situations when this has occurred while working in Hong Kong? (Yes/No)
122	[If yes] Can you tell me more about that?
133	To what extent have the expectations of local managers about how expatriate managers should behave been compatible with your own patterns of behaviour?
134	To what extent have you modified your behaviour patterns because of those expectations?

Managerial Skills	
Question Number Expat / Host National	Question
16/20	What skills have helped you to function successfully at your present job in Hong Kong?
17	Are these skills the same ones that you would require if you were working in a similar job in [home country]?
18/21	Can you identify any new skills that you have <b>developed</b> because of your job in Hong Kong? / Can you identify any new managerial skills that you have <b>developed</b> because you need to work with expatriates? [If so] Please describe them.
19/22	Can you identify any skills that you have <b>enhanced</b> because of your job in Hong Kong? / Can you identify any managerial skills that you have <b>enhanced</b> because you need to work with expatriates? [If so] Please describe them.
20/23	Generally, what skills and abilities do expatriate managers need when working in Hong Kong? / Based on your experience in working with expatriate managers, what skills and abilities do you think that expatriate managers need in order to be successful working in Hong Kong?
21/24	How do you think that such skills and abilities can be developed most effectively? / How can expatriates develop these skills and abilities most effectively?
22/25	[Option] Generally, what skills and abilities do expatriate managers need when working in [additional work location]?
23/26	[Option] How can these be acquired most effectively?

Decision Making	
Question Number Expat / Host National	Question
11/11	In your work <u>how</u> do you go about making decisions?
12	Are the ways in which you make decisions in your current job in Hong Kong different from those you experienced while working in [home country]? (Yes/No)
13	[If yes] What are the differences?
138/127	Can you describe what happens when you undertake a decision-making exercise that involves Chinese members of staff? / How would the decision-making exercise differ if it involved only Chinese members of staff?
139/124	How would the decision-making exercise differ if it involved only [home country] members of staff? / Can you describe what happens when you undertake a decision-making exercise that involves Anglo-American expatriate members of staff?
142/128	To what extent does your job require teamwork?

Handling Conflict	
Question Number Expat / Host National	Question
43	Recall the most recent conflict situation you have been involved in at work and describe the nature of the situation and how you handled it?
44	If a similar conflict situation had arisen in [home country] how would you have handled it?
45	Do conflict situations arise because of different issues in Hong Kong than in [home country]?
/44	Do you recall the most recent conflict situation you have been involved in at work? (Yes/No)
/45	[If yes] Can you describe the nature of the situation and how you handled it?



<b>Cultural Synergy</b>	
<b>Question Number Expat / Host National</b>	<b>Question</b>
153/135	Have you ever experienced “cultural synergy” in your work place? (Yes/No)
154/136	[If yes] Could you please describe the circumstances in detail?
155/137	Why do you think that there was no “cultural synergy”?

<b>Social Interaction</b>	
<b>Question Number Expat/ Host National</b>	<b>Question</b>
87/84	When at work, what proportion of the time do you have lunch exclusively with other expatriates (host nationals)?
88/85	When at work, what proportion of the time do you have lunch with mixed groups of expatriates and non-expatriates?
89/86	When at work, what proportion of the time do you have lunch exclusively with non-expatriates (expatriates)?
182/150	To what extent do you participate in social activities with [Anglo-American] expatriates in Hong Kong?
183/151	To what extent do you participate in social activities with local Chinese in Hong Kong?
184/152	To what extent do you participate in social activities with any of your local Chinese work colleagues?
185/153	During the past 7 days have you spent any leisure time with your local Chinese work colleagues? Take for example dining out/sports activity.
186/154	Would you say this is typical? (Yes/No)



<b>Perspectives on Chinese Management</b>	
<b>Question Number Expat / Host National</b>	<b>Question</b>
31	Hofstede ('81), a Dutch researcher and writer, has concluded that people's own ideas are culturally limited. What do you think?
32	Can you illustrate what you have just said with examples from your work experience in Hong Kong?
33/33	What problems have you encountered in your work as an expatriate manager in Hong Kong? / What effect has being Chinese had on your work as a manager in Hong Kong?
34/36	What do you admire most about Chinese society?
35/37	What do you admire least about Chinese society?
36/38	What do you admire most about Chinese management?
37/39	What do you admire least about Chinese management?

<b>Perspectives on Expatriate Management (Host Nationals)</b>	
<b>Question Number</b>	<b>Question</b>
12	Do you work with expatriate managers within your organization? (Yes/No) (screening question)
13	[If yes] What nationality(ies) are the expatriates?
14	Can you describe the nature of your work-related contacts with expatriates within your organization?
17	Do you have work-related contacts with expatriates outside of your organization? (Yes/No)
18	What nationality(ies) are the expatriates?
19	Can you describe the nature of your work-related contacts with expatriates outside of your organization?
34	What have you learned from working with expatriates in Hong Kong?
35	What problems have you encountered in your work with expatriates in Hong Kong?
40	What do you admire most about the way that expatriate managers manage?
41	What do you admire least about the way that expatriate managers manage?

**Dimensions Discussed in Chapter 8:**  
**Expatriate Adjustment in Hong Kong**

<b>Attitude Towards Hong Kong</b>	
<b>Question Number Expat / Host National</b>	<b>Question</b>
41/42	What things do you particularly like about working in Hong Kong?
42/43	What things do you particularly dislike about working in Hong Kong?
65/65	To what extent do you find that there are problems with infrastructure (e.g. poor telephone lines) that impede your efforts to achieve work goals in Hong Kong?
66/66	Could you please provide more information about the problems that you encounter.

<b>Culture Shock</b>	
<b>Question Number Expat / Host National</b>	<b>Question</b>
105/102	Can you describe any culture shock that you have experienced <u>within</u> your work place in Hong Kong? / Can you describe any culture shock on the part of Anglo-American expatriates that you have observed <u>within</u> your work place in Hong Kong?
106/103	How did you deal with it? / What do you think might be useful to Anglo-American expatriates in coping with such culture shock?
107	Can you describe any culture shock that you have experienced <u>outside</u> of your work place in Hong Kong?
108	How did you deal with it?
109/104	To what extent do you agree with the idea that culture shock is almost an occupational hazard for individuals on overseas assignment?

Open-Minded vs. Closed-Minded (Expatriates)	
Question Number	Question
26	There is a saying that "The last thing a fish will discover is water and this is discovered only when landed in a fisherman's net" (Hofstede, '81). This suggests that we are not aware of our own culture unless we find ourselves outside of it. What is your opinion?
27	What effect has being [nationality] had on your work as a manager in Hong Kong?
28	Before you began working in Hong Kong what did you expect it would be like to work here?
29	In what ways have your expectations changed?
30	In the time you have been working in Hong Kong, have you ever felt estranged from your own national background?
31	Could you explain more fully?
32	What have you learned from working as a manager in Hong Kong?
38	Since beginning work in Hong Kong do you think that you have become a more internationally-minded person?
39	[If yes] In what ways?
40	What key learning experiences have assisted you in becoming more internationally minded?
119	What did you learn from the experience? (When someone did not respond to your action as you had anticipated.)



Personal Adjustment	
Question Number Expat / Host National	Question
103/100	In a normal working week how many days do you work?
104/101	In a normal working week how many hours do you work?
110/105	To what extent do you feel that you have adapted to <u>working</u> in Hong Kong? / To what extent do you feel that Anglo-American expatriates generally adapt to <u>working</u> in Hong Kong?
111/106	To what extent do you feel that you have adapted to <u>living</u> in Hong Kong? / To what extent do you feel that Anglo-American expatriates in general adapt to <u>living</u> in Hong Kong?
112/108	Can you identify factors which have assisted you in adjusting to living in Hong Kong? / Can you identify factors that you believe assist expatriate managers in adjusting to living in Hong Kong?
113/107	Can you identify factors which have assisted you in adjusting to your work in Hong Kong? / Can you identify factors that you believe assist expatriate managers in adjusting to work in Hong Kong?
192	How much longer do you expect your current posting to last?
193	When you leave this post do you expect to return to [home country]? (Yes/No)
194	[If yes] How do you feel about returning?

Expatriate Adjustment	
Question Number Expat / Host National	Question
114/109	Do you personally know of any cases where expatriate managers have had to cut short a job assignment in Hong Kong?
115/110	[If yes] Can you summarize what happened? / Can you explain the nature/circumstances of what happened?

Family Adjustment	
Question Number	Question
177	Are you living in Hong Kong with your family (i.e. spouse and/or children)? (Yes/No)
178	[If yes] To what extent has your family adjusted to living in Hong Kong?
179	Are all members of your family equally well adjusted to living in Hong Kong? (Yes/No)
180	Could you say some more about that?
181	To what extent has your family's level of adjustment to living in Hong Kong affected your work performance?

Personal Communication	
Question Number Expat / Host National	Question
46/46	Out of your total working time, how often would you spend time speaking with or listening to others?
47/47	Approximately how often does the speaking with or listening to others take place with people who are employed <u>IN</u> your organization?
48/48	Approximately how often does the speaking with or listening to others take place with people who are employed <u>OUTSIDE</u> of your organization?
49/49	If you think about speaking with or listening to people employed <u>WITHIN</u> your organization during a normal working day, what proportion of your time would you spend in discussions with: Hong Kong Chinese managers only; Anglo-American expatriate managers only; Other expatriates; Hong Kong Chinese and Anglo-American managers at the same time; Chinese support staff only; Expatriate support staff only; Support staff - both expatriates and Chinese at the same time?
50/50	If you think about speaking with or listening to people employed <u>OUTSIDE</u> of your organization during a normal working day, what proportion of your time would you spend in discussions with: Hong Kong Chinese managers only; Anglo-American expatriate managers only; Other expatriates only; Hong Kong and Anglo-American expatriates at the same time; Chinese support staff only; Expatriate support staff only; Support staff - both expatriate and Chinese at the same time?



90/87	In the interpersonal contacts which you have with non-expatriates (expatriates) during a normal working day to what extent do the non-expatriates (expatriates) belong to the following categories? Superiors
91/88	Peers
92/89	Subordinates
93/90	Contacts outside of own organization

Expatriate Managerial Success	
Question Number Expat / Host National	Question
	To what extent do you think that the following factors determine whether or not an expatriate manager will be successful working in Hong Kong?
123/111	General managerial skills.
124/112	Technical skills.
125/113	Organizational ability.
126/114	Belief in mission.
127/115	Financial reward.
128/116	Relational abilities.
129/117	Ability to deal with local nationals.
130/118	Cultural empathy.
131/119	An adaptive and supportive family.
132/120	Language ability.

Challenges	
Question Number Expat / Host National	Question
187/155	Can you identify what major challenges your organization is currently facing?
188/156	Do you anticipate any change in those challenges in the next 3 to 5 year period?
189/157	What are the major changes which are likely to affect your organization over the next 10 years?
190/158	What do you think are the major challenges for [Anglo-American] expatriate managers in Hong Kong over the next 10 years?
191/159	How can these challenges best be met?



**Dimensions Discussed in Chapt 9:**  
**Recruitment and Training**

<b>Organizational Context (2)</b>	
<b>Question Number</b>	<b>Question</b>
67	To what extent does your company regard overseas experience to be an important component of a manager's career development?
68	To what extent does your company engage in active career planning with managers who undertake overseas assignments?
169	Did you attend a formal pre-departure training programme prior to coming to Hong Kong? (Yes/No)
170	How did your company prepare you for your move to Hong Kong?
171	What is your assessment of this preparation?
172	[If applicable] Did your company prepare your family for their move to Hong Kong?
173	[If yes] Was your family included in the pre-departure training programme?
174	[If applicable] Which of the following training methods were used? 1) Briefing only; 2) Briefing + group discussion; 3) Briefing + group discussion + role play exercises; 4) Sensitivity training; 5) Role play exercise; 6) Case studies; 7) Social interaction with managers previously on overseas assignment and/or their families; 8) Others.
176	What orientation/training did you receive when you arrived to take up your present job in Hong Kong?

Selection Criteria	
Question Number Expat / Host National	Question
/67	/ In many companies it is standard practice to select expatriate managers for an overseas assignment based primarily on their domestic performance. What is your opinion of such a selection criterion?
69	In selecting managers for overseas assignments which of the following mechanisms are used by your company? Advertisement; Head hunters; Application forms; Intelligence tests; Language aptitude tests; References; Personal interview (one-to-one); Interview panel; 'Word of mouth'.
70	Why do you think that your company selected you to come here?
71/68	If it was your responsibility to select a manager for a job in Hong Kong, what criteria would you use? / What criteria would you use to select an expatriate for a managerial position in Hong Kong?
	When a company selects people for an assignment in Hong Kong to what extent should the following factors be taken into account?
72/69	Medical fitness
73/70	Needed expertise
74/71	Adaptability
75/72	Maturity
76/73	Emotional maturity
166	Were you recruited for your present job from within your company? (Yes/No)
167	[If yes] Can you describe the selection process?

Training	
Question Number Expat / Host National	Question
	If you were designing a training programme for an Anglo-American expatriate, without any previous work experience in a Chinese society like Hong Kong, to what extent would the following training areas be important?
156/138	Managerial training (General management functions)
157/139	Cross-cultural training (Interpersonal interaction)
158/140	International business training (Business practices across national borders)
159/141	Language training
	The purpose of cross-cultural training for Anglo-American expatriate managers working in Hong Kong should be to:
160/142	Help them to interact more effectively with their Chinese subordinates.
161/143	Help them to interact more effectively with their Chinese peers.
162/144	Help them to interact more effectively with their Chinese superiors.
163/145	Help them to interact more effectively with Chinese business people outside of their organization.
164/146	Help them to interact more effectively with local Chinese people outside of their organization.
165/147	When cross-cultural training is provided to managers, it often takes place prior to their posting abroad. However, it has been suggested that cross-cultural training may be more effective if it is conducted after a manager has lived and worked in the host culture for a brief period of time. To what extent do you agree?
175/148	What is your opinion about the need for predeparture training programmes? / What is your opinion about the need for predeparture training programmes for expatriate managers?
/149	/What would you like to see included in a predeparture training programme for expatriate managers coming to work in Hong Kong?



## APPENDIX D

**Table 6.11** Residence Outside of Home Country Before Age 20: All Respondents

Confirmation of Residence	Expatriates		Host Nationals	
	<i>f</i>	%	<i>f</i>	%
Yes	11	28.2	5	16.1
No	28	71.8	26	83.9
Total	39	100.0	31	100.0

From Table 6.11 it can be seen that 28 percent of the expatriates compared to 16 percent of the host nationals lived outside of their home country before the age of 20. The difference is not statistically significant.

**Table 6.12 Country of Education: All Respondents**

Country	Expatriates		Host Nationals	
<b>Primary Education</b>	<i>f</i>	%	<i>f</i>	%
Australia	1	2.6	-	-
Canada	8	20.5	-	-
China/Macau	-	-	1	3.2
Guyana	2	5.1	-	-
Hong Kong	-	-	29	93.6
International	3	7.7	-	-
Malaysia	1	2.6	-	-
New Zealand	1	2.6	-	-
South Africa	1	2.6	-	-
Taiwan	-	-	1	3.2
United Kingdom	9	23.1	-	-
United Kingdom/Malta	1	2.6	-	-
United States	12	30.8	-	-
<b>Total</b>	<b>39</b>	<b>100.0</b>	<b>31</b>	<b>100.0</b>
<b>Secondary Education</b>	<i>f</i>	%	<i>f</i>	%
Australia	2	5.1	-	-
Canada	8	20.5	-	-
Guyana	2	5.1	-	-
Hong Kong	-	-	27	87.1
Hong Kong/Canada	-	-	3	9.7
Hong Kong/USA	-	-	1	3.2
International	1	2.6	-	-
Malaysia/Australia	1	2.6	-	-
New Zealand	1	2.6	-	-
South Africa	1	2.6	-	-
Taiwan/USA	1	2.6	-	-
United Kingdom	11	28.2	-	-
United Kingdom/France	1	2.6	-	-
UK/Hong Kong/Philippines	1	2.6	-	-
United States	9	23.1	-	-
<b>Total</b>	<b>39</b>	<b>100.0</b>	<b>31</b>	<b>100.0</b>
<b>Post-Secondary Education</b>	<i>f</i>	%	<i>f</i>	%
Australia	2	5.1	-	-
Canada	7	17.9	3	9.7
Canada/Hong Kong	1	2.6	-	-
Canda/USA/UK	1	2.6	-	-
Hong Kong	-	-	21	67.7
Hong Kong/UK	1	-	1	3.2
Hong Kong/UK/Australia	-	-	1	3.2
New Zealand	1	2.6	-	-
South Africa	1	2.6	-	-
United Kingdom	8	20.5	2	6.5
UK/Canada	1	2.6	-	-
UK/China	1	2.6	-	-
UK/USA	1	2.6	-	-
UK/USA/Taiwan	1	2.6	-	-
United States	10	25.6	2	6.5
USA/Canada	-	-	1	3.2
USA/UK	1	2.6	-	-
Not applicable	2	5.1	-	-
<b>Total</b>	<b>39</b>	<b>100.0</b>	<b>31</b>	<b>100.0</b>

**Table 6.13** Places Worked Other Than Hong Kong: All Respondents

Country	Expatriates		Host Nationals	
(1)	<i>f</i>	%	<i>f</i>	%
United Kindom	13	33.3	3	9.7
United States	10	25.6	1	3.2
Canada	7	17.9	7	22.6
Switzerland	2	5.1	-	-
Australia	1	2.6	2	6.5
China	1	2.6	-	-
New Zealand	1	2.6	-	-
South Africa	1	2.6	-	-
Venezuela	-	-	1	3.2
Not applicable	3	7.7	17	54.8
Total	39	100.0	31	100.0
(2)	<i>f</i>	%	<i>f</i>	%
United Kingdom	3	7.7	1	3.2
United States	3	7.7	1	3.2
Middle East	3	7.7	-	-
Canada	2	5.1	-	-
China	2	5.1	1	3.2
Australia	1	2.6	-	-
Korea	1	2.6	-	-
Philippines	1	2.6	-	-
Switzerland	1	2.6	-	-
Not applicable	22	56.4	28	90.3
Total	39	100.0	31	100.0
(3)	<i>f</i>	%	<i>f</i>	%
China	2	5.1	-	-
Canada	1	2.6	-	-
Ethiopia	1	2.6	-	-
Macau	-	-	1	3.2
Singapore	1	2.6	-	-
United Kingdom	1	2.6	-	-
United States	1	2.6	-	-
Not applicable	32	82.1	30	96.8
Total	39	100.0	31	100.0
(4)	<i>f</i>	%	<i>f</i>	%
Thailand	1	2.6	-	-
Guyana	1	2.6	-	-
Not applicable	37	94.9	31	100.0
Total	39	100.0	31	100.0



## APPENDIX E

**Table 6.17** Organizational Policies Favouring One Nationality Over Another:  
All Respondents

Extent to Which Policy Exists*	Expatriates		Host Nationals	
	<i>f</i>	%	<i>f</i>	%
To a very great extent	-	-	1	4.0
To a great extent	4	12.5	10	40.0
To a moderate extent	9	28.1	4	16.0
To a little extent	5	15.6	3	12.0
To a very little extent	14	43.8	7	28.0
Do not know	2	Missing	3	Missing
Not applicable	5	Missing	3	Missing
Total	39	100.0	31	100.0

\* The test is significant at  $\alpha = 0.05$  according to the Mann-Whitney U test.

## **APPENDIX F**

### **The Nature of Small Chinese Family Businesses**

The following interview excerpt shows the high degree of flexibility with which small Chinese family-run businesses can operate in the market place, despite operating internally with a very traditional and somewhat rigid approach to management:

. . . the Chinese business unit operates extremely effectively out here. And again, flexibility is part of it. Whereas a Western company that may be a public company . . if it wishes to expand its markets and move into China - it often finds great difficulties because it lacks flexibility. The Chinese side will say we can't pay you, we just don't have enough remimbi or we just don't have enough foreign exchange so, you know, we'll pay you back in widgets, which - we know that if you take those widgets to the southern Philippines you can exchange them for salted fish and there is a tremendous market in South Korea for those, you know - and you go up there and it will be three times what we would have paid you originally in money. Now, you tell that to a Western multi-national and their jaw will drop. What would our shareholders think? How would we put this in the books. And gee, the next quarter's report is coming up, I have to show a profit - I can't . . . So, the Chinese can operate anywhere; they can make money off of nothing. And they can see opportunity in virtually nothing and get something from it. And I think that's to be admired"

(expatriate, male, 45-54, American, 29 years Hong Kong work experience, executive search company)

## **APPENDIX G**

### **Different Understandings About The Nature of Management**

I now have a Chinese boss who I actually get along very well with - we work well together - but in the early days getting to know one another she was asking me about my team and various aspects of my department and the people that I have in the area and she said to me - 'How do you maintain discipline'? - and I was actually quite floored by that because I don't maintain discipline. I think discipline is completely out of the question in any kind of management organization - this is not the army - I don't even attempt to maintain discipline - I don't need to - my staff do what I wish them to do because they respect me and because I give them guidance as to what they need to do, and I wouldn't delegate something I didn't think they were capable of doing and I wouldn't give it to them without the associated training to enable them to do it properly - so for me discipline is something that never entered the equation but that I think illustrated for me the fundamental difference in style - totally, and different language - it's [discipline] not a word I would ever think of in the context of management

(expatriate, female, 35-44, Australian/Swiss, 6 years Hong Kong experience, finance - corporate body).



## APPENDIX H

### Letters to the Editor

*Sunday Morning Post* February 11, 1996



Aston University

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## APPENDIX I

### A Lack of Shared Understanding

The following anecdote illustrates how a lack of shared understanding between an Anglo-American expatriate and a Chinese host national in Hong Kong can give rise to markedly different perceptions about the same situation. This example was related by a host national, male, 35-44, 18 years experience, finance & insurance, whose company - a subsidiary of a large American bank - provides financing for vehicle purchases.

We have a customer who is only in his early twenties. He bought a very expensive car . . . . Let's say it is a Mercedes-Benz - it is a very expensive car. And he's a manager of his company, even though he is very young, but his father is a very rich guy, so he works with his father. But, the problem is . . he is not able to provide us any evidence that the father pay him - say, a large amount of salary every month. But, we do know that he is the only son of the father. And that's we Chinese would understand - it appears to be transition in a Chinese business - okay. And so we bring this case to the expatriate manager and he says - there's no evidence that his father will support him to pay [for] this car, - well, I will do it [approve the care loan] only if his father will give a guarantee. And then - well - we have a different way of thinking. Their relationship is so close - particularly because Chinese - well, you will not let your son down, and also we do understand that in such a rich family it really is very usual that everyone will have an expensive car which will be eventually out of the pocket of the family owner I would say. . . . Well, this to Chinese - we'll say - this is a very trivial matter - easy to understand - right. But to them - well, I mean - western people, they may think in other way. They will say - oh no, that guy is already over 20, even if he work with the family business, there would be pay from the general family to support his own living. Rather than this - I would say - this informal way of paying him.

## **APPENDIX J**

### **A Change in Culturally Limited Behaviour**

The following case was related by a host national as an example of an Anglo-American expatriate whose culturally limited behaviour changed after a number of years of working in Hong Kong.

We have a manager here - he is Scottish. When he first came here I was told he was very bossy - at that time, he thought that all Chinese - I mean, after all Hong Kong is a colony of Britain and he treated his staff really bad. He shouted at them and so on. But after awhile - I mean, the staff of course equally resented him because of his behaviour, so he was not well received in the company and - you know - Scottish English is not really easy to understand. So, when he shouted at his staff saying - you don't know English - his staff say behind his back - you don't know English [either]. So, I mean that is very funny, but after a few years he has now changed and - I don't know what has come over him - but I think he gradually came to realize that - I mean, he can see things more widely, not so narrowly, and . . . I think he can see that, after living in Hong Kong for so many years, he can see that no matter whether these people speak English or not is really not an important thing. They can get things done for him. That's a more important thing. So, I think he is more - I mean, he is a more friendly person now and more people like him - not really like him after the tough time, but they can get along with him"

(host national, female, 25-34, 11 years experience, banking).



## APPENDIX K

**Table 8.4** Days Worked in a Normal Working Week: All Respondents

Number of Days Per Week	Expatriates		Host Nationals	
	<i>f</i>	%	<i>f</i>	%
5.00	5	12.8	8	25.8
5.25	2	5.1	5	16.1
5.50	20	51.3	11	35.5
6.00	7	17.9	5	16.1
6.50	3	7.7	1	3.2
7.00	2	5.1	1	3.2
Total	39	100.0	31	100.0

**Table 8.5** Hours Worked in a Normal Working Week: All Respondents

Number of Hours Per Week	Expatriates		Host Nationals	
	<i>f</i>	%	<i>f</i>	%
35.00	1	2.6	-	-
42.50	-	-	1	3.2
45.00	1	2.6	3	9.7
47.00	1	2.6	-	-
48.00	3	7.7	2	6.5
50.00	8	20.5	6	19.4
52.00	-	-	1	3.2
53.00	1	2.6	-	-
55.00	3	7.7	6	19.4
57.50	1	2.6	2	6.5
60.00	7	17.9	7	22.6
62.00	1	2.6	-	-
64.00	1	2.6	-	-
65.00	4	10.3	1	3.2
70.00	3	7.7	2	6.5
75.00	1	2.6	-	-
80.00	1	2.6	-	-
81.00	1	2.6	-	-
85.00	1	2.6	-	-
Total	39	100.0	31	100.0

## APPENDIX L

**Table 8.6** Extent of Family Adjustment to Living in Hong Kong: Expatriates

Extent of Adjustment	<i>f</i>	%
To a very great extent	13	52.0
To a great extent	6	24.0
To a moderate extent	5	20.0
To a little extent	-	-
To a very little extent	1	4.0
Missing data/Not applicable	14	Missing
Total	39	100.0

**Table 8.7** The Impact of Family Adjustment on Work Performance: Expatriates

Extent of Adjustment	<i>f</i>	%
To a very great extent	7	28.0
To a great extent	10	40.0
To a moderate extent	4	16.0
To a little extent	2	8.0
To a very little extent	2	8.0
Missing data/Not applicable	14	Missing
Total	39	100.0