The Perceived Impact of International Assignments on Chinese Expatriates’ Career Capital

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ABSTRACT

Using the career capital model, this study provides a theoretical and exploratory insight into the perceived impact of international assignments (IAs) on Chinese expatriates’ career capital. Utilising a qualitative methodology with 28 semi-structured interviews, the paper attempts to investigate the effect of IAs on each of the career capital components: knowing-how, knowing-why and knowing-who, showing different results from existing literature.

Results suggest that Chinese expatriates develop limited career capital during IAs: they develop contextual based knowing-how capital such as English skills which may not have significant impact on their career development in China. They develop fewer new knowing-whom capital during IAs and face challenges to maintain existing guanxi in China. Finally, they experience temporary changes in knowing-why career capital and contextual factors play important roles in shaping their career values.

Keywords: career; international HRM, skills; career development; emerging economies

INTRODUCTION

Businesses are entering into a globalised era due to rapidly changing communication technologies and evolving political and economic cooperation between countries (Kramer, 2006). This necessitates companies to build strategies to be competitive in the international market. Ensuring employees have global managerial skills is becoming a critical part of these strategies. While the literature suggests that increasing numbers of global organisations are using more short-term and localised training programs to develop managers’ competencies, the most common strategy to develop globally competent leaders is expatriation (Benson & Pattie, 2008; Cappellen & Janssens, 2005).

Despite their importance and popularity, organisations have become more cautious about the implementation of IAs and struggle to maximise their effectiveness. Research indicates inconsistencies between the organisation’s expectation of IAs and the actual outcome (Collings, Scullion, & Morley, 2007; Evans, Pucik, & Barsoux, 2002; Shay & Baack, 2004). Adjustment difficulties (Kim & Slocum, 2008), high financial costs (Bolino, 2007), and repatriation turnovers (Stahl, Chua, Caligiuri, Cerdin, & Taniguchi, 2009) are the major reasons behind expatriation failure.

While some research examines expatriation effectiveness focusing on the impacts of IAs on organisational performance, other scholars take an individualistic approach. For example, some
authors argue from an individual perspective that IAs are an effective approach for developing career capital (Jokinen, Brewster, & Suutari, 2008; Makela & Suutari, 2007) and are potentially beneficial for future career advancement (Kraimer, Shaffer, & Bolino, 2009). Other authors express dissent. Benson and Pattie (2008), for example, investigate the effectiveness of IAs by comparing the perceived and actual career outcome of individuals and find expatriation may potentially decrease certain aspects of an individual’s career competencies due to the loss of local contacts, non-transferable skills, and uncertainty regarding their future direction. Another school of thought has a more balanced view and believes the effectiveness of IAs may not be revealed immediately after repatriation, but is beneficial for career development in the long term (Kohonen, 2005).

Many of these scholars use ‘career capital’ for measuring the effectiveness of IAs. Career capital theory, first introduced by DeFillippi and Arthur (1994), is widely implemented in measuring human capital, career and organisational development (Dickmann & Doherty, 2008). It is defined as the “accumulation of knowledge, skills and experiences individuals acquire during their career lives” (Inkson & Arthur, 2001, p. 50). As with other types of capital, individuals expect returns from their investment in the form of salary, career progression and social identity (Ng, Eby, Sorensen, & Feldman, 2004). Career capital theory investigates the overall impact of skills and knowledge (knowing-how), motivation and value (knowing-why), and business and social contacts (knowing-whom) on individual career development.

Whereas current literature has focused heavily on the effectiveness of expatriation of managers from developed countries such as the United States of America (USA), United Kingdom and Japan, relatively little research has sought to understand how expatriates from developing nations such as China and India develop their career capital from IAs. This is despite the increasing significance of Chinese companies abroad. For example, at the end of 2010, there were more than 16,000 Chinese enterprises investing in 178 countries and regions, employing 1.1 million employees (Ministry of Commerce, National Bureau of Statistics, & The State Administration of Foreign Exchange, 2011).
This has led to the increasing uses of IAs to meet emerging demand for competent global managers with advanced managerial skills and knowledge as well as international market information and contacts (Zweig, 2006). What is not known, however, is how these managers perceive the impact of IAs on their career capital and the impact of international experience on their actual career development. It is useful to conduct a systematic study for the Chinese context because of the significant cultural and political differences between China and developed countries and China’s increasingly important global position.

This study makes a contribution to the literature by analysing the Chinese context of expatriation. It compares Chinese expatriates’ career development with findings from existing research using career capital theory and reveals more details on the contextual factors. It fills an important gap in current research by introducing a distinct yet important sample into the body of knowledge.

**CAREER CAPITAL**

In a ‘capitalistic’ view of careers, an individual continually invests in their career throughout their life. As personal life unfolds, a largely unknown interplay starts between the individual and the social context that the person is embedded in (Seibert, Kraimer, & Liden, 2001). During personal, educational and professional development, this interplay leads to “a constantly changing, nevertheless recognisable and partly stable portfolio of capital” (Iellatchitch, Mayrhofer, & Meyer, 2003, p. 734) which individuals used to achieve personal goals.

In the international career context, one perspective for measuring expatriates’ career development, mobility and success is to combine the behavioural and cognitive/psychological aspects of career competencies and to measure the accumulated and potential career outcomes (Jokinen, 2010). Taking this resource-based view, career capital (DeFillippi & Arthur, 1994; Inkson & Arthur, 2001), consists of three ways of knowing.
Knowing-how competencies reflect career-relevant skills, expertise and tacit and explicit knowledge which accrue over time (Inkson & Arthur, 2001). These capabilities not only involve skills and knowledge that are needed for performance, but also consist of soft skills such as communication and people skills, and hard skills such as technical expertise. Knowing-why competencies are related to career motivation, personal understandings and identification (DeFillippi & Arthur, 1994). They provide individuals with a sense of meaning regarding their careers and motivation to pursue career goals. Knowing-whom career competencies reflect “the attachments, relationships, reputation, sources of information and mutual obligation that people gather as they pursue their careers” (Inkson & Arthur, 2001, p. 52). Knowing-whom capital not only includes contacts within organisations such as superiors and colleagues but also contacts outside organisations. It can be either business-related contacts such as customers, competitors and suppliers, or personal social connections such as friends (Parker & Arthur, 2000). Knowing-whom capital follows the social resource theory which postulates that individuals gain advantages through accessing or using their social networks to obtain salient resources such as career advancements (Lin, 1999).

**INTERNATIONAL ASSIGNMENTS**

Having international experience is commonly seen as an effective way of developing one’s career capital. Expatriates go through a number of adjustment processes from IAs and each of these moves reflects the acquisition of different skills and experiences, relationships and opportunities (Cappellen & Janssens, 2005). Expatriates typically see that their foreign experience changes their competency levels and they become capable of more challenging jobs in the future (Brewster & Suutari, 2008). Working in different cultures helps expatriates to develop global mind-sets which change their understanding of their career identity and directions, and develop international networks that provide potential job opportunities and increase their career mobility (Baruch & Peiperl, 2000; Yan, Zhu, & Hall, 2002). International experiences are, therefore, highly valued in the job market and considered as an important tool to develop managers’ global skills which are crucial for an organisation’s international success (Cappellen & Janssens, 2010).
Some research, however, claims a less optimistic picture of the expatriation experience. High levels of early repatriation, turnover and dissatisfaction on repatriation arrangements are some negative career outcomes (Black, Gregersen, Mendenhall, & Stroh, 1999; Suutari & Brewster, 2003). Some of the newly-acquired ‘knowing’ fades on return home and for some all that remains from the IA are memories (Haslberger & Brewster, 2009). IAs are not seen as a critical success factor for either career advancement or the acquisition of career capital by the individual managers (Dickmann & Harris, 2005).

One explanation for this paradox in research findings may be due to the debate between boundaryless (and/or protean careers) and bonded or traditional careers (Briscoe, Hall, & DeMuth, 2005; Inkson, 2006; King, Burke, & Pemberton, 2005). In the boundaryless perspective, Inkson and Arthur (2001, p. 49) argue that “we take our careers with us” and people have the freedom to make independent career decisions. This is relevant in the fast-changing organisational environments where both individuals and organisations understand the importance of developing skills and experiences for future career opportunities. However, when taking careers onto a global scale, the contextual factors such as the country or industry characteristics may serve to restrict employees and their careers. For example, some of the newly developed ‘knowing’ may be culture-specific and may not be relevant in the home country, or the home organisations may not have tasks for expatriates to utilise their new skills. In fact, Bossard and Peterson’s (2005) research found that managerial and cultural skills developed from international assignments are contextually sensitive, and either not related or negatively related to job advancement. A career develops, therefore, as an occurrence rooted in a combination of “individual, organisational and societal reality” which are phenomena that occur at multiple levels (Iellatchitch et al., 2003, p. 724).

The acknowledgement of contextual factors in the latter view of career is an important basis for this study. Despite the intention of Chinese companies to learn and adopt Western management practices, the organisational culture of Chinese MNCs is strongly influenced by contextual factors such as Chinese cultural beliefs, political agendas and social well-being. The process of developing
career capital from IAs involves not only the acquisition of competencies, but also transferring them successfully back to China. The utilisation of these competencies by expatriates and their organisations are shaped by these contextual factors and the usefulness of career capital evaluated by different parties.

CHARACTERISTICS OF CHINESE MNCS AND THE IMPACTS ON INDIVIDUAL CAREER CAPITAL

One significant characteristic of Chinese MNCs is that the majority are state-owned enterprises. State interests provide many of the leading Chinese companies with competitive advantages such as access to funding from state-owned banks, and to assets and governmental legislative support (Williamson & Zeng, 2009). The unique institutional feature of Chinese MCNs means that the headquarters require direct control over subsidiary activities and IAs are often used as a part of that strategic control.

For MNCs, the motives for using IAs are typically “knowledge transfer, management development, the creation of a common organisational culture and the building of effective informal information networks” (Harzing & Van Ruysseveldt, 2004, p. 259). Expatriates are often used as ‘position fillers’, to deal with policy convergence and divergence in different countries (Brewster, Mayrhofer, & Morley, 2004; Sparrow, Brewster, & Harris, 2004), to develop global competencies for managers (Cappellen & Janssens, 2005), to transfer technical and managerial skills (Morley, Heraty, & Collings, 2006), and to ensure headquarters’ control and coordination (Bartlett & Ghoshal, 1992). More specifically, in the Chinese context, Shen and Edwards (2006) argue that Chinese MNCs develop their expatriates mainly for administrative, financial and technical purposes to enable control, coordination of global activities and trouble-shooting.

Organisational motives also affect IA experiences. Compared to their Western counterparts, Chinese MNCs do not commonly support the expatriate’s partner and children on international assignments because companies often consider family related issues such as dual-career couples and children’s education the expatriate’s own responsibility (Shen & Edwards, 2006). This eliminates the
problem of expatriate failure as a result of spouse/children adjustment difficulties (Lee, 2007), but Chinese expatriates often face personal challenges that are associated with being away from families (Selmer, Ebrahimi, & Li, 2000). Cultural differences between China and the IA destination often affect expatriates’ willingness to integrate into the new environments and increase the adjustment difficulties.

Another significant feature of Chinese IAs is that they are often short, temporary and with technical purposes (Fang, 2011). In fact, 70% of Chinese IAs are less than one year (National Bureau of Statistics of China, 2009). Besides pragmatic issues such as visa or work permit restriction, the dominant use of short term assignments is due to organisational focus on ‘task implementation’ instead of management development.

METHODS

The present study took an exploratory and interpretive approach aiming to understand expatriates’ explanations on impact of IAs on their career development. A qualitative research methodology was used to probe underlying explanations, and allow expanding and generalising theories by combining existing theoretical knowledge with new empirical insights (Yin, 1994). A semi-structured interview approach was chosen with consideration to the richness, efficiency and focus of information.

Snowball sampling was deemed appropriate for this exploratory nature (Lofland, Snow, Anderson, & Lofland, 2006), especially given the importance of guanxi (connections) in the Chinese context. Guanxi and trust are important elements for gaining honest and direct information in Chinese research (Cooke, 2009). Therefore initial contacts were made through personal networks. After these interviews, the contacts were then asked to introduce others from the target population. A total of 28 expatriates (n=28) were located using this sampling technique. Although a key limitation of snowball sampling can be a lack of representativeness, the sample obtained covered a wide range of demographic, geographic and temporal variables.
Face to face interviews were conducted with 18 participants and the remaining 10 were conducted by telephone. Interviews were carried out and recorded (with permission) in Mandarin. Data analysis followed the method of template analysis (King, 1998). All interviews were transcribed and coded using NVivo 9. The coding process was guided by themes from the literature, while being flexible to allow new nodes to emerge from the data. Nodes were then compared and merged to form categories. Each category was thoroughly analysed to identify recurrent patterns and themes. The themes were compared and contrasted to determine any interrelationships and explanatory causes.

RESULTS

Seventy-five per cent of the interviewees ($n=21$) are male which is corresponding to male-dominated nature of expatriation. The average age is 27 with a majority of being unmarried. Interviewees are from 7 MNCs ranging from telecommunication, IT, bank and construction. Their IA destinations are Western developed countries and their IA duties are ranged from administration, technical and management. Most (43 per cent) of the IAs are between 1 to 6 months and the majority of expatriates have previous IA experiences.

Respondents appreciated the value of the ‘experience’ gained from IAs but were uncertain as to its impact on their careers. While working in different countries provided interesting and unforgettable memories, they did not consider the IA provided them with a competitive advantage over people who only have domestic experience. In their mind, IAs were ‘intangible’, having no obvious and substantive impact on their career capital. They understood the importance of external factors that contribute to their career development. “Many things are out of my own control” (male, IT developer) and “not of my own free will” (male, marketing manager) were typical attitudes towards their career opportunities. The reflection of ‘bonded’ career (instead of boundaryless career) where the organisation was in control of career progression was a strong theme from interviews.

Knowing-how Career Capital
The Chinese expatriates had often been selected specifically because of skills they already had, or they were especially trained at the headquarters to complete a task on expatriation. Hence, the expatriates knew the IA would be within their capabilities and there was no expectation of learning new or different skills. Similarly, organisations did not expect expatriates to develop new skills or knowledge. This did not, however, restrict the development of knowing-how capabilities.

Transferring skills across countries involved adjustment processes so existing skills can be tailored in the host context.

“I learnt something new for the first month or so because it was a new environment. But soon after that, I was just doing the same thing again and again…” (female, software technician).

Although expatriates did not feel any significant changes in job-related, technical skills, they did acknowledge changes in some of the ‘soft’ skills. One that was frequently mentioned by expatriates was an improvement in language skill. Expatriates are motivated to improve their English during an IA.

“I never had the opportunities to practice my English in China after graduating from university. I always wanted to improve it” (male, marketing).

English skills are highly valued as an important career competency in China, particularly as Chinese organisations have increased engagement with foreign counterparts. Working on IAs provided opportunities to interact with English-speaking business partners and improve their English abilities.

“At the beginning of the IA, I was hardly able to speak English in full sentences but now I am much more fluent and confident in talking to people. I also learnt to write letters/emails in English which I had not experienced before” (male, IT).

However, expatriates commented on the limited improvement because English was only used at work and a low level fluency could meet the job requirements. They also doubted the practical value of their language skills when they return to headquarters.
“When I go back to China, I do not think I will get a lot of use from my English skills because Mandarin will be the only language that is required within the organisation” (male, IT).

Another knowing-how capability that was identified was cross-cultural communication skills. Although expatriates do not have high expectations for the development of certain cultural skills, they feel that they became more comfortable in dealing with different people. Although not discussed, the impact of this new skill on their career is again probably limited, as once they are back in a Chinese organisation, many of these skills would lose their functionality.

Knowing-whom Career Capital

During an IA, expatriates use existing networks or develop new networks to achieve career goals. Expatriates found it is difficult to maintain their existing networks during IAs. Although expatriates were often in frequent contact with staff in the headquarters, collaborating on tasks, they found the distance had the potential to damage their networks. The importance of personal interactions in order to maintain guanxi in the Chinese culture means that absences can erode their social ties.

“We still keep in contact due to our work tasks but it’s different because I don’t have the chance to talk to them face-to-face, people tend to forget you and you become less important when you are absent too long” (male, management).

Chinese expatriates considered that they developed little ‘knowing-whom’ competencies during IAs. Their social and work networks were limited to local employees, clients and business partners, but they considered these ‘temporary’ and did not anticipate a potential impact on their careers. Most of their time was spent with other expatriates from China. They found it difficult to develop Chinese style guanxi with Western people. Also, because the expatriates were often accommodated together, they were not proactively involved in experiencing and learning the new culture, making it difficult to develop non-work related social capital.

“I don’t really have the opportunities to get to know people outside work; I spend most of my time at the office and then the rest of the time with other expatriates. I don’t really feel like making new friends. After all, the culture is different” (male, engineering).
Knowing-why Career Capital

An important aspect of career capital for expatriates is ‘knowing-why’ - understanding why they chose to accept the posting. Some of the reasons were directly related to career opportunities and advancement, while others were more personally oriented including curiosity; see the world, adventure and etc. The respondents did, however, recognise that exposure to different people and cultures had altered their views on the future directions they might take.

“I am more mature than before’ (male, software developer) and ‘an old Chinese saying: You can know more by travelling thousands of miles than by reading thousands of books. The more I see the more changes in my mind. And it has changed my views on how to look at things in the future” (male, management).

The expatriates were able to experience different ways of doing things and this helped them understand their own strengths and weaknesses in career development.

“The international experience has broadened my views. I realise there are many different ways of doing things now” (female, IT).

The experience allowed them to evaluate their own value within Western cultures however, their identity as Chinese and belongingness to the Chinese cultural context played an important role in the process of comparing, filtering and absorbing Western values.

“One day, I will return to China, so it is more important for me to learn the Chinese ways. Exposure to Western cultures have helped me understand the differences but I still want to be Chinese” (female, IT).

DISCUSSION

This research provides insights into expatriates’ perceptions of the development of career capital during IAs. It focuses on their evaluations on the value of international experiences and how it impacts on their career development.

Overall, expatriates experience different changes in all three ways of knowing during IAs. Working in different countries involves different forms of adjustments, including transferring skills
and knowledge to a new environment, getting familiar with the new context, dealing with family issues such as loneliness, and developing new working relationships. These results are in line with the earlier findings (e.g., Haslberger & Brewster, 2009; Lee & Liu, 2006; Shaffer, Harrison, & Gilley, 1999; Takeuchi, 2010; van Erp, Giebels, van der Zee, & van Duijn, 2011) and confirmed changes in expatriates’ career capital as a result of IA adjustment. However, contrary to the current literature that indicates that expatriates develop global knowledge, cross-cultural competencies and managerial skills (Caligiuri & Di Santo, 2001; Jokinen et al., 2008; Makela & Suutari, 2007), this study indicated that Chinese expatriates had no significant knowing-how improvements except for English skills. This may be caused by different organisational structure, culture and strategies of Chinese MNCs compared to their Western counterparts. Chinese MNCs often use IAs as tools to implement international tasks and maintain headquarter control (Shen, 2004), and competencies development is not part of their international strategic priority. English skills are however, viewed as an essential requirement to IA tasks and expatriates develop English skills in dealing with clients and business partners. The study also found that their newly acquired English skills may not have practical value when they return home and have no significant impact on their career development. This fits to the claim that the value of career capital is based on specific context and how it is perceived within the organisation (Doherty & Dickmann, 2009).

There is no significant knowing-whom development during IAs and there is a concern that being away may result in losing existing contacts from headquarters. This is in line with existing findings (Dickmann & Harris, 2005; Jokinen, 2010; G Stahl, Miller, & Tung, 2002). An important finding that differs from the current studies is the uniqueness of Chinese networks (guanxi) and how they impact on expatriates’ career development. Chinese expatriates see no differences between professional and personal networks. In fact, personal networks such as friendships with their university classmates are important for personal and emotional support as well as providing career opportunities (Zhang, Liu, Loi, Lau, & Ngo, 2010). Due to cultural differences, Chinese expatriates do not tend to develop new contacts with local Western people during IAs. This limits their opportunities to enhance their knowing-whom career capital. Organisational practices such as
providing shared accommodation with other Chinese expatriates do not promote their involvement with the new cultural context.

Expatriates’ knowing-why capital is changed during IAs. In the new cultural context, they have opportunities to see different ways of doing things and compare them with Chinese culture. This results in changes in motivation, perceptions and judgements. However, these changes only have limited impact on expatriates’ value and career directions. The Chinese culture plays a dominant role in shaping expatriates’ value and their understanding on career development. The career capital which is highly valued by the society soon show its benefits and that was not considered as important will fade out and lose its value. Other factors such as highly competitive job market status, higher pay of IA jobs and family issues were also important in shaping expatriates’ career values. Overall, Chinese expatriates obtain limited career capital during IAs and the development is highly driven by contextual factors such as organisational practices and Chinese culture.

CONCLUSION

This study drew on the notion of career capital to impact of IAs. It goes beyond the current static focus in research on IAs to include multi-dimensional perspectives on the perceived outcomes of IAs. This study explored the unique and under-researched Chinese MNCs context and contributes to the development of career /symbolic capital theories by introducing a distinct sample into the body of knowledge. It stressed the importance of contextual factors affecting expatriates’ career development. Further research can investigate specific contextual factors such as organisational culture, structure and strategies and how they impact on the value of IAs and individual career development. Longitudinal studies may provide dynamic insights to how Chinese organisational changes impact on individual career capital. Lastly, the study is limited to Chinese MNCs and it is unlikely that the findings can be applied to other contexts. Further work on transnational companies from emerging economies is important in gaining fuller understanding of theories and developing global or universal frameworks.
REFERENCES


