

IMPACT OF INTERCULTURAL COMMUNICATION COMPETENCE ON CHINESE EXPATRIATES' ADAPTATION IN FOREIGN SUBSIDIARIES: THE CASE OF A CHINESE MULTINATIONAL COMPANY

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Abstract

Intercultural communication issues have been reported in many case studies (see, for example, Chen, 2004; Feng, 2008), yet little systematic and empirical investigation has examined how intercultural communication competence impacts the adaptation of Chinese expatriates to host cultures. The current study reports the preliminary findings of an empirical study that investigates the effects of the intercultural communication competence of Chinese expatriates on their overseas assignment adjustment. This research extends a previous Western-focused study of expatriate adaptation (Du-Babcock, 2000) to a Chinese-focused study. . Both quantitative and qualitative data were collected for analysis to answer the research question: "What is the relationship between intercultural communication competence and adjustment for Chinese expatriates during their overseas assignments?" The findings suggest that intercultural awareness and intercultural sensitivity were significantly correlated with overall adjustment (OA). The results also show that while Chinese respondents' self-rated corporate knowledge and professional knowledge was high, the ratings of the local staff respondents did not agree.

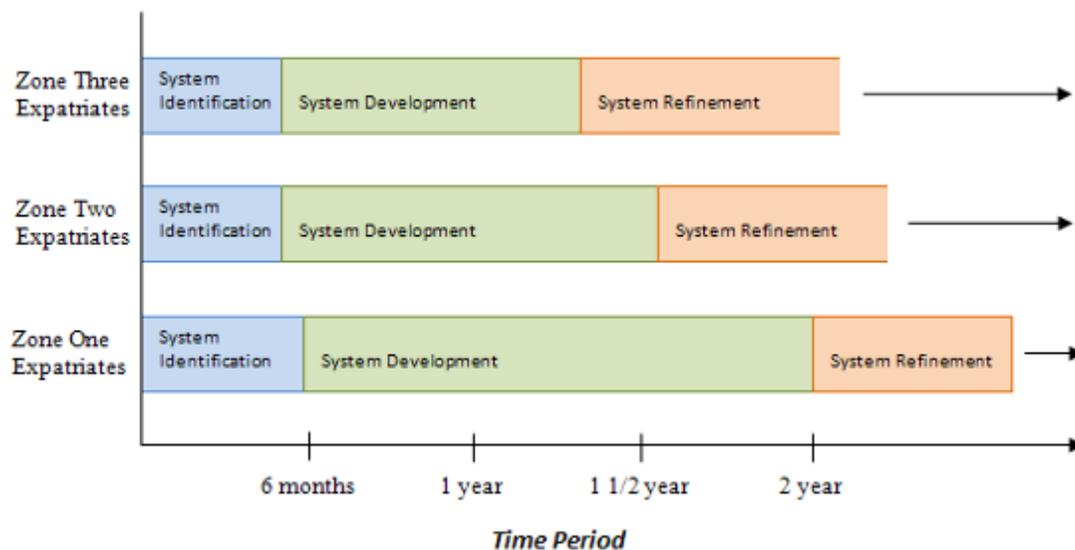
Introduction

With the emerging economy of China, an increasingly large number of Chinese companies have expanded their global markets at a high speed and on a large scale. According to the statistics provided by the Ministry of Commerce, Peoples Republic of China (PRC) (2008), by the end of 2007, nearly 10,000 China-based companies were operating their businesses in 173 countries with sales revenues of \$37.7 billion US dollars in the non-financial sector. The number of employees in overseas branches and subsidiaries of China-based companies is approximately 658,000, of which 55.2% are from mainland China. Intercultural communication issues have been reported in many case studies, including Lenovo (Chen, 2004) and TCL (Cao, 2008; Feng, 2008), yet little systematic and empirical investigation has examined how language and intercultural communication competencies impact the success of Chinese expatriate adaptation to host cultures (Luo & Shenkar, 2006).

The current study extends Du-Babcock's (2000) study to examine the effects of intercultural communication competence on the overseas assignment adjustment of Chinese expatriates. Based on her empirical research, Du-Babcock (2000) developed a three-stage system model to examine whether and how the second-language competence of Western expatriates influenced their adaptation process. Du-Babcock (2000) examined the adaptation process over three stages -- namely system identification, system adaptation, and system refinement -- and the model shows that expatriates with varying second-language proficiency (in different language zones) differed in the time period required for adjustment (see Figure 1).

Du-Babcock and Babcock developed the language-based communication zones model (see, for example, 1996, 2001, 2007) that delineates the possible communication channels available to prospective interactants, given their level of second-language competence. Expatriates with Zone One communication competence possessed limited second-language proficiency and could only exchange very simple “routine or ritual” messages. When communicating complex message, they must communicate through bilingual intermediaries or language link-pins who translate messages from one language to the other. Expatriates with partial bilingual or (Mega)Zone Two communication competence could interact directly with counterparts in their shared language. For complex topics, language link-pins may still be required for the exchange of information. As for full bilingual or (Mega)Zone Three expatriates who possessed full competency in a language they communicate, they would not need to lower their language level or use link-pins to exchange messages. Du-Babcock’s (2000) study reveals that expatriates with higher second-language competence required shorter time period for the stage of system development.

Figure 1. Adjustment Stages and Estimated Timelines of Expatriates in Three Zones



Adapted from Du-Babcock (2000), p.44

The current study attempts to respond to the calls for context-specific research in multinational corporations (Luo & Shenkar, 2006) by focusing on the overseas adjustment of mainland Chinese expatriates. China is increasingly playing an important role in the international business arena due to its prominence as an economic super power in recent years. Consequently, the current study intends to systematically investigate the effects of the intercultural communication competence of Chinese expatriates on their adaptation during their overseas assignments. That is, the study explores the impact of expatriates’ intercultural communication competence on adaptation in foreign subsidiaries.

Language competence has been increasingly recognized in expatriate studies as important in facilitating expatriate adjustment (Caligiuri & Lazarova, 2002; Graf, 2004; Nicholson & Imaizumi, 1993; Selmer, 2006; Xia & Feng, 2009). Selmer (2006) noted that the Chinese language ability of the Western expatriates had a

positive association with all the adjustment factors. Marschan-Piekkari, Welch, and Welch (1999) reflected on the importance of language competence in expatriates' role, stating that "In the host country, the expatriates become the interface, through language, between headquarters and the local subsidiary" (p.386). All these studies suggest that expatriates should master at least one foreign language, with priority given to the local language or the language of the host country, in order to perform up to a satisfactory level on their overseas assignments (Selmer, 2006; Xia & Feng, 2009).

Although we recognize the importance of English-language competence on the adjustment of expatriates in overseas assignments, this paper examines only the impact of intercultural communication competence on their adjustment. The present study extends a previous, Western-focused expatriate adaptation study (e.g., Du-Babcock, 2000) to a Chinese-focused study by examining how intercultural communication competence affects Chinese expatriates in their adjustment to overseas assignments. The question that guides this research is stated below:

RQ: What is the relationship between intercultural communication competence and adaptation for Chinese expatriates during their overseas assignments?

Review of Literature

To investigate the relationships between intercultural communication competence and adaptation, the research on expatriate adjustment and intercultural communication competence is reviewed and summarized below.

Expatriate Adjustment to Overseas Assignments

Literature on expatriate overseas assignment adjustment (see, for example, Aycan, 1997; Black, 1988; Du-Babcock, 2000; Feldman & Thomas, 1992) has acknowledged that expatriates' cross-cultural adjustment in a host country is a multi-dimensional process. Black (1988) specifies the aspects of adjusting to a host country as having three domains: adjustment to work, adjustment to the general environment, and adjustment to interacting with host nationals. These three dimensions of adjustment have been supported by a series of empirical studies (Black & Stephens, 1989; Black & Gregersen, 1991, McEvoy & Parker, 1995). Naumann (1993, p. 61) noted that "satisfied employees at all organizational levels are important contributors to an organizational effectiveness and ultimately to long-term success." Other research (see, for example, Black & Stephen, 1989; Caligiuri, 2000; Mendenhall & Oddou, 1985; McEvoy & Parker, 1995; Selmer, 2006) has confirmed that expatriates who develop close relationships with host nationals are generally better adjusted and more productive in their international assignments than expatriates who do not develop such friendships. Bell and Harrison (1996) noted that interacting with host nationals is a means of diminishing culture shock among expatriates. Aycan (1997) explains that the expatriates' interaction with others in the new culture enables them to learn about appropriate behavior in work and non-work contexts, which enhances the expatriates' understanding of the host nationals and facilitates their adjustment.

Of these three identified domains of overseas assignment adjustment, job satisfaction and the relationship with the local staff of the host countries are included as outcome variables for expatriate adjustment to overseas assignments. Job satisfaction is used to represent the domain of adjustment to work and the relationship with the local staff represents the other two domains; namely, adjustment to the general environment, and adjustment to interacting with host nationals.

Intercultural Communication Competence

Intercultural communication competence has been identified as a critical determinant for success in international tasks (e.g., Graf, 2004) as it facilitates expatriate adjustment (e.g., Gao, 2008). A line of literature has connected intercultural communication competence with cross-cultural adjustment (see, for example, Graf, 2004; Hawes & Kealey, 1981; Kim, 1988b; Kim & Gudykunst, 1988).

There have been two views on communication competence: One argues that competence refers to knowledge (Chomsky, 1965; Philips, 1983) while the other insists that competence is based on performance (Spitzberg, 2000; Spitzberg & Cupach, 1984). The cognitively-oriented view stresses the knowledge in different categories required for intercultural communication, while the performance-based perspective emphasizes the behaviors that are expected for effective intercultural communication. Chen and Starosta (2008) suggest that both knowledge and performance ought to be included as elements of intercultural communication competence. The current research argues that the two perspectives complement each other and can be integrated to form a more comprehensive understanding of intercultural communication competence, which consists of knowledge (cognitive ability), felt degree of importance (attitude), and behavioral skills (performance).

Cao (2008) examined the impact of culture upon communication behaviors under two different integration strategies. He addressed the role of national and organizational cultures in the shaping of organizational communication behaviors in Chinese mergers and acquisitions and examined how culture influences post-merger performance that contributes to the success or failure of Chinese companies' international mergers and acquisitions. Xu (2010) also investigated the combined impact of English language competence, culture, and organizational support on Chinese expatriates' adjustment to overseas assignments. The findings show that while English competence enhances Chinese expatriates' adjustment, intercultural communication competence was partially correlated with adjustments.

Chen and Starosta's (2000) intercultural communication competence model consists of three dimensions: intercultural awareness, intercultural sensitivity, and intercultural adroitness. Intercultural awareness is a cognitive dimension and refers to an individual's ability to understand the similarities and differences between the native culture and the other's culture. The literature in intercultural communication competence indicates that of intercultural awareness or knowledge (Byram, 1997), knowledge about a corporation (Harris, 2002; O'Hair, Friedrich, & Dixon, 2002), and knowledge related to professions (Harris, 1973; Swanson & Holton, 2001) are essential to successful intercultural communication.

The knowledge of culture, or intercultural awareness, receives continuing attention from intercultural communication researchers. Byram (1997) argues that the knowledge of culture required in intercultural communication includes both the culture of one's own country and the host cultures. The home cultural knowledge awakens communicators' awareness of the characteristics of other cultures, including host culture (Lord & Ranft, 2000). Another construct of knowledge is *corporate knowledge*. Corporate knowledge relates to how to behave in a competent way in specific situations, such as what actions to perform as well as knowledge about why certain actions should be performed, and to whom certain actions are appropriate to be performed in an organization (Goldkunn & Braf, 2001). In other words, corporate knowledge concerns the "how" of social interaction (Spitzberg, 2000) in multinational settings.

Professional knowledge is necessary in communication concerning professional issues and relates to the experience, expertise, and problem-solving skills required in a profession (Swanson & Holton, 2001). Punnett (2009) noted that professional knowledge may be most valued by multinational companies and that in many multinational companies, professional knowledge ranks as the top criterion in selecting expatriates. Torraco and Swanson (1995) argued that companies rely on employee expertise to ensure business outcomes, which explains the high status of professional knowledge for expatriates.

Intercultural sensitivity is the affective dimension in Chen and Starosta's (2000) model and refers to the individual's emotional desire to acknowledge, appreciate, and accept cultural differences (Chen & Starosta, 2000). This attitudinal component of intercultural communication competence usually refers to a general attitude towards the host culture and its members (Byram, 1997; Gudykunst & Kim, 1984; Ting-Toomey, 1999). For example, Byram (1997) addresses attitudes towards people who are perceived as different in respect to the cultural meanings, beliefs, and behaviors they exhibit that are implicit in their interactions with their own social group or with others. Ting-Toomey (1999) uses motivation as a reflection of attitude to refer to an individual's readiness to learn about and interact with people who are culturally different. The inclusion of such an attitude into intercultural communication competence is understandable. According to Wiseman, Hammer, and Nishida (1989), intercultural sensitivity plays a critical role in influencing an individual's impression of the other culture and its people as well as the degree of mutual understanding that is achieved in intercultural communication.

The third dimension of the intercultural communication competence in Chen and Starosta's (2000) model, intercultural adroitness, is the behavioral or performance dimension. It refers to an individual's ability to get the job done and reach communication goals in intercultural interactions.

Based on the review of literature related to expatriates' overseas assignment adjustment and intercultural communication competence, the following hypotheses are put forth to answer the research question that examines the relationship between intercultural communication competence and the adjustment of Chinese expatriates in overseas assignments..

- H1:** Chinese expatriates with a higher level of intercultural awareness or knowledge of culture have better adjustment to overseas assignments.
- H2:** Chinese expatriates with a more positive intercultural sensitivity have better adjustment to overseas assignments.
- H3:** There is no mean score differences of the intercultural adroitness between the Chinese expatriates' self-rated cognitive ability and the expatriates' intercultural communication competence as perceived by local staff.

Research Method

This research was set in a Chinese multinational company with more than a decade of international operation experience. A sequential mixed methodology (Tashakkori & Teddlie, 1998), which combines quantitative and qualitative approaches, was adopted. The quantitative data were derived from questionnaires that collected responses in relation to the intercultural communication competence of Chinese expatriates and their perceived competence as rated by local staff. The qualitative data were generated through a review of company documents, in-depth interviews, and field observation in the subject company. Ten Chinese expatriates, one foreign executive, and one senior overseas Chinese manager working in overseas subsidiaries of the subject company were interviewed. Most of the data

were collected in the headquarters of the subject company when these Chinese expatriate managers returned to mainland China for training or for annual meeting.

Survey of the local staff who are non-Chinese employees of the subject company from overseas subsidiaries has twofold. First, the survey intended to measure how local staff perceived the Chinese expatriates' performance in their intercultural interaction. Second, the local staff survey would also serve as a cross-check to compare whether a difference exists between Chinese expatriates' self-reported cognitive ability and the local staff's perception.

Due to the time constraints in administering the survey to the local staff, convenience sampling (Kemper, Stringfield, & Teddlie, 2003) was adopted. With the assistance of the human resources managers in the headquarters, one of the researchers invited 31 local staff members from foreign subsidiaries to complete the survey questionnaires when these staff came to China for their training. Another set of local staff survey was collected through the field observation in Germany, France and Portugal. Thirty seven on-site local staff survey was collected. In total, 68 respondents from 16 countries participated in the survey.

Sample Population

Involved in the current study is a China-based multinational company which started its international business in the mid-1990s. The company runs businesses across more than 150 countries with around 10,000 employees and divides its global market into 12 regions, including developing countries (e.g., countries in Asia, Africa and Latin America) and developed countries (USA, France, and Germany). In total, 294 Chinese expatriates who have been stationed overseas for a period of one to three years and 68 local staff participated in the survey.

Design and Measurement of Intercultural Communication Competence

The questionnaire included three sections. Section I requested demographic information about the respondents, including age, gender, marital status, position, host country, local official language, and foreign languages spoken. Section II solicited respondents' opinions about the experience of their adjustment to their overseas assignment. Section III asked for information about their intercultural communication competence. To cross check, a similar questionnaire was also designed to capture the perceived overseas assignments adjustment by the local staff. For consistency and easy comparison, the statements of both questionnaires were parallel and the respondents answered on a 4-point Likert type scale with 1 strongly disagree and 4 strongly agree.

Measurement of Chinese Expatriates' Adjustment

Statements in Section II related to job satisfaction and relationship with local staff and were included to measure Chinese expatriates' adjustment status. The first statement asked the respondents about the degree of satisfaction they felt about their overseas assignment adjustment, and the remaining two statements addressed their satisfaction towards the job and whether they got along with local staff. These statements were:

In general, I am satisfied with my overseas assignments.
I am satisfied with my current job;

I can get along with local people.

Section III dealt with the intercultural communication competence. The measurement of intercultural communication competence was adapted from the three dimensions in Chen and Starosta's (2000) model: intercultural awareness (called knowledge of culture), intercultural sensitivity, and intercultural adroitness. While, intercultural awareness is a cognitive dimension that measures an individual's cognitive ability to understand similarities and differences of other's cultures, intercultural sensitivity, an affective dimension, measures the felt degree of importance of the identified knowledge. Intercultural adroitness, a behavioral dimension, measures an individual's ability to reach communication goals in their intercultural interactions. The following, statements are related to intercultural awareness, intercultural sensitivity, and intercultural adroitness.

To capture the intercultural awareness of Chinese expatriates, four statements relating to the cognitive aspect of knowledge were included to measure the individual's ability to understand similarities and differences between their culture and other cultures:

- I understand Chinese history and culture;
- I understand the history and culture and the latest changes about the host country;
- I understand work-related company knowledge (e.g., corporate culture, related policies and business processes); and
- I understand job-related knowledge.

Intercultural sensitivity was measured by the degree to which the expatriates felt it was important to know their own and local cultures, and to know corporate and professional cultures. Four statements were included:

- To understand Chinese history and culture is important;
- To understand the history and culture and the latest changes in the host country is important;
- To understand work-related company knowledge is important, and
- To have job-related expertise is important.

Intercultural adroitness measures the actual behavioral or performance of Chinese expatriates in interacting with people in the host countries. Intercultural adroitness was measured by the local staff's perception of the Chinese expatriates' performance in their intercultural interactions. Intercultural adroitness serves as a cross check to compare whether a difference exists between self-reported cognitive ability and the performance (intercultural communication skills) perceived by the local staff. For consistency, four statements were also included, as listed below:

I perceive that Chinese expatriates:

- Know Chinese history and culture very well.
- Know the latest changes in my country and its history and culture very well.
- Know work-related company knowledge very well (e.g., corporate culture, related policies and business process)
- Know job related professional knowledge very well.

To enhance the readability of the questionnaire, several strategies were employed in designing the questionnaires. First, words that sounded familiar to the respondents were used, such as company jargon in referring to positions or departments, so the questionnaires could be read as friendly. Second, before distributing the questionnaire, one of the researchers briefly explained the background of the research and how the findings could contribute to the company. Third, an English - Chinese bilingual version of the questionnaire was composed as Chinese-language is the mother tongue of the majority of Chinese expatriate respondents. Fourth, respect was always shown to the respondents and sincere gratitude was always expressed when the respondents returned their questionnaires.

Results and Interpretation

The overall research question examines the relationship between intercultural communication competence and the adjustment of Chinese expatriates to their overseas assignments. To answer this research question, three hypotheses were put forth. Hypothesis 1 examines how the cognitive ability of intercultural awareness affects the overseas adjustments of Chinese expatriates. Hypothesis 2 investigates whether intercultural sensitivity correlates with the overseas assignment adjustment of Chinese expatriates. Hypothesis 3 aims to cross check whether there is any discrepancy between the Chinese expatriates' self-reported intercultural communication competence and their actual performance as perceived by local staff. The results of these three hypotheses are discussed.

Testing of Hypothesis 1

Hypothesis 1 examines the intercultural awareness of Chinese expatriates and their adjustment to overseas assignments. Intercultural awareness is operationalized by the cognitive ability of the Chinese expatriates in relation to the knowledge of Chinese culture, knowledge of local (host) culture, knowledge of corporate culture, and professional knowledge. To answer Hypothesis 1, Pearson's Correlation Coefficient was performed to examine whether Chinese expatriates who reported a higher level of knowledge have a better adjustment to their overseas assignments.

The results show that intercultural awareness or cognitive ability was significantly correlated ($r=.151$) with overall adjustment (OA) at the .01 level, although it was not significantly correlated with job satisfaction and relationship with the local staff. Pearson's Correlation Coefficient was also performed to examine the relationships between each sub-variable and adjustment. Table 1 shows that the knowledge of Chinese culture and knowledge of corporate culture were significantly correlated with overall overseas adjustment ($r = .184$ and $r=.108$ respectively). Of the four sub-variables, only the knowledge of Chinese culture significantly correlates with job satisfaction ($r=.119$) and relationships with local staff ($r=.145$) at the .01 significance level. The results show that the impact of local cultural knowledge, corporate knowledge, and professional knowledge on overseas assignment adjustment was not conclusive.

Table 1. Descriptive Statistics of Intercultural Communication Competence and Correlations between Intercultural Awareness and Adjustment

	Mean	SD	N	OA	JS	RL
Intercultural awareness	12.03	1.997	297	.151**	.072	.070
Chinese Culture (CC)	3.01	.697	297	.184**	.119**	.145**
Local Culture (LC)	2.54	.697	297	.066	-.003	.002
Corporate Knowledge (CK)	3.14	.680	297	.108*	.094	.048
Professional Knowledge (PK)	3.33	.597	297	.089	-.003	.011

Keys** p<.01 , *p<.05 (1-tailed).

Overall Adjustment (OA); Job Satisfaction (JS); Relationship with Locals (RL)

CC=Chinese Culture Knowledge

LC= Local Culture Knowledge

CK=Corporate Knowledge

PK= Professional knowledge

Testing of Hypothesis 2

Hypothesis 2 examines the degree to which expatriates felt that intercultural sensitivity was important in their overseas assignment adjustment. The results show that felt degree of intercultural sensitivity was significantly correlated ($r=.332$) with overall adjustment at the .01 level (see Table 2). The results also show that intercultural sensitivity positively correlates with the four sub- variables: the Importance of Chinese culture ($r=.185$); the Importance of local culture ($r=.211$); the Importance of corporate knowledge ($r=.255$); and the Importance of professional knowledge ($r=.224$). The results also show that Chinese expatriates who rated the importance of knowing local culture, corporate culture, and professional knowledge as high had higher job satisfaction and better relationships with the local staff.

Table 2. Correlations between Felt Degree of Intercultural Sensitivity and Overseas Assignments Adjustment

Sub-Variable of Intercultural Sensitivity	Mean	SD	N	OA	JS	RL
Intercultural Sensitivity	13.25	1.57	294	.332**	.196**	.201**
The Importance of CC	2.95	.568	296	.185**	.069	.100
The Importance of LC	3.24	.589	297	.211**	.136*	.148
The Importance of CK	3.49	.540	296	.255**	.176**	.147
The Importance of PK	3.68	1.784	296	.224**	.168**	.145

Keys: **p<.01 , *p<.05 (1-tailed).

CC=Chinese Culture Knowledge

LC= Local Culture Knowledge

CK=Corporate Knowledge

PK= Professional knowledge

In comparing the mean scores of the four sub-variables, it is interesting to note that Chinese expatriates rated the importance of knowing Chinese culture (M=2.95) lower than they did their knowledge of Chinese culture (M=3.01). The result indicates that the Chinese expatriates considered that knowing the local culture is more important than knowing their own Chinese culture. Among the four sub-variables, the results show that the Chinese expatriates felt that understanding corporate culture and business processes and professional knowledge are the two major determining factors in their overseas assignment adjustment. Also when comparing the mean scores of the felt degree importance of local culture and their self-reported knowledge of the local culture, it becomes clear that the Chinese expatriates felt that they did not have adequate knowledge of the local culture.

There is another contrasting result between Hypothesis 1 and Hypothesis 2. While the data indicate that the felt degree of importance of knowing the local culture, corporate culture and professional knowledge was significantly correlated with job satisfaction and relationships with local staff (Hypothesis 2), the data related to Hypothesis 1 reveal the opposite results; that is, only the knowledge of Chinese culture significantly correlates with job satisfaction and relationships with local staff, and the other three sub-variables were not significantly correlated. The reason for such a contrasting result might be that while the Chinese expatriates did not feel that knowing Chinese culture was important compared to the other three sub-variables, they indeed felt that knowledge of the Chinese culture contributes to their overseas assignment adjustment.

Testing of Hypothesis 3

Hypothesis 3 compares the mean score differences of the four sub-variables between the Chinese expatriates' self-reported cognitive ability and the expatriates' intercultural communication competence as perceived by local staff (see Table 3). The results show that the major differences lie in the aspect of corporate and professional knowledge. While Chinese respondents' self-rated corporate knowledge (mean=3.14) and professional knowledge (mean=3.33) was high, the ratings of the local staff respondents did not agree (means= 2.86 and 2.78 respectively). Two reasons may contribute to such a discrepancy between the Chinese expatriates and the local staff. One explanation might be that lack of English-language proficiency impedes Chinese expatriates' ability to perform and communicate with local staff; and consequently, the local staff tends to rate their Chinese expatriates' professional and corporate knowledge as low. The second explanation could be that the Chinese expatriates' perceptions of their knowledge are more lenient, for they do not realize what they do not know when operating in a new culture, or they tend to report a score that makes them look good.

Table 3. A Comparison of *Descriptive Statistics of Knowledge Levels between Chinese Expatriates and Local Staff*

	Chinese Expatriates		Local Staff	
	Mean	SD	Mean	SD
Chinese Culture (CC)	3.01	.697	3.00	.526
Local Culture (LC)	2.54	.697	2.39	.762
Corporate Knowledge (CK)	3.14	.680	2.86	.639
Professional Knowledge (PK)	3.33	.597	2.78	.629

Of the four sub-variables, the mean score for Local Culture was the lowest for both Chinese expatriates and local staff. Lack of local culture knowledge, which is marked by its lowest mean score, is worth further exploration. When asked about the reason for the lack of local culture knowledge, Ms. N said:

It is not difficult to obtain the general information of a particular country, such as history, geographic features, national character, customs or even values in such a globalized [era] time. However, some [local] culture knowledge is so specific and so detailed that it is only through long term life [hands-on] experience with the local environment that it can be learned and applied skillfully.

Ms. N's observation was echoed by Mr. U's experience. Mr. U said he found his understanding of his Indonesian customers kept changing every year:

I was surprised to see my previous impression about Indonesians gained from books was shattered after I implemented a project with the customers. I am constantly learning how they intervene into our project in their own way, and after each phase, I acquired some new knowledge about their operation.

Some other Chinese expatriates mentioned that their access to information about the local country was limited due to language barriers, especially in non-English speaking countries. The Chinese expatriates said they could hardly understand the local newspapers, TV programs, and movies in other languages except English. Some experienced expatriate managers found a way to overcome the language barriers for local information. Mr. W, for example, asked his local secretary to translate all the major news headlines in the local newspaper into English; when he found some news interesting, he would ask for translation of the whole piece. But most Chinese expatriates do not have a translator to help them understand what is happening in the host country.

According to the Chinese expatriate informants, the corporate training failed to equip them with the local culture knowledge that they need. Mr. A said he wished to learn some sports activities so he could have more opportunities to mingle with his customers but he never did. Mr. J said he had to learn hunting on site when he accompanied his customers in this leisure activity and that was his first time to touch a hunting gun. Ms. N recalled that it took her quite a long time to learn the local customs of gift giving. In view of the Chinese expatriates' perception of the importance of local culture knowledge, lack of local cultural knowledge might remain a challenge for Chinese multinational companies for years to come.

To compensate for the lack of local knowledge about host countries, two human resources hiring strategies have been adopted by Chinese multinational companies. The first strategy is to recruit suitable local staff. For example, many senior overseas Chinese with extensive industry experience were head-hunted into the company to lead the local subsidiary operation in host countries. These people, according to the Chinese expatriate informants, usually have accumulated a profound network of local customers and can make a breakthrough in the local market within a short period of time. The second recruitment policy is to establish link-pin communication system by hiring mainland Chinese who graduated from schools in foreign countries. For instance, in France, mainland Chinese students who have graduated from French universities are being hired to function as language link-pins in addition to performing their regular job duties. To date, 20 language link-pins have been hired. With competencies in Mandarin Chinese and English, these language link-pins translate messages among Mandarin Chinese, English, and French in the tri-lingual language system.

Qualitative Data Analysis

To supplement the findings of the quantitative data, a qualitative approach was also employed. Document review, in-depth interviews, and field observation at headquarters and overseas subsidiaries of the company were used. These documents included public information about the company, internal newsletters, training documents, and a journal written by a senior manager with experience in overseas assignments. Four aspects of the qualitative data are discussed: knowledge of Chinese culture and adjustment; knowledge of local culture and adjustment; corporate and professional knowledge and adjustment; and relationships with local staff.

Knowledge of Chinese Culture and Adjustment

The results of Hypothesis 1 reveal that knowledge of Chinese culture affects the overall adjustment of Chinese expatriates and thereby enhances their job satisfaction and their relationships with local staff. When asked about what they know about Chinese culture, Mr. W used the following words to describe his understanding: contentedness, cherishers of peace, collectivists, and followers of the golden mean (a Confucian term advocating impartiality, reconciliation and compromise). Ms. N mentioned “hierarchy” and “respect for leaders”; Mr. U recalled “bearing hardship” and “flexible”; Mr. H and Mr. Y talked about “honesty.” Their replies reveal that their understanding of Chinese cultural knowledge concentrates on Chinese cultural values, such as harmonious relationship, respect for authority, virtue, and trust (Fan, 2000)

The interviews with respondents also explored how these Chinese expatriates’ understanding of Chinese cultural knowledge impacted their job satisfaction. As a manager, Mr. W said he tied his own satisfaction to his subordinates’ satisfaction. He said he would make particular efforts to maintain a harmonious atmosphere, in which everyone felt happy:

If I have ten people, of which nine have their hands full and one person is at leisure, I will make special arrangements to put him in a busy schedule. I don’t want the other nine people to feel that I am unfair and to complain that they work harder but get the same salary as the one who did little. If such a thing happened, the relationships among the staff would be affected. So why not make everybody live happy and work happy?

Mr. W said in his region, his office ranked at the top in terms of employees commitment in the 2009 company survey and made a remarkable breakthrough in the local market, of which he was proud. It was observed that when his harmonious philosophy was applied successfully in his management, his staff members were happy with him and he himself also enjoyed his work.

Knowledge of Local Culture and Adjustment

The disconnections between local culture knowledge, corporate knowledge, and professional knowledge and other adjustment variables are noticeable. Understanding the reasons or motivations for the host nationals’ behavior should help the expatriates to feel comfortable in the presence of the host nationals (Punnett, 2009; Ting-Toomey, 1999), but such a connection was not found in this research.

The interviews show that the lack of intercultural awareness can cause a lot of problems. Mr. U said he learned a lesson when he found that a project was delayed for nearly one month because a local staff member stopped to wait for his further instructions after reporting a problem in a project. In China, Mr. U said, his staff would have tried their best to fix the problems their own way instead of waiting for the supervisors' help. Another example, provided by Mr. Y., also illustrates the importance of knowing the local culture and how it differs from the home culture. Mr. Y came to realize that to circulate the performance ranking of all the project team members through the internal email system within his region was not well-received in East Europe, although that was a common practice in China. A project manager in Africa once complained that he had to give one hundred warnings in written form before he could fire any local staff for poor performance according to the local labor law, which was not the case in China. A distinct gap between Chinese expatriates' current knowledge of local culture and the knowledge level required for building relationships with locals may explain the absence of the link between local culture knowledge and relationships with locals.

Corporate Knowledge and Adjustment

Corporate knowledge is another difficulty most Chinese expatriates encountered during their overseas assignments. According to Harvey (1989), expatriate managers may find it more difficult to stay within corporate information and resource networks that provide critical organizational and career-related information. During the interviews, some Chinese expatriates complained that they were not updated about the latest changes at headquarters in their company. They said it is very common that every year the company makes either major or minor reforms in terms of the organizational structure. However, after each re-structuring, they felt lost in the business process as they would not be able to find the right person for efficient communication. Such a situation may help explain the reason for no correlation between corporate knowledge and job satisfaction and relationships with local staff.

Professional Knowledge and Adjustment

As Ayca (1997) observed, technical and managerial competence, in which both professional knowledge and corporate knowledge are embedded, helps to reduce the uncertainties associated with the new job role which, in turn, helps to reduce stress and facilitates adjustment. As the technical and managerial competence of Chinese expatriates' in Chinese multinational companies increases, this additional knowledge will help relieve Chinese expatriates' stress at work. Familiarity with the organizational structure and business process will improve the operation's efficiency; and a high level of expertise will be valuable in solving problems and enhancing project advancement.

Professional knowledge was expected to be positively correlated with job satisfaction because occupational expertise is a prerequisite for positive career outcomes (Van der Heijde & Van der Heijden, 2006). The results, however, were not conclusive. While the Chinese expatriates rated their professional knowledge as high (mean=3.33), the local staff rated their Chinese expatriate colleagues' professional knowledge as the second-lowest item of the four (mean=2.78). The following example illustrates the possible reason for such a difference in ratings between Chinese expatriates and local staff. A senior Indian local manager in his 60s commented:

The Chinese expatriates sent overseas do not have the qualifications or experience required for the job. Young age might be a major reason for the lack of professional knowledge. Most of

the Chinese expatriates working in the local subsidiary are in their 20s or 30s; they often work with local senior employees whose ages are closer to their parents.

Mr. Z's example concurs with the comments made by the local Indian manager. Mr. Z recalls that a Chinese expatriate manager in charge of the financial aspect of Mr. Z's projects needed to revise the financial figures four to five times, which embarrassed him in front of his customers. Mr. Z emphasized that once he had to chase the customer to the airport to ask for a signature on a revised financing proposal.

Such comments reveal that there is still a gap between the level of Chinese expatriates' professional knowledge and their job requirements. There is a possibility that some Chinese expatriates feel they are not able to meet the expected performance. This may explain the reason that the professional knowledge correlates with the felt degree of the importance of professional knowledge in their overall adjustment, job satisfaction, and the relationships with local staff, but does not correlate with the intercultural awareness or knowledge of culture of the Chinese expatriates in terms of overall adjustment, job satisfaction, and relationships with local staff.

Relationships With Local Staff

Regarding the relationships with locals, Mr. Y said that when he worked in East Europe, the CEO of a customer company sent to the headquarters a thank-you letter, saying Mr. Y never avoided discussing problems. Mr. Y said, "As a matter of fact, there are problems with our products. Many employees tried to hide these problems. But I always worked hard with the customers to find a solution instead of covering the problems." Mr. U had a similar experience. He said in 2000, he was first sent to Europe to deal with a major technical problem in the customer's company. He recalled that he spent a few months working very hard until the customers were satisfied. He said the customers were quite impressed with his perseverance and commitment in his work; he not only repaired the relationship with the customer, but also gained a strategic cooperation framework proposal from the customer. Both Mr. Y and Mr. U's experiences suggested that following Chinese cultural values in their work, e.g., to keep honest and moral and to show an industrious work attitude, helped build their trustworthy image and enhance their relationships with local people.

Implications

The present research has a long-term impact by allowing researchers to draw upon refined theory-based empirical research and allowing academics and business practitioners to develop programs that facilitate intercultural business communication. The current research has made theoretical contributions in a number of aspects. First, this research may be the first one which uses Chinese expatriates from Chinese multinationals as research subjects in the field of intercultural business communication. In view of the rapid rise of Chinese multinationals, this research contributes significantly to address a subject of great importance which has seldom been covered. The research shows efforts in balancing culture-general and culture-specific approaches to the study of intercultural business communication competence. According to Chen and Starosta (2008), most existing literature on intercultural communication competence has taken a culture-general approach; an alternative perspective with Chinese expatriate subjects should shed light on the field.

Second, while many expatriate studies concern how human resource factors affect expatriate adjustment (Black & Gregersen, 1991; Black & Stephens, 1989; Shaffer et al, 1999), this research looks

into the effects of intercultural communication competence on the adjustment of Chinese expatriates by offering a communicative perspective.

Third, this research provides an inter-disciplinary perspective to Chinese expatriates' intercultural business communication by integrating business studies, linguistics, and communication studies.

The current research also has practical implications for business practitioners. For business practitioners, the results can be used to improve organizational communication strategies and training programs to prepare staff to communicate with greater intercultural competence. Courses on cross-cultural organizational communication can be an option for such training. In addition, local personal coaching programs for new Chinese expatriates are suggested for overseas subsidiaries so as to enhance Chinese expatriates' understanding of local culture.

In sum, the practical significance of the research is to contribute to the theoretical knowledge of intercultural business communication and concurrently, to provide operational guidelines for international business communication researchers and practitioners. Consequently, it is hoped that the current research can contribute to the emerging body of literature on intercultural communication competence in global business contexts.

Limitations of The Study

The current study has some limitations to be considered in evaluating its findings. The case-study method could have affected the generalization of the results to Chinese multinationals in general. Although intercultural communication competence is an issue common to Chinese multinationals, complicated contextual variables, such as industry variance and organizational culture within individual organizations, may exert different influences and might affect expatriates' adjustment.

A second potential limitation of this research concerns the use of self-reported data, considering that a systematic bias may occur when individuals misrepresent or misinterpret their own behavior (Paulhus, 1986). According to Rouse, Kozel and Richards (1985, p. 24), "literature on self-report data demonstrates that, in general, there is a tendency for respondents to give answers that make them 'look good.'" Although peer-reported data was also applied, the limited sample size from local staff might affect the application of findings.

Suggestions for Future Research

The current study provides several avenues for future research. As reported, knowledge was found to affect adjustment moderately; how Chinese expatriates' intercultural communication competence affects their knowledge transfer is recommended for further exploration. Use of expatriates for knowledge transfer is not new (See, for example, Fang, Jiang, Makino, & Beamish, 2010; Vance, Vaiman, & Andersen, 2009), but little attention has been given to the connection between intercultural communication competence and knowledge transfer at individual and organizational levels. Meanwhile, knowledge transfer is not always from headquarters to local subsidiaries; it should be in two directions. Scholarly efforts to explore how intercultural communication competence facilitates the knowledge transfer process would further our understanding of the intercultural business communication area. Secondly, longitudinal research into Chinese expatriates with more Chinese multinationals is encouraged

because adjustment is a continuous and dynamic process and adjustment stages can be monitored (Breiden et al., 2006).

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