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**INTERCULTURAL ADJUSTMENT CHALLENGES IN CHINA:
The Case of Finnish Expatriates**

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<p>Abstract</p> <p>Along with the trend of growing interest towards China, also the Finnish companies have turned their eyes on world's largest single market. Expatriate assignees play an important role in establishing and operating the business in China. However, going to work in a culturally distant place such as China is not considered as the easiest thing to do for a Westerner. The research objective was to find out the intercultural adjustment challenges the Finnish expatriates face on their assignment, the factors possibly enhancing their adjustment, and what advices they would give to future Finnish expatriates going on an assignment to China.</p> <p>A qualitative and interpretative research was conducted by applying the case study research strategy. Purpose was to examine the subjective intercultural adjustment experiences of the Finnish expatriates in China. The concerning research method and strategy were chosen because no prior research on the topic has been conducted. Data was collected through half-structured interviews of four former and one present Finnish expatriate with various backgrounds. The collected data was analysed by theme analysis.</p> <p>Several individual, non-work, work and organisation-related and moderating factors were found to either hinder or enhance the intercultural adjustment of the expatriates. Adjustment challenges seem to derive mostly from the peculiar Chinese culture and communicational issues. On the other hand certain personal characteristics were identified to play an important role in the adjustment. In addition it was found that companies seem to neglect the provision of cross-cultural training, which is suggested essential for adjustment in the literature. As a conclusion plentiful of practical and theoretical implications are suggested.</p>	
Key Words Intercultural Adjustment, Expatriate Assignment, Chinese Culture	
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1 INTRODUCTION

Accelerating globalisation and rapid internationalisation of companies has led to the internationalisation and mobilisation of human resources in companies (see e.g. Black, Morrison and Gregersen 2000). Human resource management (HRM) and human resources itself have been identified crucial for sustaining international business growth and as a key to international business success (Mendenhall, Black, Jensen and Gregersen 2003; see also Harris, Brewster and Sparrow 2003).

Because of the growing importance of effective international HRM, it has been suggested that HRM should be linked more closely to multinational corporation's (MNC) global business strategies (Mendenhall et al. 2003; see also Harris et al. 2003; Sparrow, Brewster and Harris 2004). In addition expatriate assignments, as a practical, powerful and developing experience, are playing a vital role in developing global manager competencies (Mendenhall et al. 2003; see also Harris et al. 2003; Dowling and Welch 2004). Therefore expatriate assignments should be managed strategically as a part of total corporate strategy.

China has achieved an important role in globalisation since the economic reforms introduced by Deng Xiaoping in 1978 in order to free its markets (see e.g. Backman 2004). There has been a tremendous surge of foreign direct investment (FDI) into China since the late 1970s leading to a rapid economic growth (see e.g. Lin 2004; Backman 2004; OECD 2005). Foreign investment has increased the presence of MNCs as foreign companies set up joint ventures, representative offices and wholly owned subsidiaries on the Chinese mainland. Also the Finnish companies have followed the trend of growing interest towards China. It has been reported that already in 2006 there were more than 200 Finnish companies operating in China of which approximately 50 were manufacturers (Sillanpää 2006; see also Kaislaniemi 2003). As a result from the growing presence of foreign businesses the amount of expatriates has boomed. It has been estimated that the amount of expatriates in China exceeded 100.000 in the 1990s (see e.g. Worm 1997) and that the present number can be counted in hundreds of thousands (Zhibin Gu 2006). Hence also the

amount of Finnish expatriates has been constantly increasing, as Finnish companies are establishing their operation on the Chinese mainland.

However, being an expatriate in China is probably not the easiest thing to do, especially for a Finnish expatriate. In fact, China is often referred by Westerners as the most distant of all places (Selmer 2001). It has been argued, that Westerners might perceive Chinese culture, institutions and people totally enigmatic (see e.g. Backman 2004; Chen 2001). In fact rather significant differences between the Finnish and Chinese cultural characteristics have been reported in the literature (see e.g. Hofstede 2001: 500). Therefore intercultural adjustment in China is considered as a major challenge and crucial for expatriate assignment's success (see e.g. Selmer 1999a; 1999b; 2005b).

Furthermore it seems that there is no research done on the Finnish expatriates' intercultural adjustment to China. However, there are some research concerning Western expatriates in the Chinese setting (see e.g. Selmer 2005a, 2005b, 2005c), nevertheless the prior research is solely quantitative and builds upon the same theories and instruments developed in the beginning of the 1990s by Black, Mendenhall and Oddou (1991). In addition there have been attempts to test and revise the Black et al.'s (1991) model and as a conclusion separate studies have presented inconsistent findings on the factors impacting expatriate's intercultural adjustment (see e.g. Shaffer, Harrison and Gilley 1999; Hechanova, Beehr and Christiansen 2003).

This research adopts a qualitative and subjective approach in order to examine the Finnish expatriate's adjustment challenges in the People's Republic of China (PRC), a country conventionally known as China. Data was collected in this case study by conducting five half-structured interviews with Finns that had been to China as expatriate workers. Finally, this research aspires to bring a fresh qualitative input of Finnish expatriates' subjective interpretations and meanings to the intercultural adjustment debate dominated by quantitative approach as well as positivist methods and objective background assumptions.

1.1 Background of the Research

This research studies Finnish expatriates' intercultural adjustment to the People's Republic of China. According to careful examination of literature on expatriates, the researcher has discovered that there are three theoretical main aspects related to expatriate's intercultural adjustment. There might be other aspects as well, but in this research the following aspects form the theoretical framework, which are: 1) expatriate management theory, 2) cultural theory, and 3) intercultural adjustment theory. Theoretical analysis of the research focuses especially on the area on which the three theoretical aspects overlap, as presented in figure 1.

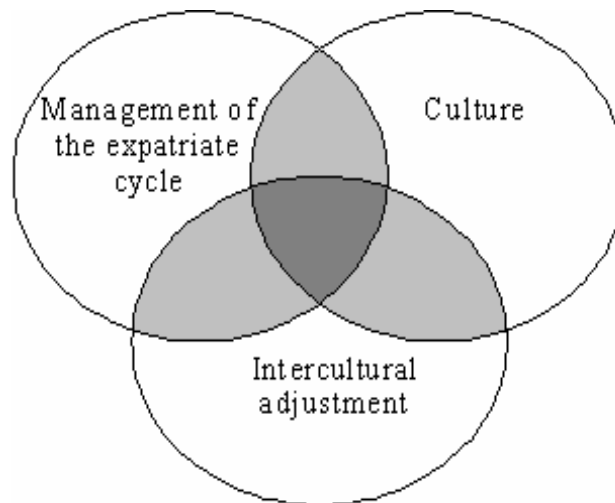


FIGURE 1 Theoretical Framework and Focus of the Research

There are several authors that have reported on the increasing importance of expatriate management as a part of strategic and international human resource management (see e.g. Harris et al. 2003; Mendenhall et al. 2003; Dowling and Welch 2004; Tarique and Caligiuri 2004). Several difficulties related to expatriate management and particularly concerning expatriate's selection, training and intercultural adjustment have been identified. Therefore it has been suggested that expatriate assignments and management should be seen from a strategic perspective in order to facilitate the total potential behind international assignments and assignees. This research examines literature on expatriate management and focuses especially on how expatriate management contributes to the intercultural adjustment of the Finnish expatriate

assignees. The aspects of expatriate management that may contribute to the Finnish expatriates' intercultural adjustment are examined in chapter 2.

Furthermore it has been reported in the expatriate management literature that differences between expatriates' and location country's culture are a major source for adjustment challenges. Culture in this research concerns cultural characteristics on a national level, in other words the kind of characteristics that are shared by the majority of a certain nation's people. National cultures, differences between them and their special characteristics have been comprehensively studied by Hofstede (see e.g. 2001). According to Hofstede's (2001) research, characteristics of national cultures can be described by five cultural dimensions. The dimensions are not likely to give an objective truth on national cultures, but they however help to examine and explain differences between cultures, and people's behaviour. As cultural differences are suggested to present challenges to Finnish expatriates' intercultural adjustment in China, the Chinese culture and its difference in comparison to Finnish culture are examined in chapter 3.

Academic interest towards the intercultural adjustment of expatriates, and factors impacting it, arose in the 1980s and has been studied on numerous occasions since then (See e.g. Black 1988; Black and Stephens 1989; Black, Mendenhall and Oddou 1991; Shaffer, Harrison and Gilley 1999; Hechanova, Beehr and Christiansen 2003). In fact, the model of intercultural adjustment developed by Black (1988), Black and Stephens (1989), and Black et al.'s (1991) became a foundation for discussion and further research on the topic. However, the research has been heavily quantitative after Black et al.'s (1991) model, and the same methods and analytical instruments have been applied constantly. The research has been built upon mail questionnaires and quantitative scales (see e.g. Shaffer et al. 1999; Hechanova et al. 2003; Selmer 1999a, 2001, 2002, 2005a, 2005b, 2005c), excluding rare exemptions (see Suutari and Brewster 1998) that have used a qualitative approach. Additionally there is some prior research, all nothing but quantitative, done on Western expatriates' intercultural adjustment in China (see e.g. Selmer 2005a, 2005b, 2005c). It has been found that Western expatriates may have to struggle with at least some aspects of the Chinese culture during their stay in China. There have been problems especially with the language and communication styles, and therefore the expatriates have been

relatively badly adjusted to interaction with the host nationals. Special characteristics of Western expatriates' intercultural adjustment in China are examined in chapter 4.

Finally, the research focuses on the Finnish expatriates' intercultural adjustment challenges in China. The research implements case study strategy along with qualitative and interpretive approach in order gain better understanding on the intercultural adjustment challenges experienced by the Finnish expatriates in the PRC. Especially the subjective interpretations and experiences of the expatriates are to be emphasized, instead of the company perspective. The sort of qualitative research can be considered more than welcome in the intercultural adjustment discourse dominated by theories from the 80s and quantitative and positivist data collection methods. Combining the literature analysis and qualitative analysis of the data collected through half-structured interviews, the research aspires to bring a fresh breeze into the intercultural adjustment debate. In addition, this research seeks to develop practical implications for expatriates and companies considering the facilitation of intercultural adjustment in China.

Considering the explosive economic growth of China and its increasing role in the global world economy, that are leading to more and more Finnish companies entering the Chinese market, and thus increasing the amount of Finnish expatriates in China, the research can be regarded of current interest. Finally, when assessing the value and contribution of this research, it should be kept in mind that as far as the author of this research report knows, no other significant study on Finnish expatriates' intercultural adjustment to China has been done. Additionally it should be taken into consideration that qualitative research such as this, a quite rare exemption in the intercultural adjustment discourse dominated by quantitative research approach and positivist ideal of science.

1.2 Purpose of the Research

The purpose of this research is to explore Finnish expatriates' intercultural adjustment challenges in the People's Republic of China. In order to understand the framework of intercultural adjustment, the literature surrounding the phenomenon is examined. In stead of statistical generalisations, the research aspires to gain better understanding on the challenges a Finnish

expatriate might face while working in China. Additionally the practical aspect is emphasised by seeking for practical implications suggested by the expatriates. The research is conducted through a qualitative and interpretive case study of five Finnish expatriates. Finally, the research aims to gain understanding on the research object by seeking answers to the following three research problems:

1. What kind of adjustment-related challenges, problems or difficulties do the Finnish expatriates and their families face during their assignments in China?
2. Which factors do the Finnish expatriates possibly experience as enhancing their or their families' adjustment to China?
3. What kind of advice would the expatriates give to the future Finnish expatriates and companies, in order to facilitate Finnish expatriates' intercultural adjustment to China?

1.3 Structure of the Research Report

This research report consists of seven main chapters. The first chapter, which is introduction, gives general information on the research and sheds light into the background of the study. The second chapter, which is intercultural adjustment as a part of expatriate assignment cycle, deals with the broader framework of expatriates and their intercultural adjustment, and points out the factors of expatriate management that contribute to expatriate's adaptation. The third chapter, which is Chinese culture as a setting for intercultural adjustment, deals with the definition of culture, Chinese culture's characteristics and cultural differences between Finland and China. The fourth chapter is concerned with prior research on Western expatriates' adjustment in China, and points out main findings relevant for the analysis of findings in this particular research. In the fifth chapter, methodological considerations, background assumptions, and trustworthiness of the study are discussed. In the sixth chapter, the qualitative analysis on the data collected by half-structured interviews is presented and research problems are answered. Finally in the last and the seventh chapter conclusions of the Finnish expatriates intercultural adjustment challenges are made and practical implications are suggested.

2 INTERCULTURAL ADJUSTMENT AS A PART OF THE EXPATRIATE ASSIGNMENT CYCLE

This chapter will examine the management of expatriate assignments, and especially those areas which have impact on expatriate's intercultural adjustment. First strategic planning of assignments is discussed, then expatriate selection and preparation are examined, and finally theory and models considering expatriate's intercultural adjustment are reviewed.

Expatriates are a major financial investment for companies, as they cost approximately three to four times more than when the same managers are employed at home (Harris 2001). There have been problems in measuring expatriate performance and the profitability of the financial investment it requires (Harris 2001; Harris et al. 2003). As mentioned above, multinational companies have also faced increasing problems in finding qualified talents for international assignments. The number of willing employees is decreased further because of the rising amount of dual-career couples (Harvey 1998). Assignees' expectations considering career progression resulting from international assignments have also risen, and it has been argued, that the expectations need to be managed in order to maintain competent employees (Tung 1998a). Changes and problems faced with internationalisation and expatriation have forced multinationals to link their international staffing policies more closely to their international HRM strategies, and adopt a more holistic and strategic approach in controlling of expatriate operations to ensure their efficiency, from individual and organisational point of view (Harris 2001; Harris et al. 2003).

Considering the aim of the research, it is essential to examine assignment planning, selection and preparation/training in detail, because it has been noted by several authors and found in various empirical studies that these issues have an essential role in facilitating expatriate's intercultural adjustment to the assignment location (see e.g. Selmer 2005a, 2005b; Dowling and Welch 2004; Tarique and Caligiuri 2004; Harris et al. 2003; Hechanova, Beehr & Christiansen 2003; Forster 2000; Harris and Brewster 1999a; Harris and Brewster 1999b; Shaffer, Harrison & Gilley 1999; Tung 1998b; Schneider and Barsoux 1997; Black, Mendenhall & Oddou 1991; Mendenhall, Dunbar and Oddou 1987; Mendenhall and Oddou 1985).

2.1 Strategic Planning

Strategic and holistic approach to expatriate process can be described as a cyclic process, which consists of five phases: strategic planning, selection, preparation and adjustment, performance measurement and compensation, and repatriation. Preparation and adjustment, performance management and compensation, and repatriation can be seen as the implementation of the expatriate assignment (Harris et al. 2003). The expatriate cycle is presented in figure 2 in which factors contributing to expatriate's intercultural adjustment are highlighted.

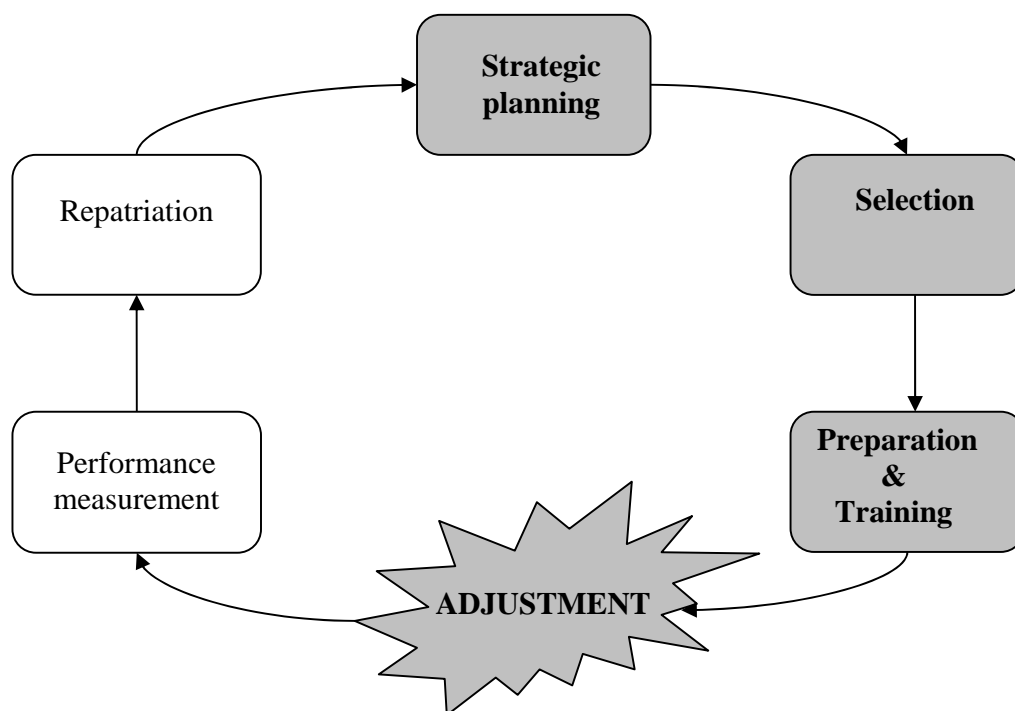


FIGURE 2 Expatriate Assignment Cycle (adapted from Harris et al. 2003: 148)

A Multinational Company (MNC) can employ three kinds of people: parent country (PCN), host country (HCN) and third country nationals (TCN). Parent country nationals are from the country where the company's headquarters is located. Host country nationals are people from the country where the company has a subsidiary in, and by which the people are employed. Furthermore, third country nationals are the ones who are employed by a multinational company's subsidiary, but who are neither from the country the subsidiary is located in nor the country where the company is headquartered, but from a third country. (Peerlmutter 1969.)

A recent study of nearly 250 different MNCs with over 2,500 subsidiaries shows the true nature of the extent to which MNCs are using expatriates as managing directors of their subsidiaries. According to Harzing (2001), approximately 41 per cent of MNCs' had a PNC as a managing director. However, there were major regional differences between subsidiary locations, as the expatriate presence was highest in Latin America, Africa, Asia and Middle East, and lowest in Scandinavia. The reason for regional differences was that when cultural distance between the headquarters (HQ) and the subsidiary location grows, MNCs lose the trust in the communication between business units (Harzing 2001). Another interesting finding which shed light into the nationality of expatriates was that only 5 per cent of the managing directors were TCNs. Anyhow, there are different results considering the nationality of expatriates. According to a survey report by GMAC Global Relocation Services (GMAC GRS), United States National Foreign Trade Council (NFTC) and SHRM Global Forum (2003), 42 per cent of the expatriates were PCNs, 42 per cent TCNs and the rest were HCNs.

Traditionally, there have been three different interrelated motives for the use of expatriates, which were presented by Edström and Galbraith (1977):

- **Position filling:** Transfer of technical and managerial knowledge into a location where it is needed. In this case expatriates act as messengers of corporate tacit knowledge. According to GMAC GRS et al. (2003) survey, this is the major motivation for transfer of international managers.
- **Management development:** Transferring talented managers to gain international experience which might be essential for MNC's global operations and for the development of an international management team.
- **Organisational development:** Socialisation of managers from different countries to promote the MNC's corporate culture, and establishing connections between HQ and subsidiaries through building of an informal verbal network.

According to Harzing (2004), this is the only typology which has scientifically explained the use of expatriates and has been supported by various scholars. Von Roessel (1989 as cited in Harzing

2004) has noted later, that organisational development might not be a goal or motivator itself, but an inevitable result from these three expatriate functions. This third function should therefore be called coordination and control, instead of organisational development. Nevertheless, Harzing (2004: 262) argues, that “the key point that companies should realise is the fact that expatriation is a strategic tool to achieve specific organisational goals and needs to be used as such”.

Dowling and Welch (2004) identify three kinds of international assignments which are classified by their length:

- **Short term:** Usually temporary solutions, troubleshooting or project-oriented assignments which last up to three months.
- **Extended:** Same kind of assignments as short terms, but with an extended length up to one year.
- **Long-term:** This is the traditional type of expatriate assignment with a major role in the assignment location, such as managing director. Long-term expatriate assignments last from one to five years.

However there are alternatives for expatriation, which can belong to some of the assignment types listed above. According to Dowling and Welch (2004), alternatives or so called non-standard assignments include: commuter, rotational, contractual and virtual assignments. Harzing (2004) notes, that also impatriation, travelling, training and international teams are alternatives to expatriation. It is essential to be aware of the other options and the problems related to standard expatriation when making international staffing decisions, but in this research non-standard assignments are not discussed in more detail. However, 80 per cent of the global leaders consider traditional expatriation, living and working in a foreign country, to be the best way to improve the competence that is required to be a genuine global leader (Gregersen, Morrison and Black 1998).

2.2 Expatriate Selection – Competencies for International Assignees

Selecting expatriates with proper competencies is considered often crucial for expatriate adjustment (Dowling and Welch 2004; Shaffer et al. 1999; Black et al. 1991; Mendenhall and Oddou 1985), especially in the complex Chinese context which is the main focus of the research (Selmer 1997; 1998; 1999b; 2002; 2005a; 2005b).

First, a company has to find a suitable person for the assignment. According to Dowling and Welch (2004), there are six factors affecting the expatriate selection. These factors can be divided into individual and situational factors, which are shown in the ideal model in figure 3.

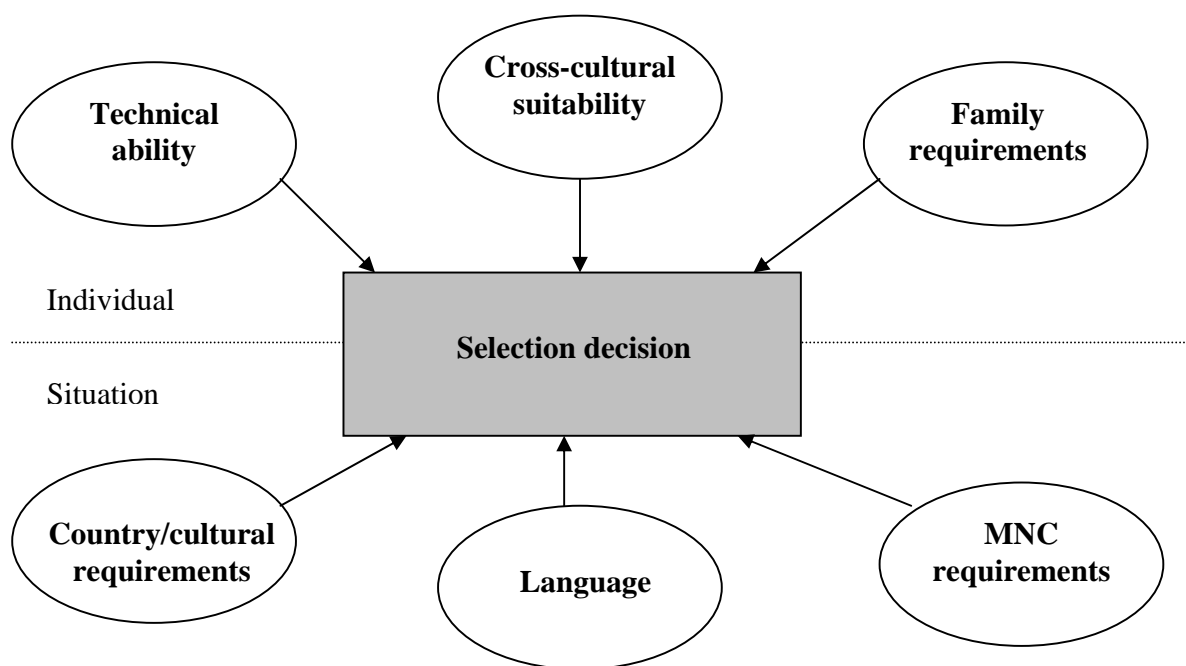


FIGURE 3 Factors in Expatriate Selection (Dowling and Welch 2004: 98). MNC = Multinational Company.

According to a recent survey by a company called Organizational Resource Counselors (ORC), 72 per cent of the multinational companies selected their expatriates on the basis of their job related skills (ORC 2002). It is obvious that skills and competencies are essential for a successful assignment, but also other individual factors have to be considered. Expatriate has to have proper

cross-cultural suitability to be able to adjust and operate in the new environment. There are e.g. some personal attributes which are considered to be essential, such as (Schneider and Barsoux 1997: 176):

- Interpersonal (relationship) skills
- Linguistic ability
- Motivation to live abroad (cultural curiosity)
- Tolerance for uncertainty and ambiguity
- Flexibility
- Patience and respect
- Cultural empathy
- Strong sense of self (or ego strength)
- Sense of humour

Scholars and practitioners agree that personal traits are essential factors for success during international assignment, but the problem is how to measure important individual characteristics efficiently (Dowling and Welch 2004). Psychological and personality tests' ability to measure essential cross-cultural abilities have been criticised for being inaccurate to measure right traits and showing no correlation between test results and performance (Torbiörn 1982; Willis 1984). However, one of the models for mapping expatriate candidates "soft" competencies to supplement "hard" job related skills in the selection process, is offered by Mendenhall and Oddou (1985). They suggest that individual's strengths and weaknesses should be measured in four dimensions to predict expatriates candidate's ability to adjust into different cultural circumstances.

These four dimensions of individual abilities are essential for the research, as individual factors are likely to contribute to the intercultural adjustment of the Finnish expatriates to the Chinese context. Individual characteristics are an important issue in expatriate selection, because they have been found important for intercultural adjustment, especially in the case of Western expatriates' Chinese assignments (Selmer 2005b, 2001, 1999b, 1997; Hechanova et al. 2003; Bell and Harrison 1996; Bjökman and Schaap 1994; Black et al. 1991).

Mendenhall and Oddou's (1985) four dimensions of individual characteristics are:

- **The self-oriented dimension**, which includes characteristics enforcing individual's mental hygiene, such as self-reliance, confidence and esteem.
- **The other's orientation dimension**, which consists of abilities facilitating effective interaction and personal relations skills in the host country.
- **The perceptual dimension**, which includes cultural empathy, cultural awareness and such skills which help to understand foreign behaviour and adjust own behaviour to meet the different norms.
- **The cultural toughness dimension**, which defines the importance of the three above dimensions. Especially in countries, which are culturally distant to expatriate's home country, the three first dimensions become increasingly important.

In practice, expatriate selection seems to be far away from theoretical systems. PricewaterhouseCoopers' (1997) survey found, that 85 per cent of the responding MNCs used mainly traditional interviews when selecting staff for international assignments. Only 12 per cent used specialised assessment centres, of which some used psychological tests. Another issue decreasing the creditability of the existence of selection systems is Harris and Brewster's (1999c) research, in which they argue that the most international assignees are selected through an informal and closed method, which can be described as a coffee-machine system. According to Harris and Brewster (1999c), the prevailing selection method concentrates on technical abilities and favours men. Additionally it excludes assignee's "soft" traits and family's affect on assignment, and the strategic aspect of expatriate management. It is thereby obvious that employees, especially women, do not have equal opportunities to become selected for assignments. This argument is supported by the GMAC GRS et al.'s (2003) survey, which found that 82 per cent of the expatriates were men of which 65 per cent middle-aged.

Considering family's impact on expatriate assignment should not be despised. As mentioned earlier, the amount of dual-career couples is rising and this decreases the amount of willing and qualified employees for overseas assignments (Harvey 1998). Additionally GMAC GRS et al.'s (2003) survey pointed out, that 65 per cent of the expatriates studied in 2002 were married, 9 per

cent had a partner, 86 per cent were accompanied by a spouse, and 59 per cent had also children on assignment.

Country and cultural requirements include e.g. issues related work permits and cultural differences considering e.g. women's and seniority's role (Dowling and Welch 2004). MNC requirements include situational factors, such as the type of operation concerned, duration and type of assignment, and amount of knowledge that needs to be implemented overseas. Depending on the situation company might consider some issues more important than others, e.g. if a lot of training of host country nationals is required on the location, training skills should have more value when making the selection decision. Also language plays its role in selection, but it is not generally considered to be an extremely important factor, unless corporate language policies favour some specific languages (Dowling and Welch 2004; ORC 2002).

2.3 Expatriate Preparation

Expatriate and his or her family might face problems in adjusting to the new environment. To minimise the risk of expatriate failure, the companies should select the best candidates that are most likely to operate successfully abroad. Some kind of myth has formed around expatriates failing their assignments and returning home prematurely (Dowling and Welch 2004; Harzing 2004). High rates of unsuccessful expatriate assignments have been reported in the literature, but Harzing (1995, 2002) has argued, that there is no convincing empirical proof for high failure rates. A recent study by Organizational Resource Counsellors (ORC) (2002) discovered that 56 percent of the 300 responding MNCs did not know about the failure rate of their employees, and from those who had figures considering early returns reported the rate to be less than 10 per cent. These results indicate that the companies do not seem to consider failing assignments as a problem, because majority do not even have any records considering it. However, the definition of failing assignment is getting broader. In the ORC's (2002) survey, 72 per cent of respondents identified premature return, 71 per cent unmet business goals, 49 per cent problems at assignment location, and 32 per cent also problems in expatriates' career development as reasons for failure.

The difficulties associated with expatriate assignments have been: family dissatisfaction and difficulties with adjustment, inability to adapt, problems with different management styles, cultural and lingual issues, and partner's career issues (ORC 2002; GMAC GRS et al. 2003). Because of the difficulties faced by expatriates and their families, a lot of research has been done considering the ways how assignees with their families could be prepared and trained for the relocation. Pre-departure training program should consist of cultural awareness or cross-cultural training, preliminary visits, language training, and assistance with practical and daily issues (Dowling and Welch 2004; Mendenhall and Oddou 1986).

If an expatriate does not understand the local culture, he or she will face at least some level of acculturation difficulties, therefore cultural awareness training is the most used form of pre-departure training (Dowling and Welch 2004). Tung (1981) has developed a framework for selecting cultural awareness training methods, their nature and level or rigor. Her model consists of two determining factors: the level of interaction needed in the host country and the similarity between expatriates home and the host culture. The main idea of this model is, that if the interaction between expatriate and the host country members was low, and the culture was similar with the home culture, the training should then focus on job related issues rather than culture. Also the depth of training should be relatively low. On the contrary, if a lot of interaction is needed and the new culture is distant from the expatriate's home culture, the training should concentrate on cross-cultural issues and the level of rigor for the training should be relatively high. Tung has (1981, 1982) indicated six categories of cross-cultural training, based on different learning processes, type of job, country of assignment and available time for training. The categories are area: 1. Factual information about general issues such as geography and climate, and practical issues e.g. housing and schools. 2. Cultural orientation, including information about the cultural institutions and value systems of the host location. 3. Cultural assimilation training, consisting of brief episodes describing intercultural encounters. 4. Language training. 5. Sensitivity training to develop attitudinal flexibility and 6. Field experience, which enables assignees to experience some of the emotional stress faced when living and working with people from different cultures. The model, however, does not point out which combinations of methods should be used in each case.

Later on Tung (1998b) revised her earlier work and argued that the original model held, but needed some enhancements. She noted, that training should be long-term oriented and aim to life-long learning, and there should be more emphasis on language and overall communication competences training. A main point was that if individuals become multicultural and multilingual, it facilitates easier transition across cultures. She also noted that cross-cultural training helps in managing diversity and that expatriate positions should be seen realistically, because it improves performance on assignment. Tung and Arthur Andersen (1997) identified language skills as a major factor for efficient performance on assignment. Language proficiency in the host country helps not only expatriates to perform on their assignment, but the whole family in adapting into the new environment and society.

Mendenhall and Oddou (1986), later on revised by Mendenhall et al. (1987), developed Tung’s 1981 model further by including degree of integration and level of rigor needed to indicate the duration of training required in each case. This framework presented in figure 4 points out also the suitable training methods in accordance to the cultural distance of the host country.

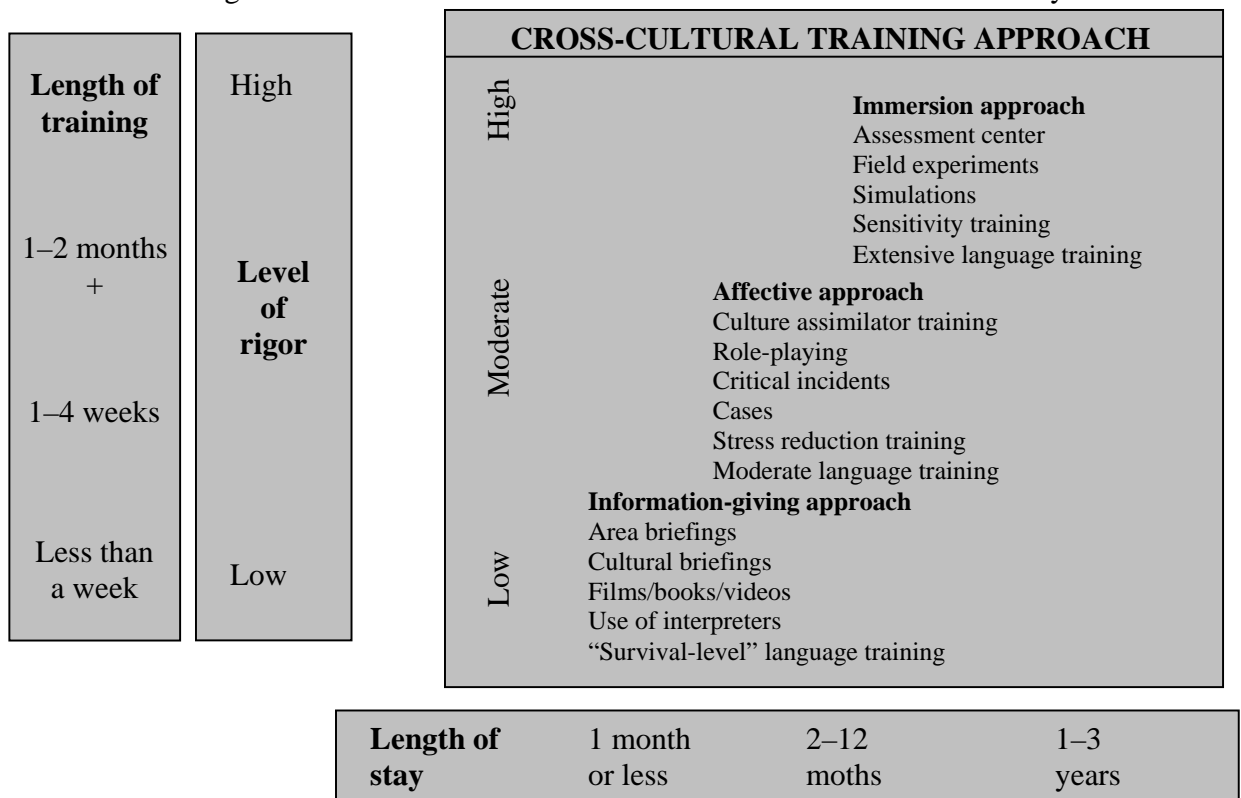


FIGURE 4 Framework of Cross-cultural Training (Mendenhall et al. 1987: 338)

Harris and Brewster (1999a, 1999b) have argued, that companies should adapt a more holistic approach to pre-departure training, in which job related variables (nature of international operation, host and home related country factors, assignment objectives, nature of job and amount of organisational support) and individual factors (expatriate characteristics, partner issues and former experience) should be considered to assess the expatriate's present competence level before planning a training program.

Forster's (2000) longitudinal study on expatriates, and how pre-departure training was perceived among assignees and their family, supports the above argument. Forster reports that cultural briefings help both the staff and the families, type of training has to be tailored for the needs of each assignment and cross cultural training has to take place before and also during the assignment. In addition, Selmer, Torbiörn and de Leon (1998) support the argument, that cross cultural training should be provided both pre and post-arrival. Expatriates might be most motivated and able to learn when they can link training into practice through their experience post-arrival (Selmer et al. 1998). Furthermore, Forster (2000: 76) concludes that "analyses of expatriate managers must be systemic, encompassing the individual, his/her family, the employing organisation and the host country. It has also confirmed that international assignments are best viewed as processes, not one off events". Also preliminary visits, advice and assistance on practical issues related to daily life help expatriates and their families in adjusting to the new environment (Dowling and Welch 2004).

Tarique and Caligiuri (2004) have presented a model over systematic process of designing a cross-cultural training program, which can be seen in figure 5 below:

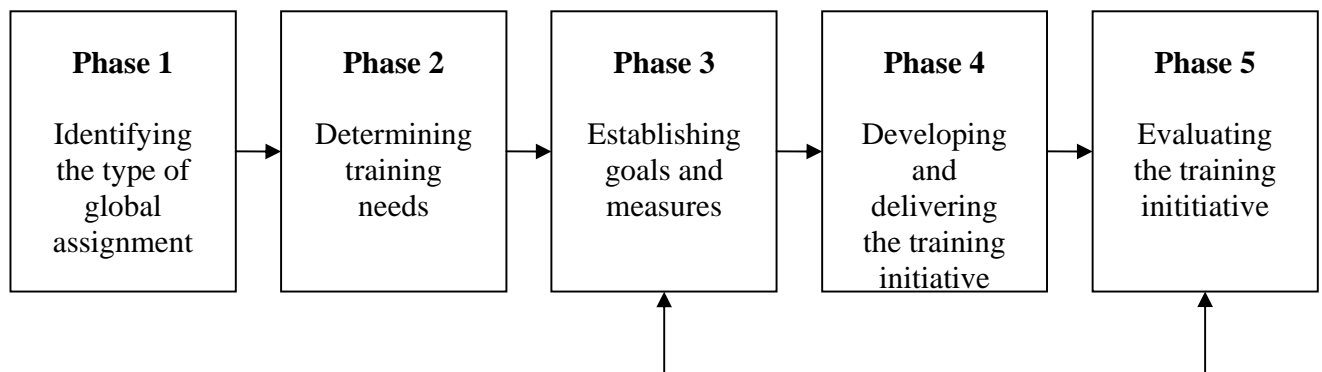


FIGURE 5 Systematic Process of Cross-Cultural Training Programs (adapted from Tarique and Caligiuri 2004: 286)

In practice, according to GMAC Global Reporting Services et al.'s (2003) survey, 80 per cent of the responding MNCs valued cross-cultural training high and 17 per cent gave it a medium value. The same survey reported that 77 per cent of the MNCs provided cross-cultural training for their expatriates that lasted for at least one day, but 76 per cent declared it to be optional. In addition, 33 per cent of the MNCs provided pre-departure training for the expatriates' whole families and 29 per cent for the spouses. Even though the most MNCs value cross-cultural training high (GMAC GRS et al. 2003), they do not seem to value cross-cultural training high enough as only a few companies provide systematic training, in fact there has been rather learning-by-doing attitude among the MNCs (Brewster 1995; Kühlmann 2001). This might not be sufficient for expatriates themselves (Selmer 2005b). In fact, providing mostly optional cross-cultural training for at least one day (GMAC GRS et al. 2003) sounds more like a "coffee-break-chat", and is in significant variance to what scholars, such as Tung (1981, 1982, 1998b), Mendenhall et al. (1987), and Tarique and Caligiuri (2004) suggest, as discussed above.

However, expatriates themselves perceive cross-cultural training as very positive and helpful (Brewster and Pickard 1994; Harris and Brewster 1999b). It has been demonstrated that the use of integrated cross-cultural training programs, with valid cultural and host language training, help expatriates and their families to adapt into new countries (Eschbach, Parker and Stoeberl 2001). However, the importance and efficiency of cross-cultural training has been criticised, because there has been limited data for systematic evaluation of its impact on expatriate performance, and

it has been problematic to identify the effective methods from ineffective (Morris and Robbie 2001; Selmer et al. 1998).

2.4 Expatriate Adjustment

In this sub-chapter, expatriate's intercultural adjustment is discussed by examining general literature and theory on the topic. Later on in chapter 4, expatriate assignment particularly in China is discussed further in detail. To begin with, when expatriate and his/her family enter the assignment country, the cultural differences experienced in the different environment usually trigger a powerful reaction called as the culture shock (Oberg 1960; Selmer 1999a; Hofstede 2001). According to Hofstede (2001), culture shock is caused by the acculturation stress which derives from the intercultural communication and cooperation with the representatives of a foreign culture.

Cultural adjustment has been traditionally divided into four phases (Oberg 1960) and the transition through those phases has been illustrated by a U-curve model (Gullahorn and Gullahorn 1963). In Hofstede's (2001: 246) version of U-curve model the four stages are called: euphoria, culture shock, acculturation and stable state. This model of cross-cultural adjustment points out the feelings of a person adjusting into a new culture at different points of time. In other words, it shows the level of adjustment of an individual into a new culture and how it varies across time. The culture shock itself is has been mainly indicated to emerge from zero to three months after arrival (Torbiörn 1982; Black and Mendenhall 1991; Ward and Kennedy 1996).

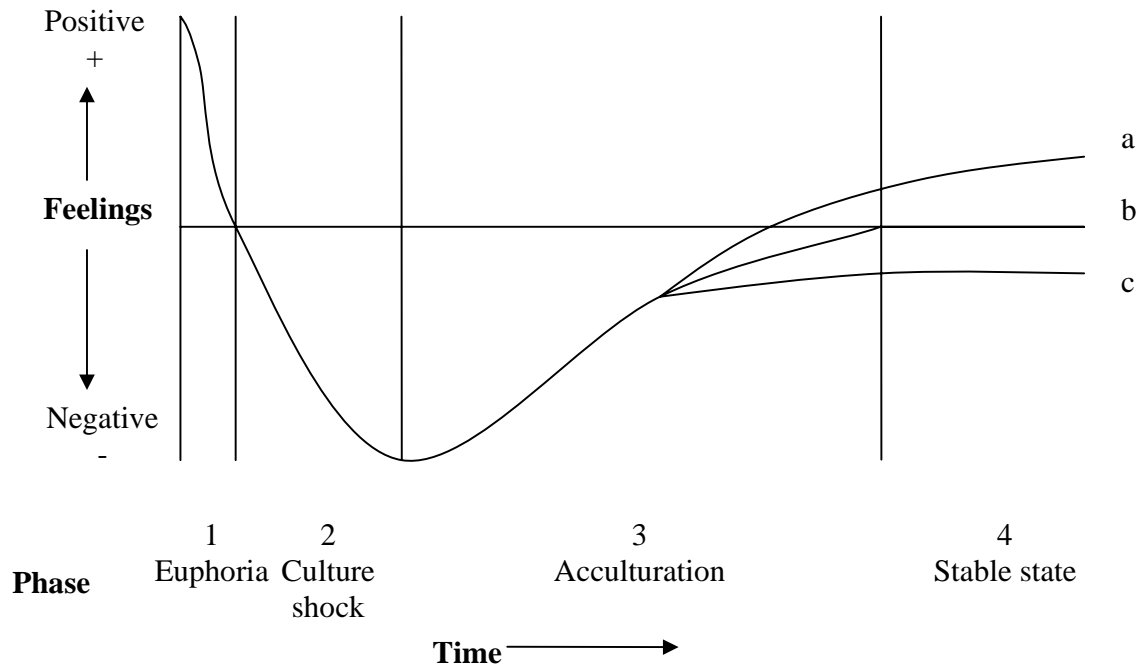


FIGURE 6 Cultural Adjustment Process (Hofstede 2001: 426)

Even though the U-Curve, presented in figure 6, has been widely used in describing the notion of culture shock and the adjustment process, there has been a little evidence of such model existing in practice (Selmer 1999a; Ward, Okura, Kennedy & Kojima 1998). It does not either explain how individuals move through the different phases. Crisis stages can occur every now and then after the arrival, but the most critical point is right in the beginning (Ward et al. 1998). Anyway, because individuals adjust to new cultures differently, some people can experience a traditional cultural adjustment process and culture shock, which follows the U-curve model and consists of all the four stages (Ward et al. 1998; Black and Mendenhall 1991).

Complete adjustment to a new environment is however a more complex process than just adjusting to the new culture as described above, some other aspects have to be taken into account as well. Black et al. (1991) have developed a framework of cross-cultural adjustment which consists of two different stages: anticipatory and in-country adjustment. Anticipatory adjustment is affected by cross-cultural training and earlier international experience, which form realistic expectations about the assignment circumstances. The more realistic the expectations, the less unexpected problems and uncertainty expatriate will face overseas. Realistic expectations lower

the risk of suffering a devastating culture shock as well. Therefore anticipatory adjustment may have a significant positive affect on in-country adjustment. Black et al. (1991) note, that MNCs can facilitate anticipatory adjustment by using valid expatriate selection methods and providing cross-cultural training to their assignees.

The in-country stage consists of three different dimensions of adjustment: new workplace, interaction with host nationals and general environment (Black et al. 1991). Although these dimensions are interrelated, they point out the main aspects of adjustment. Adjustment on these three dimensions is affected by a number of different factors. Black et al. (1991) have divided factors into four categories, these four categories contributing to the in-country intercultural adjustment are:

- **Individual factors:** self-efficacy, relational and perception skills. Individual's characteristics, such as perseverance, high trust in his or her self and different social skills help adjustment.
- **Non-work factors:** culture novelty, family and spouse adjustment. Large cultural differences between home and host country, as well as family members' adjustment difficulties hinder expatriate's adjustment.
- **Organisational culture:** organisational culture novelty, social support and logistical help. If the expatriate's job is new in the organisation culture, it makes the job adjustment more difficult and has so on a negative impact on the general adjustment as well. Culture that encourages social support amongst colleagues helps expatriate's adjustment. Also logistical support, which includes support for practical issues such as housing and schooling, makes adjustment easier.
- **Job factors:** role clarity, role discretion, role novelty and conflict. The clearer the job description and the more discretion in decision-making are allowed, the easier it is to adjust. The more different the assignment is from the old job and the more conflicting the new job requirements are, the harder the adjustment is.

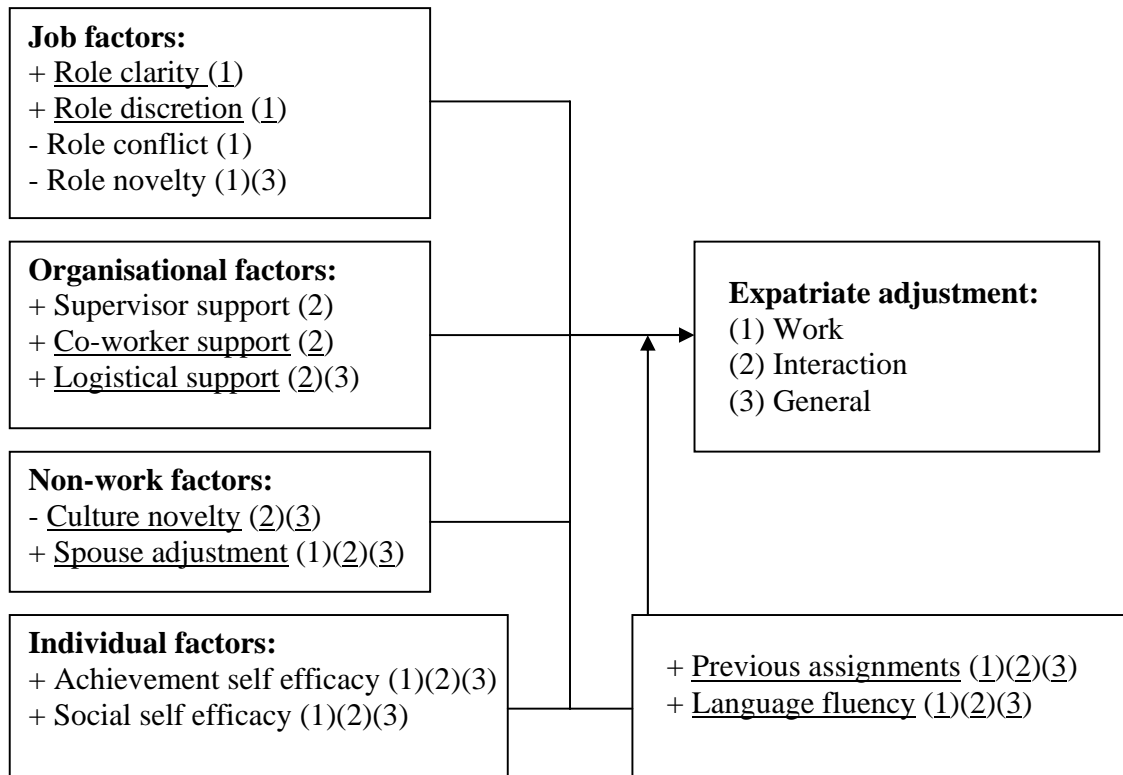


FIGURE 7 Factors Affecting Expatriate's In-country Adjustment (adapted from Black et al. 1991; Shaffer et al. 1999)

Shaffer et al. (1999) empirically tested the Black et al.'s (1991) framework's in-country stage and found that the three different dimensions of adjustment existed, Shaffer et al.'s findings are presented in figure 7. Signs in the figure concern the relationship between the factors and adjustment; whether it is positive or negative. Numbers indicate dimensions on which each factor affects according to Black et al. (1991). Furthermore the underlined factors were suggested to be relevant considering adjustment by Shaffer et al. (1999).

Shaffer et al. (1999) reported that role clarity and role discretion had a positive affect on work adjustment, but the novelty of the role influenced negatively only the general adjustment. Co-worker and logistical support had a positive impact on interaction adjustment. The novelty of the culture had a significant negative effect on both interaction and general adjustment. Spousal adjustment instead had a strong positive impact on interaction and general adjustment.

Shaffer et al. (1999) also included some new hypotheses in their research and found that previous assignments and language fluency had a major moderating effect on the expatriate's adjustment. Previous assignments had a moderating impact on how expatriate perceived co-worker and supervisor support. For first-timer expatriates supervisor support had a negative impact on adjustment on all dimensions, as for more experienced assignees its effect was converse. Co-worker support had a positive effect on work and general dimensions among experienced expatriates. International experience moderated self-efficacy's positive impact on interaction and work adjustment as well. Shaffer et al. (1999) noted that accomplished assignees had got used to trust more on the local management, as well as the colleagues, rather than their superiors back home. Language fluency moderated role conflict effect on all the three dimensions of international adjustment. Shaffer et al. suggested that fluency in the host country language moderated the role conflict's negative effect on all dimensions, because expatriates without language skills do not necessarily notice the controversy between home and host commands.

Shaffer et al.'s (1999) findings demonstrate the significant role of in-country job design, discretionary power, organisational support systems, impact of spouse adjustment and the magnitude of language skills in the international adjustment of expatriates.

Hechanova et al. (2003) have also studied expatriate adjustment and its effect on expatriate outcomes. They found that intercultural adjustment consists of three dimensions, as described in Black et al.'s (1991) model. In addition, their research findings highlighted individual and non-work factors essential impact on all the three adjustment dimensions. Hechanova et al.'s (2003) analysis demonstrates the importance of intercultural adjustment to the outcomes of an expatriate assignment. Adjustment affects both, the job satisfaction and the possible anxiety experienced considering the job at hand. The expatriate assignment outcomes are demonstrated neither in Black et al.'s (1991) nor Shaffer et al.'s (1999) studies. The results of Hechanova et al.'s (2003) research, based on a comprehensive meta-analysis of 42 empirical studies comprising more than 5000 expatriates, are shown in figure 8 below:

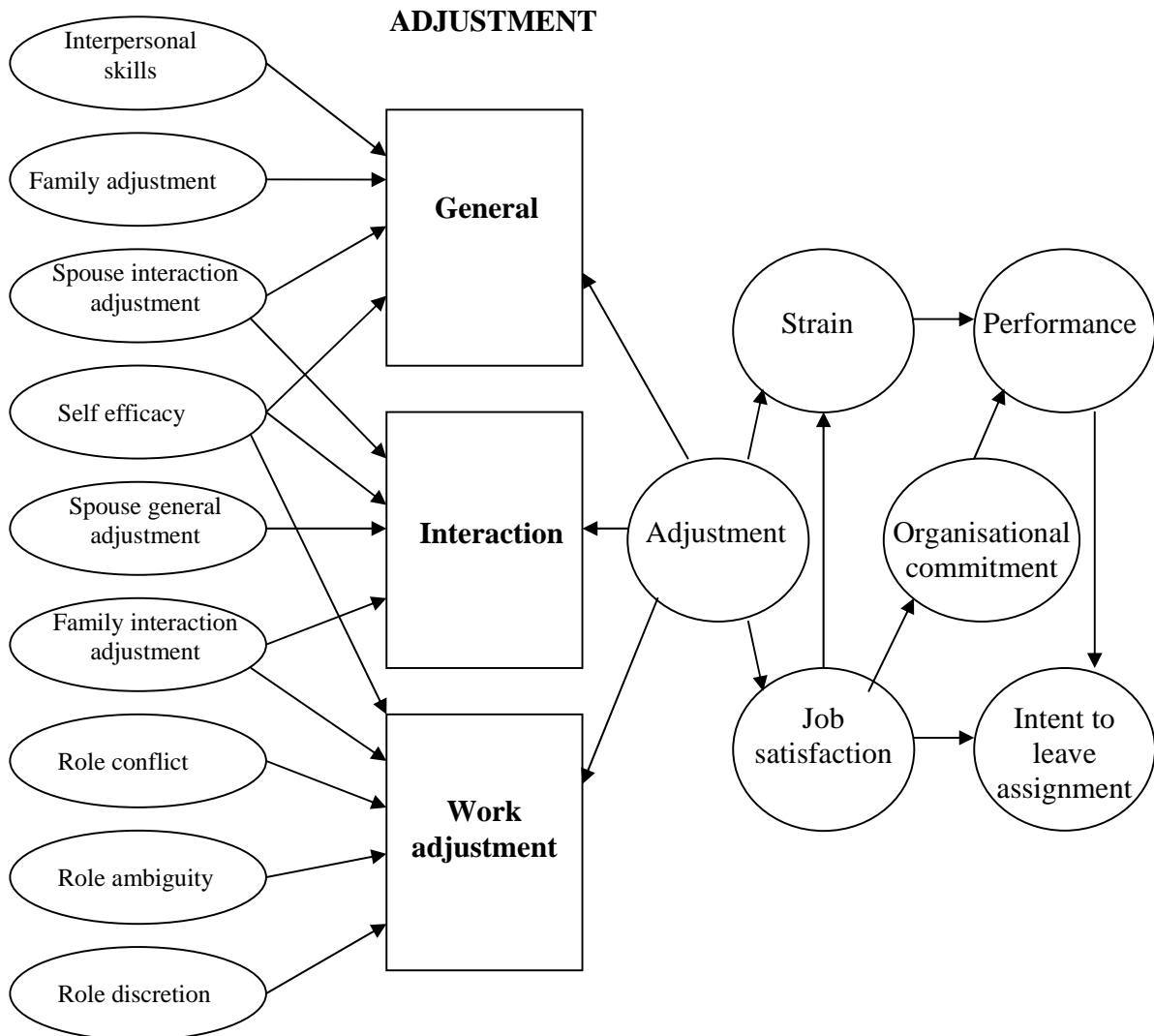


FIGURE 8 Relationships between Adjustment-related Factors and Expatriate Outcomes (Hechanova et al. 2003)

Both Shaffer et al.'s (1999) and Hechanova et al.'s (2003) studies confirm that Black et al.'s three dimensions of intercultural adjustment exist, which were: work, interaction and general adjustment. However, there are differences in the relationships between factors affecting adjustment and the adjustment dimensions; Shaffer et al. (1999) did not find all the relationships suggested by Black et al. (1991). In addition, Shaffer et al. (1999) combined Black et al.'s (1991) anticipatory and in-country adjustment in their study, and found that language fluency and positive former overseas assignment experience had a major direct and moderating impact on the

expatriate's acculturation. Considering Shaffer et al.'s (1999) findings, the individual characteristics as well as two of the job factors, role conflict and novelty, did not have significant direct impact on any of the adjustment dimensions. Furthermore, Hechanova et al. (2003) found, that several individual characteristics and non-work factors had an impact on all the adjustment dimensions. However, their study did not identify culture's or organisational factors' impact on adjustment. In addition, they extended their study to identify expatriate's acculturation's impact on assignment outcomes.

Regarding these findings considering expatriate's intercultural adjustment can be concluded, that three different studies examined above share all the same framework of 3-dimensional adjustment. However, the adjustment factors identified, and the relationships between the factors and the three dimensions differ in all the studies. This suggests that more information considering expatriates' intercultural adjustment to the specific Chinese culture has to be examined, in order to identify valid job, organisational, individual and non-work factors, and their possible impact on Finnish expatriates intercultural adjustment in China.

Furthermore the contradictory findings of Black et al.'s (1991), Shaffer et al.'s (1999) and Hechanova et al.'s (2003) studies considering the relationships between the adjustment factors and dimensions, might also suggest that the quantitative research instruments used in the studies should be revised. In other words, it might be that the instruments are invalid for measuring e.g. individual factors' or organisational factors' impact on the adjustment, because the findings are rather inconsistent.

Berger (2005) studied intercultural adjustment by testing Black et al.'s (1991) model, and found that current adjustment theory does not separate cognitive and emotional relationships between adjustment factors and dimensions. He identified these two dimensions of relationships instead of one-dimensional relationships as used in Black et al.'s (1991) model, and suggested that present adjustment theories could be further developed significantly. Berger (2005) argues that models using one-dimensional relationships between adjustment factors and adjustment dimensions might not always explain the resulted intercultural adjustment outcomes. However, Berger's (2005) arguments have not yet been further tested by the leading intercultural adjustment scholars,

and therefore the researcher identified neither new significant adjustment theories nor empirical findings from the literature.

Nevertheless, Berger (2005) is not the first to distinct emotional or psychological issues from intercultural adjustment. Various scholars have suggested that intercultural adjustment should be divided into two main adjustment dimensions, which would be sociocultural and psychological adjustment (see Searle and Ward 1990; Ward and Searle 1991; Ward and Kennedy 1992, 1993; Selmer 2005b). According to this distinction, Black et al.'s three dimensions of adjustment are considered as sociocultural adjustment, and a fourth adjustment dimension has to be added, which is psychological adjustment. In fact, Selmer (see 1999a, 2005a, 2005b) has used this distinction while studying Western expatriates' intercultural adjustment in China. Therefore this distinction is examined further in this research as well, when discussing Western expatriates' adjustment challenges in China later on in chapter 4.

The discussion on expatriate's psychological adjustment has led to examination of psychological contract's impact on the expatriate adjustment. It has been argued by some scholars that the intercultural adjustment process can be facilitated through nurturing the psychological contract of expatriate assignees (see e.g. Guzzo, Noonan and Elron 1994; Kerry 1997; Welch 2002). The framework for negotiating the psychological contract of an expatriate assignee is presented in figure 9 below. Psychological contract should be managed by controlling the expectations considering the assignment.

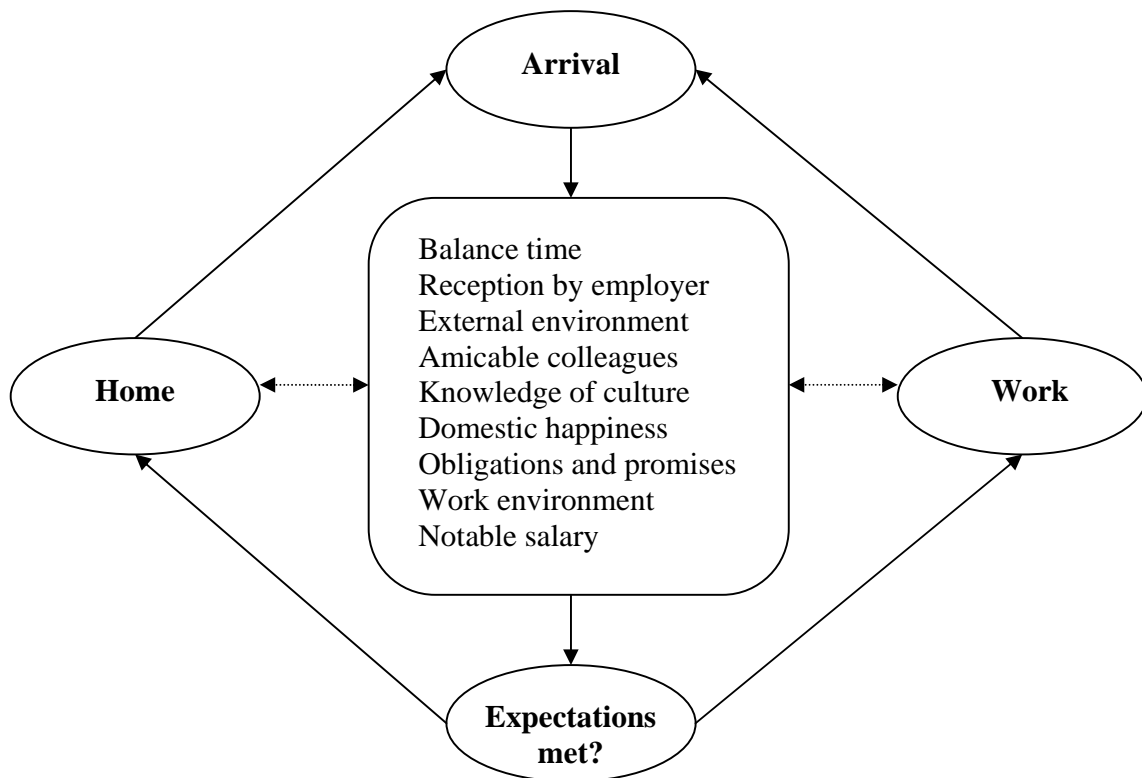


FIGURE 9 The Negotiation of Psychological Contract of an Expatriate Assignee (Kerry 1997: 282)

2.5 Summary of the Stages Contributing to the Intercultural Adjustment

Above various issues which may have an impact on expatriate adjustment have been discussed. Before moving to examine the Chinese cultural setting, figure 10 summarises the main issues of expatriate assignment cycle possibly contributing to intercultural adjustment.

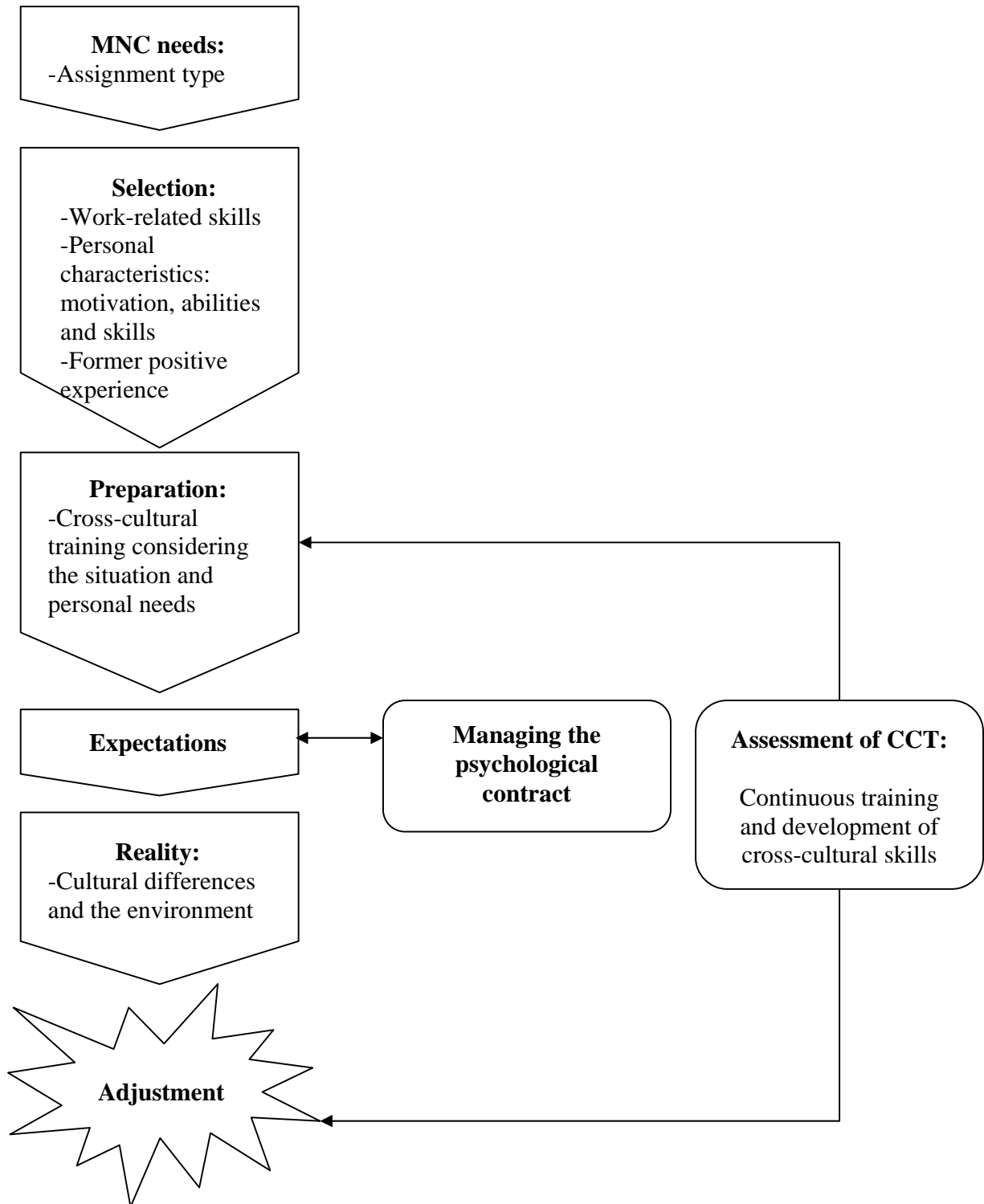


FIGURE 10 Framework of Expatriate's Intercultural Adjustment – Contributing Factors. MNC = Multinational Company, CCT = Cross-Cultural Training.

Figure 10 above demonstrates the different issues contributing to intercultural adjustment, which derive all the way from the multinational company's need for an expatriate assignment. The contributing factors are discussed in more detail below:

- **Multinational company's needs:** Challenges in internationalisation and therefore in expatriation have forced MNCs to adopt a more holistic and strategic approach in managing their expatriate assignments to ensure efficiency (Harris et al. 2003). To manage expatriation efficiently, MNC has to design expatriate assignments to face the certain needs of different situations. Depending on the nature of the assignment, whether it is technical or developmental (Edström and Galbraith 1977) and/or short or long term (Dowling and Welch 2004), expatriates might face different levels of adjustment challenges. This is because different assignments might require different level of involvement with the host nationals and local culture.
- **Selection:** There may be several individual factors, such as: technical ability, cross-cultural suitability and family requirements, and situational factors, such as: country/cultural requirements, language and MNC requirements affecting expatriate selection (Dowling and Welch 2004). Even though several individual characteristics and so called "soft skills" are considered essential for expatriate's intercultural adjustment (Harris and Brewster 1999c; Schneider and Barsoux 1997; Mendenhall and Oddou 1985), MNCs seem to select their expatriates rather informally (Harris and Brewster 1999c) and considering mainly their technical abilities (ORC 2002). In addition, psychological testing of candidates has been criticised (Torbiörn 1982; Willis 1984) and MNCs rather use interviews in their selection (PricewaterhouseCoopers 1997).
- **Preparation:** Expatriate training is considered important by all stakeholders: expatriates, MNCs and academic scholars (Dowling and Welch 2004; GMAC GRS et al. 2003; Forster 2000; Harris and Brewster 1999b; Brewster and Pickard 1994). It has been suggested that different types of training, especially cross-cultural training, should be provided pre-assignment to expatriates and to their families in order to facilitate the acculturation (Dowling and Welch 2004; Eschbach et al. 2001; Forster 2000; Harris and Brewster 1999a; Harris and Brewster 1999b; Tung 1998b; Mendenhall et al. 1987). Depending on the situational and individual needs, the rigor and content of training

should vary (see e.g. Forster 2000; Tung 1998b; Mendenhall et al. 1987). In addition, the role of language training has been identified important in recent research (Eschbach et al. 2001; Tung and Arthur Andersen 1997). However, even though cross-cultural training is valued high by all sides, MNCs seem to neglect its importance and only a few companies provide systematic training. Therefore only a few expatriates receive a proper preparation (Brewster 1995; Kühlmann 2001; Selmer 2005b). Furthermore, the importance of cross-cultural training has been criticised, because there has been problems in evaluating its impact on expatriate performance (Morris and Robbie 2001; Selmer et al. 1998).

- **Expectations:** So far an expatriate's expectations considering the assignment conditions have formed and shaped by the previous stages in the assignment cycle. This stage is the so called anticipatory adjustment (Black et al. 1991). Expectations should be managed in co-operation with the psychological contract (Guzzo et al. 1994; Kerry 1997; Welch 2002).
- **Reality:** At this stage the formed expectations meet reality which consists of the host country's environment and culture. If the expectations correspond to the faced reality on the assignment location, preparation has been successful and may facilitate the adjustment (Black et al. 1991). If the reality is harsher than expected considering e.g. cultural differences or language barrier, adjustment is likely to be harder than predicted.
- **Adjustment:** The cultural setting of the host country is a crucial factor, which might present challenges considering the adjustment. Nevertheless, at this stage the different adjustment factors meet the three dimensions of intercultural adjustment (Black et al. 1991; Shaffer et al. 1999; Hechanova 2003). As a part of the acculturation process, an expatriate might undergo a culture shock caused by cultural differences and communicational difficulties (Oberg 1960; Black and Mendenhall 1991; Selmer 1999a; Hofstede 2001). It has been suggested that cross-cultural training has an essential role in the adjustment stage; if proper preparation has been provided, it facilitates expatriate's and his/her family's intercultural adjustment (Harris and Brewster 1999b; Tung 1998b; Selmer et al. 1998). In addition, it has been suggested that the relationships between adjustment factors and dimension might be best studied as 2-dimensional, taking into account cognitive and emotional relationships (Berger 2005). Furthermore Black et al.'s

(1991) model has been extended by adding the psychological adjustment dimension as the fourth adjustment dimension, besides the three sociocultural dimensions.

- **Assessment of cross-cultural training:** It has been argued, that cross-cultural training should be a systematic life-long process rather than one-off event. Furthermore cross-cultural training's impact and efficiency should be evaluated as well as training provided post-arrival to further facilitate expatriate's intercultural adjustment (Tarique and Caligiuri 2004; Forster 2000; Selmer et al. 1998; Tung 1998b). As mentioned above, unfortunately only a few companies provide proper, holistic and systematic cross-cultural training (GMAC GRS et al. 2003; Kühlmann 2001; Brewster 1995).

From the summary of issues affecting expatriate's intercultural adjustment it can be concluded, that especially expatriate selection, and provision and evaluation of cross-cultural training are areas which should be implemented more comprehensively in companies in order to examine, evaluate and release the suggested potential behind them. It can be argued that cross-cultural training is not essential for expatriate adjustment and performance if proper training is not even provided. The case is the same with expatriate selection: if candidates are evaluated mainly on their personal relationships and technical abilities, there is no field for analysing the impact of the so called soft skills on expatriate's adjustment, performance and assignment outcome.

3 CHINESE CULTURE AS A SETTING FOR INTERCULTURAL ADJUSTMENT

The People's Republic of China is an exotic nation: it is the oldest existing empire on earth with the age of 4000 years, it is the most population rich nation with around 1.3 billion people (CIA 2007) accounting for one fifth of the world's population, and still a one-party communist state whose transformation towards a market economy is still on its way. The China under study in this research, officially referred to as People's Republic of China, comprises the mainland China excluding special administrative regions (S.A.R.) of Hong Kong and Macau, and the 23rd province of Taiwan.

China has achieved an important role in globalisation since economic reforms in order to free its markets were introduced by Deng Xiaoping in 1978 (see e.g. Backman 2004). First foreign companies were able to enter the Chinese market through establishing joint ventures with domestic companies, later on it has been possible for foreign companies to set up wholly owned subsidiaries as well. Foreign direct investment (FDI) into China has been booming: FDI entering China in 2004 was \$55 billion compared to \$57 million in 1978, with average annual growth rate of 10 percent and even 20 percent in the coastal special economic zones (SEZ) (Lin 2004; see also Backman 2004; OECD 2005). In addition importing and exporting have increased to 30-fold from 1978 to 2003, both with average growth rates of 15 percent (Lin 2004). China's entry into World Trade Organisation (WTO) in 2001 has even further accelerated its economic development, as its markets have become completely free from formal trade barriers (OECD 2005). In fact, it has been estimated that China will become the largest economy in the world by 2050 (Sillanpää 2006).

However, there are still several issues in the Chinese environment, which make it an extremely risky and complex country, both on an individual and company level, and not even WTO membership will change things overnight (see e.g. Backman 2004; Ambler and Witzel 2004). The main concerns in China are listed below:

1. Chinese government is said to be highly bureaucratic and still one of the world's most controlling state powers. There is a complex system of central and local governments, which is characterised with rather high level of corruption among decision-makers. (Backman 2004)
2. The government controls the Chinese banking system, which may be used to support Chinese businesses in an arbitrary way (Backman 2004).
3. There does not seem to be an effective legal system or police force. Laws and regulations may be applied in a way which favours politicians and decision-makers. China is ruled by men, not by laws. In addition emerging organisational crime is becoming a possible threat. (Backman 2004)
4. There are rather significant regional differences in wealth, customs, culture, language, and business (Ambler and Witzel 2004; Backman 2004). Economy and living standards are improving at a fast pace in the east, but the development is slower in the west, if there is development at all. As Ambler and Witzel (2004: 46) note: "China ... is by no means homogeneous".

Nevertheless China remains a rather attractive market for MNCs for various reasons, such as: it offers worlds largest customer markets and increasingly high-skilled relatively cheap labour. It could be concluded that doing business in China can be "sweet and sour". Next, culture as a concept is defined, and then Chinese culture and Confucianism's influence into it are examined.

3.1 Definition of Culture

Hofstede (1997: 4) defines culture as collective "software of the mind" which distinguishes one group or category of people from another. In other words, culture is a way of life of a certain group of people. This software consists of models for thinking, feeling and behaving, which have been learned during a person's lifetime. The majority of models are learned in the childhood when internalization of such models is at its easiest, and once they have been learned it is hard to unlearn them. According to Hofstede (1997: 5), the models for thinking, feeling and behaving are acquired from the social environment where a person has been brought up, and therefore culture is always collective, because it is shared at least to some extend by a certain group of people.

Hofstede (1997: 5) argues that cultures are different because there are differences in social environments which affect peoples' mental programming.

As mentioned above, culture is learned, but Hofstede's (1997: 5–6) mental programming consists of two additional factors, which are human nature and personality. Human nature is inherited, unlike the culture, and shared with all human. Personality is a combination of them both, inherited and learned. Personality is what distinguishes individuals from each other and it is formed through social influence and personal experience. The uniqueness of human culture can be demonstrated as in figure 11:

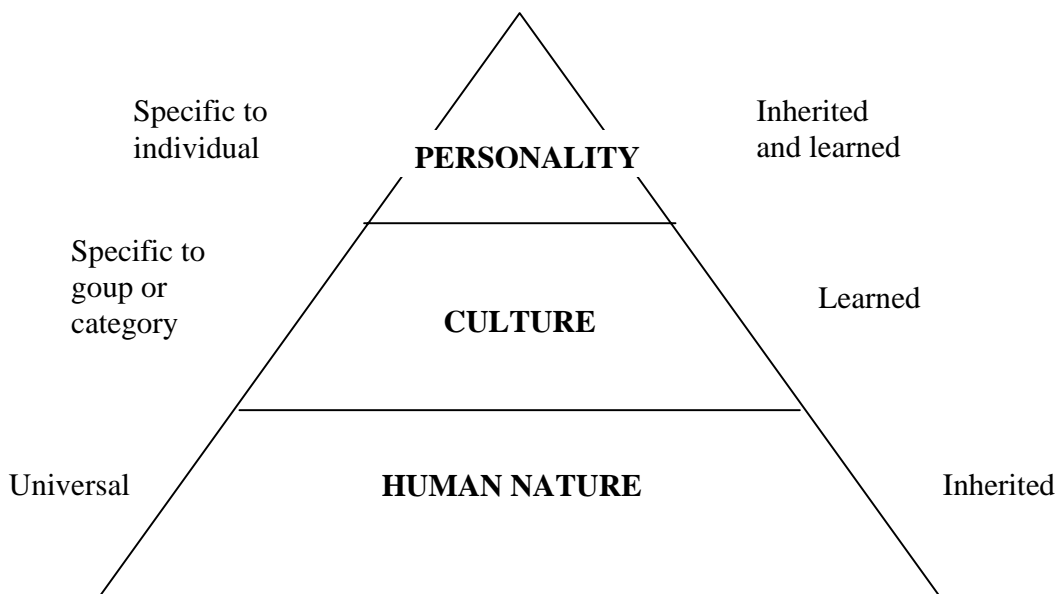


FIGURE 11 Three Levels of Uniqueness in Human Mental Programming (Hofstede 1997: 6)

According to Hofstede (1997: 7–8), differences in cultures can be seen in their different manifestations. These manifestations can be divided into four main groups, which are: symbols, heroes, rituals and values. Symbols are the most artificial and public cultural messages, and the values are the most hidden and deepest manifestations. Culture and its manifestations can be described as an onion, as seen below in figure 12:

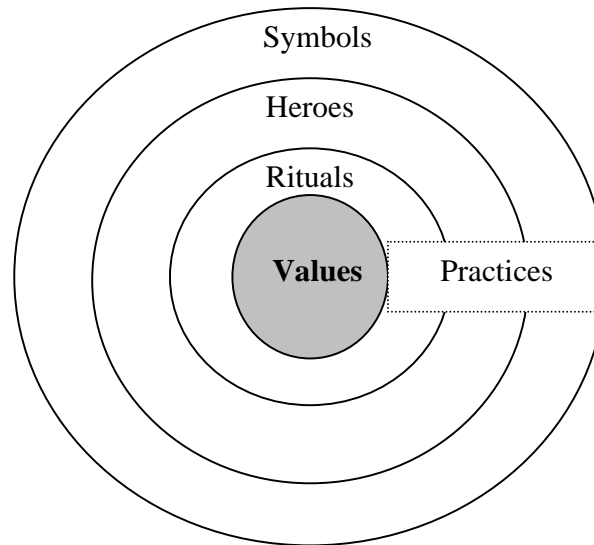


FIGURE 12 Manifestations of Culture at Different Levels of Depths (Hofstede 1997: 9)

Symbols are something which have a specific meaning for, and are understood by, the people who share the same culture. Cultural symbols are such as language, dressing style, flags and status symbols. Symbols can be easily imitated by outsiders and are therefore the most artificial form of culture. (Hofstede 1997: 7)

Heroes are either real individuals or imagined characters which have certain traits that are highly valued in a culture, and therefore are seen as role models for desirable behaviour. Manifested heroes could be e.g. historical characters, exemplary businessmen, top athletes or imaginary cartoon heroes. (Hofstede 1997: 8)

Rituals are collectively performed activities which possess a socially high value in cultures. Examples of rituals are different greeting and ways of paying respect to others, and different social and religious events (Hofstede 1997: 8).

These above three levels of culture form the practices, which according to Hofstede (1997: 7–9) are the visible manifestations that can be seen by the outsiders, but which' cultural meaning remain invisible and hidden, and can therefore be interpreted correctly only by the representatives of the culture.

Values form the core of culture. According to Hofstede (1997: 8) “values are broad tendencies to prefer certain state of affairs over others.” The underlying values of a culture are among the first things human child learns unconsciously. Therefore values become implicit for their bearers and can neither be discussed nor explicitly observed by outsiders. Hofstede (1997: 8) notes, that the only way to identify cultural values is to examine comprehensively how people act under different circumstances.

3.2 Confucianism

China is the home of Confucian ethics. Confucius was a Chinese teacher who could be related to the philosophers in ancient Greece. He lived around 500 BC in feudal China and taught people how to live their lives. His fame as a wise man became so widely known that his teachings formed the basic ethical rules for living. His teachings are therefore deeply rooted in the Chinese society and affect every aspect of Chinese peoples’ lives. (Hofstede 1997: 164–165; see also Ambler and Witzel 2004; El Kahal 2001)

Confucianism is not a religion; it is a philosophy of life. The core of Confucianism consists of five constant virtues, which are: humanity, righteousness, propriety, wisdom and faithfulness (see e.g. Ambler and Witzel 2004). These virtues are the basis for the key principles of Confucian teaching (Hofstede 1997: 165), which are:

- **The societal stability is based on the inequality of human relationships:** There are five basic relationships called the “wu lun”, which are: ruler-subject, father-son, older brother-younger brother, husband-wife, and senior-junior friend. These relationships are based on mutual and reciprocal obligations, where junior side is obliged to pay respect and obedience to the senior whereas the senior is obliged to protect and foster the junior.
- **Family is the foundation and prototype of social organization:** People are not recognised as individuals, but members of a family. Remaining harmony in family is the key objective and it is achieved by maintaining every member’s face; not offending anybody.

- **Virtuous behaviour towards others:** People should not treat others in a way in which they do not wish to be treated themselves. Basic courtesy is therefore expected among people, but not to the extent that one should love ones enemy, as Christianity preaches.
- **Virtues considering how people should live their lives:** People should improve their selves constantly by acquiring new skills and education, work hard, and be thrifty, persevere and patient. People should also aspire for moderation among these lines.

According to Bond and Hwang (1986), the most essential features of Confucianism affecting Chinese culture are: 1) relationships define a person and a person only exists because of these relationships, 2) human relationships are hierarchically structured and 3) social order and harmony is achieved and maintained through each side respecting the obligations set by the relationships.

Significant Chinese cultural phenomena deriving from the fifth virtue, faithfulness, are “guanxi” and reciprocity. “Guanxi” can be translated as human relationships and reciprocity is an important tool to nurture one’s “guanxi” (Ambler and Witzel 2004). Social network is extremely important in China, especially considering business, where human-network defines one’s capabilities. Lack of legal security is a key factor, besides Confucian ethics, multiplying the importance of personal relationships (Backman 2004). “Guanxi” brings protection in the insecure and hierarchical Chinese environment and can be linked to several social issues in China, such as: corruption, cliques, nepotism, anti-social attitudes, networking, face consciousness and indirect communication (Worm 1997). Chinese put a great effort in nurturing their “guanxi”, of which considerable part is accepting and returning of favours. Reciprocity can be described as below (Yang 2000):

1. When a favour is offered it will be accepted
2. When a favour is received, it can be expected to be returned
3. One has to aspire to return a favour with no delay
4. Whenever a favour is asked it has to be delivered
5. One may expect a favour to be done, but it should not be demanded

Considering Confucianism's influence on Chinese culture can be concluded, that "in essence, Confucianism sets out a framework for interpersonal relationships of all kinds" (Ambler and Witzel 2004: 76). Therefore it can be considered essential for foreigners living in China, such as Finnish expatriates, to be aware of the importance of Confucianism and how it affects people's way of living in China, and social relationships in particular.

3.3 Chinese Work Values

Hofstede (1984, 1997, 2001) has studied work related cultural differences since conducting a survey on IBM employees in 53 countries during the late 1960s and the early 1970s. He chose to study nations as basic collective societies representing a certain culture. In his research Hofstede (1984) found four cultural dimensions which enable comparison of countries and demonstrates cultures consequences on work related behaviour, these dimensions are: power distance (PD), uncertainty avoidance (UA), individualism vs. collectivism (ID), and masculinity vs. femininity (MA). However some researchers believed that Hofstede's own Western culture and view on values biased his research (see e.g. Francesco and Gold 1998) and therefore a new survey was designed to reflect the Chinese values. The new research was done by Bond in co-operation with Chinese social scientists (CCC 1987), and the research was called as the Chinese Value Survey (CVS). CVS was done in 23 countries, of which 20 were also in Hofstede's research, and included People's Republic of China.

CVS (CCC 1987) found four cultural dimensions of which three were parallel to Hofstede's PD, ID and MA. The new fourth dimension was named as the Confucian work dynamism. Hofstede's original research did not include People's Republic of China, but with the help of CVS Hofstede could better assess the Chinese culture. Hofstede (1997: 159–173) included Confucian work dynamism as a fifth dimension into his studies and renamed it as long-term vs. short-term orientation (LT).

Hofstede (1997, 2001) argues that the five cultural dimensions are universal, because they deal with fundamental problems which are faced by all societies and cultures. The dimensions are based on value systems, human mental programming, which form the core of culture. Hofstede's

(2001) dimensions, the universal dilemmas they deal with, and their explanations are examined below:

- **Power distance:** Deals with the problem of human inequality. In high PD countries inequality between community members is accepted, people are organised hierarchically. Low PD means egalitarianism and flat social organisation.
- **Uncertainty avoidance:** How people manage the stress caused by uncertain future. Strong UA countries prefer strict rules of behaviour, whether rules were written or unwritten, also risks are something to avoid. Low UA countries prefer flexibility and unstructured situations, risks are worth taking and innovation is emphasised.
- **Individualism vs. collectivism:** Individuals and their relationship with their primary groups. In individualistic countries people are defined as individuals, and have primarily concern for themselves and their families. In collectivistic countries people have more concern for the whole group than their individual interests, and they are defined as members of their group.
- **Masculinity vs. femininity:** What is valued and how gender roles are differentiated. In masculine countries more “tough” values are dominating, such as hard-working, success, wealth, authoritativeness, and competition, and there can be considerable differences in gender roles. In feminine cultures more “tender” values are preferred, such as caring for others, human relationships, quality of life, and leisure time. In addition gender roles are not strictly defined and they are more equal as well. “Tough” values are traditionally associated with men and “tender” with women, therefore this dimension is named as it is.
- **Long-term vs. short-term orientation:** People’s focus considering time in their actions. Long-term oriented cultures are concerned with long-term influence of their actions, and value high personal attributes such as thrift and perseverance. On the contrary, less long-term orientated cultures are more concerned with the past and present. There is also respect for traditions and individuals are expected to fulfil their duties, but “here and now” is what matters the most.

Because Hofstede’s (2001; see also 1993) original study did not include mainland China, he used the CVS, other replications of his study, and personal interpretation to estimate Chinese culture’s

position on his five dimensions. As the CVS included only 23 countries, Hofstede (2001) used European Media and Marketing Survey 1997 data (EMS 97) to estimate another 15 countries' ranking on the LT dimension. Finland was now included and could therefore be examined on all the five dimensions. Chinese and Finnish cultures compared on the Hofstede's five dimensions are demonstrated in table 1 below. In the table, High, Med and Low stand for highest, medium and bottom thirds of the countries studied. Moreover 53 countries demonstrated on four dimensions and 23 demonstrated on the fifth dimension found in the CVS, and 15 more by Hofstede's analysis of EMS 97 data.

Finland	Dimensions - Explanation	People's Republic of China
<u>(Low)</u>	<u>PD: Hierarchy</u>	<u>High*</u>
<u>(High)</u>	<u>ID: Individuality</u>	<u>Low*</u>
<u>(Low)</u>	<u>MA: Emotional "toughness"</u>	<u>Med*</u>
(Med)	UA: Need for control	Med*
<u>(Med)</u>	<u>LT: Future orientation</u>	<u>High</u>

TABLE 1 China and Finland on Hofstede's Five Cultural Dimensions (adapted from Hofstede 1993: 91, 2001: 357, 2001: 500) * estimated

Hofstede (1997: 164–173) notes, that UA dimension might be irrelevant in the Chinese context, as it was not identified in the CCC's (1987) CVS. China has been traditionally, and still is, ruled by men (PD) rather than laws (UA) (see e.g. Backman 2004; Ambler and Witzel 2004). UA-dimension is also linked with the matter of "truth", which is not important in the Chinese culture (Hofstede 1997: 164–173). This can be seen in e.g. saving one's face by telling what others want to hear, which could be interpreted as lying from Western culture's point of view. The difference in the concept of truth demonstrates also another clash between east and west, which is that the Chinese culture is considered to be high-contextual (Hall 1989: 90–91), which means that spoken communication includes "hidden" context-related messages. On the contrary Western cultures, including Finland, are mainly low-contextual (Hall 1989: 90–91), which means that communication is highly explicit and contains all the relevant information. Communicational differences are discussed further in sub-chapter 4.5.

The most obvious conflicts between Finnish and Chinese culture are underlined in table 1, from which can be seen that Western culture of Finland is considered more egalitarian, individualistic, emotional and “soft”, as well as short-term oriented. On the contrary, Chinese culture is especially more hierarchical, collectivistic and long-term oriented. The Chinese culture can also be seen as more masculine and “tougher”, but according to Hofstede’s (2001: 500) studies, the gap is not that big on this dimension than on the ones mentioned earlier. The Chinese culture’s characteristics can be derived from the Confucian teachings discussed in the beginning of this chapter. Considering this gap between west and east demonstrated by Hofstede (1993, 2001), it is obvious that Finnish expatriates have to be aware of the Chinese cultural specialities in order to function in the Chinese environment.

3.4 Weaknesses of Hofstede’s five Dimensions

Despite that Hofstede’s cross-cultural research is considered as a classic (Jackson and Bak 1998) and the most remarkable study of cultural differences, it has been criticised for its various weaknesses (see e.g. Søndergaard 1994; Mead 1998; Punnett 1998; Boyacigiller, Kleinberg, Phillips and Sackmann 2003), such as: 1) surveying people from only one organisation achieves a too narrow sample, 2) the dimensions partially overlap, 3) studying culture on national basis does not take multiculturalism into account, and 4) outdated of the used data, which are already over 30 years old.

Even though Hofstede’s (1997, 2001) analysis on Chinese values is based on his estimates, excluding the fifth dimension, and Chinese culture is considered to be rather diverse with regional differences in customs and culture (see e.g. Backman 2004; Ambler and Witzel 2004), and time is shifting cultural values towards individualism as wealth increases (Hofstede 1997: 74–78), it can still be argued that Hofstede’s dimensions have at least some relevance in explaining the fundamental differences between the west and the east (Jackson and Bak 1998; Jackson and Xu Lu 2002). As Mead (1998, 42–43) concludes: *“Hofstede’s research findings are invaluable (...) they provide a starting point for further analysis and research (...) in short, Hofstede’s model still has considerable life.”*

3.5 Summary of Chinese Cultural Characteristics

It seems that not even 50 years of communist rule has changed the traditional Chineseness (see e.g. Wang 1991). Even though there is divergence in Chineseness in different parts of the PRC (see e.g. Liu and Faure 1996; Backman 2004; Ambler and Witzel 2004) as well as several non-Chinese ethnic groups living there from outside (see e.g. Cushman and Wang 1988; CIA 2007), the dominant culture is a shared Chinese legacy (Wee 1988). The collective Chinese heritage is important in terms of ethnic, economic and political reality (Bond 1996).

Despite the heterogeneity, there are some characteristics which could be said to describe Chinese culture, such as below:

- **Hierarchy:** unequally distributed power, and respect to seniority and age
- **Collectivism:** harmony, family-orientation, guanxi and reciprocity; relationships define a person
- **Future orientation:** thriftiness and long-term orientation

So far the research has explored literature considering intercultural adjustment as a part of expatriate assignment cycle, culture, Chinese culture, and cultural differences between China and Finland. The next chapter deals particularly with Western expatriates' intercultural adjustment challenges in the People's Republic of China, by examining the prior empirical research on the topic.

4 WESTERN EXPATRIATE'S INTERCULTURAL ADJUSTMENT IN CHINA

In China, Finnish expatriates have to face the fact that the world is culturally a diverse place. Expatriates have to cope with the highly different way of living and working, as demonstrated in the previous chapter. In fact, China is often referred by Westerners as the most distant of all places (Selmer 2001). Westerners might perceive Chinese culture, institutions and people totally enigmatic (see e.g. Chen 2001). Intercultural adjustment to this culturally and linguistically distant country is essential for expatriates' and their families' well-being and performance during their stay overseas, as discussed earlier in chapters 2.3 and 2.4. In this chapter, the adjustment-related factors of Western expatriates in China found in prior empirical research are discussed in detail.

To begin with, Selmer (see e.g. 1998, 1999a, 1999b, 2001, 2004, 2005a, 2005b, 2005c) has conducted several studies considering Western expatriates' adjustment in the People's Republic of China. Among other issues, he has examined adjustment (Selmer 1999a, 2005b) and culture shock in a longitudinal study (Selmer 1999a, 2005b), coping patterns (Selmer 1999b), role of cross-cultural training (Selmer 2005a), psychological barriers (Selmer 2004), and differences in the adjustment of expatriate managers with different nationality (Selmer 2001) and from separate organisations (Selmer 2005a), as well as the impact of assignment location's population size on the adjustment (Selmer 2005c).

Selmer's samples of Western expatriates have been rather stereotypical as on average 90 percent were 40 to 50 year old men, 80 percent married, most were CEOs with university degrees and had been on current assignments from three to seven years. The studied expatriates were mostly from the US, Germany, France, UK and Australia, and the rest primarily from European countries. They had total overseas assignment experience of around 10 years on average. Only the excessive length of stay differs from the norms reported in the literature, as examined in chapter 2.1.

4.1 Sociocultural and Psychological Adjustment

As mentioned earlier in chapter 2.4, Selmer (see e.g. 2005a, 2005b, 2004, 2001, 1999a, 1999b, 1998) has studied Western expatriates' intercultural adjustment in the People's Republic of China from two interrelated aspects, which are sociocultural and psychological adjustment. Sociocultural adjustment deals with person's ability to fit into the host culture and manage the emerging difficulties in everyday situations (Ward et al. 1998; Ward and Kennedy 1996; Ward and Searle 1991). Psychological adjustment deals with person's subjective well-being: moods and attitudes considering the adjustment process (Ward et al. 1998; Ward and Kennedy 1996; Ward and Searle 1991). The former adjustment aspect is based on cultural learning theory concentrating on social skills and behaviour (Selmer 2005b), which is measured through Black et al.'s (1991) three dimensional model including 1) general, 2) work, and 3) interaction adjustment dimensions, also examined and discussed in chapter 2.4. The later aspect is based on the problem-oriented view (Selmer 2005b) measured by General Health Questionnaire (GHQ-12), which has been mainly used to investigate minor psychiatric symptoms (Goldberg 1972), but can also be used to assess expatriates' subjective well-being (Arnetz and Andersen 1992; Nicholson and Imaizumi 1993; Forster 1997). Furthermore, Jun, Lee and Gentry (1997) have noted, that these two aspects separate behavioural and attitudinal acculturation, and that psychological acculturation which deals with attitudes, requires more effort and time to achieve, because it is based on individual's deep-rooted values. According to Selmer's studies introduced above it can be argued, that both sociocultural, with its three dimensions, and psychological intercultural adjustment seem to be important and relevant whilst studying the factors enhancing Finnish expatriates' adjustment and the adjustment challenges they face in the PRC.

The questionnaire and the scale Selmer (1999a) has used to measure Black et al.'s three dimensions of adjustment, in other words sociocultural adjustment, were originally introduced by Black (1988) and later on revised by Black & Stephens (1989). General Health Questionnaire, which Selmer (1999a) used to measure psychological adjustment, the added fourth adjustment dimension, was originally introduced by Goldberg (1972). Selmer's (1999a) questionnaire and scales can be seen in appendix 2.

In his longitudinal study, Selmer (2005b) found that Western expatriates were “somewhat” adjusted in China, as their mean scores were all above middle-point on all three sociocultural dimensions and psychological aspect as well, after having spent on average at least four years on their current assignments. However, interaction adjustment’s mean score was significantly lower than on the other two sociocultural dimensions. Selmer (2005b) also reported, that the magnitude of relation between sociocultural and psychological acculturation was greater if a person was better socioculturally adjusted, because psychological adjustment was significantly positively related to general and work adjustment. On the other hand, there was no significant statistical relation between psychological and interaction adjustment.

Considering these findings Selmer (2005b) concludes that acquiring social skills may promote psychological adjustment, especially in the case of work adjustment’s correlating positive effect on psychological adjustment. In other words, being socially flexible and clever might further enhance expatriate’s adjustment to the novel working environment and colleagues. Interaction adjustment on the other hand, which scored lower than the two other sociocultural variables, seems to indicate communication and language problems; Western expatriates cannot rely on English outside the work environment. Without proper language skills they remain ignorant considering local mentality, this may lead to constant misunderstandings while trying to communicate with the host nationals. The fact that there is no significant relation between interaction and psychological adjustment suggests that Western expatriates are actually separated from the daily life of host nationals, as they live in their so called expatriate “ghettos” (Björkman and Schaap 1994).

4.2 Culture Shock as a Part of Expatriate’s Adjustment

Considering the cultural differences between the West and China, as discussed in chapter 3, it could be assumed that Western expatriates face a considerable culture shock as a part of their acculturation process in China, from both sociocultural and psychological aspects. In fact, in a longitudinal study Selmer (1999a, 2005b) found, that a typical U-curve indicating a culture shock can be seen on all three dimensions of sociocultural adjustment. Culture shock starts to appear after having spent around 17 months on the assignment. According to Selmer’s (ibid.) findings, it

seems to take around 10 to 12 months to overcome the emerged dip, and then expatriate's sociocultural adjustment levels begins to increase through time on all the three dimensions. However, no U-curve can be identified in Western expatriates' psychological adjustment, but what can be seen instead are two initial collapses quite shortly after arrival, after which psychological adjustment remains on a rather constant level.

Selmer (1999a, 2005b) suggests, that the difference between sociocultural and psychological adjustment curves might appear, because it is considered harder to adjust psychologically. As mentioned above in the previous subchapter, psychological adjustment requires development of positive attitudes that deal with an individual's values, which are not achieved as easily as social skills and new behavioural patterns (Jun et al. 1997; see also Tsai 1995). The reason for delayed culture shock considering the traditionally reported time of zero to three months (see chapter 2.4) on the average, might be that Western expatriates live in their "ghettos" and are not forced to experience the full scale of China, as they are not forced to step outside their "fortresses" (See Björkman and Schaap 1994).

4.3 Role of Cross-Cultural Training and Time Factor in the Adjustment

Selmer (2005a) has studied cross-cultural training's influence on sociocultural and psychological adjustment of Western expatriates in China, and found that cross-cultural training had no significant positive relation with any of the four adjustment dimensions. Only 24 percent of the Western expatriates studied had received at least some amount of preparation for their assignments, but there was no difference in their adjustment. However, all the four adjustment variables were significantly inter-correlated.

Nevertheless, Selmer (2005a) notes that there was a small positive statistical relation between work adjustment and cross-cultural training of Western expatriates working in Sino-foreign joint ventures. The finding suggests that cross-cultural training might have an impact on work adjustment and because adjustment variables are inter-correlated, cross-cultural training might affect positively all the adjustment categories, especially if there was an appropriate amount and quality of cross-cultural training provided to the expatriates. Furthermore Selmer (ibid.)

speculates that because of its positive association with work adjustment, cross-cultural training might be particularly effective on traditional task-oriented assignments (see chapter 2.1), such as in joint ventures. However, it is likely that if proper training and preparation would be provided, cross-cultural training could have significantly greater impact on the overall adjustment of expatriates in China. Therefore it can be suggested, that extensive training should be organised in order to find out the true potential behind cross-cultural training.

In addition, the used control variable, time, was significantly positively related to interaction adjustment (Selmer 2005a). According to the finding, time on the assignment seems to make interaction easier for the Western expatriates. This suggests, that having spent enough time in China expatriates begin to learn and understand the different communication style of the Chinese, and perhaps realise the urgent need to learn the local language as well. The finding might also suggest, that in the beginning expatriates do not realise the interaction challenges they are about to face on their assignment. Therefore expatriates first have to gain the motivation to start developing their communicational skills to the required level. Finally, the finding also indicates the need for proper communicational and language training before and during the overseas assignment in China. It is likely that if expatriates had realistic preconceptions on the communicational reality in China, their level of adjustment would probably be of a higher standard already in the beginning of their assignments, as they would prepare themselves for the challenges to come.

4.4 Impact of Psychological Barriers on Expatriate's Adjustment

Because of the rather peculiar Chinese culture and environment, at least from the Western perspective, it has been suggested in previous research that Western expatriates might perceive living and working in China demanding and even frustrating (see e.g. Björkman and Schaap 1994; Sergeant and Frenkel 1998). Nevertheless, the problems experienced by Western expatriates might also derive from the expatriates themselves, and may not necessarily always be caused by the Chinese context. In fact, expatriates may for example be unwilling or feel unable to cope with the Chinese reality. In other words, expatriates might have psychological barriers to intercultural adjustment, as Selmer (2004) puts it. Selmer (ibid.) argues that expatriates with psychological

barriers may not adjust well to China, as they cannot gain a proper understanding on the local conditions, way of life and culture.

According to Torbiörn (1988), psychological barriers to intercultural adjustment are usually associated with negative reactions in cross-cultural encounters. Furthermore there are two different kinds of psychological barriers, which are: expatriate's perceived inability and unwillingness to adjust. Psychological barriers can be seen to derive from an individual's cultural limitations or inability to understand and cope with a novel culture. (Torbiörn 1988.) In other words, an individual is limited by his or her cultural norms, and might therefore be unable or unwilling to understand foreign cultural phenomena. Furthermore, the bigger the differences between home and host cultures, the bigger the psychological barriers are likely to become regarding the expatriate's intercultural adjustment.

In his quantitative survey research Selmer (2004) found that psychological barriers, including perceived inability and unwillingness, seem to affect at least some aspects of sociocultural adjustment of Western expatriates. Perceived inability to adjust had a negative impact on general and interaction adjustment, and unwillingness to adjust was negatively associated with general adjustment of the expatriates that had only spent a short period of time in China. Nevertheless, neither perceived inability nor unwillingness to adjust had negative impact on work adjustment. Furthermore, negative impacts of both psychological barriers seem to disappear in the long run, probably because expatriates gain the motivation to learn new skills and abilities to cope with the new environment, as seen above in the case of interaction and time as well.

Regarding the findings it seems that psychological barriers cannot essentially harm the eventual adjustment. However, psychological barriers might hinder the adjustment process of Finnish expatriates in the beginning of their assignments, and should therefore be taken into consideration while assessing suitable candidates for overseas assignment in China. Furthermore it can be argued that selection criteria of expatriates should emphasise the role of desirable personal attributes, characteristics and intrinsic motivation for going on an overseas assignment, instead of concentrating solely on technical competence. Nevertheless, as discussed in the literature on expatriate selection, assessing expatriate candidates on their personal characteristics is not the

easiest task to do. Finding out the motives and the true motivation of a candidate might be easier to find out and should therefore be taken into consideration in the selection process.

4.5 Impact of Communication and Language Problems on the Adjustment

As several studies discussed above (see e.g. Selmer's 2005b) show, Western expatriates are likely to face significant communication and language problems. It seems obvious that the only problem is not the Chinese people's inability to speak English, but also the different communication styles between Western countries and China cause difficulties (see e.g. Vihakara 2006). According to the academic literature on communication, the Chinese communication style tends to be indirect and high-context, and Finnish communication on the contrary can be considered as direct and low-context (Hall 1989: 90–91; Gudykunst and Kim 1997: 201–207; Scollon and Scollon 1995: 159). If a communication style is considered high-contextual, it means that representatives of such style do not necessarily express themselves totally in an explicit manner. In other words, high-contextual communication tends to leave room for reading between the lines and it is more or less the listener's responsibility to understand and interpret the message correctly. A classic example of high-contextual character of the Chinese communication style for example is the Chinese people's inability to say "no", no matter what the situation. On the other hand, considering the low-context communication style, such as in Finland, communication tends to be highly direct and people are expected to share all the relevant information while they communicate. In other words, hiding any facts or misrepresentation of the "truth" is considered lying and highly undesirable. To sum it up, the following Chinese speaking practices highlight the difference in communication styles between China and Finland (Selmer 1998; see also Worm 1997):

- Implicit communication
- Listening centeredness
- Politeness
- Focus on insiders
- Face-directed communication strategies – indirectness

According to Selmer (2001), these characteristics may often lead to misperception of Chinese people to be shy, indirect, reserved, evasive or deceptive. Such perceptions may lead to significant communication problems between Westerners and Chinese, even though both sides were using English (see e.g. Vihakara 2006; Gao 1998). Actually, instead of being a practical tool for communication, the so-called “international English” might form into a barrier for true understanding (Scheu-Lottgen and Hernandez-Campoy 1998). This is because people tend to think in their own language, which is affected by their culture and deep-rooted values, and therefore communication between representatives of distant cultures might become fraudulent. Finally, it can be concluded that because of the dissimilar communication styles of the Finnish and the Chinese, it is highly recommended to provide proper communication as well as language training for expatriates going to China.

4.6 Effects of Coping Strategies on Intercultural Adjustment

Coping strategies are concerned with an individual's actions and responses to deal with anxiety and stressful situations. Generally, ways of dealing with stress can be categorised in two groups, which are problem-focused and symptom-focused coping strategies. (Selmer 1999b.) Problem-focused coping strategies aim to change the situation and factors causing stress and anxiety in a constructive manner (Folkman, Lazarus, Dunkel-Schetter, DeLongis and Gruen 1986). Symptom-focused strategies concentrate on trying to cope with the anxiety and minimise the stress, instead of dealing with the source of it (Lazarus and Folkman 1984). Furthermore Selmer (1999b) notes, that even though there are also other coping strategies such as defensive or unconscious strategies, these two modes of coping mentioned before are the ones most commonly applied. According to prior research, it seems that problem-focused coping enhances adjustment to a novel working environment, including people going to work overseas, more effectively than its symptom-focused counterpart (see e.g. Billings and Moods 1981; Brett, Feldman and Weingart 1990; Feldman and Brett 1983; Long 1988; Parasuraman and Cleek 1984). As an example, it has been found in prior research that active attempts to change the stress-causing working environment is positively associated with expatriate's intercultural adjustment, while parent country escapism or

fantasising about another job are negatively related to adjustment (Feldman and Thomas 1991, 1992; Feldman and Tompson 1993).

According to Selmer's (1999b) research findings, problem-focused coping strategies, which include: tolerance, patience, responsible problem solving and social involvement with host country nationals, emphasise that expatriate himself has the responsibility and the ability to deal with the anxiety experienced on his assignment. Therefore problem-focused strategies are positively associated with expatriate's adjustment to China. Symptom-focused strategies instead, including parent country escapism, drive an expatriate to dream about home and discourage to face the surrounding reality on the assignment location (ibid.). Thus symptom-focused coping has a negative impact on adjustment. Selmer's (ibid.) findings considering impacts of the coping strategies on expatriate's intercultural adjustment to China are show below in figure 12:

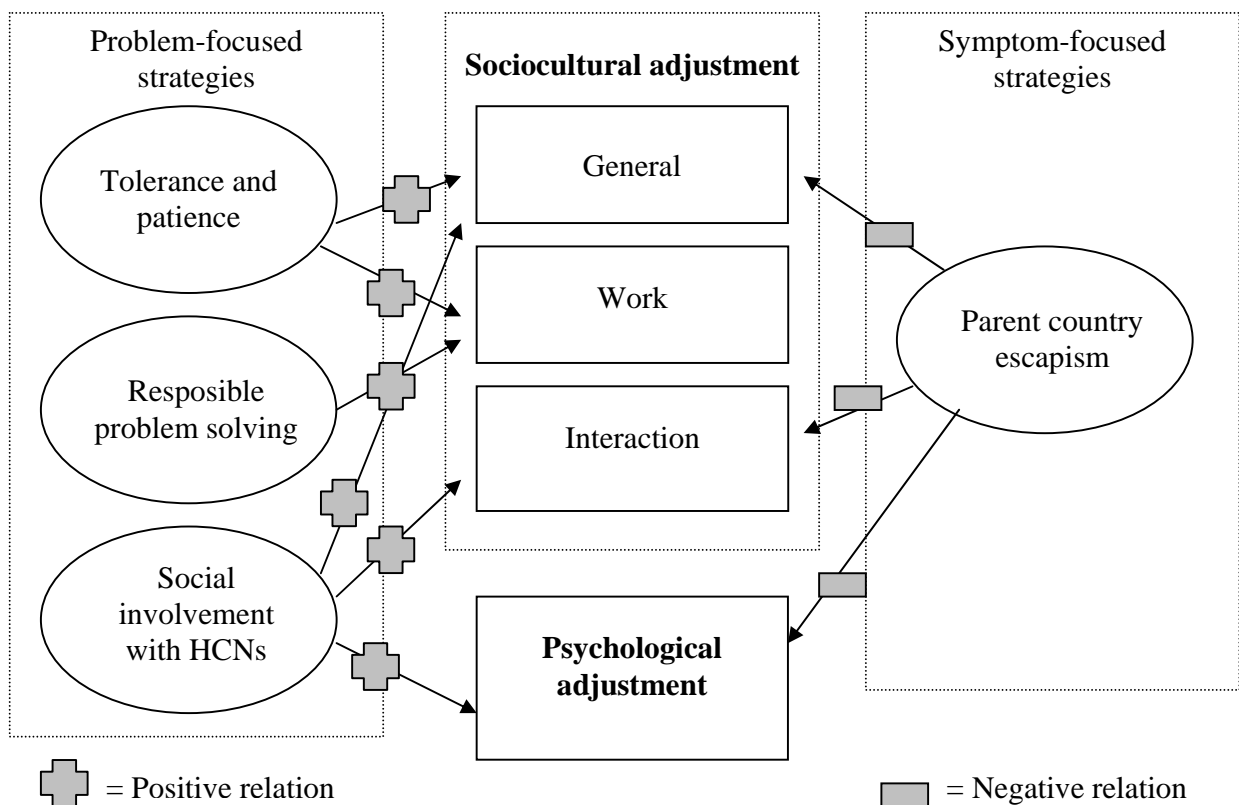


FIGURE 12 Impact of Problem and Symptom-focused Coping Strategies on Western Expatriate's Intercultural Adjustment Dimensions in China

Figure 12 shows how individual characteristics, such as tolerance and patience, together with the ability of responsible problem-solving and social involvement with host country nationals facilitate different dimensions of the adjustment of Western expatriates in China. Social intercourse with the Chinese seem to be especially efficient in facilitating adjustment, as it has a positive impact on all the adjustment dimensions, excluding work adjustment. On the other hand, parent country escapism seems to affect negatively the same dimensions as social involvement. From these findings can be concluded, that personal characteristics and abilities may have a significant importance in facilitating as well as hindering sociocultural and psychological adjustment (Selmer 1999b).

4.7 Impact of Assignment Location's size on the Adjustment

Selmer has (2005c) found that the larger the assignment cities in the means of population, the better the Western expatriates adjust to China on their assignment. According to Selmer's (ibid.) findings, expatriates in larger cities were better adjusted than their colleagues in smaller towns and villages since the beginning of their assignments. The size of the location was positively related to general non-work and work adjustment dimensions, but it was not associated with interaction dimension. Selmer (2005c) notes that there were no relationship between the size and interaction probably due to expatriates' language problems. It is easier for Westerners to adjust and settle down to larger, more Western and developed cities, as there are facilities for a more Western way of living with all the services and goods. However, not even a more homelike environment removes the language issue, as the need for Chinese language and the lack of English skills among the host country nationals are still the same. Neither was there any relation between the size and psychological adjustment, as the assignment location is not likely to affect the attitude and value-related psychological dimension (see Jun et al. 1997).

Moreover Selmer (2005c) remarks that as the adjustment dimensions are interrelated, companies should expect better performance from Western expatriates sent to larger Chinese cities, than from expatriates assigned to smaller towns and villages. Findings also indicate that better adjustment to work and general environment right from the beginning will probably enhance the overall well-being and performance of an expatriate due to spill-over effect. Selmer (2005c)

concludes that as not even the size and development of the location enhances the interaction adjustment, the need for at least survival level of language skills in Chinese and communicational training is obvious.

4.8 Summary of the Findings in Prior Research on Intercultural Adjustment of Western Expatriates to China

According to prior research the significantly distant culture sets challenges to Western sojourners from various aspects, however expatriates seem to adjust socioculturally rather well into China in the long run. The major challenges seem to be a long-lasting culture shock, difficulties with intercultural communication and language problems. Considering the adjustment dimensions, psychological acculturation seems to be more problematic in comparison to sociocultural dimensions. (see e.g. Selmer 2005a, 2005b, 1999a.) Psychological adjustment is harder to achieve probably because it deals with expatriate's attitudes and deep-rooted values, which are not easily changed.

Furthermore, it seems that the adjustment difficulties derive mainly from Black et al's (1991) general non-work-related factor, namely cultural novelty, and individual-related factors, such as personal characteristics. However, according to the literature these challenges could be overcome, or at least moderated through e.g. concentrating on certain desirable individual characteristics in expatriate selection, and by providing sufficient cross-cultural training. Individual characteristics facilitating problem-focused coping strategies seem to be particularly essential in enhancing adjustment on all the dimensions. Additionally, certain individual characteristics are likely to be of quite a high importance also because some fresh Western expatriates have been found to suffer from psychological barriers that hinder their adjustment. Furthermore the adjustment of Western expatriates to China has been identified to be easier when assigned to larger cities. In addition, majority of the prior findings suggest that language training and language skills in the local language appear to be essential for gaining a better level of adjustment. In other words, provision of proper language and communicational training may be considered highly recommendable. Regarding the prior findings on expatriate adjustment to China, it can be concluded that

appropriate assignee selection and provision of proper training play important roles in facilitating the adjustment of expatriates during their assignments in China.

On the other hand, according to the literature on expatriate management, there are also several other factors impacting the adjustment of Finnish expatriates in China. As discussed in chapter 2, these are job-related factors, such as role clarity and discretion, organisational factors, such as co-worker and logistical support, and non-work factors, such as family's adjustment (Black et al. 1991; Shaffer et al. 1999). As well as positively moderating factors such as previous experience on overseas assignments and language fluency (Shaffer et al. 1999). Even though all the adjustment-related factors suggested in the literature have not been examined in the case of Western expatriates in China, it seems that some factors are of more importance than others, as discussed in detail below.

Considering the prior research and expatriate management literature, it can be argued that expatriate selection and training seem to be rather relevant for expatriate's intercultural adjustment. This is because some individual characteristics, examined earlier in chapter 2.2, appear to be positively associated with a better level of adjustment. In addition, expatriates tend to adjust quite well to China in the long run, as they gain the motivation it takes to get settled into their new living and working environment. Therefore it is legitimate to argue that proper training including communicational, language and cultural aspects should be provided before and during the assignment, in order to provide all the tools an expatriate needs to make him better accustomed to the Chinese reality. Moreover, expatriates tend to be better than average adjusted on the work dimension. For that companies should not concentrate too much on work-related aspects and factors while selecting personnel on their Chinese assignments.

The fact that Western expatriates seem to struggle with psychological barriers in the beginning of their assignments, might suggest that fresh assignees do not quite yet understand what an assignment in China demands on personal level. This might be due to the lack of intrinsic motivation to learn the ways of a novel culture. Selmer's (1999b) prior findings demonstrate, that having spent enough time in China expatriates realise what it takes to adjust to their assignment locations. As a conclusion, in order to enable expatriates adjustment process to begin right after

arrival to the assignment location, the company should provide extensive cross-cultural training to make sure the assignee is properly prepared for the upcoming task. It can be argued that only this way expatriates can be helped to operate as efficiently as possible.

5 METHODOLOGY

There are two distinct main strategies for conducting an empirical research project: quantitative and qualitative. Quantitative research strategy emphasises quantification in both data collection and analysis. It usually concentrates on testing of theories, complies with the norms of natural science and positivism in particular, and considers social reality as an external objective reality. Qualitative research strategy on the contrary emphasises words and language instead of quantification in the data collection and analysis of data. In addition qualitative research strategy concentrates usually on generation of theories, emphasises the role of individuals' interpretation in the forming their social world, and considers social reality as a constantly changing individuals' creation. (Bryman and Bell 2003: 25.)

Considering the aim of this research, qualitative research approach was a logical choice. In addition to being qualitative, this research has also a subjective and interpretive approach to data collection. The research was conducted as a case study and data collection method used was half-structured interview. Furthermore, the data collected was analysed by conducting a theme analysis. Next, the case study research strategy, half-structured interview as a data collection method, implementation of the interviews, background assumptions of the research, data analysis, and trustworthiness of the study are discussed in more detail.

5.1 Case Study as a Research Strategy

Case study as a research strategy is a way of collecting and analysing data. It is a preferred research strategy especially when the research aspires to answer the questions "how" or "why", when the researcher has little or no control over events, and when the research focuses on a contemporary real-life phenomenon. A case study can also be conducted in order to answer question "what", especially if the research is exploratory. (Yin 1994: 1–7.) The studied case or cases can be almost anything from individual behaviour to organisations or organisational processes (Yin 1994: 21–22). In addition, quantitative and qualitative data from various sources can be used in a case study. Yin (1994: 79) has listed six types of data sources for case studies,

which are: documentation, archival records, interviews, direct observations, participant-observation, and physical artefacts. Furthermore, as case study is a rather versatile research strategy and can therefore be utilised in various circumstances, Koskinen, Alasuutari and Peltonen (2005: 154) note that it is one of the most commonly used strategies in qualitative business research.

There are three types of case studies: explanatory, exploratory and descriptive. All the three different types have their special characteristics. However, there might be significant overlap among them. In other words, a single case study research may contain characteristics from all the three main types. Furthermore, case study is explanatory, when the research aims to identify cause-effect relationships. In an explanatory case study preconceptions on the research topic are developed by examining the existing literature or by empirical examination, or by both. After this, the formed preconceptions and findings from the case are compared, and consistency between them is evaluated. On the other hand, case study is exploratory when the research deals with a topic on which little prior information is available and the research problem may not be explicitly defined. An exploratory case study can examine multiple cases and compare findings between them. Exploratory case study aspires to build new theory on the phenomenon studied. Finally, case study is descriptive, if a research aspires to describe a complex real-life phenomenon in its context. In a descriptive case study the researcher also aims to identify connections between the case and existing theory. (Yin 1994: 1–9, Chetty 1996, Eisenhardt 1989.)

This case study research includes characteristics from all the three main types examined above. The research is explanatory, because it aims to identify the factors impacting the Finnish expatriates' intercultural adjustment to the PRC, and to find out how these factors affect the adjustment. First, the literature surrounding expatriates' intercultural adjustment to China and contemporary research done on the topic are examined, in order to gain a comprehensive understanding of the intercultural adjustment as a phenomenon. After this, the research compares the data gathered from the literature with the data from the analysis of the case interviews. The research is also exploratory, as it examines an exact topic, Finnish expatriates' adjustment to the PRC, which has not been studied previously. In addition, studying multiple cases is also a typical characteristic of an exploratory case study. Moreover the research is exploratory as it aims to

develop new theory on expatriate adjustment to the PRC. Finally, the research is also descriptive, as it describes the Finnish expatriates' adjustment process in China. A rather comprehensive description of the phenomenon is done through analysis of the subjective interpretations on adjustment-related factors, and the experiences of the Finnish expatriates in China.

However it could be argued, that the research at hand is mostly an exploratory study, as it studies Finnish expatriates adjustment to China, a topic of which little information is available. Another factor strengthening the exploratory role of this study is that there are five cases on which the qualitative analysis is built upon. Multiple cases are studied in order to gain as good and comprehensive understanding on the research object as possible. The broad data basis is likely to support also the generation of new theory and models. Finally, case study research strategy was chosen, because no control over studied events was required, the research object was a contemporary real-life event, and the research aspired to answer mostly to "what" questions due to its strongly exploratory character.

5.2 Half-structured Interview as a Data Collection Method

In this research half-structured interview was used in order to collect data. Interviewing is an advantageous data collection method especially when an individual's role as an active subject, and his or her subjective experiences, interpretations and meanings are essential for the research problem. (Hirsjärvi and Hurme 2000: 35.) This research concentrates exactly on Finnish expatriates' subjective experiences and interpretations on the adjustment in the PRC, and therefore interviewing was considered to be a reasonable choice for data collection. In addition the use of half-structured interview in the research further increased the latitude of the interviewees. Only the quite broad main themes of the interviews were decided beforehand by the researcher, and the eventual issues and topics discussed in the interviews depend on the interviewees. This way the interviewees were not restricted into a certain pattern of thinking, and they could discuss the issues they perceived the most essential considering the main themes. The researcher aspired to find new aspects or factors considering the intercultural adjustment to China, and therefore it was essential that the presented questions in the interviews were not too guiding and restrictive. The researcher aimed to ask solely open-ended questions on the topics brought up

by the interviewees to guide the conversation further. The interviews were conducted this way keeping in mind the strongly explorative role of this case study.

The interviews consisted of two parts: background information on the expatriate and the main themes (see appendix 1 for the interview outline). First questions on the expatriate, his family, assignment and experience were asked. Then the three main themes were presented one by one. The main themes or questions so to speak were:

1. What kind of adjustment-related challenges, problems or difficulties have you and your family faced during your assignment in China?
2. Which factors have you possibly experienced as enhancing your or your family's adjustment to China?
3. What kind of advice would you give to future Finnish expatriates and companies in order to facilitate Finnish expatriates' intercultural adjustment to China?

The researcher structured the interviews this way, because he aimed to examine if the background variables, such as being married and having children, impacted the experienced adjustment process. In addition, the three main themes were shaped as broad questions in order to let the interviewee decide which topics were important in his case. In other words, the researcher aspired to emphasise the active subjective role of the cases in defining the phenomenon, intercultural adjustment of the Finns in China, examined in the research. Furthermore the researcher aimed to find out if there were something else related to the adjustment process than the factors reported in the literature, and to demonstrate which factors suggested in the literature were essential in the case of the Finnish expatriates.

5.3 Implementation of the Interviews and Sample Selection

When the research process commenced in September 2006, the researcher estimated that probably five interviews would be enough to get an adequate amount of data together, in order to make proper findings and conclusions. After a couple of first interviews, the researcher was certain that five interviews would definitely be enough, as the interviews had been relatively

information rich. Finally five interviews were conducted and circa six and a half hours of interviews in total were recorded on a digital recorder. The first interview took place on the 21st of December in 2006 and the last on the 10th of April 2007. The interviews were all about the same length and quality, as the shortest interview was 73 minutes and the longest 88 minutes. The interview situations were rather relaxed and conversational, and all the cases could quite easily tell about their stay in China and experience considering the adjustment. The interviews were arranged in two separate cities in Finland, either at the interviewee's work (one case), home (three cases) or in a restaurant (one case), depending on how they preferred it.

Even though the interviews went well, it was not that simple to get in touch with the kind of expatriates the research was about to study. The researcher decided not to co-operate with any particular company, because he thought co-operation might affect the aims and focus of the study, and perhaps influence also the attitude of the interviewees. The researcher aspired to examine the individual and personal experiences, opinions and adjustment-related challenges, therefore the expatriates might have been suspicious if the personal information would have been delivered to their employees. In other words, the researcher believed that it would have been harder for the expatriates to for example criticise their companies' actions considering their assignments. During the first two interviews these assumptions were proven correct, as the interviewees preferred to stay anonym as they would discuss sensitive and private matters, even though the employer was not involved in the research process. In some cases they were especially suspicious on commenting the expatriate management at their company, and wanted make sure their comments would not get into anybody else's hands.

As there was no co-operation with any organisation that could have helped to arrange the interviews, the researcher had to find the interviewees by himself. The researcher did not have any connections but his acquaintances from whom he could ask if they knew anyone suitable for the research. The researcher did however contact a couple of Finnish companies and asked for contact information of their former and present expatriates in China, but this was futile. Nevertheless, after persistent work and contacting of acquaintances around Finland, the researcher started to get contact information of suitable candidates. Eventually there was a list of ten individuals that had been working in China after the year 2000, from which the most suitable

persons regarding their experience on China, family background and task were selected, and contacted in order to arrange a meeting. Most of the discovered candidates were men and none of the females had appropriate experience on China. However, there were females that had a versatile experience on working in Hong Kong, but naturally they had to be discarded. In fact the researcher did interview a female as a sixth expatriate who was supposed to have worked in China, but it appeared in the interview that she had actually worked in Hong Kong, and she had only been to china for short periods. Therefore she had to be discarded from the research as well.

The five expatriates finally interviewed represented three different companies, three different industries and three different locations in China. Even though there were some similarities regarding the main aspects, the contents of their assignments were quite individual. In fact, the researcher aspired to get as wide as a sample as possible regarding the assignment conditions. The interviewed expatriates are presented in table 2 below. The individual and therefore essential backgrounds of the expatriate cases are discussed along with the findings in chapter 6 in more detail.

Expatriate	Task	Industry	Duration (m)	Spouse	Children	Age	Education
A	Financial advisor	Finance	6 (12)			48	M.sc.(Econ.)
B	Process specialist	Metal and engineering	7	(x)		30	Mechanisation
C	Production planner	Metal and engineering	28	x		40	Mechanisation
D	Engineer / lab manager	ICT	36	x		31	M.sc. (Eng.)
E	Global team manager	ICT	54	x	3	40	Engineer

TABLE 2 The Expatriate Cases Studied in this Research

Expatriates with different assignment task, location, duration, and educational as well as family background were selected for the research, because it was presumed that different situations present different challenges considering the adjustment. For example the amount of required interaction with the Chinese is likely to depend on the task, whether it is a technical specialist or a manager position. The tasks of the interviewees varied from pioneering financial advisory to

technical specialist positions including training of the local staff. In addition the assignment duration was likely to impact the need for adjustment, because a shorter stay could be considered as a more temporary solution in comparison to several years.

Additionally there was one expatriate, the case A, who was still on his assignment which had been planned to last for another six months. Therefore it was likely that his adjustment process was still half-finished. Furthermore one of the expatriates, the case E, had been to China twice. His assignments had lasted for little more than two years each and on both occasions he had his whole family with him. Moreover, he had been to Hong Kong before the assignments in China; therefore his perspective was likely to differ from the other cases.

Only one of the expatriates, the case A, did not have a spouse with him on the assignment and another one, the case B, had a girlfriend visiting him for a few weeks time. The rest had a spouse with them at least for the most of the time. Expatriates' age in the beginning of their assignments varied from 30 to 48 years. Two of them had a vocational degree in mechanisation, one was a Bachelor of Science in engineering, another one was a Master of Science in engineering, and the last one had a Master of Science degree in economics.

Finally, it could be argued that the rather significant variety among the interviewees was crucial in order to get as broad as possible data on the phenomenon researched, yet again keeping in mind the strong exploratory character of this research. Regarding the five individual cases introduced above, consistency by any means among the interviewees could not be considered as a problem for getting diverse data.

5.4 Background Assumptions of the Research

According to Burrell and Morgan (1979: 3) there are two approaches, subjective and objective, for conducting a research in social sciences, in which also business and management research belongs to. Depending on the approach, whether it is subjective or objective, there are certain assumptions behind the research concerning ontology, epistemology, human nature, and methodology. Ontology is concerned with assumptions on the reality in which the studied

phenomenon takes place. Assumptions on epistemology are concerned with how and where information can be acquired and what can be considered as information. Furthermore assumptions on human nature deal with the relationship between an individual and the environment. Methodological assumptions on the other hand are concerned with data collection and analysis. (Burrell and Morgan 1979: 3–7; Bryman and Bell 2003: 22–23.)

This research follows the subjective approach, which consists of the following assumptions on ontology, epistemology, human nature, and methodology:

- **Ontology:** Nominalism, according to which reality is a subjective and individual construction based on names, meanings and interpretations. According to nominalism general concepts are merely names given to them by subjects and there is no true equivalent in reality to them. (Burrell and Morgan 1979: 4.)
- **Epistemology:** Anti-positivism, according to which reality is relative and it can be examined through the interpretations and meanings of subjects bound to it. (Burrell and Morgan 1979: 5.)
- **Human nature:** Voluntarism, according to which subject is autonomous in relation to their environment, instead of being determined by it. (Burrell and Morgan 1979: 6.)
- **Methodology:** Ideographic theory, according to which studied phenomena can only be examined by collecting and analysing individual interpretations and meanings. Ideographic theory assumption emphasises the importance of subjective meanings given to the phenomenon studied. (Burrell and Morgan 1979: 6–7.)

Additionally Burrell and Morgan (1979: 16–19) have divided social science research in two more categories, which are regulation and radical change, according to the purpose of the research. Regulatory research aspires to describe phenomena and to give minor suggestions. Radical research on the other hand aspires to make judgements on the state of issues and to give suggestions on how things should be radically changed, if necessary. (Burrell and Morgan 1979: 16–19; Bryman and Bell 2003: 22.)

Furthermore Burrell and Morgan (1979: 22) have divided social science research, including business and management research, into four paradigms, that are built upon the two dimensions mentioned above: subjective–objective and regulation–radical change. These four paradigms are called radical humanist, radical structuralist, interpretivist, and functionalist paradigms.

This research belongs to the interpretivist paradigm in which the sociology of regulation and subjective approach to the reality, as discussed above, form the background assumptions for conducting the research. Interpretative research examines phenomena in their social setting through the subjects or social actors involved in them in order to gain information on the research object (Burrell and Morgan 1979: 28–32; Bryman and Bell 2003: 22–23). In other words, the research does not aspire to seek for radical change considering the studied phenomenon, Finnish expatriates' intercultural adjustment to China, but to examine individuals' subjective interpretations and meanings considering the phenomenon, in order to gain information and better understanding on this contemporary real-life phenomenon.

5.5 Analysis of the Data

As suggested by Hirsjärvi and Hurme (2000: 135), the handling of data gathered through half-structured interviews was started immediately after the data collection was complete. The transcription of the interviews was started right after the first interview and lasted until the last interview had been recorded and transcribed. It took several months to arrange all the interviews and therefore the researcher had plenty of time to ponder how the data should be organised and analysed, and represented eventually in the research report.

The interview data were first transcribed by using Express Scribe transcription software, and as a result the data turned into 154 pieces of A4 sized sheets. Then the interview texts were revised, and because the three main themes covered in the interviews were somewhat overlapping, the researcher had to reorganise the issues mentioned in the interviews under each main theme. As a result, there were five transcribed interviews organised by the interview themes. Next the researcher started to analyse the text in order to find sub-themes from the three main themes. The analysis in this research follows Dey's (1993: 31) model of qualitative analysis, which consists of

three stages: 1) description, 2) categorisation, and 3) combination. So far the analysis had described the data collected from the interviews, and next the data would be categorised regarding the sub-themes.

In order to find sub-themes that answer each of the three research problems, the researcher utilised thematising. According to Hirsjärvi and Hurme (2000: 173) thematising is a way to analyse qualitative data by identifying characteristics that are common to single or multiple cases under study. The characteristics may be based on the themes discussed in the half-structured interview and it is reasonable to presume, that at least these themes are covered in the analysis. In addition it is possible, that several other themes appear, and there might be correlations between the themes set beforehand and the new themes. (Hirsjärvi and Hurme 2000: 173.) The new themes brought up in the interviews are considered as sub-themes in this research, and the relationships between the main themes and these sub-themes are in a significant role in this research. The role of the correlations is important, because the research aims to point out the positively and negatively affecting adjustment-factors, in other words challenges and enhancing factors, of the Finnish expatriates. Additionally it is worthwhile noting, that the found sub-themes are based on the interpretations of the researcher (Hirsjärvi and Hurme 2000: 173).

Next each of the interviews were organised again to point out the sub-themes found under each main theme. After the data had been categorised by sub-themes in all the reorganised five interview transcriptions, the researcher started to combine the sub-themes found in each five cases in tables. The developed tables summarised all the sub-themes found under each three main themes, and also pointed out the correlation between it and the Finnish expatriates' adjustment to China. In the summarising tables, presented later on in sub chapters 6.2–6.4, the sub-themes were regarded as adjustment-related factors, and all the factors were categorised into main groups. The main groups were named after findings from the literature analysis. With the help of the summaries, the researcher finally developed a model summarising all the found factors related to Finnish expatriates' adjustment to the PRC, presented in sub-chapter 6.5. Also the correlation between the factors, sub-themes so to speak, and the adjustment were presented. Finally, answering to the research problems can be presented as in figure 13 below:

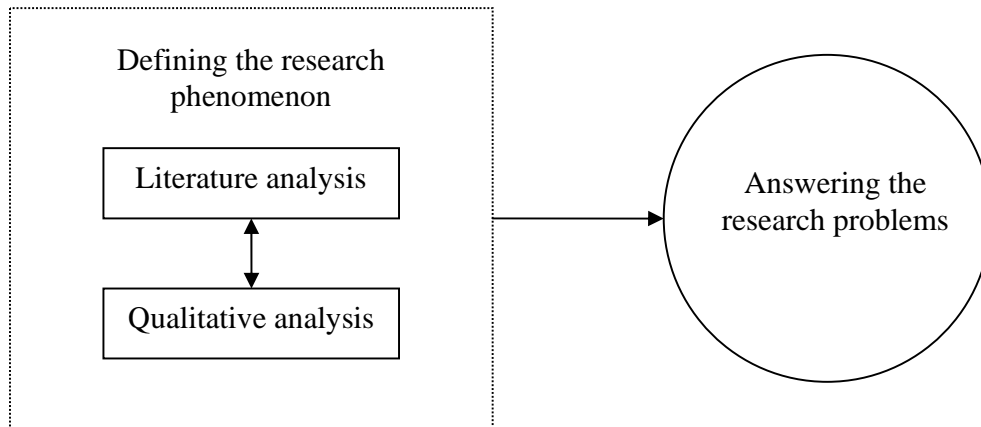


FIGURE 13 Answering the Research Problems

5.6 Trustworthiness of the Research

For both quantitative and qualitative research there are certain criteria that can be used in order to evaluate the trustworthiness of a research. Traditionally the trustworthiness of a study has been evaluated by reliability and validity. Reliability of a research is concerned with the degree to which a study can be replicated and validity instead is concerned with how accurately the study examines the phenomenon it claims to be studying. (Bryman and Bell 2003: 287–288.) However, there are problems regarding the evaluation of a qualitative research’s trustworthiness by the means of reliability and validity, as they are considered more suitable for evaluating quantitative research (Hirsjärvi and Hurme 2000: 185–188; Bryman and Bell 2003: 286–288). Next the concepts of reliability and validity are examined in more detail, in order to demonstrate the emerging problems considering the trustworthiness of qualitative research.

Reliability can be divided into internal and external reliability. Internal reliability is concerned with the issue whether more than one researcher make the same observations on the phenomenon studied. External reliability is concerned with the degree to what the research can be replicated. However, there is a problem considering the replication of a qualitative research. In fact it might be impossible to conduct another research in the exactly same circumstances and social setting, in which the research data has originally been collected. (Bryman and Bell 2003: 288.)

Validity as well can be divided into internal and external validity. Internal validity is concerned with the issue that how well the researcher's observations on the phenomenon studied correspond to the conclusions and theoretical ideas the researcher develops. In fact, internal validity can be seen as one of the strengths of qualitative research, in which a researcher can examine the studied phenomenon in depth, and develop ideas with careful consideration. External validity however concerns to what extent the results can be generalised in various social settings. Therefore external validity can be considered as a problem for qualitative research, as qualitative research tends to rely on small samples and case studies. (Bryman and Bell 2003: 288) However, qualitative research does not aim to get statistical generalisations, but interpretations of a subjective reality that can be considered as trustworthy information, if research approach is legitimated by adequate consideration of background assumptions (Hirsjärvi and Hurme 2000: 188).

Even though reliability and validity do not concern the trustworthiness of qualitative research in all their traditional aspects, there still are some criteria that should be taken into consideration. Qualitative research should aspire to reveal the interpretations and the world of the subject being studied as well as possible. However, it has to be kept in mind that the researcher affects the data already while it is collected, and later on as he forms his own interpretations on the findings. Essential for the trustworthiness of a qualitative research is that the researcher documents the categorisation and description of the interpretations as precisely as possible. In addition, the researcher has to legitimate his methods and procedures in a convincing manner. If the methods used are legitimate, the research can be considered trustworthy, even though another researcher would end up with different findings and conclusions on the same phenomenon in different social setting and circumstances. Furthermore the trustworthiness of a qualitative research can be enhanced by triangulation, which means that data from one source is compared to data from another one. (Hirsjärvi and Hurme 2000: 188–190.)

Considering the trustworthiness of this research it can be argued, that the researcher has taken several precautions in order to strengthen the trustworthiness of the research at hand. First of all, the interviewees have been selected carefully from the available candidates in order to form as complex as possible sample of the Finnish expatriates in China. Several aspects on the

expatriates' background have been taken into consideration. Moreover, the researcher has explicitly reported how the research has been conducted from data collection to analysis of the data. To begin with, the chosen research strategy and methods have been examined and legitimated. In addition, the collected interview data have been reported clearly and comprehensively by presenting the overviews of each case before the data have been further analysed. Furthermore the findings from the qualitative analysis have been triangulated by comparing the findings with the literature on intercultural adjustment, and adjustment of expatriates in China in particular. In order to triangulate with theory and prior research findings, the researcher has comprehensively examined the framework of Finnish expatriates' intercultural adjustment to China. Therefore it can be concluded that there are no significant factors hindering the trustworthiness of this research as a qualitative and interpretive case study.

Finally it has to be kept in mind that this research did not aim for findings that could have been statistically generalised. In stead the researcher has aspired to describe and examine socially constructed world of five Finnish expatriates in China, and to interpret the meanings they have given to and interpretations they have made on the factors considering their intercultural adjustment. The aim of the research has been to gain better understanding on the factors affecting the Finnish expatriates' adjustment to China with the help of existing literature, and not to seek for the absolute and objective truth in a positivistic sense of science. Moreover it has to be realised that also the researcher's own subjective reality has impacted the interpretations done on the interpretations of the interviewees. However, the researcher has been constantly aware of his own subjectivity in order to be as objective considering the research as possible in the given circumstances.

6 FINDINGS

In this chapter findings from the analysis of the data collected through five half-structured interviews will be presented. First each interview will be described one by one by giving essential background information of the case, and then findings under each three main themes will be described. After findings from each individual case have been presented, the findings will be summarised in tables. These tables, presented in sub-chapters 6.2–6.4, answer the set research problems. However, after summarising all the findings in line with the research problems, the findings are analysed further by reflecting them to the theoretical framework of the Finnish expatriate's intercultural adjustment in China discussed in chapters 2–4. As a conclusion, a theoretical model on the Finnish expatriate's intercultural adjustment-related factors in China, including findings from the literature and qualitative analysis, is presented in sub-chapter 6.5.

6.1. Findings from the Interviews

To begin with, findings from the interviews are described individually. Before presenting findings on the main themes, a brief introduction to case expatriate's background is given. Background information can be considered essential for understanding the overall situation of each expatriate, and in order to understand the subjective adjustment challenges each individual has faced in China.

6.1.1 Expatriate A – Pioneering in the Field of Finance

When the interview took place in December 2006, expatriate A had spent six months on his overseas assignment in China. The assignment had started in July 2006 and it had been agreed to last for one year. He was a 48-years-old manager with a long experience in the field of corporate financing, and had a master's degree in economics. He was the first person sent to China by his employer, therefore he was a pioneer in his company and the overseas work task was completely

new. His task in China was to become familiar with the Chinese finance market, Chinese business culture and find out what options and restrictions there are for establishing foreign businesses in China, and what are the risks. Assignment location was on the eastern coast of China.

Selection to the assignment was conducted through an open and public intra-company selection process. Most important selection criteria for the overseas post were the candidate's high motivation and robust experience in the finance sector, financing foreign trade in particular. In other words technical competency had a key role considering his selection. He did not have any former professional overseas experience of any kind.

Neither cross-cultural training was offered nor was he aware of such training existing. The company arranged one pre-visit on which he could meet the new colleagues, see the city and get to know different housing options. He familiarized himself with the new environment actively on his own before the assignment, mostly using the internet as there are Finnish expatriate communities' websites that contain a lot of information on local issues.

The company operated under a Finnish export centre and the professionals at the centre helped to make all the practical arrangements. Through the export centre the company had organized him a two bedroom flat with a lounge from a service apartment compound with security and other services available. The whole apartment complex was quite a high-end environment, considering the Chinese standard, which was inhabited mostly by foreigners and overseas Chinese people. Additionally, he could not speak Chinese on his arrival, but studied four hours a week on the assignment. He had underage children, but they stayed in Finland as he went to China on his own.

Theme I – Adjustment Challenges

When asked about adjustment challenges he mentioned several issues giving him hard time in China. To begin with he thought that Chinese language and the lack of Chinese language skills are a major problem. It is a problem because you need Chinese for example to be able to use a

taxi, or else you have to use address cards. Speaking at least a little Chinese was considered to be polite towards the locals as well. Additionally, it would be quite hard to integrate to the Chinese community without speaking Chinese and he thought that the locals would definitely open up only if you could communicate with them. In other words he thought it is absolutely necessary to study Chinese. However, he mentioned that *“it is a very difficult language when you have to study it on top of work. Well, I believe that after a year I am able to understand a little.”* He stated that because of the language problems you need local staff speaking good English who can interpret, as the most of communication over there is done in Chinese.

Another challenge faced was the complexity and novelty of the task. He was a pioneer in his company as he was the first to be sent to China and the task was quite an extensive. It was mentioned, that *“I was sent there to explore the market, especially the business culture of the finance market, and what restrictions there are and what possibilities there are, and now I have been there my first six months, and I have to admit that it has been quite an exhaustive half a year.”*

In addition, the Chinese culture and the environment were considered rather demanding: *“definitely the greatest adjustment challenge is how you get along with the shock that when you get there, nothing seems work, as you can imagine”* and that *“everything is new and you have to learn the basics of everyday life all over again.”* In other words he thought that he had been hit by the culture shock right in the beginning but thought that the worst was behind now. As he put it *“I have been there six months now and I think I am able to operate there now, and in my opinion I have passed the culture shock. Now it is possible to work.”* There were several issues affecting the shock and anxiety he experienced shortly after the arrival:

“In the summer I went there in this mindless heat and unfamiliar bacterial strain, and all the difference there, the insane amount of people and traffic and the custom of trade. The first weeks went by while just wondering, but then it began, I got this feeling that I cannot get absolutely anything done over here.”

Culture shock had caused him to feel even anger: *“the first reaction is like ‘oh no, either this does not work’ and then comes the anxiety and even anger that ‘is this really the way things are?’”*

In addition, there were some problems with the Chinese communication style as he remarked that the Chinese do not want to say 'no' at all and that saying 'yes' does not mean the same as to what the Finns have got used to, as it might mean that they cannot deliver what you have asked for. According to the findings, Chinese can be indirect in the communication.

Furthermore false expectations and preconceptions on China might let you down severely: *“if you go to China without thinking or that you go there and presume that things work the same way, you will be very disappointed. No, no, it just does not work like that over there.”*

In addition there were plentiful of difficulties with the Chinese business culture as signed contracts might be more flexible than in Finland. It was stated that *“you cannot know what is legal and what is phoney. This kind of trickery consumes a lot of time”* and that *“when you sign official fancy contracts and then at all times you have to be cautious that they do not get to con you. Eventually they con you anyways.”* Moreover the service culture there is different from to what the Finns have got used to, as it might take a while to get things done. Things just do not work that fast, or at all, over there: *“some day you get absolutely nothing done and another day things progress. Everything is possible, but nothing is easy, if something seems easy be alert.”* Considering the complexity of the Chinese business culture he also mentioned about bureaucracy:

“Probably the biggest surprise to Finns is the infinite bureaucracy, absolutely infinite bureaucracy there is in that country in comparison to Finland and that no matter how hard you try to clarify some legislation, that basically in China is quite logic and smart in my opinion, especially the WTO membership has forced them to renew the legislation, but the implementation of the law is a totally another issue. And you might get for example in a tax office or in the customs a different response from different officials.”

Additionally the Chinese customs can be rather baffling as he stated that:

“We were on a dinner (...) next to me was sitting a certain industrial area's Chinese director and as he noticed that I was smoking, he offered me a cigarette and we smoked together (...) a Finnish entrepreneur told me, that (...) count how many cigarettes he offers you, because he expects you to offer as many in return. It is a kind of mathematics.”

The Chinese management culture was perceived completely different from the Finnish way. He told that the Chinese management is extremely authoritarian and that the Chinese expect direct and explicit orders and that the Chinese are not used to question their superiors. According to the material, you also have to double check that the Chinese have understood your commands for sure.

Moreover there is not much leisure time and work days are demanding, as he put it *“if you think about the ordinary life out there, the working days are really long, travelling between home and work consumes a lot more time than here, therefore my day-to-day life is basically just work.”*

The inadequate time to prepare for the assignment was considered as a great deficit. Now he reads a lot but thinks it should have been done earlier. In other words it would have helped if cross-cultural training had been arranged before the assignment. However it was concluded that *“nevertheless the reality is so different that if you train in Finland for something, you cannot simply understand that”* and that *“it is pointless to start explaining something here (in Finland) to somebody, if he cannot understand at all what it is all about.”*

Theme II –Factors Enhancing Adjustment

Several issues were mentioned that had helped on the assignment. First of all the support from the company and colleagues as well as the expatriate community had been absolutely crucial for survival. It would have been impossible to arrange everything such as the apartment by your own. Also all the small practical advices from the colleagues had helped a lot. The young international Chinese professionals with university degrees and experience from abroad, even from Finland, are valuable mentors and colleagues, as they can help you a great deal. Additionally the Finnish expatriate community was really helpful as you could get a lot of valuable information through the ‘bush radio’. About the help of the community was remarked that *“out there you are in such a different environment that people’s will to help you is greater.”*

Another issue considered crucial for the adjustment is the attitude: *“there is only one way out of the anxiety, it is that you have to accept how things are, it is that we cannot change that system*

and that culture by any means, we just have to adjust to that by ourselves and that is the solution, when you realize that, it is all going to be easier for you.” In other words, problem-focused and problem-solving attitude were considered crucial for successful operating in China. Finally, it was a relief to be there alone and not have to worry about others’ adjustment but you own.

Theme III –Advice for future Finnish expatriates

To begin with, assignments in China should last for one year at minimum and three years could be a suitable length. It was considered extremely important to get to know the Chinese culture and history to help the adjustment process, by e.g. reading: *“if you go there for a longer time, then you should familiarise the country and culture so that you could better understand how it appears over there.”* It was advised not to get arrogant or angry towards the local culture. Instead you should respect and study it, as the Chinese appreciate your interest towards them. It was remarked that *“we think that we know a lot, but in fact we do not, it takes quite an orientation after all.”* Therefore the Finnish expatriates, especially the ones in contact with Chinese in a high status, should study for example the customs, so that they do not embarrass themselves. Furthermore the Finns should ask for help and try to find mentors that can ease your adjustment and life there in general, as it was easy to get help if you just asked.

Furthermore it should be realised when going on an assignment in China that *“adjustment to a new environment takes a lot longer than we here in Finland think.”* Additionally *“it should be realised that an expatriate assignment is a long-term investment and it does not yield instantly. There has to be perseverance in it.”* Moreover, *“if you have to go there to create something new, everything such as networking takes a lot more than to what we have gotten used to.”* In other words, especially pioneering assignments require patience.

6.1.2 Expatriate B – To Boldly Go Where No Finn Has Gone Before

Expatriate B worked for a large Finnish metal and engineering industry corporation and on his assignment in China he was 30 years old. At the time he had a girlfriend, but he left to China on

his own, however his girlfriend spent one and a half months with him in China during the assignment.

His assignment task was to instruct an after-sale service unit to be put into operation into the eastern part of the country, close to the coast line. He had a vocational degree in mechanisation and on the assignment his title was 'process specialist'. Even though the task was technically oriented, managing and training of the local employees was his responsibility as well. The assignment took place in 2001 and lasted for seven months, from May to December. Seven months was just enough to be able take advantage of the lower taxation in China.

Before the assignment in China, he had no former experience of such long-term overseas assignments, even though he had been on several shorter assignments inside Europe. The previous trips had lasted no longer than two weeks each. He had been selected on the assignment through a public recruitment process, but he mentioned that there was a manager in China that he knew beforehand and that this acquaintance wanted exactly him to be selected on the assignment. He noted that *"quite often happens that even if there is a public recruitment considering the assignment positions, the people are already selected."* He was convinced that this kind of pre-selection happened in his case because the people responsible for the recruitment had even persuaded him to apply for the post. He was considered as a suitable person for the position because of his robust professional and technical competence.

However, he had first been offered a contract that did not at all correspond to what he thought would have been appropriate for such an assignment. According to the first contract the pay would have been the same as in his position in Finland, but the possible overtime would be included in the base salary, and no extra compensation would be paid. He declined the suggested contract and said he would never accept such an offer. He would be working as a supervisor and instructor on the assignment and therefore he would be eligible for rightful compensation for it. He stated that *"this kind of issues personify in large corporations too, if there is one person who normally handles these things."* Nevertheless the contract was then redefined and signed by both sides. He mentioned too that his case was not the first when there had been dispute considering the way how these kinds of assignments should be arranged and compensated.

The employer had organised him an apartment from the city centre. It was an ordinary block of flats that was inhabited by both local and foreign people. However, some services were included as there was a service desk and security in the lobby downstairs. He was really satisfied with the housing arrangements.

During the assignment he had been offered a three-year contract in China, but he refused as he thought it would be impossible to combine his hobbies, relationship and working in China. He mentioned that if you value high your free time, it is going to be a bit of a problem in China, as there hardly is any.

Theme I – Adjustment Challenges

When asked about the possible adjustment challenges expatriate B mentioned several issues that had disturbed his adjustment to China. First of all, only one day training including Chinese language and culture was offered before the assignment, and he thought it was quite a little. It was not easy to adopt such complicated issues in eight hours. Considering the novelty of China it was stated that *“when I went there, everything was quite new for me”* and commenting the extent of training he remarked *“what is the use of all that, probably not too great.”*

The Chinese culture had caused some difficulties: *“there were directly no problems with people but distinctly with the culture there were.”* The Chinese might for example get physically closer than to what the Finns have gotten used to. In other words you cannot e.g. leave an empty space before you if you are queuing to a train, or somebody takes your place. As an example: *“one of the few differences that got on my nerves every now and then was this kind of places, that were packed with people and where you had to queue.”* In addition the Chinese way of speaking on the phone aloud in public places was also a bit irritating. He concluded that *“there are a lot of people, but the ways of doing things are so different.”* Furthermore the environment caused some difficulties. One thing was the enormous amount of people and the traffic: *“naturally the traffic is an issue, it is a mindless chaos.”*

In addition one of the worst problems was the Chinese communication style, and the incapability of saying just a simple “no”. He remarked that *“it took time before you realised that (...) when you asked if someone understood, and if he answers something like ‘basically’ or ‘maybe okay’, I did not understand in the beginning, that this meant, that he had not understood a word I had been saying.”* In addition: *“it is useless to expect for a single ‘no’.”* Even though you got to know some of the Chinese work mates personally, these communication problems still occurred. The cultural differences in this case were so big that you could not understand it. To sum it up he stated that *“probably loosing their face was behind all this.”*

Furthermore difficulties with the management culture were encountered, as the Chinese system was authoritarian and hierarchic. He mentioned that *“if something goes wrong nobody wants to take the responsibility, and if there are more than one person involved in it, I could quite directly say, that you never found out what had really happened”* and therefore he thought that *“direct commanding and surveillance were emphasised (...) you have to say that this is your task and you take full responsibility of it.”* Considering the problem with avoiding the responsibility it was remarked that *“you have to make the people understand especially that even though something was out of sight, the responsibility still remains.”*

Moreover he mentioned that *“sometimes I simply just lost my nerves.”* This might suggest he suffered from some sort of a culture shock. Also being separated from his girlfriend caused some anxiety. However he had not heard about culture shock before the interview. *“Let us say that if I had hard time over there it was temporary, and there was probably something else behind the anxiety, than China-related issues.”* Which suggests that issues related to personal life might have great impact to well being in a novel environment.

Moreover rather a young age had complicated relationship with the Chinese subordinates: *“in the beginning they probably thought that I was quite a young fellow (...) I kind of had to claim my place through action”*. Another issue was the exhausting work that took all the energy and most of the time. He stated that *“I got hardly any Chinese acquaintances outside the work, as there is so little free time.”* Therefore it seems that combining relationship, hobbies and work is difficult in China.

In addition the Chinese language was a problem. However he did not get upset about not speaking the local language. In fact he spoke only about ten words of Chinese and though it was not a significant problem, English was enough for him. It was concluded that *“maybe it could have been depressing if I had taken a different stand (...) they spoke to me in Chinese, I tried to speak to them in English and I realised that they did not understand a word, then I spoke to them in Finnish and they in Chinese. It went well and nobody got upset.”*

Family over there may also bring difficulties as you have to work long days and after work there is somebody waiting for you to keep company to her. There is not just enough energy to take care of anybody else than from yourself. In addition, a badly adjusted spouse would be a problem: *“I noticed that when my girlfriend spent those one and a half months there, she seemed to have more adjustment problems than me.”* Girlfriend’s adjustment problems were manifested as she e.g. called at work and complained about all the hardships she had faced.

Theme II – Factors Enhancing Adjustment

When asked about the possibly enhancing factors it was mentioned that your own attitude is in a crucial role. As he put it *“the attitude was all the time that I have to learn how to function there; it would be because of my own incapability if things did not work out”* and that *“it is me that had to adjust there, not them.”* You have to justify yourself that the only option is to adjust in there.

Another issue contributing to adjustment opportunities was the change in China. According to the findings *“the place has changed dramatically as I have visited there afterwards.”* The assignment location was described by stating that *“it is an industrial city, but lately it has transformed greatly, there are skyscrapers, Pizza Hut and KFC.”* Therefore it is a lot easier place nowadays, as it is a lot more Western than before.

In addition it had helped a great deal as he got involved with the Chinese culture and environment: *“I noticed that I learned a lot more about the Chinese system over there than the people that had for example been there a year already, because they lived inside a compound and had their own*

drivers (...) they did not get around over there.” In other words, it was good to live among the locals and not in an isolated compound inhabited by expatriates. In addition, he had experienced only quick cycles of anxiety caused by hardships, but they were quickly overcome by a sort of problem-focused attitude. He just struggled towards the objectives; if problems emerged he tried to find another way to get things done.

Moreover, it had been good to meet three Chinese visitors in Finland before the assignment. The Chinese are open-minded people and you could learn from them. Therefore a pre-visit would be helpful. Additionally the support from the company and colleagues, especially considering the language problems, had helped him a great deal. About language problems it was mentioned that *“I did well there, the people are friendly, very friendly actually and if you got into a situation where nobody spoke a word of English, you could always call to a Chinese friend, explain the situation and ask him to act as an interpreter.”* The company informed on local issues through email for example and that was found useful.

Theme III – Advice for Future Finnish Expatriates

According to the findings, it was encouraged to be open-minded and to have the courage to step outside to explore the environment, e.g. to use the public transport. Expatriates should get involved right way: *“probably it is worthwhile to start adjusting right in the beginning, do not delay it and think that you are going to do something tomorrow, or think you are going to do something next week (...) be prepared, get a grip of yourself and start living your life over there right away.”*

Additionally it is useful to study the Chinese custom of trade, e.g. the finger marks, such as the number signs that help to trade at marketplaces and stores. Naturally it would help to know some Chinese as well. Moreover, your own activity might be crucial for getting proper training before the assignment. He also reckoned that the offered cross-cultural training should be better organised and be more long-term oriented: *“it should have been more long-term or periodically arranged, that for example the same content in shorter sessions with some self-study material for*

yourself, the training would have probably been more useful and the information easier to internalise.”

It might be helpful if the company arranged co-operation between the Finnish expatriates: *“the people that had already been there for one year were living in a different city; therefore there were hardly any co-operation with them.”* Expatriates with longer experience on China could be valuable mentors for fresher expatriates. In addition it would be good to familiarise with the local ways of doing things and be a bit suspicious about promises. You have to be patient and persistent, nothing happens instantly and something might never happen. Therefore it would be wise to study the Chinese culture beforehand not to make all the possible mistakes by yourself.

Finally he warned the Finns about a kind of colonialist mentality by stating that *“you saw so many types of (...) Western people there (...) and that some of them had lifted themselves considerably high above the Chinese, that I do not know how easy it is to get along with such an attitude, if you are meant to be there for a longer time, it will not necessarily be too easy.”*

6.1.3 Expatriate C – Mechanisation with a Spouse

Expatriate C was in China with his spouse from June 2002 to October 2004, two years and 4 months in total. His wife became pregnant during the stay, but she returned to Finland on her own just before giving birth to their first child. The assignment location was the same as expatriate B's, which was the eastern part of China, close to the coast line.

Expatriate C worked for the same large Finnish metal and engineering corporation as expatriate B. In the beginning of his assignment, he was 40 years old and he had a vocational degree in mechanisation. His original title on the assignment was ‘production planner’ and his task was to instruct the local employees to plan the production of a machine workshop. After this was done, he became an instructor and technical support for the salesmen. In this new role he was supposed to for example instruct the salesmen on how to give propositions to customers, how to map out the needs of a customer, and how to do sales and serve the customers in general. He also travelled the country and visited customers’ factories with the local salesmen. Therefore his overall

assignment task was quite a versatile, it had a technical orientation, but it also consisted of training and practical sales work.

Before the assignment there had been organised a two-days training for the people going on an overseas assignment, also the spouses were covered. He mentioned that in the training a person had discussed superficially about what it meant to go working abroad. Basically the training consisted of Chinese culture and customs. He noted that *“the usefulness of such training was quite poor as it did not correspond to the reality out there.”* There were no language training at all, but he mentioned that it is easier to learn the language on site as you forced to know a bit of Chinese. No training was offered during the assignment either, however he thought there would not have been any time for training as the work started immediately after the arrival.

Before signing the contract the company also arranged a pre-visit for the couple. On this approximately ten-day trip they were able to see what kind of a place the assignment location would be. After the visit, there was about two weeks time left to decide whether to go or not. He had also prepared himself for the assignment by doing a little reading about China. He had no former experience of long-term overseas assignments, but he had been to various European countries and Japan on short-term trips that had lasted for no more than two weeks each. He also mentioned that you do not get to see a lot more than the hotel and the factory on this kind of short trips.

He was selected on the assignment through a public recruitment process. Originally he actually applied for a position in Australia, but then the company suggested that there would be greater demand for his technical skills and know-how in the Chinese markets. Therefore he was then offered a position in China and the selection criteria was his robust experience with specific machinery and technical expertise.

The last eight months he spent in China alone as his wife stayed in Finland with their newborn child. He also mentioned that his task on the assignment was more interesting and exciting than it had been in Finland. This was because he got involved all the time with new issues and got to

learn a lot. He thought that he had learned and developed personally a lot more than he had instructed the local employees. He noted that *“your perspective kind of widened immediately.”*

Theme I – Adjustment Challenges

To begin with, there had been problems considering the language. It was a problem not to speak Chinese and the fact that too few Chinese spoke proper English did not help the situation at all. Therefore locals were needed to act as interpreters. He mentioned that *“on the average, the skill of English on the street was zero.”* As working happened in English, communication problems appeared mostly during leisure time on the streets, in taxis and in stores.

The sort of cross-cultural training that had been offered did not help the adjustment too much: *“the usefulness of such training was quite poor as it did not correspond to the reality (...) I got little tips from there, but that was all.”* Even though it would be good to know the basics of Chinese culture, he remarked that *“you simply cannot learn everything beforehand and you just have to learn some things the hard way, and that is just the way things are.”*

In addition the long and exhausting working days were a bit of a problem. Demanding work e.g. disturbed possibilities to study the language and the culture: *“there were no time for studying the language as the working was so intense; the working days were about 10 to 12 hours long every day so there was no energy left.”*

The inadequate support from the company made the first days hard for the couple. As they arrived in China nothing had been arranged but the empty apartment. First there was an exhausting trip by flying, then by driving and as they got to final destination, there were nobody from the company to receive them. First thing they had to do was to find a place from where to buy toilet paper and other necessities, it was noted that *“we assumed that the company had arranged everything in order, but it had not and it was bit of a disappointment.”* He concluded that it took a couple of days to recover from the arrival shock and to be able to find all the necessary groceries.

Furthermore the Chinese different communication style was demanding: *“let us say that a Chinese is the kind of a person that when I explain something to him, he seems to be understanding at all times, even though he does not understand.”* You had to be really careful when advising the locals: *“you had to keep an eye on the fellow really carefully to see if he really understood what I had told him, you kind of had to double check.”* However he thought the communication got better as time went by and you got to know your colleagues, and *“as they adopted the Finnish way (...) of thinking.”* He concluded the communication that *“let us say it changed as time went by (...) as we got closer (...) they came to ask that ‘how was it again?’”*

His wife had been lonely at times during their stay, because the work did not leave space for time together. The expatriate community was a great support for the wife, but there were difficulties with finding common interests between expatriate families with children and families without children. Expatriate mothers were busy taking care of their children and did not therefore suffer from excess free time.

Moreover they had some problems with the local food at first, but more Western type restaurants were opened all the time. There were some really good Chinese restaurants too, but the problem was with the Chinese menus, so that you did not necessarily know how to order. The bacteria were a problem too: *“the food sure was a bit of a problem there and you always had to be a bit careful as you could get a stomach disease at any time (...) basically speaking on the average you had a diarrhoea all the time.”*

In addition there were difficulties with the environment and the culture in general. *“If something starts to bother you, it is the kind of everyday issues”*, he stated. The air pollution and the chaotic traffic were one of the biggest problems. It was stated that *“one issue that restricts your hobbies and activities, running for example, in China is the enormous amount of air pollution (...) even though the sun is shining there is always a kind of smog.”* The air pollution was especially bad for the children as many of the expatriate children suffered from asthma during their stay.

Furthermore he had suffered from random anxiety and depression: *“naturally you got this kind of depression episodes there and they appeared now and then (...) there were just these kinds of*

small peaks.” This might suggest that a culture shock of some kind was experienced. The depression or anxiety was triggered by small everyday issues. Some simple things just do not work well over there, such as gas and electricity, and it might take longer to get things working than to what the Finns have gotten used to. Finally, he mentioned that the different Chinese management style might be a problem: *“the Chinese company management is extremely totalitarian and subordinating.”*

Theme II – Factors Enhancing Adjustment

Considering issues enhancing his adjustment to China, several factors were mentioned. To begin with, the English-speaking Chinese colleagues, basically the supervisors and the office staff, were a great help, as they could act as interpreters. As these colleagues could help with the language, the inability to speak the local language was not considered as too big of a problem. In other words, the support from colleagues was crucial for the survival: *“many times I would have been in big trouble out there without the local support.”* In addition: *“inside the company we had this really clever and lively secretary who was a great help.”* You could call her at any time and anywhere and she always helped with what ever was the problem. Furthermore, later on some of the local workmen also started speaking English as they studied it besides their work. It was concluded that *“actually it was the best of music for my ears in the end as you could hear Finnish swearwords at the workshop!”* Finally, generally speaking the communication with the locals got better as time went by.

Moreover a thing that had helped with the language problem in the beginning was a system created by the American expatriates. It was a ring on which you could add new address cards as they appeared. *“At first I had local addresses on paper notes. It was actually quite handy as we got a bunch of addresses including restaurants, hospitals, sights, and that sort of things (...) in the beginning it came in handy (...) you could show them to the taxi drivers.”* He got it from the expatriate community, and concluded that in the totally novel Chinese environment the expatriate community was a great help, as there were Finns and others that you could communicate with in the languages you knew.

In addition, it had been crucial to have a good know-how and robust experience, and especially a good support network to help you when problems emerged. Additionally it was considered good to have a good professional network outside the company as well.

Another issue helping the adjustment to China was to get involved with the local colleagues also during leisure time. He became good friends with some of them and they e.g. arranged trips and evening gatherings together. *“We practiced some free time activities together such as little hiking, ping pong and beer drinking of course! This is also a part of that culture”*, he remarked and concluded that *“generally speaking the Chinese (...) are really friendly folks.”*

Furthermore it had helped the couple that his wife had taken a private Chinese teacher from the university as she had time to study. As she improved she could e.g. do the shopping in Chinese. In addition it was a great help for his wife as they got Chinese home helper, which took care of cleaning and would have even cooked if asked, so that his wife could do whatever she liked. Also the apartment was a significant factor considering their well-being: *“a balancing factor was the house which was built in a Western way.”*

In addition independency from e.g. company drivers and taxies was considered as a relief: *“it was good that the company arranged driving licences for us that meant that we had cars at our disposal and that we could move independently as we wanted.”* Even though the traffic might be chaotic, *“you got used to the road manners quite fast”*.

Furthermore the significance of your own attitude was emphasised by stating that *“if you are positive and open-minded all the time you will not have any problems there.”* Different kinds of people face the challenges and issues differently. Additionally it was mentioned that *“older age helps you in China.”* Finally, the assignment duration was considered appropriate for adjustment to China. Finally he would like to go there again if only his wife would agree to that.

Theme III – Advice for Future Finnish Expatriates

Maybe the Chinese are not that different after all. He stated that *“in my opinion the Chinese are a bit like the Finns too (...) we are a bit earnest that you do not open up at first, it takes a long time. Perhaps they have the same kind of basic characteristics as we do.”*

In addition *“it would be important that even the company arranged activities for the wives, our company did not.”* Expatriate wives have meetings and such together, and it is wise to get in this kind of activity, so that you do not get lonely and bored. It does not demand a lot from the company to take care of the wives, and it is not wise to save in such minor issues as the expatriate assignment itself is expensive.

According to the findings logistical and practical help, as well as the pre-visit are really important. It was mentioned that the company should arrange everything ready considering the apartment, so that you do not have to use any of your energy on such things. Then it would be good if the company arranged an introduction to the environment and advice on practical issues considering the day to day life.

General training about going to work abroad was considered pretty useless. He mentioned it would be good if the work would not start immediately after arrival so that it would be possible to get to know the assignment location at first. In addition *“there should be training about the exact location to where you are going on your assignment.”*

Help from colleagues and mentors were perceived important, and that the company has significant role to play in this. He mentioned that the former expatriates that have been in the same area would be a great support, but usually the other expatriates are busy with their own things, and have no time to be there for you. Additionally, *“let us say that if I was to establish a company there, the first thing to do would be to hire a driver and a secretary.”* In other words it would be crucial to be able to move and to get instant support, if e.g. communication problems emerged.

Probably the biggest clashes Western expatriates had with the locals happened in the bars and restaurants. There were people that behaved inappropriately while under the influence of alcohol. He had also personally got into suspicious situations a couple times as well, and suggested that you should be extra careful especially when you are outside your familiar environment and neighbourhood. His friend even got poisoned in a restaurant during a business trip in the northern China. However, it was considered safer on the streets in China than it is for example on the streets of the major cities in Finland.

According to the findings adjustment depends heavily on personal characteristics. In addition the managers there should be balanced and should have excellent interpersonal skills, so that they get along well with different kinds of persons. Expatriates and managers in general are not supposed to be too strict in China: *“all kinds of strictness in that country cause problems; instead you have to be balanced and calm on your character.”* In other words, you have to tolerate uncertainty and stress, and you have to be a flexible negotiator character.

On the other hand, expatriate experts and workers should have robust experience and professional abilities as well as knowledge on technical issues. In addition it was perceived crucial to have a good know-how and robust experience, and especially a good support network to help you. You cannot handle everything and therefore you have to have good contacts to all sides, also outside the company, considering your assignment task.

6.1.4 Expatriate D – Local Plus-Contract

Expatriate D had a Master of Science in engineering degree and he worked for a large and multinational ICT Company headquartered in Finland. He went to China with his cohabitant at the time who had signed an expatriate contract with their shared employer. In other words he did not get an expatriate contract but was recruited by his employer on site as a local employee immediately after his arrival in China. His contract was called as Local Plus-contract, which meant that he got the Finnish salary and Chinese taxation, and because of his spouse he practically got all the expatriate benefits as well. Their common assignment to China lasted for

three years and took place between 2000 and 2003. In the beginning of the assignment he was 31 years old and had no previous experience on working abroad.

When they started their assignment in China, the company was establishing the Chinese research and development unit in which the couple would be working. Therefore the local organisation was brand new and the task was quite pioneering as well. For the first year in China he worked as an environmental reliability engineer in a product testing laboratory and for the last two years he was a manager in a same kind of a unit. At first his task was professional and technical but turned into a managerial position. As a manager he led a group of eight Chinese, four engineers and four technicians.

He had been personally in contact with the unit in china before he went on a pre-visit regarding his spouse's assignment. He knew that they were looking for such engineers as himself to work there and during the pre-visit he got recruited by a Finnish environmental reliability manager, therefore he also got the local plus contract instead of an expatriate contract. Technical competence was the main criteria for the recruitment.

When they arrived in China, they first stayed in a hotel until they had found a suitable apartment with the help of a local consultant that had been arranged by the company. They had a budget for two persons and there were a lot of options they got to choose from. However they had problems with the personnel of the housing association they chose to live in and they even had to move out of the first apartment because of local farmers rioting in the area.

During his assignment he supported his Chinese engineers to go working abroad and as a result at least two of them either work or study abroad at the moment. Considering the novel task including purchasing in a completely novel environment he thought he had done quite well. About his assignment he concluded that *"I enjoyed my stay a great deal! I would go there or Asia again if I got a chance."*

Theme I – Adjustment Challenges

During the interview several adjustment challenges faced in China were mentioned. First of all, no proper training was arranged before going to China: *“I think it was a one hour lecture (...) for people that were going abroad (...) that was it”*. Considering the content of such training, they had discussed about *“the kind of problems that people going abroad usually have, they talked about culture shock for example”* and in addition *“it was basically on a really general level.”* There might have been more training available but it was voluntary, and as it did not fit into his schedule, he did not participate in it. Whatsoever, it was remarked that cross-cultural training beforehand would not help after all, because *“you cannot train for such things. That is my opinion.”* In other words, China is that bizarre and distant for Finns, that it has to be experienced in order to understand how it appears.

Furthermore it did not take long to realise the problem with the language barrier. He stated that *“during the first two weeks there, as we had been wandering in total darkness with the taxi drivers for a few times, you realised that these guys are definitely not going to study the London dialect. You had to study the mandarin language by yourself then.”* Speaking English was considered as a bit of a problem as well, because *“you cannot express yourself perfectly in English.”*

Also the different culture and environment caused difficulties: *“the difference between Finland and China is that in Finland everything works but nothing is possible, in China on the contrary nothing works but everything is possible.”* The difference in business culture could be crystallised in a Chinese saying: *“the Chinese too have a saying that (...) ‘go through the backdoor’ (...) I got to understand that if I cannot get to my goal this way, then I can take another route.”* He continued by stating that *“dealing with the Chinese is always a bit complicated, as the Chinese people are brainwashed (...) the Chinese pretend to be such nationalists (...) however at the same time, they are extremely family-oriented, with compact own networks (...) the ‘guanxi’.”* In other words, a kind of collectivist thinking prevailed over there among the Chinese, which impacted their individual deeds. In addition, no such service culture existed in China, as there is in Finland for example. The Chinese rely on their own guanxi and do

not care about the others, or ask help from anybody else. Therefore you have to create the kind service culture if your task was to provide services to other units, as it was in the expatriate D's laboratory.

In addition, the Chinese environment might not be especially stabile, as they had to move out of the first apartment because there had been farmers rioting in the compound right in the beginning, and they though it would not be wise to stay there. However it was concluded that *“in the residential area things worked quite well considering the standards.”*

Moreover according to the findings, the novel pioneering task was the most significant source of difficulties, as he put it *“during the first year there the problems emerged mostly through work, as we had no personnel responsible for purchases, and I had to arrange pretty much all the deals by myself.”* Purchasing was a new area for him and presented quite a challenge in the novel environment.

Furthermore there had been challenges considering communication with the Chinese: *“they make promises and more promises and when the time comes to redeem the promises, they just start laughing which in China is a sign of things going badly wrong.”* In other words people tend to give answers that please you and are not likely to say 'no'. He also remarked that *“you cannot put a Chinese into a situation in which he would have to lose his face”*, therefore you have to be more indirect and face-conscious by yourself as well. In addition, there were problems considering the Chinese authoritarian management culture:

“I tried to bring some Western thinking that the boss is not ‘THE BOSS’ in a way. In China the boss is the boss, and when the boss gets mad things start to happen, they do not question it at all. I really tried to teach them a different management style, as the Finns usually do (...) the differences between managers and employees here is quite small, but in China it is as different as day and night.”

The Chinese subordinates did however learn the more equal management culture of the Finns. Another issue considering the management culture was that there were difficulties making independent decisions and taking responsibility:

"At first especially my engineers clearly had difficulties doing independent decisions (...) I delegated tasks and it seemed that they could not do any decisions alone (...) they have gotten used to the boss telling what to do (...) later on it became easier as they too realised that it is not that hard."

According to the findings it seems that he had experienced a culture shock during the assignment, and that spouse had an impact on the adjustment as well:

"It became approximately in a bit less than one year, about a period of one week when everything got on my nerves (...) I was feeling down and there was no sense in anything. I started to compare how things are well in Finland and badly wrong over here as nothing works (...) there is just nothing positive in life (...) naturally spouse has a great impact on it (...) as you discuss about things and support each other (...) It was quite a short period itself (...) However there were some people who experienced it for months."

Finally, long working days and lack of leisure time might form into a challenge: *"free time, well, working days there were long so you did not get to do much during the weekdays."*

Theme II – Factors Enhancing Adjustment

To make things work and to change the Chinese attitude, the factory's good management team was in a crucial role. Co-operation between managers is a must. Otherwise at least his work would have been extremely hard to accomplish.

Furthermore his personal network helped to overcome the demanding pioneering task. *"Fortunately I knew, not inside the Chinese unit but in the previous unit, some purchasers from whom I got advice and hints to get started"*, he concluded. In other words support from the company and colleagues seem to have been in a crucial role considering the adjustment. In addition learning the Chinese language greatly enhanced the adjustment, and the company support had a major role to play in this as well:

"I studied Chinese for the three years (...) I cannot read or write but I am able to talk for sure (...) it did require quite a lot of work (...) the package offered by the company was good as you got a personal teacher. The language training was arranged at work. The beginning was more intense of course, at first there were two hours twice a week and once a week in the end (...) you could take the training during the working time as well."

In addition attitude and cultural awareness were crucial for his adjustment: *“the most important thing was to personally realise that in China you cannot change the people (...) the culture is thousands of years old. What are we? Not even close to that!”* It was concluded that you may think anything you want about the ways of doing things there, but first of all, it has to be understood that it is you who have to adapt into China by yourself, and that you cannot change the country and its ways. In addition you should be interested and get involved with China right away: *“as I was completely fine with the Chinese language right from the beginning, I was willing to learn it, I was willing to communicate with the local people, that it itself of course enhanced it and helped to live there.”*

Moreover the communication with the Chinese subordinates got better through time as circumstances changed: *“it got better during the two years naturally, as they were on English language courses.”* In addition the home helper did make daily life easier. He mentioned that *“there were no problems with day to day life as we had the home helper all the time, or let us say three days a week, she did the laundry so did not have to worry about that, she even cooked Finnish food, as she had been to many Finnish families before.”*

Furthermore there were plentiful of leisure activities:

“We had a gym (...) regards to the housing association. We had a tennis court, and we played floor ball with the Finns once a week at the compound and golfed in the weekends, I played football too, we had Finn-Danish team in which we had Chinese fellows too (...) then I played football in the factory’s team too (...) We played even ice hockey”.

In other words, it is not a problem how to exploit your free time and keep yourself in a good fit, at least in the larger cities which offer all the activities. However, the situation might be different in smaller locations. Furthermore it had been nice going out to relax as well. He remarked that *“of course we did spend time in bars drinking beer too. It was really relaxed, as Mao himself has told in the past that none should mess around with the foreigners.”*

Also the colleagues had helped him at work in the beginning, but they did not spent time together outside work: *“the secretary we had in the group helped quite a lot, even during my free time in the beginning, as I had communication problems and so on (...) it was a vital help.”*

Theme III – Advice for Future Finnish Expatriates

Considering the appropriate assignment duration it was noted that *“considering living there in general, maybe during the third year there things started to seize”* and that *“let us say that two to three years is probably quite an optimum.”*

He had not changed his behaviour, way of doing things or his management style. Naturally as being a manager, he was careful not to lose his temper in the front of anyone, in other words perseverance and patience are important when working with the Chinese. *“I think I was like one of them. I created the kind of an atmosphere that you could tell me if something was bothering. At first they gave sidelong glances and peered thinking what it meant, but as time went by it clearly changed, they understood, they came to talk to me by my first name.”*

In addition you should be careful not to follow *“the colonialist mentality”* and not to see yourself somehow better than the local people: *“they are intelligent people, there is as much intelligence as there is in Finland and Europe, there is no difference in that, only the way of thinking is different. Thinking is not intelligence.”* In other words, you should not be arrogant or underestimate the Chinese.

According to the findings, the company should arrange language training. Additionally some kind of lectures by previous expatriates before takeoff would be good, so you would get a living example from whom you could ask questions. Furthermore a mentor was perceived to be useful: *“After China I went to the US and there was a lot more of that information on the local culture. There was a consultant that personally discussed with you and advised on the issues that differed between Finland and the US, they gave me loads of literature.”* It is also essential to arrange all the basics in order in the beginning. Furthermore he remarked on the importance of basic knowledge over China, that:

“you should know the basics such as when you give and receive a gift, you use your both hands doing that (...) and handling of business cards (...) you do not put them in your pocket but you

have to keep them on the table all the time (...) the basics of Chinese would be good that you could greet in Chinese.”

Considering the importance of getting involved with the locals it was noted that *“after the football games we always went eating with the whole team, and as I could already speak Chinese, I could discuss about things such as how is your family and so on (...) I was like one amongst them; there was nothing so special about it.”* In other words it is possible to integrate in the Chinese community, at least among the colleagues, if there is enough will and courage.

Finally comments on expatriate selection and psychological testing were made. In fact, expatriate D had gone through a psychological assessment, regards to his spouse’s expatriate assignment, on which he noted that:

“I had a really busy day and I had to drive to the HR and there was some guy waiting for me and started to assert me, I think he asked such stupid questions in a quite negative fashion (...) however, the result was that I am not suitable for working abroad in any circumstances. It was a half an hour interview and the analysis was as clear as the sun: this fellow is not suitable for overseas assignments in any case or circumstances. I would like to meet that guy from the HR today and tell him that I did extremely well for those six years (three in China and three in the US). I do not count on such psychological testing and ‘block tests’ and group tests and what so ever, they might however give some direction, but your adjustment is up to your own motivation and will after all.”

Considering the findings on psychological assessment, it seems that such testing may be rather controversial. If psychological assessment is used in the selection process, it should be done extremely carefully to avoid false assessments on potential people. It seems that at least short interviews by HR professionals are not enough to valid conclusions.

6.1.5 Expatriate E – Twice with the Family

Expatriate E has been to China twice. He was on an approximately two-year assignment in the northeast area of China on both occasions, and he had his whole family with him. The first assignment took place from 2000 to 2002 and the second from 2004 to 2006, which is four and a half years in total. In the beginning of the first assignment he was 40 years old, he had a wife and

three children. The children were three, five and seven years old during the arrival on the first assignment. His employer was the same ICT Company as expatriate D's.

His assignment task was managerial and highly professional. He was in charge of a global team responsible for public authorisation of a single product line of the company in the Asian Pacific area. His original assignment was to establish relations with the local authorities to enable the company's operations in China. His team consisted of professionals all around the world with diverse backgrounds. Naturally, a lot of involvement and co-operation with the local authorities was needed to perform his task.

Before going to China he had experienced one overseas assignment which lasted for about a year and took place in 1999 in Hong Kong, his family was with him on this occasion as well. Because the family had been to Hong Kong previously, the company considered that they were in China already and no cross-cultural training was provided. Expatriate E noted that the difference between Hong Kong and China is significant, as Hong Kong is a business city and China is more or less an industrial area. However he stated that China is an enormous country with enormous local differences, as for example Shanghai is quite the same as Hong Kong but other areas and cities might be completely opposite.

Expatriate E had a bachelor's degree in IT engineering and he mentioned that he had been originally selected on the assignment through a public recruitment process. There was a post open in the company's intranet and he applied by sending his CV and so on. However once he got the position, he started to build his becoming team by informing his competent acquaintances on the open posts. Thereby he could form an efficient team. However the team members were selected publicly by their actual skills and competences.

Even though the company arranged a pre-visit to familiarise with the new environment and hired a real estate agency to arrange them an apartment, they had to find a school for the children by themselves. The schooling issue was a bit of a problem because English was the only language available and the children were young. Private schools do not necessarily accept students with inadequate command of English. Furthermore they received no training before the assignment as

they were only a short briefing for the expatriates before the takeoff. As they had been to Hong Kong, they were considered to be in China already.

He thought that the first two years in China were a real adventure as it took great effort even to find basic groceries that you wanted, and you had to learn how to manage in a totally novel environment. However he noted that as the daily routines started rolling smoothly and life did not present any more significant challenges during the second two-year assignment, the living became even dull. He thought his task did get somewhat boring as his work remained the same all the time, even though the beginning had been quite challenging, he had not been that motivated anymore.

Theme I – Adjustment Challenges

Considering the adjustment challenges in China, he mentioned several issues. To begin with, the Chinese business culture was remarkably different and might present challenges for working there. Perseverance, trust and long-term orientation are emphasised:

“It was really persevering work (...) we started to develop the authorisation process and the co-operation with the authorities to make it run faster (...) I remember the first meetings in the different ministries, they were not that official but both sides were sitting on different sides of the table drinking tee and nodding, agreeing that there could be something to be done. However in practice it took about one and a half years until the big wheel started to roll. Basically we had to develop trust on both sides before we could do business together. In the Finnish culture or somewhere else you simply agree on things and then start acting as agreed, but there you have to earn the trust on the both sides before you can co-operate.”

Another issue considering the business culture was the bureaucracy and the implementation of laws: *“one of the problems there was that the authorities’ directions and policies might change overnight.”*

In addition the lack of training before the assignment was considered as a problem: *“basically I got no training at all, or it was because of my own stupidity not to get anything.”* He reckoned that he would have gotten training from the company if he would have asked for it. Moreover the language was an issues and studying Chinese was started right after the arrival. *“At least it*

happened to me that I got interested of the Chinese language as I went there and as they did not speak too much English, I had to start studying it.” In addition, there were constant difficulties with bad English at work. There were problems with communication as well: *“the people there just cannot say no”*. Differences in the communication styles have to be taken into consideration at work:

“At the end of a meeting (...) fellows are nodding their heads, but you could tell by the look on their faces and their appearance that now he is a bit lost and does not know what to do. Usually after a meeting I discussed with a fellow and asked him that what he is going to do and what does he think. I kind of guided him a bit more.”

He also had to adapt his own communication style: *“we Finns may tell each other directly that you have done something wrong and that let us do things this way, but you could not say that to a Chinese. Especially a problem was saying ‘no’, because you had to say it indirectly using bypaths.”* In addition *“there are always problems considering if somebody understands what you are saying.”*

There were also differences in the ways of working and in the management culture, and you should not only make sure that you were understood, but you should also secure that things are done as agreed. In other words surveillance needed more attention: *“another thing is that if the Finns agree together on something, they walk out of the conference room and get to work, but over there it does not necessarily go always as agreed; they might not understand or they might try to take personal advantage of the situation.”* Considering the management culture, taking responsibility was also a problem: *“as we worked together and I got to know the guys, I began to understand what was true and what was not (...) however, there were situations that people knew things were going badly wrong, but they still pretended that everything was okay and that they had done their work well.”* According to the findings, women might be more motivated for work than men, as the men were more career oriented and were more concentrated on promotions than the work itself. Difference between men and women was described by noting, that *“let us say that when it comes to the men, it was really important to get a manager position and manager title. The women did not value managing that high and concentrated more on doing instead.”*

In addition it is easy to give room for a kind of colonialist mentality and start to blame the locals for any problems. This kind of mentality might make life over there hard and complicated:

“Probably one of the problems that appeared as time went by was that we Finns and other Westerners became a bit racist after all. In practice it meant that we started to look for people to blame when something went wrong. We as Finns and as other Westerners felt that we were somehow better and can handle the work, and that these others cannot (...) if somebody for example once tried to do something and failed, he became marked immediately, and so on.”

In addition according to the findings he had undergone a culture shock over there. The culture and the environment are shockingly different to what the Finns have gotten used to: *“in China (...) the language problem was quite bad (...) and back in the year 2000 you were lucky to find spaghetti from a grocery store (...) the reality really hit me.”* Considering the environment’s affect on the culture shock the following statement was given:

“One thing considering the culture shock in my opinion is that as you go there, you have this enthusiasm at first and seeing all the new things and all this keeps you fresh, but as the daily routines start to roll and so on (...) for example there is this air pollution that started get on your nerves at some point. You started to get absolutely pissed off because of all this kind of small things and you began to think how great it would be to be sitting on an island at the Bothnian Bay and grill sausages, and so on.”

Considering the demanding environment, the traffic and pollution get worse all the time. Moreover the Chinese environment is so different that you have to experience it before you can understand how it is like:

“Probably books might be of some use, but the realities of life and the wretchedness of life as you go there (...) for example (...) a) temperature, b) humidity, c) noise and d) the amount of people, heavy traffic and so on, you cannot learn these things from books, you have to go there beforehand and spend time, and try to get to know the environment, it is so different”

In addition it was a problem that the people in other company units could not understand the circumstances and the situation in China at all:

“Another problem was that... in the rest of the company they did not understand at all the circumstances, and therefore we invited people all around the global company to pay a visit in China, to come and see what living and being there really is. As the people came over there and we showed them around, they finally understood what life there was.”

Moreover a significant issue considering the whole family's adjustment to China is the children's school. Considering the paramount importance of the school issue, he concluded that:

“Let us say that the children's school issues are really significant. If you get the children's school issues in proper order it helps the civilian life a great deal. If there are problems with school, it (...) reflects on the whole family's life. Our children kind of had to skip one year in school or we did actually go to Finnish school through internet (...) at some point we almost decided to go back to Finland because of that, but we eventually got that in order through curators and a kind of counsellor.”

This suggests it is quite a demanding task to find a school for the children, as there are only English speaking schools, and the young Finns do not necessarily have the required command of English. The task was even harder as there was no support from the company: *“the schooling issue we had to solve by ourselves, we applied to schools and had some interviews.”* In other words, you cannot simply enrol into a school; you have to apply for a place instead.

Furthermore the biggest problems considering adjustment were related to free time and daily life with the family: *“while working you had things to do and so on”*, but free time is up to yourself. About social life he stated that *“another issue (...) is to get social relationships working, and that you find friends and you have got something else to do, and so on.”* Finally it was concluded that adjustment to China with a family is a long and a hard process: *“generally speaking it takes about six months to settle down and get the routines rolling if you go to a new place with your family.”*

Theme II – Factors Enhancing Adjustment

To begin with, the company support was helpful in many ways. The company support with all the paperwork and housing had helped the adjustment in the beginning. However they had to take care of the school issue by their selves. Furthermore, the company did arrange language training in China for a few hours a week and in which he participated. There were also some cross-cultural training: *“we had some kind of minor, let us say training on the Chinese culture and so on, but it was only one or two days session, there was nothing else organised by the company.”* Another issue helping the adjustment to China was the organised pre-visit: *“we spent two to three days there on the location about two months before the assignment on which we got know the*

area, take a look at apartments and schools, super markets, hospitals and what ever we wanted to (...) practical issues first of all.” In addition the company arranged a local driving license and *“it was something that gave you a feeling of freedom.”*

Additionally language skills in Chinese would have helped working there, as you would have gotten much more information in the negotiations with the Chinese. However, as he did not speak Chinese at first, support from the colleagues was crucial: *“for example in the meetings with the authorities they spoke Chinese together (...) my team members acted as interpreters between me and them.”* Furthermore it had helped a lot in China to have a robust experience on the task at hand: *“I had been working with authorisation and product testing all the time in Finland, so I could transfer that competence over there.”*

Moreover the expatriate community they were living in was perceived as a great help. He thought they had become acquainted with other foreigners easily and the children had a role to play in this as well: *“you got quite a great deal of social relationships through the children and school.”* In addition his wife had adjusted quite well into China as well: *“let us say my wife did not have too many problems as we were going there together and it was a shared project.”* In other words his wife as well had the motivation to get along in China. She did study Chinese as well, as there are a lot of language schools available.

In addition the development and change of the Chinese environment had helped the adjustment. For example the language issue and the availability of Western goods got better all the time, as he put it *“I remember even taxi drivers speaking English, everybody was studying English”* and that *“nowadays you can even get Oltermanni cheese and Wasa bread from the grocery store next door!”* In addition there were plentiful of sports and hobby options, such as football, tennis, mountain biking, running, golf, downhill skiing, gyms and swimming pools. Therefore you did not have a lack of activities during free time. However it has to be kept in mind, that the city they were located in was a major Chinese city.

Furthermore your own attitude, interest, awareness and tolerance were considered crucial for the adjustment: *“adjustment depends greatly on your own attitude and how enthusiastic you are to*

get to know the culture and to learn it. For example that language issue and others are the easier the more you get involved with them, you should not be too sensitive and prejudiced.” In the beginning he might have gotten annoyed with the local manners, spitting and smoking in a food restaurant for example, but as time went by it got easier to understand. He thought you should be culturally aware and tolerant by remarking that *“you should think the other way around, that in their eyes you might have done something absolutely crazy”* and that *“we were just visitors and we have to adjust into the country and the culture, not vice versa.”* Furthermore China will not be a problem if you are interested in it: *“even after time we have been there (...) it is still fascinating (...) the Chinese culture (...) it is so diverse and there are a lot of things to see.”*

Theme III – Advice for the Future Finnish Expatriates

To begin with, it would not probably be the best choice to spend your time solely with other Finns and try to get a Finnish mentor, because of the Finnish jealousy. It was advised that not all the Finns are sincerely willing to help co-nationals. On the other hand, e.g. expatriates from Asia could be better friends for you and would make better mentors as well. In addition two years would be the minimum time worth going to China, as it takes six months to adjust there.

Furthermore you should be interested in the local culture and start familiarising with it already at home. You also should start to study the Chinese language for example three months in advance, because speaking at least a little Chinese would help the practical issues in China a great deal. He remarked that *“the language issues and such depend on yourself, you should already at home realise to start getting to know the country and issues involved (...) in other words it is more or less up to you.”*

Moreover his team had team building sessions every six months, and they were considered to have helped in getting to know the colleagues and to get rid of bad attitudes. He also mentioned that perseverance in relationships is important in team work as it is in public relations in China. In addition expatriates going to China with school-aged children should get prepared for a different schooling system, so that there would be no surprises:

“You should go through the schools and find one in which the children feel comfortable and everything is in order (...) you cannot just enrol in a school like in Finland (...) we applied in a school but the principal just stated that they could not take our children in as they did not speak English, and that was the end of story. Therefore we had to put the children on an English language course on which they studied the spring and in the autumn they could go to school. It is worthwhile to find out all these kinds of things so that there would not be any surprises. This was a total surprise for us though.”

It was remarked that *“the younger the children are the better they adjust there.”* It might take long for teenagers but small children might even speak English and Chinese in a few months time. In addition it was found that it would be wise not to sign too long tenancy agreements, so that you could change the apartment if would like to.

In addition the Finns should not isolate themselves from the Chinese culture: *“if you start to block things away concerning the culture, for example the food culture, your personal space shrinks (...) if you go out and there is always something that starts to get on your nerves and piss you off, being there becomes extremely difficult for you.”* Especially the food culture was considered worth getting to know.

Finally the preconceptions on life, culture and environment considering China are crucial: *“at least it seems to me that many people think here in Finland that alright, they are abroad now and it is great and wonderful and so on, but it is not, the common life there after all is usually quite harsh.”* In other words, you should know where you are going to.

6.2 Sum Up of the Adjustment Challenges

Sum up of the adjustment challenges found in the interviews is presented in table 3 below. The emerged challenges are listed according to their frequency and their appearance in each case is marked separately. In total eighteen different themes of challenges were found. In addition eight main themes, in other words factor groups or categories, were found among the challenge themes. The factors groups found were: work, organisation, non-work and individual-related factors (Black et al.1991), and moderating factors: cross-cultural training, time, culture shock (Selmer 1999a, 2005a, 2005b) and language (Shaffer et al. 1999). Each challenge theme is marked with

the factor group it belongs to in table 3. The categorised in factor groups was conducted with respect to the adjustment theory and the prior research findings.

Chinese culture and environment in this analysis comprises the general surroundings and habitat of a Finnish expatriate in which they were present all the time. Chinese business and management culture instead comprises the framework a Finnish expatriate encounters at work while dealing with the Chinese. In addition Chinese communication style was perceived as a challenge mainly at work and is therefore considered as a work-related theme.

Theme	A	B	C	D	E	Cases
Chinese language / lack of language skills (G/L)	x	x	x	x	x	5
Chinese culture and environment (G)	x	x	x	x	x	5
Culture shock – psychological symptoms / anxiety (CS)	x	x	x	x	x	5
Chinese communication style / face (W)	x	x	x	x	x	5
Chinese business and management culture (W)	x	x	x	x	x	5
Lack of cross-cultural training and preparation (CCT)	x	x	x	x	x	5
Exhausting working hours (W)	x	x	x	x		4
Little leisure time (G)	x	x	x	x		4
Spousal and family's adjustment (G)		x	x		x	3
Complex / novel task (W)	x			x		2
Lack of company support (logistic) in the beginning (O)			x		x	2
It takes long (ca. six months) to adjust into China (T)	x				x	2
Young age (I)		x				1
Colonialist mentality (I)					x	1
Lack of understanding inside the company (O)					x	1
Children's schooling issue (G)					x	1
Most challenges are related to leisure time and social activities (G)					x	1
False preconceptions and disappointment (I)	x					1

TABLE 3 Themes of Adjustment Challenges. W=Work factors; G=General non-work factors; O=Organisational factors; I=Individual factors; CCT=Cross-cultural training; T=Time; L=Language; CS=Culture shock.

The six most common challenges experienced by all the expatriates were difficulties with the language, novelty of the Chinese culture and environment, culture shock and psychological symptoms, difference of the Chinese communication style, difference of the Chinese business

and management culture, and the lack of cross-cultural training and preparation for the assignment. In addition hard work and the lack of leisure time as well as spousal and family's adjustment were considered as crucial challenges by majority of the expatriates.

Three more challenges were experienced in two cases. The novelty of task was considered as a challenge by both of the expatriates that had no previous experience on the task at hand on the assignment. In addition two of the expatriates thought that the lack of support in logistics, such as housing and schooling of children, had presented challenges in the beginning of their assignments. Two of the expatriates mentioned as well that the long-term orientation of the adjustment process is challenging.

Furthermore there were six individual challenges experienced in different single cases. To begin with, it was found that the youngest of the expatriates seem to have had some challenges at work at first, as the Chinese might have underestimated his capabilities because of the young age. In addition one of the expatriates mentioned that the kind of a colonialist mentality presents challenges considering working. According to the findings the lack of understanding the Chinese circumstances inside the rest of the company and the children's schooling issues were challenges as well. Additionally it was mentioned, that the most challenges emerge outside the work environment. Furthermore one of the expatriates noted that false preconceptions considering the assignment might lead to disappointment, and form into a challenge considering the adjustment.

6.3 Sum Up of the Factors Enhancing Adjustment

Sum up of the factors enhancing adjustment is presented in table 4 below. The found enhancing themes are listed according to their frequency and the appearance of themes in each individual case is marked separately. In total nineteen different themes enhancing adjustment were discovered. In addition six main themes, in other words factor groups or categories, were found among the challenge themes. The factors groups found were: work, organisation, non-work and individual-related factors (Black et al.1991), and moderating factors: time (Selmer 1999a, 2005b) and language (Shaffer et al. 1999). Each challenge theme is marked with the factor group it

belongs to in table 4. The found challenges were categorised in factor groups with respect to adjustment theory and prior research findings.

Theme (Factor group)	A	B	C	D	E	Cases
Company support (O)	x	x	x	x	x	5
Attitude / cultural awareness (I)	x	x	x	x	x	5
Colleague support (O)	x	x	x	x		4
Expatriate community support (G)	x		x		x	3
Change / development (T)		x		x	x	3
Getting involved with the locals (I)		x	x	x		3
Studying Chinese (L)			x	x	x	3
Chinese home helper (G)			x	x		2
Personal network (W)			x	x		2
Plentiful of leisure time activities (G)				x	x	2
Robust professional experience (W)			x		x	2
Driving licence (O)			x		x	2
Pre-visit (O)			x		x	2
Problem-focused coping strategy (I)	x	x				2
Being there alone / independence (G)	x					1
Meet Chinese colleagues beforehand (O)		x				1
Comfortable apartment (G)			x			1
Older age (I)			x			1
Long-term assignment (T)			x			1

TABLE 4 Factors Enhancing Adjustment. W=Work factors; G=General non-work factors; O=Organisational factors; I=Individual factors; T=Time; L=Language.

The two most common factors enhancing adjustment experienced by all the expatriates were the company support and the sort of attitude or cultural awareness of the individuals. Company support in this analysis includes all the possible support the expatriates could have gotten from the company, such as logistical help, cross-cultural training or language training. The attitude instead comprises the expatriate's motivation, will, mentality and understanding of his role in the adjustment process.

Five more themes were considered as enhancing factors by majority of the expatriates. These were support from colleagues, support from expatriate community, the ongoing change and

development of the Chinese environment, getting involved with the local people, and studying Chinese. The two cases that did not consider studying Chinese to enhance their adjustment, were the one that did not study Chinese at all and struggled through his less-than-a-year assignment with English and written notes, and the one that was still on his assignment and had not yet learned enough Chinese to facilitate it.

Seven more themes were considered as enhancing in two of the five cases. These factors were Chinese home helper, personal network, good leisure time activity supply, robust professional experience, personal driving licence, pre-visit, and problem-focused coping strategy. The personal network outside and inside the company was considered crucial in situations where the expatriate had to be involved with especially novel issues and tasks. Moreover robust professional experience was considered significant in cases where the expatriates continued working with more or less the same issues as before the assignment. In other words it seems that expertise in a specific area helps the expatriate to adjust to the working environment, as the expatriate gets to facilitate the skills and knowledge already acquired. In addition the leisure time activities seem to have been more diverse and enhanced the adjustment in the cases where expatriates were assigned to more major cities.

Moreover five more enhancing themes were brought up in single individual cases. These themes were being on the assignment alone, getting familiar with the Chinese colleagues beforehand, comfortable apartment, seniority, and long-term assignment. The only expatriate that had been all the time in China alone, thought that it had been easier to worry only about himself. In addition another Finn had met a couple of Chinese colleagues beforehand in Finland, and thought that it had been helpful. Additionally older age was considered to help at work, as the Chinese may respect older people more. Finally, one of the cases remarked that long-term assignment helps to adjust to China as it demands reasonably plenty of time.

6.4 Sum Up of the Advice for Future Finnish Expatriates

The expatriates gave a number of advices considering the future expatriate assignments. The advices were separated in two main themes: expatriate-related and expatriate management-related

advices. The sum up of the advices for the future Finnish expatriates is presented in table 5 below. The sub-themes in the two main advice themes are listed according to their frequency and their appearance in each individual case is marked separately, as in the previous sum up tables above. In total seventeen expatriate-related and thirteen expatriate management-related advices were represented in the case interviews.

Considering the expatriate-related advices the most common four sub-themes mentioned by majority of the expatriates were: get to know the Chinese culture beforehand and respect it, be patient and persistent – things take longer than presumed, study Chinese and the basics of customs, as well as be open-minded and get involved with the culture, the people and the environment right away.

In addition two more advice was given by two of the cases. Firstly, the expatriates should proactively find help and mentors. Secondly, they should be cautious considering the kind of “colonialist mentality”. In other words, it is not recommended to get hostile against the locals.

Expatriate-related advice themes	A	B	C	D	E	Cases
Study the Chinese culture beforehand and respect it	x	x		x	x	4
Be patient and persistent - things take longer than you think	x	x		x		3
Study Chinese and the basics of customs		x		x	x	3
Be open-minded and get involved right away		x		x	x	3
Find help and mentors	x			x		2
Be aware of “colonialist mentality”		x		x		2
Be proactive considering getting cross-cultural training		x				1
Commonalities between Finnish and Chinese cultures			x			1
Be cautious while in new environments and control the use of alcohol			x			1
You have to tolerate stress and uncertainty and you cannot be too strict			x			1
You should have a good personal support network			x			1
Expatriate Finns might not be the best mentors					x	1
Perseverance and patience is crucial in teamwork as well as in public relations					x	1
Get to know schooling issues beforehand					x	1
The younger the children the better they adjust					x	1
Not wise to sign too long tenancy agreements					x	1
Irrational preconceptions on life in China are dangerous					x	1
Expatriate management-related advice themes	A	B	C	D	E	Cases
Assignment length from one to three years	x			x	x	3
Mentors should be pointed out by the company		x		x		2
Company should arrange mentoring and facilitate former expatriates			x	x		2
Co-operation between expatriates should be organised		x				1
Company should organise activities for spouses			x			1
Logistical and practical company support as well as the pre-visit are important			x			1
Cross-cultural training should be location specific			x			1
Time to familiarise with the location before work starts would be good			x			1
Important to arrange support considering moving around and language			x			1
Expatriate managers should be balanced and have excellent interpersonal skills			x			1
Expatriate experts and workers should have robust professional experience			x			1
Psychological testing might be biased				x		1
Teambuilding is good in getting to know the Chinese colleagues					x	1

TABLE 4 Expatriate and expatriate management-related advice

In addition eleven more advices were given by individual single cases. To begin with be proactive in getting cross-cultural training, as the company might not automatically provide any. There also might be commonalities between the Finnish and the Chinese culture, as for example the Chinese are a bit earnest and socially careful as the Finns, at least according to one of the expatriates. It is also recommended to be cautious in new environments and drink wisely, as there may be some people that are trying to con you. Moreover you have to tolerate stress and uncertainty, and you should not be too strict, because in China everything takes time and too much strictness causes conflicts. In addition you should have a good personal support network, as you might end up in a situation you cannot handle by yourself. Furthermore fellow citizens might not be the best mentors because of the Finnish jealousy, in other words the Finns may concentrate more on their personal benefits instead of helping others in need. In addition perseverance and patience is crucial in teamwork as well as is public relations, in other words persistence is crucial in all social relationships. Moreover familiarise yourself with the schooling issues beforehand, as the schooling does not work these same way in China as we have gotten used to in Finland. Additionally the younger the children the better they adjust. It is not recommended to sign too long tenancy agreements either, because there might emerge some sort of problems considering the housing, from which you would like to get rid of. Finally, irrational preconceptions on life in China are dangerous, as you may end up heavily disappointed and shocked about the reality of life in China.

Considering the expatriate management-related sub-themes the most common advice by majority of the expatriates was that the assignment should last from one to three years. The expatriates that had spent minimum two years time in China thought that after two years life begins to seize, and does not present any particular challenges anymore. Moreover in two of the cases expatriates suggested that company should facilitate former expatriates, and point out mentors for fresh expatriates and that the company should arrange co-operation between expatriates on the same location.

Furthermore individual single expatriates gave a number of additional advices they thought would be useful considering the management of expatriates. To begin with, company should organise co-operation between expatriates, as there is little free time to organise any common

activities on your own. The company should also organise activities for spouses, because the expatriates themselves are busy with work and cannot perhaps take care of the rest of the family. In addition logistical and practical help as well as the pre-visit are important, which means that the expatriates need help and advice considering the daily practical issues in addition to the greater arrangements. Moreover the cross-cultural training should be location specific, in other words general information about working abroad does not correspond to the situation in China, as the Chinese environment relatively more demanding. Location specific training should include e.g. information about the novel neighbourhood, transportation, shopping, medical care, language and cultural training, and so on.

Furthermore it could be helpful to have some time to familiarise oneself with the new environment after the arrival before the work starts, as solely travelling there and settling down can be quite exhausting. Thereby the shock in the beginning would probably be smaller. In addition there should be support considering moving around and language, as they might be the biggest challenges at first.

It is also recommended that the expatriate managers should be balanced and have excellent interpersonal skills, in other words they should be kind of negotiator characters. This is because the managers have to get along with remarkably different people in a demanding environment. Moreover professional expatriate experts should have robust professional experience and know-how, because they have to be able to handle their task in quite novel circumstances.

Furthermore it is not recommended to trust blindly on psychological testing in expatriate selection, because such testing may be biased. A rather good example is the case of expatriate D, in which the person under assessment was judged as incompetent for overseas working in any circumstances, even though later on the person turned out to be an excellent expatriate worker with great potential and competence, even in demanding location such as China. This suggests that if any kind of psychological testing is used in the assessment of expatriate candidates, it should be done thoroughly and the results should only be used as guiding information.

Finally it was advised that teambuilding is a good way to get to know the Chinese colleagues and should therefore be facilitated by the company. For example some kind of common leisure activities could be organised occasionally.

Next as a final part of this chapter, the findings from the literature surrounding Finnish expatriates' intercultural adjustment to China and qualitative analysis of the interviews will be compared, and theory based on these findings will be developed.

6.5 Literature Analysis Combined with Qualitative Analysis

Several factors impacting either positively or negatively the Finnish expatriates' intercultural adjustment to China were found in the qualitative analysis of the research. Through analysis of the theory on intercultural adjustment and prior research on Western expatriates in China, the qualitative findings were then categorized in four adjustment factor groups and moderating factors group. Together the five groups form the conditions for intercultural adjustment that according to prior research consists of three sociocultural (Black et al. 1991; Shaffer et al. 1999; Hechanova et al. 2003) and psychological (see e.g. Ward et al. 1998; Selmer 2005a) adjustment dimensions. Unlike the prior research on Western expatriates' intercultural adjustment to China, the research at hand does not concentrate on the separate adjustment factors' causal relationship with the four different adjustment dimensions, but concentrates on the essential adjustment factors it self. The reason for this is that Selmer (see e.g. 2005b) has suggested that all the three sociocultural and psychological adjustment dimensions are more or less interconnected. Therefore if an adjustment factor affects either positively or negatively any of the four dimensions, it will eventually affect the total adjustment level on all the dimensions.

The findings from the qualitative analysis suggest that Black et al.' (1991) four adjustment factor groups do exist, as there were several factors found belonging to each of the groups. Additionally several Selmer's (1999a, 2005a, 2005b) and Shaffer et al.'s (1999) moderating factors were identified. Next the Finnish expatriates' intercultural adjustment-related factors found in the research and presented in figure 14 below are discussed in more detail.

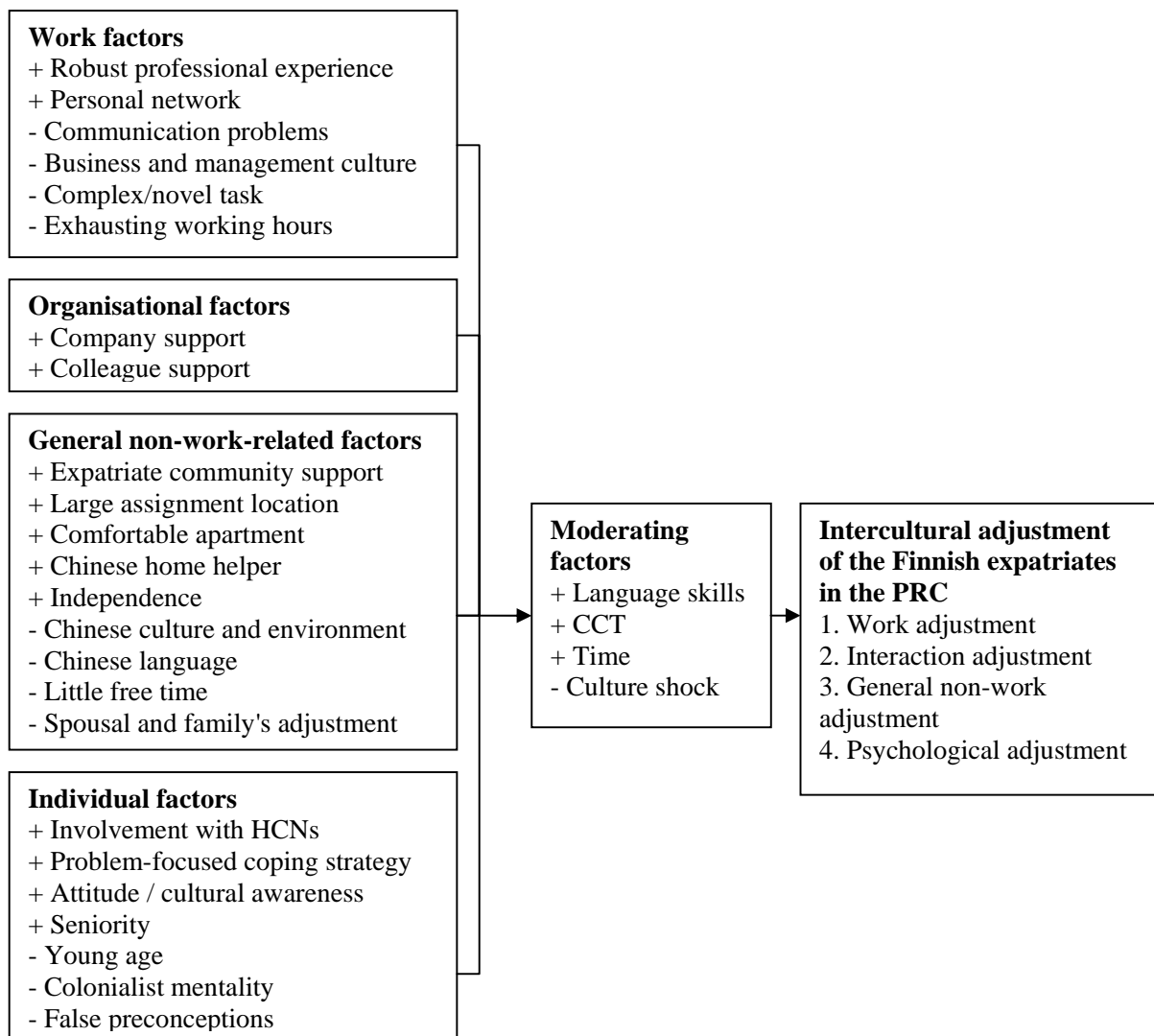


FIGURE 14 Finnish Expatriates' Intercultural Adjustment Challenges and Factors Enhancing Adjustment in the PRC. CCT = Cross-Cultural Training.

6.5.1 Work-related Factors

Work-related adjustment factors found were positively impacting robust professional experience and personal network, and negatively impacting communication problems, business and management culture, complex/novel task at hand, and exhausting working hours. Professional experience seems to be particularly important on assignments that require technical expertise and training of staff. In addition personal network as well seems to be crucial factor on assignments

that require broad knowledge over the task at hand. Positive impact of personal network also suggests that it could have a reverse or compensate novelty's negative effect on adjustment.

Considering the negatively affecting factors, communication problems at work were reported by all the expatriates. This was not a surprise as communication and interaction difficulties in China have been reported by several scholars as well (see e.g. Vihakara 2006; Selmer 2005b, 1998; Gao 1998; Worm 1997). Communication problems are caused mainly by bad international English and more implicit as well as indirect communication style (Hall 1989: 90–91; Gudykunst and Kim 1997: 201–207; Scollon and Scollon 1995: 159; see also Worm 1997) of the Chinese. For example protection of face is related to this matter.

In addition all the expatriates reported problems with the Chinese business and management culture as well. There had been e.g. difficulties with extreme bureaucracy, implementation of laws, inertia and hierarchy at the work place. According to one of the expatriates a Chinese saying that “*go through the back door*” describes quite well the Chinese way of getting things done. As reported in the literature, China seems to be ruled rather by men than by laws (see e.g. Backman 2004; Ambler and Witzel 2004; Hofstede 1997). Furthermore because of the hierarchy, the Chinese workers expect direct orders and double-checking, tight surveillance as well as control at work. It seems that the boss is the boss and subordinates are neither capable of doing independent decisions nor willing to take responsibility. Additionally in many occasion things seemed to advance quite slowly, as considering negotiations with the authorities for example. It was mentioned that perseverance, trust and long-term orientation were emphasized when dealing with the Chinese. Moreover the Chinese family-orientation and *guanxi* might often complicate things at work; the Chinese do not often care about the others, outsiders, not to mention asking help from them. Additionally it was mentioned that there is no such service culture in China as we Finns know it and this might cause problems at work. These cultural characteristics derive from Confucianism and are rather clearly demonstrated in the literature by Hofstede's (2001) power distance, individualism versus collectivism and long-term versus short-term orientation dimensions. On these dimensions China is considered highly hierarchical (power is divided unequally), collectivist (harmony and group orientation) and long-term (perseverance and patience) oriented (Hofstede's 2001: 500, 1993).

Additionally expatriates mentioned having difficulties with complex and novel tasks. Expatriates were either forced to deal with pioneering tasks or business areas they had no previous experience on. The impact of task novelty has been suggested already in the Black et al.'s (1991) adjustment model, however the novelty factor was neither found essential in Shaffer et al.'s (1999) nor Hechanova et al.'s (2003) studies. The contradiction between the different findings might suggest that instrument measuring work-related factors may not be totally valid and needs to be revised. In addition the Finnish expatriates mentioned about the complexity of their tasks, which may indicate e.g. conflict and problems with clarity or discretion considering the assignment task, as suggested by Black et al. (1991). However, no direct remarks on such issues were presented by the expatriates and therefore the experienced complexity of their tasks is more likely to derive from the novelty factor.

Finally expatriates mentioned that exhausting working hours hinder the adjustment. The Finns have gotten used to regular working hours in a week, but this might not be the case in China. As expatriates are considerably significant investments to companies, it is presumed by the employers that the assignees work as hard as they can on their stay in China. In addition, heavy traffic and long way to work extend working days even further. However, there are also differences in how the Chinese and the Finns perceive work. Hofstede (2001: 500) has reported that the Chinese are more masculine, which means they see work more important than leisure in comparison to more feminine Finnish, who value their leisure time considerably high. In other words the way of working, and time spent on working in particular, differs between the Finnish and Chinese cultures. It can be concluded that from the Finnish point of view, private life and leisure time may suffer from reasonably long working hours in China.

6.5.2 Organisational Factors

Two positively affecting organisational factors were identified, which were company support and colleague support. Company support, in other words logistical support, was mentioned essential for enhancing the adjustment to China by all the expatriates. Several issues on how the employer can support the assignees in order to facilitate their adjustment were mentioned, such as pre-visit,

local driving licence, meeting Chinese colleagues beforehand, and help with practical issues, housing, paper work, language and transportation. The importance of different types of company support was no surprise as it has been identified as an essential factor in expatriate adjustment in the literature as well (Black et al. 1991; Shaffer et al. 1999).

Additionally colleague support was mentioned to enhance their adjustment by four of the expatriates. Colleagues' help was crucial especially in the beginning as they could give you practical advice on important issues. Additionally Chinese colleagues and office staff were vital for Finnish expatriates who did not speak Chinese, as they could act as interpreters when needed. Young Chinese university graduates with international experience, even from Finland, were extremely helpful as they could help with Chinese language and cultural issues as well as talk proper English. It was also mentioned that co-operation with expatriate colleagues, especially those in manager position, was crucial. It can be concluded, that the rather great importance of all kinds of support from colleagues indicates the need for mentors for fresh expatriates assigned to China. In addition colleague support has also been identified essential in the literature as well (Black et al. 1991; Shaffer et al. 1999).

However, there is some contradiction between findings on organisational factors in the literature. Hechanova et al's (2003) meta-analysis did not identify organisational factors' impact on adjustment, which might indicate that there are problems with the quantitative instrument used measuring them and therefore may need to be revised.

6.5.3 General Non-work-related Factors

Nine non-work-related factors, five positively and four negatively impacting, were found in the qualitative analysis. Expatriate community support, large assignment location size, comfortable apartment, a Chinese home helper and independence impacted adjustment positively. Chinese culture and environment, Chinese language, little leisure time, and spousal and family's bad adjustment had a negative affect. Majority of the expatriates considered expatriate community to enhance their adjustment a great deal. Through the community they could get e.g. practical advice on living in China, friends, information, different kinds of leisure time activities and

mentors. Integration into the Chinese community without proper language skills was not considered easy and therefore the only way to get social contacts outside work was the expatriate community. It was considered especially worthwhile to acquaint yourself with expatriates from other countries, as they could perhaps help with issues that other Finns could not. Expatriate community's importance for adjustment has not been identified in adjustment models in the literature (Black et al. 1991; Shaffer et al. 1999; Hechanova et al. 2003), even though it has been known that expatriates tend to stick together in their "expatriate ghettos" (Björkman and Schaap 1994).

Two of the expatriates that had been assigned to considerably large and developed city mentioned that there had been plentiful of different leisure time activities, such as sports and entertainment. This indicates that the larger the assignment location city is, the better the expatriates adjust, as demonstrated by Selmer (2005c) in the case of Western expatriates. Furthermore one of the expatriates assigned to a smaller industrialising town mentioned that there were no opportunities for him to practice his hobbies, and thought it was not therefore an option for him to stay in China for years.

In addition it was found that a comfortable and hassle-free apartment as well as a Chinese home helper enhanced their adjustment. Even though companies had arranged apartments for all the expatriates due to company support, it was not guaranteed that there would be no problems considering housing. As work is demanding and days are long, there is no energy left for additional difficulties considering daily living. Therefore it is important that everything works as supposed at home. A Chinese home helper was mentioned to be a great help, as she could do all the house work for a decent price. Thus the expatriate with his family did not have to worry about such things and could concentrate on more important issues.

Being in China alone and independence was considered to enhance the adjustment. The only expatriate that had spent the whole time in China alone thought, that it was a relief not having to worry about and take care of any other persons' difficulties and problems, as he got hands full of his own issues already. This aspect is no surprise considering the impact of spouse's and family's adjustment as discussed below.

The expatriates pointed out several issues related to the Chinese culture and environment that had hindered their adjustment. It was mentioned that at first nothing seems to work and everything is new, thus the basics of day to day living have to be learned again. As one of the expatriates put it “*nothing works, but everything is possible*”. The expatriates thought that the Chinese culture and environment are so different from what the Finns have got used to, that they have to be experienced in order to understand how they appear. Among other things, the Finns mentioned the following general peculiarities in China: enormous amount of people, strange customs, such as queuing, and custom of trade, mindless heat in the summer, heavy air pollution, chaotic traffic, cuisine and unfamiliar bacterial strain. It was remarked that the most of the adjustment challenges derive from the general environment, and are related to leisure time and social activities. The similar issues have been reported in the literature as well by Backman (2004), and Ambler and Witzel (2004) for example. Neither the difference considering the basic cultural and value-related assumptions demonstrated by Hofstede (2001) should be forgotten. As discussed above, the Chinese can be seen quite collectivist, socially hierarchical, masculine and long-term oriented in comparison to individual, egalitarian, feminine and short-term oriented Finns (Hofstede 2001: 500).

Additionally Chinese language was seen as a problem considering the adjustment. Even though the expatriates could survive with English at work, it was considered quite hard to manage outside work in an environment where nearly everybody spoke only Chinese. To manage on your own in China, speaking Chinese is mandatory. As none of the Finns spoke Chinese before they went to China, they were heavily dependent on colleagues who acted as interpreters. It was considered difficult even to ride a taxi without using Chinese, not to even mention about interacting with the locals on the street. Additionally studying Chinese on top of work might be quite demanding. As a conclusion it was suggested that Finnish expatriates should study the basics of Chinese before going on an assignment to China. Finally, difficulties with language in China have been reported constantly in the prior research as well. Selmer’s (see e.g. 2005b) studies have demonstrated that Western expatriates are not likely to adjust properly to interaction with the locals in China.

Furthermore it was noted that because of exhausting work and long working days there is not much leisure time. Expatriates noted that there is not much energy left for anything else after work, thus the magnitude of any hardships during the leisure time expands significantly. In other words work dominated the whole life in China. Only during weekends the expatriates may have time for themselves and their families.

Finally all the expatriates that had a partner or the whole family with them in China at least for some time, thought it had impacted their adjustment. The problem was that the partners were left alone with all the difficulties of day to day life as the expatriates itself spent most of their time at work, as discussed above. Partners might have called their men while they were working and complained about their hardships with the unfamiliar environment and local people. In addition the expatriates were expected to be full of energy after work and join their partners for different kinds of activities. In other words, it was hard for the expatriates to take care of others that were badly adjusted to China, as all of their energy was consumed as they were struggling for their own survival. Furthermore it was not easy for partners to get any social contacts in the new environment either, unless they had children. It was mentioned that it was easy to get to know other families through children and their schools, however there were also significant problems considering the youngsters. Probably the most significant difficulty considering the children is school, as it is not that simple for young students to start studying in English in a totally novel environment. The expatriate with children noted that children's adjustment is a determining factor considering the whole family's adjustment to China. He remarked that he nearly aborted the whole assignment and returned to Finland because of the children's adjustment difficulties with school in particular. Additionally, the colossal importance of spousal and family's adjustment to the expatriate adjustment has been reported in the literature by several authors (see e.g. Black et al. 1991; Shaffer et al. 1999; Hechanova 2003).

6.5.4 Individual factors

Seven individual-related factors, four positively and three negatively affecting, were found in the analysis. Involvement with HCNs, problem-focused coping strategy, right attitude and cultural awareness, and seniority were considered to enhance an expatriate's adjustment. On the other

hand young age, colonialist mentality and false preconceptions were considered harmful for adjustment.

Most of the expatriates thought that getting boldly involved with the locals enhanced their adjustment, as they could learn from the Chinese. It was mentioned that expatriates should not solely stick to other foreigners and Finns, but to go out, explore the environment and get involved with the Chinese culture as well as people. One of the expatriates, who instead of living in an expatriate compound dwelled among the locals in a block of flats, noted that even though he could not speak Chinese more than ten words, he learned about the locals and the culture much more than the expatriates, who insulated themselves in guarded compounds. In other words, personal interest, will and courage to get to know the Chinese environment are crucial for adjustment. In addition, in the literature individual factors suggested by Black et al. (1991) are somewhat related to this finding, at least considering social self efficacy (see also Hechanova et al. 2003). In addition getting involved with HCNs is related Mendenhall and Oddou's (1985) self-oriented dimension, which deals with self-reliance, confidence and esteem.

In addition, attitude and cultural awareness were reported to be significant for adjustment by all the Finnish expatriates. Expatriates remarked that the whole adjustment process begins when a person realises that everything, including adjustment, depends solely on their selves and nobody or nothing else. It was mentioned that it is important to understand, that the Finnish way might also seem quite strange when viewed behind Chinese eyes. In other words, cultural empathy plays also an important role. The Finns also thought it is crucial to start living and adjusting right away after arrival on the location, there is no time to waste. The sooner people realise to take full responsibility over their and their families' well-being, the better the outcome. There is no reason or time to start blaming the locals or the company, or anybody else. Furthermore attitude and cultural awareness factor is related to self efficacy (Black et al. 1991; Hechanova et al. 2003) and perceptual dimension (Mendenhall and Oddou 1985) mentioned in the literature. Mendenhall and Oddou's (1985) perceptual characteristics dimension deals exactly with an individual's cultural empathy, cultural awareness, competence to understand foreign behaviour, and competence to adjust own behaviour to meet the needs.

In addition problem-focused coping strategy was identified to enhance expatriate's adjustment. Expatriates mentioned that it was effective to solve emerged problems and figure out the source of anxiety instead of avoiding them. Selmer (1999b) has demonstrated that problem-focused strategies, including tolerance, patience, responsible problem-solving and social involvement with HCNs, facilitate expatriates' adjustment to China.

Furthermore it is possible that an older age may enhance adjustment to China, as the Chinese respect seniority. Respect for elders derives from the key principles of Confucianism and is related to social hierarchy of the Chinese culture (Hofstede 2001: 354; Bond and Hwang 1986).

Considering the negatively affecting individual factors, it was mentioned that young age might hinder the adjustment. The reason is the same as above with seniority. However, the youngest of the expatriates remarked that even though some Chinese might have been suspicious considering his competence at first, he did definitely earn Chinese colleagues trust by showing his technical expertise by doing.

Moreover, the so-called colonialist mentality was reported to perhaps hinder the adjustment to China. It was remarked that if an expatriate starts to blame the Chinese on hardships or despises them in any way, it will lead on to a hard path. Life will become unbearable if a person does not try his best to get along with the locals. In other words the expatriates cannot set the rules; instead they have to play by the local rules.

Additionally, according to findings from the analysis, it seems that false preconceptions may affect negatively on the adjustment to China. If a person does not properly familiarise himself with the Chinese culture and environment before the assignment, he might end up in great disappointment. The more an assignee knows and understands the becoming circumstances on the assignment, the easier it is to start adjusting and the less inconvenient surprises are likely to appear after arrival on the location. Realistic and truthful preconceptions are related to Black et al.'s (1991) anticipatory adjustment.

However, none of the individual factors found in the analysis or suggested in the theory were found important by Shaffer et al. (1999), which may indicate some problems with the instrument used to assess individual factors.

6.5.5 Moderating Factors

Four moderating factors were found in the analysis. Language skills, cross-cultural training and time seemed to be positively moderating factors. On the other hand, culture shock seemed to have a negatively moderating effect.

At least survival level of language skills in Chinese was considered to be essential for eventual adjustment to China by all the Finnish expatriates. Expatriates noted that Chinese was particularly important outside the work environment where English was enough. However, expatriates that had to deal with authorities and Chinese business people in high positions thought also that it is important to have a decent level of Chinese in order to show politeness towards the locals, as well as in order to get more valuable information in negotiations. The expatriates thought that their level of adjustment increased as they learned Chinese, as they could finally operate without interpreters. It was also noted that the original message as a whole in Chinese tends to get lost in translation when using solely interpreters in communication. In other words there were problems with international English and the level of English among the Chinese, and therefore even mediocre command of Chinese is as valuable as gold. Language problems considering the use of English have been reported also in the literature by for example Vihakara (2006), Gao (1998), and Lottgen and Hernandez-Campoy (1998). In addition the role of language fluency has been found essential in prior research considering intercultural adjustment (Shaffer et al. 1999; Tung and Arthur Andersen 1997). Important role of language skills and difficulties with interaction in China have also been reported by Selmer (see e.g. 2005b) in his studies on Western expatriates.

Another positively moderating factor found in the analysis was cross-cultural training. All the expatriates got either none training at all or only modest briefings on working abroad. Expatriates also mentioned that there was not enough time to prepare properly for the assignment. In addition, if there was some kind of training arranged by the company it was optional. However the

expatriates aspired to be proactive and studied Chinese culture independently, and thought it had helped their adjustment as they got to understand the Chinese better. Nevertheless the expatriates remarked that the Chinese environment is so different and baffling that it is impossible to train for such a thing; the only way is to see and experience it. Furthermore no significant relationship between the Western expatriates' intercultural adjustment and provision of cross-cultural training was either found in Selmer's (2005a) studies, even though there was a small positive relation between work adjustment and cross-cultural training. Additionally considering the poor level and amount of cross-cultural training provided by the companies (GMAC GRS et al. 2003; Kühlman 2001; Brewster 1995), the small positive relation between work adjustment and cross-cultural training, and the interrelationships between all the sociological as well as psychological adjustment dimensions, it could be concluded that cross-cultural training has a moderating impact on the adjustment. Moreover it could be argued that the moderating impact's significance is likely to increase a great deal, if proper cross-cultural training would be provided for the expatriates before and during the assignment, as suggested in the literature (Selmer 2005a; Tarique and Caligiuri 2004; Eschbach et al. 2001; Forster 2000; Harris and Brewster 1999a, 1999b; Selmer et al. 1998; Tung 1998b; Mendenhall et al. 1987).

The third positively moderating factor found in the analysis was time. The expatriates adjusted the better to China the longer they had been on their assignment. In addition it was reported that China as an environment is evolving and changing rapidly. Expatriates noted that for example the amount Western goods in stores increased constantly during their stay. At first it might have been difficult to find pasta from grocery store, but eventually you could buy crisp bread from the store next door. Additionally at least in the larger cities the level of English among the locals on the street developed dramatically, nowadays there are e.g. taxi drivers speaking English. However, there are also disadvantages considering the westernisation. For example the already chaotic traffic becomes even more chaotic and the air pollution situation gets worse, as the amount the private cars increases all the time. Additionally Selmer (2005a) has found that there is a significant positive relationship between time spent in China and interaction adjustment. Therefore considering the inter-correlations between all the adjustment dimensions, time has eventually a positive impact on the overall adjustment as well.

The fourth and the only negatively impacting moderating factor found was culture shock. All the expatriates reported to have experienced anxiety and psychological symptoms at least to some extent. Expatriates also mentioned that symptoms of culture shock had been easily seen on their colleagues as well. Some of the Finns had experienced a rather traditional type of culture shock with stages from euphoria to stable state (see e.g. Ward et al. 1998; Black and Mendenhall 1991), while the others had depression or anxiety once in a while or only once on the whole assignment. However, it seems that the most critical point considering the shock is right in the beginning (Ward et al. 1998) after the expatriates realise not to be tourists but expatriate assignees in a relatively novel environment. Furthermore the findings suggest that experiencing a culture shock a personal issue, it is not a universal process. Moreover the impact of culture shock on Western expatriates' all adjustment dimensions in China has also been reported in prior research by Selmer (1999a, 2005b).

So far the research has examined the literature surrounding expatriates' intercultural adjustment, analysed the prior research on Western expatriates' on the topic, and analysed Finnish expatriates' intercultural adjustment factors in the People's Republic of China. Thereupon a model summarising all the essential intercultural adjustment-related factors was developed on the basis of the literature and qualitative analysis. Next and finally, conclusions considering the research are to be made.

7 CONCLUSIONS

The aim of this case study was to examine the subjective experiences and interpretations considering the intercultural adjustment of the Finnish expatriates in China. Three particular research questions were set in order to discover what kind of adjustment challenges the expatriates had faced in China, what factors were regarded as enhancing their adjustment, and what kind of advices would the expatriates give to improve the adjustment of future Finnish expatriates going to China. Answers to all of the questions were found as discussed in chapter 6. Additionally, before the qualitative analysis of the interviews, the theoretical framework surrounding the Finnish expatriate's intercultural adjustment was discussed. Furthermore findings from the literature and the qualitative analysis were combined in order to present a theoretical model of the factors impacting Finnish expatriates' adjustment in China.

7.1 Main Findings

The findings considering adjustment challenges and the factors enhancing adjustment were mainly rather parallel to the literature. The found adjustment-related factors could be divided into five categories including work, organisation, general non-work, individual, and moderating factors, as suggested in the literature (see Black et al. 1991; Shaffer et al. 1999). The found sub-themes or factors under each category were also strongly related to the factors suggested in the literature. However, it can be argued that the findings in this research are rather practically oriented in comparison to the literature. The research findings can be considered practical because the experiences of the expatriates have been reported widely, and the findings can therefore be used for example as self-study material for becoming expatriates. Furthermore there were also some China-related factors found, which have not been reported in the literature before.

According to the findings, work-related factors enhancing the adjustment of the Finns in China were robust professional experience and personal network. Being highly competent in the task at hand and having an extensive personal support network were considered to help working in the new environment. On the contrary, communicational problems, Chinese business and

management culture, complex and novel task, and exhausting working hours were hindering the adjustment. In other words, there were plentiful of factors that might have made working in China quite demanding, both physically and mentally. In addition two organisational factors were found to enhance the adjustment, which were company and colleague support. The expatriates perceived all kinds of support from the company and from their peers to improve their adjustment. Regarding the general non-work factors, expatriate community support, large assignment location, comfortable apartment, Chinese home helper, and independence on the assignment were found to enhance the adjustment. Especially the expatriate community was considered to be a great source of support for both expatriates and their families. On the other hand, the novel Chinese culture and environment, Chinese language, lack of free time, and bad spousal and family's adjustment were considered to be general factors that disturbed the adjustment. Particularly the novel Chinese culture and environment, as well as the communicational problems can be seen as major factors behind the adjustment challenges. Furthermore, getting involved with the Chinese, utilisation of problem-focused coping strategies, right attitude and cultural awareness, as well as seniority were considered to be individual-related factors that enhanced the adjustment. Considering the findings it seems that both the right kind of attitude and cultural awareness were crucial for the adjustment of the Finns. On the other hand, young age, colonialist attitude, and false preconceptions and expectations were found to be negatively impacting individual factors. Realistic preconceptions on China seem particularly important in order to enable Finnish expatriates to start adjusting to their assignment locations with no delay.

In addition, some factors were found to be moderating the adjustment of Finnish expatriates in China. The identified moderating factors were language skills in Chinese, provision of cross-cultural training, time, and culture shock. Possession of language skills in Chinese and studying Chinese were considered to have a positive impact on the overall adjustment. Proper training for the assignment was perceived to enhance the adjustment as well. However, it was found that none of the companies had provided proper location-specific training neither before nor after the arrival on the assignment. Therefore, instead of enhancing, the expatriates in fact perceived the lack of training to be hindering their adjustment. Nevertheless, it was also mentioned that it might be impossible to train for something such as China, because it is so different from anything that the Finnish have gotten used to. In other words the expatriates thought they could not have

trained for something they could not understand. It was stated that you have to experience China in person in order to understand how it appears on the assignment. However it can be argued, that if the training was comprehensive and mandatory, the assignees could realise the becoming assignment circumstances and how they would appear on the location. Furthermore, another factor positively moderating the adjustment was time, including change and development of the Chinese environment. In other words, it was found that the longer the stay the better the Finns had adjusted. It was also found that China is constantly changing and developing into a friendlier environment towards the Finnish expatriates. Nevertheless, culture shock was found to be a threat considering the adjustment in China. Culture shock and anxiety were however experienced in rather diverse ways by the expatriates, and considering the findings it seems that the prospective shock can be managed and overcome with the right attitude.

In addition, several advices were given by the expatriates in order to facilitate the intercultural adjustment of the future Finnish expatriates going to China. The advices were divided into two main categories: expatriate and expatriate management-related advices. The main expatriate-related advices in addition to the factors discussed above, were the following: study Chinese culture before the assignment and respect it, be patient and persistent as everything takes longer than you think, find mentors that are willing to help, be cautious in new environments, tolerate stress and uncertainty, other Finns might not be the best of mentors, and get to know the schooling issues beforehand if you are going to China with children. In addition, the main expatriate management-related advices were the following: assignments should be from one to three years, companies should point out mentors for new expatriates and organise common activities for the expatriates and their spouses, training should be location specific and practical, expatriate managers should be balanced and have excellent interpersonal skills, expatriate experts on the other hand should have robust professional experience, psychological testing might be biased, and teambuilding is a good way to get to know the Chinese colleagues.

Finally, it can be concluded that there are several factors that impact either positively or negatively the intercultural adjustment of the Finnish expatriates in the People's Republic of China. According to the findings, China sets various challenges to the expatriates mainly due to its highly demanding and different environment, culture, language and communicational

practices. The findings indicate that intercultural adjustment to China is a complex and lengthy process in which several factors are involved. Therefore China should not be taken lightly by either the companies sending people there or the expatriates planning to commence on a Chinese assignment. However, there are also multiple ways to enhance the capacity of the expatriates to adjust on their assignments. Considering the findings, the companies should not neglect the provision of proper support for their expatriates, especially comprehensive and location specific cross-cultural training should be provided, as suggested also in the literature. Companies should also consider the personal characteristics, interests and competences in their staffing decisions in addition to professional experience of the expatriate candidates. Furthermore, it seems that personal will, interest and attitude of the expatriate are in a significant role considering the adjustment. If the expatriate himself is willing to fight and solve the challenges and hardships, there is nothing that can stop the adjustment process from being successful. Considering the findings, the personal determination and will of the expatriate seem to be especially important, if there is not too much support from the company. Finally, studying the Chinese language seems to be a must in order to adjust into China in the longer run. The findings imply that language skills in Chinese are especially important to expatriates that have to deal with the Chinese officials and attend different kinds of negotiations with the local business people. However, it is possible to survive even without the language for some time particularly in a more technically oriented position, but it is obvious that the level of adjustment cannot be of a high standard at least considering the general environment.

7.2 Theoretical and Practical Implications

Considering the findings from the literature and the qualitative analysis, there seem to be contradiction on the importance of individual and work-related factors. According to the findings in this research, it seems that there are several work and individual-related factors impacting the expatriate's adjustment to China. However, different findings have been reported in the previous research done through statistical analysis. For example Shaffer et al (1999) found no individual and only two work-related factors that impacted expatriate's adjustment. On the contrary, there were several individual and work factors identified to be essential in the analysis of this research. This might suggest that the quantitative instruments, especially the survey with its scales, used in

multiple prior research (see e.g. Black et al. 1991; Shaffer et al. 1999; Hechanova et al. 2003) should be revised.

Furthermore this research has presented plentiful of practical advices and implications for the use of both companies and expatriates. The findings suggest that especially proper training and support should be provided by the companies in order to facilitate the adjustment of their expatriates in China. Pre-departure training should consist at least of cultural training, pre-visits, language and communicational training, and assistance with practical issues. The training should also continue on the location to meet the emerging needs of the expatriates, particularly because it was found, that expatriates thought it might be impossible to train for something you cannot understand. The findings indicate that Finnish and Chinese cultures and work-related values differ from many aspects. In order to understand the differences and their implications to daily work and management for example, Hofstede's (see e.g. 2001, 1993) cultural studies can be used as a starting point. According to the findings, the Chinese work and management culture can be seen as hierarchical, collectivist, and rather long-term oriented as well as masculine in comparison to the Finnish culture. Because of the significant cultural differences between Finland and China, it is highly recommended to provide proper cross-cultural training for expatriates going to China. In addition this research has demonstrated the need for understanding the highly different communication style of the Chinese in comparison to Western countries, such as Finland. The findings support the view that the Chinese communication style is high-contextual (Hall 1989: 90–91) and face-conscious (see e.g. Selmer 1998). Therefore Finnish expatriates should be aware of the communicational differences in order to communicate and function effectively in China. It can be argued, that proper communicational training plays a crucial role in this.

The findings also suggest that intercultural adjustment to China is an individual issue, and separate expatriates are likely to experience it differently. Therefore the pre-departure and on the location training should be planned individually in each case. The study revealed also some China specific advices not widely reported in the literature before, such as the need for mentoring, the impact of personal network, usefulness of a Chinese home helper, and the impact of bad attitude, also known as the colonialist mentality. Finally, the findings presented in this research

report can be used as self-study material for at least Finnish people going to work in China. There are various comments and experiences reported by former expatriates that can probably illustrate the potentially emerging adjustment-related challenges in China. In addition, the findings and results can also be facilitated by HR professionals in Finnish companies that are responsible for expatriate assignments in China. There are plentiful of practical and worthwhile data which can be used to develop expatriate management and especially improve the prospects for better adjustment of Finnish, as well as other Western expatriates in China.

7.3 Evaluation of the Research

As demonstrated in the literature, the adjustment of expatriates has been actively studied by several scholars throughout the years since the late 1980s. However according to the literature, the intercultural adjustment discourse is characterised by quantitative approach and statistical methods, and it seems that the same instruments have been applied in several survey studies by separate authors. It could be argued, that the subjective experiences of the expatriates have been neglected in order to present as objective and generalisable results as possible. Therefore this research was conducted through subjective approach and case study research strategy, and the data was collected by half-structured interviews and further analysed by qualitative methods. In other words, it was left for the interviewees to decide which issues were essential considering their adjustment to China. In addition, it seems that intercultural adjustment of the Finnish expatriates in China has not been studied before, at least to this extent. Considering the constantly rising importance of Chinese markets and the increasing numbers of Finnish businesses establishing their operations in China, it can be argued that the research topic was quite a contemporary. Plentiful of both theoretical and practical information on the intercultural adjustment of Finnish expatriates in China was discovered, however the subjective and case study character of this research have to be taken into consideration when making generalisations.

In addition, the research report presents information broadly on contemporary intercultural adjustment in general, as well as describes to some extent the state of expatriate management in the Finnish companies operating presently in China. This research has discussed carefully the literature surrounding the research topic and critically assessed the prior research in relation to

the research findings from this study. In addition, it has been demonstrated that expatriate adjustment can be studied through qualitative approach, and that quite diverse information on the phenomenon can be acquired this way. However, there are some aspects deteriorating the trustworthiness of this study. Firstly, it has to be taken into consideration that the research is a case study of five Finnish expatriates. Secondly, the data collection and qualitative analysis of this study are based on the subjective interpretations and meanings of the expatriates that have been further interpreted by the researcher. Finally, data collection was conducted through half-structured interviews which might not be the easiest way to collect data. Challenges the interview method may present, are e.g. that the interviewees may not want to tell everything or may not recall all the significant issues, in addition the interactive role of the researcher is quite significant in the interview situations. Due to these aspects, the findings may not be generalised in all social contexts and settings. However, it can be concluded that the researcher has been aware of the possible problems considering the trustworthiness of this research at all times, and has aspired to conduct the research as well and thoroughly as possible in the given circumstances.

7.4 Suggestions for Future Research

Considering the findings, there are several topics that could be further researched. To begin with it would be interesting to study the magnitude of proper training's impact on expatriate's adjustment to China. However, according to the findings from the study and literature, the problem is that there seem to be hardly any companies that actually provide their expatriates with extensive and useful training. Furthermore another issues that could be studied, is that how the companies could asses their expatriate candidates in order to find the candidates with the best personal characteristics and capabilities. Finally, the findings suggested that there might be a need for revision of the quantitative instruments used often in the previous research on intercultural adjustment of the expatriates. Therefore research in order to develop more appropriate quantitative instruments could be conducted, and findings from qualitative research such as this could be used as supporting information.

Finally, the author would like to reflect his learning experience considering the rather lengthy research process of this Master's Thesis by referring to the wise words of Confucius himself:

“By three methods we may learn wisdom:

First, by reflection, which is the noblest;

Second, by imitation, which is the easiest;

And third, by experience, which is the bitterest.”

- Confucius (551 – 479 BC)

It seems that Confucius was right on learning wisdom, at least what comes to conducting this study and writing this report. It is obvious that reflection is the noblest way to learn, but unfortunately it is also the hardest. Moreover the author of this report argues that reflection is the most essential element of conducting a research, as it is constantly present through all the phases of the research process. In fact, a research process starts from reflection as the researcher develops ideas, hypotheses or questions on the phenomenon under study. Furthermore, the research process ends to reflection on what has actually been done while conducting the study and what are the conclusions and meanings deriving from the findings. Fortunately, there is also the way of imitation, which helps when reflection does not lead forward and when the whole process stagnates. Through careful and critical examination of other’s writings, reports and ideas the researcher can learn on the research topic from various different perspectives. The logic of imitation is simple: why to invent the wheel again, if the answer is already there at your disposal? Nevertheless, learning process is incomplete if the bitter role of experience is not included. It seems that some things can only be learned by experience, no matter how thoroughly the researcher has reflected and imitated throughout the research process.

Considering the research findings, it can be concluded that the words of Confucius seem to describe surprisingly well also the contemporary state of the intercultural adjustment of Finnish expatriates in China. No matter how many former expatriates have reflected on their adjustment experience in China, and no matter how many former expatriates there are to be imitated, companies still seem to send their assignees to China to learn it the hard way, over and over again. The author of this Thesis wishes that the future Finnish expatriates assigned to China would not have to walk the bitter road of experience, but could also learn from their predecessors by reflecting the content of this report. Imitation of practices found helpful on prior assignments can also be considered recommendable.

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APPENDIX 1 Interview Outline

A. TAUSTATIEDOT

1. Nimi:

2. Ikä:

3. Kotipaikka Suomessa:

4. Perhetausta:

I. Onko sinulla puolisoa?

II. Lasten lukumäärä?

III. Oliko/onko perheesi mukana kiinankomennuksellasi?

5. Sijainti, jossa olit tai olet parhaillaan Kiinassa (jos olet ollut komennuksella Kiinassa useammassa paikassa, luettele kaikki):

6. Kiinankomennuksen ajankohta ja kesto (kauanko komennus kesti tai on kestänyt tähän mennessä ja ajankohta jolloin olit Kiinassa):

7. Kiinankomennuksen aikainen työnantaja:

8. Kiinankomennuksen aikainen työtehtävä ja tehtävänimike:

9. Oletko saanut koulutusta tai valmennusta kiinankomennustasi varten, joko ennen lähtöäsi ja/tai komennuksen aikana? Jos olet saanut jonkinlaista valmennusta luettele mitä se piti sisällään, esim. kielikoulutusta ja kulttuurienvälisten taitojen kehittämistä, ja paljonko sitä tarjottiin mitattuna esimerkiksi tunneissa:

10. Aikaisempi ulkomaankomennuskokemus (mikäli sinulla oli ennen Kiinankomennusta aikaisempaa kokemusta ulkomaankomennuksilta, luettele aikaisemmat komennuspaikat ja komennusten kesto):

11. Kiinankomennukselle valituksi tulemisen perusteet (miten, miksi sinut valittiin komennukselle):

12. Kielitaito:

13. Koulutustausta:

B. KULTTUURIENVÄLISEEN SOPEUTUMISEEN LIITTYVÄT KYSYMYKSET

Vastaa kysymyksiin esimerkiksi kertomalla ”tarinoita” mieleesi painuneista tapahtumista ja asioista, jotka ovat vaikuttaneet Kiinaan sopeutumiseen. Kerro vapaasti juuri niistä asioista mitä mieleesi tulee.

1. Millaisia sopeutumiseen liittyviä haasteita, ongelmia tai hankaluuksia olet itse (ja/tai perheesi kautta) Kiinan komennuksellasi kohdannut? Sopeutumishaasteet voivat liittyä mihin tahansa elämän osa-alueeseen, kuten esimerkiksi työntekoon, vapaa-aikaan, paikallisväestön kanssa kanssakäymiseen, fyysisiin - tai psyykkisiin terveydellisiin ongelmiin tai vaikka kulttuurieroihin yleensä.

2. Minkä asioiden olet kokenut mahdollisesti edesauttavan omaa (ja/tai perheesi) sopeutumista Kiinaan? Myös sopeutumista edistävät seikat voivat liittyä mihin tahansa, kuten esimerkiksi työnantajan tai kollegoiden antamaan tukeen, omaan asennoitumiseen, henkilökohtaisiin ominaisuuksiin tai vaikka aikaisempaan ulkomaankokemukseen.

3. Millaisia neuvoja antaisit tuleville suomalaisille ekspatriaateille ja yrityksille helpottaakseen suomalaisten ekspatriaattien kulttuurienvälistä sopeutumista Kiinaan? Kerro esimerkiksi kuinka yritykset voisivat edistää suomalaisten ekspatriaattien sopeutumisvalmiuksia ja kuinka ekspatriaatit itse voisivat toimia helpottaakseen sopeutumistaan Kiinan komennuksellansa.

APPENDIX 2 Instruments Used by Selmer

A.1. Sociocultural adjustment (Black 1988; Black and Stephens 1989 as cited in Selmer 1999a: 530–531.)

It is completely normal for an individual to have difficulty adjusting to living or working in a foreign country. Please indicate the degree to which you are adjusted or not adjusted to the following items living in the PRC.

1. Very unadjusted
2. Unadjusted
3. Somewhat unadjusted
4. Neutral
5. Somewhat adjusted
6. Adjusted
7. Completely adjusted

A.1.1. General adjustment

Food
Health care facilities
Entertainment/recreation facilities and opportunities
Living conditions in general
Cost of living
Shopping
Housing conditions

A.1.2. Work adjustment

Performance standards and expectations
Supervisory responsibilities
Specific job responsibilities

A.1.3. Interaction adjustment

Interacting with host nationals outside of work
Interacting with host nationals on a day-to-day basis
Speaking with host nationals
Socializing with host nationals

A.1.4. Psychological adjustment (Goldberg 1972 as cited in Selmer 1999a: 530–531.)

Please think about how you have been feeling over the past few weeks.

1. Not at all
2. Not more than usual
3. Rather more than usual
4. Much more than usual

Have you recently (R: Reversed polarity)

- ...felt you couldn't overcome your difficulties? (R)
- ...felt capable of making decisions about things?
- ...been feeling unhappy and repressed? (R)
- ...felt that you are playing a useful part in things?
- ...been able to concentrate on whatever you're doing?
- ...lost much sleep over worry? (R)
- ...been thinking of yourself as a worthless person? (R)
- ...been feeling reasonably happy all things considered?
- ...been able to enjoy your normal day-to-day activities?
- ...been able to face up to your problems?
- ...felt constantly under strain? (R)
- ...been losing confidence in yourself? (R)