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Article

Expatriate Management of Emerging Market Multinational Enterprises: A Multiple Case Study Approach

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Abstract: Expatriate management has evolved through the practices of developed economy multinational enterprises (DMNEs), with the aim of improving expatriate adaptability, cross-cultural adjustment, and performance. However, most of these studies focus on expatriates from developed countries and try to help DMNEs instead of emerging market MNEs (EMNEs). In a turbulent global economy, how EMNEs manage their expatriates when conducting business through their outward foreign direct investment (FDI) is understudied. This empirical study aims to address this research gap by utilising a qualitative approach and a multiple case study. It has conducted semi-structured interviews with expatriates, executives, and middle managers of Chinese MNEs in 2014. It contributes as one of the few to systematically examine expatriate related issues in the context of EMNEs with first-hand empirical evidence. The findings show that EMNEs are leapfrogging with their internationalisation and hence their expatriate policies are often ad hoc without systematic planning. Moreover, this study has contributed to practice, especially to EMNEs, regarding the way they need to improve their expatriate policies and practices.

Keywords: expatriate management; emerging market; emerging market multinational enterprise; international human resource management



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1. Introduction

The global economy experienced multiple exogenous shocks over the past two decades. There is no doubt that the nature of the global economy is volatile, which results from political risk (e.g., terrorism, trade war and political conflicts), economic risk (e.g., dot.com bubble, global financial crisis and debt crisis), ecological risk such as natural disasters, and health risks such as the COVID-19 pandemic. These unexpected disruptions have challenged multinational enterprises (MNEs) to survive in a volatile environment. Given the nature of MNEs' business operations, their challenges can be accelerated if more host countries are affected by these disruptions.

Emerging market MNEs (EMNEs) play an important role, contributing to global economic growth through both inward and outward foreign direct investment (FDI) (Buckley 2018). Fast-growing EMNEs are particularly important for economic growth during volatile environmental periods. An extremely volatile environment, such as a global financial crisis and the spread of COVID-19, stop on-site business operations in the economy and force the government to subsidise underperforming enterprises for unemployment concerns. Compared with developed economy MNEs (DMNEs), EMNEs tend to maintain large international expansions given the support from the home country institutional environment (Wu and Chen 2014). Is this still the case in a volatile environment? It deserves researchers' special attention.

While EMNEs have extensive businesses in the global economy, less is known about the managerial implications of their expatriate management (Zhong et al. 2015). The expatriate management as well as strategic objectives for EMNEs' internationalisation differ

significantly from those of DMNEs (Luo and Tung 2018). It is unclear whether the conventional wisdom that focuses on the internationalisation process of cultivating networks and knowledge for international success will equally apply to EMNEs' expatriate management through international assignments in a volatile global environment. When facing a volatile environment in FDI, EMNEs' risk tolerance and expatriate strategies, despite their lack of ownership advantages, seem to contradict the orthodox internationalisation from familiar to unfamiliar location strategies (Buckley et al. 2018).

In a volatile environment, there could be disruptions in MNEs' expatriate management and related human resource (HR) issues, such as staffing approach, recruitment and selection, training and development, and knowledge transfer (Scullion et al. 2007). New HR issues and disruptions are emerging during the COVID-19 pandemic (Zhong et al. 2021). The COVID-19 pandemic has transformed the workplace but also influenced HR practices in the context (Minbaeva 2020). In addition, conventional practices to manage difficulties caused by distance may be shifted to manage uncertainties and facilitate global work (Caligiuri et al. 2020). A strong connection to the external environment is needed to develop traditional HR practices over international work (Cooke et al. 2021). There is a strong need to examine the challenges MNEs face in the human resource management (HRM) field and the responses to major disruptions.

Expatriate management has been a critical issue in the HRM field and has attracted attention from scholars. Zhu et al. (2018) reviewed the research on expatriate management in the EMNEs over the past decade and pointed out that expatriates as a critical driving force have been overlooked when discussing EMNEs. While heterogeneity is in the nature of studying EMNEs in a volatile environment (Elia et al. 2020), no existing literature links distinctive volatile environment to EMNEs' expatriate management, making it difficult for researchers to identify EMNEs' expatriate-related issues during the volatile period. In a turbulent global economy, how EMNEs undertake their expatriate management through outward FDI is understudied. Therefore, the research question for this study is: *What are the expatriate-related issues that EMNEs might face when working in a volatile environment?*

Given that there are far fewer studies on the expatriate management of Chinese MNEs compared with DMNEs (Rui et al. 2017), this study chooses Chinese MNEs as its empirical context to examine the expatriate management of EMNEs. In addition, HRM research on multinationals within the interinstitutional context in and from China can provide contextualised insights in the field (Cooke et al. 2019). While the literature begins to examine expatriates' stress under different environments, such as hostile environments (Posthuma et al. 2019), the integration of expatriate management and a volatile environment can also contribute to the literature. This empirical study aims to address this research gap by utilising a qualitative approach and a multiple case study.

2. Literature Review

Bader and Berg (2013) and De Cieri and Dowling (2012) claim that the existing empirical research tends to focus on how individual characteristics and cultural factors have influenced expatriation. Hence, the risk and volatility that the external environment pose to MNEs, especially EMNEs, have been neglected. This review aims to integrate volatile environments and expatriate management in the context of EMNEs.

2.1. EMNEs in a Volatile Environment

While existing studies on EMNEs have largely focused on the influence of home country institutions in constructing the advantage of EMNEs (Wang et al. 2014) and host country institutions in determining the legitimacy of EMNEs (Cui and Jiang 2012), the volatility of the environment and its effects have been examined much less often compared to institutional environments. EMNEs have demonstrated growth over the past two decades (Luo and Tung 2018). Even in a volatile global environment, EMNEs continue to conduct outward FDI in host countries, including both emerging markets and developed economies. They tend to adopt aggressive strategies in dealing with host country risk, with

a high tolerance compared to DMNEs (Buckley et al. 2018). Governments in home and host countries may support EMNEs to operate the business and create jobs, but they often have preferences for certain types of firms across different industries (Yan et al. 2018). Therefore, EMNEs may also leverage support from government to target specific FDI locations so as to cope with the volatile host country environment. Furthermore, home government support is one of the reasons why EMNEs can successfully conduct cross-border mergers and acquisitions to secure strategic assets (Zheng et al. 2016).

The internationalisation experience of the top management team will affect EMNEs' decision in pursuing aggressive international expansions (Choi et al. 2020). Returnee managers in the headquarters of EMNEs who completed international assignments will also play an important role in enabling internationalisation due to their international experience as expatriates (Cui et al. 2015). However, this influence will be positively moderated by the central-state and private ownership of EMNEs, and negatively moderated by local-state and foreign ownership (Cui et al. 2015). EMNEs tend to undertake localised learning in developed host countries to mitigate the perception gaps among senior executives between headquarters and host country subsidiaries (Fan et al. 2016). They are more inclined to learn from developed host countries compared to DMNEs (Chen et al. 2021). Therefore, it is critical for EMNEs to utilise the international experience of their managers in a volatile environment.

2.2. Expatriate Management of EMNEs

The studies on expatriation and international assignments have shifted from DMNEs to EMNEs in the post-Global Financial Crisis era due to the rapid growth of EMNEs. While previous studies examined the correlation between HR practices and MNE performance (Jiang et al. 2012), limited research has revealed the HR functional effectiveness of expatriation. For instance, Thite et al. (2012) suggested examining the effectiveness of the global staffing strategy in EMNEs compared to DMNEs. Furthermore, Thite et al. (2014) explored the challenges in consolidating HR functions faced by Indian IT service MNEs, which are considered a part of rapid-growth EMNEs. Among the challenges of HR functions in EMNEs, Meyer and Xin (2018) have suggested that EMNEs face obstacles in recruiting talent with international experience to fill leadership roles. On the other hand, EMNEs tend to rely on expatriates to facilitate tighter control over their overseas subsidiaries, and this provides career development for expatriates, but it negatively affects subsidiary autonomy and performance (Tao et al. 2018). Moreover, the knowledge transfer role of expatriates from EMNEs in incorporating home and host country cultural values may have been influenced by expatriate training and development (Jackson and Horwitz 2018). Therefore, expatriates' recruitment and training are critical for EMNEs' knowledge management.

2.3. Effect of Volatile Environment on Expatriate Management of EMNEs

EMNEs tend to suffer trust and legitimacy problems in developed economies compared to DMNEs (Zhu et al. 2018). In a volatile global environment, EMNEs may face even more trust issues when trying to obtain legitimacy in host countries. As valuable assets of organisations, expatriates are also vulnerable and exposed to various risks in a volatile environment. Few empirical studies in the expatriation literature have examined expatriate risk management (Fee and McGrath-Champ 2017). Bader and Berg (2013) have claimed that terrorism-induced stress would influence expatriates' attitudes and performance. Expatriates also require more support from families and organisations under the shadow of potential terrorism while conducting international assignments in host countries (Bader et al. 2015). Moreover, Posthuma et al. (2019) found that there is a lack of expatriate risk management, even though perceived risks of criminal acts and behaviour have caused fear and anxiety for expatriates and negatively affected their performance in hostile work environments. Fee and McGrath-Champ (2017) empirically explored how ten non-governmental organisations from five developed economies (Australia, Germany, Switzerland, UK and US) have protected their expatriates in the international aid and

development sector. Therefore, how MNEs utilise their HR practices in managing and supporting their expatriates in such a volatile global environment is understudied.

3. Methods

3.1. Research Design

Few studies with empirical results have been reported in this field. This study is exploratory in nature and has used a multiple case study approach because it has been proven effective in exploring new phenomena that have not been studied, or addressing the lack of literature to explain their processes, such as the management of expatriates in EMNEs (Yin 2014). In addition, the multiple case study design is undertaken since Yin (2014) states that using replication of cases rather than sample logic can overcome the restrictions of generalisation from a single case. Further, a multiple case study also provides chances to make in-depth examinations of specific issues of MNEs (Fan et al. 2012), since this type of design is able to serve the purpose of exploring similarities and differences in expatriate management of companies with different ownership structures or from different industries. It allows researchers to identify some specific factors that may contribute to gaining insights into the targeted topic.

The unit of analysis in this study is Chinese MNEs that have conducted outward FDI and have HR issues related to expatriate management. According to Salidjanova (2011), manufacturing and construction are two important industries that hold large amounts of Chinese outward FDI. Hence, a province was selected with a large group of Chinese MNEs manufacturing machines and equipment for large construction companies. The case companies were then chosen from this group of MNEs.

Further, the ownership characteristic of firms was also included in the selection criteria. It has been reported that many Chinese state-owned enterprises (SOEs) have conducted FDI as supported by the central government. However, more private firms have also emerged as favouring outward FDI due to unprecedented economic reforms (Oi 2011). In addition, the ownership of the MNEs can also affect their staffing policies and knowledge transfer. Therefore, it is important to include both SOEs and non-SOEs (private) in the study.

3.2. Data Collection

This study collected data via semi-structured interviews with expatriates, executives, and middle managers of four Chinese MNEs in 2014 (Appendix A). Eisenhardt (1989) claims that it is less possible to produce a relatively complex theory with a convincing empirical grounding using fewer than four cases. The profile of four case firms is presented in Table 1, including two SOEs and two private-owned enterprises (POEs). All case firms are in the manufacturing industry; three in the heavy machinery industry and one in the equipment industry. All case firms have subsidiaries in developed economies such as Italy, Germany, UK and US.

Patton (2005) argues that a better way to appreciate the richness of the content for researchers is to conduct interviews with objectives. Therefore, this study interviewed members of the senior executive team and the HR managers of subsidiaries and headquarters of four case Chinese MNEs to obtain insights into expatriate management issues. Semi-structured interviews were used as the primary data collection technique in this study since they are best fitted to the purpose, allowing interviewers to identify key issues and explore emerging themes (Tharenou et al. 2007) in the expatriate management of Chinese MNEs so as to fully address the research question.

In the interviews, interviewees were initially asked general questions and invited to provide additional information, perceptions and opinions. The interviews generally ranged from half to one hour in length. For some information-rich interviewees who were willing to share their stories with the interviewer, the interviews lasted more than two hours. A total of 62 h of interviews were conducted with 39 interviewees (Table 2). Among 39 interviews, 32 were conducted in the headquarters of case firms and 7 interviews were conducted at nearby cafés.

Table 1. Profile of the case firms.

Region of Origin	A Providence in the Middle Part of China			
Company pseudonym	Case01	Case02	Case03	Case04
Industry	Heavy machinery	Equipment	Heavy machinery	Electric machinery
Ownership	POE	POE	SOE	SOE
No. of employees overseas/domestic staff	800~900/68,000	40/2000	400~500/30,000	40/5400
Host countries	Four main production and R&D centres in Germany, India, UK and US, six regional units serve as service centres cover business in 110 countries	One main subsidiary in US, four support subsidiaries in US and UK and ten customer centres cover business in 70 countries	Three production centres in Germany, India and Italy, nine regional units serve as service centres to cover business in 80 countries	Acquired one company from UK and kept it as its subsidiary
Establishment method	Brownfield, Greenfield	Greenfield	Brownfield, Greenfield	Brownfield
Year of FDI	2008	2008	2008	2008
FDI motivations	Market expansion	Market expansion, internationalisation	Market expansion	Technology-seeking

Note: For reasons of confidentiality, firms are coded to ensure anonymity. SOE = State-Owned Enterprise. POE = Private-Owned Enterprise.

Table 2. Profile of the interviewees.

Company	Interviewee Pseudonym	Position of Interviewee	Age	Gender	Overseas/Working Experience
Case01	Inter01	Director, responsible for one major region	50–59	M	5 years in overseas operations
	Inter02	Director Assistant	20–29	F	2 years assisting Director
	Inter03	Head of Department (Department of Marketing, Department of Customer Service)	25–34	M	2 years in Asia-Pacific
	Inter04	Head assistant of Department (Department of Marketing)	20–29	F	2 years in Asia-Pacific
	Inter05	Manager (Department of Human Resource)	20–29	F	3 years in Germany
	Inter06	Manager (Department of Human Resource)	20–29	M	3 years in HQ
	Inter07	Manager (Department of R&D)	25–34	M	2 years in Germany
	Inter08	Former Analyst (Department of R&D)	20–29	M	1 year in Germany
	Inter09	Product Manager (Department of Sales)	20–29	M	1.5 years in Russia
	Inter10	Marketing Representative (Department of Marketing)	20–29	M	1 year in Middle East
	Inter11	Marketing Representative (Department of Marketing)	20–29	M	1 year in North Africa
	Inter12	Marketing Representative (Department of Marketing)	20–20	M	1 year in North Africa

Table 2. Cont.

Company	Interviewee Pseudonym	Position of Interviewee	Age	Gender	Overseas/Working Experience
Case02	Inter13	Head of Department (Department of Human Resource)	30–39	M	5 years in HQ
	Inter14	General Manager (Department of International Customer Service)	30–39	M	2 years in Europe, 2 years in Asia-Pacific
	Inter15	Deputy General Manager (Department of International Customer Service)	30–39	M	6 years in South Asia
	Inter16	Engineer (Department of International Customer Service)	20–29	M	1.5 in South Asia, 6 months in Latin America
	Inter17	Engineer (Department of International Customer Service)	25–34	M	3 years in Europe
	Inter18	Engineer (Department of International Customer Service)	25–34	M	4 years in South Asia
Case03	Inter19	Regional Manager (Department of Overseas Business)	30–39	M	4 years in Middle East, 1 year in Russia, 6 months in Europe, 6 months in America
	Inter20	Sales Manager (Department of Overseas Business)	30–39	M	3 years in Australia
	Inter21	Sales Manager (Department of Overseas Business)	30–39	F	6 years in the UK
	Inter22	Service Manager (Department of Overseas Business)	30–39	F	6 years in HQ and Overseas
	Inter23	Administration supervisor (Department of Overseas Business)	30–39	F	6 years in HQ
Case04	Inter24	Deputy Chief Engineer	50–59	M	3 years in the UK
	Inter25	Deputy Chief Engineer	50–59	M	3 years responsible for overseas business, but in HQ
	Inter26	Head of Department (Department of Human Resource)	40–49	F	4 years responsible for overseas business, but in HQ
	Inter27	Head of Department (Department of Quality and Safe)	30–39	M	1 year in the UK
	Inter28	Deputy Head of Department (Department of Manufactory)	30–39	M	3 years in the UK
	Inter29	Supervisor (Department of Human Resource)	20–29	M	4 years responsible for overseas business, but in HQ
	Inter30	Engineer (Department of International Customer Service)	20–29	F	2 years in the UK

Table 2. Cont.

Company	Interviewee Pseudonym	Position of Interviewee	Age	Gender	Overseas/Working Experience
	Inter31	Engineer (Department of International Customer Service)	20–29	M	2 years in the UK
	Inter32	Engineer (Department of International Customer Service)	20–29	M	1.5 years in the UK
	Inter33	Engineer (Department of International Customer Service)	20–29	M	1.5 years in the UK
	Inter34	Engineer (Department of International Customer Service)	20–29	M	1 year in the UK
	Inter35	Deputy Chief Economist	50–59	M	5 years responsible for overseas business but in HQ, 1 year in the UK
	Inter36	Supervisor (Department of Human Resource)	20–29	M	3 years responsible for overseas business, but in HQ
	Inter37	Deputy Head of Department (Department of R&D)	30–39	M	6 months in the UK
	Inter38	Deputy Head of Department (Department of Human Resource)	30–39	M	3 years responsible for overseas business, but in HQ
	Inter39	Supervisor (Department of Human Resource)	20–29	M	3 years responsible for overseas business, but in HQ

Note: F = Female. M = Male.

All 39 interviews were conducted individually and the interviewer ensured them that the information gained from interviews would be de-identified in the report to ensure confidentiality. Since most interviewees preferred not to use a tape recorder, the interviewer took notes and then typed on a laptop. The transcription of interviews, which contained both English and Chinese descriptions and questions, was sent to the interviewees for verification and their own records.

3.3. Data Analysis

Guided by the three general analytic strategies (Yin 2014), the procedure of this study started with building up a case study database for each case, which included collected documents, interviewer's notes, interview transcripts, and interviewer's presumed answers to the questions in the protocol (Yin 2014). The examination was then conducted, which included editing and sorting the information with interviewer's comments that were relevant to the case (Patton 2005). Once a draft report was prepared, it was sent to the key participants of each case firm to ensure the accuracy of the interpretation of the content and the validity of the study.

After categorising the data of each case, the data analysis concluded with a cross-case synthesis after the within-case analysis, which aimed to build up a general explanation for all case firms (Yin 2014). Moreover, the analyses of case studies aimed to address the research question: *What are the expatriate-related issues that EMNEs might face when working in a volatile environment?* This was followed by a cross-case analysis to identify emerging patterns along with similarities and differences. As a result, this cross-case

analysis was used to induce a more general theory and increase the applicability to each case (Eisenhardt and Graebner 2007).

4. Research Findings

The research findings have been grouped into four issues related to expatriate management in Chinese MNEs: staffing approach, recruitment and selection, training and development and knowledge transfer. These issues are presented below.

4.1. Staffing Approach

Despite the fact all case firms share the same purpose of internationalisation, Case01, Case02 and Case03 emphasise market expansion, whereas Case04 intends to seek technology. Hence, the former three case firms tend to use an ethnocentric approach and the latter one tends to use a polycentric approach.

Case01 relies heavily on parent country national (PCN) expatriates in overseas subsidiary groups, but also undertakes localisation in its four overseas groups. For instance, the percentage of HCNs in Case01 Germany's group increased from 10 percent in 2008 and 2009 to nearly 40 percent in 2010, and 95 percent at the end of 2013. Moreover, one HR manager stated that:

“Although in the department of HR, we do not clarify any approach of international staffing policies and practices, we are experiencing a transformation to use more local employees. Ideally, we expect to hire employees who can best fit the region and work there. However, the process is very slow in our main production and R&D centres, it would be even slower or perhaps it would not happen in other regions. A change on the types of employees can be obviously found in our German production and R&D centres. In the first two years (2008 and 2009), we only sent Chinese expatriates to German. Then, we hired more local employees in the following two years (2010 and 2011), but the head of each department was still Chinese. Since 2012, head of each department changed to HCNs and even director of our German subsidiary changed to a TCN. Changing the director from a Chinese expatriate to a Belgian expatriate is a sign for full localisation and also an attempt to move to the regiocentric approach. It is hard, but we describe this process as ‘painful but happy’. (Inter05)

One marketing representative commented on the painful process of localisation:

“In the North Africa region, we hire local employees with local knowledge to support us. However, they do not possess any right to make major decisions or even take part in the core business”. (Inter11)

While host country nationals (HCNs) often have no rights to participate in the decision-making process, even PCNs sometimes feel frustrated for not being able to make a prompt decision on the spot, as one expatriate explained:

“Sometimes it is really hard for us to operate business and deal with partners since we do not have the rights to make quick decisions on behalf of our company. We need more autonomy to response quickly as the market competition is intense”. (Inter12)

Case02 tends to use an ethnocentric approach in most subsidiaries, except those in the South Asia area. In the US, European and Asia-Pacific areas, the company mainly relies on its PCN expatriates, who oversee operations, finance and customer services. In the South Asia area, Case02 has been undertaking a polycentric approach by localising its expatriates and improving both the quantity and quality of HCNs to ensure they can meet the expected standards. However, as a private enterprise, Case02 cannot give too many top-level positions to HCNs. One engineer mentioned that:

“Sometimes it was hard for us to leave the business to local employees, especially for technical issues. It does not always mean that local employees cannot perform well, but we can hardly rely on them since they do not know our products and services that well, even after a proper training”. (Inter18)

Most of Case02's employees in the US, European and Asia-Pacific subsidiaries are Chinese PCNs (over 70 percent). The head of the HR department stated that:

"In these areas, we either hire a small number of HCN employees or ask our dealer partners to provide local support for our foreign subsidiaries. The reason to use more PCNs is that we need to ensure our customer service centres have quality support by our own engineers. Thus, we send expatriates to provide best support to overseas subsidiaries and support centres because we believe that our engineers will provide best technical support". (Inter13)

However, the situation is quite the opposite in South Asia. Most employees are HCNs and only a few are PCNs in this area. A deputy general manager of Case02 explained that:

"There are two reasons for this situation: the supply of local engineers is high, which can ensure low costs and high quality of service; and more local customers would require more HCNs for better communications. We also have local middle-level staff in South Asia, but top-level staff are still PCNs to guarantee the control". (Inter15)

Like the former two case firms, Case03 uses an ethnocentric approach. Even though Case03 has realised the importance of hiring HCNs, the company will be unable to achieve localisation in a short period of time. One sales manager claimed that:

"In manufacturing industries, we believe that management should be strictly controlled by PCNs, i.e., Chinese. It is impossible for us to achieve full localisation in one go. This process is on-going and needs to be done gradually, although in fact it is slower than our competitors". (Inter21)

In addition, Case03 asks its expatriates to take turns working in different regions after a certain period. However, this mostly happens to management-level expatriates. The regional manager added:

"We do take turns every two or three years so we can work in different environments. However, it is unrealistic to make all of our expatriates to take turns since it imposes higher costs when exchanging employees". (Inter19)

Even though three types of employees are available in Case03, using PCN expatriates is still the main choice for the company. The regional manager further mentioned:

"All the high-level and financial positions are held by our expatriates and 50 to 70 percent of employees are also Chinese. In addition, most expatriates working in developed countries are Chinese. In developing countries like India and Brazil, about 50 percent of managerial team members are HCNs. Although Chinese expatriates still dominate our managerial teams, we hired much more HCNs in our three production centres". (Inter19)

Though Case04 tends to use a polycentric approach for its international staffing approach, it still has a small group of PCNs working in its British subsidiary, including three supervisors at R&D department, one deputy chief engineer and one marketing director at the management level, and 35 PCNs at lower levels. As another deputy chief engineer stated:

"We are not actually in charge of business operations in the British subsidiary. The most important task for all the expatriates is to learn skills and improve themselves while working in the UK and then go back to work for the company as they have better experience in their own field. Besides, more than 70 percent of our business is still in the Chinese domestic market". (Inter25)

The company has sent over five groups of expatriates since its acquisition of this UK firm in 2008. Each group was sent with the purpose of learning for one to two years. One deputy chief engineer of Case04 argued that:

"We are only and still in a very initial stage of the internationalisation process. Even though the overseas market can take up to 30 percent of our total sales revenue now, our intention for market expansion does not focus on the international market expan-

sion. We concentrate more on the domestic market in China and the development in technology". (Inter25)

4.2. Recruitment and Selection

Case01's expatriate recruitment and selection criteria include five aspects, i.e., age, language, hardcore ability (marketing, sales, finance and management), flexibility and personal willingness. Firstly, the age should be in the range of 25 to 35; anyone below or above this age is less likely to be considered by the HR manager. This is because the firm believes that older people may find it harder to adjust to a foreign environment, while younger people may be unable to prove their ability to work long hours under high pressure, unless they have gained experience as international students who have previously studied in that particular area.

Furthermore, language and hardcore ability is critical for expatriates, which emphasises the purpose of sending expatriates to work abroad—to provide professional support via great communication skills. In addition, flexibility is included to emphasise again the ability to adjust to a foreign working environment, which can be difficult for employees, and might be yet more difficult for their families. This is due to the fact that in China, nearly every family comprises a dual-career couple; to follow a spouse overseas often means the other spouse needs to sacrifice their job (in most situations spouse refers to wife). For instance, it is preferred less by both HR managers and expatriates for an expatriate to take their family abroad with them. Lastly, but most importantly, Case01's expatriates must have a strong willingness to work abroad as a representative or an ambassador of the company. This is to ensure they are enthusiastic, work with passion, and will not easily give up and return to China before the successful completion of the task.

One HR manager claimed that:

"If an expatriate fails to adapt to foreign working environment, all we need to do is to get another one to go. However, the expatriate failure does not happen very often because our employees normally want to try their best and to be successful". (Inter06)

When discussing Case01's expatriate selection criteria, the HR manager working in the German subsidiary commented that:

"I do not think our current selection criteria are suitable as many departments overemphasise the importance of expatriates' hard-core ability rather than their personal characteristics, working tendencies and family conditions. You know we have expatriates who failed their overseas assignment, not because their hard-core ability but rather their ability in other areas such as communication and interpersonal interactions". (Inter05)

Case02's recruitment and selection criteria for expatriates can be categorised into four parts, including gender, language, technical ability, and flexibility. Firstly, expatriates should be male, as most expatriates are engineers who need to work long hours. Further, language and technical ability are critical for expatriates, which emphasises the purpose of sending expatriates to work at the subsidiaries of Case02, i.e., to provide professional service via great communication. Most expatriates are graduates with excellent academic records and two to three years working experience. In addition, flexibility is included to emphasise again the ability to adjust to foreign working environments, such as their cultures and norms, which can be hard for employees. Family condition is often not a selection criterion for expatriates, but one expatriate mentioned that it is important to gain family support as well. As emphasised by the head of HR department:

"We do prefer employees not to have family constraints, which means unmarried employees are more welcome. However, it does not mean that it will be a critical criterion in expatriate selection. We allow our expatriates to take their family with them, though only a few of them would do". (Inter13)

Case03's recruitment and selection criteria are not the same between different expatriates who have different responsibilities. For service engineers, language and technical abilities are the two most important points to consider. For other expatriates such as sales

staff, language is the priority, and every expatriate needs to pass a six-month trial period. In addition, flexibility and management skills are also required. Besides this, the regional manager mentioned:

“We do not really consider about the age and gender in terms of expatriates. However, my observation is that most of expatriates are males between 25 and 35. In addition, expatriates are most likely unmarried, only high level staff or some service engineers would take their families with them if they are married”. (Inter19)

The regional manager further commented that:

“There is more supply than demand for sending employees to work in overseas subsidiaries. As long as the company requires more expatriates, local employees are more than willing to go abroad; hence they have more intentions to solve cross-cultural adaptation issues by themselves”. (Inter19)

The service manager added:

“Only mid–high-level expatriates and engineers can take one or two family members with them. In addition, not everyone would like to stay overseas if you do not have anything to do except for waiting for your partner to come home. In China we are nearly all dual-career couples, and it’s not easy to ask one’s spouse to give up her job. Most family members would stay for less than half a year and then go back to China”. (Inter22)

Case04’s selection criteria include four parts: language and technical ability, flexibility, and personal willingness. Although the HR staff asserted that personal willingness is the first thing to consider, most expatriates showed different views, which was captured by one engineer when he claimed that:

“Most of us would like to work overseas to gain some working experience; hence personal willingness is actually not a big problem. It is the same to flexibility; you always need to try to work there for several months so as to test your flexibility. Therefore, only two things truly matter: language and technical ability”. (Inter30)

Most expatriates are sent to learn skills and obtain overseas working experience; thus language and technical ability are the most critical criteria for HR managers to consider. As most expatriates are engineers, only five expatriates in this firm are females. However, this does not mean that females are less preferred, as the HR manager indicated that gender was not a criterion in their selection process.

4.3. Training and Development

Expatriates’ training turned out to be a tricky aspect of the discussion at Case01. For example, the company has strong language requirement for expatriates. However, there is almost no language training for expatriates. In addition, the company emphasised that expatriates must have cross-cultural competence, but the cross-culture training (CCT) offered is very limited. The sentiments of one expatriate were shared by other expatriates interviewed:

“HR managers claim that CCTs are provided to us, but I, like other expatriates, do not think they are that useful. First, this type of training is often very short, a couple of hours or no more than a day. Second, the training materials are often too brief and too general, which does not give us much help in dealing local issues”. (Inter12)

Furthermore, most training programmes are designed to provide employees the knowledge of Case01’s product, history, international trade and organisational culture; no specific training is designed to help improve expatriates’ cross-culture competency. One expatriate claimed that:

“Our training is distinguished between different levels of employees with different period of time: basically, every expatriate has an annual training at the end of a year that last 25 days to one month; senior employees generally have more training sessions than lower-level employees, it is quite often they have additional short training sessions for a week. However, no training is specifically related to CCTs”. (Inter11)

Expatriates' career development lacks attention in Case01. Most interviewees expressed their concerns over expatriates' exit opportunities in terms of promotion or working elsewhere. Even though expatriates generally have better compensation and promotion opportunities than their counterparts working domestically, they often find it difficult to envision future opportunities. For marketing representatives (the most common role taken by the majority of expatriates), the career path can be as follows: local marketing representative—national representative—regional manager. However, there is no specific position to be promoted to, and exit opportunities to leave the firm are narrow, as their experiences are more focused on the firm's specific products or their international operation. Some expatriates may have opportunities to work as an internal trainer for expatriates in China. Nevertheless, Case01 has employed many marketing representatives. One of them told the researcher about his concern for his career development, which is quite representative, as staff in the same area all showed similar concerns, as detailed below:

"My work is to help our firm sell its products, and my career is to market the products from local to overseas market. Staff in my field have been trained to sell our firm's particular products, and our knowledge is limited. I wish my firm can help me develop my career from one skill to more, and I will also be happy to take more responsibility if I can expand my job scope". (Inter11)

Case02's training for expatriates is very straightforward. As most expatriates are engineers who are sent overseas to provide customer service, on-the-job training is provided and focused on improving technical skills, and generally lasts for two years before departure. In addition, there are two-week courses for pre-departure language training and CCTs. However, most expatriates describe the training programmes offered by the company as useless, and requires them to look up important information such as accommodation and transportation by themselves. Furthermore, all expatriates are required to undertake two weeks of training once a year to update their technical knowledge about products at Case02's headquarters in China.

As for career development, the head of the HR department explained Case02's two-way approach to employees' career development:

"On the one hand, technicians can be promoted to different levels of engineers and even specialists. On the other hand, low-level officials can be promoted to different levels including manager, regional manager, head of department, and director. However, there is no specific programme that is designed for expatriate's development. In addition, there are also no restrictions on contracts and resignation for expatriates. Expatriates do not need to pay for the training that our company has invested on them if they select to quit from us". (Inter13)

The general manager of international customer services further asserted that the company was one of the best within this industry in China, and was also confident its expatriates would stay, since it could provide better work experience than its competitors.

Case03's training for staff includes etiquette, business operations and language. Neither specific training programmes nor CCTs are designed for expatriates. Most expatriates are required to enhance their skills for three months before they work overseas. One sales manager noted:

"Training programmes are useful for hardcore skills development, but they often do not really work on problems our expatriates would face in overseas operations. Every year our training takes up our vacation time after the Chinese New Year". (Inter20)

In Case03, there are also limited career development plans for expatriates. They often follow the path: general staff—manager—national project manager—regional manager. As the service manager noted:

"There is rarely any promotion gate opened for expatriates. The promise of commission can also differ due to the constantly changing conditions in China. Once you stay too long with overseas operation, you are out of the circle of headquarter and lose attention of the management levels". (Inter22)

Case03 also restricts expatriates who left the company from working for its competitor, normally for two years. The regional manager noted:

“Although many staff want to work overseas, few of them can qualify the selection criteria, which makes the bargaining power more towards the company side. The company offers basic-level training, so the cost of training for an expatriate was low. Many expatriates would choose to resign after working for several years (normally three) as they received overseas working experience and become ‘hot’ in the global market. In this case our company would not get our investment back, so our policy is that the person who received training must work at least two years before they can resign”. (Inter19)

Case04 has detailed training plans designed for expatriates, which is not common among Chinese MNEs. The company provides a four- to eight-week language training course for expatriates once they accept international assignment. This training is in addition to the daily workload. Moreover, Case04 also provides departure training that lasts for a week before expatriates depart to work abroad. Furthermore, local etiquette teachers hired by its British subsidiary will also offer CCTs, which are often conducted once a week and last for six weeks. Although the training plans are quite detailed, other expatriates interviewed echoed the Deputy Head of the Manufacturing Department’s claim:

“Trainings for expatriates are often as useful as expected. They did provide sufficient information for us to know. However, when we have problems related to language or cultural issues, we are still foreigners who need help of local colleagues”. (Inter28)

On the other hand, the career development for expatriates in Case04 is similar to other case companies, where no specific plans are provided for expatriates. However, most expatriates do receive a promotion when they come back to work in China. The head of the HR department claimed that:

“Although there is no specific promise or protocol for promotion of expatriates, we do have a career development plan for expatriates. For instance, an expatriate, who was sent to learn and improve one kind of technology, would be preferred for positions in charge of the work related to that kind of technology than other employees. In addition, expatriates are more likely to get promotion because we only send the best candidates to work overseas. Expatriates normally receive more attention from HQs and thus potentially have more opportunities to be promoted. However, expatriates will be promoted based on merits, the same requirement for domestic staff. Otherwise we can be accused of having an unfair practice”. (Inter28)

However, one deputy chief engineer stated that:

“The tasks for expatriates used to be vague, they only told us to work overseas but did not specify what they expected you to complete or achieve. It is better nowadays, but you still need to work hard by yourself, otherwise you may learn nothing”. (Inter24)

One engineer added:

“Once one is selected as an expatriate, the company will extend his/her contract and ask the person to sign related terms such as training agreement. The person also needs to pay the training costs during the expatriation period (in case one fails the overseas assignment by returning home earlier or jumps to another firm, the training money paid would not be refunded). In addition, the person needs to submit his/her interest in career development, otherwise this person may not be considered by HR staff”. (Inter30)

4.4. Knowledge Transfer

The results of the knowledge transfer can be a tricky part of Chinese MNEs’ expatriate management. Though most expatriates believe that knowledge transfer is useful between headquarters and host country subsidiaries, they believe that it will only work properly in terms technology expertise, and not in management practices. One R&D manager for Case01 even stated that:

“Knowledge transfer has slight impacts on management level of headquarters. For instance, expatriates who are sent to Germany have learned and changed many ideas or concepts such as technical and managerial skills through working overseas. They play a significant role to transfer new knowledge learned overseas back to our colleagues in China and other subsidiaries. However, it is very often our management level consider that only technical skills can be transferred but not different management practices or styles as our managers do not believe they fit Chinese conditions due to cultural differences”. (Inter07)

Although regular meetings between expatriates and domestic employees are normally set up by Case01 twice a year when expatriates return to headquarters in China, expatriates can rarely affect the decisions of headquarters, as conditions vary dramatically between the Chinese domestic market and foreign markets. Expatriates at the executive level may play a more important role in transferring management ideas between home and host countries, as one expatriate mentioned:

“Unless you are in a high position, the knowledge transfer from us to headquarters is often limited, especially when you are working in some less developed countries”. (Inter12)

Case02’s expatriates are encouraged to share their experiences and knowledge gained overseas with their colleagues in China. For instance, expatriates may learn about innovative technologies or ideas through working in foreign subsidiaries and transfer this knowledge back to the headquarters in China. However, one engineer working in Europe commented that:

“Our knowledge transfer is mostly restricted to technology; management concepts can be hardly taken by our headquarters. This is due to the fact that the executives do not pay much attention to those concepts while they believe it is generally not suitable to Chinese conditions”. (Inter17)

Another engineer working in South Asia added that:

“In subsidiaries of Europe or the US, my colleagues may transfer knowledge back to China. However, in South Asia, we generally transfer our knowledge to this region”. (Inter18)

Knowledge transfer takes place within Case03 between China and other host countries. However, none of the interviewees in Case03 think this will significantly improve the company’s management and operations. One sales manager asserted that:

“Working overseas gives me a lot of information and knowledge that I would not ever think of before. I may bring them to work in my home country, which can improve my effectiveness. However, I do not think other staff would like to learn or follow as they work in Chinese way for too long. Additionally, I would not be encouraged or rewarded for transferring back new way of doing things at home. Therefore, instead of ‘showing off’, I might be better to keep the old way”. (Inter21)

As most of Case04’s expatriates are engineers, the interviewees believe that expatriates play an important role in terms of knowledge transfer. The company treats its expatriates as a bridge to connect the home country and the host country in terms of technology use. As the head of the HR department stated:

“The main purpose of sending our expatriates to work in our British subsidiary is to learn skills and knowledge and transfer them back to headquarters. With several years of working experiences in developed countries, we expect our expatriates to help us improve R&D in the same field and enhance technological communication when they come back”. (Inter26)

In addition, another engineer added:

“I believe we are playing important roles in knowledge transfer. Despite of the technological knowledge, we also expand our horizons, learn other ways to think, improve our communication skills, and have better understanding of different cultures. These are as important as the technical skills we learned, because these can give us the ability and

strength to understand why we have these differences rather than copy paste everything we learned in UK. As Chinese saying: know what is and why it is". (Inter31)

5. Discussion

Two types of expatriate management in Chinese MNEs can be inferred from the research findings. A typical feature of the first type is that these Chinese MNEs aim to expand internationally and obtain higher global market shares, just like DMNEs. They tend to conduct marketing-seeking FDI and thus exhibit similar expatriate management styles to DMNEs in their early stages of internationalisation in order to expand their international presence. On the other hand, the second type of Chinese MNEs intends to conduct strategic asset-seeking FDIs (Cui et al. 2014). These Chinese MNEs do not emphasise obtaining more market shares in the host country, but want to acquire advanced technology, personnel, management practices and knowledge from the host country market in order to enhance its competitive advantages.

5.1. Expatriate Management of Market-Seeking Chinese MNEs

The market-seeking Chinese MNEs heavily rely on Chinese PCNs. PCNs run foreign subsidiaries when they hold most of the management positions. As such, a majority of PCN expatriates implied that an ethnocentric staffing approach was adopted in these Chinese MNEs. The headquarters tend to make all strategic decisions for foreign subsidiaries, and some even make decisions for general management issues. PCN expatriates require more autonomy from the headquarters, allowing them greater flexibility in making decisions in an efficient manner.

In countries where skilled managers and labour are available, market-seeking Chinese MNEs preferred more HCNs but would still rely on PCNs for strategic control, including cost, production and revenue. In situations where HCNs receive much less trust and confidence in terms of technology skills and managerial expertise, these Chinese MNEs would send more PCNs. While many factors can affect marketing-seeking Chinese MNEs' choices of different expatriate management policies and practices, the need for control of the operation, the cost of expatriation, and the firm's performance are probably the most influential factors in the current stage of internationalisation.

While some Chinese MNEs tend to employ more HCNs in some foreign subsidiaries, this indicates that these Chinese MNEs need to transform from the ethnocentric staffing approach to a polycentric approach in their overseas subsidiaries. There are several reasons behind this approach. One is to help foreign firms, especially those from developing countries such as Chinese MNEs, to reduce the liabilities of foreignness when the home and host countries are quite different in political, institutional and cultural aspects (Dowling et al. 2013). Another reason is the availability of local experienced managers and skilled workers. This approach may also greatly reduce the cost of selecting, training and sending PCNs, as it is often difficult or too costly to send PCNs when MNEs establish production centres in more foreign countries. The host country's government may also require foreign acquisition to hire HCNs to operate the foreign subsidiary and send PCNs to learn from those HCNs.

There is a tendency whereby market-seeking Chinese MNEs tend to employ more HCNs or TCNs than PCNs when they are at a higher level of internationalisation. The distinction between levels of internationalisation largely determines the amount of HCNs in Chinese MNEs. Given their small share in the overseas market, companies tend to send a few PCNs to operate a business with their deal partners. Chinese MNEs need more support from local employees to operate a business when they expand to more markets and build up factories and plants in more host countries, such as production and R&D centres. Therefore, the proportion of HCNs and TCNs will grow to a significant level as Chinese MNEs gradually expand their market share in host countries.

Our research findings pertaining to knowledge transfer exhibit two parts: technology and management practices, which are similar to DMNEs (Hocking et al. 2007). Knowledge

transfer in market-seeking Chinese MNEs was mostly undertaken by PCN expatriates in three forms: from headquarters to host countries, from host countries to headquarters and from host countries to other host countries. PCNs often transferred their technology and management practices from the home country—China—to the host country. Knowledge was also transferred between host countries, but with far less frequency. This is similar to DMNEs, which tend to transfer their technological and managerial knowledge from the home to the host country (Hocking et al. 2007).

Expatriates' position levels could largely determine the role they play in knowledge transfer. For example, an expatriate with a low-level position could hardly influence other staff in other subsidiaries, and thus plays a limited role in knowledge transfer. However, a high-level expatriate, such as a regional manager or a deputy chief engineer, could effectively influence strategies and management practices through communicating and discussing with other high-level staff at the headquarters and other foreign subsidiaries. Therefore, the transfer of knowledge of management practices tends to occur at an individual level in market-seeking Chinese MNEs.

5.2. Expatriate Management of Strategy Asset-Seeking Chinese MNEs

In strategy asset-seeking Chinese MNEs, PCNs still hold some key management positions, such as in finance, and so maintain control even when HCNs hold most management positions and run the foreign subsidiaries. In addition, knowledge-seeking Chinese MNEs operate the foreign subsidiary in a similar way to some Japanese firms' *shadow management* style, where PCNs work as shadow managers with HCN managers to learn as part of their training (Wong 1996). Both knowledge-seeking Chinese MNEs and these kinds of Japanese firms maintained control over foreign subsidiaries and hired locals (HCNs) to run the general operations of business. However, they were distinguished by the fact that such Japanese MNEs only sent a small number of expatriates to learn and to control the business, whereas Chinese MNEs sent groups of expatriates to learn and follow HCNs, but held limited management and financial positions that precluded them from interfering in business operations. The foreign subsidiaries of strategy asset-seeking Chinese MNEs tend to have much higher autonomy compared to marketing-seeking Chinese MNEs' foreign subsidiaries. Strategy asset-seeking Chinese MNEs also tend to exhibit ad hoc or decentralised practices in their polycentric staffing approach. They tend to employ staffing practices that keep the foreign subsidiary running in a similar way to other host country competitors and provide opportunities to develop PCNs' skills and capabilities.

Technology transfer is critical for strategy asset-seeking Chinese MNEs. For instance, the primary motivation of Case04 in internationalising was to seek strategic assets. Thus, it acquired a British firm as its foreign subsidiary to transfer technology and patents back to the home country, which was different from the marketing-seeking Chinese MNEs, since the other three case firms all exported technologies to the host countries from China. In addition, managerial knowledge transfers also occurred in strategy asset-seeking Chinese MNEs. As expatriates are sent to host countries to develop their skills and capabilities, knowledge transfer tends to occur at the group level. However, for various reasons identified from the case firms, the effectiveness of this is questionable, and thus the importance of the role is also limited.

5.3. Challenges in Expatriate Management of Chinese MNEs

What has happened to Chinese MNEs might be similar to the foreign investment funds (FIFs) that entered China in the early stage of the Chinese economic reforms. These FIFs emphasise the use of PCNs due to the small supply of local managerial and technical skills (Selmer 2004). To some extent, some Chinese MNEs tend to follow the resource-abundant DMNEs, and emphasise the adoption of the HCN staffing strategy as they become more mature in expatriate management and localisation (Lin et al. 2012). Compared to DMNEs, many challenges need to be addressed in the context of expatriate management of Chinese MNEs.

[Dowling et al. \(2013\)](#) emphasised six expatriate selection criteria: technical ability, cross-cultural suitability, family requirements, country/cultural requirements, language, and MNE requirements. The strategic asset-seeking Chinese MNEs are quite similar to market-seeking Chinese MNEs, in that they only consider some of the six criteria. The most common and frequently used criteria are technical ability, language ability and MNEs' requirements, such as flexibility and knowledge transfer. These criteria demonstrate that the case firms still selected expatriates by concentrating on their personal hardcore ability (technical and language ability), and the MNEs' need to fill some positions. Other criteria, such as one's cross-cultural competence, adjustability and adaptability, were less often, or never, considered in selection. Unlike cross-cultural suitability, flexibility focused on expatriates' ability to deal with urgent issues, rather than being able to deal with different environments. In addition, flexibility was a vague standard for HR managers to use in expatriate selection—there are no specific requirements associated with it. While most expatriates are males, most HR staff claimed that female staff are given the same opportunity to be selected as expatriates, but many female staff are not willing to work abroad as much as male staff due to family responsibility.

Many Chinese executives believe that employees who perform excellently in the domestic working environment would also perform similarly in a foreign working context if they could communicate fluently in the local language. Some researchers have noted that the prevalence of English education means Chinese expatriates have fewer language problems compared to foreign expatriates working in China ([Feely and Harzing 2003](#); [Yano 2009](#)). However, there is a lack of understanding in Chinese MNEs that many other significant factors also contribute to expatriates' success or failure in their international assignment, such as cross-cultural competence, individual ability to deal with stress or loneliness when working in a very different environment, and other abilities, such as tolerance, empathy and perceptivity, as argued by many researchers ([Belderbos and Heijltjes 2005](#); [Cheng and Lin 2009](#); [Guthrie et al. 2003](#); [Mendenhall and Oddou 1985](#)).

Our research findings suggest that none of the case firms strongly considered other criteria for selection, such as cross-cultural suitability, as the supply of expatriates was much greater than the demand for them. Chinese MNEs appear to leave the cross-cultural adaptation issues to their expatriates, although sometimes these expatriates struggle with living and working abroad when they are in a strange environment with intense work pressures.

The most notable selection criteria used in DMNEs as discussed in the literature ([Dabic et al. 2015](#)) appeared to attract little attention from Chinese MNEs. Most of the HR managers interviewed did not consider family requirements as a very important issue that might affect recruitment. This supports [Wang et al. \(2013\)](#), who claimed that many Chinese expatriates were sent overseas without their family as the policy of the MNEs. Though managers would show concern about the expatriates living abroad without their family, they did not emphasise the importance of family requirements. This situation is more similar to Japanese MNEs than US and European MNEs, where family issues were shown to be critical to expatriate failure ([Stone 2010](#)). In general, the methods for solving family issues are simple in Chinese MNEs. If the expatriates are married, they could have their family members (normally one, but could be up to two) visit them in foreign subsidiaries. If the expatriates are at high levels, they could even ask to have their family member stay with them. However, this is very uncommon due to the facts of dual-career couples and lack of firm support. For example, for all the expatriates interviewed, no case firm guaranteed any work permits for their families. Most of the interviewees stated that family issues were not the companies' concerns. Therefore, expatriates would seek a way out when they worked at a certain level, in order to stay with their families. This also affected the stability of expatriation.

Although these case firms have specific policies on expatriate recruitment and selection, they did not bring up a framework to be used throughout the company. Most policies are specific to each region or subsidiary, or are even determined directly by the director in

charge. A more comprehensive framework with more cross-cultural considerations should be considered for Chinese MNEs in their expatriate recruitment and selection.

Chinese MNEs tend to offer some special training programmes for their expatriates. They have been offered as on-the-job training, which significantly different from the training for other employees who are not expatriates. It is unclear how much help these training programmes could provide to expatriates, which supports the statement that Chinese expatriates have insufficient foreign market knowledge and understanding of host countries' employment legislation (Jackson and Horwitz 2018). It is dubious how important these special programmes are in assisting expatriates' overseas survival and performance. In addition, some dedicated training plans have been designed for expatriates sent to work in foreign countries. However, the usefulness of these training programmes has been limited, since most expatriates are unaware of the details of their working abroad, such as the working environment and the local employment practices, before accepting the international assignment.

Dabic et al. (2015) argued that most of the current literature focuses on expatriate pre-departure training, since technical ability is the most-emphasised criterion for selecting expatriates in most MNEs. As for the four case firms, most training was for PCN expatriates from China, and consisted of pre-departure training and recurrent annual training. The latter often provided information for expatriates about new products and changes in the company, while the former offered some new knowledge of the country and subsidiary.

Many researchers believe that effective pre-departure training should include cultural awareness programs, preliminary visits, language training, practical assistance, security briefings, and training for the role (Budhwar et al. 2009; Puck et al. 2008). However, the expatriate pre-departure training programmes offered by Chinese MNEs often contained only language training, brief CCT, and expatriate job training. For marketing-seeking Chinese MNEs, language training was brief or even non-existent, as language skill was one of the selection criteria. In addition, most interviewees claimed that CCTs were not as useful as expected, as firms often did not recognise the importance of this kind of training. This also supports the argument that Chinese MNEs did not emphasise CCTs (Shen and Darby 2006).

Even though all case firms emphasised expatriate job training, they did not provide any effective means of helping expatriates. This could also be the result of Chinese managers treating training as a passive rather than an active process. In market-seeking Chinese MNEs, expatriates were required to undertake training during their breaks and regular visits at headquarters. The case firms believed that expatriates would be able to gain benefits from job training, and thus even asked them to take training during their vacation time in China. However, executives often believed that there were not many differences between working at home and working in host countries. Therefore, expatriate job training was treated as similar to job training in the home country. The headquarters often had no concise idea about the differences (other than the language) that their expatriates should learn about before they start to work abroad. This is one of the reasons why some expatriates complained that the training received at home turned out to be irrelevant to their work in foreign subsidiaries. Further, the training offered by case firms could not keep up with the changing environment, and most expatriates did not consider the training to be as useful as expected by headquarters. As a result, the training programmes were not as valued in case firms, and thus the effectiveness of these training programmes could also be limited.

As for career development, no case firms provided any special career path for expatriates. Even though a general career path was offered to marketing and sales staff, such as the possible promotion from a marketing representative to a national representative and then regional manager, expatriates were treated in the same way as other domestic staffs, i.e., promotion mainly based on merits. However, expatriates in case firms did have better promotion chances than domestic employees when they came back to work, based on their overseas working experience. In general, expatriates noted that they had few promotion opportunities in overseas subsidiaries, which coincides with concerns that no long-term

career development plans are provided for Chinese expatriates (Shen and Jiang 2015). Expatriates are very much concerned about their future careers, as they could be far from the minds of senior managers. Even though the Chinese expatriates interviewed worried about their careers just as much as expatriates from DMNEs, they had little say in their career development, as their superiors mostly decided the arrangement due to the high-power distance culture in China. A lack of career development often leads to a high turnover of expatriates.

In addition, HCNs often receive less attention from headquarters and are responsible for non-core business in Chinese MNEs. Thus, HCNs receive limited opportunities to be promoted, or might only be promoted to a certain position. This is mainly due to the failure to create a comprehensive career development framework for different types of employees in Chinese MNEs. A summary of expatriate management in market-seeking and strategic-asset seeking Chinese MNEs and related challenges, drawn from the discussions, is presented in Table 3 below.

Table 3. Expatriate management of case firms.

Company Pseudonym	Case01	Case02	Case03	Case04
Type		Market-seeking Chinese MNEs		Strategic asset-seeking Chinese MNEs
Staffing Approach	PCNs ethnocentric PCNs required autonomy transform to polycentric; regiocentric few TCNs HCNs and TCNs expect to grow	PCNs ethnocentric PCNs in control no plan to transform very few TCNs PCNs were sent in a routine	PCNs ethnocentric PCNs required autonomy transform to polycentric; regiocentric few TCNs HCNs and TCNs expect to grow	HCNs polycentric PCNs were sent to learn from HCNs; HCNs with high autonomy no plan to transform no TCNs PCNs were sent in a routine
Knowledge Transfer		technology transfer from china no management practices transfer to China individual level, not group level		technology transfer to china management practices transfer to China group level
Recruitment and Selection		technical ability, language ability, flexibility or knowledge transfer were considered cross-cultural competence, adjustability or adaptability were not considered lack of firm support, rare dual-career couples, no emphasis of family support only gender issues in Case02, all others give the same fair opportunities, but females are less willing to work overseas		
Training and Development		pre-departure training and recurrently annual training: language training, cross-cultural training and expatriate job training expatriate job training does not differentiate between home and host countries on-the-job training tailored for expatriates limited career development for PCNS; none for HCNs PCNs have better promotion opportunities than HCNs, but still few opportunities in overseas subsidiaries		detailed training plans HCNs and PCNs have different career paths HCNs stay in the subsidiary

6. Contributions, Implications and Limitations

As EMNEs have been increasing rapidly over the last decade, more expatriates from EMNEs have been sent to work abroad, and the need for expatriates has grown to a significant level. The contributions and implications are illustrated below in the expatriate management field, as more expatriates from EMNEs tend to conduct international assignments in a volatile environment.

To answer the research question concerning *what expatriate-related issues EMNEs might face when working in a volatile environment*, this study explored the expatriate management of four EMNEs in equipment and heavy machinery industries. Some traditional key expatriate-related issues in the expatriate management field were examined in this study, including staffing approach, recruitment and selection, training and development, and knowledge transfer. This research makes two major contributions to the literature. First, this study is among the few that systematically examine four HR issues in the context of EMNEs with first-hand empirical evidence. The findings show that EMNEs leapfrog with their internationalisation, and hence their expatriate policies are often made ad hoc, with no systematic planning. In addition, this study has useful implications for practice, especially as regards EMNEs and the ways in which they need to improve their expatriate policies and practices. More delicate measures should be developed for increasing the efficiency of expatriate management and the well-being and performance of expatriates.

The effectiveness of different staffing strategies will continue to be an issue for EMNEs. A well-planned rather than an ad hoc staffing approach is needed for EMNEs. The ethnocentric approach is the most commonly used policy by EMNEs, and it might be suitable for EMNEs at the initial stages of internationalisation. However, EMNEs need to explore different staffing policies, such as the regiocentric or geocentric approaches. How effective will these two approaches be for EMNEs compared to DMNEs? Which one is better, and under what circumstances? This can be further explored in future studies.

Though PCNs are still preferred by most EMNEs for key positions in the subsidiaries, the importance of HCNs is being increasingly realised by managers. How to achieve the best structure of employees is the next issue that EMNEs need to be concerned with. How do EMNEs differ in recruiting and selecting HCNs compared to PCNs? Which positions should be PCNs, and which HCNs? To what extent can EMNEs rely on HCNs to operate a subsidiary without losing control? How do EMNEs provide training and development opportunities to HCNs? Will *shadow management* work in other EMNEs' subsidiaries?

Given the complexity of knowledge transfer, many questions need to be further explored. For example, is it possible for managerial skills to be passed from host countries to the headquarter of EMNEs? Under what circumstances can this happen? Are managerial skills proven to be effective in headquarters of EMNEs also effective in host countries? These questions all need to be addressed in future studies.

However, given the limited accessibility, the case firms in this study were restricted to those headquartered in one province. There could thus be biases in the results. Further, the case firms are all in similar industries, which may limit the generalisability of the research findings. Future studies should gather more information from more expatriates and case firms across different industries and regions. Nevertheless, this study has identified more questions and can serve as a starting point for future studies.

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Appendix A. Semi-Structured Interview Questions

1. Please explain your background and experience in firm.
2. What type of employees does your firm have, i.e., parent country nationals, host country nationals or third country nationals?
3. When your firm choose expatriates, what are the reasons to consider different types of employees? What are the environmental factors that may affect the consideration?
4. What are the main features of expatriate policies and practices used by your firm, can you give some examples to identify that?
5. Does your firm have specific policies on expatriate recruitment and selection? If yes, what selection criteria are used?
6. Does your firm have special programmes for their expatriate training and development? If yes, what are the main features of these programs?
7. What roles are Chinese expatriates playing in terms of knowledge transfer between host countries and China?
8. Any problems and suggestions that relate to existing management of expatriates in Chinese MNEs you want to add?

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