

# **ASSIGNMENT CHINA: THREE FACTORS INFLUENCING THE EFFECTIVENESS OF WESTERN MANAGERS**

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## **ABSTRACT**

Responding to the problem of high expatriate failure rates in China, this study explores the phenomenon of managerial effectiveness, as it relates to a community of Western expatriate managers working in an academic college in South-East China. Through individual interviews and surveys, the study examines the participants' experiences and self-perceptions to gain a deeper insight into the factors that are most influential to their managerial effectiveness. Managerial effectiveness is found to be increased among the managers as they nurture organisational and cultural harmony, maintain supportive spousal and/or familial relationships, and establish and maintain influential relationships within the organisation.

## **INTRODUCTION**

Western expatriate failure estimates in China range as high as 70% [7] [10] [11] [13]. 'Expatriate failure' is defined as the early return or departure of expatriates, whereby managerial ineffectiveness occurs and a financial loss can be calculated or inferred, due to disrupted operations or damage to business relationships as a result of low commitment levels and cultural improprieties committed by the expatriate [7] [11]. Short to long-term costs for such failures are estimated to range from US\$ 250,000 to US\$ 1,000,000 per expatriate, for some companies [13] [10]. These high failure rates impact upon the expatriates themselves, their families, their employers, the economies in which they are employed, and potentially adversely affect future business relations between Western expatriates and Chinese organisations. The present exploratory investigation, as part of a larger study, addresses the research problem of high failure rates for Western expatriates in China, as it relates to the managerial effectiveness of a group of Western expatriate managers working in a private, Chinese-owned, academic college in South-East China [9].

## **MANAGERIAL EFFECTIVENESS**

Managerial effectiveness, for the purpose of this investigation, is defined as the ongoing satisfying of organisational goals through purposeful managerial efforts [5] [6] [15]. Numerous theories have been proposed for predicting and assessing cross-cultural managerial competencies [1] [2] [4] [8] [14]. These theories focus either on the environmental factors surrounding managers or the personality traits that they individually possess. There is little agreement, however, in identifying a specific set of factors most influential to the managerial effectiveness of expatriates in foreign postings.

For Western expatriates working in China, the differences between the collectivist and Confucian styles of China and the individualistic styles of the West are pronounced [3] [11]. The literature consistently argues that the effectiveness of expatriates working in China is largely dependent upon an attainment of at least a basic understanding of Chinese society [3] [12]. Despite the abundance of theories and studies

designed to predict and assess expatriate managerial effectiveness, estimates of expatriate failure rates in China remain high.

## METHODOLOGY / FINDINGS

The study is guided by the sample-specific research question of: *What are the factors most influential to the managerial effectiveness of a group of Western expatriate managers working in a private, Chinese-owned, academic college in South-East China?* The investigation aims to determine how managerial effectiveness can be enhanced among the expatriate managers of the sample. Semi-structured telephone interviews were conducted with the six senior expatriate managers of the College, which at the time, employed a total of 22 expatriate teachers and approximately 200 Chinese teachers, administrators, and executive managers. The participants were asked to respond to the following question: *How do you think your managerial effectiveness could be increased?* The participants' responses consistently involved the three themes of *organisational and cultural harmony*, *hierarchical relationships*, and *supportive spousal/familial relationships*. These findings, though not grouped in this manner by any one author, are overall consistent with a collective of the views in the literature [3] [12].

From the themes that emerged from the personal interview data, survey questions were intuitively developed, compiled, and distributed to the entire Western expatriate teaching and managerial staff of the College. The survey begins with demographic/background questions and then lists a series of scenario statements which ask the participants to rate, on a five-point Likert-type scale, the degree of their agreement or disagreement with each statement. Sixteen scenarios, divided equally into four categories, were constructed in accordance with the themes that emerged from the interview data. While the larger study examines all four categories at length, the present study focuses only on the fourth category, *managerial effectiveness*, which was added in accordance with the aims of the investigation.

Firstly, it was determined that none of the participants had received any form of cultural training before or during their China posting and only two of the managers had Chinese language skills above beginner levels. It was furthermore found, from the first scenario statement of '*My managerial goals are regularly achieved in the organisation*', that only 41.2% of the managers agreed in any way with the statement. Conversely, 58.8% did not agree with the statement. Less than half, 47.1%, of the participants agreed or strongly agreed with the statement that '*My subordinates fulfil their assigned tasks as I intended*'. In response to the statement of '*I feel my managerial position is respected by colleagues within the College*', only 52.9% of the managers reported that they agreed or strongly agreed with the statement. Finally, only 35.3% of the managers agreed or strongly agreed with the statement that '*My professional opinions are periodically sought by colleagues within the College*'. This particular phenomenon could be due to cultural communication barriers, issues of managerial incompetence, or a number of other organisational or cultural factors. The collective findings, however, of these four scenario statements, clearly indicate that less than half of the managers perceive themselves to be managerially effective within the organisation.

## CONCLUSION

The difficulties experienced by the majority of the managers in the College, in terms of their self-perceptions of managerial effectiveness, are considerable. The interview study revealed that the perceived managerial effectiveness of the participants was most influenced by the maintaining of *organisational and cultural harmony*, having *supportive familial and/or spousal relationships*, and the developing of *hierarchical relationships* with Chinese individuals at all levels within the organisation.

Through recognising and considering how to adapt to the realities of these identified factors, it is inferred that the likelihood of managerial effectiveness could be increased for the participants, or for expatriate managers in similar environments in China. The survey study revealed that most of the participants felt a lack of colleague and subordinate support. This finding is notable in relation to research linking perceived workplace support with managerial effectiveness [8]. Follow up inquiry, six months after the survey was conducted, revealed that the majority of the expatriate managers of the College had been 'let go' for undisclosed reasons. As an initial part of a larger project, this study is both confirmatory and exploratory. It confirms the phenomenon of high Western expatriate ineffectiveness and failure rates in China and it explores some of the factors identified as being most influential to expatriate managerial effectiveness.

The results of this study provide insight into the phenomenon of expatriate managerial effectiveness in China that is useful for expatriate managers, their employers, and future researchers investigating this area. Further investigation could be conducted to determine if these factors for managerial effectiveness can be generalised to expatriate managers across China. Additional research, with a larger sample, could also benefit from exploring the relationships between gender and the managerial effectiveness of expatriates working in China. The next step of this study is to investigate 'why' instances of high expatriate failure rates persist, in light of the considerable amount of established theories and studies designed to predict, determine, inform and assess expatriate managerial effectiveness competencies.

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