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ADJUSTMENT OF WESTERN EXPATRIATES IN CHINA.
THE SOCIAL CAPITAL PERSPECTIVE

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ABSTRACT:

The intent of the study is to get to know the adjustment mechanism of Western expatriates in China, particularly in the social capital perspective. The importance of social capitals of western expatriates in China are commonly acknowledges both theoretically and practically. In this research, six major social capitals are found out to be crucial for expatriates and the analysis is made into this six categories : social capital from colleagues in China, social capital from local Chinese, social capital from peer expatriates, social capital from family/relationship, social capital from HQ and MNCs, social capital from other communities or lifestyle. Advice on factors facilitating adjustment in MNCs from social capital perspective is also studied, especially in the three sectors as selection, training and support system within MNC. Overall, all the studies above prove the social capital plays importance role in western expatriates' adjustment in China, and there are certain social ties they prefer to interact often, and many practical advice on social capital building for better adjustment is analyzed.

KEYWORDS: Expatriates' adjustment, western expatriates, adjustment in China, social capital

1. INTRODUCTION

1.1. An introduction to the subject

With the open policies from Chinese government, China's joining of WTO, low cost in production, large population and market potential, fast increasing of economy, rapid development of infrastructure and distribution channels, improvement of consumption index, China becomes the second largest foreign direct investment country in the world (Luo, 2002). Many Western multinational companies come into the Chinese market, for example, there is growing number of Finnish MNCs setting up operations in China. In order to ensure global alignment, maintain the global view, make centralized decision making from headquarter, there is a lack of technical experts and suitable managers, MNCs send a lot of expatriates to China, they help to transfer know how, direct local operation, supervise and control, report the up to date information from host country to home headquarter, inform the subsidiaries on the policies from the headquarter, function as the middle communicator of the host country and home country, discover and develop high potential managers in local market (Evans et al., 2011).

In Hofstede's 5 culture dimension, we take a comparison of culture indexes between China and the Western world, and in western we take Finland as an example. China gets 80 in power distance, 20 in individualistic versus collectivism, 30 in uncertainty avoidance, 87 in long term orientation, 66 in masculinity versus femininity. While in Finland the indexes are: power distance is 33, individualistic versus collectivism is 63, masculinity versus femininity is 26, uncertainty avoidance is 59, the whole set of indexes makes China a country different from Finnish in culture in many aspects.

Because of the culture distance between Finland and China, Finnish expatriates need adjustment, not only for Finnish expatriates, but also other western expatriates, the

culture index are different from China. During the adjustment procession, many Western expatriates encounter various difficulties in the new environment, if expatriates can not adjust themselves well, it can cause withdraw beforehand, lower job performance compared with performance in headquarter, quit the job, psychological problems. In addition, the cost of expatriation is relatively high, established to be \$65,000 to \$300,000 (Goodall et al., 2006/2007), expatriate failure can result in the loss of the expatriate investment, the percentage of failure rates are cited as 4-15% (Tung, 1981), 16-40% (Black, Medenhall and Oddou, 1991), 20-50% (Hutchings, 2003). Social capital is one perspective of the adjustment, when expatriates enter China, they will leave their former stable and safety social network and support, cut off many connections, and be ready to establish the new social capital, which combines with uncertainties, in order to ease these psychological anxiety, expatriates start to seek for social capital support across the boundary (Thomas, 1994). Researchers found that the more boundary social capital support expatriate get, the better job performance is (Au and Fukuda, 2002).

In expatriate adjustment, mechanism refers to the methods expatriates use that will lead to certain adjustment outcomes (Aycan, 1997). Empirical study emphasizes more on the quantitative relationship between influential independent factors and outcomes in adjustment; there is a lack of research on adjustment in mechanism in social capital perspective. The purpose of this study is to introduce a mode that describes the mechanism made from the social capital aspect. A conceptual framework is built through empirical research. It can be used in depth study of social capital adjustment of Western expatriates in China.

1.2. Previous study and limitation of expatriate research

Previous study of expatriate research varies a lot.

In domestic adjustment theory, four areas are analyzed: "(a) socialization in organization.(b)career transition.(c)work role transition.(d)relocation." (Ashford &Taylor, 1990).

IHRM has a lot of research on the systematic preparation programs which could help expatriates to cope with the adjustment in a different country. They emphasize on better selection solution (Tung, 1982), appropriate cross culture training (Tung, 1988), in-post support (Harris, 1989), cross culture assistant (Britt, 2002).

Black, Mendenhall and Oddou (1991) bring out the 3 dimensions in the cross cultural adjustment for expatriates, they are work adjustment, interaction adjustment which is related to the host country nationality network, other general environment adjustment. Their framework is used and extended by many other studies.

Selmer (1998) conducted the research on the well-being, consequences of expatriates in China according to the 3 dimensions of adjustment.

Erbacher, David; D'Netto, Brian; Juan España (2006)studies the personal factors and situational factors which could affect the successfulness of expatriation. Personal factors are perceived career development, longing to relocate, international orientation. The situational factors are selection standard, training, role clarity, level of support, relationship between the expatriate and firm, performance management system.

There is person and environment fit model by Kaplan (1966). Kraimer (1999) studies the stress management in expatriates' adaptation.

Black &Mendenhall (1991) mentions the U curve theory of adjustment, which explains

the 4 stages expatriates face: honeymoon stage, culture shock stage, adjustment stage, mastery stage.

Social capital adjustment literature: Many researches analyze the factors affecting the socialization. Personal attributes are emphasized, as the personality (Bauer & Green, 1994), personal value(Chatman, 1991). Interactionist theory (Reicher, 1987) analyses the role that the colleagues inside the organization play in the interaction with expatriates, the interaction with expatriates could affect the adjustment and work development (Reicher, 1987). Allen, Mc Manuss, Russell (1999) found the peer coach could affect the socialization procession for expatriates. In the personal characteristic theory, researchers draw attention on the factors as capability, international experience, relationship skills, attitude toward host country, motivation (Caligiuri, 2000). Culture empathy is also emphasized by Ruben (1976).Arthur &Bennett (1995),Church (1982)bring forward the international cultural openness and emotional stability. Black & Stephens (1989), Tung(1981) propose the spouse adjustment. Adler and Kwon (2002) make a social capital model on the procession that social capital factors' influence on the adjustment and work performance.

But there is a lack of research on western expatriates' adjustment in China, especially lack of the particular analysis of the Finnish expatriates' adjustment in China. How the social capital factors affect the adjustment, the adjustment mechanism model in China is lack of research.

1.3. Purpose of the study and research questions

1.3.1. Purpose of the study

The intent of the study is to get to know the adjustment mechanism of Western

expatriates in China, particularly in the social capital perspective.

There are five reasons explaining the importance of this study:

Firstly, China is an emerging market, a popular destination for western expatriates, but with the culture difference, expatriates may face the psychological comfort or stress in the adjustment procession (Mendenhall et al., 2008). Since China is an emerging market, the research on the adjustment of expatriates in China is limited.

Secondly, expatriate adjustment could affect the job performance in the expatriation, if the adjustment is not processed well, it could cause failure, poor performance, withdraw in advance, and leave the company, psychological problems and so on, so the adjustment is an important topic.

Thirdly, social capital plays an important part in the adjustment procession. Social capital is the set of personal relationships (Karner, 2000), it is created by exchange within the network (Lin, 2001). In expatriation, whether in daily life or assignment, expatriates will have interaction with individuals, social capital may have big influence in the job performance and adjustment (Liu & Shaffer, 2005), as China is a new and different environment, they need more support and ability to get access to the social capital. Friends from other expatriates, friends from host country nationality, colleagues, and family members are included.

Fourthly, adjustment mechanism can help to find out the lessons expatriates learned through their expatriation experience, give advice and suggestion on companies how to improve the social support for expatriates, select more suitable expatriates for international expatriation, offer better training programs and decrease the failure rate of expatriation.

Fifthly, this topic can draw more attention in academic on the social capital perspective of the expatriates' adjustment and also on the adjustment mechanism.

Sixthly, there is a research gap which is explained before.

1.3.2. Research questions

The top level of the research question is what mode and methods western expatriates use in different aspects of social capital to adjust to Chinese environment. According to the social capital adjustment, what advice expatriates have for MNCs in the future.

Questions in details can be analyzed in different social capital categories as follow:

- (1).The importance of social capital from the expatriates' perspective.
- (2).What is the social capital for them in China, how important are they accordingly?
 - a. Colleagues from host country nationality: Importance; How often to interact; their background; Way of interaction; Common points; what is appreciated and helpful.
 - b. Local Chinese: Importance; How often to interact; their background; Way of interaction; Common points; what is appreciated and helpful.
 - c. Peer expatriates group: Importance; How often to interact; their background; Way of interaction; Common points; what is appreciated and helpful.
 - d. Family and relationship: Importance; How often to interact; their background; Way

of interaction; Common points; what is appreciated and helpful.

- e. Social capital support from MNC or HQ: Importance; How often to interact; their background; Way of interaction; Common points; what is appreciated and helpful.
- f. Other communities or lifestyle: Importance; How often to interact; their background; Way of interaction; Common points; what is appreciated and helpful.

(3).The advice and knowledge they get from their expatriate experience related with social capital on selection, training and support from MNCs.

1.4. Structure of the study

The study comprises six main parts in the following order: Introduction; Literature review on expatriate adjustment and social capital; Model development; Research methods; Data Analysis and Conclusions.

2. LITERATURE REVIEW ON EXPATRIATES' ADJUSTMENT AND SOCIAL CAPITAL

2.1. Review of literature related to cultural factors, as culture difference, culture shock, u-curve, culture dimensions.

2.1.1. U-Curve Theory

The U-curve theory explains the 4 stages expatriates may go through during expatriation. The first stage is the honeymoon period, when expatriates feel curious and excited on the new environment, while there is a lack of recognize on the negative consequences of the inappropriate behavior in a different culture in the longer term. Then comes the second period of disorientation, culture shock begins from this stage when expatriates start to find the some personal inability to adapt to the new culture. In the third stage, more serious culture shock symptoms turn out, for example, expatriates feel helplessness when encountering difficulties, hold long last anger and get frustrated in minor cases, excessive cleaning of the hands etc. The last phase is adjustment, expatriates learn to obtain the information and resources in the new environment, try to understand and integrate with the new culture, increase the capacity to perform appropriate behavior, and complete the adjustment (Oberg 1960: 177-182). Some succeed in the adjustment and complete the international assignment successfully while the others fail to adapt and leads to the failure of expatriation (Tung, 1981).

Black & Mendenhall (1991) integrate social learning theory (SLT) into the U-Curve theory. The four essential elements are proposed as follows: attention (notice the new model of behavior which could help with the adjustment in the new culture), retention (memorize the code of the model), reproduction (practice the new behavior) and

incentives (they can influence and motivate to bring out the new behavior).

2.1.2. Culture shock theory

According to the U-curve theory, Oberg (1960) brings out the concept that overcoming the culture shock is the cross cultural adaptation process. Walton (1990) demonstrates the culture shock as a stressful reaction when the physical and psychological factors are out of control, uncertain and unpredictable. These stresses are brought out by the lack of the understanding and accepting of the differences in language, food, behavior, natural environment, personal spaces in a new culture (Adler, 1986). Simons et al. (1993) describes three reactions to culture shock: resistance (keeps their own culture without change, do not accept the new culture), assimilation (change the traditional behavior in their own culture totally in order to accept the new culture), acculturation (learn the new culture while maintain the old rooted culture of their own).

2.1.3. Hofstede's culture dimension theory

Hofstede (1980) defined culture as “a collective programming of the mind” which contains distinguished set of values, attitudes and behaviors. Here is one example of the culture difference between China and one western country Finland. The implications provided in Hofstede's four dimensions inside Chinese culture and Finnish culture are as followed;

China gets 80 in power distance, 20 in individualistic verse collectivism, 30 in uncertainty avoidance, 66 in masculinity verse femininity. While in Finland the indexes are: power distance is 33, individualistic verse collectivism is 63, masculinity verse femininity is 26, uncertainty avoidance is 59, and the whole set of index makes China a country different from Finnish in culture in many aspects.

In China, the high power distance indicates the obedience of the subordinates, close supervision from managers, autocratic in decision making, rigid hierarchy in organization, managers represent authority and give order on the content of assignment, adapt a Confucian parental role, subordinates can not be initiative in taking the job (Littrell and Romie F, 2002). While in Finland, low power distance indicates the flat organization structure, equality among subordinates and supervisors, subordinates are initiative in tasks.

As a collectivism society, Chinese have intensive, congregate relationship with each other, in-group loyalty is respected, and people find their identity and seek for happiness among a group of people. Harmony in group and organization is valued. Dahles & Wels (2002) brings out the in-group and out-group concept in Chinese organization, people from close hometowns, or share similar interests gather together inside small groups, they hang out and have lunch break together, they have close relationship with in group members, but be more indifferent with out group members, in business world, people get special and better treatment with friends or relatives (Littrell and Romie F, 2002). People who do not obey the certain norms as other people in the group may be considered as bad character, Chinese regulate the behavior to be identical and obedient to the in group rules through the concept of "shame" or face losing (Littrell and Romie F, 2002). In this society, "guanxi" network is built and prospered. As an individualistic society, Finnish seek their identity and happiness by themselves alone instead of inside a group.

In the masculinity verse femininity dimension, China is a masculinity society, employees are assertive, competitive and ambitious in career, male take more responsibility in career pursuing while female focus more on family. While Finland is a femininity society, employees show more emotion, compassion and nurture in the work

environment, female and male share more equality in career building.

China has low uncertainty avoidance; Chinese are comfortable with ambiguity and have more tolerance with changes (Kaye & Taylor, 1997). China is classified as high context communication country, little information is contained, and explicit expression is often used. In Finland, the uncertainty index is relatively high, Finnish values exact and detailed expression in conversation, it is a low context culture, and people prefer stability instead of changes in life.

2.2. Review of expatriate adjustment

2.2.1. Definition of adjustment

Adjustment, adaptation in expatriation are often used interchangeably to define the process and result of the change that expatriates experience entering a different cultural environment (Evans et al., 2002; Kim, 1988).

Searle and Ward (1990) classify the term adjustment as psychological adjustment and sociocultural adjustment.

Parkhe (1991) encourages a cultural adaptation process which could help with the cultural difference problems and increase the effectiveness of expatriation. Nowadays researchers highlighted the need for adaptation (Bird et al., 1999), the need for cultural understanding and adapt intercultural managerial skills through cross culture interaction (Osland & Bird, 2000; Hammer et al.1998).

2.2.2. Empirical theories of expatriate adjustment

With regards to the psychological adjustment, Huang et al. (2005) defined psychological adjustment as the level of psychological comfort in a new environment setting, while expatriate adjustment refers to the procession that expatriate feel psychological comfortable with the new foreign country and could live harmony inside. Through learning process (Black and Mendenhall, 1991) in an unfamiliar culture, the result of adjustment is a state of psychological well being (Searle and Ward, 1990). The U-curve and culture shock theories are dealing with this area. Berry (1994) identifies the two-directional model which describes the four kinds of acculturation: assimilation, traditionalism, marginality and biculturalism. As the stress from psychological state can be disruptive in the unfamiliar environment (Berry, 1980), psychological adjustment is essential in expatriation.

In sociocultural adjustment aspect, Gudykunst and Hammer (1988) refer adjustment as a personal fit between individual and the new environment in regard to the social setting. Black et al. (1991) identify the integrative model of expatriate adjustment which belongs to the classic sociocultural adjustment. Three aspects of expatriate adjustment are argued: work adjustment, general adjustment and interaction adjustment.

Work adjustment: Work adjustment demonstrates the psychological adaptation in the expatriate work in the foreign country (Black et al., 1991). While in another different culture, the job environment will be changed in the new circumstances, the role clarity, novelty and conflicts are involved in the adjustment procession (Scullion, 2006). Dawis and Lofquist (1984) have the work theory on expatriates. They bring out the active adjustment which means changing the work environment to meet their needs and also the reactive adjustment which means to change them to adapt the environment. The result and degree of the adjustment is related to the degree of the satisfaction that the expatriates feel in their foreign assignment and also the degree that they adapt to the

new job (Dawis & Lofquist, 1984). Nicholson (1984) identified two dimensions of work adjustment: changing individual's own behavior and changing the work environment. Modes of four work adjustment styles are demonstrated: Replication, individuals do not change either their behaviors or the work environment; Absorption, individuals adapt new behaviors to fit the new culture, but not create new rules; Determination, individuals change the work environment but not change their behavior; Exploration, individuals modify both their own behavior and also the new work role. Child (1991, 1994) find out some managers put more time in meeting to adjust to Chinese culture while adopt the western systematic work procedures into work environment.

Interaction adjustment: This adjustment is related to the interaction with host country nationalities, both inside and outside of the workplace, and it is the most important part in the overall adjustment (Black et al., 1991). It is the most difficult part since deeper knowledge of the rules, characteristics of host nationals, language, or history, religion and many other culture components are needed in the communication and social network building (Dickmann & Baruch, 2011). Personal attitude as curiosity, openness, willingness and patience to learn is more demanded in building the social network with host country nationals. Black and Mendenhall (1990) demonstrate the interaction between an individual and host nationals could help with the reproduction of appropriate behaviors according to the new culture. But Black, Gregersen and Mendenhall (1992) argue that the interaction with host country nationals are the most difficult in all the three dimensions.

General adjustment: Except the work adjustment and interaction adjustment, the left adjustment which is related to living conditions and daily life issues is general adjustment. It demonstrates the psychological comfort on food, amusement, transportation, clothing, house, and infrastructure, weather (Torbiorn, 1982). Family support and family adjustment is also included.

Shaffer, Harrison and Gilley (1999) expanded the former model, in their study, five factors which influence the adjustment are analyzed: (1) job factors (role conflict, role novelty, role clarity, role direction), (2) organization factors (social support from organization, logistical support), (3) positional factors (hierarchy levels, department area), (4) non-work factors (culture novelty, family adjustment), (5) individual factors (achievement, social self-efficacy, relational skills, previous international assignment, language fluency).

Black et al. (1991) proposed the classification of adjustment according to time. First is anticipatory adjustment, selection, pre-training are involved. The second is in group adjustment. Appropriate anticipatory adjustment can make in country adjustment easier and faster.

Searle and Ward (1990) identify two main adjustment mechanisms. One is the coping process, during which the individuals use strategies and behaviors to handle with the new environment to achieve psychological well-being. These strategies and behaviors are used to overcome the stress caused by the new culture and help individuals fit into the host country. The second mechanism is about the learning process and the individual's capability to fit in the new culture. In this process individuals need to learn to get new information and perform new behaviors in order to get proper function in the new background. It is a stage of social learning to reduce the uncertainties in the new environment. Many researchers highlight both two main mechanisms in their adjustment model. Aycan (1997), Anderson (1994), Gudykunst and Hammer (1987), Mamman (1996) are among these researchers.

2.3. Review of social capital

2.3.1. Definition of social capital

Social capital of expatriates has been introduced recently (Lee & Vorst, 2010). In different definitions of social capital, actual and potential resources through social network are commonly emphasized (Lee & Vorst, 2010). Capital can exist as economic, human or cultural forms (Lee & Vorst, 2010). Adler & Kwon (2002) state social capital is the resource which is long lived with future interests. Liu & Shaffer (2005) defines social capital as the social ties, relationship and linkages. Klein et al. (2003 D social ties) state that social tie can give social support for expatriates who could help with the reduction of anxiety and stress.

Nahapiet & Ghoshal (1998) proposed social capital as the resources available or can be derived from the network of individuals or society units; it can be actual resource, or resource which could be acquired in the future. Karner (2000) defined social capital as the set of personal relationships. Lin (2001) points out the creation of social capital is through exchange within the network.

Harrat et al. (2004) states that social network help them with the adjustment and job performance. Adler & Kwon (2002) demonstrates the three aspects of social capital: opportunity (opportunities created by social ties for social transaction, they can help with the leverage of resources), motivation (the factors motivate individuals to help others when there were no fast or certain returns), ability (competences of the human resource within the network). Opportunities help expatriates get access to more information and resources which help with the self efficacy (Gist and Mitchell, 1992), and self efficacy facilitates the adjustment of expatriates (Black et al, 1991). In the motivation form of social capital, Adler and Kwon (2002) bring out 2 dimensions: trust and norm of reciprocity. Lewicki et al. (1992) defined trust as the confident expectation

of another individual's good will. Kramer (1999) found out that trust can enhance the social information and resource exchange. As regards to reciprocity, there are two findings, one is people would be more willing to help the people who helped them before, the second is that people would not like to hurt the people who have helped them. (Gouldner, 1960) shows that reciprocity promotes the social exchange. Liu & Shaffer (2005) points out that social capital is created from social exchanges through social network.

In expatriation, both in daily life and work, expatriates need interaction with individuals, social capital has big influence in the job performance and adjustment (Liu & Shaffer, 2005). China is a new culture environment; expatriates need more effort to get support access to the social capital.

A new cultural environment involves more uncertainty factors, it produces stress and pressure in different areas, but social capital and network could help to reduce these uncertainties. Getting support and information from colleagues in host country, friends who are host country nationals, other expatriates and family members could relieve the anxiety and insecurity (Black & Gregerson, 1991), it could help the adjustment of the expatriate, and it is invisible asset. Podonly & Baron (1997) find social capital has influence on the success of foreign career.

2.3.2. Empirical theories of social capital adjustment

Baker (1990) describes social capital as the structural attributes inherent in social network. Putnam (1995) also includes the function of network inside social capital. Nahapiet & Ghoshal(1998) propose social capital as social network, and bring out the three dimension of social capital: structural dimension, relational dimension, cognitive dimension. The social structural dimension indicates the patterns of the network; it

describes the size, density, closeness, frequency, diversity (Campbell, Marsden & Hurlbert, 1986; Marsden, 1987; House & Kahn, 1985). Size is the number of individuals related in the social ties. Density demonstrates the degree of reliance relationship among all the individuals inside the expatriate's social tie. Diversity presents the number of different classified ties. Closeness shows the intensity of the network (Marsden & Campbell, 1984). Frequency represents the number of times expatriates meet with the related individuals in the network. The function of social capital can be two sides: positive support or negative strain (House & Kahn, 1985; House et al, 1988). In this article, positive support instead of negative strain is emphasized. Positive social support provides the resources that expatriates need (House, 1981). Kraimer et al. (2001) argue that social support help with the uncertainty reduction in new social settings. There are 4 types of social support mentioned by House: emotional support (empathy, love, caring, trust, concern, esteem), instrumental support (instrumental behavior to help with the need), informational support (information that individual needs to fit in the environment), feedback support (provides the evaluation of the individuals themselves, as from supervisor etc).

In the size dimension, Barrera (1981) demonstrates that the individual will get more access to support with larger size of the network. Haines & Hurlbert (1992) show the larger the network, the more emotional support an individual will get. Stokes (1983) proposes that size has positive relationship with the satisfaction of the social support only when it is small to medium, the relationship will turn to be negative when the size becomes too big. In the diversity dimension, there are two arguments. Coleman (1988) argues that the less diversity the network is, the stronger friendship and social support will be. While Burt (1992) argues that with diversified network, individuals will get various different service, information and social support. Diversity can be measured by gender, nationality, age, and other characteristics.

Lin (2001a, 2001b) demonstrates the 2 forms of the return of social capital: returns on instrumental action and expressive action. Instrumental return refers to the added resources or the invisible resource as wealth, power, reputation etc. Expressive return is the maintenance of the resources which are already owned by individuals, as physical and mental health.

In the social network theory, Brass (1984) proposes that the structure of social network can have positive or negative influence on the access of valued resources. Formal and informal network can provide opportunities, resources, information, emotional support for expatriates (Au and Fukuda, 2002; Shaffer and Harrison, 2001).

Expatriates will be involved with various kinds of social ties, as colleagues, host country nationals, peer expatriates, family members, they all can provide various social support, and they can help to reduce the uncertainty and ambiguity in the new environment.

Cohen & Mills (1985) identified support from colleagues from host country has positive affect on work adjustment, since local co-workers can provide information on the new environment and job.

Wang (2001) states the importance of the social support from locals since they know more about the local environment, have more instrumental, information resources to provide. But many research focuses only on the social ties from host country nationals, the social capital from other expatriates is neglected.

Tung (1998b) finds out that expatriates in Asia countries tend to socialize more with peer expatriates. Liu & Shaffer (2005) found that expatriates' network is limited to expatriate network, which implies particular expatriate network plays very important

part in social capital building.

Liu & Shaffer (2005) propose the social capital is related with the family and community.

Few researches have been done on the social capital from home country during the expatriation, as the social support from headquarter, relatives and friends of home nationals.

Studies related to the importance of social network of expatriates have been conducted; social ties as relationship with family, peer expatriates, colleagues, local nationals have been analyzed (Au & Fukuda, 2002; Thomas, 1994).

3. MODEL DEVELOPMENT

With the literature review above, in this study, social capital of Western expatriates in China from the 5 main social ties will be measured and analyzed:

- (1) Colleagues in host country,
- (2) Local Chinese from host country nationals,
- (3) Peer expatriates,
- (4) Family members or relationship as spouse and children, or partners,
- (5) Home country nationals as individuals from headquarter, relatives and friends,
- (6) Other communities or lifestyle.

Related with social capital, we also need to analyze the advice on factors facilitating adjustment in MNCs expatriates get from the real expatriation experience on the following parts:

- (1) Selection
- (2) Training
- (3) Supporting

From the analysis, we will find out the importance of social capital from the expatriates' perspective, what are the key social capitals for them in China, why they are important, the advice related with social capital on selection, training and supporting for MNC and expatriates.

3.1. Social capital factors

Literature related to the first 5 social ties and advice on the 3 facilitating factors will be

explained in details in the following sector.

3.1.1. Social capital from colleagues in China

Colleagues in host country can be co-workers, subordinates, and mentors.

Petison and Johri (2008) found out that it is important to adopt to the local cultural in the new work role, and critical to understand the culture and characteristics of the local colleagues to build mutual trust, the team spirit can hinder the obstacle of the development of the organization, and be more focused on the local network building in the business area.

Li and Kleiner (2001) state that the expatriate and the colleagues in China in MNCs have dominate-dominated relations in the formation of the expatriate-local relationship. Murphy et al. (2003) found out that both the co-worker relationship and supervisor-subordinate relationship exchange provide social support for expatriates. Shaffer et al. (1999) identified co-worker support can help with the interaction adjustment. Kraimer et al. (2001) found out that good relationship between expatriate with supervisor help with the adjustment. Klein et al. (2003) stated that expatriates need to turn to co-workers who are peer expatriates or local colleagues for information and resources in the ambiguous new work setting.

Desatnick & Bennett (1978) found out that cultural assimilation from both expatriates and local colleagues can help with the team building in the new relationship, while segregation has negative impact on the relationship development since it makes up the alienation, misunderstanding and conflicts. Black and Gregersen (1991) proposed that expectations of co-workers and subordinates can bring out many conflicts in expatriation. In China, leaders are authority, Chinese subordinates expect the leaders to

be decisive, to give clear orders, to maintain harmony in relationships, to be considerate and adopt the Confucius parental role, long term reciprocity, guanxi, renqing are valued in the leadership skills (Bond & Hwang, 1993; Bond, 1996), the guanxi does not only cover interpersonal relationship, but also inter-company relationship (Kienzle and Shadur, 1997). Expatriates need to understand Chinese subordinates' cultural expectation from the leaders, and choose a way to adjust in the new culture work setting.

Carraher et al. (2008) found out that getting support from host-country mentor can create better work performance, perceptions of teamwork for expatriates, they can assist the cross culture adaptation of expatriates, but there is little research on host country mentor. Aryee, Chay and Chew (1994) found out that mentor leads to better work adjustment. There are many researches on the advantages of mentor in domestic environment, but few expatriates get mentors in host country (Carraher et al., 2008). Mezas and Scandura (2005) suggested that host country mentors should provide information and psycho-social support in the on-site expatriation procession, they can guide expatriates in local organization and community, offer psycho-social support to reduce the anxiety, ambiguity and uncertainty in the new job role and environment (Baugh et al, 1996), strengthen organizational identification (Feldman&Bolino,1997), which results to better work adjustment and be more productive (Ostroff & Kozlowski, 1993). Through the mentoring procession, mentor can create the positive image of the host country and also the co-workers, expatriates can be more willing to cooperate with local subordinates and become a cross cultural team player (Carraher et al., 2008).

3. 1.2. Social capital from local Chinese

Mendenhall and Oddou (1991) found out that the interaction with host country nationals has direct relationship with the adjustment of cultural shock.

Lee and Vorst (2010) pointed out that host country friends can offer social support to expatriates. Black & Gregerson (1990) stated that host country nationals help with the reduction of uncertainty when expatriates involve in the new culture in both work and non-work environment, they become one source of support for expatriates. Black (1988) demonstrated the importance of positive attitude toward host country nationals in culture adjustment. Lee and Vorst (2010) found out that the capability of host country nationals in the social network, the density, depth of the relationship with host country nationals are part of the strongest influence factors on the adjustment of expatriates. In the new culture, different information and resources are needed for both work and non work situations, for example, in China the way of network building, *guanxi*, is different from other countries, so it is important to have the capability to get access to local resources in the unfamiliar environment. Klein et al. (2003) stated that host country nationals have extensive information and resources of the local environment; they are important social ties to ease the uncertainty and insecurity in the new culture for expatriates. Expatriates can learn proper behaviors, cultural knowledge as norms in the new culture through interaction with host country nationals (Klein et al., 2003).

3. 1.3. Social capital from peer expatriates

Tung (1998b) finds out the trend that expatriates prefer to build social ties with other peer expatriates in Asia and less developed countries. Gudykunst (1983) explains on the reasons of the existence of the network with peer expatriates as follows: in Asia countries, peer expatriates have closer culture distance, share more common languages and similar experience; they have stronger ties with each other compared with other social groups.

Mendenhall and Oddou (1985) emphasize the importance of the social relationship

building with peer expatriates in host country. The social tie with other expatriates can act as the information provider, since they have similar situations, they can understand each other, be helpers and supporters for each other. They have similar western values, speak the same language, through communication; they can share experiences, emotions and help each other to relieve stress and anxiety.

Adelman (1988) points out the diversification of the social ties for expatriates and suggests the social tie from individuals in similar situation and backgrounds, for example, comparable peer expatriates, this social tie can have important adjustment function for expatriates in the social support aspect.

Festinger (1954) finds out from the conducted research that people tend to find comparisons from other people in the similar situation when they have difficulties and uncertainties. Expatriates build social ties with each result from two main reasons: firstly, because of the language barrier, expatriates can not communicate with the locals very well, when they feel loneliness and isolation in a foreign country, they can not communicate with the locals on these deep feelings within limited language capability. Secondly, expatriates may face many difficulties in the new culture and they may try to somebody else who have experience and give support in crisis.

Klein et al. (2003) finds out that peer expatriates can provide necessary and suitable information for each other. Hansen (1999) states that social tie can benefit expatriates in information providing. Expatriates need information in both working and non working areas. The information that HCNs and peer expatriates provide is different. HCNs are good at providing useful non working information in the host country, for example, the location of places, while peer expatriates can provide information on the adjustment in the working environment since they are all from western background and know the difference of the way of working in western and China, and the information that fits

westerners' way of living. For example, the experienced expatriates know the way to manage local employees from westerners' point of view, how to interpret the different behavior of the local people, they may be more willing to help the other expatriates since they may face these confusions and problems in their early experience and they may not be much offended by being asked some questions other than the local people. And of course, locals are also helpful resources as they know extensive information on living in local as mentioned before, but locals and peer expatriates obtain different information and be helpful in different ways.

Black and Gregersen (1991) find out that socialization with peer expatriates can help expatriates reduce uncertainties and offer special unique information in the host country.

Klein et al. (2003) demonstrates the lack of research on the social network with peer expatriates even though in reality this social tie plays essential role in the adjustment of the western expatriates in China. Klein et al. (2003) finds out that expatriates spend a lot of time socializing with each in host countries. Shaffer and Harrison (2001) find out that not only expatriates tend to build network with each, but also their spouses. Expatriates and their spouses are all comprised in the social tie. This social tie does not help with the expatriates, but also has positive affect on their family members' adjustment. Many spouses socialize with peer expatriates' spouses at the expenses of the relationship with HCNs, they may spend more time with spouses at similar situation than with local people who understand the host culture but may not have similar background and culture. Klein et al. (2003) find out that expatriates get more social support from peer expatriates than the local people and this support helps expatriates to adjust in the foreign country, they provide both work and non work information to each other, so they emphasizes the importance of developing relationship among peer expatriates. Klein et al. (2003) find out from the research that the breadth of the social tie with peer expatriates together with the amount of relationships with HCNs have impact on the

adjustment of expatriates in the work environment since experienced peer expatriates can offer advice on handling conflicts and problems in under novel situations.

3. 1.4. Social capital from family or relationship

Studies conducted by consultancies (GMAC, 2006; Mercer Human Resource Consulting, 2006) show that around 60 percent of expatriates are accompanied by spouses or partners, around 50 percent bring their children with them.

In the early research, there are some seeds thoughts to the topic but they do not provide comprehensive analysis on the family or partner adjustment. Cleveland et al. (1960) were among the first researchers bringing out the family aspect in the book related to expatriates. Hays (1971, 1974) finds out that the support from family members plays a role in the successful adjustment of expatriates. Cohen (1977) finds out that expatriates' family are mainly male centered, spouses bear the burden of family life transferring, many working spouses need to give up their career in the home country and face difficulties in life adjustment aboard.

Later on, at the early 1980s, Tung (1981, 1982, and 1984) identifies that family members are critical factors on the successful adjustment of expatriates. Tung (1982) finds out the failure adjustment of expatriates' spouses becomes major problem for MNCs from US and Europe. Forster (1992) points out that partner and family members should be paid more attention in the overall model of the adjustment of expatriates. Black & Stephens (1989) made an investigation on the influence of the spouses' adjustment on expatriates' adjustment and the result shows spouses' adjustment has direct influence on the adjustment of expatriates. Caligiuri et al. (1998) make the innovation to analyze the spillover between family and work adjustment. The strain from the spouses can lead to the increase of strain in the expatriate in a negative way;

while on the other hand, the spousal support can have positive influence on the adjustment of expatriates. After Caligiuri, the family and partner factor starts to play a role in expatriates' research (Shaffer et al., 1999, 2000; Kraimer et al., 2001). Takeuchi et al. (2002) becomes the first researcher who explicitly does research on the effects of both crossover and spill over among expatriates' couples. Nowadays initiatives have been made to integrate family theory into the theory of expatriates' adjustment (Westman et al., 2006).

Thomas (1998) finds out that married expatriates have better adjustment than single expatriates, while he also finds out that the failure of spouses adjustment becomes the major reason for the expatriates' premature return, it is contradictory, and this investigate shows the complicity of the influence of the family members on the adjustment of expatriates.

Greenberg and Baron (2003) bring out the possibilities that spouses may face in the new environment. They may feel overload when they firstly enter a new culture with different language, culture and family life, then they may feel under load since they may have too much time not knowing what to do when they give up their professions in the home country. In the new environment, expatriates are involved with their job and interact with the colleagues, children can get involved in the school work, while the spouses must live without familiar family members, friends or jobs, they are the group mostly face more adjust difficulties in the new culture. But if there is effective coping with difficulties, it can strengthen the family's capability to adjust to the new environment, if not, it may cause problems.

Haslberger and Brewster (2008) bring out the FAAR model, which refers to the family adjustment and adaptation response model. In the model, if the family has enough capabilities to meet the demands, the adjustment takes place, if the family can not

overcome the demands, there will be a crisis. The demands can be stressors (such as move aboard, the spouse give up the job, children go to a new school etc), strains (ongoing unresolved stresses), daily hassles (such as traffic problems, unpleasant weather etc). The capabilities to meet the demands can be resources (such as personality traits, self esteem, sense of mastery etc) and coping behaviors (such as reduce demands, preserve resources, manage the tension by playing pokers etc). Meanings can influence the balance of the demands and capabilities; it represents how family attributes to its new environment. Family is balancing itself all the time, adjustment is the process, if the capabilities can not meet demands properly, the crisis may come out and it can even lead to the dissolution of the family.

Glanz et al. (2001) points out the role that children plays. Sometimes children can be the "socio-culture brokers", since they can pick up the new language and adapt to the new culture faster, this positivity may help the family adjust. While on the other hand, if the children get adjustment difficulties, such as not used to the new school, it may also lead to the family problems.

3. 1.5. Social capital from MNC and HQ

Cateora and Graham (2005) state that the lack of communication can lead to the failure of expatriation. Palmer et al. (2000) demonstrate that communication between expatriates and HQ can be one factor that could lead to the successful expatriation since communication becomes a form of procedural justice and it can help to keep the motivation for expatriates in the new culture.

Carraher and Crocitto (2008) find out that a home country mentor in HQ had a significant but negative effect on expatriate's job satisfaction but a positive impact on job performance and promotability.

Jassawalla et al. (2006) states that home country mentors can help the expatriates be connected to the global organization and network and also assist in the repatriation events. They also point out the fact that there is a lack of mentors in expatriation.

Many researchers find out that home country mentor can help expatriates gain useful information to reduce the uncertainties in the new international setting during pre-departure or the adjustment process in the host country (Feldman & Tompson, 1993; Mezias & Scandura, 2005; Wanous, 1992).

Black, Gregersen & Mendemhall (1992) suggests that when expatriates are on-site in host country; home country mentor should encourage expatriates' learning in host country and at the same time keep expatriates up to date on the things happening in HQ, such as the change of the global direction and strategies etc. Home country expatriate can also be useful during repatriation to assist expatriates be more quickly to adjust to the HQ environment.

3.1.6. Social capital from other communities or lifestyle

Haslberger and Brewster (2008) find out that the emotional and social support can also be found in places as the religious places, sports and social clubs.

Andreason (2003) recommends two forms in social support. One is the support from the official organizational programs, such as the communication between HQ and expatriates, language training, local assistance on daily life as education, shopping etc, family mentoring. The second is the indirect form which helps with the encouragement to develop the adaptive skills for expatriates and family members, such as learning to understand themselves and life, find the suitable local social clubs, religious places,

develop hobbies, find a job etc.

3.2. Advice on factors facilitating adjustment in MNCs

Researchers conducted studies to give advice on the facilitating adjustment in MNCs, these are classified into 3 main groups: expatriates selection, training and supporting.

3.2.1. Selection

Many researchers conduct the studies on the expatriates' personal characteristics and give advice on the selection of expatriates. The right expatriates with suitable personal traits can get better adjustment and increase the success rates of the expatriation. Avril and Magnini (2007) state that the success of the expatriation firstly depends on the suitable recruitment, finding the right one for the international task is one of the most important keys.

Dowling et al. (1994) state that many researches find out that although technical capability is one important criterion in expatriate selection, it has nothing to do with the other important capabilities as the ability to adjust in a new environment, adapt the foreign behaviors, and communicate with colleagues from a new culture. Mendenhall and Oddou (1985) suggest a multidimensional method to select the suitable expatriates; these are some of the guidelines as: self orientation, others-oriented, perception dimension, cultural toughness. Hutchings (2002) lists some factors that MNCs need to take into consideration in expatriates selection, these can be technical capability, personality traits, environment variables, family factors.

A list of literature suggests some factors related to personal traits that could affect the

adjustment of expatriates. Mamman (1995) suggests age is the factor needs to be considered. Furnham and Bochner (1982) identify expatriates with younger age and better education can adapt to the host country faster, while Selmer et al. Selmer et al. (2009) find out that age matters in Chinese business context, they suggest that MNCs should take age into consideration in the expatriates selection when they send expatriates to China, but since elder people are highly respected in Chinese society, expatriates with elder age can get positive impact on their job performance in their work adjustment.

Mendenhall and Oddou (1985) find out that grasping Chinese language skills can help with adjustment as well. Littrell (2002) states that the knowledge of the host country language may not be essential, but it can help the adjustment of the expatriates, develop a better relationship with host country nationals, co-workers and community.

Selmer (1995) point out that previous foreign experience can help with the adaptation. Caligiuri (2000) states the influence of personality on expatriation. Clause et al. (2011C3 writer) demonstrate that previous international experience can have positive correlation with job adjustment of expatriates. While Mol et al. (2005a) test the hypothesis and do not support that previous international experience have connection with expatriates adaptation and suggest that maybe these two elements are mediated by many other factors.

Tye and Chen (2005) state that the personal characteristics with a high level of tolerance for ambiguity can help expatriates to adapt to the new norms and social behaviors. Tracey and Shay(1997) bring out that emotional intelligence is a necessary trait for the successful cross culture adaptation, these can be low goal and task orientation, open-mindedness, tolerance for difference and ambiguity, communicativeness, empathy, flexibility, curiosity, warmth in relationships, motivation, self reliance. Caligiuri (2000)

finds out that expatriates who are extroversion, agreeableness, emotional stability can lead to better adjustment aboard. Black (1988) suggests that stress tolerance is one important factor on the adaptation. Mendenhall and Oddou (1985) state that the communication ability is of great importance to the adjustment of expatriates because with better communication skills, expatriates can get more involved with the locals, colleagues and peer expatriates, understand more on the local culture and behaviors, get more information and social support to reduce anxiety and uncertainties.

Many scholars have great interest in the Big Five dimensions, which is one of the most popular theories on personality traits in expatriation (Barrick & Mount, 1991). McCrae & Costa (1987) brings out the five indexes in the personality measurement, they are: extroversion, agreeableness, conscientiousness, neuroticism, and openness to experience. Although this model gets its criticism and many scholars find conflicting results, it is still be viewed as one of the most useful tools for the cross culture adjustment research and it is generally agreed that openness positive connection with successful adaptation for expatriation (Smith & Bond, 1999). Caligiuri (2000) finds out two reasons on the successful application of the evolutionary psychological theory on the expatriates adjustment. One is because the variations in the dimensions can make the individuals fill in the matched different positions. Another is because this theory is universal and can be used for individuals from different countries and positions. Shaffer et al. (2006) base their theory on the big five and take it further, their theory is on the adjustment effectiveness on individual differences, it includes big five, cultural flexibility, task orientation, people orientation and ethnocentrism as predictors of the adjustment of expatriates.

Earley & Ang (2003) bring out that cultural intelligence as one index to measure the cultural adjustment capacity, it includes meta-cognitive, cognitive, motivational and behavioral. Another personality dimension is about the connection between self esteem,

self efficacy with job performance. Renn & Prien (1995) find out individuals with high self esteem gets better job satisfaction, there is a positive correlation between self esteem and job performance, and job performance is one aspect in the adjustment of expatriates.

Mol et al. (2005a) state that cultural sensitivity is another personal characteristic that is studied in expatriates' adjustment. Chen & Starosta (2000) state cultural sensitivity is an individuals' capability to have positivity to understand a new culture and produce proper behavior in the cross culture communication. Mol et al. (2005a) find out the positive relationship between cultural sensitivity and job performance. Javidan et al. (2010) proposed the Global Mind-Set Inventory, there are 3 attributes that could affect the expatriates' adjustment: knowledge of international business and capability of learning, openness to new culture and flexibility in new environment, social capability to build network.

Pil & Leana (2009) indicate that human capital or expatriates' knowledge and skills developed from education and experience have impact on expatriates job performance and adjustment.

Sparrow (1999) states that companies use psychological methods to assess the characteristics related to the capability of adaptation besides the technical and managerial skills to select the expatriates.

Harvey (1985) brings out the topic of taking family issues taken into consideration in expatriates' selection. Schell and Solomon (1997) find out that on the case of selection of expatriates, many companies are hesitating in whether to involve family or not.

3.2.2. Training

Haslberger & Brewster (2008) state that training programs is a method for company to ensure that expatriates can get enough resources to meet the demands of living and working a new culture. Katz and Seifer (1996) demonstrate that the expatriates and family members will face a new and different culture, there may be language barrier, contrasts of different aspects, as political climate, religious difference etc, in order to ease the worries and uncertainties and enhance the adjustment of expatriates and their family members, the training should be conducted by the MNCs. Earley (1987) finds out that pre-training has effective support for expatriates. But there is only a quarter of MNCs offer cross culture training for expatriates, around 20 percent of MNCs do not offer any training at all, many training programs get family involved. Black & Mendenhall (1990) find out that cross culture training can reduce the culture shock and the time to adapt to the new environment, it can also lead expatriates get more satisfied expectations, better job satisfaction, and lower premature departure. Hutchings (2003) finds out that pre-departure and post-arrival cultural preparation has positive impact on the adjustment of expatriates. Forster (2000) suggests that cross cultural training can be the most effective when it is combined with other effective international strategies as the right selection and in-post support. Porter and Tansky (1999) state that training can help the expatriates learn about the foreign culture, and also develop their learning orientation. Cross culture training can make the expatriates be aware and understanding the difference between the host country and home country, it may also include the coaching on international communication, business environment, conflict resolution etc. Hutchings (2003) posts the some specific things expatriates should be aware of in China: relationship building, the importance of family life, hierarchy and authority, the giving and saving face, reciprocity and payback, negotiation and bargaining.

Hutchings (2003) finds out that expatriate training is not sufficient provided, and the

training needs to be improved in a lot of aspects, the MNCs should pay more attention to include the comprehensive and strategic pre-departure and on-site training for the expatriates and family members, it should also need to add more elements as goal setting, performance expectations and socio-cultural indicators in both social and business areas in China.

There are different types of training in the three main stages of expatriation according to Magnini and Honeycutt (2003), they are listed as below:

First stage, training expatriates in the home country. Mendenhall (1999) indicates that this training should be brief since the training becomes the most effective until the expatriates enter the new environment. The language training, the customs that must be known are suggested to be included in this part (Haslberger & Brewster, 2008). Some scholars suggest that language training is not as important as cross culture training (Zakaria, 2000) and English is accepted as the dominant international business language. Frazee (1999) indicates that language skills have the greatest effect on reducing uncertainty in the new environment. Ashamalla and Crocitto (2002) finds out that language capability can help expatriates to process information and Forster (2000) states that learning the host country language can show expatriates' interest and willingness to the host country nationals and business partners. The first stage training should also include the guidance on diet and exercise since the culture shock needs a stress reduction reaction, the regular exercise and healthy diet can keep the expatriate in the right level of fitness and mental health (Neck and Cooper, 2000).

The second stage is the training on the arrival in the host country. The expatriates may experience the honeymoon at first, followed by a period of culture shock. So there should be a continued training program to assist the adjustment of expatriates. It can help the expatriates to integrate into the new culture, reduce the culture shock and ease

the anxiety feelings (Haslberger & Brewster, 2008). Tung (1982) expresses that there is considerable importance to get cross culture training on the briefing of the political, economic, historical facts of the host country in the relocation stage. Butter and Wong (1999) find out that many expatriates suggest that more guidance on dealing with specific practices of handling business in China such as *guanxi* and *mianzi* should be provided.

The final stage is named as the real time stage. The program can help the expatriates lead to real business success. It can offer the expatriates the information and advice when the new and different situations come out. Local nationals, local colleagues and expatriates network can help the expatriates get real time support (Haslberger & Brewster, 2008).

The next is about the family training. Haslberger & Brewster (2008) suggest family members should be included in all three stages. It can help the adjustment of the family members and they can give expatriates family support in the suitable way in the foreign country.

3.2.3. Support system within MNC

Albrecht and Adelman (1987) defined social support as the two ways communication which can help to reduce the uncertainty in the environment, the self, the others, the relationship and improve one understands about life.

Many researchers conduct the research on the support for expatriates. In the international assignment, expatriates need to leave the family, friends, colleagues, the secure environment and start a new life, this situation motivates expatriates to build new networks, and search for supporting systems (Adelman,1988), the support from MNCs,

family can be very important for expatriates. Black & Mendenhall (1990) state that expatriates can get the belief that they are valuable for the MNCs when they get the support from home country mentor and can feel the time and resources invested for them in the assignment, and may reduce the expatriates' feeling of isolation and keep positivity on the firm. Eisenberger et al. (1990) find out that the expatriates' perception and experience from the support of MNCs can have great influence on the expatriates' culture shock. Hutchings (2002) states that even though much literature point out that besides selection and training for expatriates, the go on support from MNCs is also needed, but little attention is paid on the go on support in reality. Cohen and Wills (1985) bring out that the social support from co-workers and superior can provide the resources that could help with the work adjustment of expatriates. Shaffer et al. (1999) point out that the social support is found out to have positive impact on the expatriates' adjustment.

Lee and Sukoco (2008) classify three different types of social support from different groups, these are: organizational support, spousal support and leadership support. Carraher et al. (2008) study the support from host country mentor and home country mentor. Baugh & Sullivan (2005) find out that getting host country mentor and home country mentor can improve the effectiveness of expatriation but few expatriates get mentors in reality. Avril and Magnini (2007) state that there are many ways to offer the support in MNCs for expatriates, as the training program, home country mentor, host country mentor, open communication channels, suitable performance measurements and motivations, incentives. Lee & Sukoco (2008) emphasizes that MNCs should pay more attention on the support from family to increase the possibility of successful expatriation. Pellico & Stroh (1997) suggest MNCs to use spousal assistance program for the social support, they find out that the spousal assistance program from can help with the adjustment of both expatriates and their spouses to the new culture and environment. Katz and Seifer (1996) state that following the careful selection and cross

culture training, the MNCs should go on with the support for expatriates, they recommend that the HR department need to build and coordinate a support system among the HQ, senior expatriates and new expatriates because communication between HQ and subsidiary always have conflicts and problems, expatriates and their families may face many difficulties when they enter the new host country, daily life as shopping on food, laundry can make individuals get frustrated, at these situations, senior expatriates can help new expatriates and their family members adapt better to the host country. The support system has positive impact on the international assignment (Mendenhall & Oddou, 1985). Katz and Seifer (1996) recommend a support system built between repatriated employees, senior expatriates and new expatriates, this network can provide expatriates the on the information and activities happened in HQ, the distribution of the newsletters, videos or documents from the HQ can make the expatriates abroad feel that they are still included in the activities in the HQ, this can facilitate the repatriation, avoids that expatriates goes too much localized and cause problems on the shift in allegiance between the subsidiary and HQ. Katz and Seifer (1996) list the example of the MNCs in USA, many organizations have one specific division which takes care of the needs of the expatriates abroad. Harris (1989) lists some factors related to the support in literature, these are up to date information from HQ, performance expectations, medical and psychological assistance. Nicholson et al. (1990) bring out the support in providing information on accommodation, children's education, local language training is crucial. Halcrow (1999) points out that there is lack of attention on the area of repatriation in the social support in MNCs, the low quality repatriation can lead to the result of the loss of high quality expatriates. Borstof et al. (1997) indicate that the support in MNCs should be insistence from the beginning to the end, including career planning, selection, training, mentoring, compensation, family assistance and repatriation support. Andreason (2003) recommends two forms in social support. One is the support from the official organizational programs, such as the communication between HQ and expatriates, language training, local assistance on daily

life as education, shopping etc, family mentoring.

4. RESEARCH METHODS

4.1. Research methodology

The adjustment of western expatriates in China from the social capital perspective is analyzed based on the case study approach. In total 7 interviews with western expatriates at different positions in different industries in China are conducted.

Qualitative interviews were conducted in order to get the detailed, new and complicated description (Yin, 2004) on the importance of the social capital, how social capital affects the adjustment and the advice for MNC expatriate management from the western expatriates in China.

The information of the case study is obtained from semi-structured interviews. These semi-structured interviews focus on the theme: social capital adjustment of western expatriates, they follow the framework based on the literature review, but the more detailed questions are not rigorous set or fixed, new ideas under the topic from the interviewees during the interviews are allowed and encouraged to be brought in.

4.1.1. Research procedure

Organizations were interviewed in both Finland and Beijing. A total of 7 cases are selected, rich information is obtained through the interviews, it can reflect common rules or patterns across different cases, demonstrate the topics from different views, perspectives, bring various ideas and thinking. The number of the interviews falls within the range of 5 to 10, which is the proper number for the qualitative study (Eisenhardt, 1989).

This research emphasizes reliability and validity. The notes were taken during the interviews and were reviewed and confirmed by the interviewees.

The semi structured interview is originally designed for around 1 hour. But in reality and practice, the interviews varied from 45 mins to 2 hours.

The interviews are recorded in different ways. From expatriates' requirement, some are recorded by voice recording machine; some prefer the notes taking method. With regards to the notes transcription method, some notes are handed to the interviewees for clarification, for the disagreed parts, notes are revised and corrected from their request. The information from the interviews is given on the voluntary foundation. In addition, they are noticed that their names would be kept strictly confidential. Some requested to keep their accurate title confidential as well.

An interview guide is prepared, questions are open-ended, but they are based on the literature review, some interviewees bring out new questions and they are added to the interview guides.

4.1.2. Interview sample

Interviewees are from five different countries in Europe: Finland, Switzerland, German, UK and Austria. They are from different companies and industries: Wartsila, Vacon, ABB, Damiler Mercedes-Benz, CRM factory, CPC consultancy firm. The HQs are located in Finland, Sweden and German. So the interview results will not be limited in particular one or two industries, but varies in several industries. They are at different positions in MNCs: vice president, project manager, senior manager. As a result, the analysis will not be limited by the roles of the expatriates.

In Finland, three interviews were conducted. Among the three interviewees, two expatriate managers finished their temporary expatriate assignment and discussed the expatriation adjustment with a complete expatriation life cycle from their own personal experience perspective, they are both from Finland, while the last one interviewee is one western expatriate manager's wife, who described the adjustment in China from a third person perspective, even though the third person is not the real expatriation assignment responsible person, but the role as a wife has one of the most close relationships with the expatriate manager, knows detailed and real information, which can bring some new ideas and thinking on the topic, assist to reflect in a different point of view, the whole family is from Switzerland.

With regards to the interviews in Beijing, four case studies took place. Beijing is one of the locations which vast majority MNCs start the subsidiaries, resulting in the allocation of lots of western expatriates. The four expatriates are now undergoing the expatriate process at different stages. They are from German, UK, and Austria.

Of the respondents, one out of seven is female, the rest are male. Two are at the age of 30s and the rest are at the age of 40s. Only one can speak fluent Chinese.

4.1.3. Interview guide

Firstly, the purpose of the case study is not to describe and explain all the details that happened to the expatriates, but to focus on three main streams:

- (1).The importance of social capital from the expatriates' perspective.
- (2).What is the social capital for them in China, how important are they accordingly?

(3).The advice and knowledge they get from their expatriate experience.

Secondly, the basic framework for the interviews is:

(1).Explain them what is social capital in a practical way, then lead them to reflect on the general feeling on social capital, catch up with the importance of social capital from their description.

(2).Open questions to the expatriates to start with: What kinds of social ties you normally interact with? How often do you interact? What is the importance of the social ties?

With regards to this second part, they are free to express their personal stories and opinions; they normally start with their important social ties. But at the same time, in order to get more information, I may also add some questions to assist and lead them, as:

(a).Where are your colleagues from? How do you interact with them? Do they help you in a way or may cause you more troubles?

(b).How is your relationship with local Chinese? Are they supportive in a practical way? Could you please give some examples?

(c).What do you think about the peer expatriates group?

(d).How is your relationship with family?

(e).How does the MNC or HQ support you?

(f).Any other clubs or lifestyle lead you to other social ties?

(3). Is there any advice or knowledge sharing on the social capital support from MNC?

For example: the selection, the training session, and the support system within MNC.

5. DATA ANALYSIS

Data Analysis is made according to the information collected in the interviews. 7 interviews were made, while the 7 interviewees are mostly from different multinational companies in China. The detailed 7 interviews are as follows, based on the samples, 14 tables are made accordingly to assist with the further analysis, please refer to Appendix A with regards to the tables.

5.1. Interview sample collections

Case 1: Manager at CPC German Consultancy Company

Company introduction:

CPC is a Germany change management consultancy firm. It cooperates with international companies and upper medium-sized businesses, its core competences are in three areas: Projects (project management), Processes (process management) and People (human resource management). Since it has many international partners, it operates projects worldwide: Singapore, Japan, Spain, Argentina, Australia, and China. In China it established subsidiary in Beijing, with its growing business potential.

Interviewee background information:

In order to keep the interviewee status confidential, the name James is made to represent the real name. James is at his 40s, the manager in CPC China, his main responsibility is to supervise and manage the projects CPC involves in, at the same time he takes the responsibility to make business development, build up business relationships with potential international or local companies in the Chinese market. He is from Germany,

has international work and study experience in the USA and South America. He could not speak Chinese.

James' social capital adjustment in China:

(1) James' general comments on social capital

James has been in China for 1.5 years. It is his first time being in China. Before he arrived, he only got a brochure introduction about Chinese culture; he did not have any acquaintances, relatives or friends there, he could not speak Chinese, it is an unknown country for him. He got little bit nervous with many uncertainties ahead in the new land.

But after his arrive, he likes China very much. He attributed his satisfaction to three main social ties he has: rotary club, church and his company colleagues. He called them three pillars he relies on; they all assist his adjustment in different ways. Social network is emphasized from his experience.

(2) Detailed explanation on James' social ties

He began with the three main social ties he interacts with.

The first group is his colleagues in CPC. They are from Europe, but have been in China for few more years, have Chinese working and living experience. When he arrived China, the colleagues picked him up, coached him in the new work and life starting page. In practice, he was supported to know some basic Chinese language on ordering the food, paying for the bill, learn how to find directions, catch up with the taxi, get familiar with the new living environment, location of the supermarket, restaurants etc. Meanwhile, his colleagues informed him on the Chinese way of working since he needs to cooperate with local Chinese in the project and Chinese staffs have different ways of

interpreting, communicating and socializing. He tried to understand the difference and tried to social with Chinese clients with CPC colleagues' accompany. He needs to spend lots of time in cooperating with his colleagues in the projects, meeting his Chinese clients and also socializing with clients in the spare time. They are the group he spent a lot of time with. The colleagues are from similar culture background, share problems, easier to communicate with, similar lifestyle and in the crisis, they support each other in both work and spare time.

The second group he mentioned is the church group. He is Christian and is active in the Christian community. He goes to church service every Sunday on a regular basis, as well as every Wednesday he goes to one client's company for the Christian study. Once in a while, he goes to events arranged by Christian friends on Saturday, as BBQ, family worship, birthday events etc. His belief is his spiritual foundation and support, which can be shared worldwide. Through Christianity, he shares deeper relationship with some Christian workmates, makes some good friends who can spiritually grow with him. Sometimes in difficulties, he comes to his Christian friends and they share the sorrow and pray for him. Through Christian network, when he is lucky enough, he can get some business opportunities. This group helps him in a spiritual way, especially in the belief growth, difficulty in life and also professional network building.

The third group James mentioned, the last main pillar is the rotary club. In the group, James gets many professional business networks. Club members are from different countries, including Chinese. James like spending spare time with them, in restaurants, bars, clubs. Here James interacts quite a lot with many local Chinese. He emphasized that doing business in China, there is great importance in getting the local connection since the local businessmen get the majority of the resources in China, there is always big potential opportunities connecting with them. James said as westerners in China, he has many advantages; he needs to rationally fully use them. His advantages are: many

Chinese CEOs or businessmen in higher position who can offer business opportunities for James' company, they like new and creative ideas, one way to get the different view is to communicate and work with people from other countries, especially western countries, Chinese want to learn more things beside local Chinese knowledge, the new thing can make their companies go further and prosper, get other unique competences other than the rest competitors. James also said these businessmen are quite open minded, when they share similar global values on business and life, it is easy for them to build trust, sometimes even though they may not make business together currently, but they are always glad and ready to make references and make James connected to the sort of particularly network he wants to jump in.

In addition to the three main social ties, James also talked about the other network that matters to him: Local Chinese co-workers, clients in the projects and family.

With regards to local Chinese co-workers, he enjoys the relationship with them in general. Co-workers indeed are mainly his project clients, even though James can not speak Chinese, the co-workers who are cooperating with him speak good English. As a result in James' case, on one hand, language is not a big problem for James' life in China; while on the other hand, since he always socializes with people who speak English, he is less motivated to study Chinese, then he still faces problems when he needs to deal some issues in life in Chinese mainland. Fortunately, he knows how to ask people for help in these cases, in English. For example, one day he needs to go to clinic since he gets sick in stomach, he talks about this problem casually in the work place, when his Chinese co-workers knew it, they recommended him the one close to the company and has good doctor they know, then James went to the clinic immediately and got problem solved. In this group, occasionally, he could explore good and tasty local Chinese restaurants, do sports, watch movies and travel together with them, he also like to join the events arranged by the client company, as the singing competition etc,

football game, beer festival etc.

The last group he mentioned about is his family in his hometown. On one hand, he enjoys his work and new life in China, he enjoys his time with people in China, but on the other hand, he also misses his beloved family members. He is not married yet and does not have a girlfriend, his family members are the group of people who really care about him, understand him and love him. Even though there is big geography distance between them, the time difference is 6 or 7 hours between China and German, they can still get connected by high technology. They kept contact with each other through Skype, international phone calls, emails. Meanwhile, the company CPC offers very good welfare to maintain his necessary relationship with the family group. The company pays him for 4 round trips back home, and also he has 4 vacation periods to have reunion with his family members. He tries to use the 4 chances offered by the company every year.

(3) The advice and comments on the selecting, training and supporting system within MNC

From the MNC perspective, James mentioned that currently he is satisfied with the support offered by the company. The company gives him the position to get business network in China, with the exploration he makes many friends and have his time spent in a adjusted way. Colleagues in CPC helps his adjustment in a very practical way, the introduction brochure about China to get started, then he experienced the adjustment in the real life, he can always get accompanied and supported by his colleagues in life and work, on the other hand, this kind of accompany make his relationship with his colleagues closer and better. Good welfare is also offered by the company, besides the salary, his accommodation and transportation is covered, he also gets the welfare to travel outside of China during weekends, 4 round trips back to his hometown. The

salary is European based, while in China the food and many other fees are cheaper than Europe. CPC is a good example to follow regards of the expatriates' management, even though there are not so many rules, regulations, specific training program, CPC integrates the essence welfare to help with the expatriates' adjustment.

Asked about the advice James want to give for the further expatriates' adjustment in CPC, he mentioned mainly two parts: selection and supporting.

With regards to the selection, James said it is very important that the candidate should have the following characteristics besides the professional knowledge: outgoing, easygoing with people, open minded also the willingness to stay in China, the courage to face the challenges in the new land. Outgoing personality makes expatriates to make connections and have emotional and work support for the new life in new land. If the person is too intro-ward, when difficulties come out, few people or resources can be referred to, it can make the person fall into bad mood and not adjust well. Open minded can make expatriates work easier with local Chinese coworkers, because in cross culture work environment, people from different countries always have different ways of thinking and working, open minded person can try to accept new ideas, different work methods and understand the others, which helps the teamwork in the project. As referred to the supporting aspect, James emphasized the practical support, two parts are essential: one is the material sector, including salary, travel expenses, living cover and also the hometown visiting cover etc. Another side is from the colleagues support in China, they need to create this kind of company cultural environment to support and care each other, not to let one single expatriate alone, always arrange the bonding events, socialize with colleagues, with co-workers and bring new friends in, the experienced ones take more care on the new ones in different aspects in life, it is not only work oriented, but also life and people oriented.

(4) Conclusion

For conclusion, James felt he could really learn and experience a lot when he tries to connect and get close to people. Social network promotes not only his business career, but also his life overall.

During the interview, James knows how to maximize his advantages and promote his career in the new market. Social ties play key part in his adjustment in China. His important social capitals are: colleagues, church members and rotary club members, besides them are his Chinese co-workers and family members. He emphasizes for MNC expatriates adjustments are: outgoing, easy going, open minded and very importantly, have positive attitude and be practical.

Case 2: General Manager at CPC Consultancy Company in China

Company introduction:

CPC Consultancy Company is described in case 1 already, in order to avoid duplication, this part will not be written; please refer to the case 1.

Interviewee background information:

In order to keep the interviewee status confidential, the name Tobias is made to represent the real name. Tobias is at his early 30s, the general manager in CPC China, His main responsibility is to manage the whole Chinese market for CPC, supervise the consultancy projects with clients in China and develop further clients. He is the first person in CPC who comes to China for expatriation. It is his first time being in China and he has been in Beijing for around 2 years until now. He joined CPC in German in the year of 2004. He was born in Austria, he had 8 months internship and study program in USA, studied in German for his MBA and worked in German for 8 years, then he did

projects in Japan and now he is in China. He has much international experience. He could not speak Chinese.

The interview took place in Daimler headquarter tower in Beijing, 1st floor lobby, Costa coffee, note was taken.

Tobias's social capital adjustment in China:

(1) Tobias's general comments on social capital in China

Tobias said social environment is so important for him to work and live well in China. Only focusing on work can be tired, if not adjusted to the new country through the social ties, life and work can both be very hard. This is his second year in China, which is much easier for him since he already established his social ties and understands more on life and work in China and he feels satisfied with the expatriation.

(2) Detailed explanation on social ties in China

Tobias mentioned on four main social ties: colleagues in CPC, clients in China, expatriates community and his family.

With regards to his colleagues, they are his subordinates, mainly from German. They are at different ages, some are at 20s, some are at 30s and some are at 40s. Since he is the leader in this Chinese market group, he tried to arrange many social events besides the work in the spare time. In work time, they attend the meetings, manage projects, have business dinner with clients, attend business network events together, during the lunch break, they arrange team lunch together regularly. Besides the time spent in work, they go out for dinner at different places at night, and then relax in some bars and clubs at the later night. Every Sunday, they do message together, during message period, everyone is

very relaxing, they make a rule as not to talk about business and work in massage, and they can only talk about personal issues and life together at that relaxing time. Every 4 weeks, they go for yoga classes in their living building, they all live in the same international hotel apartment, when they have some issues, when team members want to communicate, they can come to face each other instantly. Every day they can take taxi together to the client company together as well. Indeed they are mostly men. It is like a brotherhood community. During the weekend, sometimes they did sightseeing in places close to Beijing, for example, last month they had a trip together in the Great Wall. They enjoyed the hiking, walking, talking and dinning together. But for far away travel and trips, they do not make the trips together, since that will be private trip and belongs to the private time. They also need a balance in the time colleagues in CPC spent together. Life in China is not only about work. So he talks about the other parts that he socialize with.

With regards to the clients in China, he also needs to interact sometimes. Some of the clients are westerners, some are Chinese. But mostly he contacted with westerners in MNCs. They always get the project contract with high level decision makers, most of them are westerners. He needs to communicate with them for the projects and have business dinner together. Sometimes he involves himself in the events arranged by the client company. For example, last week he attended the soccer game arranged by Daimler; it is a lot of fun for him since he likes soccer so much. He has the sense of group belonging in the team sports. He can have more relaxed chat and communication with client colleagues, it is also an opportunity to make friends. He also has Chinese clients; it will be different to work with Chinese compared with westerners. For example, Chinese people do not have very clear responsibility division, if it is in German, they always get very clear and detailed sheet to explain the detailed responsibilities for different people, but in China, one issue may be taken care by several people instead of one, he may need to take more time in find out how to solve

one issue with several related people. And also in China, he needs to be more alerted by the so called "guanxi", connection, if he knows the right connection, many things can be solved faster and more efficient, it takes him some time to figure out which is the right button. In this sense, the social capital topic is emphasized here. On the other hand, he likes working with Chinese. He said he does not need to change much of his German work style, sometimes he may need to change a little bit to adapt to Chinese clients way, but in general, he can stick to his own style. Chinese clients are very open-minded in a way. They respect their European way of working, they are much respected. He worked in Japan for his oversea project before, he said in Japan it is much more difficult to adjust to, since Japanese are too polite, they do not know what do they really mean and want directly, but the Chinese clients he interacted with are much more direct to communicate with, they are more outgoing and curious for westerners. In addition to the clients they have currently, he also goes out for professional or causal business network events to make connections, which may help to develop further business opportunities. Doing business in China can be more difficult in a sense that China changes faster than other European countries and they need to keep up with the speed, at the same time, the regulations are difficult to be understood. But with the help of the experienced western expatriates and local Chinese clients, he may adapt and understand better.

Now coming to the western peer expatriates community group. Tobias mentioned that besides his colleagues and clients, his main social group is peer western expatriates. He does not have many local Chinese friends; expect some Chinese friends introduced by his western expatriate friends.

Even inside the expatriate community, he mainly has German, French Switzerland etc European expatriate community, but not Americans. Since in his spare time, their language plays very important part, they like to speak local language, share similar lifestyle and similar topics. They can hold deep topics. He mainly gets to know them

through the events arranged by the European Chamber of Commerce, German Chamber of Commerce or French Chamber of Commerce. In China, since the expatriates group is small and limited, he can get to know many expatriates are very high position, if it is in German, it may be very difficult to meet them or talk with them. It is also good for this further career development to interact with higher level managers from various MNCs in different countries. But on the other hand, Tobias also mentioned that he should not always stick to the expatriates group, since sometimes some expatriates are in the culture shock U curve and they may gather together to complain, instead of keeping each other positive or building up each other, complaining does not help them to adjust but only to make them more negative for the adjustment. But fortunately he also has many other groups and social ties to balance with this. With his peer groups, they like go dinning around Beijing since there are so many restaurants from around the world to choose. He likes different Asian flavor, for example, the food from Thailand, Malaysia and Japan are quite delicious. He likes the Sanlitun area with his friends, very modern and westernized, feels familiar and there are many international cuisines. He also likes hutong area, because it has the sense of Chinese historical feeling, there are many typical Chinese restaurants there, well decorated, cozy atmosphere and tasty cuisine. There are also rooftops, where he can get some drinks and enjoy the winds flowing through.

The last very important part is the family group. These close members help him to keep mentally healthy. Firstly they are quite supportive for his career choice, they respect what he is doing, when he feels frustrated and down, he can share the experience with his close family members and they can encourage him and support him. Since most of his family members are in Austria, they communicate through mobile or Skype. Besides his family members, he has his German girlfriend with him in Beijing; she is also working in Beijing. She comes from the similar background, works in China, speaks the same language and has the same lifestyle, encounter similar problems; they can

communicate and accompany each other. She is very supportive and open minded.

(3) The advice and comments on the selecting, training and supporting system within MNC

Tobias mainly expressed his opinion on the selection part. He think the candidates for expatriates in China should have international view, he or she should be open-minded so he or she can adjust to the new environment, if she or he can not adjust, he may have difficulty in making work achievement and also balance the life. He should have the right motivation; the motivation should not put the salary in the first and most priority list. Expatriates usually have higher salary and better welfare, but candidates should not make this as the main motivation. Speaking Chinese can be good criteria, it can show he or she has interest in the local culture and better adjusted.

Tobias does not support too much cross culture training, because he thinks training is too theoretical, not very practical, sometimes training can make expatriates have stereotype when they interact with Chinese people, which may cause barrier sometimes than helping solve the problems. He prefers to choose the right person instead of putting too much effort in the training, cross culture adjustment is soft skill which is hard to be obtained through theoretical studies, it needs natural experience and experience can talk.

(4) Conclusion

In conclusion, Tobias takes care on his social tie building in China which he feels essential for his adjustment, keep balance for his work and life. His main social ties are colleagues from Europe and South America, clients in China, peer expatriates and family members, he feels thankful for their support in his stay in China. Tobias emphasizes choosing the right international candidates for expatriation instead of

putting too much effort in cross culture training.

Case 3: Expatriate at Wartsila

Company introduction:

Wartsila is the multinational company that provides complete lifecycle power solutions in the marine and energy markets. Wartsila emphasizes technical innovation, efficiency and also environmental performance for the customers' vessels and power plants. From the global operation perspective, Wartsila has its HQ in Finland; it gets operations in nearly 170 locations in 70 countries around the world. In 2012, its total net sales reach 4.7 billion EUR with 18900 employees worldwide.

Wartsila has been in China for more than 20 years, with its fully owned subsidiary together with licensing agreements. They are located in different cities in China, as Shanghai, Beijing, Hong Kong, Dalian, Qingdao, Suzhou, and Wuxi and so on, with approximately 2000 employees; among them the largest one is located in Shanghai.

Interviewee background information:

In order to keep the interviewee status confidential, the name Tom is made to represent the real name. Tom is at 40s, going to his 50s soon. He was at vice president position in Wartsila China before, he finished his long-term expatriation life in China, nowadays he is based in Finland, and once in a while he has trips back to China for supervising. He is one of the pioneers, who got the first try in the new unexplored Chinese market 20 years ago. His mission at that time is to open and then manage the Chinese market at the particular sector for Wartsila. He is local Finnish; his family (wife and children) was with him during his expatriation in China.

This interview was taken place in Wartsila, Finland, at Tom's office. Notes were taken; tape was not used for the recording.

Tom's social capital adjustment in China:

(1) Tom's general impression on social capital

Tom has been in China for more than 10 years, grown with Wartsila in China. Tom described himself as a people oriented person, prefer to know and understand person than learn too much on the professional technical knowledge. He said he knows the general professional technical knowledge, but he could not demonstrate that he is the professional technical veteran. He likes open communication, getting to approach and know people who are working together, making friends.

Tom enjoyed the long term China expatriation quite a lot, when he is back to Finland, he still misses China sometimes. From the career perspective, his pioneer experience in China is quite successful and also brought benefit to his own company.

He is at high position in Chinese Wartsila. He expresses his thinking and reflecting on his career development. He said some people plan the position promotion by planning, plan what group of people they should get close to in order to get higher position, he does not want to execute this kind of career development approach personally, he thinks it should come naturally, comes with personality and also the so called "luck". With the capability to interact with people, get the right social capital is essential for his expatriation

During the whole interview, Tom is people oriented, shared breakfast and coffee, made the whole interview environment relaxing, took care on the interviewer, but at the same time, he made the content very rich. He is good at being with people and building social capital network.

(2) Detailed explanation on Tom's social capital

Tom emphasized three main social capitals for his adjustment in China, focusing mainly on the career development sector. These three are: His Chinese colleague who studied and lived in Finland, Mike; the local Chinese market corporate business man Mr. Lee; other local Chinese subordinates and colleagues. Then he also mentioned on family support.

Firstly start with Mike. Mike studied and lived in Finland, and joined Wartsila in Finland after he completed his study program. Years later, Wartsila recognized the potential market in China, Mike and Tom were selected to come to China and open the Chinese market from scratch together.

Tom knew Mike when they were in Finland. With years experience in Finland, Mike knew how Finnish people think, live and work. At the same time, Mike knows about China since he is native Chinese, he understands Chinese people, way of doing business and culture. Staying in the same company, Mike and Tom knew about Wartsila business and had the same mission and target. Mike was the person who helped Tom to interact with local Chinese at the start, assisted Tom to do business in China. They spent lots of time working together, even till nowadays, they meet and visit each other once a while. They do not only socialize on the personal level, but also at the family level, from this perspective, we can see their relationship is close at both the work and life.

Then Tom talked about Mr. Lee. They got to know Mr. Lee when they started entering the Chinese market. Mr. Lee is from Hong Kong. He has a lot of network in China. This network involves the interest and business target related governors, businessmen. He knows how to approach them, how to get to know them, how to do business with them, he is network building veteran. He is the key person who helped the Wartsila start up.

Tom and Mike trusted Mr. Lee, they established a good team. Tom is responsible for the big direction controlling, guidance and strategy, Mr. Lee is for networking and Mike is for coordination between local Chinese and western colleagues. They get a good cultural balance and move Wartsila towards the target together, in the end they get good results and completed the mission successfully. In this case, the social capital Tom has in China helped his career success and gives him sense of self achievement, makes him feel very much fulfilled and at the same time, the satisfaction and happiness from the achievement motive him to study and learn more about China.

Besides the three main visible social capitals, Tom said another invisible capital which is important as well, the book. Tom respects Chinese culture and likes Chinese people, in the work and life, as a foreigner who could not speak fluent Chinese could always encounter difficulties, he likes reading books to get ideas on how to adjust and solve problems. In the book, writers expressed ideas and opinions which could help him find the problem and the solution, it offers inspirations for him which also drives him forward. For example, he started understand Chinese people love their face, takes great care and put importance on the family life etc, so when he interacts with people in reality, he has a culture filter and cultural alert, and with time passing by, he is used to the difference and cross cultural thinking, so he does not need to take much effort to try to think and act in a certain way on purpose, but thinks and acts more naturally. Until nowadays, he keeps up with the reading hobby. The writers of the book are the indirect capital for Tom to get better adjusted.

Then Tom discussed on local Chinese subordinates colleagues. At the beginning, he realized many difference in work styles among Chinese and western colleagues. In western, people are used to be self-motivated, when manager gives task, manager gives the vision, direction, instead of detailed steps, subordinates work toward the goal with their own method and approaches, have their freedom, after taking efforts in finding the

way out by themselves, they can taste the self achievement. While in China is the other way around. Manager not only makes the decision and direction, he or she also needs to give the detailed steps for the subordinates to follow. If not, subordinates will feel anxious on how to find the way to get started, and then they will ask the manager how to approach the goal. Tom felt little bit disturbed on the too detailed questions, he wondered why they would not like to manage the steps by themselves, then with communicating with his Chinese colleagues and reading books, he started to understand that Chinese people loves face, they feel afraid to lose face when they make mistakes, they do not dare try, on the other hand, it is also Chinese culture, they need to give face to the managers to make managers feel smart and talented. Then he started to accept this difference, tried to be more patient in coaching Chinese subordinates, meanwhile, he also instructs and encourages them to think in their own way, so at the beginning, he tried to compromised in Chinese way, but at the same time, he trained the subordinates and colleagues in a western way, then they reached the Chinese and western balanced way.

Another story is about the drinking and dinner tradition in the Chinese business world. Getting the business network is very important for the start up in the new market. Mr. Lee led them to make business in the Chinese way, which is to make local Chinese social capital. They need to build relationship on the table, during dinner; meanwhile, they need to drink a lot. One time one Finnish colleague did not want to drink, the Chinese businessmen got mad and ignored him the whole dinner. After the dinner and relationship building, they start to do business together. Tom learned this special network building skill during the real life practice, he enjoyed it since he could try different Chinese cuisine and also after some drink, people can get more open minded, he did not need to over drink at the table, the Chinese who is good at drinking takes this responsibility. The local business network enriches their business development.

Family support also plays important part in his expatriation. His wife stayed with him, and then their children were born, which brought more happiness for his life. He enjoyed play sport with his son, one of his favorite spare time hobbies. But at the same time, his wife encountered difficult time in China, since his wife was housewife in China, not working as being in Finland, far away from close friends and family members, she felt lonely sometimes. The good thing is Wartsila offered them the free trips back to Finland every year, they got the chance to have reunion gathering with Finnish friends and family. Many expatriates family got divorced during the expatriation because the wife could not get used to the new culture and environment, fortunately Tom is not among them, his wife is supportive even though she felt lonely in China sometimes. Meanwhile, he cherished his family time.

(3) Advice for further MNC expatriates management

Tom brought out the experience sharing concept. The seniors got the first tries, encountered culture shock, difficulties, then they learned to live with the problems, tried to get solutions and get used to it, finally the kind of adjustment goes naturally inside of the seniors mind and they do not even realize that they are changed in the mindset, when the old problems came out, they are already experienced in handling it, it did not take much effort and the adjustment goes more and more smoothly. While for the fresh Finnish expatriate comers it will be a different scenario, they may get freaked out when the difference comes out and feel anxious on how to handle them. At this moment, seniors could stand by and share with the new comers the experience. Tom said they should arrange some events for the seniors meeting the fresh comers and have orientation, or let the freshmen knew these seniors are standing by, when they get problems in reality and practice; the seniors can support and coach them. He emphasizes the experience coach, because they learned from their story in practice.

(4) Conclusion

Tom successfully completed his tough task in Chinese market for his company and beautifully he enjoys the whole experience so much. The social capitals that he got are as follows:

First main three for his career: Mike, the Chinese who studied and live in Finland; Mr. Lee, the person from Hong Kong who helped them build the local business network; His colleagues who interacted a lot with him to achieve the goal and mission. Then the local business network as local governors and businessmen offered the company the business opportunities, the invisible writer of the cultural adjustment books who can inspire him for cultural understanding and problem solving. His family members are supportive for his expatriation life. Overall Tom gets his important capitals and they helped him enrich his life, not only in a career sense, but also cultivate him to learn and grow in this big world. He is supportive for the senior and freshmen coaching and training in practice for the further expatriate management.

Case 4: IT Manager at Daimler Mercedes-Benz

Company Introduction:

Daimler is an automotive multinational company; the product portfolio contains small cars, sports cars, luxury sedans etc. Daimler's passenger car brands include Maybach, Mercedes-Benz and Smart. It gets operations around the world, headquarter is in Germany. In China it gets the main offices in Beijing, the branches in Beijing are: Daimler Northeast Asia Ltd., Mercedes-Benz (China) Ltd., Mercedes-Benz Auto Finance Ltd., Daimler Northeast Asia Parts Trading & Services Co., Ltd., and Beijing Benz-DaimlerChrysler Automotive Co., Ltd. Besides Beijing, there are operations in Fujian, Shanghai and Hong Kong.

Beijing Mercedes-Benz Sales Service Co. Ltd. (BMBS) is the joint-venture wholesale

company. It imports almost the whole MBC passenger car product line to China, and manages the brand, sales, distribution of the MBC products to the Chinese market and clients.

Interviewee background information:

In order to keep the interviewee status confidential, the name Magnus is made to represent the real name. Magnus is the IT manager in BMBS, he is from German, at his 30s, not married, has his girlfriend in China. His responsibilities are half projects oriented and half IT work alignment focused. He did internship in China 10 years ago, then he came back to German Daimler headquarter, afterwards he did expatriation in Australia, South Africa and Turkey, he has been expatriate in China for more than 2 years, together with his half year internship in China years ago, he has been in China for around 3 years. He has been working for Daimler for 13 years, ha was in different teams for different projects around the world, and he mostly work with local colleagues in the host countries. He takes Chinese class in Beijing, could only speak basic Chinese, it is difficult for him to hold Chinese dialogue conversations.

Magnus's social capital adjustment in China:

(1) Magnus' general comments on social capital

Magnus's first comment on social capital is: "Of course it is very important for western expatriates." He leaves his own country German, be away from his family members and friends. In this new land he needs to start the social network from scratch, create new social network and make new friends. The social connections help him to have a balance between work and life, which could also enrich his career development and also make his life colorful and exotic.

(2) Detailed explanation on Magnus's social ties

Magnus is the famous so-called "event guy" in Daimler, because he is the guy who has a lot of event information in Beijing, expatriates in Daimler may come to him and inquiry on what events are going on in Beijing, and he is very active on different events happened in Beijing city, he is one of the key persons arranging events, inviting friends and also informing expatriates or colleagues on the events. Magnus has a passion on life, that is why he has interests on various events, it can be dinner, soccer play, hiking, car racing, BBQ, clubbing etc. These hobbies make him connected him with people around him, at the same time, it makes him adapt to China much easier. He has very colorful and nice life in China, satisfied, at the same time, his work performance is quite positive, he will be promoted soon.

Magnus focused on his social ties mainly on: colleagues and family.

The first group Magnus mentioned is the colleagues group. He made this group into three different sub-groups: general colleagues in Daimler, higher level expatriates in Daimler and also Chinese subordinates and staff.

With regards to the general colleagues, he gets connected with them through activities: Daimler company events: German beer festival, good voice competition, soccer game, car racing, auto-show, New Year party etc. He feels it is important to attend these events, since he can meet up many colleagues from different departments, not limited by his own department, get to know more about the Daimler Company in China, and also make more friends through different interests. For example, if he met someone in the voice competition, he may would like to invite some to KTV later in the future; if he met someone interested in cuisine, he would like to go dinning with them, he can bring them to the restaurants he likes and the others can introduce him to the restaurants they like, Chinese people like to social on dinner tables, in Beijing there are always so many

choices, not only the restaurants from different provinces(Sichuan hot food, Shanxi Chinese noodles, Beijing BBQ and duck, Hunan spicy food etc), but also restaurants from around the world(as Thailand, Singapore, Malaysia, Japan, South Korea, French, India, German, Turkey, Iran, Italy, Greek etc), he really have great time sharing good food with colleagues; if he met someone in the soccer game, he may invite them or be invited for some soccer plays; if he met someone who likes clubbing, they may join bar or club someday in the future; if he met colleagues in the hiking event, they may go hiking during weekend, there are many mountain provinces close to Beijing, as Shandong province, Shanxi province. Then besides his work, he can enjoy his spare time in different areas with different colleagues.

As referring to the higher level expatriates group, he said socializing with them in China is a great help for his further career development. Normally in German, colleagues separate their work and life, there is a very clear line between the two groups, when they work together, they may never meet up after work. It is very hard for colleagues meet higher level managers in the spare time for social activities; there is always a gap between them. But in China it is different. Since when expatriates are in China, they are away from their old familiar family and friends group, they need to find new group to socialize with, and there in China, they may like to start the socializing from Germany colleagues, because they have similar culture background, speak the same hometown language, have similar values and lifestyle, from the same company can make their feel even more closer, they always prefer to start be with the group with the most familiar and close group, to reduce the uncertainty and anxiety in the new country where local people's mindset, language and lifestyle are different. In China, the wall between expatriates and higher level expatriates is broken, so he can learn and be with higher level expatriates more often, he can have more chances to discuss projects together, the experience helps him grow professional faster.

In terms of Chinese staff, he mentioned being expatriate in China gives him higher position, so he has more power and responsibilities compared when he is German. He has more staff in his team in China, and in his projects, he work with local Chinese quite a lot. With this local team, he sometimes has difficulties and problems. He learned that he always needs to instruct Chinese staff and push them, or they may wait until the issue gets escalated. But overall, Magnus likes working with Chinese. They can always help him filling in the work templates in Chinese, talk with Chinese vendors, translation, coordination etc. In spare time, they go out for dinner, hiking, or hot drinks ass Chinese tea for team building, he is more involved with the Chinese lifestyle activities and get to know and understand more on Chinese culture.

Then after the colleague group, Magnus talked about his family support. He mentioned two sub groups: his parents and his Chinese girlfriend.

As referring to his parents, he thinks his parents miss him more than he miss his parents, he talks more with his brothers. Normally he contacts his family members in German through Skype. He does not feel too much homesick, which means he enjoys his expatriation in China.

With regards to his Chinese girlfriend, he thinks she helps him with adjustment in China quite a lot. Before he dated his current girlfriend, he prefers to choose a girlfriend who is not too local, because for relationship they need to have some similar hobbies, interests and lifestyle. He finds his one, he comments his girlfriend as open minded, has international view, share many mindset, have topics to communicate, has her own opinion and ideas, speaks good English, they like having dinner and travelling together, she helps him to understand some Chinese tradition, culture and way of thinking, in work sometimes he has problems, he may discuss this with his girlfriend.

(3) Magnus's personal training program and interests assisting his skill set to get more special capital

In Magnus's case, he has two specific tools help him to get social capital, he is the expatriate who realizes the importance of social capital likes social capital and enjoys being connected with people. One is the very special cross culture training program that he took in the year of 2008; another is his connection with Big DJs and event agencies.

In 2008, Magnus spent 4 months on a special cruise for a cross culture training program. He registered and paid it be himself, it is not provided by the company. The cruise goes and travels to many countries around the world, as Thailand, Turkey, Hong Kong, Italy, Egypt, Croatia, Spain etc. In this trip, they can travel and go sightseeing in different countries, learn different culture by visiting, but at the same time, they have cross culture training every day, on subjects as cross culture communication, cross culture negotiation, international business etc. There are 250 students from 42 countries; it is both theoretical and practical. Magnus grasped the concept of doing business in other countries, how to interact with people from another culture background, how to deal with culture shock and culture conflicts etc. Magnus paid 35000 \$ for this course and he said that benefited him throughout all his later part of life because later on he is doing expatriation and projects outside of his own country all the time, around the world. Then he has a broad view on what is going in different parts of the world, how people are similar and different in different culture, how to get connected with people and enjoys the connection with people from various background, breaks the wall of the nationality and make him much easier in cross culture adaptation. At the same time, he gets the sense of how many different events and hobbies he can enjoy; through the events, people enjoy the life and get connected.

Besides this training, Magnus likes music very much, he prefers the pop music. When

he firstly reached China, he got connected with many big DJs, cool DJ agencies, through these people, he gets to know different kinds of music events happening in Beijing, he invites his colleagues to attend the events, and he always gets many replies. The classic case is the Great Wall Festival, famous French DJ David Guetta came to play music in China the first time, and he held his festival at the feet of the Great Wall. 150 colleagues in Daimler asked him to help book the festival tickets. People introduce people, friends introduce their friends to join the events and Magnus got to know more and more people. Gradually, with different events notification, he is known by lots of colleagues in Daimler, but mainly expatriates since these events are more western style, the attendance of Chinese indeed is little bit low. While, he also notices that he should not spend too much time on the events organization, he keeps this as spare time hobby, not let the event organization affects his professional work in Daimler, the main task in his career in China.

(4) The advice and comments on the selecting, training and supporting system within MNC

In Magnus part, he gave comments on all these three parts.

With regards to the selection, he mentioned on the importance of cross culture adjustment soft skills, he met many technical staff from German who are very professional on the technical work but not interested in the new culture and it is very hard for them to adjust to the new country as China, in the end they failed the projects which causes lose for the company since company paid them much more salary and welfare in China. The capability to adjust to the cross culture environment is a kind of soft skill that is hard to gained and learned. So he suggested in the expatriates selection, put cross culture adjustment skill in important weight.

With regards to the training part, Magnus recommended on the cross culture training program specific to China, before he came to China, he only got a general cross culture training for expatriates in different countries but not detailed or specific enough in China, after arriving China he did not get culture training at all. And also he recommended the language course offering by the company, he found his Chinese language teacher by himself and paid the teacher himself to learn Chinese, if company can take care this for expatriates, it will be much better.

As referring to the supporting within MNC, he recommended more experience exchange events, the senior can exchange some experience to the junior arrivals, for example, hiking event, wine tasting event etc, which can gather them together and communicate.

(5) Conclusion

Overall, Magnus enjoys his expatriation in China. His social capital in China helps him with the career development in Daimler group globally, and at the same time makes his spare time very colorful and interesting.

Magnus has his main social ties among Daimler colleagues, hobby connected groups and girlfriend. Magnus is outgoing and has many interests; because of the interests and events, he gets more connected with different kinds of people.

Magnus emphasizes the international view, cross culture adjustment skills in expatriates selection part; the specific Chinese cross culture and language training in the training part; the experience exchange event in the supporting part.

Case 5. Senior manager at Beijing Benz Automotive Co., Ltd (BBAC)

Company Introduction:

BBAC is a joint venture founded by Beijing Automotive Industry Holding Co., Ltd (BAIC), Daimler AG and Daimler Northeast Asia Ltd. The location that BBAC based in is Beijing Economical and Technological Development Area. BBAC produces for Daimler Mercedes-Benz in China, including the long wheelbase E-class, C-class and GLK SUV etc.

Interviewee background information:

In order to keep the interviewee's background information confidential, the name Andy is used to represent the real name. Andy is at his 30s. He is originally from German. He studied in England for one year. He did internship for Audi for one year during his study program, and then he started his real career in Daimler Mercedes-Benz in German Headquarter. He worked on international project in South Africa for 4 months. He has never been to China before this Chinese expatriation. He is in senior manager position, responsible for a new manufacturing project in China. He does not speak Chinese.

The interview took place in Beijing, China. We went to a café in hutong area. Andy likes hutong, he said it is historical and has lots of cultural elements. Andy came to Beijing at the end of the year 2012; he has been in Beijing for more than half a year. Notes were taken during the interview. Tape was not used.

Andy's social capital adjustment in China:

(1) Andy's general comment on social capital

Andy mentioned that no matter what he did in other countries, international projects, study program, it is always important to have a balance between work, study and life. Social ties and human capital are always involved in these parts and they assisted the adjustment and balance in a new culture. Especially in China, the culture, language are

so different, he needs to start the network, friend circle from scratch. He likes China experience and feels fine with his performance in the new project.

(2) Detailed explanation on Andy's social ties

Andy talked mainly on two social ties: colleagues and peer expatriates.

With regards to colleagues, he worked with both westerner managers and also Chinese colleagues, among the Chinese colleagues, there are Andy's supervisor and also his subordinates. In his project team, including him, there are two German, one American and one South Korean. In BBAC, he needs to report to a Chinese lady, general manager in the firm. He also needs to collaborate with many Chinese staff.

Before he came to BBAC, the HR in German headquarter reminded him that it would be a very tough task for any German expatriate particularly on this task. Because BBAC is a joint venture, most of the colleagues are Chinese and Chinese communist party gets involved inside, many operations and processes are quite Chinese, different from the German style. In Mercedes-Benz China Ltd (MBCL), there are lots of Germany expatriates, most high level managers are international, and the company culture is dominated mainly from the German side. While in BBAC, few German are there, it is more like a Chinese company since the Beijing automotive industry holding Co, Ltd holds more stake share than Daimler AG. There will be much more culture difference for him to overcome. He does not have predecessor in his position; he also needs to start this project from scratch, which is more challenging than many other expatriates. When he went through the BBAC interview, the HR informed him that this position is much harder, his reasons for expatriation should be convincing. But Andy said when he made it, he realized it is fine, not so tough as how others described, since he learned quite a lot on handling with local Chinese staff and boss.

During this more than half a year experience working in China, he realized there are many difficulties and differences: Firstly, the Chinese workforce in BBAC are much younger than the workforce in German, which means that they are less experienced in handling many issues. He needs more patience in explaining them and offered more knowledge transfer to them. Secondly, it is difficult for him to get the information he needs. There are many reasons. Chinese staffs always do things according to the manager's order, do not think by themselves much, so they are not so much motivated to learn extra knowledge, indeed, if they try to know and get more information, they could see bigger picture, but normally they are limited by the task and manager's order. Another reason is the project is very new in China, so he understands it takes little more than to collect the comprehensive information. In these issues, Andy thinks complaining does not help, what he could do is try his best and spend more time in digging the information he needs out to accomplish the project, it is tough, but he learns to adapt. Third difference is that they do not have regular weekly meeting in China as in German. In the weekly meeting in German, they report on their work, talk about their responsibility, share their problems, and they could all help to give some advice and solution together on team members issues, at the same time, they can get updated with the information and news within the whole company, not limited by his own department, but also get to know many other departments, then they could get a bigger picture on the operation of the company. In China this is not arranged since many Chinese staffs do not have this in their work agenda. When he noticed this, he talked this issue with his boss, and his boss mentioned that they prefer a more personal meeting, which means the boss meets Andy regularly with him, it is a personal meeting instead of a regular team meeting. Fourth is he felt it is hard to find reasons behind the problems in the company. In his position in China, he has more power and responsibility, need to coordinate with different departments as Controlling, Accounting, when he tries to talk with Chinese together to find out reasons, Chinese always refuse to cooperate, this is still a problem

for him to solve and find a solution. He thinks probably the reason is: Chinese likes their face very much, when they talk about problems and mistakes, they get afraid of being blamed and they may get afraid they may be the person who made the mistakes. Andy is thinking about how to communicate with them then. Fifth, when Andy developed something new, it is hard for the Chinese staff to accept it. They are so much used about the old way of doing things, when they face something new, they normally would prefer to use the old one, and are not so open minded to discuss rationally the advantages and disadvantages on the issues. Andy got frustrated for a while, but at least he learns to be more patient in accepting the new work environment and tried to find solution to make things working out more. Sixth, he needs to be pushier in China, he is very proactive in his work, but Chinese do not like to strictly follow the fixed agenda and routine, in their culture, they have a context that things can be changed fast and delayed. They do not like to take more responsibility since they are afraid to make mistakes. In the end, Andy needs to learn more on how to make them take responsibility, how to communicate better. With all these information, Andy faced lots of challenges in China, he always try to understand the reasons, tolerate more on the difference and try to figure ways out. Since he has been there still for short time, it may take him little bit more time to learn how to get the better solution in China.

Besides the work in China, once in a while, probably once a month or once two months, he needs to take the business trip back to German headquarter, because in his project, Daimler in China and Daimler in German all involve inside. It means he gets the support from the headquarter colleagues from German; during the session, they hold meetings and conferences on the project. Since they are from the same culture and company background, it is easier for them to communicate. In the trip in German, if he has more available time, he could spend little bit more time with his family members, parents, relatives and friends. It leads to another part of support: family. Andy has the privilege to visit German more times compared to his peer German colleagues. And he

can get the support by visiting his parents and old friends in German very often, since the project involves Daimler German sector quite a lot.

The second main group Andy mentioned is the peer expatriates group. Andy has his very good friend from German working in BBAC, another department, not related to Andy's project. They live close to each other; they drive together to work, go to events together, have dinner together, communicate and talk a lot. They discussed about their experience in China. Through many events, Andy gets to know many expatriates, especially German expatriates in automotive industry. They are from Audi, BMW etc. They go to events as: hiking, concert, tea ceremony, wine tasting, dinner, birthday party, trips in Great Wall, skiing, bars, clubs. It is easy to break walls among expatriates from different companies and industries through spare time social activities.

(3) The advice and comments on the selecting, training and supporting system within MNC

With regards to the selection, Andy mentioned the importance of the characteristics of not judge others directly, not to criticize, but good and observing and thinking in order to adjust to the new culture well, Andy said in new culture, people from different background always have different thinking and ideas, if the candidate likes to judge too much, he or she may have problems in the cross culture team work. The candidate should also have the patience to tolerate the frustration, since many things may not work out as in German, he or she may need to think some other way out, before the method is discovered, he or she may need time to balance the frustration. Andy said international experience is not as important as the characteristic as not judging others easily and also be tolerate for frustration, be patient to people from other culture, like new environment, like challenges and have the capability of making new friends, respect the others.

As referring to the training part, Andy does not recommend the theoretical training as classes; because that is too abstract, not so practical, he recommends the mentorship, someone who is more experienced could support the junior expatriate, give advice to the expatriates who are less experienced. Or the MNCs could arrange regular informal events for peer expatriates communicate, share their challenges, experience and solutions etc.

Before he came to China, he got a cross culture training offered by Daimler headquarter for two weeks, not specific on China, but general global cross culture training. 6 weeks before he started working in China, he took a “look and see” trip in Beijing for a week, this trip he could arrange the apartment, got to meet his future colleagues and had a real experience on the new culture. This support from MNC helped him know the new environment before he started working.

(4) Conclusion

Since Andy is single, the social ties he has are mainly his colleagues from China, USA and German, his peer expatriates group, he also gets support from social tie from headquarter German through lots of German business trips, the support from family in German. Andy emphasizes the personal characteristics for the expatriate candidates, as tolerance for frustration, patience, has the capability of making new friends, respecting the others and not judging others too much etc. Andy recommended the mentorship and also informal experience sharing for the expatriates.

Case 6. Technical manager at Vacon

Company introduction:

Vacon is the variable-speed AC drives, frequency converters manufacturer. It was established in the year of 1993. Headquarter of Vacon is based in Vaasa, Finland. It has

R&D operations in Europe, Asia and North America, and sales and service operations in around 90 countries. Globally Vacon employed nearly 1500 people. It is a member of Cleantech Finland. Until 2011, Vacon revenues reach 380.9 million Euro.

Vacon has been in the Chinese market for more than 10 years, it has operations in 1st and 2nd tier cities in China, as Beijing, Shanghai, Guangzhou, Xi'an, Chengdu etc. The first operation in China is based in Suzhou province. The Vacon technical support team in Suzhou provide 24/7 service for the China and Asia Pacific region.

Interviewee background information:

In order to keep the interviewee status confidential, the name Peter is made to represent the real name. Peter is at his early 30s, the technical manager in Vacon China, Suzhou province, where is the core technical center for Vacon in China. His main responsibility is to make the technical transfer, supervise and manage the technical projects Vacon involves in. He is from Finland, the Vacon expatriation program made his first Chinese experience. He could not speak Chinese.

The interview took place in Vaasa, Finland, he has been as technical manager in China for 3 years, and when he was interviewed, he was back to Finland already after years of expatriation. Nowadays once in a while, he still needs to go to China and offer the technical support from the headquarter, but mostly it is short trips lasting for weeks instead of years long, he will be on the international business trip in China based on the business needs. Normally he is based in Suzhou province, Jiangsu, 2nd tier city in China. In Jiangsu nowadays there are many multinational company operations because of its good location (east part of China, close to the sea and Shanghai), good price (cheaper than 1st tier city Beijing), good talent resources (there are many good universities close by). Peter travels to other cities as Xiangtan, Qingdao these 2nd tier cities many times; sometimes he also has business strips in Shanghai and Beijing 1st tier cities, but not so

often.

Peter's social tie adjustment in China:

(1) Peter's general comments on social capital

Peter expressed that without social capital, life in China will be boring. Since he was based in Jiangsu, the 2nd tier city in China, even though there are some expatriates in the MNCs around, but the expatriates community is still small compared with 1st tier cities as Beijing and Shanghai. At the same time, the spare time activities are also not as vivid and colorful as 1st tier cities. There are few foreigners in the city compared with a large population of local Chinese. Since Peter cannot speak Chinese and has his typical western lifestyle, it is hard for him to get in touch and interact with local Chinese. Fortunately, he got his own social capital group in the 2nd tier city, which he felt quite thankful about.

Peter is more talkative compared with many other Finnish people. He said this may result in his cross culture experience in China, the expatriation opens his mind about this world and broaden his heart; he learned to communicate more in a different land. He learned and benefited quite a lot from the expatriation in China, quite satisfied.

(2) Detailed explanation on Peter's social ties

Peter mentioned three main social ties in China: sport club friends, Chinese girlfriend and colleagues.

With regards to the sport club friends, he said they are very important for him. Sport is his favorite hobby, especially ice-hockey, which is the typical Finnish beloved sport. He said in his expatriates group in Suzhou, they all agreed two very important things for

them in life in China: drinks and sport. He played ice hockey regularly, he likes the energy the sport can bring to him, ice hockey is also a team game, he can make friends there, he can find the sense of group belong in the sport team. After the sport, they normally go for some drinks in bars, talk and communicate. After a while, they get to know the team members very well. Inside of the team, they are mainly western expatriates from different countries, but in his ice hockey team, most of the members are still Finnish, since they can speak their native language together and easy to communicate with. They have the similar lifestyle, hobby and understand each other.

The second very important person is his Chinese girlfriend. He said for him it is difficult to meet a Chinese girlfriend that he has interested in. Normally typical local Chinese girls in Jiangsu cannot speak good oral English, the lifestyle is very traditional Chinese lifestyle, and they cannot really have deep communication with each other, let alone for a so called relationship. In his value, boyfriend and girlfriend relationship is serious; there should be understanding, attraction and also communication going on. He met many Chinese girls but it is hard for him to find a right one to have a serious relationship with. But one day, he met his girlfriend Mandy, he got attracted by not only her appearance, but also her characteristics, she has both western and Chinese personality, speaks good English, even though she does not play ice hockey with them, she has similar lifestyle with him. They like go to the bars, listen to music or concerts, drink coffee, travel, read and also watch movies. They are fans of Starbucks, and fans of travelling, every time when they travel together, they will go to one Starbucks and buy one cup with the city name written on it, they showed me their Starbucks cups collections in their room days before this interview, it is quite impressive, they get a lot of collections, different cups, and different styles. They went together for many trips in China, south, east, north, west, 1st, 2nd and 3rd tier cities. Peter even visited Mandy's hometown and her parents. They could talk a lot on different things in life. They do not only collect Starbucks cups during the travelling, but also the fine pictures. They

normally will ask the professionals on places of interests to take professional pictures for them, which may cost much more than normal pictures but they think they are worthwhile, they put these pictures in well decorated frames and hanged some out in the house. They have been dated for 2 years and nowadays his girlfriend is studying in university in Vaasa, the city where Peter works and lives. Peter felt so thankful that he could meet his beloved girlfriend in China, they think seriously on their relationship building and enjoy the time together. Mandy made Peter's life in China very lovely and colorful; his world is not only about sport and drinks, but also dating, trips and romance. Mandy also helps Peter understand local Chinese people and culture better. It helped Peter to adjust to China quite a lot. With the support from behind, he have good mood in the work and life. It gets balanced naturally.

As referred to Peter's colleagues, he spent lot of time with them in the work and sometimes in the spare time. His colleagues are both Finnish and Chinese; he spoke English to Chinese colleagues. He did not share many details about the cultural collaboration, but he mentioned that he likes Chinese colleagues because they are easy going, open-minded and also caring. He learns how to care people in a more Chinese way from his colleagues and his girlfriend. In the spare time, he spent time going dinning with them, in many local Chinese restaurants, in Suzhou there are not many western or international restaurants as Beijiing or Shanghai, and fortunately he likes Chinese food very much. After the dinner, colleagues will come out together in the bars for some drinks and talk, which makes him much more open minded and cross cultural than he was before. It is difficult for him to communicate with other native local Chinese except his Chinese colleagues and girlfriend.

Peter did not mention much about his parents, he came to Finland and visited his family once in a while, sometimes Mandy travelled with Peter and Peter's parents in European countries, which is very good memory for both Peter and Mandy.

(3) The advice and comments on the selecting, training and supporting system within MNC

Due to time limitation, Peter did not talk much about the advice, he mentioned that he came to China at very young age, since before he came to China, he was single, no wife's adjustment and adaption to worry about, even though he could not speak Chinese, he can speak good English, he is energetic and curious, be open minded to face new things. He commented on the advantages of choosing some expatriates at young age.

(4) Conclusion

In Conclusion, Peter's adjustment is based on his sport hobby group, his Chinese girlfriend relationship and also his colleagues. These social capitals he made in China benefited him quite a lot for his later life. He becomes more open minded, talkative and caring among friends, and very importantly, he finds a beloved one in China, which is very precious capital in his life.

Case7. ABB expatriate manager's wife

ABB Company background information introduction:

ABB is a famous multinational company specialized in the power and automation industry. Headquarter is based in Zurich, Switzerland. It has its operations in nearly 100 countries around the world. There are approximately 145,000 employees worldwide. The firm has stock exchanges in Zurich, Stockholm and New York. ABB was officially established in 1988, but has its history record for 120 years, ABB demonstrates its success mainly to its research and development, it spreads the R&D centers in 7 different countries globally.

ABB started its first division in China in the year of 1974, Hong Kong. It entered market in China mainland in the year of 1979. In 1994, ABB moved its HQ China in Beijing. It has operations in a lot of cities around China, mainly 1st and 2nd tier cities, as Beijing, Shanghai, Guangzhou, Wuhan, Changsha, Ningbo etc.

Interviewee's background information:

In order to keep the interviewee status confidential, the name Emily is made to represent the real name. Emily is the ABB expatriate John's wife. The couple is at their 40s. They are both from Switzerland; they have three kids with them during all their expatriation trips. One kid is around 7 years old and the rest are at their teenage period. John did expatriation in different countries, Emily and their children are with him all the time. They have been to South East Asia countries, China and now they are in Finland. They spent two years in Shanghai, China. This is their first year in Finland.

Emily and John can speak little bit Chinese, but still not in the fluent communication level. They took Chinese language classes in Shanghai.

The interview took place in Finland, Vaasa, a Chinese restaurant with Shanghai cuisine. We made the interview after the lunch there. Emily missed her time in Shanghai; she felt great pleasure to taste the food from Shanghai in Finland. She is very excited on the social capital adjustment topic since she felt it helped her and her husband adjustment in China quite a lot. They had one of the greatest time in life there, very positive feedback.

The case is different from the rest of the cases because the interviewee is not the expatriate himself. But Emily is the expatriate John's wife, the very close social capital support for John during his expatriation, they spent a lot of time being with each other and supporting each other, so Emily's interview can show another aspect of the social

capital adjustment, especially from the family sector, she also gives some good MNC support examples that can be used as advice or examples for assisting western expatriate's adjustment in China.

In this case the structure is different from the rest; I split the interview into 4 main parts: problem and difficulty for the expatriate family adjustment, Emily's social capital that assisted her for better adjustment, Emily and her husband's relationship on their adjustment, and the last part conclusion.

(1) Problem and difficulty for the expatriate family adjustment

Emily is the closet support for John during his expatriation, but as a wife, she needs to sacrifice a lot of things in order to support the whole family. If a wife's sacrifice does not balance well enough, it may make the wife want to stop husband's expatriation or propose a divorce, it may have negative affect on expatriate's career.

Emily's sacrifices are: because her husband needs the family support behind for expatriation, she needs to quite her original job in her home country Switzerland. She was working for airline before, when the expatriation journey starts, she does not have a stable work community any more, and she could make her own career achievement and fulfill her career ambition any more. After the expatriation trip is finished, she needs to find a new job, which is difficult at her age.

Besides the career and job, Emily needs to leave her close family members, relatives and friends in Switzerland, she misses them sometimes during the expatriation and the long distance in geography makes her less opportunity visiting them, and also difficult to spend time with her old friends to maintain friendships.

In China, she became full-time housewife, when kids are at school, husband is at work, and sometimes she can feel bored and lonely without working.

In terms of friends making, friends circles are changed quite a lot, when the family move around among different countries, on one hand, they can always make friends in various countries from different background, but on the other hand, she feels sorry to say goodbye to the friends that she gradual gets used with, in new places she needs to make new friends again and again, friendship takes time, at the early stage of the friendship friends are not so close and it is not so easy to find someone who understand each other, which can make her feel lonely.

With regards to her kids, it is easy for the 7 year old child to adjust to new environment, but for the other two teenagers, it is hard for them to adjust all the time, they always asked parents: why when we make close friends, we need to say goodbye, there is meaning for life if the good friendship cannot last for that long, they get tired of changing friends and gradually get lazy on be proactive making new friends since they get afraid of the goodbye stage.

In this part, we can see there are so many challenges for Emily to face, let alone the culture shock or culture difference. If these challenges are not treated well, the wives of expatriates blame their own loss and non-adjustment to husband, the partner relationship can come to an end. Emily shares some other stories of the other expatriates' family issues. Some families go back to the home country because the wife cannot adjust to the new environment, husband stops the expatriation; some family end up in the divorce when wives' adjustment is not handled well. All these issues may make the husband exhausted, not in good mood, worse adjusted, and may cause negative impact on his career achievement, if the expatriate stop the contract and fail the oversea project, it cause the MNC a lot of loss since MNC invest a lot for one

expatriate.

With these challenges, how Emily face it with her social tie? Emily may not say she can solve all these problems but at least, she confessed that the social capital make these problems much easier and make her and her husband better adjusted. She was quite happy in this China expatriation and misses China all the time.

(2) Emily's social capital that assisted her better adjustment

Emily mentioned these main social ties for her to adjust: ABB company, expatriates' wives community, church community and family members.

With regards to ABB, the firm offers Emily's family much benefit and makes Emily feel worthwhile being a housewife and be supportive for husband's expatriation. Then we can put these benefits as good examples for MNCs who have expatriation tasks. ABB offers higher salary for expatriates, they get good villa in Shanghai, the accommodation is covered by the company, they get housemaid to take care of the house cleaning, cooking and kids. ABB helps the family find good international schools for the kids and cover the expenses in the expensive schools. The firm also covers some shopping fee for the expatriates' wives. ABB offers the paid trips for the couple go back to the hometown. It is the time they can save a lot of money for the whole family. Emily is supportive for the expatriation decision and has the attitude that she would like to make the family feel happy together in the new countries. She thinks it could make her kids have global view on the world, she herself can experience new culture, new life, she is curious on the rest parts of the world, it is also good for her husband's career development. ABB expatriation gives Emily the thinking that the whole family can benefit in the adventure. It creates good environment in the material perspective.

With regards to the expatriates' wives, Emily met them mainly through the ABB company social events and church. ABB takes good care of expatriates' family. The firm always arranges lots of activities for the family better adjustment. They arrange Chinese classes for the expatriates and wives, dinner, especially international potluck (each family brings some food and put all the dishes together), cooking class for housewives (they cook, eat and communicate with each other), children performance night (in this kind of event, all the family members spend time together), concerts invitation, tea ceremony (make them understand and appreciate the Chinese tea culture), wine tasting etc. These activities make Emily feel that she can experience and learn quite a lot about life around the world. She feels her own inner growth and this learning, experience, cross culture communication opens her eyes and horizon, she realizes that life can be so colorful and there are so many things make her life beautiful and tasteful. And also the wives have similar culture and family background; they accompany each other, build up friendship and also communicate a lot on family issues. She will not be lonely as wife in daytime since she can be with other wives to spend time and build up friendship. Most of the time, she enjoyed the activities with the other families, wives, and her own family members. It is also good time to build up the family relationship. With her accompany, her husband does not feel that lonely in the new country.

As referring to the church members, Emily said it is so important for her adjustment. She goes to church Sunday service with the family members and sometimes she goes to small family groups, where she can have deeper relationship with Christian brothers and sisters with small amount of people. They have dinner, worship, study, open talk and pray for each other, support each other in difficulties, this makes her much less lonely in the new country, they act as family members for her in China. Many have similar background, the families in her cell group also travel around the world doing different expatriate trips, ladies are mostly housewives and responsible for the kids and family issues.

In terms of family members, they support each other. It is easy for kids to be joyful, when she spends time with kids, she always feel very happy and satisfied, there are so many things Emily needs to take care of on the kids, as talking with them for their personality development, paying attention to their school work, their friendship, their difficulties, and also the activities arranged by the ABB, schools and church. The husband also accompanied her quite a lot in spare time activities. This can be mentioned in the next part.

Emily feels very thankful for all the social capital she can get in China; these give her very positive and happy memory.

(3) Emily and her husband's relationship on their adjustment

In China there are challenges for the western couples. If the relationship is managed well, it can make the relationship deeper, good for the adjustment and also good for the husband's career.

Emily shared some stories of other expatriates, many couples get divorced because of the wives' un-adjustment, or the third person the husband met who separated the family etc. Emily said it is not easy to manage the whole family relationship in this new environment. She said the very important tie to connect her and her husband is through their common belief, Christianity. She went to church with her husband quite a lot, and the couple studied bible and had church community to build up each other. In family problems, they crossed the fingers together and prayed and followed God's plan and blessing, they cannot live without God for a single day. With the belief and the strength from the belief, they resisted many temptations that may separate them away from each other. She felt it is her duty to manage the whole house well, make the house filled with

love, loving each other, instead of satisfying one's own selfish desire and make the others suffer badly. She feels it is worthwhile doing that, because when her family members are happy, she is happy. When the children are happy, the couple is happy. She accompanied her husband to different events arranged by ABB, they communicated and supported each other, she prayed for his work, career, took time on caring the kids and not let the kids have too many troubles to disturb her husband, and if there are important issues to handle for the kids, the couple will solve the problem together. From the outsider, I realized that Emily is a very strong support for her husband in his expatriation, not only physically, but also spiritually.

(4) Conclusion

In conclusion, Emily adjusted China quite well and because of her good adjustment, she could create good and positive support for her husband. Her good adjustment origins from the good MNC support, for example good material welfare, lots of considerate events arranged by ABB, religion belief and also her husband's relationship.

5.2. Analysis

The Analysis is made up of 4 main parts: Basic background (company introduction); Interviewee Background; Social capital in China (general comments on social capital, detailed explanation on social ties as colleagues, local Chinese etc); Advice or knowledge sharing on the social capital support from MNC.

5.2.1. Basic background

Companies' comparison:

The companies vary in small, medium, big sizes, they belong to various industries, their headquarters are based in different countries, but mainly in North Europe.

There are some common parts as : two people work in the same company, same subsidiary (James, Tobias); two people work in the same headquarter company, different subsidiary (Magus, Peter); companies all have operation in Beijing, and many have operations in 1st and 2nd tier cities; most companies have operations in more than 70 countries, except CPC.

5.2.2. Interviewee Background

Part I

They are mainly are from different background: Some are at 30s, some are at 40s; Some are managers, some are senior managers, some is VP, some is General Manager, some is housewife, different positions, as a result, they have different roles and responsibilities;

Some is from technical department, some is from IT department, some from integrated department, and some is mainly at home taking care at household;

Some are currently in Beijing on-site, some are back to Finland at repatriation, some are at repatriation but still go on short business trips once a while, some is on repatriation from China but on-site expatriation in Finland.

They are all from the west, different countries, some are from German, some is from Austria, and some are from Finland.

Mainly are male, only one housewife is female.

Part II

International experience: Majority have international experience, these experience are study, internship and work related, they all have been to at least two other countries outside of their own home country before expatriation to China. Two do not have former international experience before the Chinese expatriation.

Former Chinese experience: Majority do not have former China experience, which means almost no former social capital in China besides work. Only one has former China experience 10 years ago in a half year internship. It is a totally new world for majority when they newly arrived at China.

Length of stay in China: It varies from only half a year, 1.5 years, 2 years, 3 years to more than 10 years, but mainly around 2 years.

Pre-cross culture or not: Most do not have pre-cross culture training, only one has, but he did it by himself from his personal interest, not from the company.

Language: All of them speak English and their native language; few learn to speak some other languages. Almost none speak Chinese, some take Chinese class when they are in China, but can only speak very few.

5.2.3. Social capital in China

Part I: General comments on social capital

Familiarity with China before expatriation:

Most of them do not have any familiarity with China before expatriation, which means the journey ahead of them is quite new, they need to start the social capital and life from

scratch, and it takes more effort and time in building many things new. Before the real expatriation happened, the uncertainty of whether they will be finally satisfied is bigger than others who know China well. While, only one person has familiarity with China 10 years before, but the environment is changed quite a lot, many friends left already, and the China experience was quite short 10 years ago, lasted only half a year, so the familiarity percentage is still in low.

Satisfaction on expatriation in China:

All of them are satisfied with the China expatriation experience. This factor is quite identical according to the result. But how much they are satisfied may vary. They use different words to describe how they are satisfied. Some commented very satisfied, some commented satisfied, some quite enjoyed, some shared colorful life, like China experience, quite happy about China expatriation, many mention they miss China when they are away, some mention learned quite a lot, many mention they get career success or position promotion. Overall the new journey feedback is all positive.

Main social ties:

Everyone emphasize the social capital from the company, the colleagues, clients in China (Local Chinese), and the housewife emphasizes on the company expatriates wife community. The work relationship plays very important role in every expatriate. On the other hand, the expatriates also cherish and value the social capital from the company. It is a mutual relationship and attitude affects.

Many mention on the expatriates community. Many mention about family members. Some mention on love relationship, some mention on the group with same life value and religion, some mention group with common interest as sport.

Importance of social ties in expatriation:

Everyone emphasizes on the importance of social capital in China, describe it in different ways. Most comment as “very important” , some enjoy it and is good at managing it, many say without social capital in China life will be boring, some mention social capital makes life in China much easier, helpful, it is for better adjustment, help with the balance between life and work, makes life colorful and exotic, enrich career development.

Part II: Detailed explanation on social ties

a. Colleagues

All of them do mention on the colleagues are important social ties, and they interact quite often. Emily is exceptional since she interacts with husband’s colleagues’ wives group, they do not interact as often as the expatriates do.

Their background:

Among the seven, two’s colleagues are mainly westerners; one’s colleagues are mainly Chinese; the others are the mix of Chinese and westerners, some have western colleagues in higher position and Chinese colleagues as subordinates, some has Chinese in higher position and westerners in middle level position, some have colleagues from the same nationality, some have colleagues have a mix of western nationality. Emily, as a housewife of expatriate, interacts with husband’s expatriates colleagues’ western wives from different background.

How often they interact:

Besides Emily, all the expatriates interact with colleagues quite often, most interact not only in work, but also in spare time.

Common points:

They all cooperate for the work in different levels. Work is the reason why they are there as expatriates. Most mentioned besides work, many colleagues are from the same country as Finland or European world, similar culture background, easier to communicate with, share problems, similar lifestyle, they emphasize on the balance of work and life together with colleagues. Two mentioned more on Chinese colleagues and emphasize mainly for work. Some mentioned common hobbies, as food, hiking, KTV, clubbing, soccer play etc. Emily and her group are all wives of ABB expatriates. They all have interest in different culture and need to take care of the household in China. Overall, besides work, most of them interact with colleagues in spare life, share common interests and balance work and life.

Way of interaction:

They all interact in work. Besides work, most do dinners in spare time with colleagues often. One is the general manager, head leader; he is very responsible on arranging spare time events with all the colleagues, as regular lunch, dinner, yoga, sightseeing etc. One is quite with one special Chinese colleague and the relationship is not limited in work, even to the personal family level, so he shares many family times with Chinese colleague, which is few mentioned in this group of expatriates. One is not the head leader in the company, but since good at event organization, he arranges events by himself and invites friends join, helps create opportunities for colleagues meet together in spare time. Many attend company events. One mainly focuses on meetings and work and not so much share spare time with colleagues. Emily joins ABB company social events for wives and family, as dinner, especially international potluck, cooking class for housewives, children performance night, concerts invitation, tea ceremony, wine tasting etc. Overall, Most of them have much spare time on colorful events with colleagues in China. Dinners are always mentioned, many interact also on common hobbies; different people take different roles, some just participate, some are key organizers from interest or role responsibility, which implies, in China, they take care of

the relationship and social capital of colleagues; they tend to spend more time with them besides work. Magnus mentioned this is different from how they interact in his own country, in German, they separate their work and life, and they interact with colleagues in work, but not so often in spare time since they have their own spare time friends' family in the country. But when they are in a different country, with different culture from western, colleagues become closer in relationship since they have similar background in work or culture or interest and easier to interact with.

What is appreciated and helpful:

All of them mention on the work cooperation and with colleagues, build up team work and team spirit. Since Tom is the Chinese market pioneer, he has more responsibility in work, he reflects a lot on the colleague capital, and interacts more with local Chinese colleagues, they help him understand Chinese way of doing business, coordinate between Chinese and western culture, build up local business network, which leads to career and company success. Andy is also in big responsibility in building up new project, he reflects more on how to solve the problem in the new project in relationship with colleagues. Magnus points out since he can interact more with higher level expatriates in China compared with in German, he can have further career development from the capital, and also Chinese colleagues help with practical Chinese issues in work as translation, filling templates etc, he also mentioned colleagues meet up with his need to find a new social environment in China. James also mentioned practical on site guidance in life from colleagues who had longer China experience. Some talk about the support within colleagues, James points out support each other in crisis in life and work, Tobias mentions adjustment to the new environment together, accompany each other and have brotherhood. Some mention on the balance between life and work, they can share life together. Peter mentions the personality development, he says he becomes more caring and more open minded globally. Emily describes she can experience and learn quite a lot about life, life can be so colorful and tasteful, she feels inner growth

and the experience opens her horizon, she will not be lonely as housewife but have wives from similar background be with and build up friendship.

In China we can see colleagues, no matter Chinese or westerners, they interact quite often, some mention closer than back to western. Colleagues are the group they can work with, share life with, support each other, learn and experience life together since in the new country, they need accompany and they always start with the group that have common background in work or culture. Local Chinese on one hand can create many benefits for the set up business, but can also cause many problems in working with since there is cultural difference.

b. Local Chinese

All of them mention on local Chinese except Emily, ABB company expatriate's wife. James and Tobias interact with local Chinese, but not quite often, they interact mainly with Chinese clients. The others interact with Local Chinese quite often, some interact because they are colleagues, some interact more because they get Chinese girlfriends, some interact often because the start up need much useful local Chinese connection.

Their background:

James and Tobias interact with Chinese clients, Tom's colleagues and partners are mainly Chinese so the interaction is quite intensive which leads to deeper understand of doing business in China and Chinese culture. Magnus and Peter interact with Chinese girlfriends. Peter and Andy have Chinese colleagues to work with and Andy reflects more on the problems since he needs to report to a Chinese supervisor. Emily does not mention on interacting with local Chinese and she is more surrounded by westerners.

Common points:

Most mention on work as common points. Tom and Andy emphasize more on achieving

work success compared with others, they are more on a start new market or project background and Andy has a Chinese boss, which means the two have more responsibility in connecting with local in their role. James mention on common interests with local Chinese as cuisine, movie, sport, travel. Tobias points out they need socialize together with local Chinese clients. Magnus and Peter have Chinese girlfriends, the Chinese girlfriends speaks good English, has similar lifestyle, similar interests with them.

Way of interaction:

They all have work related interaction. Tom have different way of interaction with different Chinese colleagues, one is close in work and also interact in family level, quite good private relationship, one is always with the Chinese social dinner for business networking, the other Chinese colleagues interact mainly in work. Andy mainly interacts with Chinese in work. James and Tobias interact with Chinese clients in events held by clients company, James also have dinner in Chinese restaurants, do sports, watch movies and travel together with local Chinese. Magnus dates his girlfriend and dinner and travel. Peter has good relationship with his Chinese girlfriend and they go to bars, listen to music or concerts, drink coffee, talk, travel to many places, read and also watch movies. They are fans of Starbucks, and collect Starbucks cups in travel places. With Chinese colleagues, Peter work together, sometimes go for dinner and drinks.

What is appreciated and helpful:

In work, they interact with colleagues for work achievement. In work with Chinese, Andy gets to know and understands more of Chinese culture and character. For Tom, they all help him to understand more of Chinese culture and way of doing business, work as a team for career achievement, in the end they succeed together; Tom has very close work and life friendship with Mike, Mike helped Tom to interact with local Chinese at the start, assisted Tom to do business in China, coordination between local

Chinese and western colleagues; Mr. Lee has very valuable network in China, key person who helped the Wartsila start up; Tom's local Chinese social capital helped his career success and gives him sense of achievement, makes him very fulfilled. Tobias mention interacts with Chinese helps getting local business network, understands more of Chinese culture and the way to do business.

With life, James mentions Chinese help him with Chinese language problem or daily life problem in China, they can share life together.

Magnus and Peter have Chinese girlfriends. Magnus points out that his girlfriend helps him with life adjustment in China quite a lot, helps him to understand some Chinese tradition, culture and way of thinking, in some work problems, he may discuss this with his girlfriend. Peter's girlfriend Mandy made Peter's life in China very lovely and colorful; his world is not only about sport and drinks, but also dating, trips and romance. Mandy also helps Peter understand local Chinese people and culture better. It helped Peter to adjust to China quite a lot.,with the support from behind, he have good mood in the work and life. It gets balanced naturally.

c. Peer expatriates

With regards to peer expatriates, most of them mention with this group, even though James and Tom do not mention on this, it does not mean they do not interact with them.

For these who point out peer expatriates group, except Emily interacts with this group once a while, all the rest interact with peer expatriates often, which implies this is important part for western expatriates.

Their background:

Tobias is from Austria, and has German experience for a long time, majority colleagues are German. The expatriates group he is interacting with is mainly European expatriates group, with German, French, Switzerland etc, but not with American community. Magnus mainly socializes with expatriates at higher position. Andy has a good friend peer expatriate in the same company but different department, and many German expatriates in automobile industry as BMW, VW. Peter mainly interacts with Finnish colleagues from the same nationality. Emily interacts with housewives of the husband's colleagues from different countries. We can see that the peer expatriates communities they interact with are mainly related with their nationality and industry, or the same continent.

Common points:

Most of them mention the same points, as speak local language, share similar lifestyle and similar topics. Magnus, Andy and Peter mention from the same company or industry. For Emily, they are all housewives of expatriates; all have interest in different culture and need to take care of the household. These points can all lead to easier to communicate and socialize with, they can hold deeper topics.

Way of interaction:

Most them mention on work and also dinners, dinner is a common way of social in China. More specific, Tobias prefer peer expatriates from European Chamber of Commerce, German Chamber of Commerce or French Chamber of Commerce; Magnus likes his company events as German beer festival, good voice competition, soccer game, car racing, auto-show, New year party etc and events held by him; Andy shares daily life with his good friend peer expatriate as drive together to work, go to events together, have dinner together, communicate and talk a lot. They discussed about their experience in China, with many other expatriates, they go to events as: hiking, concert, tea ceremony, wine tasting, dinner, birthday party, trips in Great Wall, skiing, bars, clubs;

Emily joins ABB company social events for wives, as dinner, especially international potluck, cooking class for housewives, children performance night, concerts invitation, tea ceremony, wine tasting etc. Overall, besides work, the events they attend are quite colorful.

What is appreciated and helpful:

Mainly two points are commonly mentioned, one is good for career, and another is good for sharing life together.

Tobias mentions it is good for this further career development to interact with higher level managers from various MNCs in different countries; Magnus points out that he can learn and be with higher level expatriates more often, he can have more chances to discuss projects together, the experience helps him grow professional faster.

Tobias describes they can have friendship, share lives together, enjoy international cuisine together; Magnus says they always prefer to start be with the group with the most familiar and close group, to reduce the uncertainty and anxiety in the new country where local people's mindset, language and lifestyle are different; Andy says they can share life and accompany each other, communicate with each other; Peter mentions share spare time; Emily mentions she can experience and learn quite a lot about life around the world. She feels her own inner growth and this learning, experience, cross culture communication open her eyes and horizon, she realizes that life can be so colorful and there are so many things make her life beautiful and tasteful, she will not be lonely and have friendship.

d. Family and relationship

All of them mention on family and relationship. They can be family parents, brothers and sisters, relatives, husband and wife, children, can also be girlfriends.

Way of interaction:

Many mention the international call as Skype, visit family in hometown since companies provide the family visit trip, date with girlfriends. James, Tobias and Magnus point out Skype or mobile call. James mention there are 4 trips provided by the company to go back home and visit, Andy can visit family in German quite a lot since his project has more interaction with German headquarter. With girlfriends, Magnus date with her, have dinner and travels, for Peter, they go to bars, listen to music or concerts, drink coffee, talk, travel to many places, read and also watch movies. They are fans of Starbucks, and collect Starbucks cups in travel places. For couple with children, Tom plays sport with his son, one of his favorite spare time hobbies; for Emily, together with her husband and children, she attend ABB company events, church events, daily life interaction, take care of the household as a housewife as talking with kids for their personality development, paying attention to their school work, their friendship, their difficulties etc.

What is appreciated and helpful:

Many expatriates mention on family support is essential part of expatiation.

With regards to family parents and direct family members, James say he is single, his family members are the group of people who really care about him, understand him and love him; Tobias say close members help him to keep mentally healthy, they are quite supportive for his career choice, they respect what he is doing, when he feels frustrated and down, he can share the experience with his close family members and they can encourage him and support him; Andy appreciates family member face to face support when he takes many trips back to German.

With regards to wife or husband support, Tom mentions His wife is supportive; Emily

says her husband and she support each other, she has very good relationship with husband, in family problems, they crossed the fingers together and prayed and followed God's plan and blessing, they cannot live without God for a single day, with the belief and the strength from the belief, they resisted many temptations that may separate them away from each other, if there are important issues to handle for the kids, the couple will solve the problem together.

With regards to children, Tom says children brought more happiness for his life; Emily says it is easy for kids to be joyful, when she spends time with kids, she always feel very happy and satisfied.

With regards to girlfriends, Tobias says his girlfriend can communicate and accompany him, she is very supportive and open minded; Magnus comments that his girlfriend helps him with life adjustment in China quite a lot, helps him to understand some Chinese tradition, culture and way of thinking, in some work problems, he may discuss this with his girlfriend; Peter mentions his Chinese girlfriend Many made Peter's life in China very lovely and colorful, his world is not only about sport and drinks, but also dating, trips and romance, Mandy also helps Peter understand local Chinese people and culture better, it helped Peter to adjust to China quite a lot, with the support from behind, he have good mood in the work and life. It gets balanced naturally.

e. MNC or HQ support

Not everyone mentions on this support, but James, Andy and Emily comment on it.

James mention on the company material welfare. Company CPC offers very good welfare. The company pays him for 4 round trips back home. Introduction brochure, helpful colleagues, accommodation and transportation is covered; he also gets the welfare to travel outside of China during weekends, 4 round trips back to his hometown.

CPC integrates the essence welfare to help with the expatriates' adjustment.

Andy mention more on the work support from headquarter since his project is more closely linked with headquarter in German, he gets the support from the headquarter colleagues from German, during the session, they hold meetings and conferences on the project, at the same time, he has the privilege to visit German much more times compared to his peer German colleagues, he can get the support by visiting his parents and old friends in German very often

With Emily, she emphasizes more on company support for expatriates' wives from the material perspective and also the social capital perspective. The firm offers Emily's family much benefit and makes Emily feel worthwhile being a housewife and be supportive for husband's expatriation. As higher salary, good villa, housemaid, find good international schools, cover the expenses in the expensive schools, covers some shopping fee for the expatriates' wives. ABB offers the paid trips for the couple go back to the hometown. It is the time they can save a lot of money for the whole family. ABB expatriation gives Emily the thinking that the whole family can benefit in the adventure. It creates good environment in the material perspective. ABB Company host lots of events for the family members of the expatriates.

f. Other communities and lifestyle

Not everyone mentions on this, but James, Peter and Emily have their preferences.

James mention on church, the belief and also rotary club, the professional international business networking. With church community, he attends church service, bible study, and events arranged by Christian friends on regular base, his belief is his spiritual foundation and support, which can be shared worldwide. Through Christianity, he can share deeper relationship with some Christian workmates, makes some good friends

who can spiritually grow with him. Sometimes in difficulties, he comes to his Christian friends and they share the sorrow and pray for him. When he is lucky enough, he can get some business opportunities. This group helps him in a spiritual way, especially in the belief growth, difficulty in life and also professional network building.

With rotary club, he is spending spare time with them, in restaurants, bars, clubs, they are always glad and ready to make references and make James connected to the sort of particularly network he wants to jump in. It is professional business network, and he can get some local contacts.

With regards to Peter, he likes sport, especially ice-hockey. So he interacts more with peer expatriates in ice-hockey club. He goes there quite often, it is the typical Finnish beloved sport, and most of the members are still Finnish; speak same native language, similar lifestyle, and hobby. Ice-hockey is his favorite hobby, he can make friends there and find the sense of group belong in the sport team, they can share life and understand each other.

With regards to Emily, church group is her important community; she interacts with them quite often, even more often than the expatriates' wives community. They have same value and religion belief, many have similar background, the families in her cell group also travel around the world doing different expatriate trips, ladies are mostly housewives and responsible for the kids and family issues. The church community is very important for her adjustment, they pray for each other, support each other in difficulties, this makes her much less lonely in the new country, they act as family members for her in China, she always go to church with husband, it is quite good for their couple relationship building.

5.2.4. Advice or knowledge sharing on the social capital support from MNC

a. selection

Among the seven, five talk on selection. James talks on the advantage of outgoing; James and Tobias talk about open-minded; James mentions easy going, while Andy talks about not judging others or criticize others; James talks about willingness to stay in China, Tobias talks about speaking good Chinese can be a criterion, while Tobias mentions international view, Magnus emphasizes on the cross culture adjustment soft skills, Andy talks on adjusting to the new culture well and like new environment; James points out the courage to face new challenges, Andy talks about like challenges and tolerance for frustrations; Andy also mentions capability to make new friends; Tobias adds the right motivation, not to make the good salary as the priority. Peter talks something different; from his personal experience, he talks about advantages of selecting expatriates at young age. Overall, all these characters are related to adjust well to the new culture and environment, and the soft skills to win and get new social capital and benefit the adjustment.

b. training session

Among the seven, four mention on training. Both Tobias and Andy suggest not spending too much effort in theoretical cross culture training, it needs to be done in a practical way. Tobias thinks choosing the right person instead of putting too much effort in the training. Tom and Andy recommend experience sharing and mentorship, arrange some events for the seniors meeting the fresh comers and have orientation; the seniors can support and coach them. Magnus recommends very practical and professional cruise training privately, but it costs much money and time. Magnus recommend local language training offered by company. Overall, the experience sharing and mentorship can act as a good social capital offered by company to benefit the new comers.

c. support system within MNC

Among the seven, three comment on the support system within MNC.

James mention on the material side, attractive salary and also travel expenses, home trips, living fee cover etc can increase the support from MNC for expatriates. Another side is creating a company cultural environment to support and care each other, always arranging the bonding events, socializing with colleagues, with co-workers and bringing new friends in, the experienced ones taking more care on the new ones in different aspects in life, it is not only work oriented, but also life and people oriented. Magnus also comment that MNC should arrange more experience exchange events, the senior can exchange some experience to the junior arrivals. Andy recommend the “look and see” trip before expatriates start settling in the new country.

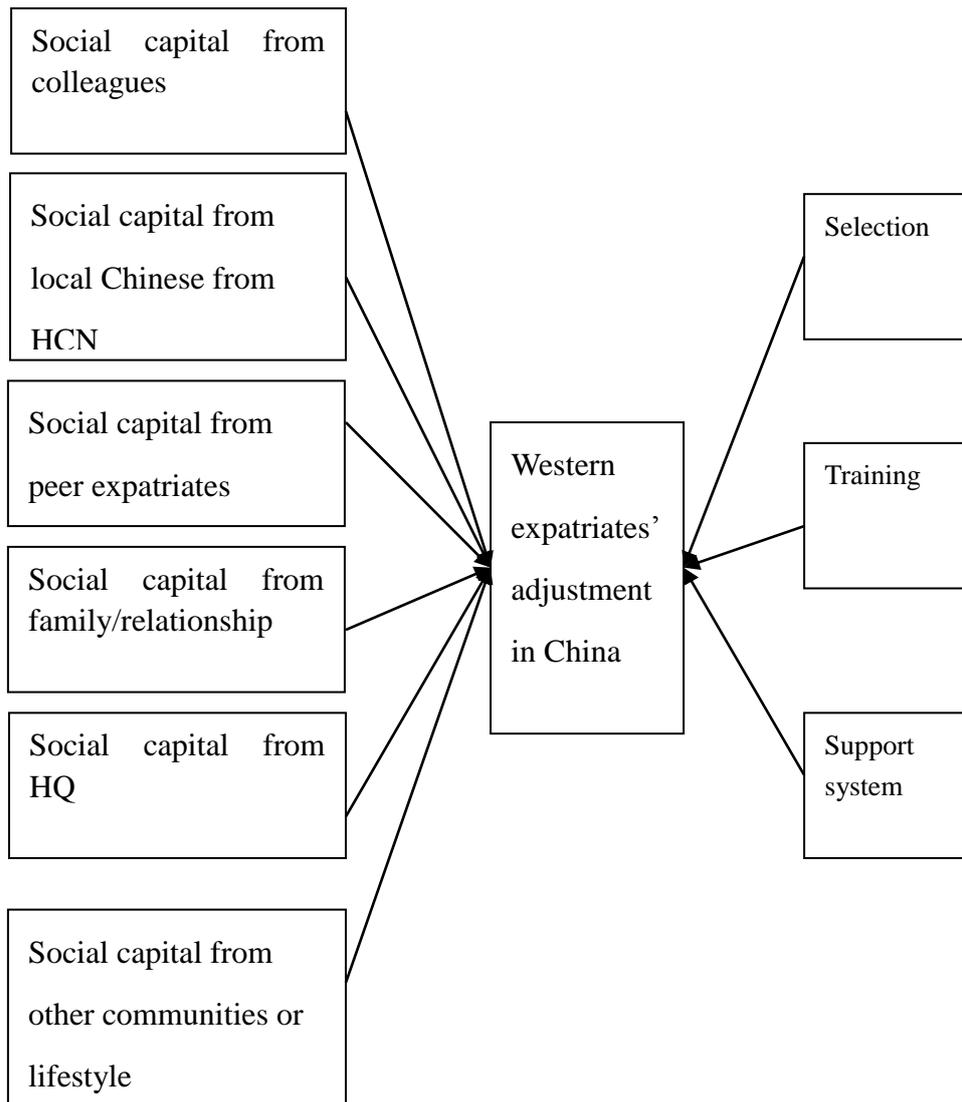
6. CONCLUSIONS

In this thesis, the previous literature related with social capital is studied. From the theories and the research, the importance of social capital is acknowledged; good management of social capital can contribute to good adjustment of western expatriates in China; western expatriates can build up different social capital according to their needs, six main social capital expatriates connecting with are analyzed: colleagues, local Chinese from HCN, peer expatriates, family/relationship, HQ, other communities or lifestyle. Advices on how MNCs can be more supportive for expatriates' social capital building are provided.

The research model is mainly proposed from the literature review, and it is proved to match with the practical interviews in the study. Meanwhile this study makes the social capital study in a more detailed and comprehensive way, since it analyzed all the six main social capital; it is also specialized in western expatriates in China, which refers to a particular context; it gives practical advices for MNCS in terms selection, training and support.

6.1. Developed Model

Chart A. Social capital model of western expatriates' adjustment in China.



The six social capital factors in the left boxes contribute to the western expatriates' adjustment in China from social capital perspective. The three factors in MNC in the right side are factors facilitating with the adjustment of western expatriates in China, the three factors are advised by expatriates, and they are valuable for MNCs to take into consideration for more adjustment for western expatriates in China.

6.2. Summary of the key findings

Interview key findings:

Interviewee background summary:

The interviewees' companies vary from small to big size, different industries, most are in 1st tier cities, and one is in 2nd tier city. Most companies have operations in more than 70 countries, except CPC. The interviewees take different roles and responsibilities, some are in China on-site, some are at repatriation stage, some take another expatriation outside of China and home country, some are at repatriation but take business trip to China once a while. They are from different countries, mainly are male and only one is expatriate's wife, female. As a conclusion, their backgrounds are quite different in many terms, but they are all expatriates from the western countries, from 30s to 40s.

Majority of the interviewees have international experience, only two do not have. And the two who do not have international experience start the expatriation at young age and China is their first expatriation destination. Even though they have international experience, majority do not have former China experience, which means almost no former social capital in China besides work before arrival. Only one was in China 10 years ago for half a year internship and most of the former social capital are changed already. They mainly stay in China for 1-2 years. Almost none speak Chinese. Littrell (2002) find out speaking local language is not the necessary factor in the expatriation adjustment. Former China experience and language is not too essential for the expatriation selection and also success, satisfaction. While majority have international experience, they have gradually developed international mindset, soft skills from experience which may be transferred to new country expatriation.

Even though most of them do not have former China experience, and they need to build up much social capital in the new country from scratch, but all of them are satisfied and

positive with China expatriation experience. They commented as satisfied, enjoyed, shared colorful life, like China experience, quite happy, miss China, learned quite a lot, get career success or position promotion etc. So their experience and advice in the later part can be good practical experience and advice for MNCs and expatriates in China.

Expatriates' social capital general summery:

With regards to the importance of the social ties, they all acknowledge the important role social capital plays in the expatriation. They comment social capital is important, enjoy it and good at managing it, without it life will be boring, it makes life in China much easier and helpful, for better adjustment, balance life and work, makes life colorful, exotic, enrich career development. Overall, it is important to recognize the importance of social capital for good adjustment, and build up the social capital according to the expatriate's different needs, at the same time, MNCs should also be supportive in helping expatriates building up and connecting with the suitable social capital.

Everyone emphasizes the social capital from company, as colleagues and clients, since the work relationship is important both for work, career development, and also for adjustment in China. Many mention on peer expatriate community, family and relationship. Some mention on group with same religion belief community, hobby group as sport group, and business networking club as rotary club. With regards to local Chinese, they interact more with Chinese colleagues and relationship, besides these groups, few other local Chinese group are mentioned, we can see without working or relationship, the interaction between expatriates and local Chinese are few. Expatriates prefer group with common points, background.

Expatriates' detailed social capital summery:

a. Colleagues

With regards to colleagues, it is important social capital for all of them and they interact quite often. Besides work, most of them like to interact with colleagues from the same country or European countries, because they have similar culture background, similar lifestyle and common interests, easier to communicate with, they can share problems together, support each other. Company is the hub for them to build important social capital in both work and life. The way they interact can be dinners, yoga class, sightseeing, bars, events held by companies.

They interact with colleagues more often compared with in home country since they have more need to build up core social capital in expatriation in a very different culture.

Good management of colleagues' social capital can lead to good career success. Adler & Kwon (2002) identifies opportunity as one of the three aspects of social capital. Tom interacts a lot with different Chinese colleagues, he even interacts with local Chinese Mike at family level, and key person Chinese Mr. Lee helped the company get key network for local business start. Magnus interacts more with higher level expatriates in China compared with in German, he gets further career development from the capital. Podonly & Baron (1997) comment social capital helps good career development.

Good management of colleagues' social capital can lead to a balance of work and life in China, vivid life events, get support in crisis, accompany each other in the new environment, become more open minded globally, learn more about life.

Emily, as a housewife of expatriate, interacts with husband's expatriates colleagues' wives, they have similar background, family duties and lifestyle. Emily joins ABB company social events for wives and family, as dinner, especially international potluck, cooking class for housewives, children performance night, concerts invitation, tea ceremony, wine tasting etc. She learns quite a lot from the events and interaction, starts

tasting more colorful life.

It is important for expatriates to build up social capital with colleagues, for work and also life balance. Companies that are responsible for many events offer more satisfaction and adjustment for expatriates in China since they provide opportunities for them hang out, meet up, communicate and spend the spare time in a good way.

b. Local Chinese

All of them interact with local Chinese except expatriate's house wife Emily. They mainly interact with two local Chinese groups, one is Chinese colleagues for work reason, and another group is Chinese girlfriends. Besides these they have few interactions with local Chinese. As Dickmann & Baruch (2011) commented, interacting with host country nationalities are quite difficult since it needs deeper understanding of ritual, history, language and many other cultural elements. Black, Gregersen and Mendenhall (1992) also pointed out interaction with local host nationalities is quite difficult.

For Chinese colleagues group, we mention it above already, they can be very supportive for the team work and also good local contact can enrich the company success. Klein et al. (2003) states that host country nationals have much local resources and information. Mendenhall and Oddou (1991) points out locals can help expatriates adjusting from culture shock. With Chinese girlfriends, they spend lot of time in different events as dinner, travel etc, they can help them understand more of Chinese culture, tradition and also help them understand Chinese way of doing business. Expatriates can know local knowledge, behavior and rules by interacting with host country nationals (Klein et al., 2003).

c. Peer expatriates

Most of them interact with this group very often, which implies its importance. Tung (1998b) find out expatriates interact more with peer expatriates when they are based in Asia. Even in the peer expatriates group, they prefer to interact with the group that is culture close to them, or in the similar work industry. Gudykunst (1983) also points out the peer expatriates share closer culture distance and they build stronger social ties in Asia. As for German, they like interact with German or European group, but not American group, Daimler group colleagues prefer to interact with peer expatriates from automobile industry. They interact with each other because they have a lot in common, as culture, languages, lifestyle, and work industry. For expatriate's housewife Emily, she interacts with expatriates' wives, also similar background as roles and responsibilities. Shaffer and Harrison (2001) points out not only expatriates prefer to interact within peer expatriates group, the housewives also interact with peer expatriates' spouse in this group.

Interacting with peer expatriates can be good for life sharing, friendship and also further career development. Festinger (1954) finds out expatriates tend to search for support from the group with similar cultural background and experience. Adelman (1988) mentions peer expatriates provide social capital support which benefits expatriates' adjustment. Black and Gregersen (1991) describe that peer expatriates group help with the uncertainty reducing. Magnus and Tobias are good examples; they interact with high position peer expatriates and get well connected for work.

d. Family and relationship

All of them mention family and relationship. Family and relationship partners' affection support is essential for expatriates far away. Hays (1971, 1974) say family plays very important role in expatriates' adjustment. James says family is the group who are really caring, understanding and supporting. With regards to family members in home country, Skype and mobile are normally used, round trips for visits are provided. For couples,

Emily supports well for her husband, they have good relationship and share a lot of colorful life, events together. Black & Stephens (1989) finds out spouse's adjustment has direct impact on expatriate's adjustment. Caligiuri et al. (1998) state that spouse's support has positive impact on expatriates' adjustment. Tom enjoys playing sport with son. Glanz et al. (2001) finds out children play important role in family adjustment. With girlfriends, Tobias and Magnus share lot of time and life together. Even though the description in this part is not much, but the support is quite powerful.

e. MNC or HQ support

Not everyone mention on this, but three give comments and the comments give important clues.

Company material support is explained by James and Emily, it is a very practical part for the expatriates' package, but overall, the good material package benefits the expatriates' adjustment in the new environment. The firm offers Emily's family much benefit and makes Emily feel worthwhile being a housewife and be supportive for husband's expatriation.

Besides material support, Andy gets lots of work supports from headquarter since the project is closely related with headquarter. Palmer et al. (2000) finds out communication between HQ and expatriates can lead to better adjustment.

f. Other communities and lifestyle

Not everyone mentions this, but three have there preference in this part. 3 groups are described here. Haslberger and Brewster (2008) find out expatriates can get support from religion places, sport clubs and social clubs.

James and Emily refer to church group. For James, church is a place helps his spiritual

growth, he can share deeper relationship with Christian workmates and friends, and they support each other in difficulties. For Emily, it is also quite important, Christians have the same belief and value, in the church she attends they have similar background, pray and support each other, this is the core value she shares with her husband, it benefits her entire family.

Rotary club is described here. James attends it for professional international business networking.

Sport club is mentioned by Peter, who is a fan of ice-hockey. Most of them are from the same nationality, they share the same hobby, language, and lifestyle and also they are all expatriates.

In this part, expatriates find groups that they share the same value, belief, hobby or interests.

Advice or knowledge sharing on the social capital support from MNC:

a. Selection

Avril and Magnini (2007) state selection is the first impact factor on the expatriation success.

In this part expatriates talk a lot of soft skills for cross culture adjustment, as outgoing, easy going, not judging the others, open-minded, international view, courage to face new challenges, tolerance for frustrations, make new friends, and with these skills, indeed they are quite good foundation for getting new social capital in the new culture.

Tye and Chen (2005) find out tolerance for ambiguity helps with new culture adjustment. Tracey and Shay (1997) emphasizes emotional intelligence skills are crucial.

Mendenhall and Oddou (1985) state communication skills are importance criteria. Dowling et al. (1994) point out besides technical knowledge, important criteria should be considered, as new environment adjustment capability, colleagues communication skills in the new culture etc. Furnham and Bochner (1982) finds out many advantages of younger age expatriates, Peter in the interviews bring out the same concept, while Selmer et al. (2009) describe that in China age matters and elder expatriates can get more respect in China society and have positive impact on work, most of the interviewees are more in the elder age. Littrell (2002) finds out that even though host country language is not the necessary factor but it may help with local adjustment.

Overall, practically and theoretically cross culture adjustment capabilities are key factors to be taken into considerations in the selection process.

b. Training session

Even though theoretically many researchers bring out the need for cross culture training, most expatriates advise not spend much time and effort in theoretical cross culture training. The advices of practical mentorship or experience sharing events are very much supported among the interviewees.

c. Support system within MNC

Material support is mentioned, and is discussed in the above part. Creating a company culture to support and communicate with each other is advised, experience sharing is advised again. Carraher et al. (2008) state that mentor in host country can help with expatriates' adjustment and lead to better work performance. Aryee, Chay and Chew (1994) also find out mentor in host country can lead to better work adjustment. Black & Mendenhall (1990) state mentor from home country can make expatriates positive on the company.

Overall summery:

The expatriates are all from the west, but different countries, positions and ages. Majority do not have former China experience, all of them can speak good Chinese, but most of them have international experience or have open mind for new culture and adjust very well. All of them are quite satisfied with the China expatriation. Their experience and advice can be practical for the MNCs and other expatriates. They can be called successful cases, and some are quite successful in the business and be models for the career advice, one is success housewife for the expatriate husband.

All of them comment social capital is important for their adjustment in China. It is important to be aware of building up suitable social capital for expatriates, and also for MNCs offer supports for them getting proper social capital.

Colleagues are key social capital for all of them. Some interact with more Chinese colleagues for the company start up or projects needs, but most interact and build up closer relationship with colleagues with similar culture background as western colleagues. This is aligned with Hofstede (1980) definition of culture, and culture plays important part in the group people choose to interact with.

There is more need to build closer relationship with colleagues compared with in their home country. Good management of colleagues' social capital leads to career success. Expatriate's housewife enjoys quite a lot the social capital from the housewives from her husband's colleagues. So it is important for expatriates take more care on the colleagues social capital in China, at the same time, MNCs should also arrange many events for them and family to meet up and socialize, as many events mentioned above.

With regards to local Chinese, most of them interact for work, and one is quite successful case as taking fully usage of the locals to build up the whole company. The

rest interact with girlfriends found in China, which leads to deeper understanding of the new culture and tradition. But besides these two groups, rarely do they interact much with local Chinese. Even though it is in China, they still can't change their social circle too much compared with in the west, unless there is deeper need for building up company and project or relationship.

Most think peer expatriates are important for them, for a balance of life and work, and career development. But they still prefer the group with similar culture, similar language and work industry.

Referring to family and relationship, they all spend much time and effort. They all acknowledge the importance of their support. Different groups interact differently, for parents they do mobile or Skype call, visit, for couples they support each other, spend much time and enjoy events on site, for girlfriends they date. It is important for MNCs to offer opportunities of international family visits, family events.

For MNCs and HQ support, many appreciate the good material package MNCs offer; it plays good part for the expatriates' adjustment in different areas.

Religion, hobby or interest clubs are also mentioned here. These are important parts in life for some expatriates and they can develop their religion belief and interests in the group. So in this part expatriates need to actively search and find the suitable group and spend time inside. In China the expatriates' community is big, 1st and 2nd tier cities always can provide various groups for them to choose. It helps them balance work and life and some groups benefit the career development.

Overall, expatriates like to interact with groups they have similar background as culture, language, lifestyle, interest or belief, they value a balance of life and work in China, and

in China they need to build more new social capital compared with home country. Even though they prefer to be with groups with similar background, they still need to interact with locals for work or relationship and also solve practical local problems, as some expatriates mention, there is big culture difference between Chinese colleagues and western doing business, so MNCs need to select expatriates with cross culture adjustment soft skills, and these skills can be useful for building up new social capital in the new land for the new project and also for their own adjustment. MNCs' offer of good material package make good contribution to their adjustment, MNCs' company events also provide them lots of opportunities for building up social capital, it is quite recommended that MNCs should host experience sharing seminars or events, which is more practical for expatriates to adjust in the new environment, theoretical cross culture training is not advised.

6.3. Theoretical Contribution of the study

As mentioned in the previous study and limitations of expatriate research, there is a lack of the research on western expatriates' adjustment in China, and also the adjustment in China from the social capital perspective. While this study analyzes the western expatriates adjustment in China from social capital perspective.

In the empirical study, related to social capital adjustment literature, many researches analyze the factors affecting the socialization, as personality (Bauer & Green, 1994), personal value (Chatman, 1991). Interactionist theory (Reicher, 1987), but there is a lack of research on a integrated scope of social ties expatriates have in the adjustment.

This study has a comprehensive research in the major social ties help western expatriates' adjustment in China. While the empirical research study different parts of the social ties, Petison and Johri (2008) and many researchers describe colleagues social

ties, Mendenhall and Oddou (1991) talk about the interaction with host country nationality, Tung(1998b wenzhanga14) finds out the importance of peer expatriates group in Asia, Cleveland et al. (1960) bring out the family aspect related to expatriation, Cateora and Graham (2005) state the importance of support from HQ for expatriation, Haslberger and Brewster (2008) analyze the social support from places as religious places, sports and social clubs.

This study also analyze on the advice for selection, training and support from MNCs from a social capital perspective.

Overall, this study contributes theoretically on the adjustment of western expatriates in China from a social capital perspective, comprehensive research in major social ties helping their adjustment, and also analysis on practical advice for selection, training and support from MNCs.

6.4. Practical implications

In this study, the western expatriates' interviewees all have positive feedback in expatriation in China. Their interviews result mostly match with many empirical research. The interviews and empirical research together can give much advice for both expatriates and MNCs.

For expatriates, especially for new expatriates, they need to be aware of the importance of social capital; they can refer to the social tie structure built in this study, and build up their capital according to their own situation. The major social ties for them are categorized into 6 groups: social capital from colleagues in China, social capital from local Chinese, social capital from peer expatriates, social capital from family/relationship, social capital from HQ or MNC, social capital from other

communities or lifestyle.

Expatriates may need more time interacting with colleagues in the host country compared with home country. Good management of colleagues' social capital in China can lead to career success. Interacting with expatriates at senior position can enrich the learning and progress the further career development, building effective local Chinese network can help with the whole company growth.

Expatriates can also search groups or clubs in China, since many western expatriates are located in 1st and 2nd tier cities, these cities have various groups or clubs for them to choose, as religion places, sports group or professional business club etc.

In China, many western expatriates still prefer to socialize more with western expatriates with similar background as culture, language, lifestyle, interest or belief, work industry etc. We can see the culture difference is still big for them to be close with local Chinese unless they may get local Chinese relationship partners or important key Chinese partners for company or project.

Expatriates' wives or relationship partners play important role in their adjustment, which enrich much of the expatriates' life.

With referring to the MNCs, they may need to arrange different events to help expatriates build up social capital in China, not only for colleagues meet up, but also for family gathering or relationship partners participating. In the expatriates' selection in China, beside professional skills, cross culture adjustment soft skills are important to be taken into consideration. It is popular recommended that MNCs should set up the practical senior experience sharing seminars or events, coaching the new expatriates better adjustment, instead of theoretical cross culture training. MNCs good material

package benefit much for expatriates adjustment in China.

6.5. Strength and Weakness of the study

6.5.1 Strength of the study

Firstly, this study makes up the gap of the lack of study on western expatriations adjustment in China.

Secondly, this study has a specific perspective on the expatriates' adjustment, as the social capital perspective.

Thirdly, this study has a more comprehensive research on the social capital that expatriates have in host country, particularly in China.

Fourthly, the study emphasizes the importance of social capital. The cross culture theory is commonly used in this background, because there is certain cross culture difference between China and west, expatriates need more adjustment in China, the new social capital building is more in need in China, and this study tells the importance of social capital in China for western expatriates.

Fifthly, there are many practical implications for both expatriates and MNCs as mentioned in the last sector, which can be useful advice for both.

6.5.2 Weakness of the study

Firstly, this research is limited by the interviewees; they are all from Europe, mainly

from middle or north part of Europe, for comparable purposes, more nationalities of expatriates can be included and also more advices from expatriates can be collected.

Secondly, geographically, the interviewees are mostly in 1st tier cities in China, there may be some difference in expatriates' experience and adjustment in different tiers.

Thirdly, the interviewees all give positive feedback in the expatriation experience in China, the interviewees giving negative feedback may also be needed, which may reflect different reasons for the negative adjustment.

6.6. Future Research

Since this study is limited by the small sample of interviewees and the future research with a larger sample is needed. With more samples as base, more comparisons can be made, more nationalities can be compared, 1st and 2nd tier cities can be contrasted, positive and negative expatriates can be analyzed.

Related with social ties, more detailed research can be made, for example, how to build local Chinese social capital to benefit the company business, which can be quite useful for company growth in China, especially for senior leaders in China.

Related with cross culture adjustment problems, how to search social capital for help, the overcoming mechanism can be analyze.

Related with gender, female and male social ties can be contrasted and analyzed.

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APPENDIX A: SUMMARIZED INFORMATION IN TABLES

In this part, the interview information is all summarized in the following charts to help with the further analysis.

PART I: Basic background

1.1. Company introduction

Table 1. Company background information of interviewees.

	Company Name	Company industry	Company Location	Chinese location	Company Size
James	CPC	Change management consultancy firm.	German headquarter. Subsidiaries in Singapore, Japan, Spain, Argentina, Australia, and China.	Beijing	Small to medium size.
Tobias	CPC	Change management consultancy firm.	German headquarter-subsidiaries in Singapore, Japan, Spain, Argentina, Australia, and China.	Beijing	Small to medium size.
Tom	Wartsila	Complete lifecycle power solutions in the marine and energy markets.	HQ in Finland; it gets operations in nearly 170 locations in 70 countries around the world.	Shanghai (The largest), Beijing, Hong Kong, Dalian, Qingdao, Suzhou, Wuxi, and so on.	Medium size: 18900 employees worldwide; 2000 employees in China.

Magnus	Daimler, Beijing Mercedes-Benz Sales Service Co. Ltd. (BMBS)	Top automotive company	German Headquarter. Operations in Africa, Asia, Australia /Pacific, Europe, North and Central America, South America.	In China the headquarter is in Beijing: Daimler Northeast Asia Ltd., Mercedes-Benz (China) Ltd., Mercedes-Benz Auto Finance Ltd., Daimler Northeast Asia Parts Trading & Services Co.,Ltd., Beijing Benz-Daimler Chrysler Automotive Co.,Ltd. Besides Beijing, there are operations in Fujian, Shanghai and Hong Kong.	Big size: employed a workforce of 279,972 people worldwide.
Andy	Daimler, Beijing Benz Automotive Co., Ltd (BBAC)	Top automotive company	German Headquarter. Operations in Africa, Asia, Australia /Pacific, Europe, North and Central America, South America.	In China the headquarter is in Beijing, other operations in Fujian, Shanghai and Hong Kong.	Big size: employed a workforce of 279,972 people worldwide.
Peter	Vacon	Variable-speed AC drives, frequency converters manufacturer.	Headquarter in Vaasa, Finland. It has R&D operations in Europe, Asia and North America, and sales and service operations in around 90 countries.	1 st and 2 nd tier cities, as Beijing, Shanghai, Guangzhou, Xi'an, Chengdu etc. The first operation in China is based in Suzhou province.	Medium Size: Globally Vacon employed nearly 1500 people.
Emily	ABB	Power and	Headquarter	First division in Hong	Big size:

		automation industry.	in Zurich, Switzerland. It has its operations in nearly 100 countries around the world.	Kong. Mainland HQ in Beijing, other operations in 1 st and 2 nd tier cities, as Shanghai, Guangzhou, Wuhan , Changsha, Ningbo etc.	around 145,000 employees worldwide
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1.2. Interviewee Background

Table 2. Interviewee background information-1/2.

	Age	Nationality	Position	Role and responsibility	Current location	Expatriation Stage
James	40s	German	Manager in China	Supervise and manage projects in China, business development, build up business relationship.	Beijing, China	On-site
Tobias	Early 30s	Austrian	General Manager in China	Manage the whole Chinese market for CPC, supervise the consultancy projects with clients in China and develop further clients. He is the first person in CPC who comes to China for expatriation.	Beijing, China	On-site
Tom	Late	Finnish	Vice	He is one of	Finland	Repatriation

	40s		President in China	the pioneers, who got the first try in the new unexplored Chinese market 20 years ago. His mission at that time is to open and then manage the Chinese market at the particular sector for Wartsila.		
Magus	30s	German	IT manager in China	His responsibilities are half projects oriented and half IT work alignment focused.	Beijing, China	On-site
Andy	30s	German	Senior Manager in China	Responsible for a new manufacturing project in China.	Beijing, China	On-site
Peter	Early 30s	Finnish	Technical Manager	Make the technical transfer, supervise and manage the technical projects Vacon involves in.	Vaasa, Finland	Repatriation, but go on business trip in China once a while
Emily	40s	Swiss	Housewife of ABB manager expatriate	Housewife work, take care of the household,	Vaasa, Finland	Repatriation from China, but on-site expatriation in

			John	husband and three children's life in China		Finland.
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Table 3. Interviewee background information-2/2.

	International experience	Former China experience	Length of stay in China	Pre-Cross culture training or not	Language	Chinese language skill or not
James	International work and study experience in USA, MBA in South America	No	Has been in Beijing for 1.5 years	No	German, English, Spanish	No
Tobias	8 months internship and study program in USA, studied in German for his MBA and worked in German for 8 years, then did projects in Japan.	No	First one in China from his company, has been in Beijing for 2 years.	No	German, English	No
Tom	No	No	More than 10 years, one of the first pioneers in China from his company	No	Finnish, English	No
Magnus	Internship in China 10 years ago, then came back to German Daimler headquarter, afterwards did expatriation in	Yes, internship in China 10 years ago for half a year	This expatriation has been 2.5 years	Yes, but he took by himself, special cross culture training program on	German, English	No

	Australia, South Africa and Turkey			cruise in the year of 2008.		
Andy	Studied in England for one year. Internship for Audi for one year during his study program, then started his real career in Daimler Mercedes-Benz in German headquarter. International project in South Africa for 4 months.	No	More than half a year	No	German, English	No
Peter	No	No	3 years	No	Finnish, English	No
Emily	Has been with expatriate husband to South East Asia countries, China and now they are in Finland.	No	2 years	No	French, English	Almost no, very little bit Chinese

PAERT II: Social capital in China

General comments on social capital

Table 4. General comments on social capital from interviewees.

	Familiarity with China before	Satisfaction on expatriation in China	Main social ties	Importance of social ties in expatriation
James	Not at all	Very satisfied	Rotary club, church, Company	Emphasize, very important, attribute to his satisfaction

Tobias	Not at all	Satisfied	Colleagues in CPC, clients in China, expatriates community, his family	Social environment is so important for him to work and live well in China. Only focusing on work can be tired, if not adjusted to the new country through the social ties, life and work can both be very hard.
Tom	Not at all	Quite enjoyed and quite successful career.	His Chinese colleague who studied and lived in Finland, Mike; Local Chinese market corporate business man Mr. Lee; Other local Chinese subordinates and colleagues.	People oriented, he likes social capital and emphasizes on it very much. Social capital is what he enjoys and what he is good at managing naturally.
Magnus	Yes, internship 10 years ago, more familiar with Chinese culture	Colorful and nice lives, satisfied, work performance is quite positive, get promoted soon.	Colleagues and family	“Of course it is very important for western expatriates.” The social connections help him to have a balance between work and life, which could also enrich his career development and also make his life colorful and exotic.
Andy	Not at all	Likes China experience and feels fine with his performance in the new project.	Colleagues and peer expatriates	No matter what he did in other countries, international projects, study program, it is always important to have a balance between work, study and life. Social ties and human capital are always involved in these parts and they assisted the adjustment and balance in a new culture. Especially in China, the culture, language are so different, he needs to start the network, friend circle from scratch.
Peter	Not at all	Learned and	Sport club friends,	Without social capital, life in

		benefits a lot, from personality, personal relationship to work, quite satisfied.	Chinese girlfriend and colleagues.	China will be boring. Fortunately, he got his own social capital group in the 2 nd tier city, which he felt quite thankful about.
Emily	Not at all	Quite happy in this China expatriation and misses China all the time.	ABB company, expatriates' wives community, church community and family members.	Confessed that the social capital make these problems much easier and make her and her husband better adjusted. Emily adjusted China quite well and because of her good adjustment, she could create good and positive support for her husband. Positive and happy memory.

Detailed explanation on social ties

a. Colleagues

Table 5. Detailed explanation on the social capital from colleagues in China.

James	Mentioned or Not	Their background	Way of interaction/social
	Yes	From Europe, have been in China for years with Chinese experience.	Work, social with clients in spare time as dinner etc, support each other in life.
	How often to interact	Common points	What is appreciated and helpful
	Work day and some spare time, quite often.	From Europe, similar culture background, easier to communicate with, share problems, similar lifestyle, need to cooperate in group project as a team.	<ol style="list-style-type: none"> 1. On site practical training- guidance in basic new life settlement. 2. Cooperating in the work, projects. 3. Socialize with clients in spare time. 4. Support each other in crisis in life and work.
Tobias	Mentioned or Not	Their background	Way of interaction/social
	Yes	They are his	Attend the meetings, manage projects, have

		subordinates, mainly are from Germany; At different ages, some are at 20s, some are at 30s and some are at 40s.	business dinner with clients, attend business network events together; arrange team lunch together regularly; go out for dinner at different places at night; relax in some bars and clubs at the later night; every Sunday, do massage together; Every 4 weeks, go for yoga classes in their common living building; Every day they can take taxi together to the client company together; During the weekend, sometimes they did sightseeing in places close to Beijing.
	How often to interact	Common points	What is appreciated and helpful
	Quite often, almost every day	They are mostly from German, similar culture and background, need to work together for project. He is the leader of the team, he needs to make team members together in work as well as private events for team relationship building, motivating them, adjusting new culture together.	<ol style="list-style-type: none"> 1. They can build up good work relationship and teamwork spirit. 2. They can support each other in life in new country China. 3. They can adjust to the new environment together and accompany each other, brother hood community. 4. They accompany each other for a balance between work and life.
Tom	Mentioned or Not	Their background	Way of interaction/social
	Yes	Chinese from different background. One is Mike, studied in Finland and came with Tom to China from the same company. One local Chinese with good local connection named Mr. Lee. Some other Chinese subordinates	Quite close with colleague Mike in work, private social and also family members have long term friendship. Work quite closely with Mr. Lee, especially in important Chinese business dinner. Work with Chinese subordinates.
	How often to interact	Common points	What is appreciated and helpful
	Quite often	Work, achieve together in the team for the company business in	<ol style="list-style-type: none"> 1. They all help him to understand more of Chinese culture and way of doing business. Work as a team for career achievement. In

		China.	<p>the end they succeed together.</p> <ol style="list-style-type: none"> 2. Very close work and life friendship with Mike, Mike helped Tom to interact with local Chinese at the start, assisted Tom to do business in China. Coordination between local Chinese and western colleagues 3. Mr. Lee has very valuable network in China, key person who helped the Wartsila start up. 4. The social capital in work Tom has in China helped his career success and gives him sense of self achievement, makes him feel very much fulfilled.
Magnus	Mentioned or Not	Their background	Way of interaction/social
	Yes	General colleagues in Daimler, higher level expatriates in Daimler and also Chinese subordinates and staff.	Work with colleagues. Arranging events, inviting friends and also informing expatriates or colleagues on the events, can be dinner, soccer play, hiking, car racing, BBQ, KTV, clubbing etc. Attend Damiler company events with friends as: German beer festival, good voice competition, soccer game, car racing, auto-show, New year party etc.
	How often to interact	Common points	What is appreciated and helpful
	Quite often	Some have work target as a team. Some have common interests, as food, hiking, ktv, clubbing, soccer play etc. Have similar culture background, speak the same hometown language, have similar values and lifestyle, from the same company can make their feel even more closer.	<ol style="list-style-type: none"> 1. Need to find new group to socialize with, and there in China, they may like to start the socializing from Germany colleagues. Meeting up many colleagues from different departments, not limited by his own department, so he can get to know more about the Daimler Company in China, and also make more friends through different interests and enjoy life in China. 2. As referring to the higher level expatriates group, socializing with them in China is a great help for his further career development. Have more chances to discuss projects together, the experience helps him grow professional faster. 3. Chinese colleagues help him filling in the

			work templates in Chinese, talk with Chinese vendors, translation, coordination etc. Make him more involved with the Chinese lifestyle activities and get to know and understand more on Chinese culture.
Andy	Mentioned or Not	Their background	Way of interaction/social
	Yes	Both westerner managers and also Chinese colleagues, among the Chinese colleagues, there are Andy's supervisor and also his subordinates. In his project team, including him, there are two German, one American and one South Korean. And also German colleagues in headquarter in German.	Work, regular meetings, business trip back to German headquarter holding meetings.
	How often to interact	Common points	What is appreciated and helpful
	Work days	Work together for the new project	<ol style="list-style-type: none"> 1. Interacting more with Chinese colleagues makes he reflects on how to solve cross culture problems in work and adjust to Chinese way of doing project. 2. Build up new project together.
Peter	Mentioned or Not	Their background	Way of interaction/social
	Yes	Both Finnish and Chinese	Work, dinners, bars for talk and drink
	How often to interact	Common points	What is appreciated and helpful
	Often	Work for the project, share spare life with Chinese food he likes.	<ol style="list-style-type: none"> 1. He learns how to care people in a more Chinese way from his colleagues and his girlfriend. 2. Make him much more open minded and cross cultural than he was before.
Emily	Mentioned or Not	Their background	Way of interaction/social
	Yes	Since Emily is ABB	ABB company social events for wives and

		expatriate's housewife, Emily socialize with company expatriates wives community.	family. As dinner, especially international potluck, cooking class for housewives, children performance night, concerts invitation, tea ceremony, wine tasting etc.
	How often to interact	Common points	What is appreciated and helpful
	Once a while	They are all wives of ABB expatriates. They all have interest in different culture and need to take care of the household in China.	<ol style="list-style-type: none"> 1. These activities the wives attend together make Emily feel that she can experience and learn quite a lot about life around the world. She feels her own inner growth and this learning, experience, cross culture communication open her eyes and horizon, she realizes that life can be so colorful and there are so many things make her life beautiful and tasteful. 2. She will not be lonely as wife in daytime since she can meet up other wives to spend time and build up friendship.

b. Local Chinese

Table 6. Detailed explanation on the social capital from local Chinese.

James	Mentioned or Not	Their background	Way of interaction/social
	Yes	Mainly Chinese clients	Work and socialize as have dinner in Chinese restaurants, do sports, watch movies and travel together, events organized by client company.
	How often to interact	Common points	What is appreciated and helpful
	Work days, not too often	Work, common interest as cuisine, movie, sport, travel.	<ol style="list-style-type: none"> 1. Work together for achievement 2. Help him with Chinese language problem or daily life problem in China. 3. Share life.
Tobias	Mentioned or Not	Their background	Way of interaction/social
	Yes	Chinese clients	Work, events held by client company
	How often to interact	Common points	What is appreciated and helpful
	Sometimes,	Work, socialize	<ol style="list-style-type: none"> 1. Work together for the project

	not so often, not many Chinese friends		<ol style="list-style-type: none"> 2. They are open-minded to his western style. He is respected. Easier to communicate with compared to Japanese clients. 3. Get business network in China locally 4. Understand more Chinese culture and the way to do business.
Tom	Mentioned or Not	Their background	Way of interaction/social
	Yes	Chinese from different background. One is Mike, studied in Finland and came with Tom to China from the same company. One local Chinese with good local connection named Mr. Lee. Some other Chinese subordinates	Quite close with colleague Mike in work, private social and also family members have long term friendship. Work quite closely with Mr. Lee, especially in important Chinese business dinner. Work with Chinese subordinates.
	How often to interact	Common points	What is appreciated and helpful
	Quite often	Work, achieve together in the team for the company business in China.	<ol style="list-style-type: none"> 1. They all help him to understand more of Chinese culture and way of doing business. Work as a team for career achievement. In the end they succeed together. 2. Very close work and life friendship with Mike, Mike helped Tom to interact with local Chinese at the start, assisted Tom to do business in China. Coordination between local Chinese and western colleagues 3. Mr. Lee has very valuable network in China, key person who helped the Wartsila start up. 4. The social capital in work Tom has in China helped his career success and gives him sense of self achievement, makes him feel very much fulfilled.
Magnus	Mentioned or Not	Their background	Way of interaction/social

	Yes	Chinese girl friend	Date as dinner, travel etc
	How often to interact	Common points	What is appreciated and helpful
	Often	In relationship, share similar hobbies, interests and lifestyle	1. Helps him with life adjustment in China quite a lot. 2. Helps him to understand some Chinese tradition, culture and way of thinking, in some work problems, he may discuss this with his girlfriend.
Andy	Mentioned or Not	Their background	Way of interaction/social
	yes	Chinese colleagues, including his supervisor and subordinates.	Work
	How often to interact	Common points	What is appreciated and helpful
	Often	Work for the project	Get to know and understand more of Chinese culture and characters.
Peter	Mentioned or Not	Their background	Way of interaction/social
	Yes	Chinese girlfriend, Chinese colleagues	With girlfriend, go to bars, listen to music or concerts, drink coffee, talk, travel to many places, read and also watch movies. They are fans of Starbucks, and collect Starbucks cups in travel places. With Chinese colleagues they work together, sometimes go for dinner and drinks.
	How often to interact	Common points	What is appreciated and helpful
	Often	Girlfriend speaks good English, has similar lifestyle, similar interests. Peter's Chinese colleagues work together.	1. Peter's girlfriend Mandy made Peter's life in China very lovely and colorful; his world is not only about sport and drinks, but also dating, trips and romance. 2. Mandy also helps Peter understand local Chinese people and culture better. It helped Peter to adjust to China quite a lot. With the support from behind, he have good mood in the work and life. It gets balanced naturally.
Emily	Mentioned or Not		

	Not yet		
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c. Peer expatriates

Table 7. Detailed explanation on the social capital from peer expatriates.

James	Mentioned or Not	Their background	Way of interaction/social
	No		
Tobias	Mentioned or Not	Their background	Way of interaction/social
	Yes	Mainly has German, French Switzerland etc European expatriate community, but not Americans	Events arranged by the European Chamber of Commerce, German Chamber of Commerce or French Chamber of Commerce. International cuisine dining.
	How often to interact	Common points	What is appreciated and helpful
	Often, important	The same language. Speak local language, share similar lifestyle and similar topics. They can hold deep topics.	<ol style="list-style-type: none"> 1. Good for this further career development to interact with higher level managers from various MNCs in different countries. 2. Friendship, share lives together, enjoy international cuisine together.
Tom	Mentioned or Not	Their background	Way of interaction/social
	No		
Magnus	Mentioned or Not	Their background	Way of interaction/social
	Yes	Higher level expatriates in Daimler.	Damiler company events: German beer festival, good voice competition, soccer game, car racing, auto-show, New year party etc. Arrange events by himself.
	How often to interact	Common points	What is appreciated and helpful
	Often	Similar culture background, speak the same hometown language, have similar values and lifestyle, from the same company can make	<ol style="list-style-type: none"> 1. He can learn and be with higher level expatriates more often, he can have more chances to discuss projects together; the experience helps him grow professional faster. 2. They always prefer to start be with the group with the most familiar and close

		their feel even more closer	group, to reduce the uncertainty and anxiety in the new country where local people's mindset, language and lifestyle are different.
Andy	Mentioned or Not	Their background	Way of interaction/social
	Yes	A very good friend from German working in BBAC, another department. Many other expatriates, especially German expatriates in automotive industry. They are from Audi, BMW etc.	With his very good friend, they live close to each other; they drive together to work, go to events together, have dinner together, communicate and talk a lot. They discussed about their experience in China. With many other expatriates, they go to events as: hiking, concert, tea ceremony, wine tasting, dinner, birthday party, trips in Great Wall, skiing, bars, clubs.
	How often to interact	Common points	What is appreciated and helpful
	Often	From same nationality German, similar lifestyle, from automobile industry.	Share life and accompany each other, communication.
Peter	Mentioned or Not	Their background	Way of interaction/social
	Yes	Finnish colleagues	Work, dinner and bar
	How often to interact	Common points	What is appreciated and helpful
	Often	Work, similar background as nationality, language	Work, share some spare time
Emily	Mentioned or Not	Their background	Way of interaction/social
	Yes	Since Emily is ABB expatriate's housewife, Emily socialize with company expatriates wives community from different countries.	ABB company social events for wives. As dinner, especially international potluck, cooking class for housewives, children performance night, concerts invitation, tea ceremony, wine tasting etc.
	How often to interact	Common points	What is appreciated and helpful
	Once a	They are all wives of	1. These activities the wives attend together

	while	ABB expatriates. They all have interest in different culture and need to take care of the household in China.	<p>make Emily feel that she can experience and learn quite a lot about life around the world. She feels her own inner growth and this learning, experience, cross culture communication open her eyes and horizon, she realizes that life can be so colorful and there are so many things make her life beautiful and tasteful.</p> <p>2. She will not be lonely as wife in daytime since she can meet up other wives to spend time and build up friendship.</p>
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d. Family and relationship

Table 8. Detailed explanation on the social capital from family and relationship.

James	Mentioned or Not	Their background	Way of interaction/social
	Yes	Family members in hometown	Skype, international calls, emails, 4 round trips back home per year.
	How often to interact	Common points	What is appreciated and helpful
	Often	Family	He is not married yet and does not have a girlfriend, his family members are the group of people who really care about him, understand him and love him.
Tobias	Mentioned or Not	Their background	Way of interaction/social
	Yes	Family members as parents in Austria. German girlfriend in Beijing	Mobile or Skype
	How often to interact	Common points	What is appreciated and helpful
	Often	Family. Relationship, girlfriend comes from the similar background, works in China, speaks the same language and has	Close members help him to keep mentally healthy. They are quite supportive for his career choice, they respect what he is doing, when he feels frustrated and down, he can share the experience with his close family members and they can encourage him and

		the same lifestyle, encounter similar problems.	support him. Girlfriend can communicate and accompany each other. She is very supportive and open minded.
Tom	Mentioned or Not	Their background	Way of interaction/social
	Yes	Wife and children	Play sport with his son, one of his favorite spare time hobbies.
	How often to interact	Common points	What is appreciated and helpful
	Often, very important	Family	<ol style="list-style-type: none"> 1. Plays important part in his expatriation. 2. Children brought more happiness for his life. 3. His wife is supportive.
Magnus	Mentioned or Not	Their background	Way of interaction/social
	Yes	Family members, especially brothers, Chinese girlfriend	Skype with family members, with girlfriend date as dinner, travel etc
	How often to interact	Common points	What is appreciated and helpful
	Often	Family, with girlfriend, they share similar hobbies, interests and lifestyle	With family members, it is for family communication. With girlfriend: Helps him with life adjustment in China quite a lot. Helps him to understand some Chinese tradition, culture and way of thinking, in some work problems, he may discuss this with his girlfriend.
Andy	Mentioned or Not	Their background	Way of interaction/social
	Yes	Family members	Visit them in German quite a lot
	How often to interact	Common points	What is appreciated and helpful
	Often	Family	Family member face to face support.
Peter	Mentioned or Not	Their background	Way of interaction/social
	yes	Chinese girlfriend	With girlfriend, go to bars, listen to music or concerts, drink coffee, talk, travel to many places, read and also watch movies. They are fans of Starbucks, and collect Starbucks cups in travel places.
	How often to interact	Common points	What is appreciated and helpful

	Often	Girlfriend speaks good English, has similar lifestyle, similar interests.	<ol style="list-style-type: none"> 1. Peter's girlfriend Mandy made Peter's life in China very lovely and colorful; his world is not only about sport and drinks, but also dating, trips and romance. 2. Mandy also helps Peter understand local Chinese people and culture better. It helped Peter to adjust to China quite a lot. With the support from behind, he have good mood in the work and life. It gets balanced naturally.
Emily	Mentioned or Not	Their background	Way of interaction/social
	Yes	Husband, children	ABB company events, church events, daily life interaction, take care of the household as a housewife as talking with kids for their personality development, paying attention to their school work, their friendship, their difficulties etc.
	How often to interact	Common points	What is appreciated and helpful
	Often	Family, common belief, Christianity	<ol style="list-style-type: none"> 1. Support each other. 2. It is easy for kids to be joyful, when she spends time with kids, she always feel very happy and satisfied. 3. Very good relationship with husband. In family problems, they crossed the fingers together and prayed and followed God's plan and blessing, they cannot live without God for a single day. With the belief and the strength from the belief, they resisted many temptations that may separate them away from each other. If there are important issues to handle for the kids, the couple will solve the problem together

e. MNC or HQ support

Table 9. Detailed explanation on the social capital from MNC or HQ support.

James	Mentioned	What is appreciated and helpful
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	or Not	
	Yes	Company CPC offers very good welfare. The company pays him for 4 round trips back home. introduction brochure, helpful colleagues, accommodation and transportation is covered, he also gets the welfare to travel outside of China during weekends, 4 round trips back to his hometown. CPC integrates the essence welfare to help with the expatriates' adjustment.
Tobias	Mentioned or Not	
	No	
Tom	Mentioned or Not	
	No	
Magnus	Mentioned or Not	
	No	
Andy	Mentioned or Not	What is appreciated and helpful
	Yes	<ol style="list-style-type: none"> 1. Get the support from the headquarter colleagues from German, during the session; they hold meetings and conferences on the project. 2. Has the privilege to visit German much more times compared to his peer German colleagues. And he can get the support by visiting his parents and old friends in German very often
Peter	Mentioned or Not	
	No	
Emily	Mentioned or Not	What is appreciated and helpful
	Yes	<p>The firm offers Emily's family much benefit and makes Emily feel worthwhile being a housewife and be supportive for husband's expatriation. As higher salary, good villa, housemaid, find good international schools, cover the expenses in the expensive schools, covers some shopping fee for the expatriates' wives. ABB offers the paid trips for the couple go back to the hometown. It is the time they can save a lot of money for the whole family. ABB expatriation gives Emily the thinking that the whole family can benefit in the adventure. It creates good environment in the material perspective.</p> <p>ABB company host lots of events for the family members of the expatriates.</p>

f. Other communities or lifestyle

Table 10. Detailed explanation on the social capital from other communities or lifestyle.

James	Mentioned or Not	Their background	Way of interaction/social
	Yes	1. church group 2. rotary club	Church: church service, bible study, events arranged by Christian friends; Rotary club: spending spare time with them, in restaurants, bars, clubs
	How often to interact	Common points	What is appreciated and helpful
	For church, every Sunday, Wednesday, Saturday,	For church, the same religion belief. For rotary club, professional business networks from around the world, open minded. share similar global values on business and life.	For church community: 1. His belief is his spiritual foundation and support, which can be shared worldwide. Through Christianity, he shares deeper relationship with some Christian workmates, makes some good friends who can spiritually grow with him. 2. Sometimes in difficulties, he comes to his Christian friends and they share the sorrow and pray for him.. 3. When he is lucky enough, he can get some business opportunities. This group helps him in a spiritual way, especially in the belief growth, difficulty in life and also professional network building. For rotary club: they are always glad and ready to make references and make James connected to the sort of particularly network he wants to jump in. Professional business networking, getting local contacts.
Tobias	Mentioned or Not	Their background	Way of interaction/social
	No		
	How often to interact	Common points	What is appreciated and helpful
Tom	Mentioned or Not	Their background	Way of interaction/social

	No		
	How often to interact	Common points	What is appreciated and helpful
Magnus	Mentioned or Not	Their background	Way of interaction/social
	No		
	How often to interact	Common points	What is appreciated and helpful
Andy	Mentioned or Not	Their background	Way of interaction/social
	No		
	How often to interact	Common points	What is appreciated and helpful
Peter	Mentioned or Not	Their background	Way of interaction/social
	Yes	Sport club friends,	Sport, as ice-hockey, go for some drinks in bars, talk and communicate
	How often to interact	Common points	What is appreciated and helpful
	Often	favorite hobby, especially ice-hockey, which is the typical Finnish beloved sport, ice hockey team, most of the members are still Finnish, speak same native language, similar lifestyle, hobby and understand each other.	1. favorite hobby, 2. can make friends there, find the sense of group belong in the sport team. 3. Share life and understand each other.
Emily	Mentioned or Not	Their background	Way of interaction/social
	Yes	Church community	Sunday church service, small family groups, dinner, worship, study,
	How often to interact	Common points	What is appreciated and helpful
	Often	Same value and religion belief, Many have similar	1. So important for her adjustment, 2. Pray for each other, support each other in difficulties, this makes her much less

		background, the families in her cell group also travel around the world doing different expatriate trips, ladies are mostly housewives and responsible for the kids and family issues.	lonely in the new country, they act as family members for her in China, 3. Go with husband, good for their couple relationship building.
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PAERT III: Advice or knowledge sharing on the social capital support from MNC

a. Selection

Table 11. Detailed explanation on the advice on selection.

	Mentioned or Not	Advice
James	Yes	Very important that the candidate should have the following characteristics besides the professional knowledge: outgoing, easygoing with people, open minded also the willingness to stay in China, the courage to face the challenges in the new land.
Tobias	Yes	Candidates for expatriates in China should have international view, he or she should be open-minded, have the right motivation, the motivation should not put the salary in the first and most priority list, speaking Chinese can be good criteria.
Tom	No	
Magnus	Yes	The importance of cross culture adjustment soft skills.
Andy	Yes	The importance of the characteristics of not judging others directly, not to criticize, but good at observing and thinking in order to adjust to the new culture well. The candidate should also have the patience to tolerate the frustration. International experience is not so important, be patient to people from other culture, like new environment, like challenges and have the capability of making new friends, respect the others.
Peter	Yes	Advantages of choosing some expatriates at young age

Emily	No	
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b. Training

Table 12. Detailed explanation on the advice on training.

	Mentioned or Not	Advice
James	No	
Tobias	Yes, but not supportive	Does not support too much cross culture training, because he thinks training is too theoretical, not very practical. Prefers to choose the right person instead of putting too much effort in the training, cross culture adjustment is soft skill which is hard to be obtained through theoretical studies, it needs natural experience and experience can talk.
Tom	Yes	Experience sharing, should arrange some events for the seniors meeting the fresh comers and have orientation, the seniors can support and coach them, emphasizes the experience coach.
Magnus	Yes, but he took it privately	Magnus spent 4 months on a special cruise for a cross culture training program, paid by him. Magnus paid 35000 \$ for this course and he said that benefited him throughout all his later part of life because later on he is doing expatriation and projects outside of his own country all the time, around the world. Recommended the language course offering by the company.
Andy	Yes	Does not recommend the theoretical training as classes; because that is too abstract, not so practical, he recommends the mentorship, someone who is more experienced could support the junior expatriate, give advice to the expatriates who are less experienced. Or the MNCs could arrange regular informal events for peer expatriates communicate, share their challenges, experience and solutions etc.
Peter	No	
Emily	No	

c. Support system within MNC

Table 13. Detailed explanation on the advice on support system within MNC.

	Mentioned or Not	Advice
James	Yes	Two parts are essential: one is the material sector, including salary, travel expenses, living cover and also the hometown visiting cover etc.

		Another side is from the colleagues support in China, they need to create this kind of company cultural environment to support and care each other, always arrange the bonding events, socialize with colleagues, with co-workers and bring new friends in, the experienced ones take more care on the new ones in different aspects in life, it is not only work oriented, but also life and people oriented.
Tobias	No	
Tom	No	
Magnus	Yes	Recommended more experience exchange events, the senior can exchange some experience to the junior arrivals, for example, hiking event, wine tasting event etc, which can gather them together and communicate.
Andy	Yes	6 weeks before he started working in China, he took a “look and see” trip in Beijing for a week, this trip he could arrange the apartment, got to meet his future colleagues and had a real experience on the new culture. This support from MNC helped him know the new environment before he started working.
Peter	No	
Emily	No	