

Intercultural Skills for an Effective Teamwork in China: The Mexican Experience

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The speed of changes in the global business environment has pushed European multinationals to employ staff from its foreign subsidiaries, to take over some corporate activities in a third country. This is the case with Latin American executives working in China, that face not only the culture shock, but are immersed in a complex chain of command between headquarters, subsidiary and host market. This article is part of a wider research on decoding the business environment in China for Latin American executives, based on three areas: communication patterns, negotiation patterns and cultural/interpersonal development.

INTRODUCTION

The speed of changes in the global business environment has pushed European multinationals to employ staff, from its foreign subsidiaries, to take over some corporate activities in a third country. This is specially the case of German manufacturers such as VW that after the most recent 2008 crisis, the company has started to rely on human resources throughout the corporate network and not only from the ones centralized in its home county. This phenomenon is caused mainly by two factors; on the one hand, the steady growth of the Chinese automobile market (Automotive News, 2010) (Automotive News, 2010), (Automotive News, 2012) in which VW operates based on ‘parallel organizational hierarchies’, demands expatriates to share the control of company’s activities in China with Chinese business partners; and on the other, the company experienced an increase in demand in Europe (Automotive News, 2012) which hardened the availability of executives. The company made its way out of this problem by setting up an internationalization strategy for its executives worldwide following four principles: (1) designing formal processes for talent scout worldwide, (2) build a pool of internationally trained executives with an international career plan, (3) building a chain of mentors that helps to develop international managers, (4)

setting up a formal plan of successors. This article is part of a wider research which aims to decode the business environment in China based on three areas: communication patterns, negotiation patterns and cultural/interpersonal development. The article reports on a pilot sample of Mexican executives that are currently managing operations in China; the sample aims to explore research tools for the wider sample, but it also provides peculiar insights about differences in working conditions between Mexico & China, the way managers either overcome or fought such difference and the changes that executives would like to see in the Chinese business environment in order to facilitate the adaptation of expatriates from Latin America.

THE COMPLEXITY OF THE PHENOMENON

The traditional approach towards foreign markets is via a central planning trough in which subsidiaries '*replicate the corporate knowledge that has been proven successful in the home market*' (Birkinshaw, 1996). No adaptation is pursued unless local conditions endanger the feasibility of the venture. If it does, then Multinational Enterprises (MNE) looks for achieving a local responsiveness but making the most of the global coordination efficiency in terms of standardization (Bartlett & Ghoshal, 2001).

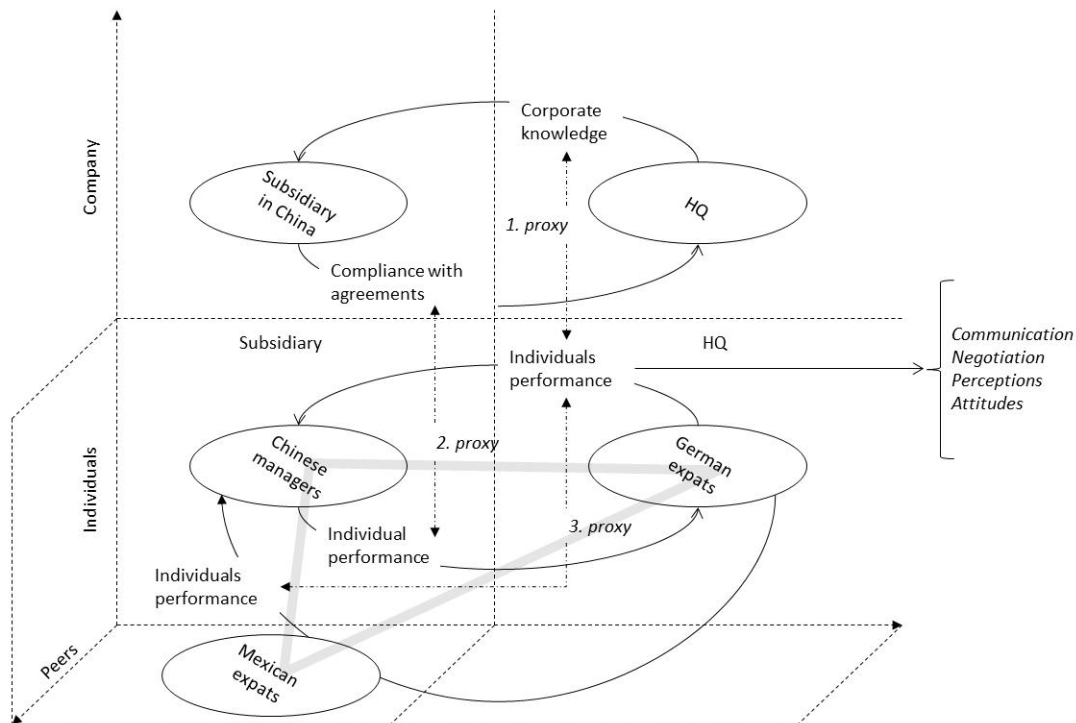
The above paragraph exemplifies much of the phenomenon that has been explained in the introduction. VW entered the Chinese market, by playing a specific role of technology provider for the strategic alliance it makes with Chinese manufacturers; whereas, Chinese partners deal mainly with the adaptation of the VW's corporate knowledge to the local conditions. The adaptation involves several issues such as local market and human resources development. In consequence, two parallel organizational structures have been built in most of the executive positions. Thereby, VW's expatriates have a Chinese partner with the same hierarchy level, degree of responsibilities and authority. All decisions to be made either at operational or strategic level need to be *communicated* and *negotiated*. This scenario becomes significantly complex if the players are considered as follows: (1) VW's HQ in Germany dictates product mandates to be developed; (2) VW's subsidiary in China replicates given mandates; (3) Chinese partners adapt product mandates and absorb technology and knowledge. Issues such as: what to adapt and how to adapt it becomes a regular game of communication and negotiation processes. At the end of the day, two general goals have to be accomplished: (1) Ensure that products are built according to technological specifications and quality standards; (2) achieve efficiencies based on local resources.

The above explanation describes the phenomenon along 'company' as the unit of analysis; however, this article aims to describe how this phenomenon increases in complexity if it is analyzed along 'individuals' as the unit of analysis. The increment in complexity comes from *cultural perceptions and attitudes* that individuals may follow during the *communication* and *negotiation* processes. Consequently, VW sends expatriates to China expecting that they are able to transfer technology, know-how, product and process compliance and project management techniques. A Chinese counterpart expects that expatriates are fully aware of what corporations negotiated and that they are capable to transfer the corporate knowledge. Hence, expatriates expect that Chinese partners agreed with what the corporation negotiated and that they are receptive and eager to adopt corporate practices. Until now, the increment in complexity comes from two sources: (1) the inclusion of the word 'expect' brings to the discussion individuals' perception of the reality, (2) expatriates and Chinese individual's activities are never what corporations negotiated or what corporate knowledge is but, a 'proxy' for reality.

Finally, the complexity increases even further due to the fact that individuals' perceptions are significantly based on cultural values. Therefore, VW pulls executives from its foreign subsidiaries according to the internationalization plan explained earlier in this article. In consequence, HQ expects that the expatriate from a 3rd country is not only capable to replicate the corporate knowledge but also, he/she has the needed networking in Headquarters (HQ). Figure 1 shows the complexity of the phenomenon along a three axis chart. The 'y' axis exemplifies the *unit of analysis* in which the low-end refers to *individuals* and the high-end to *companies*. The 'x' axis shows the *corporate hierarchy position* on which

the left side stands for *subsidiary* and right side for *HQ*. Lastly, the ‘z’ axis refers to the *position in the corporate network* which just stands for *peers* such as: other plants, sales representatives, etc. There are three proxies in the system: (1) German expats performance for ‘*corporate knowledge*’, (2) Chinese managers’ performance for ‘*compliances with agreements*’. (3) Mexican expats’ performance for ‘*emulating HQ-from expats*’. Individual performance is the generic proxy which is shaped by communications, negotiations, perceptions and attitudes. Finally, the focus of this article represented by a two-dimension triangle: German expats, Chinese Managers and Mexican expats.

FIGURE 1
COMPLEXITY OF THE PHENOMENON



RELATED LITERATURE

Communication within the organizational context can be divided into three categories: (1) communication within organizations, (2) communication between organizations of the same species, and (3) communication between organizations of competing species (Vincent-Wayne & Jackson, 2006). In the complexity of multinational corporations (MNC), it would be possible to find all previously mentioned communication categories within the same corporation; mainly with respect to the strategic posture that MNC can adopt. Different strategic postures are identified. Ethnocentric posture regards with ‘value homogeneity’ among groups (Luo & Shenkar, 2006). Polycentric posture emphasizes the local adaptation especially when HQ has limited control from the headquarters (van den Born & Peltokorpi, 2010). And, Geocentric postures which denote that the corporation’s search for resources within a global scale (Perlmutter, 1969) regardless to either home or host emphasis. The adoption of a particular language within the organizational context denotes a specific strategic posture, an organizational identity (Borgerson, Schroeder, Escudero-Magnusson, & Magnusson, 2009) and a particular purpose such as: influencing inter-unit and intra-unit collaboration (Rogerson-Revella, 2007), formal reporting (Fredriksson, Barner-Rasmussen, & Piekkari, 2006), and facilitate coordination and value creation (Luo

& Shenkar, 2006). However the diversity of activities, roles and players involved in corporate networks tends to make difficult a tight alignment and language hybridization occurs (van den Born & Peltokorpi, 2010). Even though the adoption of a particular language may have implications on MNC formal communication structures, it has been reported that interpersonal networking makes a larger contribution to communication performance (Ghoshal, Korine, & Szulanski, 1994), this finding put emphasis on how individuals make use of communication techniques and methods in order to impact positively on his/her own managerial performance. In consequence, the universe of languages to choose from and individuals' expertise in a particular language, make a complex system of languages zones (Babcock & Du-Babcock, 2001). Expats usually switch from one language zone to another according to the specific situation and receiver. Furthermore, managers employ so called '*linchpins*' that are individuals with bilingual capabilities and comprehension of the local business environment. Linchpins assist expatriates during the communication process customizing both ways messages with the aim of improving and speeding up the communication (Du-Babcock & Babcock, 1996), (Babcock & Du-Babcock, 2001). Another important characteristic of international communication is the identification of 'genre patters' such as: professional, commercial and relational genre (Du-Babcock & Babcock, 2007); to which the level of proficiency and the importance of the comprehension of the message vary. Communication assertiveness has been claimed especially important within subsidiary – HQ context; miscommunication between expats and local managers leads to underperformance and an increasing anxiety in local managers that triggers conflict and cognitive distortion of the strategic intent (Harzing & Feely, 2008). Consequently, negotiation is another important capability within cross-border management context. Four dimensions have been identified for negotiation in an international context: (1) *concept of negotiation* which refers to a negotiators' initial intentions such as win-win agreements; (2) *most significant issue* which refers to a particular emphasis negotiators put on the process, these are either task-related or relationship-based; (3) *basis of trust* which refers to whether or not negotiators rely on written or spoken plans; (4) form of agreement which refers to whether negotiators request explicit contracts or implicit agreements (Metcalf, Bird, Peterson, Shankarmahesh, & Lituchy, 2007).

As mentioned previously, the phenomenon implies the perception and attitudes of individuals that are heavily influenced by their cultural values. In organizational studies, perhaps one of the most well-known works involving culture is the one developed by Geert Hofstede during the 1970's (Hofstede G. , 1980). Hofstede defined four components of national cultures; power distance, individualism vs. collectivism, masculinity vs. femininity, and uncertainty avoidance with the intention of claiming that work-related values, beliefs, norms, and self-descriptions vary from cultures. Definitions of the dimension are as follows (Minkov & Hofstede, 2011): Power distance is a social inequality, including the relationship with authority; Individualism vs. collectivism is the relationship between the individual and the group; Masculinity vs. femininity is the social implications of having been born as a boy or a girl; Uncertainty avoidance are ways of dealing with uncertainty, relating to the control of aggression and the expression of emotions. In a later work, Hofstede included a fifth dimension: long vs. short term orientation (Hofstede G. , 1991) to address if the focus of people's efforts is on the future, present or past. The implication of Hofstede's research has brought a significant amount of related studies such as the GLOBE Project (Global Leadership and Organizational Behavior Effectiveness) in which it was introduced other dimensions as well as reframing Hofstede ones. The GLOBE project introduced also the concept of practices and values to put emphasis in the difference between '*what people experience*' and '*what they should desire to experience*' (House, Hanges, Javidan, Dorfman, & Gupta, 2004).

Therefore, cultural values would have potential implications in cross-border activities because on one hand, value chain signals would be under the interpretation of managers and on the other, managers would derive actions according to what they consider to be good for the specific location, situation and aligned to corporate norms. Finally, it is important to review on specific cultural values of Chinese individuals and five elements to understand the Chinese culture have been identified: (1) Chinese language which embodies Chinese philosophy and culture; (2) balancing opposites which imply the law of yin/yang, (3) Chinese connectedness refers to the belief that we are 'born connected' not 'born equal',

(4) Midstream living which is the golden rule; (5) face which is more important than life itself (Zhang & Baker, 2008).

Table 1 shows a summary of the related literature based on topics derived from the description of the phenomenon. Strategic posture and organizational identity dimensions have been labeled because they are not related to ‘individuals’ as the unit of analysis.

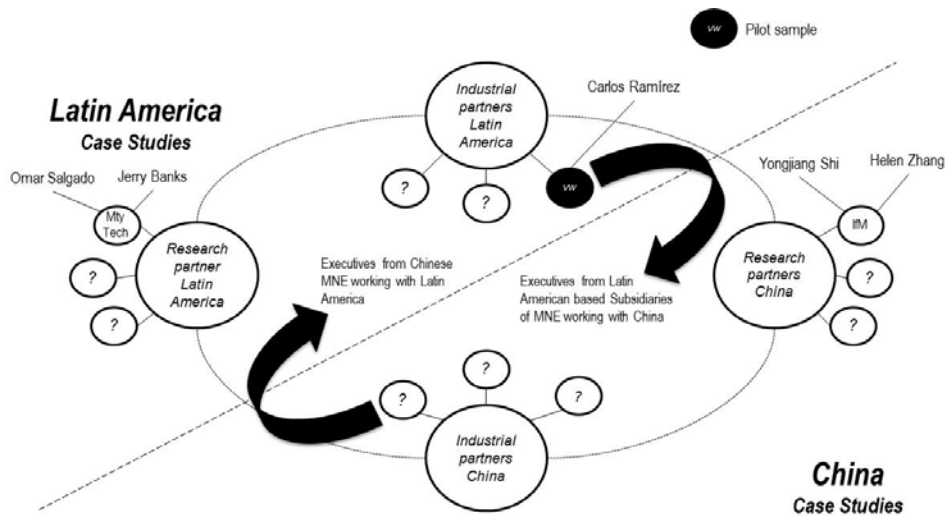
**TABLE 1
SUMMARY OF THE RELATED LITERATURE**

<i>Topics</i>	<i>Literature</i>	<i>Dimensions</i>	<i>References</i>
Communication	Language choice	Communication types Language zones Genre patterns Linchpin	(Harzing & Feely, 2008), (Du-Babcock & Babcock, 2007), (Du-Babcock & Babcock, 1996), (Babcock & Du-Babcock, 2001), (Ghoshal, Korine, & Szulanski, 1994), (Vincent-Wayne & Jackson, 2006).
	Purpose	Inter-unit and intra-unit collaboration Formal reporting Coordination and value creation	
Negotiation	Concept	Win-win agreements	(Metcalf, Bird, Peterson, Shankarmahesh, & Lituchy, 2007)
	Most important issue	Task-related Relationship-based;	
	Basis of trust	Written or spoken plans	
	Form of agreement	Explicit contracts Implicit agreements	
Perceptions & attitudes	Cultural values	Power distance Individualism vs. collectivism Masculinity vs. femininity Uncertainty avoidance Short vs. long term orientation	(Hofstede G. , 1991), (Minkov & Hofstede, 2011), (Hofstede G. , 1980)
	Leadership values	Assertiveness Future Orientation Gender Egalitarianism Humane Orientation Institutional collectivism In-Group Collectivism Performance Orientation Power distance Uncertainty Avoidance	(House, Hanges, Javidan, Dorfman, & Gupta, 2004)
	Cultural values in Chinese context	Chinese language Balancing opposites Chinese connectedness Midstream living Keeping Face	(Zhang & Baker, 2008)

RESEARCH DESIGN

As mentioned before, this article is part of a wider research on decoding the Chinese business environment for Latin American executives and aims to explore research tools for the complete research study.

**PICTURE 2
RESEARCH STRUCTURE**



Picture 2 shows the research structure of the project; the project is divided into two different scopes: (1) Latin America case studies that are concerned with the collection of cases from Latin American executives working in China, (2) China case studies that are concerned with the collection of cases from Chinese executives working in Latin America. There are two types of research partners in each scope: (1) Universities and Research Centers that convey the research activities, (2) Industrial Partners that identify sample of executives and validate information that is being obtained from samples. Currently, the research pilot is based on the automotive market and VW as the industrial partner.

The foundation of the research is *ethnographic*, to explore the observable and learned patterns of behavior, customs and way of life of a culture-sharing group. The design is *collective*, to address an issue in question while adding to the literature base that helps us to better conceptualize theory. The type of the research is *explanatory*, to establish cause-effect relationships; the purpose is to determine how events occurred and which ones may influences particular outcomes (Gerring, 2007), (Hancock & Algozzine, 2006); and the main research question is:

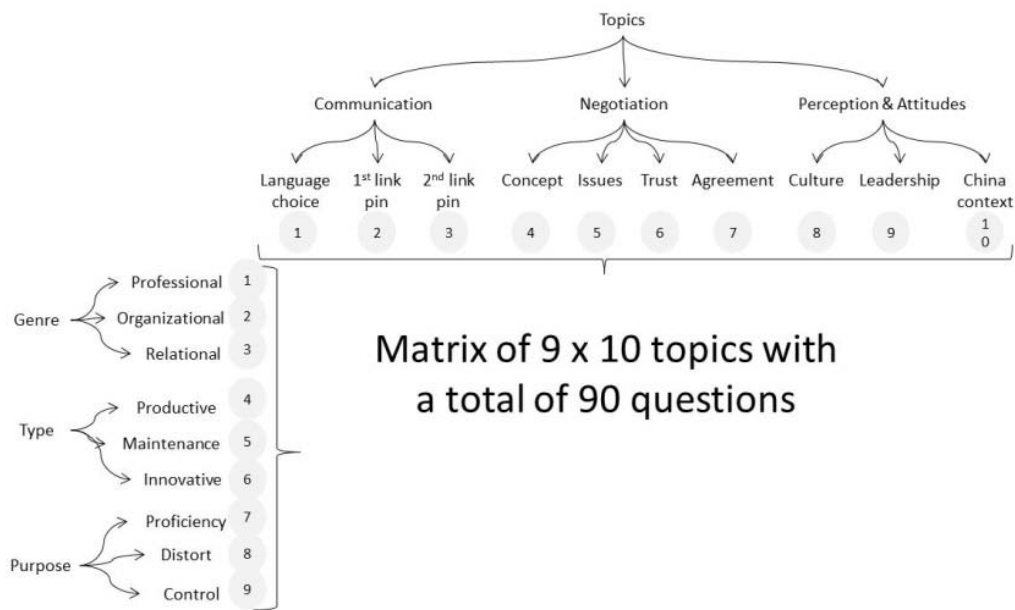
How can Latin American executives accelerate and better integrate themselves into the business environment in China?

The research sample for this pilot run was built with current Mexican executives working in China for periods that run from one year up to five years. The sample size is 14 people that include VW executives and 1st tier suppliers of the automotive industry. All executives are Mexican nationals involved in duties such as: product & process compliance, project management, product development and market development. For this pilot sample, it was decided to do phone interviews instead of survey methods with the purpose of capturing as much insight as possible from the managers' experience. The time expended

in each interview varied from 43 minutes up to 1 hour and 15 minutes; the research team ended with 14 hours of recorded interviews.

Topics discussed in the interview were built from two different processes: (1) researcher discussed what the phenomenon is about and what causes and effects the phenomenon produces, the result of this process is the description of the complexity of the phenomenon that can be found at the beginning of this article; (2) the literature review of the topics produced from the first process. Picture 3 shows the initial topics considered for the interview; from communication, negotiation, perceptions and attitudes, ten topics came out from the literature review in nine different situations. This makes a matrix of 90 questions that would be difficult to accomplish in a 45 minute phone interview. In consequence, interview topics were reduced by using proxies from cultural differences literature.

**PICTURE 3
INITIAL TOPICS FOR THE INTERVIEW**



By using the cultural differences literature, interview topics were reduced by using proxies from cultural differences literature. Therefore, a factor analysis on leadership values was conducted between China and Mexico. Table 2 shows the leadership values of the GLOBE Study dataset.

**TABLE 2
LEADERSHIP VALUES OF GLOBE STUDY**

<i>Concept</i>	<i>Description</i>
Assertiveness	Degree to which individuals in organizations or societies are assertive, confrontational and aggressive in social relationships.
Future Orientation	Degree to which individuals in organizations or societies engage in future-oriented behavior such as: planning, investing in the future, and delaying individual or collective gratification.
Gender Egalitarianism	Extent to which an organization or a society minimizes gender role differences while promoting gender equity and the equality of genders.
Humane Orientation	Degree to which individuals in organizations or societies encourages and reward individuals for being fair, altruistic, friendly, generous, caring, kind to others, and exhibiting and promoting altruistic ideals.
Institutional collectivism (Collectivism I)	Reflects the degree to which organizational and societal institutional practices encourage and reward collective distribution of resources and collective action.
In-Group Collectivism (Collectivism II)	Reflects the degree to which individuals express pride, loyalty and cohesiveness in their organizations or families.
Performance Orientation	Refers to the extent to which an organization or society encourages and rewards group members for performance improvement and excellence.
Power distance	Degree to which members of an organization or society expect and agree that power should be unequally shared.
Uncertainty Avoidance	Extent to which members of an organization or society strive to avoid uncertainty by reliance on social norms, rituals, and bureaucratic practices to alleviate the unpredictability of future events.

The analysis showed that three leadership values (Practice collectiveness in-group, Practice Future Orientation, Practice Power Distance) explain the 78% of differences between Mexican and Chinese nationals.

Table 3 shows communalities which explain the amount of variance in each factor.

**TABLE 3
COMMONALITIES**

Commonalities		
	Initial	Extraction
Practice Assertiveness	1.00	.847
Practice Collectiveness In-Group	1.00	.848
Practice Collectiveness Social	1.00	.817
Practice Future Orientation	1.00	.819
Practice Gender Egalitarianism	1.00	.627
Practice Humane Orientation	1.00	.579
Practice Performance Orientation	1.00	.784
Practice Power Distance	1.00	.954
Practice Uncertainty Avoidance	1.00	.773
<i>Higher values → Good fit</i>		

Table 4 shows the variance explained; it is possible to see that the first 3 factors explain up to 78.3% the variability of the initial nine factors.

**TABLE 4
TOTAL VARIANCE**

<i>Total Variance Explained</i>									
Component	Initial Eigenvalues			Extraction Square			Rotation Square		
	Total	% variance	% accumulated	Total	% variance	% accumulated	Total	% variance	% accumulated
1	3.838	42.647	42.647	3.838	42.647	42.647	2.724	30.268	30.268
2	1.857	20.630	63.277	1.857	20.630	63.277	2.256	25.059	55.337
3	1.353	15.034	78.311	1.353	15.034	78.311	2.068	22.974	78.311
4	.823	9.149	87.460						
5	.500	5.560	93.021						
6	.374	4.155	97.175						
7	.214	2.376	99.552						
8	.040	.443	99.995						
9	.000	.005	100.000						
78.3% of the variation represented by three components with a loss of 21.7% of the variation									

Table 5 shows three column components; future orientation, power distance and collectiveness in group seem to be the most highly correlated among the 9 factors.

**TABLE 5
ROTATED COMPONENTS MATRIX**

Rotated Component Matrix			
	Component		
	1	2	3
Practice Assertiveness	-.044	.876	-.278
Practice Collectiveness In-Group	.119	.115	.906
Practice Collectiveness Social	.541	-.527	.496
Practice Future Orientation	.847	-.140	-.288
Practice Gender Egalitarianism	-.762	-.157	-.148
Practice Humane Orientation	.087	-.409	.636
Practice Performance Orientation	.799	-.109	.365
Practice Power Distance	-.018	.965	.149
Practice Uncertainty Avoidance	.687	-.206	.509

Table 6 shows the resultant topics from factor analysis; the remaining topics are communication and negotiation within productive and innovative message. ‘Productive message’ has been defined as the message type that managers use when all performance indicators run within expected limits; while, ‘innovative message’ has been defined as the message type that managers use when performance indicators are out of their normal course. Questions asked during the interview would seek to depict whether or not Mexican executives perceive differences in the three GLOBE relevant items across communication and negotiation topics. Also, it would be of interest to find out if there are substantial differences between what the manager experiences (GLOBE AS-IS) and what he/she would like to experience (GLOBE SHOULD BE).

**TABLE 6
REDUCTION OF TOPICS**

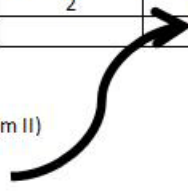
Communication Type: Organizational		Communication Mechanic		Negotiation			
		Language choice	1st Linkpins	Concept	MS issue	BOT	FOA
Message type	Productive	1	2	3	4	5	6
	Innovative	2					

Globe relevant items

- 1 In-Group Collectivism (Collectivism II)
- 2 Future Orientation
- 3 Power distance

Globe types of question

- 1 AS IS (Practices)
- 2 SHOULD BE (Values)



According to what has been discussed above, the research question: “*How can Latin American executives accelerate and better integrate themselves into the business environment in China?*” is transformed into three main propositions:

- (P₁): During a 'productive' situation, the In-group collectivism in China is higher therefore the Mexican managers perceive segregation and lack of authority.*
- (P₂): During a 'productive' situation, Future orientation is lower in China and therefore Mexican managers perceive difficulties in planning ahead in China.*
- (P₃): During a 'productive' situation, Power distance is higher in China and therefore Mexican managers perceive difficulties to communicate with Chinese individuals.*

Two extra propositions are given for the innovative message type and manager values:

- (P₄): During an innovative situation, Mexican managers change their communication and negotiation style, seeking to reduce the disadvantage in terms of In-group collectivism, Future orientation or Power distance.*
- (P₅): Mexican managers consider that the adaptation of Latin American executives would be easier if the business environment in China had different characteristics in terms of In-group collectivism, Future orientation or Power distance.*

Interview questions are divided in three different blocks (1) main interview questions, (2) demographics of the sample and (3) improving managers’ experience. Table 7 shows main interview questions: in-group collectivism, future orientation, power distance, innovative situations, and manager values.

TABLE 7
MAIN INTERVIEW QUESTIONS

Main interview questions	In-group collectivism	1. During negotiations, Mexican managers perceive that their Chinese counterparts seek the benefit to both parties? (<i>NGCBNF</i>)
		2. During negotiations, Mexican managers perceive that their Chinese counterparts are looking to build a relationship or just find solutions the points of negotiation? (<i>NGCBLD</i>)
		3. During negotiations, Mexican managers perceive that their Chinese counterparts based business agreements on personal relationships? (<i>NGCRLT</i>)
	Future orientation	4. What is the Mexican managers' judgment as to how activities are planned in China? (<i>NGCPLN</i>)
		5. What is the Mexican managers' judgment as to how activities are monitored in China? (<i>NGCMNT</i>)
		6. What is the Mexican managers' judgment as to as to reward performance in China? (<i>NGCCLL</i>)
	Power distance	7. Mexican managers' inability to communicate in Chinese language affects their job performance? (improve performance if you would speak Chinese ...) (<i>LMTLNG</i>)
		8. Mexican managers' hierarchical position in the organization affects his/her job performance? (worse if it had less rank ...) (<i>LMTPST</i>)
		9. The name of the company for which the Mexican manager works affects his/her job performance? (if less recognized worse ...) (<i>LMTCPY</i>)
		10. Does the fact that Chinese counterparts perceive that the Mexican managers acts 'different' to other business men affects their job performance? (better if acting like ...) (<i>LMTDFE</i>)
		11. The fact that 'keeping face' is culturally rooted in Chinese business environment affects your job performance? (better if this were not rooted in Chinese culture ...) (<i>LMTFCE</i>)
	Innovative situations	12. When changes are necessary because performance indicators gone out of its normal course, Mexican managers focused these changes on communication, negotiation and interpersonal or cultural performance? (<i>CMMINN</i>)
	Manager values	13. What would the Mexican manager change the business environment in China if it were in his/her hands: communication, negotiation, media, cultural and interpersonal performance? (<i>VALORE</i>)

Table 8 shows the 19 questions of the Demographics of the sample block. This group of questions would eventually help to describe the population.

TABLE 8
QUESTIONS IN THE DEMOGRAPHICS OF THE SAMPLE BLOCK

Demographics of the sample	14.	Company's home-country
	15.	Company's corporate language
	16.	Company's position in the supply chain (OEM, 1st tier...)
	17.	Interviewee's work area before going to China
	18.	Interviewee's hierarchical level before going to China
	19.	Number of years that the interviewee has worked for the company
	20.	Interviewee's country of origin
	21.	Sex of interviewee
	22.	Age of interviewee
	23.	Interviewee's mother tongue
	24.	City in which the interviewee lives (or lived) in China
	25.	Interviewee's arrival date in China
	26.	Date that the interviewee will leave China (real or prospected)
	27.	Day of the interview
	28.	Interviewee's work area in China
	29.	Interviewee's hierarchical level in China
30.	Hierarchical level of the interviewee's communication assistant (linchpin)	
31.	Interviewee's marital status	
32.	Does the interviewee have children?	

Table 9 shows questions in the improving managers' experience block. Questions in this block give more insight about how is the living experience in China.

TABLE 9
QUESTIONS IN THE IMPROVING MANAGERS' EXPERIENCE BLOCK

Improving Managers experience	33.	Does the interviewee have a prior experience as an expatriate?
	34.	In what country was the interviewee working before being sent to China?
	35.	Does the interviewee have prior work experience in China?
	36.	Does the interviewee have to work with a Chinese partner in decision-making? (2 hierarchical structure)
	37.	What is the language that the interviewee uses most of the time at work?
	38.	Does the interviewee have a translator or communication assistant?
	39.	In what language the interviewee is communicating with his translator and communication assistant?
	40.	Is (or was) the interviewee with his family in China?
	41.	How supportive was the interviewee's family during his/her stay in China?
	42.	What is the experience of the interviewee in a matter of housing in China?
	43.	What is the interviewee's experience within schooling in China?
	44.	What is the experience of the interviewee in a matter of city services in China?
	45.	What is the experience of the interviewee in a matter of informal networks (clubs, neighbors, sports, etc.) in China?
	46.	What is the experience of the interviewed in a matter of health services in China?

	47. Who the interviewee receives more support for his/her professional development?
	48. Who does the interviewee receive more often support from?
	49. What is the impact of the expatriate experience in China on the interviewee's professional development?
	50. What is the impact of the expatriate experience in China on the interviewee's personal development?
	51. What is the impact of the expatriate experience in China on the interviewee's family development?
	52. What is the impact of the expatriate experience in China on the interviewee's company?
	53. What is the impact of the expatriate experience in China on the interviewee's country of origin?

Fifty three questions were provided, very challenging for an interview lasting 45 minutes on the average. Therefore, researchers focused the interview on main questions in order to let managers freely express themselves as much as the time allowed. Interviews were reordered and transcribed afterwards; researchers coded interviewees' responses on likert scales. Time after, interviewees received an excel file with the interviewer's questions, so that they were able to see how his/her responses were codified. Researchers requested interviewees to check if the codification matched with what they wanted to express during the interview and if it does not, they were able to change their responses directly on the likert scale. A database of codified answers was built with returning excel files and a statistical analysis was derived from such source. Table 10 shows likert scales of main responses.

TABLE 10
LIKERT SCALES OF MAIN RESPONSES

In-group collectivism	5: Always beneficial for both, 4: Often benefits both 3: Neutral (depends on the case), 2: Often benefits them, 1: Always benefits for them
	5: Always build a relationship, 4: Often build a relationship, 3: Neutral (depends on the case), 2: Rarely build a relationship, 1: Never build a relationship
	5: Always based on personal agreements, 4: Often based on personal agreements, 3: Neutral (depends on the case), 2: Rarely based on personal agreements, 1: Never agreements based on personal
Future orientation	5: Much better than expected, 4: Better than expected, 3: As expected, 2: Worse than expected, 1: Much worse than expected, 0: I cannot judge
Power distance	4: Definitely yes, 3: Yes to some extent, 2: Not substantially, 1: Definitely No, 0: I cannot judge
Innovative situation	1: Communication, 2: Negotiation, 3: Support, 4: Cultural performance and interpersonal
Manager values	1: Communication, 2: Negotiation, 3: Support, 4: Cultural performance and interpersonal

INTERVIEW IN NUMBERS

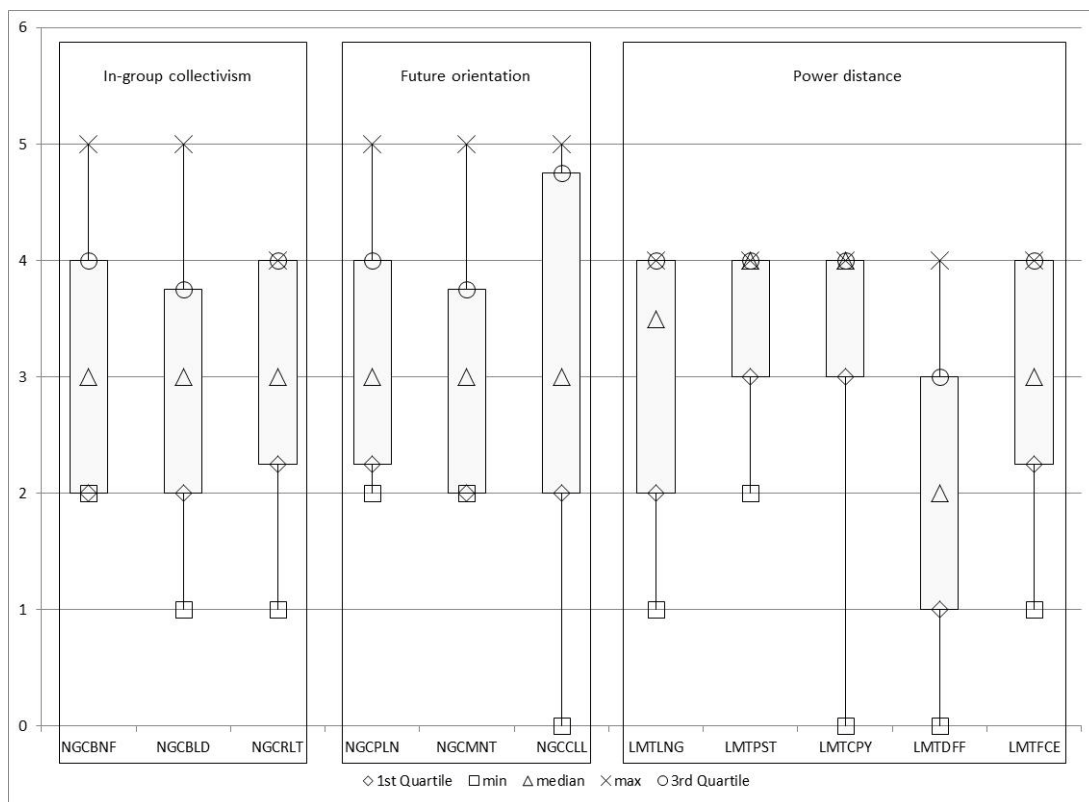
As mentioned previously, this article presents a pilot study that aims to build a research methodology, questions and research sample characteristics for the wider study of the project 'Decoding China for Latin America'. In consequence, the numbers shown in this section are not to be taken as population

statistics since the sample size is limited. Table 11 shows the MNC participating in the pilot sample, their country of origin and location in China.

TABLE 11
MNC INCLUDED IN THE SAMPLE

<i>MNC</i>	<i>Home Country</i>	<i>Subsidiary</i>	<i>Host Location</i>
VW	Germany	SAIC-VW	Shanghai
VW	Germany	FAW-VW	Changchun, Beijing, Cheng Du
Continental	Germany	Continental	Changchun
Johnsons Controls	US	Johnsons Controls	Changchun
Grammer	Germany	Grammer	Changchun
Hella	Germany	Hella	Changchun

FIGURE 1
BOXPLOT ANALYSIS FOR IN-GROUP COLLECTIVISM, FUTURE ORIENTATION AND POWER DISTANCE



In-Group Collectivism

With no significant shift in means, the perception of Mexican expatriates is that in-group collectivism depends on specific cases, and a large overlap of boxplot boxes indicates that the majority of interviewees tend to think similarly. However for the question of ‘...*Chinese counterparts would either seek for their own benefits or the benefit for both parties?*’ Interviewees indicated that if the negotiation is about short

term agreements, Chinese managers tend to look for their own benefit. But, in negotiations on long term agreements, the consensus is around seeking benefits for both parties. Interviewees highlighted the positive experience they had while negotiating further investment with the central government; contrary to what they expected, executives from government never push or rush the negotiation. A similar situation is with the question of whether ‘...*Chinese counterparts seek to build a relationship?*’; managers expressed that it is difficult to build a relationship with Chinese nationals mainly because of the way they perceive cultural differences from foreigners in comparison to their own cultural values; however, the answer to this question. Finally, on the question about whether ‘*Chinese counterparts tend to base negotiation agreements on personal relationships?*’; managers indicated that Chinese executives do not sign agreements. Mexican managers mentioned that this is a very blocking attitude from the fact that it is very difficult to gain the commitment of people. Managers suggested different methods to track negotiation decisions such as using electronic whiteboards and circulated handout of negotiation topics and discussions. Interviewees also indicated that the lack of a willingness to sign agreements is closely related to the fear of losing the ‘face’ if they make wrong decisions; therefore Chinese leave the decision making process to either higher hierarchy organizational levels or in-group decision making.

Future Orientation

For the case of future orientation, there are not significant shift in means therefore most managers tend to think that this is as they would have expected; however, boxplot boxes overlaps differently than they do for the previous case. Regarding the question of ‘...*Mexican executives’ judgment on the way activities are planned in China?*’, most managers think that planned activities are carried out as expected. They mention that the automotive industry is very demanding and standards oriented. Therefore, it would be very difficult for Chinese subsidiaries to modify this pattern. A similar case is with ‘...*Mexican executives’ judgment on the way activities are monitored in China?*’. Most managers think that activities are monitored as they expected. However, managers offered more insight about this. Interviewees mentioned that Chinese workers are not used to following procedures and tend to look for shortcuts. Consequently, the monitoring activity is always very comprehensive and time consuming for middle men. This phenomenon has a larger implication for either project management and product compliance duties, since repetitive activities such as serial production are more standardized. Furthermore, Mexican managers state that ‘modifying report figures’ is a common business practice that although is seen as a negative action in China, the penalty for doing this is not as high as they would expect in either Mexico, Germany or the US. A slightly different story is with respect to the question concerning ‘...*Mexican executives’ judgment on the way activities are rewarded in China?*’ Managers think that this is better than they expected. Some managers indicated that companies tend to stress on economic reward; this is different to Mexico that reward stress on recognition. Interviewees argue that Chinese society is very monetary oriented and people are always thinking on how they can obtain the best economic benefit from a job. Managers even mention that it is very difficult to retain a worker in a position because nowadays, there is a lack of available workers due to the enormous economic activity.

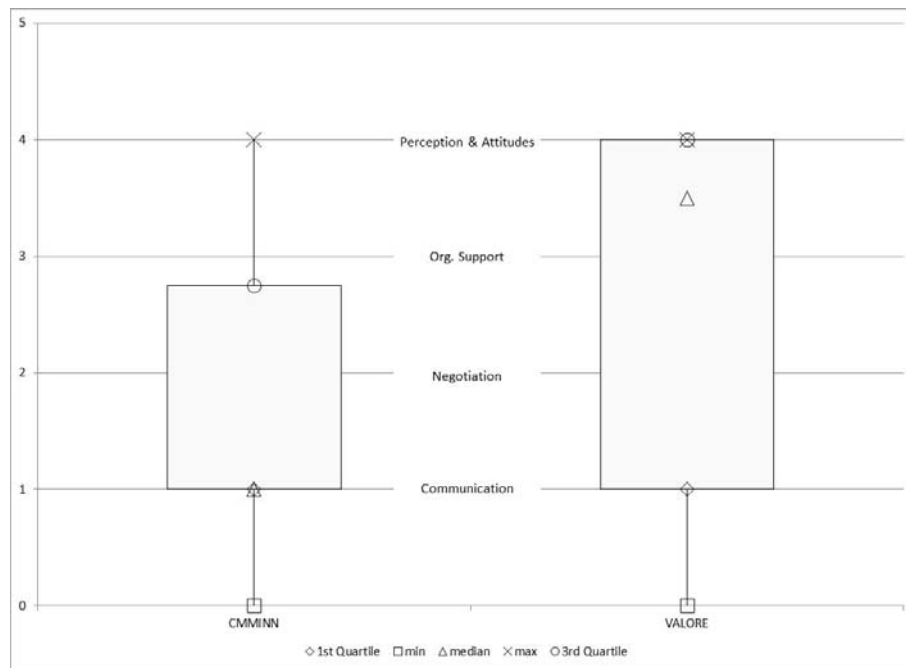
Power Distance

Boxplots tell a different story about power distance in comparison to in-group collectivism and future orientation. There is a significant shift in means from 2 to 4 values and boxes overlaps are also significant. Regarding the question of ‘...*Mexican managers’ inability to communicate in the Chinese language affects their job performance?*’ most managers tend to express that this affects their performance and obviously, executives with activities directly related to managing people, stress in this issue. Most of the arguments of managers denote the anxiety on doubting whether Chinese counterparts understand or not what they want to express. Interviewees state that even though most companies hire communication assistants (linchpins) to translate or help with the day by day communication, linchpins do not solve the anxiety on this matter. Furthermore, some of the interviewed managers mentioned that they dispensed with linchpins because they do not tacitly translate what they want to say, mainly because of the fact that linchpins tend to adapt the message to their business culture. Another important issue

expressed by Mexican managers is the use of body language; Chinese workers tend to assent when they are listening but that does not mean that they agreed what they have been told but simply saying 'I am listening'. Anxiety rises when Mexican managers raise their voices to the level of being considered rude. The practice of pointing out the defects of someone in public decreases the authority of the one who does it. Managers also state that as a foreigner, speaking Chinese may lead to more confusion because Chinese workers could think that the foreigner knows the culture surrounding the conversation. Regarding the question of '*...Mexican managers' hierarchical position in the organization affects his/her job performance?*' most managers indicate that organizational hierarchy impacts job performance. They state that decisions are made by top management; furthermore, if immediate action is needed, the most reliable way is that top management communicates it by a top-down command. Managers mentioned that organizational hierarchy is a big issue in a business context because it impacts substantially on the effectiveness of meetings. Meetings becomes an '*informational show*' in which there is not discussion of issues or the opportunity to change the course of decisions, decisions are made before meetings. Regarding the question of '*...The name of the company for which the Mexican manager works affects his/her job performance?*' most managers consider this to be true; however as explained previously, the Chinese living style is very monetized and workers would not prefer to stay in a well-known company if the salary is low. Regarding the question of '*...The fact that Chinese counterparts perceive that the Mexican managers acts 'different' to other business persons affects their job performance?*' most managers disagree with this statement, since they do not perceive that acting differently affects his/her performance. Some of them even argue that being a foreigner is an advantage; people know that you are there because of the knowledge and technology so they seek to quickly gain the most of your knowledge. With respect to the question of '*The fact that 'keeping face' is culturally rooted in Chinese business environment affects your job performance*', most managers consider this to be true. 'Keeping face' causes lack of commitment and lack of willingness to take a risk. Managers mentioned that when they have found fault with somebody, it is not possible to blame them immediately. Managers need to find ways to point out mistakes without exposing people; respondents mentioned that when someone has been exposed in public, Chinese are in solidarity with their compatriots and are no longer willing to participate.

Figure 2 shows the boxplot analysis for the dimension of manager's perception, attitudes and cultural values. As mentioned before, levels represent how managers would choose to response in case performance indicators are out of control (innovative situation) and what to change if it were in his/her hands to do it (manager values). There is a significant shift in means; while for the case of innovative situation, managers tend to put emphasis on communication, they would chose to change the organizational support and Chinese perceptions and attitudes if they could.

FIGURE 2
BOXPLOT ANALYSIS FOR INNOVATIVE
SITUATION AND MANAGER VALUES



Innovative Situation

Regarding to the question of ‘*When changes are necessary because performance indicators gone out of its normal course, Mexican managers focused these changes on communication, negotiation and interpersonal or cultural performance?*’ most managers mentioned that they try to improve communication modes and channels. One strategy they follow is to make sure that workers understand what they have been told to do, make sure workers have tools and knowledge to do their duties and check even hourly the course of urgent topics.

Manager Values

Regarding to the question of ‘*what would the Mexican manager change the business environment in China if it were in his/her hands: communication, negotiation, media, cultural and interpersonal performance?*’ most managers express that they would change the cultural and interpersonal performance of Chinese counterparts. The issues that managers expressed are to get Chinese workers to gain interest in their work, to get them to accept challenges and responsibilities and not only in the money. Also, it is desired to get Chinese workers to express what is bothering them and what they like about their work. Mexican managers also mentioned that Mexican managers should change their mind-set about China; the old stereotype of poor, humble and handicapped Chinese people that was widely publicized by movies is no longer valid. China has gone ahead quickly to many western countries in different economic activities.

Other Factors: Language Choice, Linchpins, Double Organizational Hierarchy

Other important information obtained from interviews is how expatriates’ performance is affected by the use of a specific language, linchpins or double organizational hierarchies (Chinese pair). It seems that linchpins do not have an important impact on expats’ performance. Managers expressed that even if linchpins can be a ‘bridge’ to the Chinese culture, they do not really offer much advantage; especially if linchpins are young workers with low experience and little organizational knowledge. Some managers

stated that linchpins can be an advantage if their 'in-situ' is high. Another important factor to discuss is the choice of language to communicate; it seems that the choice of German as a communication language has a negative impact on expats' performance. The organizational communication literature discusses the advantages of adopting a common organizational language that in many cases is not the MNC home country language. Finally, the double organizational hierarchy seems to have a relative positive impact on expats performance. Although Mexican managers would find it difficult to couple with Chinese managers, they offer a reliable 'bridge' to the local business culture.

THUMB RULES FOR ADAPTATION

It is not possible to derive a statistical conclusion to the above proposed research statements because the sample size is too small but, tentative findings can be proposed to the reader as a summary of what is being discussed:

1. Before embarking in any negotiation, foresee players' roles, aims and horizons. If possible express goals in a medium to long term period.
2. Try to find out what role can you play in already established Chinese teams, play for the team and not for yourself. In this way, you increase the chances to build a relationship with your hosts.
3. Locate the decision maker, communicate your ideas to him/her in a face-to-face meeting, and let him/her convey the ideas to the team. Do not pretend that your ideas would be better accepted if you push or rush your Chinese hosts.
4. Do not make a direct judgment on somebody else's work. Express your points in terms of overall performance. Base your judgment on facts (indicators, written processes, etc.). If needed, call the worker in a face-to-face meeting to point out his/her mistakes.
5. Be aware about the volatile job market in which implications might be different from what you have seen in your country. Workers would be looking for today's reward rather than a job career.
6. Find a common communication language which might be different from a corporate language. Use linchpins but do not rely on them to assertively communicate your ideas. Even with his/her help, double check if the message has gone through (ask questions, monitor developments frequently, etc.)
7. Understand and accept the fact about the importance of hierarchies; rather than fight against them. Use the system to advance your ideas and improve performance.
8. Seek support whenever is needed starting from your pairs. Use your organizational networking to bring solutions to the problems you are facing daily.
9. Remember that you are not there to take a Chinese position, but to take the position that a Chinese worker cannot have yet because of the lack of knowledge. Therefore, teach them to do it.
10. Get rid of any stereotype you have about China, you will be surprised how advanced and fast growing it is in comparison to your own country.

CURRENT LIMITATIONS OF THE STUDY

It is important to mention that the sample size presented in this paper limits any possible statistical assumptions. Anyhow, the purpose of this paper is to pilot the research questions, variables and statements for increasing the sample size and sample heterogeneity by including other Latin American nationals. With respect to this issue, there are several topics that can be discharged such as: the use of linchpins and the whole perception of managers about how activities are planned, monitored, and rewarded in China. On one hand, managers did not stress the value of communication assistants for their performance. On the other hand, this study is framed in the automotive industry which its competition dynamic permeates business practices to the local environment and little differences are found. However, there are several topics which it would be important to concentrate on for the wider research; one is the impact that the double organizational hierarchy has on expats' performance and the other, is the support that expats need to have in order to improve the benefits from his/her experience in China. The first topic

is important to research not only from the MNC point of view but also, from the local perspective; since fast adaptation of expats and the fast transference of knowledge would have a positive impact on the subsidiary performance. The second topic has a potential to contribute to the corporate network configuration and coordination literature, since having peer subsidiaries to contribute to the success of another subsidiary is a valuable research gap to discuss.

Another important limitation is the current study's perspective and approach taken; the GLOBE framework is that an "either/or" (linear, Western), rather than "and/and" (Chinese, holistic) perspective is adopted to assess cultural differences in the context of China. Some scholars have also been challenging the controversy surrounding Project GLOBE and what it has measured: unfounded national stereotypes (misleadingly called "practices") and norms (misleadingly called "values"); while clear differences are shown if compared between mainland China, Hong Kong and Taiwan. Following Hofstede's value orientation framework, tend to bound Chinese people in their high power distance, low individualism, low uncertainty avoidance and medium masculinity ratings (Bond, 1996; Chong et al., 1983; Shenkar and Ronen, 1987; Cragin, 1986: in Dong & Liu, 2010), while IBM survey showed that in comparison to the Americans, Chinese are more likely to choose long-term orientation decisions.

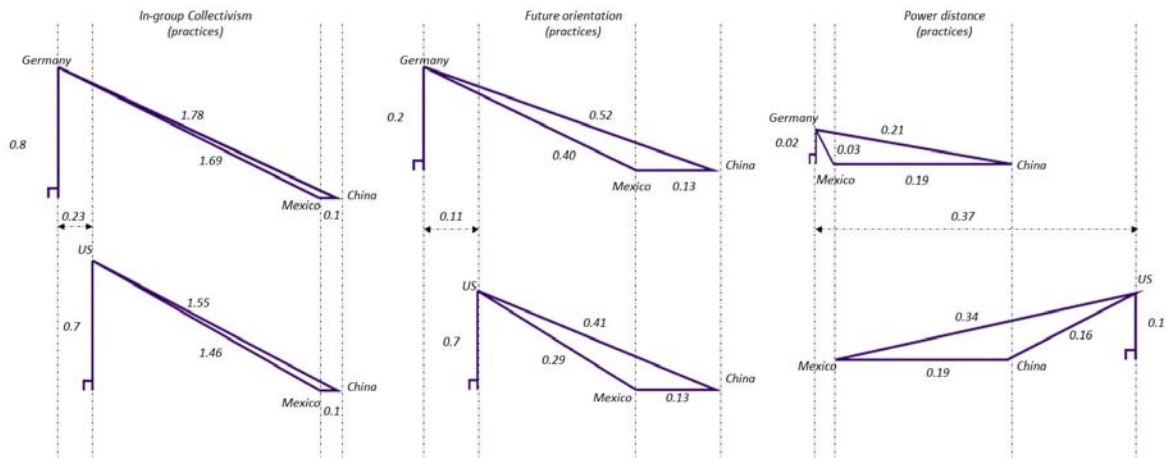
FURTHER STUDY

In concordance with it has been explained above, it would be important to increase the sample size in order to get a representative population to derive assumptions. This can be either increasing the number of Latin American managers having an expatriate experience in China; however, finding managers within the automotive and industry seems to be very restrictive and time consuming. In contrary to that, the sample size can also be increased by digging deeper on each of the fourteen cases presented in this article. Thus, every manager has an inner circle in China, represented by people working close to him/her such as: chief, pair, linchpin and collaborators. In consequence, the sample size could be increased up to 112 interviewees (inner circle: 1 chief, 1 pair, 1 linchpin, 5 collaborators equals 8 people; 8 people times 14 managers equals 112 interviewees). Hence, the sample size can be extended further if a 'mirror' research is carried out in Mexico with Chinese managers, then the total sample size would be 224 interviewees. A similar approach can be taken if the study is expanding to other nationalities in Latin America.

Finally, it is important to mention that this study could produce a certain number of deliverables such as: a methodology to assess how robust would be the actual abilities of a company's pool of managers in order to carry expatriate activities in a foreign country; therefore, a method to extrapolate the research assumptions to other nationalities and industries may be an output. Picture 4 shows the potential extrapolation method derived from what was explained in 'the complexity of the phenomenon' section.

Assuming that research topics, questions, answers' codes and organizational framework can be standardized; it would be possible to extrapolate results based on a two dimensional triangle system. This system can potentially suggest what would be the best approach to a particular need in a foreign subsidiary, as well as what would be the best nationality to fit in for a particular business situation. This extrapolation to other nationalities would produce also specific training needs that multinationals could develop to build a pool of international managers for their foreign operations.

PICTURE 4
POTENTIAL EXTRAPOLATION METHOD



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