

The role of Quality of Place factors in expatriate international relocation decisions: A case study of Suzhou, a globally-focused Chinese city



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ARTICLE INFO

Article history:

Received 11 April 2016

Accepted 31 January 2017

Available online 16 February 2017

Keywords:

Quality of Place

Liveability

Global talent

Expatriate

Suzhou

ABSTRACT

The role of ‘quality of place’ (QoP) in attracting and retaining workers has been a significant concern of urban related policy makers and research communities over the past decade. This paper aims to address the significance of QoP factors in attracting and/or retaining global talent by presenting the findings and implications of a study into the relocation decisions of expatriate workers in Suzhou, China. Findings from a survey questionnaire indicate that global talent moving to Suzhou have been driven primarily by career-related opportunities instead of QoP factors. However, binary logit analysis shows that QoP factors have contributed positively towards the retention of global talent in the city.

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1. Introduction

The role of ‘quality of place’ (QoP) in attracting and retaining highly skilled and creative workers has been a significant concern of urban related policy makers and research communities in recent years. This has taken place on the back of claims that the development of creative and knowledge economies over recent decades has occasioned a reversal in the traditional economic logic where workers move to employment locations, to one where employment opportunities emerge in locations where certain types of workers are based. However, this area of study still remains under-researched, as Bound et al. suggest:

“While we know a fair amount about why talent is important to place, we know less about why place is important to talent (2008: p. 17)”.

The implications of research findings in this area have obvious and certain implications for urban and regional planning policy, particularly in terms of the kinds of amenities, environments and life-style offers they seek to develop in individual locations. The bounded relation between place and economies has taken a new turn, but understanding of the implications of this turn in theory and practice remain at best partial. A key author in this area,

Richard Florida has stressed the existence of the globally mobile ‘creative class’ who are to drive future economic growth, and argues that where they decide to locate will determine the geographical loci of growth. However, his argument concerns only one specific cohort of the global workforce – that of young and mobile creative/knowledge-related workers in Western countries. Further, Florida’s original empirical analysis, as well as subsequent studies, has tended to be focused within a Western context, primarily North America and Europe (Niedomysl and Hansen, 2010; Lawton et al., 2013). Little consideration has been given to the situation outside of these geographical areas.

This paper aims to address at least a portion of this research gap by presenting the findings and implications of a study into the role of QoP factors in the relocation decisions of expatriate workers moving to Suzhou, China. The Chinese case presents quite a different industrial context to that considered by Florida and the creative class discourse (Nifo and Vecchione, 2014). China’s economic miracle has overwhelmingly been driven by foreign direct investment (FDI) seeking efficiency gains in the factors of production – primarily labour (Kim, 2015; Zhao and Zhang, 2007; He, 2002, 2003). Consequently, only limited attention has been paid to QoP considerations in the recent and contemporary development of Chinese cities. This is largely due to the vast majority of migrants to Chinese cities being low skilled and from the surrounding rural areas. In these cases, QoP considerations are generally limited to simply a basic sheltered bed, access to food and affordable transport back to their home location at certain times

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of year. However, in contrast, for the expatriate managers and employees who move to China to run or oversee factories, certain QoP factors are likely to have been considered when the personal (or household) decision was made to relocate. Further, the onset of mass manufacturing has been accompanied by an increasing service sector, much of which has been provided by foreign companies and individuals (Yeh et al., 2015), particularly in areas such as architecture, urban planning, English language instruction and financial/business services.

This paper presents the results of research that sought to identify the various QoP requirements and preferences of different categories of expatriate professionals in a rapidly globalising Chinese city, Suzhou. Over the past two decades Suzhou has emerged as one of China's major economic locations, and this has largely been based upon a growth strategy centred on attracting FDI. Consequently, there are many expatriate communities in the city from across the world, but particularly from Taiwan, Korea, Japan, the US and Germany. The questions that the research seeks to answer are as follows:

- How significant have QoP factors been in attracting/retaining global talent in Suzhou?
- What QoP factors have global talent considered when relocating to Suzhou?
- How do expatriates perceive QoP factors in Suzhou?

By answering these questions, this paper aims to identify potential planning implications for Suzhou and other Chinese cities with respect to liveability and territorial competitiveness. Further, two theoretical arguments are made based upon the results of the research. Firstly, findings reinforce existing calls in the literature for a more nuanced understanding of the role of QoP in different geographical locations. This research focuses on an eastern Chinese conurbation which is not known well internationally for its QoP characteristics and finds that QoP factors play a minor role (when compared with career factors) in the attraction of workers. Secondly, the results of the research also reinforce a need to make a conceptual distinction of the role of QoP in retaining workers, rather than a one-sided focus on just its role in initially attracting them. The research found that QoP factors played a significant role in workers' decisions to remain in Suzhou. The paper will firstly consider existing research and commentary surrounding the attraction and retention of FDI and globally mobile knowledge/creative workers, including the role of QoP factors. The case study will then be introduced, with a discussion of both the Chinese context and Suzhou specifically. The research methodology will then be

described before the results are presented. Finally, some concluding comments and implications will be drawn from the findings.

2. Investment, growth, people and place

Understanding of the relationship between mobile global talent and QoP remains under-developed. Perhaps the most prominent contribution comes from the creative class literature which has its emphasis upon people who can bring about dynamic changes to cities (Florida, 2002), considering the presence of individuals with knowledge, creativity and enthusiasm as a potential engine for economic growth. Florida (2002, p. 69) defines the creative class as made up of two groups: a 'super creative core' (scientists and engineers, university professors, poets and novelists, artists, entertainers, actors, designers and architects, as well as the thought leadership of modern society – non-fiction writers, editors, cultural figures, think tank researchers, analysts and other opinion makers) and 'creative professionals' (working in a wide range of knowledge-intensive industries such as high-tech sectors, financial services, the legal and health care professions, and business management). Members of the creative class are thus typically well-educated and highly skilled. In the particular context under study (i.e., Suzhou), expatriates are a significant component of the labour force in these particular professions. Fig. 1 displays a creative people-oriented framework and the relation described as Line A is commonly accepted. Therefore, city managers and policy makers are eager to enhance tertiary education sectors, invest in research and development (R&D), and attract many of the professional groups highlighted by Florida. Despite many critics (Berry, 2005; Glaeser, 2005; Peck, 2005), Florida's ideas have been highly influential, with a range of cities across the US and Europe gearing their growth strategies around the creative city model (Trigaux, 2003; IMPRESA AND COLETTA & COMPANY, 2004; Peck, 2005; CINCINNATI TOMORROW, 2003).

One of the controversial arguments raised by Florida (2002) is the relationship indicated by Line B in Fig. 1 with respect to firms' location choice related to the question: 'do jobs follow people?' The location preferences of globally mobile companies have been a key consideration of academic and policy communities over the past three to four decades (Sassen, 2001; Friedmann, 1986; Dunning, 1998). Prior to the 1980s the location decisions of mobile firms was considered to be primarily related to a location's offer in terms of the traditional factors of production, particularly land (including proximity to markets) and labour (including skills) (Dunning, 1993, 1998; Zhang, 2005; Kim and Choi, 2004; Kamo, 2000). Towards the

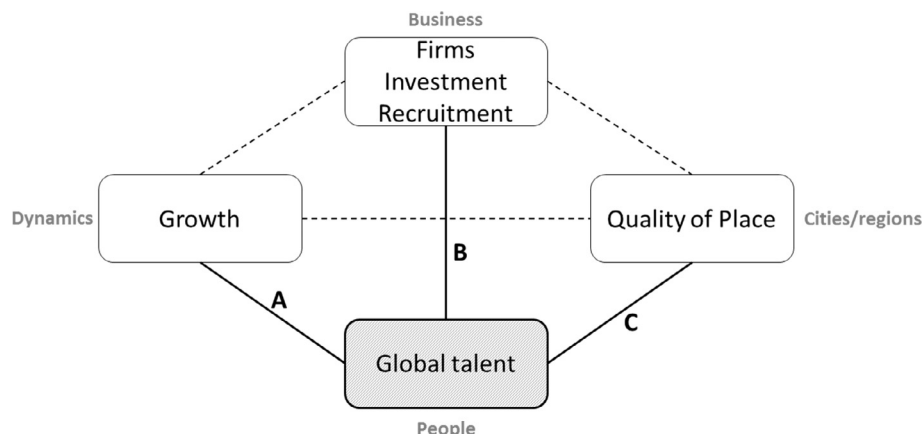


Fig. 1. A creative class-oriented framework.

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