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Host country employees' ethnic identity confirmation: Evidence from interactions with ethnically similar expatriates

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ABSTRACT

Employing expatriates who share an ethnicity with host country employees (HCEs) is a widespread expatriate selection strategy. However, little research has compared how expatriates and HCEs perceive this shared ethnicity. Drawing upon an identity perspective, we propose HCEs' ethnic identity confirmation, the level of agreement between how an HCE views the importance of his/her own ethnic identity and how expatriates view the importance of the HCE's ethnic identity, affects HCEs' attitudes towards ethnically similar expatriates. Results of two experiments show that HCEs' ethnic identity confirmation is related to HCEs' perception of expatriates' trustworthiness and knowledge-sharing intention.

1. Introduction

In the international management literature, research on expatriates who share an ethnicity with host country employees is a niche topic. However, employing expatriates to work in host countries in which they share an ethnicity with local people (termed ethnically similar expatriates) is a widespread practice in MNCs (Thite, Srinivasan, Harvey, & Valk, 2009; Yuan, 2007). MNCs expect the ethnic identity of these expatriates to facilitate their interactions with host country employees (HCEs) and help them gain support and knowledge. In contrast to these expectations, empirical research has revealed ethnic similarity does not always ensure positive relationships. It is often associated with interpersonal conflicts and a lack of trust between ethnically similar expatriates and HCEs (Chung, 2008; McEllister, 1998; Yuan, 2007). As a result, MNCs' expatriate selection strategy can fail to achieve its goals, and ethnically similar expatriates may face difficulties at work and maladjustment in the host country. Why does ethnic similarity not always generate positive social outcomes between ethnically similar expatriates and HCEs? This question, thus, constitutes an intriguing source of phenomenon-based research in international business (Doh, 2015). It is important to gain an in-depth understanding of how ethnic similarity influences interactions between ethnically similar expatriates and HCEs.

Since helping expatriates succeed is essential in international management, it is not surprising that research on expatriate-HCEs interactions has primarily focused on expatriates, such as identifying factors that can help expatriates gain support and knowledge from

HCEs (Leonardelli & Toh, 2011; Varma, Pichler, Budhwar, & Kupferer, 2012). Nevertheless, by ignoring the experiences of HCEs in interactions, researchers have missed an opportunity to identify important factors that create difficulties in interactions between expatriates and HCEs. To understand why ethnic similarity may not facilitate positive relationships, two perspectives need to be considered. The first is an interactive perspective. Since HCEs are often researched in the context of interacting with expatriates, an interactive perspective could position HCEs as the focus of analysis. This is because when an interaction involving two parties is analyzed, both parties are equally important and both parties' attitudes and behaviors can affect the outcome of the interaction (Jung & Hecht, 2009). Understanding not only the experiences of expatriates, but also HCEs' experiences and attitudes, provides an opportunity to identify what factors inhibit HCEs from providing support to or sharing knowledge with ethnically similar expatriates.

The other perspective is a social identity perspective, specifically, social identity theory and self-categorization theories (Tajfel, 1981; Turner, 1982). Both theories explain relationships between individuals and social groups. Social identity theory focuses on how individuals manage their multiple social identities, such as when they prioritize one identity over others (Tajfel, 1981). Developed from social identity theory, self-categorization theory focuses on how people make self-categorizations based on social identities (Turner, 1982). In the current study, ethnic identity is the key factor that makes ethnically similar expatriates different from other expatriates. It is precisely this identity that is expected to help expatriates build interpersonal connections with HCEs. Social identity theory and self-categorization theory can

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explain how expatriates and HCEs view their ethnic identity in relation to other social identities and how the shared ethnicity might affect their self-categorization and trigger particular interpersonal dynamics between ethnically similar expatriates and HCEs.

Combining the interactive perspective and the social identity perspective, we propose ethnic identity confirmation as an important concept to explain the role ethnic identity plays between expatriates and HCEs. Ethnic identity confirmation, a concept based on self-verification theory, is defined as the level of agreement between how one party (e.g. an HCE) views the importance of his/her ethnic identity and how the importance of this party's ethnic identity is viewed by another party (e.g. an expatriate) (Milton & Westphal, 2005; Thatcher & Greer, 2008). This concept reveals that in order to understand the impact of ethnic identity in an interaction, only examining one party's ethnic identity self-view is not enough; how this identity is viewed by the other party also needs to be considered.

Identity confirmation is important in interactions for several reasons. Firstly, according to self-verification theory, having one's identity confirmed in social interactions is a fundamental human desire (Swann, Rentfrow, & Guinn, 2003). When entering an interaction, people may consciously want to achieve functional goals, such as exchanging information or building relationships. Achieving identity confirmation is a more fundamental goal, although for many people it might remain sub-conscious. It is, however, essential for the individuals involved in the interaction as well for a smooth interaction itself. Identity-related information is exchanged at the beginning of an interaction (Polzer, Milton, & Swann, 2002). People try to establish their desired identity and to gain agreement regarding this identity with the other party (Ting-Toomey, 2005). Social identities are associated with behavioral norms and social expectations (Stets & Burke, 2000). Achieving an agreement on a social identity can establish shared social norms so people know how to behave and what to expect from the other person accordingly. When two parties share an ethnic identity, ethnic identity confirmation is relevant because it signals to what extent the shared ethnic cultural norms will affect their interactions and whether or not they need to follow ethnic cultural norms. If ethnic identity confirmation is not achieved, one party might try to follow ethnic social norms, while the other party does not. In such cases, their interactions will not be smooth. Secondly, identity confirmation also matters for each social party personally. Identity is a tool people use to make sense of the world by knowing who they are and how they are related to other people in the world (Seyle & Swann, 2007). When people's identity is confirmed, they know their theory about the world is correct. This can give them a sense of psychological coherence (Swann et al., 2003), which is very important for people's well-being (Meister, Jehn, & Thatcher, 2014).

Our study makes several important contributions to the international management literature. We introduce a concept, ethnic identity confirmation, to explain the complex interpersonal dynamics among ethnically diverse employees in multinationals. Using HCEs' ethnic identity confirmation as an example, we demonstrate in which circumstances ethnic similarity between expatriates and HCEs can facilitate social interactions. Our research also stresses the importance of understanding HCEs' experiences and how they can facilitate expatriate-HCE interactions. Additionally, we reveal the potential inconsistency between people's biological connection with an ethnic group and their subjective view towards this ethnic group and demonstrate how invisible differences can be disguised by surface-level similarity. Thus, an ethnicity-based expatriate selection strategy may not be able to guarantee successful interactions between expatriates and HCEs. Finally, we applied an under-utilized research method, namely experimental design, in our study. This method enables us to demonstrate a causal relationship between HCEs' ethnic identity confirmation and its social consequences.

The remainder of this article is structured as follows. We first introduce the concept of ethnic identity confirmation and explain the

significance of ethnic identity confirmation between ethnically similar expatriates and HCEs. Subsequently, we develop our hypotheses regarding the effect of HCEs' ethnic identity confirmation on their perception of expatriates' trustworthiness and knowledge-sharing intention. We then describe the two experimental studies and present our statistical results. The article concludes by outlining the theoretical and practical implications of our study and by presenting future research directions.

2. Ethnic identity confirmation

Ethnic identity confirmation is based on self-verification theory, which stems from symbolic interaction theory (Milton & Westphal, 2005). Symbolic interaction theory stresses that other people's evaluations of our identity are important (Cooley, 1983). For example, individuals who are viewed as intelligent in social interactions come to see themselves as intelligent (Swann, Polzer, Seyle, & Ko, 2004). Identity confirmation has individual significance. Self-verification theory assumes that having one's identity confirmed by others in a social interaction is a fundamental human desire (Swann et al., 2003). Achieved identity confirmation means individuals' view of themselves is consistent with how others view them. This congruence can generate a sense of being in control of the environment and a feeling of psychological security (Swann et al., 2003). In contrast, a lack of confirmation gives people a feeling of inconsistency between what they think they are and how to behave and who others believe they are and how other people think they should behave (Swann et al., 2003). This causes feelings of frustration. Individuals may even feel incompetent and perceive their existence to be threatened (Swann et al., 2003). Identity confirmation also has interpersonal significance. Self-verification theorists (e.g., Swann, 1987) believe that although other people play a role in individuals' identity formation, individuals are not passive in this process. To receive identity confirmation, individuals selectively tend to interact with others who confirm their identities and reduce interactions with people who do not confirm their identities (Seyle & Swann, 2007; Swann et al., 2003). Management researchers have applied self-verification theory to investigate employee behaviors in organizations. They have found that when individuals receive personal identity confirmation from team members, they tend to be more cooperative, identify more with the group, experience fewer conflicts with their group members and, as a result, a team's creative task performance benefits (London, 2003; Milton & Westphal, 2005; Polzer et al., 2002).

We apply self-verification theory to investigate ethnic identity. Ethnic identity confirmation focuses on whether or not there is agreement on how important the target social identity should be in an interaction. People's ethnic group membership is an ascribed identity; the group boundary is generally clear and there is not much room for disagreements to occur in social interactions. However, disagreements might occur when two parties hold different views on whether or not ethnic identity should play a role in their interaction. According to social identity theory, people tend to have a preference about which social identity, among others, is important in a specific situation (Burke, 2003), and the one that is seen as important is not necessarily their ascribed identity. We do not suggest that all expatriates and HCEs view their ethnic identity in the same way. We acknowledge that both expatriates and HCEs can hold their own views regarding the importance of their ethnic identity depending on their personal circumstances. Thus, high ethnic identity confirmation can be achieved when an HCE interacts with one expatriate, but may not be achieved with another expatriate.

2.1. Ethnic identity confirmation in the interaction between HCEs and ethnically similar expatriates

Identity confirmation is a general human desire that applies to

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