

# Locational Preferences, Guanxi Networking Practices and Cultural Adjustment of a Chinese State Owned Enterprise's Expatriate Managers in Sub-Saharan Africa

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## Abstract

Chinese involvements in African countries have become one of the hottest topics in International Business (IB) research field these days. The 'Going out' policy, as well as the newly heralded Belt and Road Initiative<sup>1)</sup> of the Chinese government have boosted Chinese MNCs' Outward Foreign Direct Investment (OFDI) movements. Especially, the largest and most powerful State-Owned Enterprises (SOEs) are seen as the bellwethers among Chinese MNCs that are investing and expanding their business overseas. Under the 'Going out' policy, previous western studies tend to see Chinese MNCs' OFDI movements in emerging and developing countries as resources and markets seeking behaviors. Furthermore, they suspect that the 'South-South Cooperation' is just the rhetoric of political slogans.

Nowadays, the Chinese government is committed to a grand effort in launching the Belt and Road Initiative, which is considered able to bring about mutual benefits and peaceful development with countries in Asia, Europe, and Africa and the rest of the world. To respond to this initiative, China's government held the 2018 Beijing Summit of the Forum on China-Africa Cooperation (FOCAC)<sup>2)</sup> last September. Many scholars and experts, representatives of Chinese SOEs, African Countries' government officials and African entrepreneurs attended this forum. Although the fabricated 'China Threat Theory' has triggered negative images about Chinese OFDI movements, the real intentions of Chinese MNCs investing overseas, and the reality of how they operating their business in other emerging economies remains behind a veil. Existing empirical studies from and for emerging and developing countries are inadequate. Taking the interest in learning about the facts of South-South Cooperation as the starting point, this research is aiming to fill the gap between impressions and realities.

Chinese SOEs assign many expatriates to sub-Saharan African countries every year to answer the call of the Chinese Government's Globalization policies and the Belt and Road Initiative. Chinese expatriate managers are expected to make use of their managerial practices and Guanxi networking to be successful in the African business environment. However, less is known about their locational preferences and Guanxi networking behaviors in the corporate,

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market and living environments in sub-Saharan Africa. Underpinned by the cultural proximity between Chinese and Ubuntu (sub-Saharan African) culture, cultural synergy may be created from their Guanxi networking practices with local stakeholders. This research is aiming to explore the linkage among their locational preferences, Guanxi networking and cultural adjustment performance in Africa.

**Keywords:**

Guanxi Networking, Ubuntu, Expatriate, Locational preferences, Cultural adjustment, China, Sub-Saharan Africa, Belt and Road Initiatives

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## 1. Introduction

In the 21st century, our world is undergoing profound and complex changes. Though the underlying apprehensions of the Global Financial Crisis continue to loom, the world economy is convalescing slowly and unevenly, Meanwhile the complicated international and regional situations present emerging and developing countries with bigger challenges than before. Emerging economies are defined as 'low-income, rapid-growth countries under the circumstance of economic liberalization' (Hoskisson, et al., 2000). MNCs often play a pivotal role in the development of emerging economies. Therefore, they have to possess competitive

strategies to deal with the extensive scope and rapidity of complex economic and political change in emerging economies (Meyer, 2004; Hoskisson, et al., 2000). Emerging economies often perhaps have less sophisticated market supporting institutions and fewer locational advantages based on created resources, namely infrastructure and human capital (Hoskisson et al., 2000). Consequently, the strategic human resource management (SHRM) and cross-cultural management (CCM) of MNCs have become the focus of scholarly research within the International Business (IB) research field.

China is representative of those large emerging economies. Over the last two decades, Chinese involvements in African countries, which is driven by Chinese globalization strategies and supported by governmental encouragement and financial aids, has increased tremendously (Grimm, 2014). China has become the largest trade partner of African states, and Africa is one of the largest OFDI destinations of Chinese MNCs. Grimm (2014) opined that this kind of relationship between emerging and developing countries, which is termed as the South-South Cooperation, is mere rhetoric and political slogans. He also tried to explain the reason for Chinese MNCs OFDI movements as 'a market and resources-seeking' behavior. In his opinion, despite the enormous quantitative growth of South-South cooperation, the quality aspect of the cooperation seems in need of improvement.

As a continent with many emerging and developing countries, African has abundant unskilled labor forces. Due to the shortage of highly educated and well-experienced human resources, dispatching expatriates may be a possible solution to Chinese MNCs investing in Africa, but the tough living conditions and diversified indigenous culture make cultural adjustment difficult. Also, Chinese MNCs in Africa are still facing problems in product quality management, managing and motivating local workforces and the protection of local labors' rights, of which all have detrimental effects on the improvement of organizational performance and long-term sustainable development. Schlunze et al., (2014) showed that preferences for interpersonal relations and trust are most important for the creation of cultural synergy. Synergetic and innovative managerial practices are crucial for managing and motivating employees and stakeholders of transnational firms.

To answer the call of the Belt and Road Initiative, China government held the 2018 Beijing Summit of the Forum on China-Africa Cooperation (FOCAC) last September. At this forum, President Xi gave an important speech<sup>3)</sup>. He said that in order to build a China-Africa community with a shared future, China would launch eight major initiatives in collaboration with Africa countries in the future. The eight initiatives are as follow:

- ◇ Industrial promotion initiative
- ◇ Infrastructure connectivity initiative
- ◇ Trade facilitation initiative
- ◇ Green development initiative
- ◇ Capacity building initiative
- ◇ Health care initiative
- ◇ People-to-people exchange initiative
- ◇ Peace and security initiative

President Xi also proposed a shared vision of pursuing happiness, win-win cooperation, cultural prosperity, common security, and harmony between man and nature within China-Africa community.

Western politicians and media are fond of preaching ‘China Threat Theory’<sup>4)</sup>, or identifying Chinese OFDI movements as activities of ‘Neocolonialism’<sup>5)</sup>. Some media reports list problems or troubles that Chinese MNCs encountered in Africa. For instance, in their views, Chinese MNCs overemphasize building ‘Guanxi’ with local governments and neglect on building ‘Guanxi’ with local society, and therefore causing cultural conflicts and misunderstandings. Furthermore, they reported that Chinese firms are often unfamiliar with local laws and regulations, social customs, traditions and religions. In fact, in this research, the network maps and the interview discourses of Chinese managers may indicate that these statements to be poorly founded.

Scholars suggest that as ‘a new geopolitical dynamics, the presence of China in Africa should be incorporated into the way international human resource management (IHRM) is studied cross-culturally’, but still little previous research has been conducted at the organizational level (Jackson, Louw and Zhao, 2013, p.2512). Jackson, Louw and Zhao (2013) consider that the growing South-South dynamic can be integrated into a consideration of power dynamics and cultural crossvergence. They raise the importance of conducting studies about hybrid forms of organizations instead of sustaining cross-cultural scholarship merely on cultural comparisons. Following the same consideration, Xing et al. (2014) propose a model showing the dynamic process of Chinese managers’ crossvergence in HRM practices, which contributes to understanding the implications to people management in South-South cooperation, and also contributes theoretically to the development of CCM and IHRM studies as well.

Inevitably, under the complicated political, economic, legal, social and cultural

environments, adjustment problems as well as gaining mutual respect and support from the local society have become prerequisites for Chinese MNCs achieving business success in Africa. Hence, enhanced communication and cross-cultural synergy creation process are crucial to the planning and improvement of IHRM and CCM practices of Chinese MNCs.

From a network perspective, international managers are important social capital of MNCs. Correspondingly, their cultural values and norms strongly influence social networks (Schlunze, 2012). Czinkota et al., (1999) pointed out that change agents are the fastest and best managers who can adjust to and create new practices and skills. Schlunze (2012) proposed that a good performer of international managers should possess the role of a change agent who helps implement Headquarters' (HQ) strategies and policies and transfers organizational culture to the local employees. Additionally, these change agents can adapt and modify the corporate, market and living environments continuously by delivering the activities mentioned above. International managers often need to cross boundaries linking host and home cultures, attitudes, and behaviors. Their social capital values lie in specific local and global business communities, although they are capable of practicing global action, still, to fully exert their expertise, they have to maintain a network with customers, co-workers and advisors at the local and global levels for consulting (Schlunze, 2013; Schlunze & Baber, 2014).

There is a famous philosophical proverb in China when dealing with foreign affairs, '求同存异, 和而不同', which is 'seeking common ground while reserving differences, developing together in harmony' in English. Meanwhile, scholars have found that there is cultural proximity between 'Guanxi' and 'Ubuntu', which are representative features of Chinese and sub-Saharan African culture respectively (Xing et al., 2014). To evaluate innovative dynamics of Chinese expatriates' networking behaviors and bring about implications for strategy-making intention, this study will investigate whether there exists crossvergence or synergy created from the cultural proximity of Guanxi and Ubuntu. This research mainly focuses on expatriates' locational preferences and strategic networking practices.

The research object is a large Chinese SOE that is operating many overseas subsidiaries and offices, and therefore sending expatriates frequently on overseas assignments. Since less is known about Chinese expatriates' locational preferences and Guanxi networking behaviors, and the linkage among locational preferences, Guanxi networking and cultural adjustment in the corporate, market and living environment of sub-Saharan African countries. Questionnaire surveys and interviews were conducted with Chinese expatriate managers

about their locational preferences and Guanxi networking behaviors and practices in sub-Saharan African business environment. The remaining sections of this paper are structured as follows. Firstly, I will commence by reviewing the relevant literature and then introduce the research methodology. Secondly, I will report and discuss the findings of the questionnaire surveys and interviews. Finally, a summarized conclusion chapter will be given with also the limitation and important areas for future research.

## 2. Literature review

### 2.1 Expatriate manager's networking practices, cultural intelligence and performance

HRM is now a truly international subject of global importance and is shaped and influenced by cultural and institutional variations in context across the globe (Marchington and Wilkinson, 2012). MNCs often encounter cultural differences and CCM problems. As a result, strategically designing IHRM practices becomes important. The resource of humans is one of the most valuable resources to MNCs and has come to be seen as a core competitive advantage. But in IB studies, there is an inherent problem that most theories are from and for advanced economies. Research topics of IHRM and CCM are often treated as side stories in the IB research field (Engelen and Brettel, 2011). Still less is known about emerging and developing economies. However, since MNCs are investing increasingly in emerging and developing economies, relative knowledge has become more valuable for international marketers and corporate planners.

International managers are one of the main propellers of crossvergence process of people management. How to successfully generate cultural synergy is a significant concern. According to Adler, and Gunderson (2008), synergy is a potential advantage that provides greater openness to new ideas, increasing creativity, flexibility, and problem-solving skills in the organization. Creating synergy in organizations is vital for developing intercultural competencies (Ji, 2013). Schlunze and Ji (2012) found that hybrid managers could create mutual acculturation and cultural synergy, and therefore showed implication how organizations can achieve success through purposeful crossverging learning processes.

Earley and Ang (2003) point out that global talents should possess high Cultural Quotient (CQ), or high cultural intelligence, which is deemed as a person's capability to adapt as he or she interacts with others from different cultural regions and not necessarily

given but can also be developed in the process. Bird et al. (2010) also mention that the importance of intercultural competence is increasing in today's global workplace due to the collaborative and coordinating demands increasingly stretching leaders' capacities to perceive, interpret and act in ways that achieve organizational goals. Thus, to produce cultural synergy, international managers should gain intercultural competences and improve their global leadership performance.

Osland (2008) defines a definition of global leadership as "the process of influencing the thinking, attitudes, and behaviors of a global community to work together synergistically toward a common vision and common goal." Expatriate adjustment competency is critical to global leadership. It refers to the ability to adjust to the work, social and general cultural dimensions of a new culture and has influences on subsequent productivity in an overseas assignment (Kraimer et al., 2001; Harrison and Shaffer, 2005, Bird et al., 2010). 'Successful expatriate adjustment predicts task completion and relationship building effectiveness during the overseas assignment (Harrison and Shaffer, 2005, cited in Bird et al., 2010, p.813).' 'Relationship management addresses people's orientation toward the importance of relationships in general. From a networking perspective, relationships provide a source of information to help people understand other cultures as well as serve as a source of social support (Bird et al., 2010, p.817).' Similarly, Morris, Snell, and Wright (2006) view MNCs' international assignments as a way of developing social capital, for the reason that the fostered interpersonal linkages can be used for informal control and communication purposes. Scholars note that the development of positive relationships is a vital aspect of effective intercultural job performance (Harrison and Shaffer, 2005; Mol et al., 2005; Bird et al., 2010). Mol et al. (2005) conducted a meta-analytical review of the expatriate performance literature and found that interpersonal interest is a solid predictor of expatriate job performance. Also, within this domain, interpersonal engagement, which refers to the degree measuring people's desire and willingness to initiate and maintain relationships with people from other cultures, and emotional sensitivity are considered important dimensions (Bird et al., 2010).

Dowling, Festing, and Engle (2008, p.73; p.64) conclude that roles of expatriates are complex and have essences of competence and knowledge transfer. They can be an agent for direct control, an agent for socialization, a network builder, a boundary spanner and a language node (Au and Fukuda, 2002; Birkinshaw and Hood, 2001; Fenwick, De Cieri and Welch, 1999; Goodall and Roberts, 2003; Harzing, 2001; Marschan-Piekkari, Welch and

Welch, 1996; Marschan-Piekkari, Welch and Welch, 1999; Morris, Snell and Wright, 2006; Schweiger, Atamer and Calori, 2003; Welch, Fenwick and De Cieri, 1994).

From those roles, network builders and boundary spanners are interrelated closely with one another. Harzing (2001) describes expatriates with the role of network builders as 'spiders'. Schweiger, Atamer and Calori (2003) find out that international assignments can assist one's network development. International managers tend to nurture and protect their unique networks, and they are very selective about how to use the connections (Dowling, Festing and Engle, 2008, p.63). Managers use their networks for building ties of interpersonal obligations with people that directly affect their performance (Gargiulo, 1993).

## **2.2 Guanxi, the Resource Based View (RBV) and the Social Capital Theory**

According to Purcell et al. (2009), RBV is useful for assessing the strategic resources available to a firm from an economic perspective. Guanxi is seen as a critical social capital in the perspective of RBV. RBV prescribes that firms need to combine heterogeneous and imperfectly mobile resources to succeed, which offer sustainable competitive advantages (Barney, 1991). Ferner et al. (2011) find that Chinese people are well known for valuing the development of informal social networks for personal and business gains. This is in line with the argument that social capital can lead to the improvement of organizational performance and corporations should pay attention to developing, maintaining and exploiting such relationships. Cooke (2012) finds that many studies highlight the crucial role of social capital in the successful implementation of MNCs' business strategy. Adler and Kwon (2002, p.23) define social capital as 'the goodwill available to individuals or groups. Its source lies in the structure and content of the actor's social relations. Its effects flow from the information, influence, and solidarity it makes available to the actor.' And they further differentiate social capital into 'bonding (internal) social capital' and 'bridging (external) social capital'. According to Cooke (2012), internal social capital helps members within an organization work together in achieving shared goals, whereas external social capital ties actors together in social networks outside the organization, which all enable organizations to yield value from these inside and outside networks. Kostova and Roth (2003, p.301) state that 'social capital creates a psychology environment conducive to collaboration and mutual support and is likely to lead to positive and cooperative behaviors.' Studies indicate that personal social ties are crucial in helping corporates develop internationally (Anderson, 1993; Ellis, 2000;



Mäkelä, Björkman, and Ehrnrooth, 2009).

Expatriate managers' social ties, contacts, and networks are considered to have beneficial effects on corporations' strategic choices and organizational performance in a transition economy and this kind of relationships link performance, the micro-level construct and the macro-level phenomenon together (Peng, and Luo, 2000). It is defined as "executives' boundary spanning activities and their associated interactions with external entities" (Burt, 1997; Geletkanycz, and Hambrick, 1997, p.654). Most scholars tend to agree with the perception that the social capital embodied in managerial ties and networks, for instance, Guanxi networking, matters for Chinese MNCs in achieving business success when operating international subsidiaries (Granovetter, 1985).

Relevant studies suggest that 'Guanxi' has positive impacts on organizational performance by lowering that transactional costs and gaining competency through privileged access to rare resources such as the connections with governments (Standdified, and Marshall, 2000; Park, and Luo, 2001). In the study of Gu, Hung, and Tse (2008), which is based on social capital theory (Adler, and Kwon, 2002; Burt, 1997; Nahapiet, and Ghoshal, 1998), Guanxi is perceived to have beneficial effects on improving market access, but managers should capitalize on the growth of Guanxi networks from the personal to the corporation level. Besides, managers need to be aware of the dark sides of Guanxi, which are reciprocal obligations and collective blindness that may cause moral and ethical problems or even law-breaking issues. Still many studies indicate that social network is necessary in emerging and developing countries where legal institutions tend to be weak in power and local government officials hold strong power and will remain as a key factor for long-term business success (Luo 2001; Park, and Luo, 2001; Warren, Dunfee, and Li, 2004).

### **2.3 Guanxi networking practices and expatriate manager's boundary spanning role**

The importance of collaboration, communication, and trust-building has increased rapidly. As a result, the role of boundary spanners also becomes critical, for they are particularly significant 'for holding together today's geographically dispersed, internally differentiated, and culturally diverse organizations' (Yagi, and Kleinberg, 2011, p.630). The role of boundary spanners is considered to be multidimensional (Yagi, and Kleinberg, 2011). In their study, they concluded common functions: "information processing, representing the organization externally, acquisition and disposition of resources, and acquiring and acting as

an agent of influence for the organization (Yagi, and Kleinberg, 2011, p.630)". According to Johnson, and Duxbury (2010), a boundary spanner who wants to fulfill the role successfully, must not only have a profound understanding of the business environment, but also the socio-cultural, economic, and political influences on that environment.

Buckley, Clegg, and Tan (2003) believe that the business strategy of the foreign entrant and teamwork between foreign and local partners are two fundamental approaches to reach the goal of succeeding in knowledge transfer and localization. Si and Bruton (1999) also argue that nurturing a solid partnership is critical for international business success. Therefore, building social network relations, or in Chinese, 'Guanxi', means to build trust and long-term relationships among the members within one's network. Scholars also point out that Chinese culture is different from Western culture in many aspects (Buckley, Clegg, and Tan, 2006; Chen, and Francesco, 2000; Child, and Lu, 1996; Tung, 1986). The common characteristics of Chinese culture, for instance, "family orientation, Guanxi, relational interdependence, giving faces (Mianzi), favor and harmony are found to have influences on MNC's relationship cultivation strategies (Buckley, Clegg, and Tan, 2006, p.276)."

Among the characteristics mentioned above, Guanxi and Mianzi can be seen as the most notorious concepts that have great significance for interpersonal and internal organization dynamics (Buckley, Clegg and Tan, 2006; Child, and Lu, 1996; Tung, and Worm, 2001; Xin, and Pearce, 1996; Yeung, and Tung, 1996). Especially, Guanxi is the fundamental social network web of interpersonal relations spread throughout the whole Chinese societies, and so for the Chinese MNCs. Chinese MNCs are very skillful in using Guanxi-based business strategies and practices to "reduce uncertainty, lower search and other transaction costs, provide usable resources and a sense of connectedness (Wellman, Chen, and Dong, 2002, cited in Buckley, Clegg and Tan, 2006, p.276)".

Lockett (1988) pointed out that Mianzi is vital for nurturing Guanxi in Chinese culture. He defined Mianzi as the recognition by other people of a person's social status and position. To save Mianzi means to protect one's dignity and prestige in Chinese. Guanxi relations are often operated on a reciprocal basis, which indicates that all groups of a certain business relationship network have to show respect to and save 'Mianzi' for, each other. Thus, in Chinese culture or building social contacts with Chinese people, 'Mianzi' and 'Guanxi' must be considered together.

Trust is viewed as the most important managerial issues of the corporate agenda (Doney, Cannon, and Mullen, 1998; Schoorman, Mayer, and Dacis, 1996). Firms can receive

potential benefits such as reliable and open information exchange, improved coordination and less bureaucratic cost of unified governance (Ebers, 1997). Ellis (1996) suggests that establishing trust between cooperators in the strategic alliances is indispensable for the long-term success of the partnership. In particular, Xin, and Pearce (1996) comment that when doing business in unstable environmental conditions as in emerging and developing countries, trust should be well nurtured and maintained, to reduce risks and obtain better business control.

## 2.4 African Ubuntu philosophy

In the African culture, “it is the community that defines the person as a person (Karsten, and Illa, 2005, p.612).” The concept of Ubuntu is originated from the Xhosa expression, “Umuntu ngumuntu ngabantu”. Mbigi (1997) lists the principles of Ubuntu:

- The spirit of unconditional African collective contribution
- Solidarity
- Acceptance
- Dignity
- Stewardship
- Compassion and care
- Hospitality and legitimacy

Ubuntu can be seen as a symbol of an African common life-world (Karsten, and Illa, 2005). Shutte (1993, p.46, cited in Karsten, and Illa, 2005) says that the philosophy of ‘a person as a person through others’ is “common to all African languages and traditional cultures.” Not only the Bantu speaking ethnic groups but also the whole population of sub-Saharan Africa, use Ubuntu or different words expressing similar meaning. “There is a family atmosphere, that is, a kind of philosophical affinity and kinship among and between the indigenous people of Africa (Kartsen, and Illa, 2005, p.612)”. Unlike the Western philosophy (I am because I think), the essence of Ubuntu is humanity (I am because of you); thus humanity is like a spider web, we are interconnected with each other. One simply cannot exist as a human being in isolation. The person who has Ubuntu cares about his or her family members, the neighborhood and community he or she is living within, and feels an innate duty to give support to his or her fellow man.

In West Africa, for example, in Senegal, the saying of ‘Teranga’ stands for a similar

belief and value of collective hospitality in communities (Karsten, and Illa, 2005). In Zimbabwe, 'Ubukhosi' also has the same meaning as the statement of "Umuntu ngumuntu ngabantu" (Karsten, and Illa, 2005). Karsten, and Illa (2005) point out that there are similarities between these traditional and indigenous concepts and that of Ubuntu, which reflects an African view on Community.

## **2.5 Cultural proximities between Ubuntu and Guanxi**

It is suggested that there are similarities between Chinese Guanxi and African Ubuntu (Jackson, Louw and Zhao, 2013; Xing et al., 2014). The Ubuntu philosophy of Africa can also be an important 'management concept' (Karsten, and Illa, 2005), 'because it correctly understands that we are truly human only in community with other persons' (Lutz, 2009, p.314). Lutz (2009) also proposes that 'since all human persons share a common human nature, and since cultures that have stood the test of time tend to live a more genuinely human way of life than modern cultures', there is a substantial agreement between African tradition and Asian Confucian tradition. Mangaliso (2001) explains 'Ubuntu', which originated from southern African countries with the meaning of "the person is a person through other persons". 'Guanxi', which is an important heritage of Chinese Confucian culture, also emphasizes on the sincerity, loyalty, and obligation of cardinal relationships and represents direct particularistic ties between two or more persons (Chen, and Chen, 2004). The cultural proximities may have great impacts on the crossvergence in Chinese managers' managerial practices on managing African employees and adjusting to the African business environment (Xing et al., 2014).

## **2.6 Locational preferences and Guanxi networking practices**

Schlunze et al. (2015) conducted a study investigating the intercultural networking behaviors of Chinese expatriate managers in Japan, which contributes both theoretically and practically on CCM and IHRM studies. According to Schlunze et al. (2015), if a corporate leader possesses higher cultural intelligence, the decision making of that company will focus more on the local preferences of corporate, marketing and living environments by gathering all kinds of tangible and intangible resources for constructing a profound 'Guanxi network'. The whole process is assumed to be of great importance in creating cultural synergy, and

thus, improving organizational performance. In their research, they proposed a model for performance appraisal to show the causality among preference, cultural intelligence, network, and organizational performance by surveying 149 Chinese expatriate managers in Japan by questionnaire and interviewed four of them.

They concluded three main findings. First of all, although most of the interviewees have Japanese education background and business level Japanese speaking skill, they still encounter many intercultural communication problems and find cultural adaptation not easy in Japan. Secondly, they did a conjoint analysis of Chinese managers' locational preferences and find that they have strong preferences for human resources and market locations. These strong preferences on "Human Resource Access" in the corporate environment, and "Collaboration with Customers" in the market environment relate to the use of Guanxi networking practices in the workplace and market. Thirdly, with the influence of Chinese culture, they found that Chinese managers value Guanxi networks as one of the most significant social capitals and make great use of it in achieving business success in Japan. As for the implications of CCM studies, they suggested that expatriate managers should continuously spend more efforts on improving intercultural intelligence as a necessary competency. For instance, employing experienced local managers with enhanced international business skills and adopting a hybridization model from a crossvergence perspective. Besides, Schlunze et al. (2014) perceived that international networking is beneficial to expanding the global market and the organization sustainable development.

### 3. Methodology

The field of International Business (IB) research is multifaceted, crossing national, cultural and organizational boundaries, and the research questions from this field have become more and more complicated (Hurmerinta and Nummela, 2011). Case study method investigates a phenomenon and its dynamics in its natural settings (Eisenhardt, 1989). Hurmerinta, and Nummela (2011) critically suggest that the mixed-method case study, which combines qualitative and quantitative research, is suitable for conducting IB research with complex research questions and can facilitate researchers to overcome dilemmas that IB research inherently contains.

As little is known about Chinese managers' locational preferences, Guanxi networking practices, cultural proximity between Guanxi and Ubuntu, and their linkages with Chinese

managers' performance in sub-Saharan Africa. This research is conducted using a single case study method. Scholars find many benefits of using a single case study method, especially for doing longitudinal studies and fieldworks. Using a single case study method is considered suitable for highlighting under-researched phenomena or providing new lenses or interpretations of existing research (Edwards, 1998; Kamoche, 2000; Vaara et al., 2005; Lervick, 2011). Furthermore, choosing a single MNC as a research site can help gain in-depth knowledge and allow various research designs that can contribute to developing and testing new theory (Lervik, 2011). Although, there are limitations of generalizability, for studies that are under research, with this method researchers can focus on a particular research site for acquiring rich data, conducting in-depth analysis, and depicting a persuasive case for theory building (Almond et al., 2005; Eisenhardt and Graebner, 2007). Moreover, although there are philosophical similarities in different cultures in Africa, still the heterogeneity of African cultures is not considered fully in this research. Therefore, the findings may not be applied to general contexts, which indicate the necessity of conducting empirical and longitudinal studies in the future.

The accessibility and eligibility of case selection are crucial for doing case study (Yin, 2009). Because of having authorized access to the key personnel at its Headquarters in Beijing, as well as its subsidiaries, I was able to collect rich data without worrying about the time and locational limitation. The research candidates all have experiences of long-term overseas assignments or are assigned to and working at sub-Saharan African countries at present. They are from different departments and subsidiaries of one Chinese SOE. This Chinese SOE is one of the large-scale SOEs in China with offices and subsidiaries in about 90 countries and regions worldwide. Its business is covering project engineering and contracting, civil engineering design and consultancy, industrial park construction, development and operation, real estate development and property management, investment, railway construction and operation, industrial mining, import and export, hotel management and travel services etc. This Chinese SOE has a good reputation and has won many honors and prizes, such as "Outstanding international contractor award", "Award for international contractors fulfilling social responsibilities", "Chinese enterprise in international contracting and labor service with AAA rating", etc.

The pilot study was done in July 2015, using conjoint analysis (via PC software) for collecting locational preferences data and in-depth interview to depict the personal Guanxi network. The questionnaire surveys were conducted from 2016 to 2018 and resulted in

thirteen valid responses (via e-mail). The semi-structured in-depth interviews were conducted with seven interviewees focusing on issues of Guanxi networking practices, cultural proximity between Guanxi and Ubuntu, and cultural adjustment in October 2018. Because of the space constraints, four typical cases along with the pilot case are introduced in this paper.

The research questions are listed as follows:

- I What are the locational preferences of Chinese managers' corporate, market and living environment?
- II How do they construct and operate their Guanxi network in these three environments?
  - i. What kind of Guanxi networking practices do they use to maintain the connections and interact with the characters or institutions in their networks?
- III How do Chinese managers' locational preferences relate to their Guanxi networking practices and cultural adjustment?

As for the first question, the interviewee was asked to choose the variable that is important to his business success. Each environment has three variables:

- ◇ Corporate Environment
  - Human resource accessibility
  - Collaboration within the MNEs
  - Working atmosphere
- ◇ Market Environment
  - Market opportunities
  - Governmental supportive settings
  - Cooperation with the suppliers and customers
- ◇ Living Environment
  - Livable local environment
  - Local information network
  - Manifold city life

Secondly, for the network analysis, the candidate's network will be shown in a VennMaker<sup>6)</sup> designed network map. VennMaker is analytical software that can be used for investigating one's networking behaviors. It has the features of participative visualization and analysis of social networks. It was developed within the research cluster at Trier University and Mainz University in Germany. The network map shows the supporters that help Chinese manager to achieve business success in the work, market and living places.

The distance decay indicates local, national (African countries), Regional (China) and international spaces. Managers distinguish the importance of each supporter during the interview. Different symbols stand for male and female individuals, specific groups, and institutional supporters. Following the example of previous work in this field, the strength of the relationship is indicated by the thickness of the connecting arrow between the interviewee and the supporter (Schlunze, Plattner, and Ji; 2013). Finally, by analyzing managers' locational preferences and Guanxi ties with different actors within the three environments, I aim to observe the linkage between their preferences and Guanxi networking practices and to study their strategic intents in achieving business success in sub-Saharan Africa.

## 4. Data analysis, findings and discussion

### 4.1 The pilot study

Mr. A was employed by this Chinese SOE in the year of 2010 and sent to the Joint Venture Company for the expatriate assignment in 2011. His firm and two Nigerian business partners established the Joint Venture in Lagos, Nigeria in 2006. The Chinese SOE is the majority shareholder (60%). The Lagos State Government holds 20% of the shares by providing land, and another local company governed by local government holds 20% of the shares. The local governments authorize this firm legally, to develop, operate and manage the Free Trade Zone in Lagos. He is the Vice President of the Chinese SOE and the Commercial Controller of the Joint Venture. He is also a member of the Board of Directors. He has been working in Nigeria for more than five years. But he usually does not stay in Lagos all year round, as he has three months of vacation time annually in total, during which he can go back to China to reunite with his family.

Before being employed by the current firm, Mr. A had working experience in Chinese governmental official. He was the Director of General Office of the Administrative Commission of a development zone in China. He has a Bachelor degree and a Master degree in Economics, and in the U.S. he also got an MBA certification. The education background indicates that he is a highly skilled professional who also has advanced language ability.

In this part, I collected the ranked data from the conjoint analysis of Mr. A:

◇ Corporate Environment



- Human resource accessibility: 0.0384
- Collaboration within the MNEs: 0.3461
- Working atmosphere: 0.0769
- ◇ Market Environment
  - Market opportunities: 0.1153
  - Governmental supportive settings: 0.3076
  - Cooperation with the suppliers and customers: 0
- ◇ Living Environment
  - Livable local environment: 0
  - Local information network: 0.3461
  - Manifold city life: 0

The three top-ranking preferences of Mr. A are collaboration within MNEs, local information network, and governmental supportive settings. Table 1 and figure 1 (in Appendices) will give a holistic picture of his Guanxi relationships and networking ability. In the Corporate Environment, the most important and strongest relations are those he has with the Board members, for instance, the Nigerian Chairman, the Chinese MD, the Nigerian DMD and the Chinese Engineering Controller. There are two departments, Operation Department and Marketing Department, which connect to him directly in the firm since he works as the Commercial Controller of the Joint Venture firm.

Meanwhile, Mr. A is a member of the top-management team in the Headquarters in Beijing. Every year he needs to go back to China several times to attend the Board meetings. For this reason, he has very strong connections with the Headquarters. He is required to report the progress of some projects that the Joint Venture is operating to the Board members of the Headquarters. He will also receive important instructions from the Headquarters.

From Figure 1, there are many institutional and governmental ties in all of the three environments, as well as several Chambers of Commerce in Lagos and within Nigeria in the Market Environment. Some stronger relationships in the Corporate Environment include the strong connections with the Chief Officer of the Economic and Commercial Section of Chinese Consulate in Nigeria, the Federal Government of Nigeria and Local Government of Lagos, etc. The reason he has so many institutional connections is that those institutions and governments are highly involved in the projects of this Joint Venture. Buckley, Clegg, and Tan (2005) found that the Chinese government holds incompatible roles in SOEs in

China, which are the industry regulatory role and the ownership role. His company apparently has these characteristics and strong collaborative relationships with both the Chinese and Nigeria governments. This also reflects why he thinks that collaboration within MNEs and governmental supportive settings are important to him.

Because he considers the local information network as a crucial element for his business success, correspondingly, the map shows that most of his connections centralize mainly inside Lagos and Nigeria. For example, his relationships with the firms that invested in the zone, which his company is operating, are quite vital to him. Additionally, he said he often gets useful information about marketing or cooperation opportunities from meeting the members and building Guanxi relationships with CAJCCI, CABC, and NIPC. In the Living Environment, he acquires information from building relationships with local communities. The information that he obtains will be then reported to the firm as valuable resources for the development of the firm's business in the future.

In conclusion, Mr. A uses Guanxi networking practices for building trust relations in the global corporate and local market environments. His Guanxi is the fundamental supportive factor for his assignment. Hence, the results imply that he performs his job in the workplace and marketplace with intercultural intelligence. The heterogeneity in Mr. A's network illustrates that his preferences and Guanxi has been at the core of his business success in Nigeria.

## **4.2 Locational preferences and Guanxi network maps of Chinese managers**

### **4.2.1 General Manager in Mozambique**

◇ Preferences more important than others:

- 1) Market Opportunities (ME)
- 2) Governmental supportive settings (ME)
- 3) Collaboration within MNEs (CE)

◇ Less important preferences:

- 7) Working atmosphere (CE)
- 8) Livable local environment (LE)
- 9) Manifold City Life (LE)

In the Corporate Environment, he has strong relationships with his colleague and agent within his firm in Maputo who support his daily works. Similar to the previous case, he also has a strong relationship with the Headquarters in Beijing, from where he receives instructions. Additionally, he has strong cooperative relationships with the directors of government officials that relate to the management of roads, ports, and railways.

In the Corporate Environment and Market Environment, he has many institutional relationships (see table 2), for instance, with law firms, accounting firms, government settings, local firms, Chinese firms, South Africa firms and EU firms. He consults the local law firms and the local accounting firms or the local legal compliance about conflict management, business laws and tax regulatory issues. He also knows some Chinese managers of the Chinese firms operating in Maputo, since they work together for some projects.

In the Living Environment, he has strong connections with his wife and daughter who are living in China. Also, he has relationships with the local communities, and weak links with Chinese Travel Agent and Chinese restaurants in Maputo, Chinese Embassy in

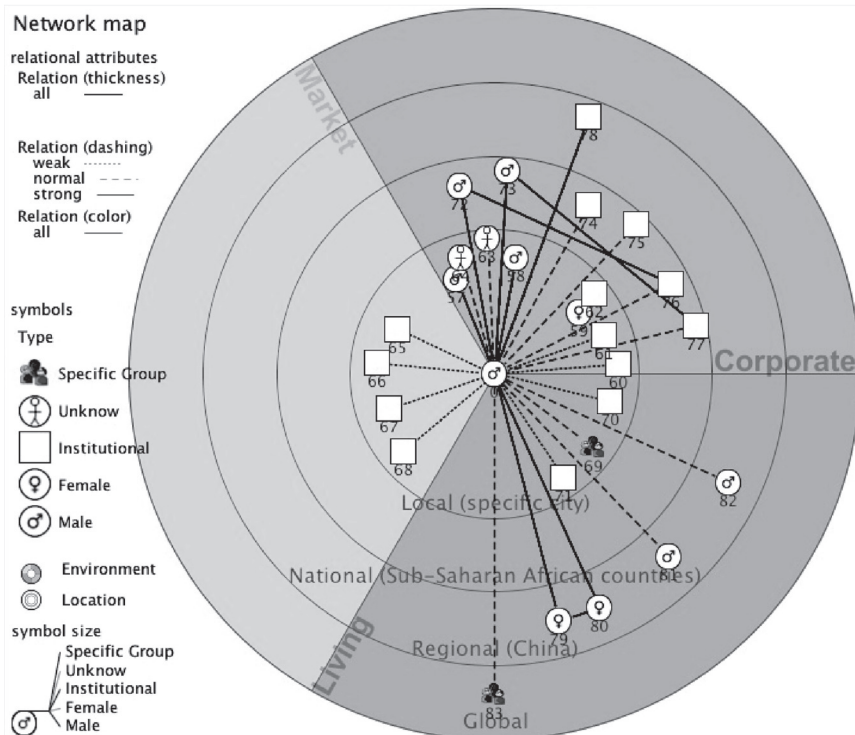


Figure 2: Guanxi map of the GM in Mozambique

Mozambique. He has normal links with his classmates in China and colleagues from the same group company in Botswana as well.

Table 2: Characters from the Guanxi map of the GM in Mozambique

Actor Name	Actor ID	Location	Environment	Type	Relation
Colleague	57	Local	CE	Male	Strong
Agent	58	Local	CE	Male	Strong
Secretary of Chinese Chamber of Commerce	59	Local	CE	Female	Normal
Local Accounting Firms	60	Local	CE	Institutional	Weak
Local Law Firms	61	Local	CE	Institutional	Weak
Maputo Municipal Government	62	Local	CE	Institutional	Normal
GM (Chinese) of CR20	63	Local	CE	Unknown	Normal
GM (Chinese) of SANY	64	Local	CE	Unknown	Normal
Local Firms (20+)	65	Local	ME	Institutional	Weak
Chinese Firms (20+)	66	Local	ME	Institutional	Weak
South African Firms (5+)	67	Local	ME	Institutional	Weak
European Firms (5+)	68	Local	ME	Institutional	Weak
Local Communities	69	Local	LE	Specific Group	Normal
Chinese Travel Agent	70	Local	LE	Institutional	Weak
Chinese Restaurant	71	Local	LE	Institutional	Weak
Director of National Roads Administration	72	National	CE	Institutional	Strong
Director of Mozambique Ports and Railway	73	National	CE	Institutional	Strong
Ministry of Industry and Trade	74	National	CE	Institutional	Normal
Ministry of Transport and Communications	75	National	CE	Institutional	Normal
National Roads Administration	76	National	CE	Institutional	Normal
Mozambique Ports and Railway	77	National	CE	Institutional	Normal
Headquarters in Beijing	78	Regional	CE	Institutional	Strong
Spouse (Chinese wife)	79	Regional	LE	Female	Strong
Daughter	80	Regional	LE	Female	Strong
University Classmate A	81	Regional	LE	Male	Normal
University Classmate B	82	Regional	LE	Male	Normal
Colleagues in Botswana	83	Global	LE	Specific Group	Normal

#### 4.2.2 Top management member (Nigeria)

◇ Preferences more important than others:

- 1) Market Opportunities (ME)
- 2) Governmental supportive settings (ME)
- 3) Collaboration within MNEs (CE)

◇ Less important preferences:

All of the three preferences in the LE

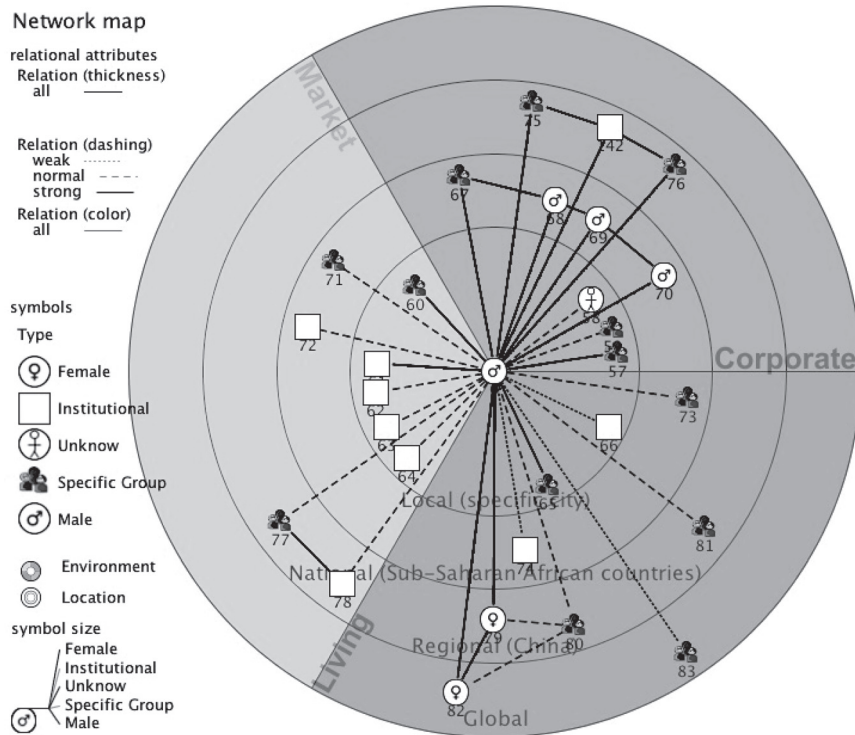


Figure 3: Guanxi map of the top management member in Nigeria

In the Corporate Environment, he has strong relationships with his colleagues, also with the top-management team in Nigeria that is consisted of the Senior Executives, the Managing Directors, the Financial Manager, and the Admin Manager. He maintains strong relationships with the Headquarters in Beijing, his direct boss works in the HQ, and with the Managing Directors works in HQ. He has normal ties with a Nigerian secretary, and local business partners (Nigerian and Chinese).

In the Market Environment, he has strong cooperative relationships with the local representatives of clients (Nigerian and Chinese) and key government officials (Nigerian). He has many normal cooperative links with local and Nigerian governments, Nigerian suppliers, subcontractors, and consulting firms. He also has normal relationships with representatives of Design and Engineering Firms, and other Design Firms in China (business partners).

In the Living Environment, he has strong connections with his wife in China, and his

daughter who is studying abroad. He has normal ties with local colleagues (Chinese friends) and other colleagues in Nigeria, whom he goes to the local restaurants or goes for a drink with after work. In China, he has normal ties with his sisters and classmates. He has weak ties with the local travel agency (Chinese), the Chinese Embassy in Nigeria and some schoolmates living in overseas countries, as he has the experience of studying abroad.

Table 3: Actors in the Guanxi map of the top management member in Nigeria

Actor Name	Actor ID	Location	Environment	Type	Relation
Chinese Colleagues	57	Local	CE	Specific Group	Strong
Nigerian Secretary	58	Local	CE	Unknown	Normal
Business Partners (Chinese & Nigerian)	59	Local	CE	Specific Group	Normal
Representatives of Clients (Nigerian)	60	Local	ME	Specific Group	Strong
Key Government Officials (Nigerian)	61	Local	ME	Institutional	Strong
Consulting Firms	62	Local	ME	Institutional	Normal
Subcontractors	63	Local	ME	Institutional	Normal
Government Agencies	64	Local	ME	Institutional	Normal
Chinese Colleagues (Friends)	65	Local	LE	Specific Group	Strong
Chinese Travel Agency	66	Local	LE	Institutional	Weak
Senior Executives	67	National	CE	Specific Group	Strong
Managing Director (Chinese)	68	National	CE	Male	Strong
Financial Manager	69	National	CE	Male	Strong
Admin Manager (Chinese)	70	National	CE	Male	Strong
Key Government Officials (Nigerian)	71	National	ME	Specific Group	Normal
Suppliers (Nigerian)	72	National	ME	Institutional	Normal
Friends (Chinese, same group company)	73	National	LE	Specific Group	Normal
Chinese Embassy	74	National	LE	Institutional	Weak
Direct Leaders	75	Regional	CE	Specific Group	Strong
Directors of the Functional Department	76	Regional	CE	Specific Group	Strong
Representatives of Design and Engineering Firms	77	Regional	ME	Specific Group	Normal
Design Firms	78	Regional	ME	Institutional	Normal
Spouse (Chinese wife)	79	Regional	LE	Female	Strong
Sisters	80	Regional	LE	Specific Group	Normal
Classmates	81	Regional	LE	Specific Group	Normal
Daughter	82	Global	LE	Female	Strong
Schoolmates	83	Global	LE	Specific Group	Weak
Headquarters in Beijing	84	Regional	CE	Institutional	Strong

### 4.2.3 Deputy General Manager in Ethiopia (Female)

◇ Preferences more important than others:

- 1) Human resources accessibility (CE)
- 2) Market Opportunities (ME)
- 3) Collaboration within MNEs (CE)/ Governmental Supportive Settings (ME)/ Cooperation with Suppliers and Customers (ME)

◇ Less important preferences:

- 7) Livable Local Environment/ Local Information Network (LE)
- 8) Working Atmosphere (CE)
- 9) Manifold City Life (LE)

She can speak English and German fluently and has degrees in Law. In the Corporate Environment, she has strong and positive relationships with the local corporate management members, the Chinese president of the firm, a Deputy General Manager at another city in

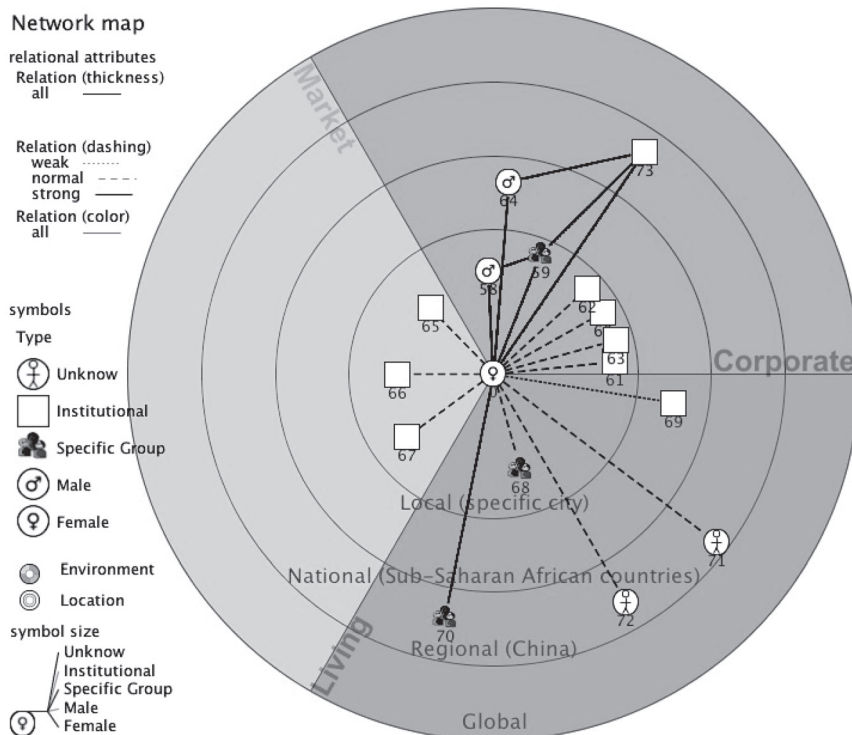


Figure 4: Guanxi map of the DGM in Ethiopia

Ethiopia. She has cooperative relationships with local governments, the Ethiopia Investment Commission, and the Industrial Park Development Commission. She consults local law firms about the local laws and regulations frequently. Similar to other Chinese expatriate managers, she also has strong relationships with the HQ in Beijing. In the Market Environment, she has normal links with China Chamber of Commerce in Ethiopia, the local firms (more than 50, from different countries) and the Chinese firms (more than 80) in the industrial park. In the Living Environment, she has strong links with her parents in China and normal links with the High School Classmate A and the University Classmate B.

Table 4: Actors in the Guanxi map of the DGM in Ethiopia

Actor Name	Actor ID	Location	Environment	Type	Relation
Firm's President	58	Local	CE	Male	Strong
Management team	59	Local	CE	Specific Group	Strong
Local Government	60	Local	CE	Institutional	Normal
Local Law Firms	61	Local	CE	Institutional	Normal
Ethiopia Investment Commission	62	Local	CE	Institutional	Normal
Industrial Park Development Commission	63	Local	CE	Institutional	Normal
Deputy General Manager	64	National	CE	Male	Strong
China Chamber of Commerce in Ethiopia	65	Local	ME	Institutional	Normal
Law Firms	66	Local	ME	Institutional	Normal
Chinese Firms (80+)	67	Local	ME	Institutional	Normal
Local Community	68	Local	LE	Specific Group	Normal
Embassy of China in Ethiopia	69	National	LE	Institutional	Weak
Parents	70	Regional	LE	Specific Group	Strong
High School Classmate	71	Regional	LE	Unknown	Normal
University Classmate	72	Regional	LE	Unknown	Normal
Headquarters in Beijing	73	Regional	CE	Institutional	Strong

#### 4.2.4 Operation Department Manager (Nigeria)

◇ Preferences more important than others:

- 1) Governmental supportive settings (ME)
- 2) Collaboration within MNEs (CE)
- 3) Human Resources Accessibility (CE)

◇ Less important preferences:

- 7) Local Information Network (LE)
- 8) Manifold City Life (LE)



9) Cooperation with Suppliers and Customers (ME)

In the Corporate Environment, he has strong links with the Chinese MD and the Nigerian DMD, and also with the HQ in Beijing. In the Market Environment he has strong cooperative relationships with the Chairman and the Secretary of China Council for the Promotion of Peaceful Reunification in West Africa. In the Living Environment, he has strong connections with his parents in China, as well as with his brother, wife, and children in the United States. In the Corporate Environment, he has normal relationships with the senior staff (Nigerian) in his firm. In the Market Environment, he has normal cooperative relationships with the Chairman of China & Nigeria Women Association, the Chairman of China Enterprises Association in Lagos, and also with the local firms and Chinese firms investing in the Lekki Free Trade Zone. In the Living Environment he has normal relationships with the local community, Chinese friends and investors in Lagos. Also he has some weak links with his university classmates and friends (Chinese and Nigerian) living in overseas countries (Canada, Australia, the U.K., the U.S.). Here the weak ties appear because of the geographic distance, as they cannot meet each other face to face frequently,

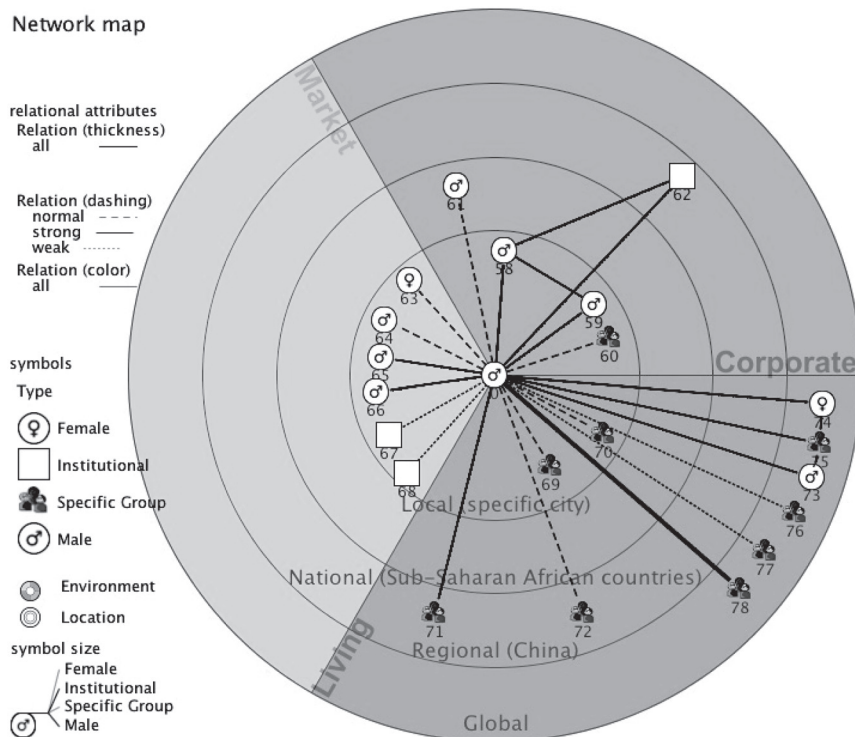


Figure 5: Guanxi map of the Operation Department Manager in Nigeria

they have to maintain their relationships using phone calls or Social Network Services (SNS). For example, sending messages to each other during the festival or holiday times using WeChat, which is one of the most popular SNS applications used among Chinese people.

Table 5: Actors in the Guanxi map of the Operation Department Manager in Nigeria

Actor Name	Actor ID	Location	Environment	Type	Relation
Managing Director (Chinese)	58	Local	CE	Male	Strong
Deputy Managing Director (Nigerian)	59	Local	CE	Male	Strong
Senior Staff (Nigerian)	60	Local	CE	Specific Group	Normal
Consular of China in Lagos	61	National	CE	Male	Normal
Headquarters in Beijing	62	Regional	CE	Institutional	Strong
Chairman (Chinese) of China-Nigeria Women Association	63	Local	ME	Female	Normal
Chairman (Chinese) of China Enterprises Association in Lagos	64	Local	ME	Male	Normal
Chairman of China Council for the Promotion of Peaceful Reunification in West Africa	65	Local	ME	Male	Strong
Secretary of China Council for the Promotion of Peaceful Reunification in West Africa	66	Local	ME	Male	Strong
Local Firms (20+)	67	Local	ME	Institutional	Weak
Chinese Firms (30+)	68	Local	ME	Institutional	Weak
Local Community	69	Local	LE	Specific Group	Normal
Chinese Friends (from the Chinese Firms investing in the Free Trade Zone)	70	Local	LE	Specific Group	Normal
Parents	71	Regional	LE	Specific Group	Strong
University Classmates	72	Regional	LE	Specific Group	Normal
Brother (Chinese) at the U.S.	73	Global	LE	Male	Strong
Spouse (Wife) at the U.S.	74	Global	LE	Female	Strong
Children at the U.S.	75	Global	LE	Specific Group	Strong
University Classmates at Canada & Australia	76	Global	LE	Specific Group	Weak
Chinese Friends at the U.S. & the U.K.	77	Global	LE	Specific Group	Weak
Nigerian Friends at the U.S. & the U.K.	78	Global	LE	Specific Group	Weak

### 4.3 Findings and discussion

The Guanxi network map made by VennMaker is a useful way of visualizing the connection between Chinese expatriate managers' Guanxi networking practices and their locational preferences influenced by both Chinese Guanxi culture and African Ubuntu culture. The interviewees build networks (see figure 6 and figure 7) mainly in local (specific city), national (African country), and regional (China) areas. Their relationships are built

focusing on the corporate and market environment, matching with their preferences that they think as more important than others (Collaboration within MNEs, Market Opportunities, Governmental Supportive Settings & Human Resources Accessibility). Thus, in their networks, people or institutions like colleagues (Chinese & African), boss (Chinese & African), HQ in Beijing, subsidiaries & offices of the same group company, local/national/China government officials/departments, cooperating local/national/China firms, law firms/consultants, etc.

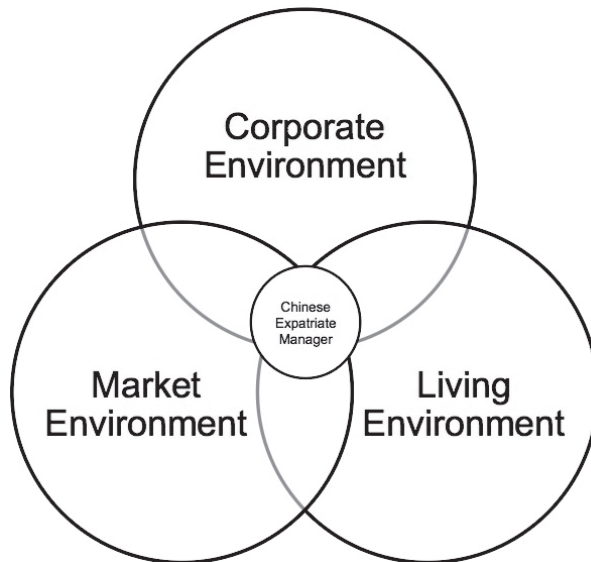


Figure 6: The overlapped network of Chinese manager in the three environments

Managers' networks tend to match their preferences. One's locational preferences influence what kinds of relationships (and the degree of strength or weakness) he or she would like to construct, or what kind of person or institution he or she would like to choose as his or her business supporters in sub-Saharan African countries. The department that he or she works in or the position may influence his or her preferences. For example, a Market Department General Manager thought that the preferences in the Market Environment are more important. Differently, non-management staffs (normal employees, like the secretary, or the translator) thought the three preferences in the Living Environment are more important to them. Managers have to concern about whether their business activities or initiatives (assignments) can be successful or not in the host country. Thus their locational preferences affect positively on their strategic business decision-making and social network building initiatives.

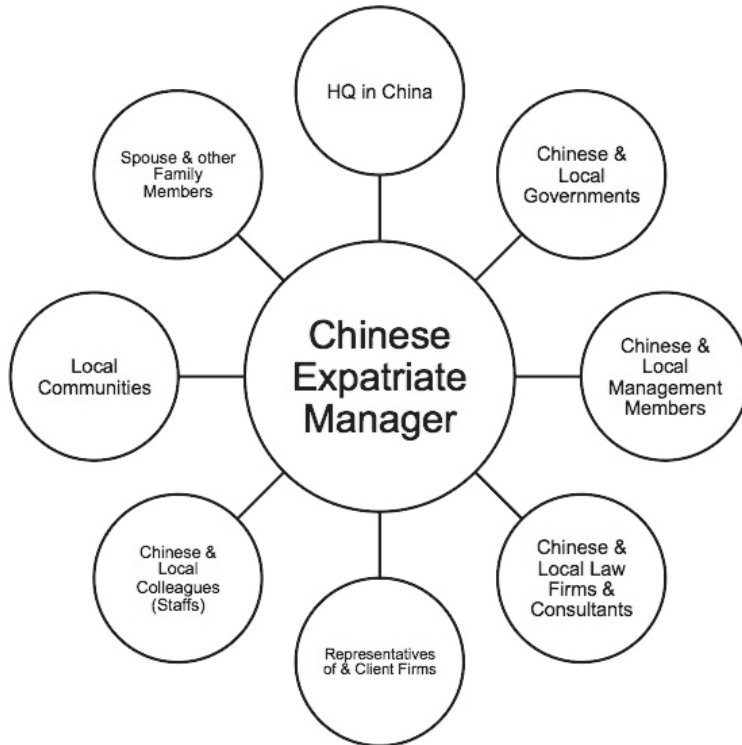


Figure 7: The main actors of Chinese managers' Guanxi networks

In the Living Environment, most of them have relationships with Chinese family members, and several Chinese friends. Chinese culture is family-oriented. So spouse, child (children), and other family members can often be seen have strong connections with Chinese managers in their network maps. Most of their spouses and family members stay in China, while they are working in Africa on overseas assignments. In China, double-income households are now quite common, their spouses will not quit their jobs, which is why their family members, especially their spouses choose to stay in China. Despite not having home-cooked meals, Chinese managers seldom have to worry about food culture. In their local workplaces, firms often hire Chinese cooks in China and bring them to work in the subsidiaries' canteens. Chinese managers often can consume authentic Chinese cuisine while living in host countries.

Most of the Chinese managers have relationships with the local communities. These kinds of relationships are built starting with their local employees, and permeating into the local employees' families. For instance, at the end of Ramadan, Chinese managers often attend local celebrations and bring food and daily commodities as presents while visiting

local employees' families. And in the Christmas season, firms hold parties and celebration gatherings that Chinese and local staffs and local communities can all participate in. Through these sorts of communications, some Chinese managers said that they could feel more close to the local ordinary people's lives and learn more about the local traditions, religions and cultural values.

Additionally, most of them have relationships with Chinese and local law and consultancy firms to help them learn more about the local laws and regulations to establish better managerial strategies. In interviews, they said that their firms often hire local talent as HRM assistants to allow them to solve management problems with local employees. They rely on local assistants for daily work as well. Other interviews showed that there are Chinese expatriates who were appointed as tribal chiefs. Therefore, they have gained a lot of respect from the local people in African Countries, for the reasons that many Chinese firms help local tribes or rural areas build primary schools, improve infrastructure, dig wells and repair the roads, build bridges, employ local young people, etc. The virtue of humanity brings Chinese and African people together.

One cognitive process that I have observed from the interviews is that although many of the Chinese managers did not know the word 'Ubuntu', after explaining the meaning of it, almost everyone agreed that there are similarities between Chinese culture and African Ubuntu philosophy, which can be considered a virtue of humanity, building mutually beneficial relationships, and an ideology of communism and collectivism. They also pointed out the differences between Chinese culture and African culture such as, obviously, religion. By comparing with the traditional religious beliefs, the history of the Christian religion in Africa is not that long, it has received wide acceptance since colonial times. Also Catholicism and Islam have extensive influences on African people's daily lives as well. In China, materialism is widely advocated, and because of the different political system, although religious toleration exists officially, many Chinese people do not have religious beliefs or are not willing to make their religious beliefs known publicly. Chinese expatriate managers said that when living in Africa, they always show respect to local staff's religious beliefs, seldom talk about religious issues with them, and never interfere with their religious activities.

Chinese firms organize parties and other celebrations for both Chinese festivals and local religious festivals. There are vacations and bonus or labor insurance benefits provided to both the Chinese staff and the local staff during these times. Furthermore, Chinese MNCs are dedicated to building a people-oriented organizational culture and many of the managers

mentioned the importance of hiring more highly skilled local talents for management positions. Therefore, many Chinese firms have started to cooperate with local and Chinese universities providing short or long-term opportunities and programs for African college students to study in China.

## 5. Conclusion

From these points, we can conclude that Chinese expatriate managers are quite different from what Western media are disseminating. As for communication with local employees, all of them have business-level English-language proficiency. Some firms provide Chinese language lessons for the local staff that are willing to learn Chinese. From the interviews, Chinese expatriate managers have the cultural intelligence to make use of their Guanxi networking skills in decision-making when doing business and creating cultural synergies well in sub-Saharan African countries. Figure 8 displays the dynamics of Chinese expatriate managers' locational preferences, Guanxi networking and performance in sub-Saharan Africa.

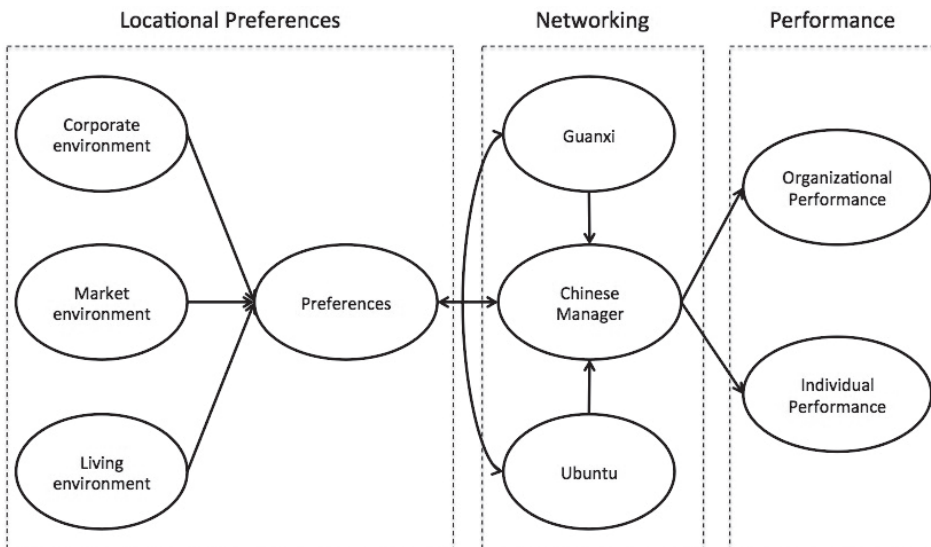


Figure 8: The dynamics of Chinese manager's locational preferences, Guanxi networking, and performance in sub-Saharan Africa

According to Horwitz (2012) and Xing et al. (2014), the observed cultural proximity between Ubuntu and Guanxi vividly illustrates the synergy potential of win-win managerial

practices based on the Afro-Asian Nexus, and it offers a platform for further exploration of performance implications, such as global leader performance and sequentially, organizational performance. Additionally, Marchington and Wilkinson (2012, p.119) wrote that 'because in the case of a subsidiary, factors include whether it is a green-field or brown-field location, how it was acquired, its stage in the life cycle, whether it is totally owned by one company or is a joint venture or franchise, as well as the degree of expatriate presence at the subsidiary; all these can be expected to shape managerial practices to some extent.' Xing et al. (2014, p.12) also pointed out that 'when organizational culture factor is considered, there might be a complicated interaction effect between national culture and organizational culture, which makes culture influences more complex.' Thus, comparative studies of Chinese SOEs and POEs (Private Owned Enterprises) in Africa would add multiformity to the body of research by revealing the commonality and differences in leadership building and managerial practices planning of Chinese managers in firms with distinct ownership.

#### Note

- 1) URL: [http://english.gov.cn/archive/publications/2015/03/30/content\\_281475080249035.htm](http://english.gov.cn/archive/publications/2015/03/30/content_281475080249035.htm) (Accessed on 26/12/2018)
- 2) URL: <http://www.xinhuanet.com/english/cnleaders/2018BeijingSummit/index.htm> (Accessed on 04/01/2019)
- 3) URL: [http://www.xinhuanet.com/world/2018-09/03/c\\_129946121.htm](http://www.xinhuanet.com/world/2018-09/03/c_129946121.htm) (Accessed on 03/01/2019)
- 4) URL: <http://global.chinadaily.com.cn/a/201806/14/WS5b21b133a31001b825721c2f.html> (Accessed on 30/12/2018)
- 5) URL: <https://www.theguardian.com/cities/2018/jul/31/china-in-africa-win-win-development-or-a-new-colonialism> (Accessed on 30/12/2018)
- 6) URL: <http://www.vennmaker.com/?lang=en> (Accessed on 02/12/2018)

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### Appendices

1. Table 1: Actors in the network map of Mr. A (Lagos & Nigeria)

Actor Name	Actor ID	Location	Type	Environment	Relation
Board of Directors	57	Local	Specific Group	CE	Strong
Chairman (Nigerian)	59	Local	Male	CE	Strong
Managing Director (Chinese)	60	Local	Male	CE	Strong
Deputy MD (Nigerian)	61	Local	Male	CE	Strong
Engineering Controller (Chinese)	62	Local	Male	CE	Strong
Operation Department General Manager (Chinese)	63	Local	Male	CE	Strong
Marketing Department GM (British-Nigerian)	64	Local	Male	CE	Strong
Financial Department GM (Nigerian)	65	Local	Male	CE	Strong
CFO (Australian-Chinese)	66	Local	Male	CE	Strong
Commissioner of Lagos State Commission of Commerce & Industry (Nigerian)	67	Local	Male	CE	Strong
Local Government	68	Local	Institutional	CE	Strong
Local Law Firms	71	Local	Institutional	CE	Normal
Nigeria Export Processing Zones Authorities	72	Local	Institutional	CE	Weak
Nigeria Customs Service Agency	94	Local	Institutional	CE	Weak
Nigeria Corporate Affair Commission	95	Local	Institutional	CE	Normal
Lagos State Commission of Commerce & Industry	96	Local	Institutional	CE	Strong
Chief Officer of Economic and Commercial Section of the Consulate General of China in Nigeria	73	National	Male	CE	Strong
Nigeria Import & Export Agent Companies	74	National	Institutional	CE	Weak
Federal Government of Nigeria	75	National	Institutional	CE	Strong
China-Africa Joint Chamber of Commerce & Industry (CAJCCI)	76	National	Institutional	ME	Strong
Chairman of CAJCCI	77	National	Male	ME	Strong
Local Firms (60+)	78	Local	Institutional	ME	Weak
Chinese Firms (30+)	79	Local	Institutional	ME	Weak
Australian Firm	80	Local	Institutional	ME	Normal
Ukraine Firm	81	Local	Institutional	ME	Normal
China-Africa Business Council (CABC)	82	National	Institutional	ME	Normal
Nigeria Investment Promotion Committee (NIPC)	83	National	Institutional	ME	Normal
Material Suppliers (Chinese)	84	Local	Institutional	ME	Weak
Material Suppliers (Nigerian)	85	Local	Institutional	ME	Weak
Local Communities	86	Local	Specific Group	LE	Normal
Immigration Service Agency in Lekki	87	Local	Institutional	LE	Weak
Embassy of China in Nigeria	88	National	Institutional	LE	Weak
HQ in Beijing	89	Regional	Institutional	CE	Strong
Wife	90	Regional	Female	LE	Strong
University Classmate A	91	Regional	Male	LE	Strong
University Classmate B	92	Regional	Male	LE	Strong
Daughter	93	Global	Female	LE	Strong

2. Figure 1: Guanxi network map of Mr. A

