THE EXTENT OF EXPATRIATE MANAGERS' INFLUENCE ON KNOWLEDGE SHARING AND TRANSFER, THE LOCAL EMPLOYEES' PERSPECTIVE

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Abstract

The paper examines the extent of expatriates' influence on knowledge sharing/transfer in MNCs. Based on nineteen interviews with Chinese HR managers on their learning experiences with expatriates; the paper investigates social interaction between them in four areas: frequency, multiplicity, density and quality. The findings confirm the significant influence of expatriates on knowledge sharing/transfer. However, the extent of the influence and their role for knowledge sharing/transfer is weakened by the fact that they are no longer the main source of knowledge. Local employees have taken the initiatives to seek out knowledge sources and learning opportunities themselves and extend their social networks.
(100 words)

1 INTRODUCTION

The extant literature suggests that expatriate managers have a key role in sharing and transferring management knowledge to local employees during their international assignments (Bonache & Brewster, 2001; Harris & Brewster, 2001; Riusala & Suutari, 2004). Expatriates are perceived as the knowledge carriers and the main source of knowledge. In the last three decades, with the ongoing economic development and changing labour market in China, the circumstances for deploying an expatriate workforce may have changed. While the objectives for knowledge sharing and transferring in MNCs remain a priority, the role of the expatriates in achieving such objectives could have changed. It is therefore a need to reassess the situation. To understand whether expatriate managers still play a key role in knowledge sharing/transfer in subsidiaries and how, this paper will investigate the extent of expatriate managers' influence on local employees acquiring management knowledge through social exchange theory and social networks such as Guanxi. Research on understanding the role of expatriates on knowledge sharing/transfer is mainly carried out at the organisational level in the form of case studies and from the expatriates' perspective (Gamble, 2000). There are few studies investigating it at an individual level and from the perspective of local employees. This is what this project intends to do.

Specifically, the present research will examine the social interaction between expatriate managers and local employees in subsidiaries in the four areas: frequency, multiplicity, density and quality. By reviewing the learning experience of nineteen Chinese HR professionals who worked closely with expatriate managers in Chinese subsidiaries, the paper will seek to reveal the extent of expatriate managers' influence on Chinese HR professionals acquiring HRM knowledge.

The project has found a positive and linear link between the four areas of social interaction and knowledge sharing/transfer. There were various opportunities for social interplay in the workplace generated from these four areas, which are essential and crucial for knowledge sharing/transfer. The present research also found that knowledge exchange via social interaction between expatriate managers and Chinese employees was achieved in a spontaneous yet subconscious way in that local employees will not realise the extent of expatriates' influence on them until a reflection is forced upon them. However, the extent of the influence and their role for knowledge sharing/transfer is weakened by the fact that they are no longer the main source of knowledge. Local employees have taken the initiatives to seek out knowledge sources and learning opportunities themselves and extend their social networks.

The paper will firstly provide an overview of literature on knowledge sharing/transfer via social interaction, and a review on knowledge sharing/transfer via international assignments, in order to develop a conceptual framework for the project. Secondly, the paper will explain the research methodology including on how the project was designed, carried out and also introducing the dataset. Data analysis will be discussed under the sub-headings of the four areas of social interaction. Correlation between the four elements and additional findings related to knowledge sharing/transfer will be further discussed in the key findings, followed by conclusions with policy implications for MNCs, acknowledgement of limitation and suggestions for further research.

2 KNOWLEDGE SHARING/TRANSFER VIA SOCIAL INTERACTION

Originated from Polanyi (1967), then subsequent debate and extensive research have been done on defining knowledge by many scholars (Cook & Brown, 1999; Darby, 1995; Davenport & Prusak, 2000; Spender, 1996; Wilson, 2002). This paper takes the view that knowledge is embedded in practice (Cook & Brown, 1999). It will present knowledge as an active, highly situational and contextual concept where individuals give meanings to information and contribute to knowledge creation (Larsen, 1997). From a pragmatist's perspective, knowledge is understood not as static and abstract phenomenon but rather as an active process of knowing that is embedded in dynamic human actions (Cook & Brown, 1999; Jakubik, 2007). Furthermore, knowledge is not an object shared materially but socially constructed through cooperative efforts with common objectives. It is built in the artefacts, behavioural patterns and actions, and calls for an 'epistemology of practice' (Cook & Brown, 1999). Social structures in organisational relationships create a general framework and social context for individual learning and knowledge sharing in organisations (Larsen, 1997).

Prior research on knowledge sharing largely focuses on developing knowledge networks (Awazu, 2004; Davenport & Prusak, 2000), and learning communities (Brown & Duguid, 2001) to encourage knowledge production and knowledge flows within organisations. The present research draws insights from social exchange theory, because it explains very well the social interplay amongst employees so as to achieve the knowledge sharing in organisation. Blau (1964) defined social exchange as 'voluntary action of individuals that are motivated by the returns they are expected to bring and typically do in fact bring from others' (p91). Writing on social exchange theory suggests that individuals will exert effort to replay those who have benefited them. According to this perspective, individuals should help those who have helped them in the past. The basic idea behind social exchange is very similar to one of Chinese culture facets, Guanxi. Guanxi (normally translated as networks) is an indigenous Chinese social-cultural construct. It is defined as 'a personal tie between two individuals based on sentiment and mutual obligations (Chow, 2004). It operates in the way that providing a benefit to someone, who can be in the form of a gift, a favour, etc., obligates the receiver to repay that benefit in future. As with social exchange theory, Guanxi focuses on interpersonal behaviour as an exchange process. It develops over time, forms a strong bond with the target, and facilitates successful social exchange.

Based on the concepts of social exchange theory and Guanxi, individuals are likely to engage in positive social networks when they receive fairness of exchange. Chow (2009) explains that in the collective Chinese society, social networks and social exchange play a major role. For example, establishing harmonious interpersonal relationships with peers and helping colleagues solve problems have long been considered as virtues in Chinese society. The mutual exchange, obligations, indebtedness, and favour provided via Guanxi networks are more prominent than in Western societies (Chow, 2009). However, the idea of social exchange is argued to be common in all societies (Pierce & Maurer, 2009). Placing it under the learning context, social relationships and exchange allow employees to learn on their own and with each other (Chow, 2009). It is through this learning and sharing of knowledge that people can become more efficient and innovative.

To realise the knowledge-sharing potential of social networks and relations, Hansen et al's (2005) study on social networks inspires the present research to think deep about socialisation amongst employees. The socialisation mechanism can be categorised into

three sets of social networks: 1) a day-to-day network – established relations with colleagues who meet on every day basis; 2) a frequent network – established relations with colleagues from other project teams or departments who meet on a regular basis but not necessarily every day; 3) an occasional network – established relations with colleagues of other organisations or interest groups outside of workplace. The proposed three sets of social networks indicate the complexity and dynamic features of socialisation among employees. Drawing the concepts from knowledge networks (Awazu, 2004) and communities of practices (Wenger, 1998) and its effects, social networks provide employees with plentiful opportunities for knowledge exchange and can have similar effect on facilitating knowledge sharing/transfer. These opportunities coupled with the training and development and mentoring programmes will allow employees to acquire tacit knowledge, which can only be learned through social interaction and personal experience. Thus, the access to socialisation mechanism including social networks could have an immediate impact on the local employees acquiring knowledge and experience. It should be noted that social interaction is a two-way knowledge exchange (Lawson, Petersen, Cousins, & Handfied, 2009), although the present research does not investigate the impact on expatriates' learning.

The success of knowledge sharing/transfer not only depends on the accessibility to social networks, but also depends on the management behaviour and knowledge base of expatriate managers. Employees who perceive their supervisors to value knowledge sharing feel more inclined to share knowledge (Jacobs & Washington, 2003).

3 KNOWLEDGE SHARING/TRANSFER VIA EXPATRIATE MANAGERS

The presence of expatriates in subsidiaries is important to an MNC in order to establish a control mechanism and coordinate business operations (Harris & Brewster, 2001), but the notion of using expatriates as a vehicle for knowledge transfer has received more attention in literature (Bonache & Brewster, 2001; Riusala & Suutari, 2004). Expatriates are seen as a medium for both forward knowledge transfer to subsidiaries (Iles & Yolles, 2002) and reverse knowledge transfer to the parent firm (Edwards & Ferner, 2004). Importantly, it has been acknowledged that expatriates not only assist in the transfer of theoretical knowledge through the introduction and dissemination of corporate policies and procedures, but also assist in the transfer of their tacit knowledge and experience during international assignments (Gamble, 2003). Knowledge transfer was among the main concern when the expatriate was originally selected for the assignment. This is evident in Riusala and Suutari's (2004) study and revealed that in Finnish subsidiaries, expatriate managers were highly involved in the key knowledge transfer activities. However, the transfer of knowledge was found to be not very systematically managed in subsidiaries (Riusala & Suutari, 2004).

In order to achieve successful knowledge transfer, MNCs have introduced succession planning (Huang, 2001) and localisation programmes (Law, Wong, & Wang, 2004). However, as literature has revealed that such programmes have produced mixed results. While successful cases have been reported such as the case study of Lafarge (Jones, 1999) in China have shown that localisation can succeed there; others were struggled to make it work or reluctant to implement it. Nonetheless, studies have revealed that the subsidiary not only has the objective of localising expatriate positions but also that of developing local staff (Rogers, 1999). Some companies have used it to a better effect by incorporating it into an important staff development strategy (Taylor & McGraw, 2004). Failed cases, on the other hand, showed that the programmes have its ideal value, though with limitations and too difficult and complicated to implement.

Moreover, the fact that some international assignments have failed shows there is no guarantee of the success of expatriation policies (Harzing, 2002). Some research has questioned the selection process and the quality of expatriate managers (Harris & Brewster, 1999). These factors could affect the social interplay between expatriate managers and local employees on the density of knowledge exchange and what local employees can learn from the expatriate managers.

4 CONCEPTUAL FRAMEWORK: THE AREAS OF SOCIAL INTERACTION

The emphasis of expatriate management literature on knowledge transfer implies that management knowledge travels in one way direction from the West to China. As we will have noticed the rapid economic growth in China and increasing outward Chinese investments to the rest of the world, it is necessary to consider that management knowledge travels in a reverse direction (Edwards & Ferner, 2004). Instead of using the term, knowledge transfer, the reader will noticed that the project adopts the term knowledge sharing/transfer not only to acknowledge that the transfer goes in a two-way direction, but also to stress that the successful transfer can only be achieved through knowledge sharing.

To comprehend the social interaction between expatriates and local employees, the present research draws literature on socialisation mechanism in the form of social networks (Hansen et al, 2005), the project proposes to assess the social interplay between expatriate managers and local employees in four elements of frequency, multiplicity, density and quality.

- Frequency – how regular do the two parties interact at what network level
- Multiplicity – how diverse do the two parties interact using social networks
- Density – how intense do the two parties interact at what network level
- Quality – an added element to assess the knowledge and experience of expatriates and the skills of sharing and transferring knowledge.

The examination of frequency and multiplicity will assist us on understanding the regularity and accessibility of diversified opportunities for social interaction. The examination of density and quality could assist us on understanding what local employees have learned from expatriates and the knowledge and experience background of expatriates. Such evaluation will enable us to understand the extent of expatriate influence on local employees acquiring management knowledge, and the present role of expatriates on knowledge sharing/transfer.

5 RESEARCH METHODOLOGIES

The project takes an interpretive approach and investigates it at an individual level from the local employees' perspective. The project investigates the working experiences of respondents with expatriate managers, including both HR expatriates and/or non-HR expatriates throughout their career. The type of management knowledge that the project investigates is human resource management policies and practices. However, the project will not examine the specific HRM knowledge in detail on what the respondents have learned, but on their social interaction at workplace that facilitates the acquisition of HRM knowledge. Specific interview topics include: 1) access to social networks; 2) learning activities with and without the involvement of expatriates; 3) key learning

points in their career; and 4) evaluation of the quality of expatriates that the respondent has worked with.

Through personal networks and snowball sampling strategy, nineteen Chinese HR professionals who worked in Chinese subsidiaries of MNCs were invited to the project with two worked for the same company. Empirical data was collected through semi-structured interviews (Easterby-Smith, Thorpe, & Lowe, 2002). While fifteen one-to-one interviews were conducted; the remaining four was conducted via telephone. Sixteen interviews were recorded and three did not upon the requests of respondents. The actual length of the interview lasted between 60 and 90 minutes, subject to the experiences of respondents and the flow of the conversation. All interview notes were transcribed into English by the author. Confidentiality was assured to all respondents. Permission to use the data for research was granted provided that the respondent names and company names are anonymous.

6 THE DATA ANALYSIS

The data analysis was carried out manually and with the assistance of Nvivo, qualitative research analysis software. In order to carry out a meaningful examination, all irrelevant extracts were eliminated at first. The transcripts were then uploaded in Nvivo for data analysis. In referencing to the four areas, initial four tree nodes were created. Subsequent tree nodes and child nodes were created during the coding process. Nvivo was used for text/node searching, grouping and re-grouping; exploring correlation between nodes; counting numbers of similar experiences/comments, and importing figures for re-working in PowerPoint and Excel. Manual analysis was intended to be carried out occasionally to check if there were additional themes missed out in the process. However, Nvivo analysis is a time-consuming process. There is insufficient time to complete the analysis before the submission; nearly half of the data analysis was carried out manually.

All respondents were given a pseudonym; companies that they were working at the time of the interview were randomly given an alphabet. The summary of respondents' profile is provided in Appendix 1; company profile is provided in Appendix 2. To express my understanding of the experiences of respondents, direct quotation is used for demonstration purposes in the analysis. A general principle is to select quotations that have the best illustration value and that are appropriate for the flow of the discussion.

Of the nineteen respondents, fifteen had at least five years HR working experience, and ten had over nine years of HR experience. Of the four respondents with less experience, two (Ally and Stephen) were recently promoted to the position of HR manager; and the remaining two (Tony and Emma) had started their HR career recently. Five of the fifteen with extensive HR experience were taken the highest HR position in the company although their titles differ from each other.

Respondents had various degree of social interaction with expatriate managers. Generally, respondents with more HR experiences had more extensive social interaction with expatriate managers than those with less HR experiences. Presumably, in the context of acquiring HRM knowledge, HR expatriates would have more impact on knowledge sharing/transfer than non-HR expatriates. The difference on interacting and learning from HR and non-HR expatriates was evident in the interview. However, because the paper explores the extent of expatriates' influence on knowledge sharing/transfer in general, not on the influence of different types of expatriates, the data

analysis presented here will examine the respondents' social interaction with expatriates as a whole. The data analysis will be discussed under the sub-headings of the four areas of social interaction.

6.1 Frequency

Frequency is primarily determined by the nature of the respondent's job on whether it required regular contact with expatriates. Overall, all respondents have some level of workplace interaction with expatriates throughout their career. As they progressed in their career ladder, the opportunities of interacting with expatriates at various levels increased. Connected to their job responsibilities, fifteen respondents with more HR experiences had more regular interaction with expatriates than the remaining four. Furthermore, five respondents in senior positions had workplace interaction on an everyday basis.

Following the assumption that more workplace interaction provides more learning opportunities for knowledge sharing/transfer, it could be inferred that the frequent interaction with expatriates on a regular basis, e.g., day-to-day networks, could leads to positive learning outcome through knowledge and experience sharing.

6.2 Multiplicity

Multiplicity is examined based on the three levels of social networks described in the literature. The accessibility of various networks at workplace could directly and indirectly affect the exchange of knowledge and experience. Because social interaction examined by this project is workplace related, out of three sets of networks, day-to-day networks and frequent networks are though to have more direct impact on knowledge sharing/transfer compared to occasional networks.

Nearly two thirds of respondents including five on senior HR positions had a day-to-day interaction with expatriates; while one third of respondents had a project-based frequent interaction with expatriates. Two thirds of respondent had access to occasional networks such as internal and external HR communities/forums/clubs. This shows us that respondents had a broad range of social networks available and accessible both within and outside their companies.

When asked about the variation of social interaction with expatriates for knowledge exchange at workplace, instead of highlighting the learning networks that they had accessed to, respondents stressed other forms of learning that they had been offered. For example, nearly half of the respondents were sponsored for a MBA study; overseas training opportunities (Winona, Alen, Debbie and Daniel); short overseas visits (Eddie, Amanda, Brenda and Steve) participating in external HR clubs/communities (eg, Clare, Steve). They perceive the provision of such learning opportunities is equally as important as learning from expatriates.

Although there appear to be a conceived connection between the accessibility to social networks and knowledge sharing with expatriates, because there are other factors in the picture, it is uncertain the impact of the diversity of networks on the respondents concerning the intended knowledge sharing/transfer.

6.3 Density

Density is assessed according to the retrospective views of respondents on the content – what they have learned from expatriates based on their past experience. Nonetheless, this is a subjective examination, because there are other factors could contribute to the acquisition of HRM knowledge in addition to the influence of expatriates. Respondents were asked to provide information on what they have learned from a specific expatriate and/or from expatriates in general. Over half of respondents provided information on learning from a specific expatriates; about one third of respondents provided information on learning from expatriates in general.

> **Brenda**: I think it is easy to gain theoretical knowledge of how to do HR job but the key is to learn Western management's concept, the way of doing things from expatriates. These are what I have learned from working with expatriate colleagues, not from individual expatriate…

Nearly one third of respondents had dedicated mentors, who were expatriates, to coach them. The density of learning from mentors was recognised as much higher than workplace interaction with expatriates.

> **Daniel**: He is a very good mentor to me, also a very good friend. He is an American-born Chinese. He has an PhD in Psychology. His expertise is on education and training. In the US, as an American-born Chinese, he is the one of top or the best in the US. What I have learned form him is that you need to be strategic and have vision. You also need to be tactical on dealing with situations….Another one was my American Boss who recruited me…. Even though I only had a short time working together, I have learned a lot from him.
> **Steve**: One expatriate [business partner] will guide me to work with more senior managers on different situations. He encouraged me to learn American culture and relationship management. I have also learned to listen and provide constructive feedback. They will not say they don't think so, they will say that is interesting. They will then explain it to you.

As illustrated in the above, the length and frequency of workplace interaction appear to be a determining factor on the density of knowledge sharing/transfer. On one hand, respondents themselves were a determining factor on choosing what they wanted to learn; on the other hand, the quality of expatriates was another determining factor.

When evaluating what respondents had learned from expatriates, there was apparent evident and consensus on the distinctive differences between Western management and Chinese management styles. Over half of the respondents were clearly expressed their endorsement and acceptance that Western management concept was a better and more effective one than the Chinese.

6.4 Quality

Quality of the expatriates is assessed based on the perception of the respondents on the knowledge and experience of the expatriates that they had worked with. What respondents had learned from expatriates was subject to the knowledge and experience of expatriates, as evident in Judy's experience.

> **Judy**: I have worked for four expatriate HR directors. They had different backgrounds and working styles. I have learned from them in different ways. The first one had a good sense of business and over thirty years experience. He handled HR matters without any trouble and was able to convince and communicate with departmental managers and with the General Manager. The second one was good at the operational side of HR. He paid attention to the implementation of HR activities. The third one focused on details of HR policies and practices, including updating policies and personal files. Like the first one, the fourth one was experienced and creative. He emphasised the connecting of HR practice with business strategies. From them, I learned different aspects of HR policies and practices. The first and the fourth left me a strong impression and taught me the importance of understanding the business.

Mixed views were also gathered on the quality of expatriates related to the country of origin. Distinctive management style between Asian expatriates, especially HK expatriates, and western expatriates was highlighted during the interview. In addition to different management styles, lack of trust on Chinese employees appears to be the main barrier for Asian expatriates. This has been raised by a number of respondents (Debbie, Kirsty, Arthur, Eddie, Amanda).

> **Kirsty**: I have worked for two HK managers, one is the top, very best and capable; the other is not very good.
>
> **Arthur**: I have worked with Asian expatriates and European and American expatriates. I feel that it is easier to work with European and American expatriates than Asian expatriates. You can talk openly with EU and US expatriates and they listen to your opinions. Asian expatriates emphasis on figures and details and they like monitor your behaviour. You don't speak as free as you do with UE and US expatriates.

However, this is in contrast with the experiences of some respondents (Winona, Lynn, Debbie and Kirsty) who had high appraise for the HK expatriates that they had worked closely. Despite the comments of respondents stereotyping HK expatriates, which may be true in some cases. Evidence here seems to suggest that HK expatriates working in China possess not only the expertise and experience but also have the ability and skills to share and transfer their knowledge to Chinese employee.

While the respondent agreed that the majority of expatriates were experienced and knowledgeable, they found they had learned a great deal from them, there were a small number of expatriates were not very good. As they had observed, those less competent expatriates often ended their contract early.

> **Daniel**: what kinds of expatriates being sent here depends on the company and its culture. For example, companies like GE will send the best to Asia, and then after a few years send them back. But frankly speaking, a lot of expatriates are not qualified when they were sent to China. They were either no job opportunity there in Headquarter… or some old for retirement. … My present appointment is to replace the expatriate HR director… Yes, he failed to deliver the work and got fired. I replaced him. My title is the Great China HR Director.

Additional, all respondents also acknowledged that they not only learned from expatriates but also from their Chinese colleagues. Four respondents (Brenda, Lynn, Aden and Arthur) provided live examples, describing how they had learned from their

Chinese colleagues: one Assistant General Manager with HR background (Brenda), one General Managers (Lynn) and two HR Director (Aden and Arthur).

The data shows that regardless of country of origin, the knowledge and experience base of expatriate is a crucial determining factor on what local employees can learn from them. Equally, the learning experience could be hindered if expatriates were not qualified and did not have the skills to share their knowledge, and by other factors such as cultural conflict and language barrier.

Culture conflict appears to be the main concerns amongst the respondents as they saw it as a major barrier for effective communication and social interaction. However, once pass this barrier, this project revealed that a large number of respondents (e.g., Sally, Kirsty and Daniel, Lynn and Winona) with extensive HR experience and fruit English skills were able to interact with them at all levels, not only developed professional workplace knowledge and experience exchange but also developed a friendship at personal level.

7 Discussion and Key findings:

The above analysis shows us that each area of social interaction can contribute to the knowledge sharing/transfer at various levels. The four areas also correlate with each other. Frequent contact has certainly enhanced the extent of knowledge exchange between expatriates and Chinese employees, thus indicates a possibility of gaining HRM knowledge in the process. However, the causal relationship between frequency and density, the enhanced learning outcome, is less certain. On the other hand, the causal relationship between quality and density appears to be a convincing one, which is evident in that high quality expatriates regardless of country of origin has achieved more successful sharing and transferring of knowledge to Chinese employees than those with low quality expatriates. Moreover, high quality expatriates with increased frequent and diversified social interaction with Chinese employees through such as mentoring programme can result in a high density of knowledge sharing and knowledge exchange.

The findings confirm the significant influence of expatriate managers on local employees acquiring management knowledge, evident in the discussion of density and quality. However, the extent of the influence and their role for knowledge sharing/transfer is weakened by the fact that they are no longer the main source of knowledge. Local employees have taken initiatives to seek out knowledge sources and learning opportunities themselves and extend their social networks.

An additional finding has emerged from the data analysis. Respondents have demonstrated a great learning desire, as clearly shown in the interview with Brenda.

> **Brenda**: It is not attending a training courses makes you learn, it is that yourself to find things and be aware of people, things around you. In other words, you need to find knowledge yourself, learn from expatriates, their thinking. I worked with on HK HR manager, his expertise is on Compensation and Benefits. To work with him forced me to think more on C&B.

Respondents have an admirable attitude towards learning HRM knowledge. They stressed that expatriates were not the only sources for HRM knowledge. There are plentiful of sources both within and outside the company such as internal HR forums

and HR communities and clubs, all of which respondents found it had helped them in acquiring HRM knowledge and experiences.

The casual relationships between four elements and social interaction between the expatriates and local employees and its effect on knowledge sharing/transfer suggest that knowledge sharing/transfer is a dynamic phenomenon with multiple variables. The extent of expatriates' influence on achieving knowledge sharing/transfer is seen as significant and evident in the data analysis. However, the concrete evidence of such influence on acquiring HRM knowledge is not easy to detect and slow to emerge. Social interaction at workplace and its impact on knowledge sharing/transfer is a gradual process, sometimes at subconscious level. It takes time and respondents may not be aware of such influence and its value at the time. Respondents did not realise the influence of expatriates who they had worked with on their learning until they had reflected upon it. The influence is dynamic and volatile. The extend of such influence is largely determined by the local employees on the learning opportunities offered by the company and sought by themselves, and by the expatriate managers on their knowledge and experience base and how they facilitate the knowledge sharing/transfer via social interaction at workplace.

9 CONCLUSIONS

This paper sets out to review the current situation concerning the contribution of expatriate managers in knowledge sharing transfer. Investigated it from the perspective of Chinese HR managers, the project has found that the role of expatriate managers on facilitating knowledge sharing/transfer is less significant than what was thought, although the extent of their influence on local employees acquiring management knowledge is considered as significant. In light of increased diversified sources of management knowledge and diversified learning opportunities, the role of expatriates on knowledge sharing/transfer has faded as the local employees have taken the responsibility of learning new advanced knowledge in their own hands.

Findings on the four areas of social interaction and correlations between the four areas could assist both expatriates and local employees to identify areas for improvement to enhance the social interaction between them. On the other hand, organisations could pay more attention on creating a learning environment that encourages social interaction and knowledge exchange at workplace, and pay less attention on defining the role of expatriates on knowledge sharing/transfer.

The main limitation of this paper relates to the research methodology. Because of subjective nature of data analysis and interpretation from the retrospective reflection based on the respondents' experience, it limits the possibility for theory building. A small sample of 19 respondents has also limited the understanding on the subject from a wider population. To overcome the methodological limitations, the future research on the subject could adopt a mixed approach of interpretivism and positivism. A quantitative survey on the four areas of social interaction between expatriates and local employees can generate more fruitful data and have potential for theory building.

Appendix 1: Summary of Respondents' Profile

Adam: male, administration background, previously worked in Foreign Enterprise Services Co. (State Owned Enterprise); MBA. HR Director in Company A. Currently on a 2-year secondment contract as Executive Director in the Headquarter of Company A. Total 17-18 years HR experience.

Daniel: male, fresh graduate background, BA, EMBA. HRVP in Company B. Total 20 years HR experience.

Sally: female, finance background, BA, Diploma in Management. HR Director in Company C. Total 8 years HR experience.

Brenda: female, previously worked in state owned enterprises, MBA. Senior HR Manager in Company D. Total 14 years HR experience.

Lynn: female, secretary background, BA, EMBA. Head of HR in Company F. Total 9 years HR experience.

Steve: male, training background, BA, MBA. Site HR Manager & OD Manager in Company G. Total 5 years HR experience.

Aden: male, fresh graduate background, BA.HR consultant in Company I. Total 9 years HR experience.

Amanda: female, training background, BA, MBA. OD Manager in Company J. Total 11 years HR experience.

Arthur: male, fresh graduate background, 2 BAs, MBA. Corporate HR Manager in Shanghai Headquarter of Company L. Total 8 years HR experience.

Eddie: male, training background, BA and MBA. HR Manager in Company M. Total 9 years HR experience.

Kristy: female, fresh graduate background, BA and MSc. in HRD. HR Manager in Company N. Total 7 years HR experience.

Clare: female, secretary background. BA medical degree. HR manager in Company O. Total 6 years HR experience.

Ally: female, secretary background, BA. HR & Admin Manager in Company P. Total 2 years HR experience.

Stephen: male, sales training background. HR & Admin Manager in Company Q. Total 1 year HR experience.

Emma: female, secretary background. HR supervisor in Company R. Total 4 years HR experience.

Tony: male, administration background, previously worked in a State owned Enterprise, BA, MA in Education, studied in the USA. Assistant HR Manager in Company K. Total 3 years HR experience.

Debbie: female, administration background, previously working as Manager in Personnel (Lao Zi Ke in Chinese) in a State Owned Enterprise, Diploma. HR Manager in Company E. Total 12 years HR experience.

Judy: female, secretary background, BA, Master in Psychology & HRM (ongoing study). HR Manager in Company H. She is currently studying a 2- year's Master degree in Applied Psychology and HRM in Beijing University. Total 9 years HR experience.

Winona: female, secretary background, High Diplomas, MBA (ongoing). HR Manager in Company F. Total 11 years HR experience.

Appendix 2: Profile of Eighteen Companies

Company Code	Company Description	Source
A	American, Power and Engineering Company	Adam
B	British, Pharmaceutical Company	Daniel
C	American, Pharmaceutical Company	Sally
D	Danish, Beer Company	Brenda
E	American, Consumer Goods Company	Debbie
F	French, Luxury Goods Company	Lynn, Winona
G	American, Silicon Technology Company	Steve
H	American, Supermarket Chain	Judy
I	German, Technological Systems Company	Aden
J	French, Food Company	Amanda
K	British, Consumer Goods Company	Tony
L	Dutch, Electronics Company	Arthur
M	American, Consumer Goods Company	Eddie
N	American, Oil Product Company	Kristy
O	European, Risk Investment Company	Clare
P	Swiss & German, Electronics Systems Company	Ally
Q	Swiss, Elevator Manufacturer	Stephen
R	French, Building Materials Company	Emma

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