

**The duality of expatriation in the Chinese multinational expansion:
From a governmentality perspective**

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Abstract

Since the “Going out” policy introduced by the Chinese state and in the wake of China’s accession into the WTO in 2001, China witnesses a vibrant development of multinational corporations (MNCs) to expand the global market, and most of them are state-owned enterprises (SOEs), namely SOMNCs. From a governmentality lens, the paper analyzes the dual roles of Chinese SOMNC’s expatriate managers in Ghana as both business practitioner and state agent. Making use of rarely granted access to one of the leading construction SOMNC in China, the analysis makes visible the duality of expatriation in planning and managing the case company’s overseas strategic directions, diversified operations, and the localization of workforce and expatriate management in the process of Chinese multinational expansion at an organizational level. With a critical viewpoint of the roles of expatriate managers in China’s SOMNC, the paper makes a good contribution to the field of organization and management studies (OMS), through mobilizing the governmentality lens at the organizational level in a unique context and providing a political economic perspective for analyzing expatriate practices as well as to understand the nature of the expatriation of China’s SOMNC, which have been neglected in OMS literature.

Keywords

Expatriation, state, governmentality, Chinese multinational corporations (MNCs), dual roles of expatriate managers

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Introduction

Since the “Going out” policy introduced by the Chinese central government and China’s accession into the WTO in 2001, Chinese firms began to expand abroad, and over 80 percent of the Chinese multinational corporations (MNCs) are state-owned enterprises (SOEs), namely SOMNCs (Kaplinsky and Morris, 2009; Li and Soobaroyen, 2020). At the same time, Chinese government’s extended political and economic initiatives and policies, along with the call for restructuring and internationalization of, has led to a dramatic growth in Chinese MNCs which particularly dominated in African countries (Grimm, 2014; Wang and Elliot, 2014; Huang, 2011). Regardless of its impacts on local industries and economy, current research revealed unique approaches which are adopted by Chinese MNCs in their internationalization process, such as operation mode (Klossek, Linke and Nippa, 2012), knowledge transfer (Rui, Zhang and Shipman, 2016) and human resource management (Cooke, 2014). Chinese MNC’s state affiliation, China’s alternative political regime and distinctive cultural facets were explained to result in different forms and discourses of management, strategy and policies (Kernen and Lam, 2014; Quer, Claver and Rienda, 2012; Cui and Jiang, 2012).

Many extant literature explained and acknowledged that the worldwide expansion of Chinese SOMNCs as Chinese government’s deliberation to mitigate the overcapacity in the domestic market, to enhance regional and international collaboration, and to claim its international influence and leadership in the global economy (Jackson and Horwitz, 2018; Wei, Clegg and Ma, 2015). However, few studies have investigated how this grand plan of the state, and its underlying governmental rationalities are materialised and practiced at an organizational level (Li and Soobaroyen, 2020). With rarely granted access into one of the leading construction SOMNCs in China, namely GS, and with a specific focus on one of its overseas subsidiaries in Ghana, namely JN, our empirical case study contributes to the current literature on the importance of expatriation in Chinese MNCs, particularly when most leading ones are stated owned and benefited from political-led outward foreign direct investment. The multinational expansion of the Chinese SOMNCs has heavily relied on the practices of Chinese expatriates in managing and accommodating their overseas operations under both home country’s political needs and host countries’ local contexts. Thus, it leads to the following research questions: What are the unique roles of the expatriate managers in the multinational practices of Chinese SOMNC? And how has the Chinese state rationality been materialized in the Chinese multinational expansion?

From a governmentality perspective in organization and management studies (OMS) (Barratt, 2008; Foucault, 2008; Jessop, 2007; Maher, Valenzuela, and Böhm, 2019; Raffnsøe, Mennicken and Miller, 2019), the nature of duality of expatriation in the multinational expansion of a Chinese SOMNC in Africa is theorized. Thus, empirically, the paper discusses the unique dual roles of expatriate managers as business practitioner and state agent in the Chinese SOMNC’s multinational expansion, with a particular organizational focus on the overseas diversification and localization. Theoretically, we mobilize the governmentality lens at the organizational level in a unique context to provide a framework for analyzing expatriate practices as well as to understand the nature of the expatriation of China’s SOMNC. This contributes to the OMS literature and offers a useful way for further research on the relationship between expatriate manager and multinational expansion.

The remainder of the paper starts by reviewing previous work on the expatriation in multinational operations, followed by the notion of governmentality in articulating the role of the state and government with organizational analysis. The methods, setting and design of the case study is then explained, which is followed by the analysis and discussion of expatriate managers dual roles in planning and managing the case company’s strategic directions, diversified operations, and the localization of workforce and expatriate management. The paper is concluded by summarising the main findings and contributions and offering implications for future research.

Expatriation in Chinese MNC

Recent research on expatriation has challenged the traditional conception of expatriates as a group of high paid staff in crucial positions from a human capital perspective (Brewster et al., 2014), for example, from a social relation perspective to discuss tiered expatriation (Zheng and Smith, 2018), from a relational perspective to interpret self-initiated expatriation (Ariss and Syed, 2011), and from a dual-dependency perspective to interrogate performance in an international assignment (Dickmann and Doherty, 2008). However, most literature still measure expatriation success based on expatriate experience such as well-being, mental health, cultural adaptation, and modes of adjustment (Nicholson and Imaizumi, 1993) and organizational performance, such as job satisfaction, performance measurement, and withdrawal cognition (Silbiger et al., 2016), rather than discussing expatriates as political economy actors and measure their fulfillment of ‘political move accompanying economic expansion’ (Zheng and Smith, 2018, p. 497).

At an organizational level, in order to cross cultural barriers and manage the host-country employees effectively and efficiently, expatriate managers are assumed to be the most appropriate ones for MNCs’ international operations (Ghoshal and Bartlett, 1994). However, the recent research of expatriation has been dominated by foreign expatriates in China rather than Chinese expatriates in overseas subsidiaries (Zhu et al., 2014). As a relative new theme of China’s multinational expansion, only a few studies were conducted on China’s expatriate management, including expatriate policies (Harvey, Speier and Novecevic, 2001), motives of expatriate management (Cooke, 2012), effects of expatriation (Hébert, Very and Beamish, 2005), and nature of expatriation (Jackson and Horwitz, 2018). Moreover, with the recent impact of Belt and Road Initiative, international operations of Chinese MNCs in Africa have gained growing attention in recent research, however little attention was paid to the political and economic duality of expatriation in the context of Chinese MNCs, and it appears that existing literature relies heavily on ‘expatriate theory derived predominantly from Western MNE operations and practices’ (Jackson and Horwitz, 2018, p. 1874). Especially, the bulk of the Chinese MNCs operating in Africa are SOEs (Kaplinsky and Morris, 2009), thus they are expected to build a relationship between Chinese government policy, MNCs operational strategy and expatriate management (Cooke and Lin, 2012), as well as achieve global integration and local responsiveness (Caligiuri and Colakoglu, 2007).

Thus, the roles of expatriate managers in Chinese MNCs, especially from SOEs, in balancing MNCs strategic goals and local responsiveness has not been fully engaged. Not only is there an absence of empirical evidence regarding China’s MNCs in Africa at the organizational level, but also few studies have been conducted to develop theory in this area that could inform further research (Jackson, 2014; Jackson, Louw and Zhao., 2013). Moreover, expatriate activities in applying home country operational management system, which is developed in the unique context of the Chinese economic, political and social system, to local subsidiaries also worth further investigation.

In this paper, the dual roles of expatriate managers of a Chinese SOMNC in Ghana are discussed through an empirical case study. Considering effects of SOMNC expatriate managers’ activities on pursuing the strategic goals in Africa set by the Chinese government, technologies of government, as defined by Rose and Miller (1992, p. 281), through which ‘that political rationalities and the programmes of government that articulate them become capable of deployment’, are investigated to understand the roles of expatriate managers in SOMNC expansion. Therefore, with a systematic way of exercising power and authority, governmentality has an immense contribution to make to the study of expatriate management, especially in the process of international expansion of state capitalism.

Governmentality in and beyond OMS

In contemporary varieties of governance regimes, although the direct effects of some of the governmental technologies and practices on contemporary alliance building may be limited, the governmental agenda setting effects have still been substantial (Bo, Böhm and Reynolds, 2019; Hong, Wang and Kafouros, 2015; Maher et al., 2019; Vallentin, 2013). The role of the

state in institutional formations has been understood as ‘nothing more than the mobile effect of a regime of multiple governmentalities’ (Foucault, 2008, p. 77). Foucault’s notion of governmentality, according to Joseph (2010, p. 223), “goes beyond the narrow limits of state power to look at how these societies employ more subtle methods of power exercised through a network of institutions, practices, procedures and techniques which act to regulate social conduct”. Thus, the governmentality approach, as a complex and contested bundle of concepts and approaches, practices and strategies, elaborates on the notion of changing governmental rationalities and technologies in the historical constitution of varied state forms and locales (Death, 2013; Jessop, 2007; Raffnsøe et al., 2019).

However, in the current OMS literature, how institutional factors are interacted with the governmentalized state at an organizational level has been largely neglected due to a one-sided accentuation of neoliberalism (Bo et al., 2019; Jessop, 2007; Tuck, 2013). Beyond OMS literature, against the trend to de-emphasize the role of state in contemporary coalition making within OMS studies, Sum and Jessop (2013, p.207) emphasize ‘the art of government’ in various governance systems along the different lines. According to Rose and Miller (1992), through technologies of government, connections between authorities and individuals and groups are established, and social life can be made governable. As pointed out by McGuirk, Bulkeley and Dowling (2014), the governmentality lens is highly productive for revealing the multiple rationalities that drive the government to respond to distinctive problematics in governance in need of improvement. Therefore, the governmentality approach has particular advantages in ‘analytics of government’ (Death, 2013; Spence and Rinaldi, 2014), bridging the gap of the reconfiguration of state power in constructing concrete modern empirical power relations in OMS literature. Raffnsøe et al. (2019) also indicate the far-reaching effect of governmentality in OMS, as providing a way of connecting organizational analysis with the macrophysics of power. More specifically, governmentality seeks to understand not only the rationalities and technologies of government at a policy and macro level, but also ‘how these particular ways or styles of ordering, defining and regulating human being have come into being’ at an organizational and management level (Barratt, 2008, p. 520).

With China’s increasing integration into the fold of global capitalism, the state has played a significant role, not only in bolstering institutional foundations and maintaining social cohesion within the national boundary (Bo et al., 2019; Sum and Jessop, 2013), but also in promoting and dominating the multinational expansion and operation in a globalized market (Hong et al., 2015; Li and Soobaroyen, 2020). This is in line with Jessop’s argument (2015) about approaching a national interest via governmentality in play, for instance, the state in China pursuing geopolitical and geoeconomic position globally. However, as reminded by Hong et al. (2015, p. 46), the role of the state to “influence the objectives, priorities, resources and capabilities of the firm” remains under-theorized, especially in the process of international expansion of a large emerging economy, namely China.

Sigley (2006, p. 501) explores how governmentality is played out in China, suggesting that the Chinese Party-state is ‘regrouping’ rather than ‘retreating’ to use ‘economic levers and policy initiatives to steer and guide development’. Thus, it offers a valuable insight into how the state in China has been regrouped in a broader international discourse, for example, organizing the political and economic roles of the Chinese SOMNC expatriate managers. The case study of the Chinese SOMNC in Ghana could help to identify how the rationales and technologies of the state enable the dual roles of expatriate managers to be constituted in the process of multinational expansion and expatriate management and unlock the potential of the governmentality lens in OMS literature.

Methodology

Research context

The purpose of this study is to explore the unique roles of the expatriate managers in Chinese SOMNC, via a governmentality lens to interrogate the means of the state rationality to be materialized (Rose and Miller, 1992; Sigley, 2006; Sum and Jessop, 2013), in the process of China’s multinational expansion. In order to accord with the presupposed settings, the case of

GS, one of the largest construction SOEs in western Mainland China, has been selected in this study (Eisenhardt, 1989). Because of its international strategy, it has rapidly developed as a multinational company since the mid-2000s. The company has established a group subsidiary in Ghana, named JN, to be responsible for construction projects in Africa. The subsidiary in Ghana - JN - is an independently registered company which has great managerial and operational autonomy at the local level, and GS, as the head office and control centre, supports and monitors the operation of the subsidiary by setting profit objective, arranging key personnel, and dispatching construction supplies.

Data collected from GS is assumed to provide an overall picture in terms of the company's international vision and strategy, the overseas operation, and the interplay of Chinese particularities. Specific management practices of expatriate managers are identified within the construction projects and sites in this case. Therefore, this particular case selection embraces great space for theory development, which not only facilitates the development of theory, but also provides possible insights for re-examine other theories that applied in this area (Eisenhardt, 1989). From a practical perspective, because of political imperatives, the Chinese government has launched numbers of aid-projects in African countries over the last 60 years, which provides great opportunities for Chinese construction companies to enter the African market and gradually formed their own multinational operation. In other words, because of the inherently historic advantages, GS as one of the earliest independent SOMNCs in Africa is more likely to possess a sophisticated organizational structure and management practices. Thus, the site of the GS subsidiary would provide a lens to re-examine how the rationales and technologies of the Chinese state enable the duality of expatriation to be constituted in the multinational expansion and how the expatriate managers behave in order to adopt the Chinese version of management in the Ghanaian context or changed to be consistent with local contexts.

Additionally, this case selection is also attached with one of the unique features of Chinese companies, namely the state-owned identity. As a SOE, GS is controlled by the Chinese government, which is common since the previous centrally planned economic system prohibited construction projects to be taken over by private parties. Although GS has gradually transferred to a stock holding group in order to echo the economic reform and opening-up policy, the SOE heritage is still inherently implied in its organizational structure and management practices. Therefore, the SOE feature in the case selection was a purposeful rather than an exceptional decision. As the pioneer and the earliest beneficiary of economic reform progress, it is the fact that construction companies' overseas operation has been largely underpinned by national support, and the form of SOE per se is the reflection of the political context at the organizational level. Therefore, the complex picture of the unique Chinese context would not be completed if the complementary role of political context is ignored.

Data collection

To carry out the case study and identify the unique multinational practices of the Chinese subsidiary in Africa, data was mainly collected from interviews, triangulated with a wide range of documentary data. Based on a two-year fieldwork in both China and Ghana, we have collected fruitful empirical data, including 55 semi-structured interviews with 47 company's supervisors, department directors, and middle level managers within departments. Table 1 lists interviewee profiles for this case, including 20 managers above middle-level from GS and 27 managers above middle-level from JN. According to China's SOMNC common requirements, in our case, all managers above middle level in GS and JN need rotations every several years, so all interviewees working in China at the moment of interviews also had rich working experience in Ghana. All of the interviews were taken between one to two and half hours, some second-round re-interviews took half an hour. Questions asked during interviews started from macro questions about the company's strategy, purpose of management, expatriation and localization policies, to micro questions comprising types and contents of local activities, the outcome of practices and individual's perceptions. Interview transcripts and notes were then translated where appropriate, coded and analysed.

Table 1. Interviewee list

Interviewees working in China			Interviewees working in Ghana		
Code	Job Position	Nationality	Code	Job Position	Nationality
M1	General Manager	China	M21	Chairman	China
M2	Deputy Manager	China	M22	General Manager	China
M3	Deputy Manager	China	M23	Deputy Manager	China
M4	Chief Engineer	China	M24	Chief Engineer	China
M5	CFO	China	M25	CFO	China
M6	Director - HR	China	M26	Deputy Manager	China
M7	Director - Engineering	China	M27	Director - CSC	China
M8	Director - Operation	China	M28	Director - GSID	China
M9	Director - GSMT	China	M29	Director - GSM	China
M10	Director - GSLS	China	M30	Director - SP	China
M11	Director - GSEE	China	M31	Director - GSIHM	China
M12	Accountant	China	M32	Director - GSIT	China
M13	Accountant	China	M33	Director - HR	China
M14	Accountant	China	M34	Director - Engineering	China
M15	Projector Manager	China	M35	Director - Project	China
M16	Projector Manager	China	M36	Director - Operation	China
M17	Projector Manager	China	M37	Project Manager	China
M18	Operational Manager	China	M38	Project Manager	China
M19	Operational Manager	China	M39	Secretary General	China
M20	Middle Manager - HR	China	M40	Middle Manager - HR	Ghana
			M41	Middle Manager - Marketing	Ghana
			M42	Middle Manager - Accounting	Ghana
			M43	Middle Manager - Accounting	Ghana
			M44	Middle Manager - Production	Ghana
			M45	Project Appraiser	Ghana
			M46	Accountant	China
			M47	Project Manager - CSC	China

Apart from interviews, three types of documents have been identified and reviewed including information from the company's official website and publicity brochures, the chronicle of GS, which is an internal archive that records the historical progress of the company from 1978 to 2008, and document comprising of the management manuals for GS. These documents and archives were also coded and analysed to provide background and supplement for analysing interview data.

Data analysis

The contents of interview transcripts for qualitative analysis were coded to generate a dynamic

understanding of the organizational processes and governmentalization process of GS multinational expansion and operation in Ghana. First, all primary interview data were summarized, categorized and coded to delineate the strategic involvement and expatriate management practices of GS multinational expansion in Ghana. Eight first-order codes were initially identified as the Table 2 shows.

In order to fully comprehend the characteristics of GS multinational practices, we then grouped the first-order codes based on the initiatives and influences of these practices. The political and economic initiatives were identified over this process and the extracts and respective codes were organized into two second-order themes as the dual roles of expatriate managers - state agency and business practitioner. The pair of themes enriched the understanding of the important political and economic roles of expatriate managers in the process of deepening multinational expansion.

At the end of the data analysis, based on these two inspiring second-order themes, the aggregated dimension as ‘governmentality’ was identified to interrogate the means of government rationalities to be materialized into the GS multinational operation practices in the process of governmentalizing expatriate management and strategic implementation in Ghana. Figure 1 was drawn to visualize our main empirical findings.

Table 2 - Sample quotations of the first-order codes

Sample quotations	First-order codes
...shape a new image to reflect our determination of building an independent transnational company. (M2) ...modern mechanism (Board of Directors) is the way for our future development because we have more rights to make decisions, plan and strategy. (M23)	Market oriented international expansion
...we can't achieve our current status if we don't have government policies as our backup. (M24) While JN remains its independent identity as a transnational contractor, it is the representative of the state in the international market. (M3)	Paralleled organizational structure
...we are concerned with public image very much in African markets, we don't want them to consider us as an economic invasion. (M37) It is not wise to solely rely on construction projects; we need to expand our operation scales to spread the possible risks. (M8)	Diversification for market exploration and sustainability
...as managers of state investment, we are inevitably under political pressure. (M3) ...we also conduct government cooperative projects which are hardly profitable, but these are political tasks for us as a SOE. (M38)	Diversification as national strategy deployment
...now we need to pay a lot more to Chinese workers to match the wage level in China, that's why we start recruiting locals. (M6) ...I found information conveyed by local leaders always leads to faster reactions. It is really a relief for me to have them. (M27)	Local recruitment for efficiency and communication
...we tried to train and guide locals by asking them to do what we do. Compliance may be a	“Middleman” and “interpreter” from local employment

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<p>better way of learning. (M39) ...our Chinese director will make their own reports to Chinese head office, while we provide financial information for dealing with local auditing and taxation authorities. (M42)</p>	
<p>...when you identify yourself as a Ghanaian and do things in their way, there would be no barriers. (M21) ...it is also important to create an environment to persuade Chinese managers to stay. (M33)</p>	<p>Localizing expatriate via adaptive training and learning</p>
<p>...I feel fine with the idea of localization, but it is more likely a concern of the top level as we barely contact local people or culture. (M47) ...militarized management has always been our tradition since we started overseas projects 50 years ago. It helped us to get through difficulties in adverse circumstances (M7)</p>	<p><i>Militarized management and control for expatriate adaptation</i></p>

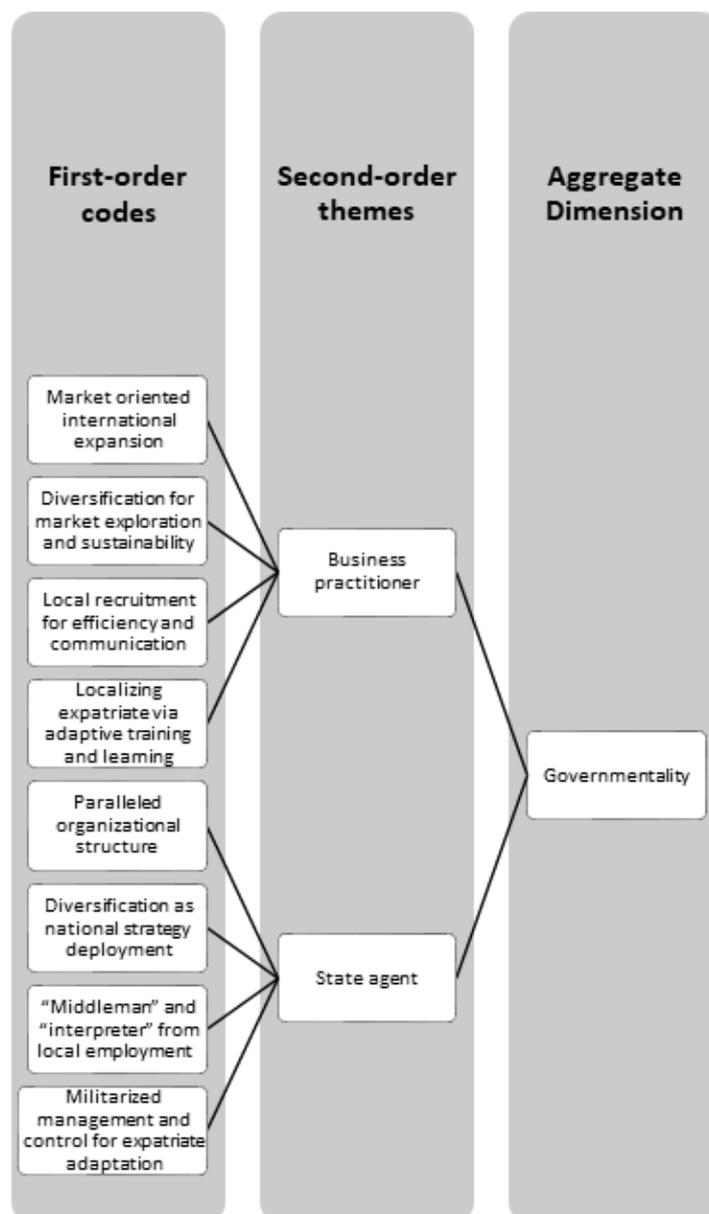


Figure 1. Analytical coding process

Expatriate managers as business practitioners

In response to the call for implementing modern corporate governance and market mechanisms in SOEs, GS had been significantly restructured and transformed to a Group Holding Corporation in 2010. While the administrative function of SOE was significantly removed from the renewed organizational structure, it urged managers to readjust their role from political cadres to business practitioners in order to practice China's socialist market economy in its multinational operations.

Market oriented international expansion

GS's new organizational structure also led to a renewed strategy which identified the overseas operations as one of the three major sectors in 2015 onwards. Underlying this strategic direction is managers' pressing need in alternative market and source of profit, which has become to an imperative to tackle with the competitions and challenges in China's domestic market, as one manager stated:

"The domestic building market is too crowded. There are too many bidders and the rising material and labour costs makes it harder to maintain profit. For good or worse, it is the time

to find somewhere else”. (M8)

The selection of African markets was rational since GS’s long-time involvement in African government-led projects enabled them to develop local networks and experience in overseas operations. However, a more important motive was the potential competitive advantages and market opportunities discovered by expatriate managers. As one manager stated:

“local (African) markets are quite under-developed and we still have more advanced techniques and experiences compared with local companies. Besides, this is a demanding market and there is a huge gap waiting to be filled. We can do more here.” (M30)

As a result, a greater level of autonomy was granted to overseas subsidiaries and expatriate managers were expected to develop pertinent solutions for particular markets. For JN, the Ghanaian subsidiary, “diversification” and “localization” were proposed as the determinant of success.

Diversification for market exploration and sustainability

“Diversification” has been manifested in Ghanaian subsidiary’s organizational structure, in which two sub companies were established and carried out construction related operations (GSID for equipment leasing and real estate development, and GSM for concrete processing and brick manufacturing). Managers explained this vertical diversification as a necessary means for supply and cost saving, which is particularly crucial in less-developed countries such as Ghana. However, a more noteworthy fact is that its horizontal diversified operations which reached to many non-construction and seemingly irrelevant industries including pharmaceutical manufacturing (SP), commodity trading (GSIT) and hotel management and tourism service (GSIHM). Economic outcome, especially long-term profitability, was certainly concerned as one manager stated:

“... although we are not specialists in those industries, we still can provide many basic but demanding services and products to the local market and it is a big market. Considering long-run development, those companies are even more promising than construction, so we need to plan ahead...” (M32)

This argument also delivered a key message that rather than being opportunistic in profit seeking, JN’s diversification was purposefully designed to improve a favourable public image and local acceptance, which are believed crucial in maintaining a long-standing operation in Ghana, as the general manager corroborated:

“...if we want to sustain our business in Ghana, the only way is to let locals accept and like us. We get into the pharmaceutical and trading business simply because there is a lack of medicines and daily necessities in Ghana. We believe that people will accept us as long as we provide scarce products and services to meet their needs.” (M11)

Arguably, from a strategic perspective JN’s diversified operation is actually a means to realize a compelling plan of localization which has been agreed and advocated as the determinant for JN’s sustainable development.

Local recruitment for efficiency and communication

JN’s localization can be understood as a transitional process from “*a foreign company in Ghana*” to “*a local company for Ghana*” (M21), for which localized recruitment certainly played an important role in this process. In fact, more than 95% of construction workers are recruited locally in JN’s construction projects, and the number is increasing along with the expansion of JN in other African countries.

Managers explained their progressive local recruitment for several reasons. Firstly, the

increasing demand in China's domestic market resulted in a dramatic rise of labour cost, which prompted JN to recruit more local workers for cost saving. Secondly, the Ghanaian government also initiated stricter control over foreign work permits and set a mandatory proportion of local workers in construction projects. Besides these economic considerations, managers also mentioned that work efficiency can be improved dramatically if locals participate in managing construction progress. As one manager described:

“we follow the notion of ‘local manages local’ in construction practices. We select several locals as the leader and delegate more power to them in communicating instructions, supervising progress and providing feedback. We did some calculations... while one experienced Chinese work leader can manage 10 local workers, our local leader can easily reach 50 within the same workload. It is a success.” (M35)

What managers experienced in construction works made them realize that local employees are able to provide better communication which is crucial to JN's non-construction operations. As a result, more locals were recruited at the management level, although their positions are purposefully assigned to improve communication and cooperation with local suppliers and customers, government departments and authorities.

Localizing expatriate via adaptive training and learning

Besides the extended local recruitment, another concern is how the Chinese expatriates adapt themselves to local conditions. It is imperative mainly because of JN's heavy reliance on expatriate in managing its international operations. As one manager commented:

“We are happy to recruit more local laborers as they can work efficiently as long as appropriate instructions and guidance are delivered. However, we still have to rely on our people in managing the business. There is a huge lack of managerial talents in Ghana and for the moment few local managers are capable of working toward our standards and requirements.” (M26)

However, localizing expatriates tends to be a complex topic as language, environmental and cultural differences often lead to barriers which contributed to a high turnover of staff in JN. In order to ensure sustainable development and to reduce unnecessary staff cost, JN carried out a series of staff training and learning to “provide a local view to Chinese managers” and to “offer suggestions and guidance for self-adaptation in Ghanaian context” (M33). As HR director introduced:

“Pre-job training is compulsory for expatriates and the main purpose of this training is to emphasize the importance of complying with local laws and regulations; respecting local culture and customs and providing tips for problem solving in Ghana.” (M6)

The pre-job training is complemented by follow-up learning sessions as explained:

“In-job learning is designed to update managers with newly emerging local situations. It also worked as seminars for expatriates to exchange ideas, interact with each other and give or receive suggestions and feedback about localization.” (M40)

Managers believed that the training and learning process conveyed important local knowledges and created a health phenomenon for self-adaptation, which enabled and motivated expatriate managers to accomplish tasks of diversification and localization, and to facilitate JN in pursuit of transforming to an independent, self-sufficient and sustainable entity in Ghana, as the chairman of JN commented:

“...ultimately, we want locals to describe us as an all-round company which will become a part

of Ghanaian's economy, rather than a group of foreigners from China who grab money and leave. We want locals to understand our strategy and operations as responsible to the local community, and we believe this is the legit and the only way to create economic benefits.” (M21)

While GS showed its strong determination to transform to a multinational business in the global market, it is found that Chinese expatriate managers played the key role in implementing the strategic aim into overseas practices in JN. Those managers were fitted in their business roles quickly and seemed to enjoy the increased autonomy in business decision making and management. Specific practices such as diversified operations, local recruitment and expatriate localization were purposefully designed and exercised in line with the corporation's economic considerations and sustainable development.

Expatriate managers as state agents

While JN's practices in diversification and localization revealed Chinese managers' tactics and deliberations under the complex international business scenario, it is hard to assert that their decision making was purely motivated by market consideration. The full picture of JN's international operation is yet to be revealed as we move on to expatriate managers' another role in JN's international operations.

Paralleled organizational structure

While the introduction of board of directors delegated more autonomy to GS's managers in decision making and managerial practices, the group still remained as state-owned although governmental direct intervention is diminishing in economic activities. The changing role of the state is embodied in GS's organizational structure, in which a CCP's party branch is paralleled and overlapped with the board of director structure. Managers in GS described it as “*two sets of brands, one set of personnel*” and explained:

“...Yes, we are directors of GS to make decisions and manage the operations, but don't forget we are also members of the party branch in a SOE. This identity requires us to monitor the safety of state asset investment and to ensure our practices are in line with political guidance.” (M4)

The dual identity of SOE managers indicated the changing role of the state in China's market oriented economic transition, in which the government transformed from the controller to the investor of SOEs. As a result, SOE managers obtained “limited autonomy” and the renewal of business strategy was also an active response to government's economic policies. “International expansion” was not officially announced until the government proposed “*Going out*” policies with an ambitious plan for international expansion and OFDI initiatives. However, managers seemed acceptable to their limited roles as they explained the uniqueness of SOE identity:

“As managers in SOEs we know that it is the state we should be responsible for, just like we are accountable to other shareholders. Economic independence is our long-run objective, but this is not necessarily going against our affiliation with the state.” (M23)

Diversification as national strategy deployment

The political reasonings have also been diffused in JN's local plan of diversification. In “*Special Issue of Twelfth National Five-year Plan (2011-2015) for Construction Industry*”, central government has made detailed guidance for the internationalization of construction industry, in which diversified operations have been emphasized not only as a way of market exploration, but also a means to assist China's domestic economy via export trade, international commerce, collaboration, consultation and knowledge transfer. These governmental suggestions have been taken into consideration by JN, leading to selective diversification operations that meet both the company's economic and the state's political demands. As managers comment:

“...we opened a shopping mall for selling Chinese commodities, bought Chinese machines for producing medicine, and even hosted Chinese tourists to African countries. Chinese government likes us as we provide a channel for everyone to participate and benefit, locals also love what we do because we provide what they want”. (M28)

They further added:

“It is a win-win and our SOE affiliation can actually facilitate what we want to achieve in Ghana.” (M11)

These comments further revealed how JN’s expatriate managers take advantage from the government by arranging their operations in line with political instructions. In a quarterly management meeting, JN’s chairman specified that they need to meet the government guided increase rate of annual overseas contracting turnover, because this will lead to more favourable terms and conditions for governmental funding and financing, as explained:

“...our SOE identity does not always lead to restrictions, it all depends on how to use it wisely. I am by no means to say we are speculators but as managers in a SOE multinational, we need to know how to make trade-off to balance state and company needs. We are running a business but also researching policies.” (M36)

“Middleman” and “interpreter” from local employment

The state affiliation and identity also shaped JN’s local recruitment which created a clear boundary of job roles and functions between Chinese expatriates and local employees. For the construction workforce, compliance to rules and commands is the key to local workers, whilst Chinese managers make decisions and deliver instructions to them via assigned local “middleman”. Managers explained this as militarized management and a tradition of construction SOEs, as one manager commented:

“...it is our spirit – compliance and discipline. In a construction site you need fast reaction, decisive decision making and judgment. Just like in a battlefield, all you need is one commander to call the shots, and the rest ensure the command is delivered correctly and executed orderly.” (M17)

With a slight adjustment, the same personnel strategy has also been used at the managerial level. Local managers are only appointed to positions where communication with locals is needed, although the communication is not unidirectional as Chinese managers are also expected to hear feedback and advice from their local “interpreters”. As one Ghanaian manager described:

“...as a construction appraiser my job is to use my professional knowledge and local connections to provide information about project pricing. However, all I need to do is to give advice and I will not be allowed to participate in the whole bidding process especially when the final decision is about to be made.” (M45)

Not surprisingly, this distinctive employment was described as a way for keeping balance, as one manager stated:

“We need to localize recruitment but cautiously. Sensitive positions, I mean positions with the right to make decisions, must be controlled by the Chinese. Because eventually we are a SOE and we have the responsibility to take care of state assets under any condition. We are free to do many things, but this is a bottom line.” (M35)

Militarized management and control for expatriate adaptation

JN’s state affiliation also led to unique practices in “localizing” Chinese expatriates. The

general manager explained JN's differentiation in localising expatriates:

“For most expatriate, to localise means to keep their work in consistent with local conditions, only do what should to do... on the other hand, more in-depth interaction and engagement with locals is the job for senior management, who need to maintain relationship with government and authorities, community and tribal leaders, and to search for opportunities.” (M22)

This comment implied that rather than encouraging all expatriate managers to blend into local contexts, JN intended to keep distance with selective engagement with locals. Underlying this unique practice is the prevalence of militarized ideas, where top managers communicate with locals to generate action plans for subordinates to execute. As a result, localization for most expatriates has been simplified as pragmatic practices such as compliance with local laws and regulations, and providing appropriate working plans in construction work, as one manager stated:

“...For us localization is not necessary means to appreciate locals, but to plan our work appropriately to show respect and to avoid conflicts. For example, we don't arrange construction work on certain religious days when locals need to go to church.” (M38)

Whilst the persistent military idea seemed to slow down the localization process, it is actually accepted and appreciated by Chinese expatriates as taken for granted, as one manager stated:

“It is our tradition and advantage, military management is the soul of construction SOE because it not only provides the discipline and compliance that we need in construction work, it also means unity, collective and power, the virtues we inherited from our SOE root back to the planning economy.” (M33)

As a result, militarized management, along with its underlying political connotation from socialist state, has been reinforced in JN's operations. A building complex was developed as a self-sufficient community for Chinese expatriates to work and live. A strict entry/exit control was applied with detailed plans and timetables for group working, dining and even entertaining activities. Expatriates are expected to adapt themselves with the collective living, which has been described as an alternative way of localization, as one manager commented:

“We all come to the foreign country from thousands of miles away, and collective is the source of power to help us overcome challenges and difficulties. We want locals to see us as a discipline collective who dare to shoulder responsibilities... Just like our government is seeking to develop a socialist state with Chinese characteristics, we are also practicing the Chinese way of internationalization.” (M26)

The emphasis on the Chinese characteristics has further been appreciated and acknowledged as a common belief of expatriate managers, by which JN's international operation is elevated as an honourable state mission and the underlying political needs are internalised within expatriates' ideological thoughts and daily practices, as one manager stated:

“everyone in this company understands ... 1. our identity as a CCP member and a Chinese citizen... 2. our responsibility to ... win honour for our country is unchangeable, and 3. our ideals and conviction to socialism is unchangeable”. (M39)

These findings suggested that the SOE identity and its underlying political meanings, rather than retreated from GS's internationalized structure and management, has been incorporated and even reinforced into the market-oriented overseas operations. Both the local's economic demands and the state's political needs are considerably reflected in each of JN's overseas

practices. This is only enabled because of expatriate managers' dual roles as both business practitioners in the overseas markets and state agents from its SOE root. By deliberately switching between their dual roles, expatriate managers are capable of making trade-offs and keeping balance for its different tasks, leading to a unique path of internationalization of Chinese MNCs.

Discussion and conclusion

Based on the empirical findings of the dual roles of GS expatriate managers in Ghana as both business practitioner and state agent, it was found that all GS organizational structure, business strategies and management were purposefully designed as a response to Chinese government's latest political and economic policies, namely "going abroad". It implies a multinational expansion of China's state rationality has been instrumentalized as the different practices at the local level in Ghana. In the recent studies, Cooke (2014) highlights that the Chinese government shapes business and their operating environment internationally and facilitate Chinese MNCs to develop overseas business through state ownership; Cui and Jiang (2012) also state that SOMNC's strategic choices are highly dependent on the state as the SOEs are politically affiliated with the home-country government.

On the one hand, according to Li and Soobaroyen (2020), the implementation of state ideological and political work at an organizational level reflected the significance of the SOMNC as a 'state apparatus' in China's governmentalization process. In our case of GS in Ghana, for example, diversification was implemented at the local level as national strategy deployment and militarized control was carried out to enhance unity and sense of belonging. On the other hand, expatriate managers in Ghana, with their limited autonomy, contextualized some governmentalizing requirements into local conditions, in which original managerial ideas were steered based on the localization requirement. This is in line with Jackson (2014) and Jackson and Horwitz (2018) about the gap between the state policies and involvement at the strategic levels and expatriate practices at the organizational level. This also supports what is stated by Kernan and Lam (2014) that SOMNCs workforce localization in Ghana is largely determined by government pressure, market competition and profit objectives, and SOMNCs practices are highly autonomous from the Chinese state.

To be concluded, this paper draws from the literature on expatriate management and governmentality to examine the dual roles of expatriate managers in the multinational expansion of a Chinese SOMNC in Africa. Drawing from the literature on governmentality, it emphasizes that governing involves technologies of government, and knowledge and behaviour of company's managers is helpful in constituting governance in a particular way (Rose and Miller, 1992). From a governmentality perspective, our findings revealed that expatriate managers in Ghana seems to be capable of disrupting the existing institutions to a certain extent, but the overall practices need to abide by the state frame of diversification and localization.

Therefore, our paper makes three main contributions to the OMS literature. First of all, with a specific focus on expatriate managers (Caligiuri and Colakoglu, 2007; Jackson, 2014; Jackson and Horwitz, 2018), our main empirical contribution has been to discuss their roles of business practitioner and state agent in the process of Chinese SOMNC constructing diversification and approaching localization in an overseas market, providing a sophisticated understanding of the practices of Chinese SOMNC's multinational expansion. Second, we theorize the governmentality lens in a unique context (Barratt, 2008; Raffnsøe et al., 2019; Jessop, 2007; Maher et al., 2019), enriching the framework with the under-researched field, as reminded by Hjorth (1999), understanding HRM - expatriate management and local workforce coordination in our case - as a practice and using that to answer what is governmentality at an organizational level. Third, based on the governmentality perspective, we concluded the nature of dual roles for expatriate managers - both political and economic practitioners - based on their practices in the process of the Chinese multinational expansion. As Larner (2007, p. 331; p.343) reminds us, "governments across the world are thinking about their expatriate populations in new ways... governmentality is a useful tool that orients us in a particular way." OMS scholars

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would do well to recognize the importance of the relationship between expatriate managers and globalising governmentalities in the process of globalization.

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