

A Literature Review of Existing Problems and Performance Influencing Factors of Expatriate Performance Management in Chinese Enterprises

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Abstract. Research on issues related to expatriate employee performance management in Chinese enterprises can help enterprises manage their employees more scientifically and reasonably and improve their performance and efficiency. This paper aims to summary and analyse the current research trends and key issues in the field of performance management of expatriates in Chinese enterprises through a comprehensive literature review of the field. The paper summary the current situation and existing problems of performance management of expatriate employees in multinational corporations, and analyses the impact of performance management environment, irrationality of performance appraisal system, and cultural identity on reducing performance management. Meanwhile, this paper discusses the direct or indirect effects of expatriates' workplace learning, incentive mechanism differences, and expatriate adaptability on employee performance in previous studies. In addition, this paper summary the countermeasures and suggestions for optimizing expatriate performance management put forward by some studies, and on the basis of which it looks forward to improving the management system of Chinese expatriate employees.

Keywords: Performance Management; Expatriate Employees; Working Overseas; Human Resource Management; Employee Motivation.

1. Introduction

The process of economic globalisation and the Chinese economy are both growing rapidly, and more Chinese companies are starting to operate across borders. At the same time, in order to improve the efficiency of overseas host country operations, provide development opportunities for home country employees, and ensure smooth communication between sub-parent companies, many Chinese employees have been dispatched to the host country to assist the company in managing the enterprise.

At this stage, domestic research on expatriate performance focuses on the problems of performance management systems and the differences in performance evaluation caused by different cultural backgrounds, and the research conclusions are different. In addition, some scholars have also proposed the influence of certain intermediary variables on the performance of expatriates in the course of the research, and these intermediary factors need to be further categorised and analysed.

On this basis, this paper combed the existing problems of performance management of expatriates in multinational enterprises and the related literature on performance influencing factors, and used the former research to conduct a case study to summarise and integrate the common points of the Chinese and Western literature, which will help this kind of research to serve as a reference for the performance management of Chinese multinational enterprises.

This paper further summarise the previous research of Lan Ke through the case study method and discusses how to manage the performance of expatriates by taking Qingjian Group Co.,Ltd (QC) as an example [1].

Through the literature review method, this paper concludes that the performance management of expatriates in Chinese multinational enterprises is mainly in the performance management system, performance goal setting, performance appraisal tools, and collates the factors influencing the performance of expatriates in both Chinese and Western literatures, and concludes that the factor of

cultural adaptability of expatriates is particularly important, and that employees' personalities, cultural intelligence, and learning orientation also have obvious effects on performance. Employee personality, cultural intelligence, learning orientation, also have a significant impact on performance. Secondly, this paper also uses comparative analysis to compare the views, data and conclusions of the literature, and summarises the commonalities and patterns among the studies, which makes this paper more valuable.

The above conclusions can provide ideas for multinational enterprises to promote the efficiency of human resource management, improve the existing performance management problems, optimise employee performance and enhance employee motivation, so there is a certain research significance.

2. Research on Performance Management of Expatriates Taking QC Company as an Example

2.1. Introduction related to QC Company

As this study is limited by time and other objective factors, the main information of this case comes from the relevant literature published by Lan Ke in 2019, and the research focuses on the performance management problems of the grass-roots expatriate employees of the Singapore subsidiary of the QC Company, and provides relevant recommendations with greater reference value [1].

Founded in 1952, QC Corporation is a large-scale comprehensive multinational enterprise group integrating general contracting, real estate development and operation, and other businesses. Currently, QC is ranked 338th among the top 500 Chinese enterprises and 87th among the top 250 international contractors of ENR.

Since 1983, the company began to actively explore the international market, and now its business has covered more than 50 countries and regions in Asia, Africa, America, Oceania and Europe. It has undertaken key projects such as the Chinese Cultural Centre in Singapore, the Presidential Palace in Mali, the office building of the municipal government in Beersheva, Israel and other embassies in many countries, and has won 8 Luban awards for overseas projects.

QC Company carries out sub-regional operation according to the company's business segments, the company wholly owns the establishment of international regional management company, and then set up host country subsidiaries in a hierarchical manner. qc company has the right of recruiting and dispatching management personnel of the overseas company, in the domestic company under the human resources outsourcing company, responsible for the recruitment and dispatching formalities, the overseas subsidiaries are responsible for the dispatching of personnel for the visa and acceptance of formalities, the overseas The Human Resources Department of the overseas subsidiary is responsible for the daily management of the dispatched personnel and the recruitment of local personnel.

2.2. Status of QC's expatriate employee performance management

The Singapore subsidiary has, since 2010, formulated the Performance Management Rules, established a performance management system and carried out performance management activities with reference to the parent company's performance management approach. QC's performance management includes the components of performance planning, appraisal and evaluation, results feedback and appeal, and application of appraisal results.

2.2.1. Overview of the Performance Plan

A performance plan is a process that allows both the appraiser and appraisee to communicate work objectives and translate the results of that communication into writing. Currently the main elements of QC's performance plan are the decomposition of performance objectives, performance management is responsible for departmental performance appraisal targets and individual performance plan development cycle.

2.2.2. Overview of Performance Appraisal and Evaluation

The performance appraisal of QC's Singapore subsidiary contains performance appraisal of functional departments and performance appraisal of grassroots expatriate employees. Among them, there are three steps to evaluate the performance of the department, including the year-end departmental performance appraisal completion assessment, departmental mutual evaluation and year-end debriefing assessment. The performance appraisal of individuals consists of two parts, including quarterly performance appraisal index completion appraisal and mutual evaluation of employees within the department.

2.2.3. Overview of Performance Feedback and Grievance

Performance feedback can help employees understand their own work performance and performance status, motivate employees to work actively and improve efficiency. Employee grievance mechanism can open the channel of communication between employees and the company and guarantee the fairness of performance appraisal. QC Company adopts the feedback method from HR department to the heads of each department and then to the expatriates to notify them one by one, and there is a relevant grievance mechanism.

2.2.4. Application of Appraisal Results

The performance appraisal results of the company's grassroots staff will be used as an important basis for departmental performance appraisals and counted in the collective performance. In addition, the performance of grassroots expatriates is also an important basis for the payment of employees' year-end bonuses.

2.3. QC's Expatriate Performance Management Issues

A questionnaire was used in Lan Ke's study , which surveyed 154 employees of the company and summarised the following problems in performance management[1].

2.3.1. Problems with Performance Plans

Individual performance appraisal cycle is long, and there are no specific rewards and punishments after the appraisal. When the quarterly-based appraisal is over, there are no incentives and penalties set up corresponding to the appraisal rankings, which cannot reflect the differences in performance appraisal, and the lack of short-term incentives reduces the employees' sustained attention to performance management.

Lack of overall performance plan, team plan is not effectively decomposed to individuals. the performance plan of QC's Singapore subsidiary is only detailed to the level of departmental target grading, but there is no individual plan, which makes it difficult for employees to comprehend the role and significance of performance management.

2.3.2. Problems with Performance Appraisal Methods

Currently the company uses too many appraisal methods such as departmental KPI appraisal, departmental mutual appraisal, expatriate employee KPI appraisal and departmental employee mutual appraisal. This makes the mechanism very cumbersome and employees to become tired with performance appraisals.

2.3.3. Problems in the Formulation of Performance Objectives

Employee job responsibilities are not clear, and it is difficult for employees to choose assessment indicators. In the setting of performance objectives, since expatriates are sent by the home company, the job competencies and responsibilities of subsidiaries can often only be determined by the person, resulting in unclear descriptions of job responsibilities and lack of detail in the division of KPIs, which makes employees more confused when referring to performance objectives.

2.3.4. Problems with the Performance Appraisal Process

The appraisal is unfair and host country employees are treated differently from expatriate employees. According to QC Company's performance management regulations for expatriate grassroots employees of subsidiaries, local employees do not participate in performance management, which to a certain extent condones local employees' evasion of responsibility and makes expatriates feel that the appraisal system lacks fairness, leading to the increasing boredom.

2.3.5. Problems with Performance Feedback

There is a lack of substantial performance feedback sessions. The company only notifies the appraisal results and only interviews the employees when they complain, and the whole process lacks human resources feedback and guidance on performance, making it difficult for employees to understand their strengths and weaknesses in the performance appraisal cycle.

QC only pay attention to the appraisal results, ignoring the process of supervision and guidance. After the questionnaire survey, some employees responded that the department head only assigns the performance indicators and tasks to the employees, and only cares about the completion of the tasks at the end of the appraisal period, with no exchange and communication throughout the whole process, and a lack of process supervision, control, and guidance to the employees, which leads to deviation of the final results from the plan.

2.3.6. Problems in the Application of Appraisal Results

Appraisal results are not closely linked to salary. On the one hand, there is a restriction on salary deduction for expatriate employees. On the other hand, there is no additional performance bonus because the parent company wants to control the manpower cost of subsidiaries. Therefore, the performance appraisal results only affect the year-end bonus payment of employees without other incentives.

The appraisal results have nothing to do with career development, employee training. The company did not give far-reaching consideration to the career planning of the grassroots expatriate employees, and even the treatment dropped after the expatriate returned to their home country, which led to a large number of expatriate talent loss.

3. Research on Issues Related to Expatriate Performance Management in China

Due to the main goal of this paper is to study the performance management of expatriate employees in Chinese enterprises, the relevant Chinese literature is mainly collected in this part. The concept of performance management was introduced late in China, and gradually began to enter the vision of enterprises in the 1980s, so there are more studies on the performance management of dispatched employees.

Regarding the problems of performance objectives, Cheng Jin-kai suggests that many multinational corporations, when designating the objectives of expatriates, have difficulty in motivating the employees due to the large differences in the interests of the home country managers, the host country managers, and employees, which results in the formulation of objectives that are difficult to motivate the employees [2]. Meanwhile, Cheng believes that multinational enterprises need to consider the cultural differences between the home country and the host country, as well as the adaptation period required for expatriate employees to arrive in the host country, and choose a flexible assessment tool that adapts to the host country's cultural environment.

Wang Qi also argues that expatriate employees are unable to clearly familiarise themselves with their job responsibilities, the International Human Resource Management (IHRM) system is inaccurate, and problems with the application of performance appraisal results lead to errors in the setting of performance objectives, which in turn affects the completion and improvement of employee performance [3]. In addition, Wang raised some problems in the performance management system, such as the lack of overall plan in multinational enterprises, the long cycle of individual performance

appraisal for dispatched employees, which leads to the systematic and coherent problems of performance appraisal system from formulation to feedback.

Lei Dan takes China's financial investment industry as the background, researches a specific company, and concludes that the multinational company's expatriate employees' performance appraisal system is imperfect, the indexes are unreasonable, the feedback is not timely, and the application of the results is not comprehensive, which is more comprehensive and confirms the existing expatriate performance management problems of Chinese multinational companies [4].

4. The Current Status of Research on Performance Influencing Factors

Research on performance management in foreign theoretical circles started earlier, dating back to the 1920s, and grew obviously in the 1980s. At present, foreign scholars believe that performance management is already a mature field, and is one of the tools to help employees improve their personal performance.

In recent years, research on expatriate performance management has focused on the factors affecting employee performance. Kim Hyeong Deug and others have pointed out that IHRM practices and career development opportunities can be effective in improving the performance of corporate expatriates, and have inspired more host country firms to provide home country expatriates with growth opportunities and space [5].

Meanwhile, more foreign scholars have studied the influence of cultural adaptability of home country expatriates. Muhammad Awais Bhatti and others proposed in their research that expatriates' adaptability plays different mediating roles for different personality types in the Big Five, which affects their performance, and then built a model to help enterprises predict the performance of expatriates [6]. Ilaria Setti et al. suggested that cross-cultural communication awareness (CCA) mediates cultural intelligence (CQ) and employee performance, and that cultural intelligence to a certain extent reflects the malleability of an employee, that is, his or her ability to function and manage effectively in a different cultural context, and therefore organisations should give more support to expatriate employees to assist them adapt to the host environment and to promote their work efficiency [7]. Marlin Abdul Malek et al. in their research on expatriate spouses and expatriate adjustment also illustrated that the governance and interactivity of expatriate spouses help expatriates to better adapt to the host country's cultural environment, and thus are likely to perform well at work [8]. Haldorai Kavith et al. suggested that learning orientated employees are more proactive in learning the and assimilate into the host country's culture, and are more persistent in their tasks and more likely to produce good performance [9].

The findings of domestic scholars on the factors influencing performance management of expatriates are also similar to or borrowed from those of overseas scholars. Wu Shan suggests that expatriate performance is positively related to expatriate management practices and leadership care, and that the degree of employee cultural adaptation also plays a mediating role [10]. Xu Yiru suggested that there is a significant relationship between personality traits, cultural intelligence (CQ), big five sex and performance of expatriate employees in Chinese enterprises [11]. In addition, for the factors of mental toughness and cultural adaptability, Wang Nan took hundreds of expatriate employees from 22 Chinese and Western multinational enterprises as samples and proved that mental toughness does have a significant impact on expatriate employee performance and that cross-cultural adaptation has a key mediating role on mental toughness and performance [12].

5. Conclusion

Combining the above cases and summarizing the research literature, the research on the problems existing in the performance of expatriates in Chinese enterprises in recent years mainly comes from China and has been more comprehensive. The points in the study focus importantly on finding performance goals, appraisal systems, and feedback. Encouraging the host country subsidiaries to

give more help to expatriate employees, which provides hope for multinational enterprises on how to optimise expatriate performance appraisal. However, despite a series of gains, the author finds that less literature closely links the characteristics of multinational enterprises with the problems arising from performance appraisal, and most of the performance appraisal problems raised are those that also exist in non-multinational enterprises, and there is still a lack of targeting to point out the characteristics of expatriates' performance management problems. Therefore, future researchers can try to improve the correlation between the characteristics of multinational enterprises and performance appraisal, conduct more in-depth investigations and studies, and obtain more accurate research results to help Chinese multinational enterprises to improve the performance of expatriates more effectively.

Secondly, research on the influencing factors of expatriates' performance is very rich, and scholars at home and abroad have carried out in-depth exploration. Among the many influencing factors, a large number of scholars have researched and demonstrated the factor of employees' cultural adaptation, which confirms that expatriates' cultural adaptation to the host country significantly affects their performance and acts as a mediator among other factors. In addition, domestic and foreign scholars also believe that expatriate employees' international human resource management practices, employees' cultural intelligence, and employees' personalities are important factors affecting employees' performance in the host company. However, most of the performance scales and research subjects used by scholars are mainly for employees working in a certain country, which is less applicable to the group of expatriate employees of Chinese multinational enterprises, so it is necessary to develop and use a set of scales more suitable for measuring the performance of expatriate employees of Chinese multinational enterprises in the future research, in order to better summarize and collect information.

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