Boundary spanning behaviors of expatriates

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Abstract

Expatriates provide benefits to multinational corporations (MNCs) when they enact boundary spanning roles. They do so by relaying local information and identifying opportunities that meet internal needs of MNCs. To test hypotheses based on social capital and role theories, we surveyed 232 expatriates. The findings indicated that local experience and the diversity of social networks were conducive to the boundary spanning activities of expatriates, whereas environmental uncertainty and overseas experience had little effect. By engaging in boundary spanning activities, expatriates felt less role ambiguity and gained role benefits, and were more eager to use the resources that were found within different communities of the host country. In addition, those expatriates who engaged in more boundary spanning activities had higher job satisfaction and more power within their own companies than those who did not.
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1. Boundary spanning behaviors of expatriates

Expatriates are playing an indispensable role in MNCs as globalization reaches a new level. Unlike in the 1970s and 1980s, power in many MNCs is now more geographically delegated. Company headquarters impose less control over and give more freedom to their overseas subsidiaries. This is aimed at developing strategic connections between subsidiaries in different nations, so that they can exploit the advantages of transnational acquisition and use of resources (Bartlett & Ghoshal, 1989; Nohria & Ghoshal, 1997).

Expatriates have the potential to play key roles in MNCs because they are able to act as the links through which subsidiaries can connect to the host countries to obtain useful resources (Thomas, 1994). Caligiuri (1997) found that the "success" of expatriates could be evaluated by measures that included the completion of assignments, cross-cultural adjustment, and performance. Her study showed that expatriates and their peers further divided performance into technical, pro-social, managerial, and expatriate-specific categories. The last two types of performance include representing the organizations to customers and the public, and transferring information across strategic units and establishing interpersonal bonds with host nationals—activities that many would refer to as "boundary spanning" (e.g., Ancona & Caldwell, 1992). It seems, therefore, that boundary spanning was in the mind of her respondents, even though they did not use the term.

Relatively little is known about the boundary spanning activities of expatriates. Most research that has been concerned with expatriates and their management has focused on better selection, training, adjustment, and completion of assignments (Black, Mendenhall, & Oddou, 1991; Fukuda & Chu, 1994; Inkson, Arthur, Pringle, & Barry, 1997; Thomas, 1998). In short, the majority of the literature focuses on helping expatriates to cope with their new environments and reducing the potential loss to MNCs when those expatriates fail in their assignments. Given this focus, the important question of how expatriates do their jobs during their foreign appointments has not been given adequate attention (Caligiuri, 1997).

This study is an empirical effort to explore the boundary spanning of expatriates and to shed more light on how they do their jobs. In the following analysis we use the work of Thomas (1994) as a springboard for deriving theoretical propositions that are pertinent to the antecedents of boundary spanning behavior. We also examine the influence of boundary spanning behavior on psychological and social

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mediators, and its influence on work outcomes. Theories of role and social capital are considered to enrich our conceptualization. In particular, we postulate that expatriates are multicultural brokers for different ethnic or expatriate communities in the host country. Most expatriates are connected to both their parent MNC and their host country. They possess at least some cross-cultural experience, and are assigned managerial duties. Consequently, they are well equipped to establish social ties and bring together resources that are located within separate cultural communities (Cohen, 1977; Fernandez & Barr, 1993). Viewing expatriates as multicultural brokers may complement the individual point of view that Thomas (1994) implied in his boundary spanning framework.

1.1. The concept of boundary spanning

Organizations are open systems that need to interact with and adjust to their external environments. Boundary spanning is the activity by which individuals within organizations bridge external needs and provide information for internal users (Scott, 1995). In the context of this study, boundary spanning activity is broadly defined as the amount of cross-boundary information that managers exchange. Those managers who cross the boundary between the organization and the environment are called boundary spanners. These boundary spanners, because of their multi-dimensional activities, have been called information gatekeepers, external representatives of the firm, conduits for resource acquisition, and influence agents (Aldrich & Herker, 1977; Ancona & Caldwell, 1992).

Straddling the border, a boundary spanner (in the context of this study, an expatriate), is under scrutiny and pressure from a number of agents, such as suppliers, headquarters bosses, and local coworkers. Paradoxically, the diverse demands from these agents can result in both adverse and beneficial outcomes (Sieber, 1974). Before examining why this is so, we describe some factors that trigger the boundary spanning behavior of expatriates.

1.2. Antecedents of boundary spanning behaviors of expatriates

The external environment contains elements over which organizations have little control, and for whom they pose fundamental problems. Environments differ in their degree of uncertainty, and different degrees of uncertainty require appropriate degrees of intelligence collection and information processing (Dollinger, 1984). Therefore, expatriates who perceive the environment as uncertain tend to engage in more boundary spanning activities. Moreover, people with greater experience of other functional groups are more likely to participate in boundary spanning activities (Ancona & Caldwell, 1988). As expatriates are sent on more overseas assignments, they are exposed to more cultural groups and managerial functions (Mendenhall, Kühlmann, Stahl, &

Osland, 2002). Hence, expatriates who have more overseas experience are more likely to be sensitive to the need to participate in boundary spanning than are those with less experience (Thomas, 1994). Hence, more overseas experience may be associated with increased boundary spanning activities.

Hypothesis 1a: *The perception of high levels of environmental uncertainty increases the boundary spanning activities of expatriates.*

Hypothesis 1b: *Expatriates with more overseas experience participate in more boundary spanning activities.*

The networking activities of expatriates can contribute to boundary spanning. This occurs when they build and maintain links with different groups of insiders and outsiders (Krackhardt, 1994), and in the process tap into the social capital that is contained in these networks. Social capital is a feature that is constituted by certain types of relationships among people, and its possession can facilitate their actions (Coleman, 1988). According to Burt (1992: 62), social capital is "...an army of people processing information who can call your attention to key bits." Access to information is particularly relevant to boundary spanners (Baron, Field, & Schuller, 2000). Because information is costly to collect, knowing the right contacts can help individuals to acquire information. Oftentimes, the contacts can also provide the gist of the information and point to trustworthy sources (Coleman, 1988). Boundary spanners must relate to a variety of groups that serve different functions for the organization (Manev & Stevenson, 1996). They must also acquire information from outside and then pass this over to organizational members, and vice versa. Therefore, expatriates who have a diverse array of internal and external relationships are well placed to undertake boundary spanning activities. In technical terms, having a variety of contacts means that an individual's social network contains diverse relationships (Blau, Ruan, & Ardelt, 1991).

Hypothesis 2a: *Relationally diverse social networks increase the boundary spanning activities of expatriates.*

Whilst selection and training may render expatriates more multicultural than local managers, their linkages with their home countries and their parent MNCs, and their new connections with their host nations, constitute a culturally diverse network (Nohria & Ghoshal, 1997: 158). A culturally diverse network is not equivalent to a relationally diverse network. One may know many customers and local coworkers, etc., but they may all come from the same country. Similarly, one may know people from many different countries, but all of them may be customers. A culturally diverse network is conducive to boundary spanning for expatriates because different kinds of information are embedded within different cultural groups