

Host Country Employees' Ethnic Identity Confirmation: Evidence from Interactions with Ethnically Similar Expatriates

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Host Country Employees' Ethnic Identity Confirmation: Evidence from Interactions with Ethnically Similar Expatriates

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ABSTRACT

Employing expatriates who share an ethnicity with host country employees (HCEs) is a widespread expatriate selection strategy. However, little research has compared how expatriates and HCEs perceive this shared ethnicity. Drawing upon an identity perspective, we propose HCEs' ethnic identity confirmation, the level of agreement between how an HCE views the importance of his/her own ethnic identity and how expatriates view the importance of the HCE's ethnic identity, affects HCEs' attitudes towards ethnically similar expatriates. Results of two experiments show that HCEs' ethnic identity confirmation is related to HCEs' perception of expatriates' trustworthiness and knowledge-sharing intention.

INTRODUCTION

In the international management literature, research on expatriates who share an ethnicity with host country employees is a niche topic. However, employing expatriates to work in host countries in which they share an ethnicity with local people (termed ethnically similar expatriates) is a widespread practice in MNCs (Thite, Srinivasan, Harvey, & Valk, 2009; Yuan, 2007). MNCs expect the ethnic identity of these expatriates to facilitate their interactions with host country employees (HCEs) and help them gain support and knowledge. In contrast to these expectations, empirical research has revealed ethnic similarity does not always ensure positive relationships. It is often associated with interpersonal conflicts and a lack of trust between ethnically similar expatriates and HCEs (Chung, 2008; McEllister, 1998; Yuan, 2007). As a result, MNCs' expatriate selection strategy can fail to achieve its goals, and ethnically similar expatriates may face difficulties at work and maladjustment in the host country. Why does ethnic similarity not always generate positive social outcomes between ethnically similar expatriates and HCEs? This question, thus, constitutes an intriguing source of phenomenon-based research in international business (Doh, 2015). It is important to gain an in-depth understanding of how ethnic similarity influences interactions between ethnically similar expatriates and HCEs.

Since helping expatriates succeed is essential in international management, it is not surprising that research on expatriate-HCEs interactions has primarily focused on expatriates, such as identifying factors that can help expatriates gain support and knowledge from HCEs (Leonardelli & Toh, 2011; Varma, et al., 2016 ; Varma, Pichler, Budhwar, & Kupferer, 2012). Nevertheless, by ignoring the experiences of HCEs in interactions, researchers have missed an opportunity to identify important factors that create difficulties in interactions between expatriates and HCEs. To understand why ethnic similarity may not facilitate positive relationships, two perspectives need to be considered. The first is an interactive perspective. Since HCEs are often researched in the context of interacting with expatriates, an interactive perspective could position HCEs as the focus of analysis. This is because when an interaction involving two parties is analyzed, both parties are equally important and both parties' attitudes and behaviors can affect the outcome of the interaction (Jung & Hecht, 2009). Understanding not only the experiences of expatriates, but also HCEs' experiences and attitudes, provides an opportunity to identify what factors inhibit HCEs from providing support to or sharing knowledge with ethnically similar expatriates.

The other perspective is a social identity perspective, specifically, social identity theory and self-categorization theories (Tajfel, 1981; Turner, 1982). Both theories explain relationships between individuals and social groups. Social identity theory focuses on how individuals manage their multiple social identities, such as when they prioritize one identity over others (Tajfel, 1981). Developed from social identity theory, self-categorization theory focuses on how people make self-categorizations based on social identities (Turner, 1982). In the current study, ethnic identity is the key factor that makes ethnically similar expatriates different from other expatriates. It is precisely this identity that is expected to help expatriates build interpersonal connections with HCEs. Social identity theory and self-categorization theory can explain how expatriates and HCEs view their ethnic identity in relation to other social identities and how the shared ethnicity might affect their self-categorization and trigger particular interpersonal dynamics between ethnically similar expatriates and HCEs.

Combining the interactive perspective and the social identity perspective, we propose ethnic identity confirmation as an important concept to explain the role ethnic identity plays between expatriates and HCEs. Ethnic identity confirmation, a concept based on self-verification theory, is defined as the level of agreement between how one party (e.g. an HCE) views the importance of his/her ethnic identity and how the importance of this party's ethnic identity is viewed by another party (e.g. an expatriate) (Milton & Westphal, 2005; Thatcher & Greer, 2008). This concept reveals that in order to understand the impact of ethnic identity in an interaction, only examining one party's ethnic identity self-view is not enough; how this identity is viewed by the other party also needs to be considered.

Identity confirmation is important in interactions for several reasons. Firstly, according to self-verification theory, having one's identity confirmed in social interactions is a fundamental human desire (Swann, Rentfrow, & Guinn, 2003). When entering an interaction, people may consciously want to achieve functional goals, such as exchanging information or building relationships. Achieving identity confirmation is a more fundamental goal, although for many people it might remain sub-conscious. It is, however, essential for the individuals involved in the interaction as well for a smooth interaction itself. Identity-related information is exchanged at the beginning of an interaction (Polzer, Milton, & Swann, 2002). People try to establish their desired identity and to gain agreement regarding this identity with the other party (Ting-Toomey, 2005). Social identities are associated with behavioral norms and social expectations (Stets & Burke, 2000). Achieving an agreement on a social identity can establish shared social norms so people know how to behave and what to expect from the other person accordingly. When two parties share an ethnic identity, ethnic identity confirmation is relevant because it signals to what extent the shared ethnic cultural norms will affect their interactions and whether or not they need to follow ethnic cultural norms. If ethnic identity confirmation is not achieved, one party might try to follow ethnic social norms, while the other party does not. In such cases, their interactions will not be smooth. Secondly, identity confirmation also matters for each social party personally. Identity is a tool people use to make sense of the world by knowing who they are and how they are related to other people in the world (Seyle & Swann, 2007). When people's identity is confirmed, they know their theory about the world is correct. This can give them a sense of psychological coherence (Swann, et al., 2003), which is very important for people's well-being (Meister, Jehn, & Thatcher, 2014).

Our study makes several important contributions to the international management literature. We introduce a concept, ethnic identity confirmation, to explain the complex interpersonal dynamics among ethnically diverse employees in multinationals. Using HCEs' ethnic identity confirmation as an example, we demonstrate in which circumstances ethnic similarity between expatriates and HCEs can facilitate social interactions. Our research also stresses the importance of understanding HCEs' experiences and how they can facilitate expatriate-HCE interactions. Additionally, we reveal the potential inconsistency between people's biological connection with an ethnic group and their subjective view towards this ethnic group and demonstrate how invisible differences can be disguised by surface-level similarity. Thus, an ethnicity-based expatriate selection strategy may not be able to guarantee successful interactions between expatriates and HCEs. Finally, we applied an under-utilized research method, namely experimental design, in our study. This method enables us to demonstrate a

causal relationship between HCEs' ethnic identity confirmation and its social consequences.

The remainder of this article is structured as follows. We first introduce the concept of ethnic identity confirmation and explain the significance of ethnic identity confirmation between ethnically similar expatriates and HCEs. Subsequently, we develop our hypotheses regarding the effect of HCEs' ethnic identity confirmation on their perception of expatriates' trustworthiness and knowledge-sharing intention. We then describe the two experimental studies and present our statistical results. The article concludes by outlining the theoretical and practical implications of our study and by presenting future research directions.

ETHNIC IDENTITY CONFIRMATION

Ethnic identity confirmation is based on self-verification theory, which stems from symbolic interaction theory (Milton et al., 2005). Symbolic interaction theory stresses that other people's evaluations of our identity are important (Cooley, 1983). For example, individuals who are viewed as intelligent in social interactions come to see themselves as intelligent (Swann, Polzer, Seyle, & Ko, 2004). Identity confirmation has individual significance. Self-verification theory assumes that having one's identity confirmed by others in a social interaction is a fundamental human desire (Swann, et al., 2003). Achieved identity confirmation means individuals' view of themselves is consistent with how others view them. This congruence can generate a sense of being in control of the environment and a feeling of psychological security (Swann, et al., 2003). In contrast, a lack of confirmation gives people a feeling of inconsistency between what they think they are and how to behave and who others believe they are and how other people think they should behave (Swann et al., 2003). This causes feelings of frustration. Individuals may even feel incompetent and perceive their existence to be threatened (Swann et al.). Identity confirmation also has interpersonal significance. Self-verification theorists (e.g., Swann, 1987) believe that although other people play a role in individuals' identity formation, individuals are not passive in this process. To receive identity confirmation, individuals selectively tend to interact with others who confirm their identities and reduce interactions with people who do not confirm their identities (Seyle & Swann, 2007; Swann et al. 2003). Management researchers have applied self-verification theory to investigate employee behaviors in organizations. They have found that when individuals receive personal identity confirmation from team members, they tend to be more cooperative, identify more with the group, experience fewer conflicts with their group members and, as a result, a team's creative task performance benefits (London, 2003; Milton & Westphal, 2005; Polzer, et al., 2002).

We apply self-verification theory to investigate ethnic identity. Ethnic identity confirmation focuses on whether or not there is agreement on how important the target social identity should be in an interaction. People's ethnic group membership is an ascribed identity; the group boundary is generally clear and there is not much room for disagreements to occur in social interactions. However, disagreements might occur when two parties hold different views on whether or not ethnic identity should play a role in their interaction. According to social identity theory, people tend to have a preference about which social identity, among others, is important in a specific situation (Burke, 2003), and the one that is seen as important is not necessarily their ascribed

identity. We do not suggest that all expatriates and HCEs view their ethnic identity in the same way. We acknowledge that both expatriates and HCEs can hold their own views regarding the importance of their ethnic identity depending on their personal circumstances. Thus, high ethnic identity confirmation can be achieved when an HCE interacts with one expatriate, but may not be achieved with another expatriate.

Ethnic Identity Confirmation in the Interaction between HCEs and Ethnically Similar Expatriates

Identity confirmation is a general human desire that applies to everyone in an interaction. Different people may prefer to have different identities confirmed. In the context of our study, ethnic identity confirmation is particularly relevant to HCEs for two reasons. First, in subsidiaries of MNCs, the majority of expatriates are ethnically different from HCEs. Thus, the ethnicity of ethnically similar expatriates is salient for HCEs. HCEs can easily notice that they share an ethnicity with these expatriates. MNCs hope this ethnic bond can encourage communication and interactions. Nevertheless, positive outcomes will only occur if both parties view their ethnic identity as important and categorize each other as ethnic in-groups. This cannot automatically be assumed to be the case for all expatriates and HCEs. Social identity and self-categorization theories reveal that people have their own preferences concerning which social identity to emphasize in certain situations (Tajfel, 1982; Turner, Hogg, Oakes, Reicher, & Wetherell, 1987). They may not view their ascribed ethnic identity as important. For example, the importance of ethnic identity might decrease among people who have lived abroad for a prolonged period of time and their ethnic identity may not play an important role in their lives or career development (Alderfer & Thomas, 1988). Instead, they may prefer to view other identities as important at work, such as their professional identity. If expatriates do not view ethnic identity as important, they may not view HCEs' ethnic identity as important either; because they share an ethnicity, expatriates' view of their own ethnic identity can spill over to their appraisal of HCEs' ethnic identity. As a result, ethnic identity confirmation is not guaranteed for HCEs even when interacting with ethnically similar expatriates.

Second, a lack of ethnic identity confirmation from ethnically similar expatriates can generate specific negative feelings for some HCEs. People form expectations towards other people according to others' identities (Ting-Toomey, 2005). HCEs who view their ethnic identity as important might categorize ethnically similar expatriates as ethnic in-groups and form a stronger expectation of gaining ethnic identity confirmation from them than from ethnically different expatriates. Unachieved ethnic identity confirmation with ethnically similar expatriates signals rejection by an in-group. This could trigger very negative reactions from HCEs. Social identity researchers have found that people who strongly identify with their social groups judge in-group members who perform unsatisfactorily more negatively than similar out-group members (Marques, Yzerbyt, & Leyens, 1988; Marques & Paez, 1994). This is because they believe that the actions of these in-group members negatively affect their social group image. By applying some form of social sanction towards such group members, they attempt to maintain their group image (Marques, et al., 1988; Marques & Paez, 1994). Similarly, HCEs might generate more negative attitudes towards apparent ethnic in-group expatriates who fail to confirm their ethnic identity than towards ethnically different expatriates. In the context of MNCs' subsidiaries, HCEs may believe these ethnically similar expatriates

have “betrayed” their ethnic group. Furthermore, these negative attitudes could become stronger when HCEs are not satisfied with MNCs’ policies in the host country unit (Toh & DeNisi, 2003), because they might perceive the interests of their social group are threatened by out-groups represented by MNCs. In this situation, HCEs might form extremely negative attitudes towards these expatriates and might be reluctant to provide them with support.

In the following sections, we elaborate on how HCEs’ ethnic identity confirmation might affect both interpersonal relationships and behavioral intentions toward ethnically similar expatriates in order to investigate why ethnic similarity does not always generate positive social outcomes. We selected trustworthiness as an interpersonal relationship outcome. Trustworthiness is people’s cognitive evaluation of other people’s personal characteristics (Mayer, Davis, & Schoorman, 1995). It is a strong indicator of trust (Mayer, et al., 1995), and trust is an important aspect in relationships (Schoorman, Mayer, & Davis, 2007). Furthermore, knowledge transfer is an essential component of MNCs’ global management (Bonache & Brewster, 2001). Recently, the value of knowledge from overseas units to headquarters has received increasing attention both from MNCs’ managers and from international business scholars (Björkman, Barner-Rasmussen, & Li, 2004; Gupta & Govindarajan, 1994; Noorderhaven & Harzing, 2009). Expatriate-HCE interactions are a knowledge transfer mechanism from which expatriates gain knowledge from HCEs and this knowledge can subsequently be integrated into the overall knowledge stock of MNCs. Therefore, we selected HCEs’ intention to share knowledge as the behavioral intention outcome.

Ethnic Identity Confirmation, Trustworthiness and Knowledge Sharing

Since identity confirmation is a fundamental human desire, people form attitudes towards others who confirm or do not confirm their identity (Swann, et al., 2003). Ethnic identity confirmation takes two forms: it is achieved when both parties view HCEs’ ethnic identity as highly important (i.e. high-high confirmation), but also when both parties view this identity as not particularly important (i.e. low-low confirmation). Both forms of ethnic identity confirmation can encourage HCEs to view ethnically similar expatriates as trustworthy, especially in relation to the benevolence (i.e. good intentions) and integrity (i.e. principles) aspects of trustworthiness (Mayer, et al. 1995), as well as encouraging HCEs to share knowledge.

First, achieved ethnic identity confirmation indicates perceptual congruence between the two parties. Perceptual congruence helps to generate positive feelings, such as liking, and encourages social interactions (Secord & Backman, 1964; Tsui, Xin, & Egan, 1995). In turn, frequent interactions generate more opportunities for people to know each other’s personal characteristics. The more information HCEs have about expatriates, the less likely they are to misunderstand expatriates’ behaviors (Ting-Toomey & Chung, 2005). Thus, they are more likely to believe expatriates have good intentions towards them. This evaluation of expatriates reflects the benevolence component of trustworthiness.

Second, both forms of ethnic identity confirmation can help HCEs understand expatriates’ behavioral principles regarding their ethnic identity. To ensure smooth

interactions, it is important to establish shared norms to provide behavioral guidance to both parties. In a situation with high-high confirmation, both parties agree that the HCE's ethnic identity is important, so the HCE can safely assume ethnic norms will play a role in their interactions and expatriates will follow ethnic cultural norms. In a situation with low-low confirmation, both parties view the HCE's ethnic identity as not particularly important. This form of confirmation conveys information regarding expatriates' personal principles. HCEs will realize that expatriates' hold views towards their shared ethnicity that are similar to their own. When interacting with expatriates, they can thus put the shared ethnicity aside and follow professional norms. Therefore, both forms of confirmation can help HCEs understand certain principles upheld by expatriates. This understanding can reduce uncertainty in interactions and increase behavior predictability; thus, HCEs are more likely to view expatriates as trustworthy (Mayer, et al., 1995)."

Finally, the two forms of confirmation can also generate different types of benefits. In a situation with high-high confirmation expatriates can gain benefits from the self-categorization mechanism in addition to the identity confirmation effects. When HCEs view their ethnic identity as important, and this is confirmed by expatriates, HCEs are likely to categorize expatriates as being part of an ethnic in-group, and so do expatriates. Thus, the expected benefits of ethnic similarity occur. According to social identity and self-categorization research, people tend to hold a positive cognitive bias towards in-groups, such as believing in-groups are more trustworthy than out-groups (Brewer, 1979). This in-group favoritism also encourages HCEs to interact more with ethnically similar expatriates. In contrast, in a situation with low-low confirmation, HCEs prefer to view their ethnic identity as unimportant and expatriates confirm this. Nevertheless, the benefits of identity confirmation can still be present. This is because HCEs feel that expatriates respect their identity choice, even when they view their ethnic identity, the shared identity, as not particularly important. This helps HCEs understand some personal characteristics of expatriates and how they are likely to be treated by expatriates. The more information people have about others, the more confident they are in predicting others' behaviors and, thus, the more likely they are to view others as trustworthy (Burke & Stets, 1999).

In contrast, a lack of confirmation indicates an attitudinal difference between HCEs and expatriates. It could increase uncertainty and reduces expatriates' behavioral predictability for HCEs. As a result, they might be reluctant to believe expatriates will care for their interests in interactions. This negative evaluation towards ethnically similar expatriates will be aggravated when HCEs view their ethnic identity as important, but fail to receive confirmation from expatriates. As discussed in the previous section, in such situations HCEs might believe that expatriates have betrayed their ethnic group. Thus, they will not believe such expatriates are trustworthy. Therefore,

Hypothesis 1: Ethnic identity confirmation for HCEs is positively related to their perception of the trustworthiness of ethnically similar expatriates.

Ethnic identity confirmation not only affects HCEs' evaluation of expatriates' personal characteristics, but also shapes their behaviors towards expatriates. If both parties view HCEs' ethnic identity as important (i.e. high-high confirmation), they might make

ethnicity-based categorizations and view each other as ethnic in-groups. Thus, HCEs are more willing to share information with in-group expatriates and to support them (Liu & Shaffer, 2005; Varma, Pichler, & Budhwar, 2011). The identity confirmation effect cultivates liking and this also encourages HCEs to share knowledge with expatriates. Therefore, the mechanisms of identity confirmation together with self-categorization encourage HCEs to share knowledge.

If both parties view HCEs' ethnic identity as not particularly important and they do not see each other as ethnic in-groups, in-group favoritism will not affect HCE-expatriate interactions. However, ethnic identity confirmation can still generate positive effects. Researchers have found that, by interacting with others who verify their personal identity, people can gain positive emotions, such as happiness (Burke & Stets, 1999). Similarly, low-low ethnic identity confirmation can provide HCEs with a different sense of similarity than what they gain from high-high confirmation, namely similarity in attitudes regarding how their shared ethnic identity should be handled at work. This perceptual congruence can also lead to positive emotions, such as liking, when interacting with expatriates, which, in turn, encourages more interactions and communication (Secord & Backman, 1964). Ethnic identity confirmation can, thus, support an important knowledge transfer channel, because when social interactions and communication increase, knowledge sharing can occur naturally (Hansen, 1999). Therefore,

Hypothesis 2: Ethnic identity confirmation for HCEs is positively related to knowledge-sharing intention with ethnically similar expatriates.

Finally, ethnic identity confirmation is not only associated with knowledge sharing intention directly, but also indirectly through perceived trustworthiness. Knowledge is a valuable resource (Emerson, 1962). People gain power by having knowledge over others who need knowledge. Sharing knowledge might mean relinquishing power (Björkman, et al., 2004). Therefore, people can be reluctant to share knowledge if there is the possibility that it might leave them in a vulnerable position (Schoorman, et al., 2007). For instance, people may be reluctant to share information with colleagues in a competitive organizational environment (Hansen, 1999). To avoid suffering possible negative consequences, people may choose to share knowledge only with others they perceive to have good intentions towards them, because they may worry less about power loss as a result of sharing knowledge (Tsai & Ghoshal, 1998). For example, research has revealed that trust is positively related to HCEs' willingness to share information with expatriates (Huang, Huang, Davison, Liu, & Gu, 2008; Toh & Srinivas, 2012). Trustworthiness has been shown to be a strong indicator of trust (Mayer, et al., 1995); thus, we hypothesize that,

Hypothesis 3: There will be an indirect effect of ethnic identity confirmation on knowledge sharing partially mediated by HCEs' perception of ethnically similar expatriates' trustworthiness. Hence, achieved ethnic identity confirmation encourages HCEs to perceive expatriates as more trustworthy and, thus, share more knowledge with expatriates.

We depict the three hypotheses in Figure 1.

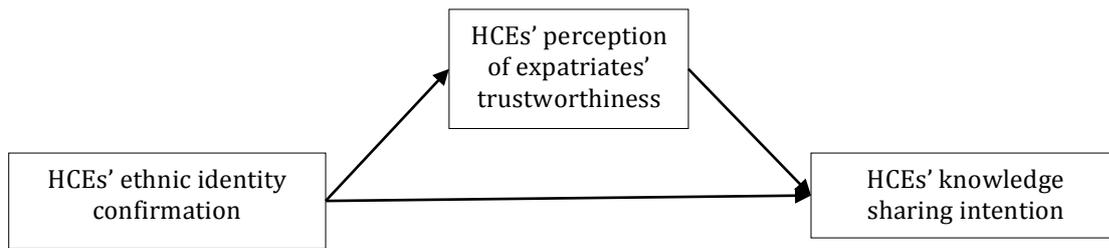


Figure 1: A Model of the effect of HCEs' ethnic identity confirmation on knowledge-sharing intention

We conducted two experimental studies to test the effects of HCEs' ethnic identity confirmation on their attitudes and behavioral intentions towards ethnically similar expatriates, especially their perception of expatriates' trustworthiness and their intention to share knowledge with expatriates. Both studies were 2×2 between-subject designs with the first factor being HCEs' view of the importance of their own ethnic identity (i.e., ethnic identity self-view: important vs. unimportant), and the second factor being how expatriates view the importance of HCEs' ethnic identity (i.e., ethnic identity other-view: important vs. unimportant). Combining these two factors, we created 4 confirmed or not confirmed situations of HCEs' ethnic identity confirmation as shown in Table 1.

Table 1: Four Situations of Ethnic Identity Confirmation

		Treatment 1 (Factor 1): HCEs' Ethnic Identity Self-view	
		Important (Text 1a)	Unimportant (Text 1b)
Treatment 2 (Factor 2): Expatriate's View of HCEs' Ethnic Identity	Important (Text 2a)	Situation 1 (high-high, confirmed)	Situation 3 (low-high, not confirmed)
	Unimportant (Text 2b)	Situation 2 (high-low, not confirmed)	Situation 4 (low-low, confirmed)

Study 1 was a controlled experiment with random assignment. We used text scenarios to manipulate both HCEs' ethnic identity self-view and how the HCE's ethnic identity is viewed by an expatriate. We compared the effects of confirmed situations (situations $1_{high-high}$ and $4_{low-low}$) with those of not confirmed situations (situations $2_{high-low}$ and $3_{low-high}$). In order to validate these results, we used a quasi-experimental design in study 2, in which we still manipulated ethnic identity other-view using the same text scenario as in study 1, but measured ethnic identity self-view using a Likert-scale. In other words, in study 2, one factor (i.e. HCEs' ethnic identity self-view) was not randomly assigned to participants; instead, it used pre-existing ethnic identity views among HCEs. Thus, participants were not assigned to artificial conditions as they were in study 1. Triangulation of the results of both studies can establish the power of ethnic identity confirmation in predicting HCEs' reactions towards ethnically similar expatriates who confirm or do not confirm their ethnic identity in social interactions.

STUDY 1

Design of Experimental Material

Scenario development for HCEs' ethnic identity self-view. We developed two texts (Texts 1a and 1b) aiming to manipulate HCEs' perception of their own ethnic identity as important (Text 1a) or unimportant (Text 1b) (shown in Appendix 1).

To ensure HCEs followed our manipulations and to minimize the influence of their actual experience, we gave them a new identity and asked them to imagine that they worked in a new organization. In Text 1a we started with a company policy that values Chinese employees. We then introduced an expatriate HR manager who restated this view. The HR manager's words stressed that expatriates should view HCEs' Chinese identity as being important. We further introduced an HCE manager who also emphasized the importance of Chinese employees identity. Finally, we explicitly and repeatedly told participants that this was also their view.

The contrasting text (Text 1b) followed the same structure as that of Text 1a, but it de-emphasized HCEs' Chinese identity. To avoid our Chinese participants feeling ethnically discriminated against, we suppressed the Chinese identity by stressing the importance of professional identity. We purposefully made professional identity the competing identity of HCEs' ethnic identity, so that being professional meant viewing their Chinese identity as unimportant.

Scenario development for expatriate's view of HCEs' ethnic identity. When developing Texts 2a and 2b, we first conducted informal interviews with Chinese HCEs and ethnic Chinese expatriates to identify a situation in which identity confirmation is most likely to occur. Information gained from these informal interviews and literature on identity confirmation (Polzer, et al., 2002) indicated that identity evaluation often occurs when people first meet. We, therefore, chose the first meeting between HCEs and expatriates as the context for Texts 2a and 2b.

We introduced a new team leader, James Wang, to the participants. James is presented as an ethnic Chinese expatriate. We then described a situation in which James has a conversation with our HCE participants. In Text 2a, James directly comments that HCEs' ethnic identity is important. In contrast, in Text 2b James openly makes comments that he views the participant in terms of their professionally identity and not their ethnic identity.

Translation. The scenarios were first written in English. In order to ensure the effectiveness of treatments, multiple revisions of the scenarios were made based on discussions with academic experts. We then translated the texts into Chinese. To ensure the Chinese version and the English version were as similar as possible, we organized three focus group discussions with bilingual scholars and HCEs who worked in MNCs in China. We again revised the texts based on their comments.

Sample

We recruited ethnic Chinese HCEs through personal contacts who worked in 15 MNC subsidiaries in Beijing, China. Each contact invited 10-30 HCEs in their own organization to participate in this research. Each participant received a hard copy questionnaire containing the text scenarios and subsequent questions and they completed the survey during their work break. We randomly assigned the 4 situations across participants and told them not to communicate with each other when completing the questionnaire. Participants sealed the completed questionnaire in an envelope and returned it to the company contacts. Two hundred and sixty-five HCEs completed the survey, among which 52 were in situation 1_{high-high}, 81 in situation 2_{high-low}, 78 in situation 3_{low-high} and 54 in situation 4_{low-low}. Females accounted for 58.6% of participants, and 38.7% of participants were between 25 and 29 years old.

Manipulation Check

Pilot test. We ran a pilot test with 32 HCEs in one multinational subsidiary in China to test the effectiveness of treatments. ANOVA tests showed that the mean values of ethnic identity self-view differed across the two treatment groups (i.e. important and unimportant groups. $F_{(1,31)} = 4.50, p < 0.05$); the mean values of ethnic identity other-view also differed across treatment groups (i.e. important and unimportant groups. $F_{(1,31)} = 38.34, p < 0.001$). Thus, the treatments were effective.

Final test. Treatment 1 manipulated HCEs' ethnic identity self-view. As shown in Table 1, participants in situations 1_{high-high} and 2_{high-low} received the important scenario (Text 1a), and in situations 3_{low-high} and 4_{low-low} participants received the unimportant scenario (Text 1b). Treatment 2 manipulated how the expatriate views HCEs' ethnic identity (or ethnic identity other-view). Participants in situations 1_{high-high} and 3_{low-high} received the important scenario (Text 2a), and in situations 2_{high-low} and 4_{low-low} participants received the unimportant scenario (Text 2b). We used one question (i.e. "to what extent do you believe your ethnic identity is important at work") to test the effectiveness of HCEs' ethnic identity self-view manipulation, and one question (i.e. "to what extent do you believe James views your ethnic identity as important at work") to test the effectiveness of the ethnic identity other-view manipulation. ANOVA test results show that although manipulation 1 had a main effect on ethnic identity self-view ($F = 17.40, df = 1, p < 0.001$), it also had an effect on ethnic identity other-view ($F = 20.43, df = 1, p < 0.001$). Similarly, manipulation 2 had a main effect on ethnic identity other-view ($F = 160.62, df = 1, p < 0.001$), but it also had an effect on ethnic identity self-view ($F = 4.56, df = 1, p < 0.05$). These results indicate that the two treatments interacted with each other; thus, they failed to generate the expected effects.

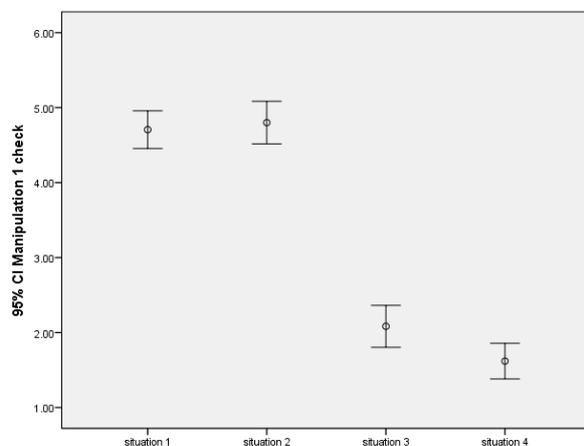
To improve the manipulation effectiveness, we excluded cases that did not follow the manipulation. Specifically, we excluded cases that received the important manipulation (text 1a), but rated ethnic identity self-view as unimportant, and cases that received the unimportant manipulation (text 1b), but rated ethnic identity self-view as highly important. As a result, the sample size was reduced to 154 with 34 in situation 1_{high-high}, 30 in situation 2_{high-low}, 48 in situation 3_{low-high}, 42 in situation 4_{low-low}. The demographic information of the sample for study 1 is presented under the column of study 1 in Table 2.

Table 2: Demographic information of the samples used in studies 1 and 2

		Study 1			Study 2		
		Counts (%)	Mean	SD	Counts (%)	Mean	SD
MNC tenure ¹						87.26	49.64
Age ²			2.65	1.18		33.30	4.76
Gender	Male	64 (56.5%)			86 (51%)		
	Female	87 (41.6%)			83 (49%)		
Org. Status ³	1				39 (23.1%)		
	2				49 (29 %)		
	3				75 (44.4%)		
	4				6 (3.5 %)		
Having ethnically similar colleagues	Yes	77 (50.0%)			155 (91.7%)		
	No	74 (48.1%)			14 (8.3%)		
Missing		3 (1.9%)			0 (0%)		

Note: 1) MNC tenure was measured in months. 2) Age in study 1 was measured as a categorical variable; in study 2 it was measured as a continuous variable. 3) For organizational states 1= employee, 2= lower-level manager, 3= middle-level manager, 4= top-level manager. 4) $N_{\text{study1}} = 154$ after case deletion; $N_{\text{study2}} = 169$.

After the case deletion, the effectiveness of the manipulations was re-tested. The results show that manipulation 1 had mainly affected ethnic identity self-view ($F = 463.82$, $df = 1$, $p < 0.001$), but did not have an effect on ethnic identity other-view ($F = 1.89$, $df = 1$, $p > 0.05$). As shown in Figure 2, the means of situations $1_{\text{high-high}}$ and $2_{\text{high-low}}$, which received the importance text, are higher than those of situations $3_{\text{low-high}}$ and $4_{\text{low-low}}$, which received the unimportant text. Manipulation 2 had a main effect on ethnic identity other-view ($F = 109.62$, $p < 0.01$), but did not have an effect on ethnic identity self-view ($F = 0.74$, $p > 0.05$). As shown in Figure 3, the means of situations $1_{\text{high-high}}$ and $3_{\text{low-high}}$, which received the importance text, are higher than those of situations $2_{\text{high-low}}$ and $4_{\text{low-low}}$, which received the unimportant text. Thus, after case deletion, the manipulation was effective.

**Figure 2: Result of treatment 1 (i.e. manipulation of ethnic identity self-view) after case deletion**

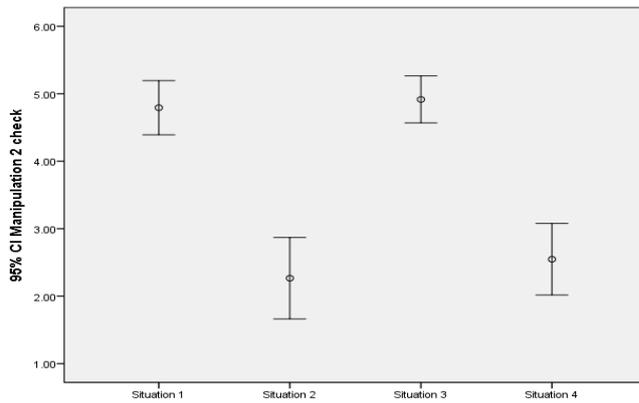


Figure 3: Result of treatment 2 (i.e. manipulation of ethnic identity other-view) after case deletion

Measures

Outcome variable: The scales used to measure knowledge sharing (or transfer) in the literature have two key features. First, perceptual scales are often used because actual knowledge transfer is difficult to measure (Reiche, 2011; Toh & Srinivas, 2012). Second, depending on the research context, the actual knowledge being measured varies. Researchers usually identify the key knowledge that needs to be transferred in the context of their research topics, such as knowledge about roles, expatriates or inpatriates (Harzing, Pudelko, & Reiche, 2016; Kase, Paauwe, & Zupan, 2009; Reiche, 2011; Toh & Srinivas, 2012). Following this practice, we identified four types of knowledge that are often transferred between expatriates and HCEs according to the expatriate literature (Harvey, Speier, & Novicevic, 1999; Hocking, Brown, & Harzing, 2007; Reiche, 2011), and asked participants' perceptions regarding the extent to which they would share this knowledge with the expatriate (i.e. "Based on the impression you have formed about James Wang, if you worked with him in the future, would you share the following information with him?" 1) *professional and technological knowledge*, referring to technological expertise and professional, experience-based knowledge; 2) *organizational knowledge about the overseas unit*, indicating knowledge about corporate culture, best practices and policies; 3) *personal knowledge*, indicating HCEs' personal information, including personal background or family information, and 4) *general information about China*. The items were measured with a 6-point Likert scale (1 = completely disagree, 6 = completely agree). We did not provide a neutral point in the scale because research shows Asian participants tend to select the neutral point when responding to a survey questionnaire (Harzing, et al., 2009). The 4 items of sharing knowledge loaded on one factor. The mean of the items was computed ($Mean = 4.24$, $SD = 0.96$, $\alpha = 0.60$).

Mediator: Trustworthiness. The trustworthiness scale was adapted from existing measures (Mayer & Davis, 1999). The scale developed by Mayer and Davis (1999) requires participants to make judgments of the target person based on previous interaction experience. However, in our study, participants were expected to make judgments of the expatriate based only on the limited information given in the scenarios. Thus, we selected three items from this scale that can be answered without previous

interaction history (1 = completely disagree, 6 = completely agree): 1) “I believe that I will be able to share ideas and feelings freely with James Wang at work.” 2) “I believe that James Wang will look out for my interests at work.” 3) “I believe that James Wang will care about what happens to me at work.” The 3 items loaded on one factor. A mean value was computed ($Mean = 3.77, SD = 0.84, \alpha = 0.82$).

Control variables. We included three control variables. Gender was measured as a categorical variable (1= male; 2 = female). Age was measured using 9 categories, below 20-25, 25-29, 30-34, 35 to 39, 40 to 44, 45 to 49, 50 to 54, 55 to 59, and 60-65. Having had ethnic similar expatriate colleagues was coded as 1 and not having this type of colleagues was coded as 2.

Results

Means, standard deviations and zero-order correlations for all variables are presented in Table 3. We used PROCESS model 4 to test a mediation model with one mediator and a multi-categorical predictor (accessed via www.afhayes.com) (Hayes & Preacher, 2013). The 4 experimental situations were the predictors that were coded into dummy variables. Situation 1_{high-high} was used as the reference group. Situation 2_{high-low}, 3_{low-high}, and 4_{low-low} were coded into dummy variables 1-3 respectively. Figure 4 depicts the statistical diagram of the model tested.

Table 3: Correlation matrix and descriptive statistics of study 1

	Mean	SD	1	2	3	4	5
1. Trustworthiness	4.24	0.96	-				
2. Knowledge Sharing	3.77	0.84	0.37**	-			
3. Gender*	1.42	0.50	-0.03	0.01	-		
4. Age*	2.65	1.18	-0.03	0.12	0.17*	-	
5. Same ethnicity expatriates*	1.49	0.50	-0.02	-0.04	-0.02	0.01	-

$N = 154$; ** $p < 0.01$; * $p < 0.05$;

* Gender, age, and same ethnicity expatriates were measured as categorical variables.

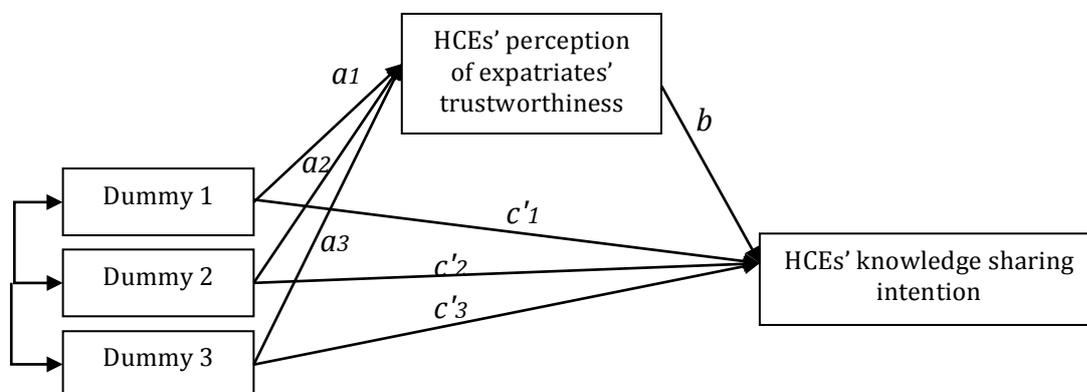


Figure 4: Statistical Diagram of the Mediation Model

Hypothesis 1 compares the 4 situations of HCEs' ethnic identity confirmation in relation to their association with HCEs' perceived trustworthiness of expatriates. We expected situations 2_{high-low} (dummy 1) and 3_{low-high} (dummy 2) to be associated with a lower level of trustworthiness than situation 1_{high-high} and situation 4_{low-low} (dummy 3). The regression results reveal a significant mean difference between situation 1_{high-high} and situation 2_{high-low} ($B = -0.58, SE = 0.24, p < 0.05$), and between situation 1_{high-high} and situation 3_{low-high} ($B = -0.55, SE = 0.22, p < 0.05$). The negative effects in both situations 2_{high-low} and 3_{low-high} indicate that they are associated with a lower level of trustworthiness than situation 1_{high-high}. The results also show that situation 4_{low-low} (dummy 3) is not significantly different from situation 1_{high-high} ($B = -0.25, SE = 0.23, p > 0.05$) (shown under column "study 1" in Table 4). Hypothesis 1 is, thus, supported.

Table 4: HCEs' perception of expatriates' trustworthiness

	Study 1	Study 2
Constant	5.02 (0.41)**	4.43 (0.74)
Predictor variable		
Dummy1 (Situation 2 _{high-low}) (c'1)	-0.58 (0.24)*	-0.44 (0.17)*
Dummy2 (Situation 3 _{low-high}) (c'2)	-0.55 (0.22)*	-0.79 (0.21)**
Dummy3 (Situation 4 _{low-low}) (c'3)	-0.25 (0.23)	-0.85 (0.21)**
Gender	-0.16 (0.17)	0.15 (0.13)
Age	-0.01 (0.06)	0.01 (0.02)
Having same ethnicity expatriates	-0.11 (0.16)	0.23 (0.24)
MNC tenure (month)		0.00 (0.00)
Org. Status		-0.03 (0.08)
Professional Identity		-0.02 (0.05)
R ²	0.06	0.16**
F	1.41 (6, 143)	3.36 (9, 159)

Note: N_{study1}= 154, N_{study2}=169. *** $p < 0.001$; ** $p < 0.01$; * $p < 0.05$.

Table entries are unstandardized regression coefficients with standard errors in parentheses.

Hypothesis 2 tested the direct effect of HCEs' ethnic identity confirmation on their knowledge sharing intention. The regression results indicate that the mean values of not confirmed situations 2_{high-low} and 3_{low-high} were lower than the mean of situation 1_{high-high}. However, the differences were not statistically significant (situations 2_{high-low}: $B = -0.13, SE = 0.20, n.s.$; situation 3_{low-high}: $B = -0.29, SE = 0.18, n.s.$). Similarly, although the mean of situations 4_{low-low} was lower than that of situation 1_{high-high}, the difference was also not significant (situations 4_{low-low}: $B = -0.36, SE = 0.19, n.s.$) (shown under column "study 1" in Table 5). Since no differences were found across the four situations, Hypothesis 2 is not supported.

Hypothesis 3 tested the indirect effect of HCEs' ethnic identity confirmation on their knowledge sharing intention with expatriates via perceived expatriate trustworthiness. We ran a regression using bias-corrected bootstrapping procedures with 2,000 bootstrap iterations. The results show a significant mean difference between situation 1_{high-high} and situation 2_{high-low} ($B = -0.17, SE = 0.08, 95\% CI: -0.38, -0.05$) and between situation 1_{high-high} and situation 3_{low-high} ($B = -0.16, SE = 0.07, 95\% CI: -0.34, -0.05$). Additionally, no significant mean difference was found between situation 1_{high-high} and

situation 4_{low-low} ($B = -0.08$, $SE = 0.08$, $95\% CI: -0.26, 0.03$) (shown under column “study 1” in Table 6). Hypothesis 3 is, thus, supported.

	Study 1	Study 2
<i>Constant</i>	2.52 (0.48)**	2.84 (0.69)*
Trustworthiness	0.30 (0.07)**	0.48 (0.07)**
<i>Predictor variable</i>		
Dummy1 (Situation 2 _{high-low}) (c'_1)	-0.13 (0.20)	-0.16 (0.15)
Dummy2 (Situation 3 _{low-high}) (c'_2)	-0.29 (0.18)	-0.26 (0.18)
Dummy3 (Situation 4 _{low-low}) (c'_3)	-0.36 (0.19)	-0.48 (0.18)*
Gender	0.01 (0.14)	0.21 (0.11)
Age	0.09 (0.05)	-0.01 (0.01)
Having same ethnicity expatriates	-0.06 (0.13)	-0.45 (0.20)*
Months in MNCs		0.00 (0.00)
Org. Status		-0.11 (0.07)
Professional Identity		-0.02 (0.04)
R ²	0.18***	0.36***
F	4.32 (7, 142)	8.95 (10, 158)

Note: N_{study1}= 154, N_{study2}=169. *** $p < 0.001$; ** $p < 0.01$; * $p < 0.05$.
Table entries are unstandardized regression coefficients with standard errors in parentheses.

	Study 2			
	Effect/SE	95% CI	Effect/SE	95% CI
Dummy1 (Situation 2 _{high-low})	-0.17 (0.08)*	[-0.38, -0.05]	-0.21 (0.08)*	[-0.39, -0.07]
Dummy2 (Situation 3 _{low-high})	-0.16 (0.07)*	[-0.34, -0.05]	-0.38 (0.12)*	[-0.62, -0.19]
Dummy3 (Situation 4 _{low-low})	-0.08 (0.08)	[-0.26, 0.03]	-0.40 (0.12)*	[-0.66, -0.19]

Bootstrap= 2,000. N_{study1}= 154, N_{study2}= 169. ** $p < 0.01$; * $p < 0.05$

STUDY 2

In study 1, we manipulated HCEs’ ethnic identity self-view using scenarios. However, people’s ethnic identity self-view might be enduring and it might be difficult to change their view by using a scenario. This could explain why some HCEs did not follow the manipulation. To address this issue, in study 2 we used a Likert-scale to measure HCEs’ actual ethnic identity self-view. We, thus, sought to replicate the findings of study 1 in order to validate the results. Taken together, the combination of these two studies provides us with a stronger test of HCEs’ ethnic identity confirmation.

Sample

We used *Wenjuan.com*, a Chinese online platform with appropriately 4,370,000 registered web-based users, to collect data in China for study 2. To ensure participants concentrated on the experiment scenario and survey questions, we set a minimum

reading time for each survey page based on the page word count. We used screening questions to test if participants understood the basic facts in the scenario correctly. People who failed to provide the correct answer to these questions were excluded from further participation in this research. Participants who wanted to know the research results were asked to provide an email address. After the data was collected, we randomly contacted 20% of those who provided their email address to verify the authenticity of their responses.

We used three approaches to ensure that all participants worked for foreign fully- or partially-owned organizations. First, we only invited subscribers of *Wenjuan.com* who self-claimed they worked for these type of organizations. Second, the first question of our Web-based survey asked participants to select the type of organization for which they worked from 4 choices. Only people who worked in the target type of organizations were able to continue the survey. Third, we also asked if they worked for the target type of organization at the end of the questionnaire. People who failed to select the right type of organization were excluded from further participation and their IP addresses were remembered by the system to ensure they could not re-take the survey.

A total of 292 valid responses were collected. Of these, 151 (52%) were females and 141 (48%) were males. The average age was 32.97 ($SD = 4.59$). Participants had worked for 7.07 years on average in foreign fully- or partially-owned organizations ($SD = 3.70$, Min = 0.17 years, Max = 29.17 years). 21.6% of the participants self-reported as employees, 35.6% as lower-level managers, 39.4% as middle-level managers and 3.4% as top-level managers. 93.2% of participants had ethnically similar expatriates in their organizations and 92.5% had ethnically different expatriates in their organizations.

Manipulation Check

Manipulation check of ethnic identity other-view. We used the scenarios developed in study 1 to manipulate expatriates' view of HCEs' ethnic identity with minor adjustment to the text because this was the only text they were asked to read in this study. We randomly assigned half of the 292 participants to read the text in which their ethnic identity was viewed as important by the expatriate (i.e. Text 2a) or unimportant (i.e. Text 2b). At the end of the texts, we used one question to measure to what extent participants believed their ethnic identity was viewed as important by the expatriate in the scenario (1= completely disagree, ... 6 = completely agree). An ANOVA test showed significant mean differences between the two experimental groups ($Mean_{important} = 4.33$, $Mean_{unimportant} = 2.51$, $F_{[1, 291]} = 130.73$, $p < 0.001$). The manipulation was, thus, effective.

Measurement of ethnic identity importance self-view. We developed a 4-item Likert-scale to assess HCEs' perceptions of the extent to which their own ethnic identity (i.e. ethnic Chinese identity in this context) was important when interacting with ethnically similar expatriates at work using statements such as "My Chinese identity guides how I interact with overseas Chinese expatriates at work." (1= completely disagree; 10 = completely agree). The 4 items are shown in Appendix 2. The mean value was computed for this concept (mean = 7.08, $SD = 1.40$; $\alpha = 0.83$).

To generate the 2 × 2 ethnic identity confirmed or not confirmed situations, we divided the measured ethnic identity self-view into high and low groups. 89 cases (30.5%) that were higher than 0.5 standard deviation above the mean formed the high group, and 80 cases (27.3%) that were lower than 0.5 standard deviation below the mean formed the low group. Thus, our final sample had 169 cases in total (or 57.9% of the 292 cases collected). We then matched these two groups with the manipulated other-view groups (important or unimportant). The final number of cases in the 4 situations was 43_{high-high}, 46_{high-low}, 43_{low-high}, and 37_{low-low} respectively. The demographic information for the sample is presented in the column “study 2” in Table 2.

Measures

We used the same 6-point Likert-scales as in study 1 to measure trustworthiness (Mean = 4.14; SD = 0.84; $\alpha = 0.71$) and knowledge sharing (Mean = 3.99; SD = 0.81; $\alpha = 0.69$). We also included several control variables in our model testing to ensure results regarding the effect of ethnic identity confirmation were not affected by them. Age and months working in MNCs were measured as continuous variables. Gender was measured as a categorical variable (1 = male; 2 = female). Organizational status was also measured as a categorical variable (0 = employee; 1 = lower-level manager; 2 = middle-level manager; 3 = top-level manager). We also measured if HCEs’ organization had any overseas ethnic Chinese expatriates (1 = Yes, it had; 2 = No, it had not). Professional identity could have competed with ethnic identity for its perceived importance in a work setting. Therefore, we adapted the self-developed ethnic identity self-view scale to measure participants’ perceived importance of professional identity at work (The items are listed in Appendix 2) (Mean = 7.27; SD = 1.52; $\alpha = 0.85$). This variable moderately correlated with HCEs’ ethnic identity self-view ($r = 0.46, p < 0.01$).

Results

Means, standard deviations and zero-order correlations for all variables are presented in Table 7. We tested the mediation model with a multi-categorical predictor using PROCESS model 4, as we did in study 1 (Hayes & Preacher, 2013).

Table 7: Correlation matrix and descriptive statistics of study 2

	Mean	SD	1	2	3	4	5	6	7	8
1. Trust	4.14	0.84	-							
2. Knowledge Sharing	3.99	0.81	0.54**	-						
3. Professional Identity	7.27	1.52	0.18*	0.12	-					
4. Gender	1.49	0.50	-0.14	0.02	-0.08	-				
5. Age	33.30	4.76	0.03	-0.02	-0.14	-0.07	-			
6. Organizational Status	2.28	0.81	0.04	-0.06	0.22**	-0.06	0.19	-		
7. Months in MNCs	87.26	49.64	0.07	0.06	-0.01	0.07	0.63**	0.06	-	
8. Same ethnicity expatriates	1.08	0.36	0.28	-0.10	0.02	0.18*	0.00	-0.23**	0.15	-

N = 169. ** $p < 0.01$; * $p < 0.05$

Hypothesis 1 compared the 4 situations of HCEs' ethnic identity confirmation in relation to their association with HCEs' perceived trustworthiness of expatriates. The test results showed a significant mean difference between situation 1_{high-high} (i.e. the reference group) and situation 2_{high-low} ($B = -0.44, SE = 0.17, p < 0.05$), and between situation 1_{high-high} and situation 3_{low-high} ($B = -0.79, SE = 0.21, p < 0.01$) (shown under column "study 2" in Table 4). The negative effects in both situations 2_{high-low} and 3_{low-high} indicate that HCEs in these two situations perceived a lower level of trustworthiness than HCEs in situation 1_{high-high}. However, in contrast to our hypothesis, we also found the mean of situation 1_{high-high} to be significantly higher than that of situation 4_{low-low} ($B = -0.85, SE = 0.21, p < 0.01$). Therefore, Hypothesis 1 is partially supported.

Hypothesis 2 tested the direct effect of HCEs' ethnic identity confirmation on their knowledge sharing intention. Although the regression results indicate that the mean values of not confirmed situations 2_{high-low} and 3_{low-high} were lower than the mean of situation 1_{high-high}, the differences were not statistically significant (situations 2_{high-low}: $B = -0.16, SE = 0.15, n.s.$; situation 3_{low-high}: $B = -0.26, SE = 0.18, n.s.$). Unexpectedly, the results demonstrate the mean of situation 4_{low-low} was significantly lower than the mean of situation 1_{high-high} ($B = -0.48, SE = 0.18, p < 0.05$) (shown under column "study 2" in Table 5). Thus, hypothesis 2 is not supported.

Hypothesis 3 tested the indirect effect of HCEs' ethnic identity confirmation on their knowledge sharing intention with expatriates via perceived expatriate trustworthiness. We ran a regression using bias-corrected bootstrapping procedure with 2,000 bootstrap iterations. The regression results of hypothesis 3 show the mean of situation 1_{high-high} was significantly higher than the means of situations 2_{high-low} ($B = -0.21, SE = 0.08, 95\% CI: -0.39, -0.07$) and 3_{low-high} ($B = -0.38, SE = 0.12, 95\% CI: -0.62, -0.19$). Similar to the results for hypothesis 1, we also found the mean of situation 1_{high-high} to be significantly higher than that of situation 4_{low-low} ($B = -0.40, SE = 0.12, 95\% CI: -0.66, -0.19$) (shown under the column "study 2" in Table 6). Hypothesis 3 is, thus, only partially supported because we did not hypothesize a difference between situation 1_{high-high} and situation 4_{low-low}.

GENERAL DISCUSSION

Summary of Findings

To investigate how HCEs' ethnic identity confirmation affects their attitudes' towards ethnically similar expatriates, we conducted two between-subject experimental studies. Both studies followed a 2 (ethnic identity self-view: high vs low) × 2 (ethnic identity other-view: high vs low) design. We applied different approaches to generate the 4 situations. In study 1, we manipulated both ethnic identity self-view and other-view, whereas in study 2 we used a Likert-scale to measure HCEs' real ethnic identity self-view and manipulated the ethnic identity other-view. In both studies, we tested the effects of the 4 situations of ethnic identity confirmation in a mediation model with a multi-categorical predictor variable.

The results of both studies provide strong evidence supporting the effect of HCEs' ethnic identity confirmation on their interactions with ethnically similar expatriates. First,

when high-high confirmation is achieved (i.e. when HCEs believe their ethnic identity is important and this view is confirmed by expatriates), HCEs tend to view expatriates as more trustworthy than when their ethnic identity is not confirmed. Second, our results highlight special interaction dynamics between HCEs and ethnically similar expatriates. HCEs' ethnic identity confirmation does not directly affect their intention to share knowledge, but does so through the mechanism of the perceived trustworthiness of expatriates.

Our results suggest very interesting dynamics. We know from previous research (Chung, 2008; Selmer & Luring, 2009; Toh & Srinivas, 2012) that ethnic/cultural differences normally form a barrier to trust building in expatriate-HCE interactions. Our results indicate that trust does not occur naturally between ethnically similar expatriates and HCEs either. If HCEs and expatriates achieve a shared view on the importance of HCEs' ethnic identity in their interactions, this perceptual agreement acts as a facilitator for establishing trust, which, in turn, encourages positive knowledge sharing. However, if this agreement cannot be achieved, sharing an ethnic identity with HCEs might not necessarily give ethnically similar expatriates advantages over other expatriates in terms of establishing trust and knowledge sharing.

Finally, it is noticeable that the two studies reveal different results regarding the effect of the two situations in which ethnic identity is confirmed (i.e. the high-high and low-low situations). The results of study 1 showed no significant difference between these two situations; however, study 2 revealed that the effects of the low-low situation were always significantly weaker than the effects of the high-high situation. These differences could have been due to a stricter test of the impact of ethnic identity confirmation in study 2. In the scenario we used in study 1, we deliberately equated viewing ethnic identity as not particularly important with being professional in order to avoid letting HCEs feel discriminated against. The results of low-low ethnic identity confirmation could, therefore, have been confounded by the effect of high-high professional identity confirmation. In contrast, study 2 did not include professional identity in the scenario, and we controlled for professional identity in model tests. The evidence from a single study can never be conclusive; however, we argue that study 2 has provided important information on the complexity of social identity confirmation. Future researchers could specifically compare and contrast the confirmation of these two forms of social identity, i.e. ethnic identity and professional identity.

Theoretical and Methodological Contributions

Our research has significant implications for the international management literature. First, ethnic identity confirmation provides a new angle to understand interpersonal dynamics among diverse employees in multinationals. It extends the ethnic similarity effect from surface-level objective similarity to deep-level, subjective views towards identity. Thus, ethnic similarity is not only related to similarity attraction and in-group favoritism, but also to identity confirmation that takes subjective views towards the ethnic identity into consideration. Our research also reveals the complexity of ethnic similarity because it does not necessarily generate positive social outcomes. A lack of ethnic identity confirmation can reduce the positive social effects of ethnic similarity. Consequently, ethnic identity confirmation explains under what circumstances ethnic similarity can generate positive social consequences between HCEs and ethnically

similar expatriates. Although in our study ethnic identity confirmation was only tested in the interactions between ethnically similar expatriates and HCEs, it can also be applied to explain interactions among ethnically diverse employees in multinational organizations. The concept of identity confirmation can also be extended beyond ethnic identity, incorporating, for instance, gender identity or professional identity. We, thus, have introduced an important new concept that can shed further light on the complex interpersonal dynamics of ethnically diverse employees in multinationals.

Second, although an increasing number of researchers have started to pay attention to HCEs (Arman & Aycan, 2013 ; Toh & DeNisi, 2007; Varma, Pichler, Budhwar, & Biswas, 2009), HCEs are still positioned simply as supporting actors in expatriates' success (Mahajan & Toh, 2014; Vance & Ring, 1994; Varma, et al., 2016). However, HCEs are often the majority employees in MNCs' overseas units. Therefore, researchers have called for more research to understand HCEs (Caprar, 2011; Takeuchi, 2010). Responding to these calls, this is one of the first studies to focus on HCEs' interests in the context of HCE-expatriate interactions. Having their ethnic identity self-view confirmed by ethnically similar expatriates is only one example of HCEs' interests. We, thus, call for more research focusing on HCEs in MNCs' overseas units.

Third, our research also extends the literature on expatriate selection. To ensure the success of international assignments, MNCs often assign expatriates who originated from the host country (Selmer & Shiu, 1999; Thite, et al., 2009), because they are more likely to be familiar with the local culture and could be seen as "one of us" by HCEs. However, researchers have pointed out that a surface-level, similarity-based recruitment strategy does not necessarily guarantee expatriate success. MNCs could instead focus on deep-level value similarity and select expatriates who share the same cultural values with HCEs (Varma, et al., 2012). Building on this line of research, we specifically focused on similarity in deep-level identity view. In contrast to cultural similarity, which is related to a group concept of culture, identity confirmation concerns an individual level concept. It stresses individual recognition, so it is crucial to acknowledge people's identity self-views and not impose our own views on others (Swann, Polzer, Seyle, & Ko, 2004). Therefore, a surface-level, ethnicity-based selection strategy cannot on its own guarantee positive relationships between expatriates and HCEs. Training on how to manage identity in diverse environments is essential.

Our research also extends self-verification theory to the domain of social identity confirmation. The context of ethnically similar expatriate-HCE interactions provides an ideal opportunity to investigate confirmation of ethnic identity. Further, current social identity confirmation research does not distinguish between two forms of confirmation, namely when an identity is viewed as important or unimportant (Thatcher & Greer, 2008). However, our research (i.e. study 2) reveals a different effect between high-high and low-low confirmation. This indicates that the effects of social identity confirmation might be complicated. Taking ethnic identity confirmation as an example, the self-verification mechanism might work together with the self-categorization mechanism and, at the same time, compete with it (Swann, et al., 2004). In a situation with high-high ethnic confirmation, both parties enjoy the positive effects generated by confirmation, such as liking and trust. At the same time, the two parties are also influenced by the self-categorization mechanism, such as in-group categorization and in-group favoritism. The positive effects of the two mechanisms align. In contrast, in a situation with low-low ethnic confirmation, both parties can still gain social benefits, but the benefits are based

only on personal perceptual similarity. In this case, however, the self-categorization mechanism might generate different effects. HCEs might categorize ethnically similar expatriates as out-group members based on their association with the headquarters and psychological distance is generated accordingly. As a result, the benefits of low-low ethnic identity confirmation might be offset by the negative consequences of out-group categorization; this means that low-low ethnic identity confirmation is unlikely to generate the same level of positive social consequences as high-high confirmation. Therefore, future research could investigate mechanisms related to social identity confirmation in more detail.

Our study used an experimental design to test the effect of a new variable, ethnic identity confirmation, on HCE-expatriate interactions. Experiments are an under-utilized research method in the broader IB literature (Zellmer-Bruhn, Caligiuri, & Thomas, 2016), implying that identifying causal relationships, the key advantage of an experiment, has not been the focus of IB research. Out of 900 articles published in the *Journal of International Business*, only eight articles used an experimental design (Zellmer-Bruhn, et al., 2016). Using the key words 'experiment' and 'laboratory', we only identified two articles that used experiments in all volumes of the *Journal of World Business*, but those two studies were not randomized experiments; they were quasi-experiments using naturally occurring events as the manipulation and tested the difference made by the natural event (Lee, Beamish, Lee, & Park, 2009; Lee, Makhija, & Paik, 2008). Likewise, applying an experimental approach in the expatriate literature is rare (i.e. a few exceptions are Caligiuri & Phillips, 2003; Carr, Rugimbana, Walkom, & Bolitho, 2001; Tung, 2008). The converging results generated by our random experiment and quasi-experiment provide strong evidence for the effect of ethnic identity confirmation. Our study provides an example of how to test a complex concept in the IB context; we hope this will inspire more researchers to use experimental designs to explore causal relationships in the field of expatriate and IB research in the future.

Practical Implications

Our research has key implications for the phenomenon of using an ethnicity-based expatriate recruitment strategy in MNCs. We have demonstrated further evidence that this is not always an effective strategy. Using ethnic identity as a selection criterion can not only lead to discrimination, but also uncertainty, because this is a factor that can generate both a positive and negative social impact under different circumstances. It might not generate the results expected by MNCs. Therefore, ethnic identity is better positioned in training and support activities, in which employees have the opportunity to explore its complexity and learn how to use it to be a positive social impact generator rather than being a problem creator. This principle can also apply to other demographic characteristics such as gender or racial identity.

Furthermore, we recommend MNCs design identity-based training programs to achieve two aims. The first aim is to improve identity understanding. This can reduce interpersonal misunderstanding. Such training programs could cover topics related to awareness and understanding, such as the impact of social identity and the difference between a person's biological connection with a social group and their subjective feelings towards this group identity. This would help trainees understand that people are free to manage their identities and do not have to view their ascribed identity as

important. Training could also include topics related to attitudes and behaviors, such as acknowledging others' identity choices and not imposing our own views on others. The second aim is to improve identity management skills for employees. When misunderstandings are unavoidable, employees require identity management skills to reduce potential conflicts and to deal with identity misunderstandings related to identity perception.

Finally, although expatriates are an important mechanism for MNCs to transfer knowledge and implement global strategies (Bonache & Brewster, 2001; Harzing, 2001), to ensure the effectiveness of this mechanism, only focusing on what expatriates need to gain and what HCEs can offer to expatriates is insufficient. MNCs also need to consider HCEs' interests. It is important for MNCs to go beyond lucrative financial packages and identify HCEs' intangible needs, which can motivate HCEs to assist expatriates in a more intrinsic manner. Our research provides an example of this kind of need and its social impact. We call for MNCs to make greater attempts to identify HCEs' intangible needs. Social benefits could, thus, be generated naturally for expatriates if HCEs are satisfied and motivated in the workplace.

Limitations and Future Research Directions

Despite its important contributions, our study also has certain limitations that provide opportunities for further research. First, although we provide initial evidence concerning the impact of ethnic identity confirmation, we only examined HCEs' perception instead of providing a true test of dyadic interactions between HCEs and expatriates. Future researchers could design research that can test the dyadic interactions between HCEs and expatriates. Further, we only tested the influences of HCEs' ethnic identity confirmation on a limited number of outcome variables (i.e. trustworthiness and knowledge-sharing intention). As a new concept in the area of expatriate research, additional studies are needed to further validate our results. Future research could also test the effect of ethnic identity confirmation on a wider range of consequences, such as HCEs' organizational commitment, their identification with subsidiaries or MNCs, and HCEs' task performance. Additionally, our research only focuses on HCEs' identity needs when they interact with ethnically similar expatriates. Future researchers could identify HCEs' other intangible needs when interacting with ethnically different expatriates.

Second, our research has made the first attempt to manipulate ethnic identity confirmation. In study 1, the manipulation of HCEs' ethnic identity self-view was not ideal. Future researchers could design different manipulations to test the same concept. Further, our study 2 only replicated study 1. Future researchers could design their studies in a way going beyond replication, so that the findings can be expanded across multiple studies. Future researchers could also use a mixed-research method, such as a combination of experiments and surveys, to test the effect of ethnic identity confirmation. Our research was designed to test the effects of ethnic identity confirmation. However, in reality, expatriate-HCE interactions may be influenced by multiple variables simultaneously, and ethnic identity confirmation is only one of them. Thus, in future studies, researchers could use survey designs to test the effects of ethnic identity confirmation together with additional variables in the same model.

Third, the results of study 2 reveal the different effects of high-high and low-low confirmation. This suggests a need for further investigation of the differences between high-high and low-low confirmation. Future researchers could specifically compare the effects of these two situations and search for moderators that affect the results. Qualitative research could also be used to develop an in-depth understanding of how these two forms of confirmation are perceived by HCEs in their real work context.

Fourth, our research focused on Chinese ethnic identity and investigated a Chinese HCE sample. However, ethnic identity might have different meanings to different ethnic groups depending on different circumstances (Phinney & Ong, 2007), so people's reactions towards a lack of ethnic identity confirmation can differ. To test the generalizability of this concept, future research could select ethnic groups with different characteristics from the ethnic Chinese culture.

CONCLUSION

To date, the expatriate literature has rarely focused on HCEs' experiences. Based on the context of ethnically similar expatriate-HCE interactions, we have identified ethnic identity confirmation as a key factor that influences their relationships. We specifically focused on HCEs and investigated their ethnic identity confirmation. Using both an experiment and a quasi-experimental method, we have demonstrated that HCEs' ethnic identity confirmation is an important facilitator influencing HCEs' attitudes towards expatriates. This concept also captures an overlooked interpersonal dynamic - ethnic identity confirmation - among HCEs and expatriates who share the same ethnicity. It, thus, provides a promising new perspective in exploring interactions between expatriates and HCEs.

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Appendix 1: Study 1 manipulation materials

Now, we are going to take you to a new organization and introduce an overseas Chinese expatriate colleague to you. At the end, we will ask you some questions about your view of this colleague. Please imagine this is the organization you work for.

Below is some basic information about this organization:

Your company: the Beijing branch of S&K Solutions

Your name: Zhang Li

Your position: designer, local Chinese employee.

Text 1a: (HCE's ethnic identity self-view: important). Company facts: S&K Solutions is a multinational organization, which has its headquarters outside of China. The majority of employees are local Chinese, but some employees are foreigners who are assigned to work in Beijing. English is the corporate language, but Chinese is often used among Chinese employees.

S&K (Beijing) has decided to identify the potential of each employee, especially the potential of local Chinese employees. The management team believes that Chinese employees are familiar with the local market situation and local customs. Their knowledge and work experience are valuable to the development of S&K in China. This policy is also reflected in the words of managers and employees.

Michael Grant, the HR manager said: "Chinese employees often have fresh perspectives. It is one of our goals to incorporate their perspectives into the running of our company...Some companies ignore the characteristics of Chinese employees, but we believe that is not right. Rather, we embrace them. For example, when we train our expats from overseas, we let them know that they are working in China and their colleagues are Chinese. It is not a good idea if they expect employees in China to be the same as those in the headquarters. We also try to look for managers who can understand Chinese employees and know how to communicate with them."

Chinese employees are also happy with this strategy. Zhao Wen, a line manager, remarked that "My boss is open-minded. She values the opinion of Chinese employees. She often consults me before making decisions. I have never experienced this in other multinational companies."

You also have your view on this: "Although this is a foreign-owned company, I feel that as a Chinese employee, I am respected. I appreciate it very much.... The products that we design are very popular in many countries. As Chinese employees, my colleagues and I are proud of ourselves and our contribution to the company."

Text 1b: (HCE's ethnic identity self-view: unimportant). Company facts: S&K Solutions is a multinational organization, which has its headquarters outside of China. The majority of employees are local Chinese, but some employees are foreigners who are assigned to work in Beijing. English is the corporate language, and even Chinese employees try to use it as much as possible.

As employees have different cultural and ethnic backgrounds, the company wants to de-emphasize the differences among employees and stress instead what they have in common. Therefore, an important organizational policy is to promote professional behaviours, because although employees are from different countries, they are all professionals. The management team believes that professional behaviours can facilitate communication and cooperation between Chinese and non-Chinese employees. Many employees accept this idea, and they have their own understanding of professional behaviours.

Michael Grant, the HR manager, also commented that: “We have employees from different countries. They are very different from each other. By promoting professional behaviours, we can establish some common behavioural norms, which can help communication and cooperation among our employees. By de-emphasizing where they come from, we want to stress what they have in common.”

Zhao Wen (line manager) said “Professional behaviours have many aspects. I think one of them is to focus on task rather than personal relationships at work. For example, some colleagues in my office are Chinese and others are not. In my eyes, regardless of where they come from, everyone is the same. I am Chinese, but it does not mean I only help Chinese. I help everyone when they need me. ... I want to create an equal working environment. This is not easy, but I try my best.”

You also expressed your view: “At work, I see myself first and foremost as a professional. ... I am Chinese. I don’t think my background matters at work or when I interact with my colleagues. Some of my colleagues are British or American. Their backgrounds do not matter to me... In this office, we are all professionals. We are proud to be professional... I think promoting professional behaviors can make interpersonal relationships less complicated.”

Now, enter your own work team.

James Wang: the new team leader comes from the overseas headquarters. Emigrated from China when he was 17 years old, he is now 45 years old.

It is evening and your company is holding a social function to welcome people who newly joined from overseas. James Wang uses this opportunity to talk to everyone in the team. When he saw you, he started talking to you.

Text 2a: (Expatriate’s view of HCE’s ethnic identity: important). James Wang told you: “I know you are Zhang Li. Since it is only us, why don’t we talk in Chinese?” Your conversation is then carried on in Chinese.

James Wang also said to you: “I grew up in China. I see myself as Chinese, like yourself... I am glad that we have you and three other Chinese people in this team. I look forward to working with you... I am sure Chinese employees will make many contributions to the company.”

You talked to some Chinese colleagues later in the evening. After talking to James Wang, you are happy with his attitudes toward Chinese colleagues.

Text 2b: (Expatriate's view of HCE's ethnic identity: unimportant) Another Chinese colleague joined your conversation. He said to James Wang: "Welcome! Finally, we have a Chinese boss." James responded: "Chinese or foreigners, does it matter? We work in the same department; we are all professionals. We are the same in this regard. For example, in my eyes, it does not matter if Zhang Li is Chinese or not, he is, first and foremost, a professional designer."

You talked to some Chinese colleagues later in the evening. After talking to James Wang, you all agreed he appears to emphasize your professional identity, rather than your Chinese identity. You are all happy with what he said.

Appendix 2

Scale: HCEs' self-view of the importance of their ethnic identity (1= strongly disagree, 10 = strongly agree)

- 1) When interacting with overseas Chinese expatriates at work, the role of my Chinese identity should not be ignored.
- 2) My Chinese identity guides how I interact with overseas Chinese expatriates at work.
- 3) I believe that my Chinese identity is an important factor when I interact with overseas Chinese expatriates at work.
- 4) Compared with my other identities, my Chinese identity plays a more important role when interacting with overseas Chinese expatriates at work.