Expatriate rewards and quality of life in Shanghai:

Is more (reward) sometimes less (quality of life)?

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Lucy Nichol

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Abstract

Conventional wisdom holds that higher wages and incomes are a pathway to better quality of life and work life. In expatriate assignments, expatriate workers are often paid much more than their host nation's counterparts, partly in recognition of the disruptions from relocating offshore from home, yet the expatriate's quality of life and quality of work life also depend on social integration in the host country and economy. In China for example, expatriate workers and host country nationals are told in official terms by government not to be "ostentatious" about their (relatively high) salaries and benefits. Such advice implies that ostentation and the very salary itself can, potentially, be a barrier to social integration with local people. This thesis explores whether higher expatriate remuneration is a blessing or can also be a curse, in terms of quality of life, quality of work life and integration with host country locals. Conceivably, more may sometimes be less when it comes to income, social engagement and quality of (work) life. Alternatively more income or material rewards may facilitate more social engagement with local community and better quality of (work) life.

A survey of N = 122 expatriates living and working in Shanghai responded to an online questionnaire that reliably measured rewards, acculturation orientation, quality of life, quality of work life and psychological adaptation. The Critical Incident Technique also collected four incidents that participants felt had a (1) positive and (2) negative impact on (a) quality of life and (b) quality of work life.

Acculturation orientation did not vary but adaptation (nervousness) partially mediated a significant positive link between wage and quality of social life and fully mediated between wage and sense of safety/security at work. Critical incidents reflected that achieving a high quality of life may be easier for high income earning expatriates because they are better resourced to deal with the challenges of a new environment.

Specifically, more income facilitated more social life and engagement with other expatriates and that resulted in better quality of life within expatriate communities.

Overall, therefore, more (wage income) was more, not less (quality of life and work life). These findings were consistent with culture shock as conceptualized within the stress and coping framework. A resource (income) decreased stress and facilitated coping (increasing or decreasing nervousness) resulting in better quality of life and work life. Specifically, higher income may have helped to make participants less nervous and as they became less nervous their quality of life and work life tended to partly improve. At least insofar as interacting with fellow expatriates at work and socially was concerned. Thematic analysis found very little indication that the participants in this study were, in practice, well integrated with the local Chinese community. Therefore, it could be argued that the acculturation measure used in this research measured the acculturation aspirations of the participants rather than their day-to-day functioning.

Future research could include an acculturation measure that is less aspirational and more practical. There was also thematic evidence that problems with communication challenged an expatriates quality of (work) life. To remedy this future research could be conducted in a country where the language barrier is not so prominent.

This research proposes a model of expatriate adjustment and wellbeing, against a backdrop of wages and income among expatriates in Shanghai. It allowed us to look back at expatriation pre Covid-19, providing potentially valuable lessons for the management of these kinds of international assignments in the future world of work.

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Chapter 1 – Introduction and Critical Literature Review

This thesis was written post Covid-19, but the data was collected immediately before it. The pandemic thereby presents a unique opportunity to look back at a particular aspect of the world of work - expatriation - that may be disappearing but may also contain lessons for the future of work and its sustainability (Bonache & Zarrage-Oberty, 2017). In the world of the expatriate assignment, up until recently, there had been repeated calls for more research on income disparities, between the expatriates and their counterpart hosts (Leung, Wang & Smith, 2001; Leung, Wang, Smith & Sun, 1996; Liu & Wang, 2016). In China for instance, the government had advised against ostentation by encouraging people including expatriates to avoid extravagant spending (Farrar, 2013). This focus on ostentation suggests that wage inequalities within China was becoming an issue of integration for both higher and lower earners, expatriates and Chinese alike.

Available research on this issue of wage inequality between expatriate and host country national counterparts has tended to focus more on the local counterparts who are often underpaid (Leung et al, 2001). Yet the expatriates themselves are diversely paid as well, both among themselves and in comparison to host country national counterparts, and this may be difficult to navigate in terms of expatriate's own cultural adjustment, quality of life and work life (Carr et al, 2010). This thesis attempts to develop a model of such expatriate adjustment and wellbeing, against the backdrop of wages and income, among expatriates themselves, in Shanghai, China. The exploration may signal a better way to manage such exchanges in the future world of work, if indeed expatriate assignments continue post COVID-19. A model of the possible processes is presented in Figure 1.

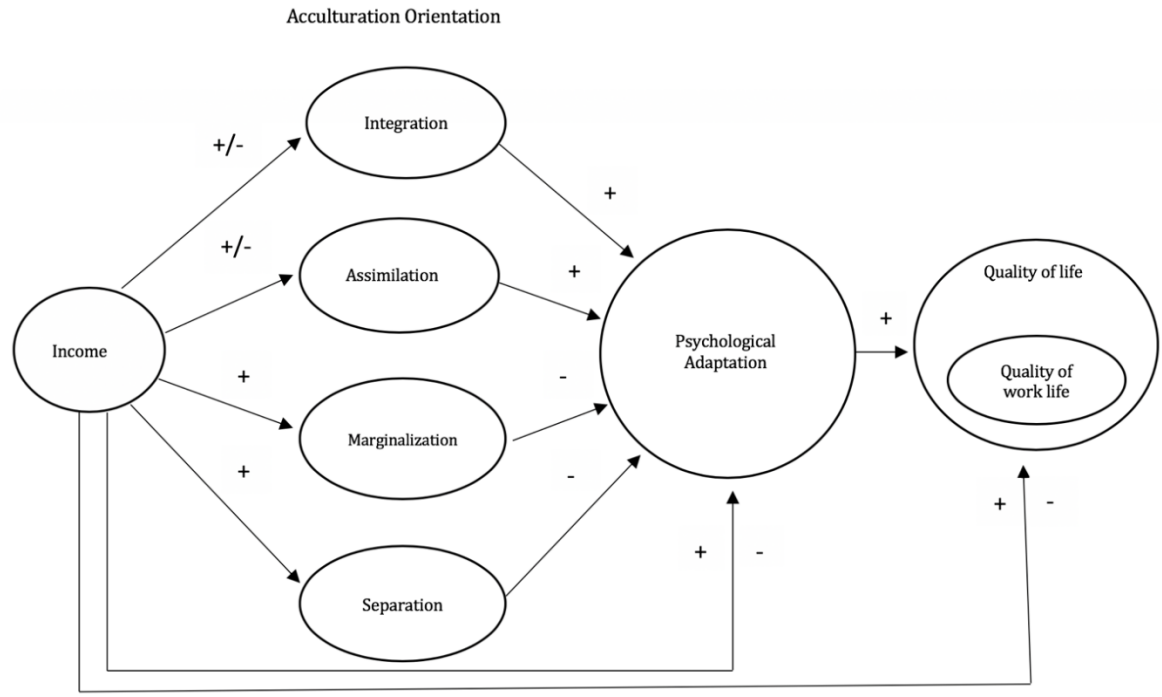

Figure 1: A model of possible linkages between Expatriate Income and Quality of Life

1.1 Quality of Life

The World Health Organization (1995) defines *Quality of life* (in Figure 1) as an "individuals' perception of their position in life in the context of the culture and value systems in which they live and in relation to their goals, expectations, standards and concerns" (WHOQOL p.4). This definition refers to a subjective evaluation embedded in an environmental, cultural and social context. It has a focus on the respondents' perceived quality of life, rather than on a measurement of symptoms or of disease. Such a multi-dimensional approach to quality of life, spanning subjective health and wellbeing, reflects the World Health Organizations belief that quality of life cannot be equated with single terms like "life satisfaction", "mental state", "life-style", or "well-being". Moreover, psychologists of intercultural contact have attempted to explain the consequences of exposure to unfamiliar cultural environments, on *Quality of life* in Figure 1, (Ward,

Bochner & Furnham, 2001). Hence the first criterion in Figure 1 is subjective Quality of life.

Figure 1 also shows that income (higher or lower) may predict Quality of life, either negatively or positively. The reason for this two-tailed prediction is that there are two opposing perspectives that dominate this area of study in the literature.

On one hand, cross-cultural interaction is thought to be a *positive* experience (+) because there is evidence that individuals who participate in intercultural contact often benefit from it in terms of development and enjoyment (Furnham & Bochner, 1986). This positive (+) view of intercultural contact argues that exposure to new and different cultures can broaden an individual's perspective and promote personal growth, including Quality of life (Figure 1). Travel to new and exotic countries is thought to be a welcome change from the boredom of routine and familiar activities (Furnham & Bochner, 1990) resulting in increased happiness (Kwon & Lee, 2020) and wellbeing (Filep & Deery, 2010). Exposure to different cultures is thought to lead to greater mutual understanding between peoples of the world and better international relations (Furnham & Bochner, 1990). According to the WHO (1995, above), all of these would boost (+) Quality of life (Figure 1). Logically therefore, to the extent that remuneration affords more opportunities to experience the host culture, the more it might also boost subjective Quality of life (+).

On the other hand, exposure to an unfamiliar culture is often stressful and as a consequence potentially harmful (Pacheco, 2020). Rather than expanding the mind and providing an exciting and enjoyable experience unfamiliar environments actually create anxiety, confusion and depression (Ward & Kennedy, 1999). Instead of greater mutual understanding exposure to other cultures results in poor interpersonal relations and hostility between those involved in the interaction (Ward, Bochner & Furnham, 2001).

With regards to expatriates, the pessimistic view of intercultural contact is evident in the academic literature (Harzing, 1995), including most notably high rates of failed assignments (Martinko & Douglas, 1999) and poor expatriate work performance (Ward, Bochner & Furnham, 2001). Logically therefore, to the extent that money enables people to shield themselves from exposure to novel cultures, for example by socialising only in their own expatriate bubble, the more they might fall into, or manage to cope with, culture shock (+/-).

China hosts a large expatriate community (Guo et al. 2018) and past research has indicated that some expatriates perceive it to be a challenging destination because of its distinct cultural, social, economic and institutional environments (Brookfield Global Relocation Services, 2016., HSBC, 2019). InterNations, the largest expatriate community worldwide conducted a survey with over 12,000 respondents living and working in 51 cities and found that 64% of expatriates in Shanghai are unhappy with the urban environment. Settling in was a challenge with 48% finding it hard to get used to the local culture compared to a global average of 20%. 67% of respondents admitted that they are mainly friends with other expatriates. Such difficulties might logically either be facilitated or reduced by more income (+/-).

Summing up, having more income may either aid (+) or detract from (-) Quality of Life (Figure 1)

1.2 Quality of Work Life

The same kind of potential ambivalence is reflected in *Quality of work life* (Figure 1). *Quality of work life* found in Figure 1 is defined by Sirgy et al (2001) as employee satisfaction with a variety of needs through resources, activities and outcomes stemming from participation in the workplace. It includes an individual's job-related well-being and

the extent to which work experiences are rewarding, fulfilling and devoid of stress and other negative personal consequences (Rose, et al 2006). The concept of work-life balance for instance suggests that Quality of work life will spill over into Quality of life, and vice-versa (Sirgy et al. 2001).

On the one hand, Shanghai has ranked higher than other countries for local career opportunities (70% positive ratings) as well as job security (66%). Relatedly perhaps, Shanghai also ranked well for disposable household income with more than 67% of respondents reporting they have more than enough to cover everything they need in material daily life (InterNations, 2020). With regards to expatriate assignments the benefits of an international placement can be both professional and personal (Ward, Bochner & Furnham, 2001). Some of the professional factors include attractive compensation packages shown as income in Figure 1, career development, the promise of a better position in the host country and the development of a more diverse skill set (Bonache & Zarrage-Oberty, 2017). Some of the personal benefits may further include cultural enrichment, adventure, the enjoyment of a cosmopolitan lifestyle and better education opportunities for children (Ward, Bochner & Furnham, 2001). Thus income may boost these positive aspects of Quality of work life and life (+).

On the other hand, doing business in China is not always easy and many expatriates find integrating into Chinese culture a big adjustment (Guo et al., 2018). From the perspective of Fang et al (2013), expatriates in China often lack a deep understanding of local customs and norms, including language skills and often do not establish strong networks in their host country's community. This reported lack of understanding, if correct, may contribute to feelings of anxiety, stress and uncertainty experienced by expatriates working in a work environment different to their country of origin, including

in China. Such uncertainties may have a negative effect on the *Quality of work life* in Figure 1 for expatriate employees.

When expatriates enter a foreign country they are cut off from their previous social network and interpersonal relationships (Wang & Kanungo, 2004). This isolation, coupled with the perception of uncertainty in the new local environment threatens an expatriate's psychological well-being (Wang 2002). The challenges faced by expatriates in Shanghai contribute to the country's overall ranking of 78th out of 190 countries in the World Bank Groups Doing Business Survey (2018). Expat city ranking 2017 found expatriate workers in Shanghai have the second longest work week worldwide with an average of 48.5 hours, second only to Tokyo. Quality of work life found in figure 1 is concerned with the extent to which work experiences are rewarding and devoid of stress and other negative consequences (Rose et al 2006). There is evidence that expatriate assignments can have negative consequences. This may contribute to decreased quality of work life.

Taken together therefore, the research literature raises a question about whether the experience of expatriation would be either positive (+) or negative (-) in Figure 1.

The link between Income and Quality of (work) Life

According to research on dual salaries, wider gaps of income between expatriate workers and their local host counterparts, who are often equally skilled and experienced, can create divisions between the work groups (Carr et al, 2010). In their research on expatriate host wage disparities in China, Leung et al (2001) have found that host country counterparts may find the gap demotivating, which would suggest that they may withdraw support for expatriates who are struggling to adjust at work. These research findings would tend to indicate that more income on the expatriate side would exacerbate

these fractious workplace relations and thereby lead to a further drop in Quality of work life (-).

Furthermore research into the consequences of income disparities has found evidence of double demotivation. Double Demotivation (Carr and McLoughlin, 1997) posits that pay discrepancies can decrease work motivation among both higher and lower paid individuals who are performing the same task. Expatriates who are being (usually) over paid may experience lower job satisfaction and greater readiness to change jobs. As shown in figure 1 this research is predicting a relationship between income level and quality of (work) life. Double demotivation theory suggests that quality of (work) life may drop rather than be elevated by higher packages.

Quality of (work) life can depend on the level of integration an expatriate has with the host country counterparts. High income can be a barrier to integration and therefore increased quality of work life. This can be understood with the help of Equity Theory (Adams, 1965). Equity Theory posits that in order to be motivating rewards should be seen as fair. According to Equity Theory expatriates will compare the ratio of their contribution and rewards with that same ratio among other individuals, which then act as referents for comparison purposes. Dissimilar ratios lead to perceptions of inequality and inequality can then lead to reduced quality of (work) life. Figure 1 shows that higher income may result in a drop in quality of work life rather than an increase which may be the result of perceptions of inequity as explained by Equity Theory.

Absolute income is the term used to describe the amount of money an individual is compensated for their work. For this research it is the salary of an expatriate in Shanghai which allows them to cover their living costs. Relative income refers to an individuals' earnings in relation to either average income or the income of another person. In this case it could be an expatriate's income in relation to their host country

counterparts or other expatriates. Once absolute income is accounted for, relative income (much higher or lower than a referent group) can present issues of inequality in the form of relative deprivation. Liu & Wang (2016) examined the impact of relative income on income satisfaction with absolute given income with participants in China. They found that while controlling for absolute and other factors, information about relative income increases the satisfaction of the high-income group and reduces it for the low-income group. This could in theory make expatriates happy with their Quality of work life (+), in Figure 1. Or, on the other hand it could create barriers to socialisation with hosts.

Summing up, having more income may either aid (+) or detract from (-) Quality of (work) life (figure 1). Figure 1 shows that income may predict quality of work life either positively or negatively.

1.3 Acculturation Orientation

One of the central concepts in Figure 1 is *Acculturation Orientation*. "*Acculturation* is the dual process of cultural and psychological change that takes place as a result of contact between two or more cultural groups and their individual members" (Berry, 2005, p. 698). The term *acculturation* is commonly used during discussions of intercultural contact, however agreement about its meaning, and operationalization are still debated (Berry & Sam, 2016). Some researchers ignore the possibility that acculturation could involve the rejection of or resistance to the adoption of a foreign culture. In other cases, literature has overlooked the possibility that individuals choose aspects of their own culture to retain while selectively adopting aspects of the foreign culture (Berry & Sam, 2016). For use in this study depicted in figure 1 Berry's conceptualization of acculturation will be used.

A*cculturation,* shown in figure one operates at both an individual and cultural level. At a cultural level *acculturation* is an ongoing process that occurs when different cultural groups come into contact resulting in changes to social structure and cultural practices (Berry 2011). At the individual level however, *acculturation* changes an individual's psychological and behavioral responses. It is *acculturation* at the individual level that is relevant for the present research. This change is defined as "the process by which individuals change, both by being influenced by contact with another culture and by being participants in general acculturative changes underway in their own culture" (Berry, 1990, P. 235). Changes at the individual level might include changes in identity, values, behavior and attitudes. These changes are idiosyncratic and the rate at which changes occur will differ across individuals (Pekerti, Voung & Napier, 2016). The extent to which an individual wants to maintain their own heritage and incorporate the new host culture and the amount of interaction they have with members of the host community is relevant to the study of expatriate integration with the local community in Shanghai.

As shown in Figure 1 the four strategies at the individual level include *integration, assimilation, marginalization and separation*.

First, *integration* as shown in Figure 1, occurs when an expatriate considers it important to maintain their heritage culture and to adopt the new host culture. This strategy involves interacting with both cultures (Sam & Berry, 1995).

Second, *assimilation* as shown in figure 1 happens when an expatriate does not consider it to be important to maintain their heritage culture and identity and predominantly interacts with the new host culture members. It refers to the process whereby an individual gradually adopts or is forced into adopting the customs, lifestyle, language and values of a more dominant culture. This process of *assimilation* can be

observed at both the individual or group level. In line with the other concepts in Figure 1, this research is concerned with an *assimilation* acculturation style at the individual level. This group mostly interact with the local host country members.

Third, *separation* as shown in Figure 1 occurs when an individual considers it to be important to maintain their heritage culture but fails to embrace the new host culture. Expatriates who take a *separation* acculturation strategy have minimal interaction with the host culture members but maximal with their own (expatriated) community.

Finally, *marginalization* as shown in Figure 1 occurs when an individual fails to maintain their heritage culture and also fails to adopt the new host culture. This group lack meaningful interaction with either culture.

An *Integration* or *Assimilation* orientation to *Acculturation* mean that the individual considers it to be of value to embrace the new host culture. Host country nationals are important stakeholders of the expatriation process who can affect and are affected by expatriate assignments (Takeuchi, 2010). They are valuable sources of social support, assistance and friendship to fledging expatriates (Black Mendenhall & Oddou, 1991). Furthermore, research has found that expatriates are more likely to adjust when host country nationals engage as socializing agents (Black & Gregersen 1991; Caligiuri 2000). The key point of this supportive role for local counterparts is that a local social network and integration with local communities facilitates expatriates' cross-cultural adjustment which is important for employee well-being and successful international assignments, thus improving quality of life and work life. As shown in Figure 1 this research predicts that an integration or assimilation acculturation orientation is positively related to psychological adaptation and better quality of life.

In contrast the *separation* and *integration acculturation* orientations as shown in Figure 1 indicate that the individual considers it to be of value to maintain their heritage

culture. Literature concerning co-national support has been somewhat controversial and past research has found it to be both harmful and helpful. Historically two key opinions shaped this area of study, those of Adelman (1988) and Church (1982).

Church (1982) introduced the idea that subcultural enclaves or expatriate bubbles may provide protection from the negative consequences of adjustment. Within these compounds an expatriate's psychological security, for example self-esteem and sense of belonging are enhanced and stress, anxiety and feelings of powerlessness are alleviated. Adelman emphasized the significance of comparable others which she describes as others (such as fellow expatiates) undergoing similar experiences that can offer useful information and resources about coping in the new environment. Comparable others (other expatriates) may also provide emotional benefits and the opportunity to express frustrations that come with living in the new environment. As shown in Figure 1 this research predicts that an integration acculturation orientation is positively related to psychological adaptation.

More recent research has argued that co-national relations are the most powerful source of support for sojourners. A study by Ward and Kennedy (1993) found that satisfaction with co-national relations was a strong predictor of psychological adjustment. Their study involved foreign students in both Singapore and New Zealand and revealed that greater co-national interaction was associated with stronger cultural identity and enhanced self-esteem. Similar results were found by Kennedy (1998) in a study that involved Singaporean students in the United States, United Kingdom, China, New Zealand and Australia. In support of the significance of compatriot relations, Searle and Ward (1990) proposed that co-national interaction and satisfaction with co-national contact would be related to students' psychological well-being. The results of this research were informative and relevant to the study of expatriate acculturation.

However, the research participants were international students rather than expatriate workers.

Taken together it is not clear which if any acculturation orientations will result in better quality of life and work life for expatriates in Shanghai. The conceptual model in Figure 1 proposes that an integration or assimilation acculturation style may be positively related to psychological adaptation, quality of life and quality of work life. Conversely marginalization or separation are negatively related to psychological adaptation, quality of life and quality of work life.

The link between Income and Acculturation Orientation

The rewards people receive have important implications in expatriate assignments and the literature in this area tells us that these can have a negative impact on both expatriates and their host country counterparts. Disparate treatment in the form of income inequality between host country nationals and foreign workers has been found to result in perceptions of distributive injustice and the feeling of relative deprivation (Beugre, 2002). Relative deprivation theory posits that the feeling of deprivation comes from a comparison between the rewards received by another person or group (Walker & Pettigrew, 1984). There are two types of relative deprivation, egoistic deprivation and fraternal deprivation. Egoistic deprivation occurs when a comparison with a similar referent causes a feeling of deprivation, for example, when an expatriate compares themself to another expatriate working in the same organization and finds the other is paid more. Fraternal deprivation occurs when an upward comparison to a dissimilar referent causes a feeling of deprivation, for example when a lower paid local employee compares himself to an expatriate and finds the other is paid more. (Runciman 1966).

Relative deprivation in the form of income disparities between expatriate and host country employees has been widely studied. Research has shown that when local employees receive lower renumeration than expatriates they are relatively deprived which raises issues of distributive justice. This may contribute to a lowering of host country employee's productivity, the creation of a social divide between host country employees and expatriates and motivation to resign (Leung, Smith & Wang, 2001). Relative deprivation theory suggests that there may be negative consequences of relatively high income (such as the creating of a social divide) which have a negative impact on quality of life. As shown in figure 1 this research predicts that income will influence the acculturation style of participants which will have a follow on effect on their psychological adaptation and quality of life.

This prediction was supported by Leung, Wang & Smith (2001) who looked at job attitudes and organizational justice in joint venture hotels in China. They found that local employees perceived their pay as unfair when compared to expatriate managers. The findings supported the argument that distributive justice was a concern for expatriates working in China. Pay satisfaction was sensitive to social comparison processes (Sweeney et al, 1990) which is critical for international assignments in China because although different expatriate groups work closely together they are experiencing very different terms of employment.

The link between Income and Integration/Assimilation

Leung et al (2014) examined the moderating effects of perceived injustice in foreign multinational organizations in China. They found that Chinese nationals' perception of trustworthiness of expatriates was able to moderate the effect of distributive justice on evaluation of expatriates and it also had a positive effect on job

satisfaction and organizational commitment. Chen et al (2002) found that if expatriates were seen as interpersonally sensitive, for example, kind, helpful and respectful of host country nationals, the negative impact of the compensation disparity on locals perceived compensation fairness was mitigated. These findings point to the role of interpersonal relationships (integration and assimilation) between locals and expatriates as a cushion for the negative effects of the injustice associated with the compensation disparity. As shown in figure 1 (and discussed earlier in the chapter 1) acculturation orientation is a central concept in this research. Integration with host country locals is predicted to be positively correlated with psychological adaptation and quality of (work) life.

My point in this section related to my thesis is that an expatriate's acculturation orientation may link to their quality of life and work life. The vast majority of published studies report that those preferring integration experience the least acculturative stress and those preferring separation and marginalization experience the greatest acculturative stress (Berry et al, 1987; Krishnan & Berry, 1992). However, to date the vast majority of published studies involve migrants that intend to remain in the host country indefinitely or students who are not required to engage in productive working relationships with host country counterparts to the same extent required by expatriate workers. This research will add to the literature regarding acculturation orientation, quality of life and work life for expatriates working in Shanghai.

1.4 Psychological Adaptation

As shown in Figure 1 *psychological adaptation* is affected by income level and acculturation orientation and has an effect on quality of life and quality of work life.

Historically, adaptation has been discussed within the concept of culture shock (Oberg, 1960) which focused on the psychological consequences of exposure to unfamiliar

cultural environments. Conceived as a serious, acute and sometimes chronic affective reaction to a new (social) environment, culture shock is the disorientating experience of suddenly finding that the perspectives, behaviours and experience of an individual, group or whole society are not shared and potentially opposed by others. It has been seen as a consequence of a loss of one's culture or a resocialization in another culture and often comes as a hurtful surprize to many who travel (Pacheco, 2020). The key features include, strain due to the effort required to psychologically adapt. A sense of loss and feelings of deprivation in regards to friends, status or possessions. Rejection by/or of members of the new culture. Confusion, surprise, anxiety and even disgust after becoming aware of cultural differences and a feeling of being unable to cope with the new environment (Mumford, 1998). In Figure 1, culture shock is captured by *psychological adaptation*.

Culture shock can be conceptualized within the stress and coping and culture learning frame works (Ward, Bochner & Furnham, 2001). The stress and coping framework is concerned with the significance of life changes during an expatriate assignment and the resources available to facilitate coping. Viewed as psychological adaptation (Figure 1) to the stresses of intercultural contact, it is generally understood to be a process by which individuals who experience discomfort and distress in a new cultural setting can eventually come to develop a sense of ease and comfort in the host environment (Pacheco, 2020).

The link between Psychological Adaptation, Acculturation and Quality of (work) life.

As shown in Figure 1 this research proposes that an expatriates acculturation orientation will predict their psychological adaptation and this will have an effect on their quality of (work) life. Specifically, Figure 1 proposes that psychological adaptation will be positively related to an integration or assimilation orientation and separation or

marginalization will be negatively related. Within the acculturation literature *psychological adaptation* (figure 1) is referred to as the level of 'fit' between the individual and the host country context (Sam & Berry, 1995). From this perspective adaptation represents the psychological outcomes of an individual's acculturation processes.

The concept of subjective wellbeing is included in both the WHO (1995) multidimensional definition of quality of life and the quality of work life (Sirgy et al, 2001) definition used for this research. A significant and important research finding related to acculturation orientation and psychological adaptation is that a balanced network composed of both local people and fellow expatriates indicate the social integration of expatriates in the local community and this integration is highly correlated with psychological wellbeing (Wang, 2002).

Researchers have found that expatriates can develop a sense of ease and comfort in the host country (psychological adaptation) by interacting with host country nationals. Studies have shown that the more comfortable an expatriate feels about interacting with host country counterparts the better adjusted they are likely to be (Black, 1988; Caliguiri & Lazarova, 2002). In an attempt to explain this Beumeister and Leary (1995) propose that humans have a fundamental need to belong which motivates the need for interpersonal relationships and frequent contact with other people. When expatriates embark on an assignment in a foreign country they are cut off from their existing interpersonal relationships and will experience deprivation of this basic human need. This deprivation combined with an uncertainty of the host country environment can threaten an expatriate's psychological wellbeing (Kuo & Tsai, 1986) leading to a decrease in quality of life. Caliguiri and Lazarova (2002) argue that to combat this it is important for an expatriate to take action to integrate with the host community thereby reducing uncertainty and stress.

These findings are supported by research performed within China. Wang and Kanungo (2004) conducted a survey of 166 expatriates in China investigating the relationship between social networks and subjective wellbeing. They found that expatriate network characteristics have a significant influence on expatriate wellbeing. The researchers drew a distinction between diversity (social heterogeneity) and localization (host country nationals) of the participants' network. Their results confirmed that network diversity resulted in better outcomes and influenced expatriate psychological wellbeing. These findings are important for the study of expatriate acculturation orientation, psychological adaptation and quality of life because it is expected that social support from host country counterparts helps expatriates adapt to a foreign environment (Wang, 2002).

The link between Income, Psychological Adaptation and Quality of Life

The traditional approach of offering high incentives to employees on assignment in developing countries has resulted in expatriates earning substantially more than their host country counterparts. Some expatriates in China earn 20 to 50 times what the local Chinese earn (Leung, Smith, Wang., & Sun 1996) and in some cases the housing allowance of an expatriate employee is more than the entire salary of a local employee of a similar rank (De Lisle & Chin, 1994). Reward packages for expatriates often include a foreign service premium which is typically 5 -15% of salary. A hardship allowance of up to 25% of salary may be paid if conditions in the host country are considered less favourable than the home country. Additional benefits that may be provided include international schooling, housing allowance, air fares, language tuition, drivers and a host of other benefits (Busin, 2015).

Traditionally these incentives were justified by emphasizing the potentially negative consequences of an international assignment on an expatriates quality of life, and work life (Caliguiri & Bonache, 2016). It was assumed that offering generous renumeration packages would help them **adapt** to the new environment, reduce culture shock, improve their quality of life and facilitate a successful international assignment. However the literature shows that in spite of the generous incentives offered to expatriates, failure rates have remained high.

When investigating the effect of income in a foreign country it is important to consider factors that are unique to the local culture. In China the focus on ostentation and the Easterling Paradox are two such factors.

The WHO (1995) multidimensional definition of quality of life used in the research includes subjective wellbeing. Relatedly perhaps, the quality of work life definition used for this research includes job related wellbeing. The relationship between income and subjective wellbeing is an area of interest for many academics. The "Easterlin paradox" describes the phenomenon in which substantial income growth in Western countries over the past few decades has not resulted in a corresponding rise in happiness (Easterlin, 1995). This is relevant because over the past few decades the 'China Economic Miracle' has pushed millions of people from poverty into the middle- and upper-income group (Wu, 2004). This transformation provides an ideal setting to examine the relationship between changes in income, happiness and overall well-being. Bartolini and Sarracino (2015) found that economic growth did not improve Chinese average well-being from 1990 to 2007. However, this could be explained by the increased importance of social comparisons. As shown in figure 1 this research will test to see if income level has an effect on the psychological adaptation, quality of life and quality of work life of

expatriates in Shanghai. The 'Eastelin Paradox' suggests that high income may not make expatriates more happy.

Kushlev, Dunn and Lucas (2015) contributed to the argument that more money does not make people more happy. They explored the relationship between income and emotional well-being and found that while higher income has an impact on sadness it has no bearing on daily happiness. Other researchers have found that increased income is not strongly related to increase in emotional well-being (Diener et al. 2010; Kahneman & Deaton, 2010). In contrast, Zagorsky et al. (2014) argue that national income inequality has no effect on quality of life in European countries. Their study found that income inequality does not reduce well-being, financial quality of life, or health in advanced societies. As shown in figure 1 this research will run a test to find out if income level (higher or Lower) will result in better or worse psychological adaptation and quality of life.

Ostentation in China

In the traditional agrarian society Chinese people used to hide their wealth. However the fast paced social and economic transformation experienced in China raised peoples' material desires and the country became one of the world's largest consumers of luxury brand items. In a 2013 crackdown of corruption and graft the Chinese leadership released new rules outlining how officials should avoid extravagant spending (Farrar, 2013). Following this the growth of luxury sales in China fell from 30% in 2011 to 2% in 2013. In the years that followed a new Chinese consumer emerged, one that rejected ostentatious materialism and started to distance themselves from the "Tuhoa" meaning "crass rich" (Price 2015). For high paid expatriates living in China ostentation and the very salary itself may be a barrier to integration with host country locals. High

paid expatriates that are cognizant of their lifestyle and the opinions of local people may seek out more intra group experiences.

My point in this section, is that income (high or low) may conceivably actually be detrimental to the quality of life and quality of work life of expatriate employees. Less may be more, and more may be less. However the issue is currently undecided - it is necessary to further investigate this topic of income, acculturation and adaptation.

1.5 Expectations of the Study

Figure 1 shows that income (higher or lower) may predict quality of life either negatively or positively. Income (higher or lower) may predict quality of work life either negatively or positively. Income (higher or lower) may predict psychological adaptation either negatively or positively. Income (higher or lower) may predict an integration or assimilation acculturation orientation. Higher income will predict a separation or marginalization acculturation orientation. This research also predicts that an integration or assimilation acculturation orientation is positively related to psychological adaptation and better quality of life. Conversely, a separation or marginalization acculturation orientation is negatively related to psychological adaptation and quality of life.

We could hypothesize that more may conceivably, sometimes be less when it comes to income, social engagement and quality of (work) life. Alternatively more income or material rewards may facilitate more social engagement with local community and better quality of (work) life. Or perhaps income and rewards will make no difference at all.

On one hand, social integration and achieving a high quality of life may be easier for high income earning expatriates because they are better resourced to deal with the challenges of a new environment. Alternatively high income may operate as a kind of social constraint which acts a barrier to integration with local communities. Expatriates on lower incomes may be more likely to engage with local community due to necessity. They are required to seek out affordable local restaurants and use public transportation. They are also less likely to have a translator and as a result may be more likely to learn the local language. For lower income earners it is necessity to mingle and meet with local people in their own spaces, resulting in integration with the local community and a better quality of life.

On the other hand higher income earners have resources such as drivers and translators that insulate them from the challenges of navigating a new country. It is not necessary for them to learn the local language, take public transport or seek out affordable local restaurants. This may limit their degree of engagement with local people resulting in less integration with local communities and a poorer quality of life when compared to more integrated lower earning expatriates.

This study will inform the academic literature on cultural contact, which has focussed more on socio-cultural (Wang & Kunungo, 2004; Black et al, 1991 & Parker & McEvoy, 1993) than socio-economic diversity in its consideration of cross cultural relations and experiences. Current literature relating to cross cultural integration features themes of acculturation (Berry & Sam, 2016) and relative deprivation (Leung, Smith & Wang, 2001). I expect these theories to feature in the data collected for this study also. In addition there may be evidence of Social Identity Theory (Tajfel, 1978), double demotivation, and Equity Theory (Adams, 1965). This will manifest in the content of the critical incidents shared by participants.

There is already a pool of valuable literature addressing income disparities and relative deprivation of Chinese employees and expatiates (Leung, Wang & Smith, 2001; Leung et al, 1996; Leung et al, 2014) as well as local migrant workers and city dwellers in China (Liu & Wang, 2017). However, there is a gap in the literature comparing higher earning expatriates with lower earning expatriates working in Shanghai. Past research has used the critical incident technique to understand the experiences of expatriates working in China (Leung, Wang & Smith, 2001) but there has not been a specific focus on income as a barrier to social integration, psychological adaptation and quality of life. Adding to the literature regarding income and quality of (work) life will provide valuable information on how to manage expatriate assignments in the future world of work. It may also contribute to important initiatives such as closing the huge gap between higher and lower income earners.

1.6 Context

The Peoples Republic of China

China is a multi-ethnic country with 55 different minority groups. Han is the dominant group comprising 92 percent of the population. Mandarin Chinese has been promoted as the national language since 1956 (Rohsenow, 2004; Zhou, 2004). Most minority groups have their own language and the Chinese leadership states that all minority groups have the right to use their languages and practice their religions (Zuo, 2007). China adopts a "Ronghe' policy meaning fusion which refers to the historical process of mutual cultural exchange between Han and other minorities (Wang and Phillion, 2009). Internally China experiences the largest human migration movement in the world with millions of migrants moving from rural areas to cities to work (Bao. 2012).

The political landscape in China is interesting and the course leading to the countries current position in the world is unique. For approximately four decades following the Long March and the rise of the Communist Party to power in the late 1930's, China was closed off to the international economy (Wu, Sui, & Zheng, 2010). During that time state planning and the famous Great Leap Forward dominated politics. The Great Leap Forward (1958 – 1960) required simultaneous development of agriculture and industry. Through mass mobilization Mao believed the country would achieve unlimited economic growth. The all-out mobilization saw the economy grow by 22% in the first year. The following years didn't see the same results and in 1966 Mao started the cultural revolution development strategy which emphasized economic self-reliance. In 1978 Deng Xiaoping initiated the reform and open-door policy which led to China's rapid economic development (Wright, 2001).

The internationalization of the Chinese economy has been dramatic (Zang, 2011). The open-door policy introduced in 1982 welcomed foreign companies into China and a series of economic reforms followed which allowed a much greater role to private enterprises and market forces (Wright, 2001). For 15 years the Chinese economy boomed growing at around 10 percent a year on average (Morrison et al., 2008). In 2001 Entry into the World Trade Organization cemented the integration of China into the global economy (World Bank Group, 2018). China's economic transformation is one of the most significant developments in contemporary world history. Referred to by some as the Chinese economic miracle the country has transformed itself from an economy dominated by the rural sector to a vibrant market economy dominated by modern manufacturing and service sectors (Ray, 2002).

China is now the second largest economy in the world (Morrison et al., 2008). Its rapid global integration has massive implications for business and the lives of ordinary

people. What and how the Chinese people consume has an immediate impact on commodity prices which effect individuals outside China and the economies of entire countries (Zang, 2011). This interdependency has made China increasingly relevant to everyone. As a consequence of the increased importance of China and the need to understand it better a large amount of literature has been produced (Wang & Kunungo, 2004; Selmar, 2000). However many people still feel uncertain about China and it could be argued that in many aspects understanding China remains a challenge (Zang, 2011).

The Shanghai Context

As of 2019 Shanghai has a population of approximately 26 million, making it the most populous urban area in China (PopulationStat, 2020). Originally a fishing village and market town Shanghai grew in importance in the 19th century due to trade and port location (Yu et al., 2018). It is now the global centre for finance and innovation (CCG, 2014) and the port of Shanghai is the busiest container port in the world. In the 1990 economic reforms the city was redeveloped and has become the primary commercial and financial hub of the Asia-Pacific region (Yu et al., 2018).

As the business capital of one of the world's largest economies, Shanghai is an attractive destination for expatriates (PopulationStat, 2020). Many multinational firms are setting up permanent offices in the city and the number of wholly foreign owned enterprises is steadily increasing. The Centre for China and Globalization suggest that social and economic development, growing international influence and better career prospects are some of the factors enticing foreigners to China for work. Official figures from the Ministry of Public Security indicate an increasing number of foreigners are heading to China for work or study with an estimated 1 million people who were born elsewhere living in the country. China is constantly developing its policy regarding how

international immigrants should be treated and the management of expatriates and international students in the country (Zhang, 2010).

Chapter 2 - Method

2.1. Sample

One hundred and twenty-two expatriates living and working in Shanghai participated in this study. Of this group fifty-four were male and sixty-eight were female. The age of participants ranged from 20 to 59 years old (mean = 38.78 SD = 9.142). 95% of the participants had a tertiary education. Time spent living in Shanghai ranged from two months to 307 months (mean = 70.02, SD = 50.25). Time spent working in Shanghai ranged from 2 months to 307 months (mean = 67.04, SD = 49.76). They came from 18 different countries-of-origin, including Australia (9), Canada (5), Denmark (2), France (6), Greece (1), India (2), Indonesia (1), Ireland (11), Italy (2), Netherlands (1), New Zealand (33) Russian Federation (1), Singapore (1), South Africa (5), Switzerland (1) United Kingdom (21) and the United States (15). Thus, the sample was relatively small, reasonably gender-balanced, highly-educated, culturally experienced (in China) and diverse.

Employment.

Of one hundred and twenty-one participants who responded, eighty-one were self-initiated expatriates and thirty-seven were transferred to Shanghai by an employer. Self-initiated expatriates decide that they would like to work abroad and are hired without experiencing the transferal from parent organization to subsidiary (Lee, 2005). To avoid confusion, this project defines expatriates as a person residing in a country other than their native country. For use here the term refers to professionals and workers that have taken a position outside their home country either independently or sent abroad by their employer. Specifically people living and working in Shanghai that are not native

Chinese. 93% of the sample were working in the private sector. Thirteen different industries were represented including financial services and banking (5), retail (1), manufacturing (9), information technology (2), trading (1), exporting (1), importing (1), working for government (3), tourism (3), media and entertainment (4), other (12). Forty-three of the participants were junior staff members, forty-one were middle management, twenty-three senior management, six CEO or CFO and six were business owners. Thus, this is a good sample of jobs and livelihoods for the location, that includes a balanced representation of employees from junior staff members all the way up to Chief Executive Officers.

Questionnaire

The questionnaire was split into sections A, B and C. Section A collected demographic information used to describe the sample. Section B asked participants to share four critical incidents - two relating to quality of life and two relating to quality of work life. Section C collected information about income and rewards. The questionnaire (Appendix B) included four constructs captured by the following measures: The World Health Organization Quality of Life – BREF survey (WHOQOL-BREF), Quality of Work Life Scale (Singhapakdi, et al. 2014) adopted from Sirgy et al (2001), Berry's Acculturation Orientation Scale (2007) and Deems and Geeraert's Brief Psychological Adaptation Scale (2014). Psychometric properties, key credentials and examples of use of each scale are discussed below.

2.2. Measures

From Figure 1 *Quality of life* was measured using the - World Health Organization Quality of Life - Brief (WHOQOL-BREF) see appendix 2.

The World Health Organization developed the World Health Organization Quality of Life -100 (WHOQOL-100) for use as a quality of life assessment with cross-cultural applicability. The motivation for its development was the need for a genuinely international measure of quality of life and the commitment to promote a holistic approach to health (The WHOQOL Group, 2005). The WHOQOL-BREF (The World Health Organization, 2006) used in the survey (see appendix B) is an abbreviated version of the WHOQOL-100 that was developed to provide a short form quality of life assessment that renders summary scores for four domains (physical health, psychological, social relationships and environment) rather than detailed scores at the facet level found in the much lengthier WHOQOL-100. It includes 26 questions, one item from each of the 24 facets contained in the WHOQOL-100 as well as two items from the overall quality of life and general health facet. The item that correlated most highly with the total score, calculated as the mean of all facets was selected for inclusion in the WHOQOL-BREF. There were high correlations between domain scores based on the WHOQOL-100 and domain scores calculated using items included in the WHOQOL-BREF. The correlations ranged from .89 for domain 3 to .95 for domain 1. Cronbach's alpha values for each of the four domain scores ranged from .66 to .84 demonstrating internal consistency. The items constituted a cohesive and interpretable domain, with good construct reliability. Permission to use the measure was obtained and administration and scoring guidelines were followed.

From Figure 1, *Quality of work life* was measured using the - Quality of Work Life Scale (Singhapakdi, et al 2014). This instrument measures lower and higher order needs satisfaction and is based on the Need-Satisfaction model (Maslow, 1954) and spillover

theories. The spillover approach to quality of work life posits that people have basic needs that they seek to fulfill through work and satisfaction in one area of life, for example at work, may influence satisfaction in another domain for example, family life (Sirgy, et al. 2001). Figure 1 places quality of work life within the quality of life concept indicating a possible spillover effect within this study. This measure is informed by and builds on Porter's (1961) Need Satisfaction Questionnaire and Maslow's taxonomy of needs (Mitchell & Moudgill, 1976). Lower order needs include health/safety, economic/family needs. Higher order needs include social, esteem, self-actualization, knowledge and aesthetic needs. The measure is made up of 16 items derived from the seven needs. Participants are asked to respond to each item by checking a 5-point Likert scale ranging from very false to very true. A sample item is, 'I feel physically safe at work'.

The measure used in this study is modelled off the quality of work life measure developed by Sirgy et al (2001). It was created in English in America to assess quality of work life of a diverse group of employees. The original developers rigorously validated the measure using three different samples of university and accounting firm employees. Singhapakdi, et al. (2014) further validated construct and nomological validity by testing the measure in the context of marketing professionals. They found the measure had good construct validity based on empirical support for convergent and discriminant validity. They found it has good nomological (predictive) validity based on the fact that the measure predicted marketing professionals job satisfaction, organizational commitment, and esprit de corps. When developing the scale the two dimensions (higher and lower order quality of work life) were combined in a confirmatory factory analysis with two separate variables – job satisfaction and organizational socialization. All factor loadings were significant with no high cross-loadings.

From figure 1 *Acculturation orientation* was measured using Berry's (2007) Acculturation Orientation Scale (see appendix B). Acculturation Orientation was established by analyzing the response to the questions below.

1) Is it considered to be of value to maintain your cultural identity and characteristics? Yes or No
2) Is it considered to be of value to maintain relationships with your host country (Chinese) nationals? Yes or No

A "yes" answered to both questions indicates integration, "yes" to new culture and "no" to culture of origin indicates assimilation, "no" to new culture and "yes" to culture of origin indicates separation and a "no" answer to both questions indicates marginalization (Berry, 2007). Thus, there were four qualitatively different acculturation Strategies for each participant (Figure 1).

From Figure 1 *Psychological adaptation* was measured using Deems and Geeraert's (2014) - Brief Psychological Adaptation Scale (BPAS).

The BPAS was developed to measure psychological adaptation (positive and negative feelings) to being away from a home country and living in a host country. The items in this scale were designed to be specific to cultural relocation which makes it suitable for use with expatriates. When developing the measure the authors were informed by the Culture Shock Questionnaire (Mumford, 1998), which includes factors such as feeling anxious meeting new people, missing friends and family back home and feeling strain from the effort to adapt. The 10th revision of the International Statistical

Classification of Disease and Related Health Problems (ICD-10) classification of mental and behavioral disorders provided information regarding stress and adjustment difficulties (World Health Organization, 1992). A pilot study (N=23) identified a number of reoccurring concepts such as homesickness, excitement and insecurity experienced by participants who spent time in another country. 10 salient and frequently appearing concepts including negative and positive feelings and feelings related to home and host country formed the basis of the BPAS. The scale included 10 questions and participants were asked to respond on a scale from 1= always to 7 =never. A sample item is, "Think about living in Shanghai. In the last two weeks, how often have you felt" 'Out of place', like you don't fit in to Shanghai culture' (see Appendix B for the full measure).

The English BPAS was translated into nine different languages. The translated scale was administered to a large sample of sojourners (N = 1929) and showed good reliability and adequate structural equivalence for a single factor model across languages. Internal consistency: Cronbach's alpha in the total sample was .82. In line with existing theory, psychological and sociocultural adaptation were positively correlated, and showed a negative association with perceived cultural distance. The correlation between the BPAS and Brief sociocultural scale was computed. These two measures were correlated, $r = .55$, $p < .001$. The results showed that the BPAS was moderately related to levels of perceived stress, state anxiety, self-esteem and satisfaction with life, with correlations ranging from $r = .40$ to $r = .71$.

From Figure 1 *Integration* with the local community was further measured using the Critical Incident Technique (Flanagan 1954). The critical incident questions are designed to probe quality of life and quality of work life using qualitative techniques

rather than quantitative. They are included in the questionnaire to explore the local manifestations of the variables in the model.

The Critical Incident Technique is a qualitative research method used for collecting observations of human behavior (Viergever, 2019). Originally developed as part of the World War II aviation program of the United States Army for selecting aircrews; the Critical Incident Technique has grown far beyond its initial application. Its influence as a qualitative research method extends across many disciplines (Lin & Fu, 2017) and it has been used in a range of settings by a diverse group of researchers and practitioners (Butterfield et al 2009). A distinctive feature of the critical incident technique is its focus on events, incidents or factors that help promote or detract from the efficient performance of some activity or the experience of a specific situation or event (Creswell, 1998). This makes it an ideal tool for cross-cultural adaptation.

By the 1960s Critical Incidents were being used as a resource to train Peace Corps volunteers. Stories of Critical incidents and events experienced in the field were finding their way into the training centres. These stories were used to guide discussions about how to navigate different cultures. (Wight, 1967; 1995). Cultural incidents have now become a common component of cross-cultural adaptation programs and are regularly used to build intercultural competence (Engleking, 2018). The Critical Incident Technique has also been used to learn about the experiences of people working in emergency relief and development contexts. Across a range of studies researchers consistently found a common set of process skills are required regardless of the difference in technical skills. Thematic synthesis of critical incident transcripts identified key skills and characteristics required by workers in development and relief contexts. These job-related skills provide a key resource when training future aid and development workers (Carr & Sloan 2003).

The Critical Incident Technique explores what helps or hinders in a particular experience or activity (Butterfield et al, 2009). For this research the Critical Incident Technique is appropriate because the information sought is particular to a set of individuals (expatriates) who have experience in a particular domain (living in Shanghai). This study is informed by the assumption that there is valuable knowledge and experience possessed by expatriates living and working in Shanghai, that can be elicited through a self-reflection of personal experiences. The procedure here follows a similar methodology to other qualitative studies. For example, MacLachlan & McAuliffe (1993) used the technique of critical incidents analysis to prepare psychology students for placement in refugee camps. Raymond-McKay & MacLachlan (2000) used the technique to assess job related skills necessary for the emergency relief personnel. Within China it has been used to understand American students' cultural adjustment and coping strategies (Yang, 2020).

In this study participants were asked to share some experiences which have impacted on their life during their time in Shanghai. Ideally these notable experiences should have a clear beginning and end and would have made a difference to their life. Participants were asked to think of an event in their daily life that changed the quality of their life or work life in a positive or not so positive direction. This section was split into two parts with each containing two questions. The questions were as follows:

Quality of work life - positive

- Please tell me about an incident or event that **improved** the quality of your **work life** in Shanghai.

Quality of work life - negative

- Please tell me about an incident of event that **didn't work out** so well for you and **challenged** the quality of your work life.

Quality of Life – positive

- Please tell me about an incident or event that **improved** the quality of your **life outside work** in Shanghai.

Quality of Life - negative

- Please tell me about an incident or event that **didn't work out** well for you and challenged the quality of your **life outside work** in Shanghai.

Income

Participants were asked to indicate their annual income earned in China valued in RMB (before tax), their annual offshore earnings valued in US dollars and any tax paid on this amount. They were also asked to share an estimate of the total value of any benefits they receive as part of their employment contract valued in US dollars. This information was used to organize the sample. Two measures of income were created from the ordinal data. A median split binary variable and a 12-point ordinal scale based on income categories of $100,000RMB. By splitting the sample at the median a fundamental distinction could be drawn between the packages of higher and lower income earners. This distinction was used to explore differences in social integration with the local Chinese community.

2.3 Procedure

To ensure this research was ethically sound I gained an in-depth understanding of the Code of Ethical Conduct for Researcher, Teaching and Evaluations Involving Human Participants. Approval was sought and gained (Appendix C) by the Massey University Human Ethics Committee: Northern (approval number Nor19/49). The questions related to the study were embedded in an online questionnaire using the Qualtrics survey software. A Quick Response Code (QR Code) and a link to the survey was sent to qualified participants for pilot testing. Pilot testing was then conducted with 10 expatriates living and working in Shanghai. Each participant in the pilot study gave feedback to the researcher after they had completed the questionnaire. A number of spelling and grammar mistakes were identified, and each participant recorded how long it took them to complete the survey. The researcher then had a conversation with each of the pilot participants to identify any issues or concerns with the questions, layout or delivery. These were resolved by making small changes to the survey to correct the mistakes.

Expatriates living and working in Shanghai were invited to participate in this study. Participation was entirely voluntary and anonymous. Two main pathways were used to recruit participants, WeChat a popular social media application used in China, and email. Firstly, I created a poster (Appendix D) that contained a brief description of the project, the QR code and a link to the survey. This was uploaded to my WeChat Application. I sent the poster directly to my network of expatriates in Shanghai asking them to participate and requesting that they forward the invitation on to their social network. I then reached out to the administrators and managers of a number of social clubs and asked them to advertise my research to their members. The Shanghai Netball club, The Shanghai Touch Rugby Club, Kiwis in Shanghai, and The Shanghai International Professional Women's Society agreed to post the poster on their public message boards.

I then sent the research information sheet, QR code and link to a number of expatriate groups via email. Kea New Zealand and the Massey University Alumni agreed to advertise the research to their members in Shanghai.

The QR code and survey link took potential participants directly to the research information sheet (appendix A). At this point participants were informed that if they decided to participate, completion of the online questionnaire would be taken as informed consent and that they have the right to decline to answer any particular question. They were also informed that their individual responses are anonymous and the data collected was going to be treated confidentially. The researchers contact details were provided and an invitation to ask questions or discuss any issues regarding this research project was extended. Once the respondents had given consent the research questions were presented. Participants completed the survey on a desktop or mobile devise and had the ability to complete the questionnaire over multiple sessions if required. A link to a separate survey was available so respondents could provide their email address if they wished to receive a summary of the results. Once the participants had completed the survey they simply logged off and the answers were automatically saved.

Ethical Considerations.

Ethical issues have the potential to emerge at any stage throughout the research process (Bryman & Bell, 2007). They relate to the integrity of the researcher, research report and topic under investigation (Piccolo & Thomas, 2009). The main ethical issues identified for this research include, autonomy, consent, deception, confidentiality, data management, copyright, reciprocity, trust, affiliations, conflicts of interest, safety and harm to participants.

The safety of the participants was an important consideration because it could be distressing to recollect an incident that had a negative impact on quality of life. The survey instructions carefully explained that the critical incident technique does not ask participants to share their worst experience, rather a situation that didn't turn out well. In the unlikely event that a participant did experience distress the contact details for mental health service providers were included at the end of the survey.

Participation was entirely voluntary; participants could refuse to answer any question and withdraw at any stage. There was no deception during the research process and participants were informed at the beginning that completion of the survey implied consent. To ensure confidentiality no identifying information was collected. There is no commercial dimension to this research and data will only be used in this research project. Data is kept secure with the use of password-controlled access. This research is funded entirely by the researcher so there should be no question of credibility regarding funding.

Chapter 3 - Results

There were four main stages of data analysis. These were data reduction, correlation, linear and multiple regression, and thematic content analysis.

3.1 Data Reduction

Measures of *quality of life, quality of work life* and *psychological adaptation* were each subjected to Exploratory factor analysis. Exploratory was chosen over confirmatory because the measures were being used in a novel context with an extremely diverse group of expatriates in Shanghai, and none of the measures had been validated for all of these socio-cultural groups (Prediger, 1993). In order to preserve statistical power, factor analyses were run separately for each measure (Field, 2018). The *Kaiser-Meyer-Olkin* measure of sampling adequacy and *Bartlett's* Test of Sphericity were used to assess factorability. Principal Component Analysis (PCA) was chosen due to its ability to reduce the number of variables while retaining as much of the original variance as possible (Field, 2018). A *Scree Plot* and Kaiser's criterion was applied for the number of factors to be extracted. *Varimax,* an orthogonal rotation method was used because it loads the smallest number of variables highly on each factor resulting in more interpretable clusters of factors which helps to avoid subsequent problems with collinearity (Field, 2013). Factor loadings <.40 (NS) were suppressed (Howard, 2016). Items that failed to load or cross loaded on more than one factor were removed, and the analysis repeated. A reliability analysis for each factor was conducted. Measured by Coefficient Alpha, any item that reduced Alpha was removed and the analysis subsequently repeated. Once a clear and interpretable factor solution had been derived using this protocol, mean scores per item per factor were calculated.

Quality of Life. Using the data reduction protocol above, fifteen items were eventually deleted from the original measure. Reliability was measured using Cronbach's Alpha for factors with three or more items (the minimum to constitute a factor) but Pearson's Correlation Coefficient for factors with only two items (Eisinga et al. 2013). From Table 1 the solution was clear and interpretable. There were four factors extracted, two of which (factor 2 Social and factor 4 Health in Table 1) closely reflected the social relationships and physical health domains set out in the WHO manual (WHO,2006). However, Factor 1, daily living and factor 3 movement were shrunken versions of the remaining WHO - psychological and environment domains.

Table 1: Factor Solutions for World Health Organization Quality of Life – Brief

Items	Factor 1 Daily living	Factor 3 Social life	Factor 4 Movement	Factor 5 Health
How satisfied are you with your ability to perform your daily living activities	.79			
How satisfied are you with your sleep	.75			
Do you have enough energy for everyday life	.74			
How satisfied are you with your capacity for work	.67			
To what extent do you have the opportunity for leisure activities	.60			
How satisfied are you with your sex life		.86		
How satisfied are you with your personal relationships		.83		
How well are you able to get around			.82	
How satisfied are you with your transport			.79	
To what extent do you feel that physical pain prevents you from doing what you need to do				.83
How much do you need medical treatment to function in your daily life				.81
Variance Explained	24.684	14.641	14.621	13.875
Eigenvalue	2.715	1.611	1.608	1.526
Alpha	.785			
Pearson Correlation		.505	.445	.418

Quality of Work Life. From Chapter 3, this measure should have had seven factors reflecting (1) Health and safety needs (2) Economic & family needs (3) Social needs (4) Esteem needs (5) Actualization Needs (6) Knowledge needs and (7) Aesthetics needs. However, only three not seven factors were extracted, two from the original seven and one new but cogent factor. Only four items from the original measure were excluded leaving a total of 12 items split across three factors. From Table 2, items in Factor 1

represented development and those in Factor 2 represented social life. Factor 3, safety and security was new. It produced an Alpha value just under what is considered 'good' (Field, 2018) although a low Alpha is sometimes due to a small number of items and it is generally considered that an Alpha of 0.6-0.7 is acceptable (Taber, 2017). From Table 2, the resulting solution was clear and interpretable.

Table 2: Factor Solution for Quality of Work Life

Items	**Factor 1** Development	**Factor 2** Social life	**Factor 3** Safety and security
How true or false are these statements for you?			
I feel that I am always learning new things that help do my job better	.87		
This job allows me to sharpen my professional skills	.81		
I feel that my job allows me to realize my full potential	.78		
There is a lot of creativity involved in my job	.76		
My job helps me develop my creativity outside of work	.75		
I have enough time away from work to enjoy other things in life		.88	
I do my best to stay healthy and fit		.81	
I have good friends at work		.6	
My job provides good health benefits			.71
I feel physically safe at work			.68
I am satisfied with what I am getting paid for my work			.66
My job does well for my family			.59
Varience explained	28.431	16.674	16.2
Eigenvalue	3.421	2.001	1.931
Cronbach's Alpha	0.877	0.71	0.64

Psychological Adaptation. Two items from the original measure were excluded leaving a total of eight items split across three factors. From Table 3, the solution was clear and interpretable. Factor 3 had an Alpha of .67 which was marginal but still considered acceptable (Ursachi et al. 2015) for the small number of items.

Table 3: Factor Solution for Psychological Adaptation

Items	Factor 1 Homesickness	Factor 2 Excitement	Factor 3 Nervousness
ITEM: In the last two weeks how often have you felt...			
Homesick when you think of home	.9		
Lonely without your home country friends and family around you	.87		
Sad to be away from your home country	.83		
Excited about being in Shanghai		.9	
Happy with your day to day life in Shanghai		.87	
Nervous about how to behave in certain situations			.86
Out of place like you don't fit into Shanghai culture			.73
Frustrated by difficulties adapting to life in Shanghai			.59
Variance Explained	30.978	22.339	21.777
Eigenvalue	2.478	1.787	1.742
Cronbach's Alpha	.874		.666
Pearson Correlation		.663	

Income. Two measures of income were created from the ordinal data (income categories) explained in Method: A median split binary variable, based on the income distribution presented in Appendix (RMB 400-450K); and a 12-point ordinal scale based on income categories of $100,000 RMB (the smallest band across the entire income measure, see Method).

Acculturation orientation. Acculturation style was measured by analyzing the response to two questions. Question 1 asked, do you consider it to be of value to maintain your cultural identity and characteristics? Question 2, do you consider it be of value to maintain relationships with your host (Chinese) culture? Answers were thus coded into four groups, as follows.

Q1 = Yes and Q2 = Yes - Acculturation style = Integration

Q1 = Yes and Q2 = No - Acculturation style = Assimilation

Q1 = No and Q2 = Yes - Acculturation style = Marginalization

Q1 = No and Q2 = No - Acculturation style = Separation

Table 4: Acculturation Style

Acculturation Style	Frequency	Percentage
Integration	106	87.6
Assimilation	10	8.3
Marginalization	1	0.8
Separation	3	2.5
Total	122	100

From Table 4, Integration was by far the modal self-reported style, with assimilation not sufficiently often reported to enable any meaningful comparative analyses. Hence there was insufficient variation in acculturation style to include as a variable in any subsequent analyses, and this variable was deleted from all subsequent analyses.

Figure 2 shows the 11 major variables remaining after data reduction. From table 1, Factor 3 “health” was dropped from further analysis because this research has a focus on subjective wellbeing rather than a measure of disease or ill health.

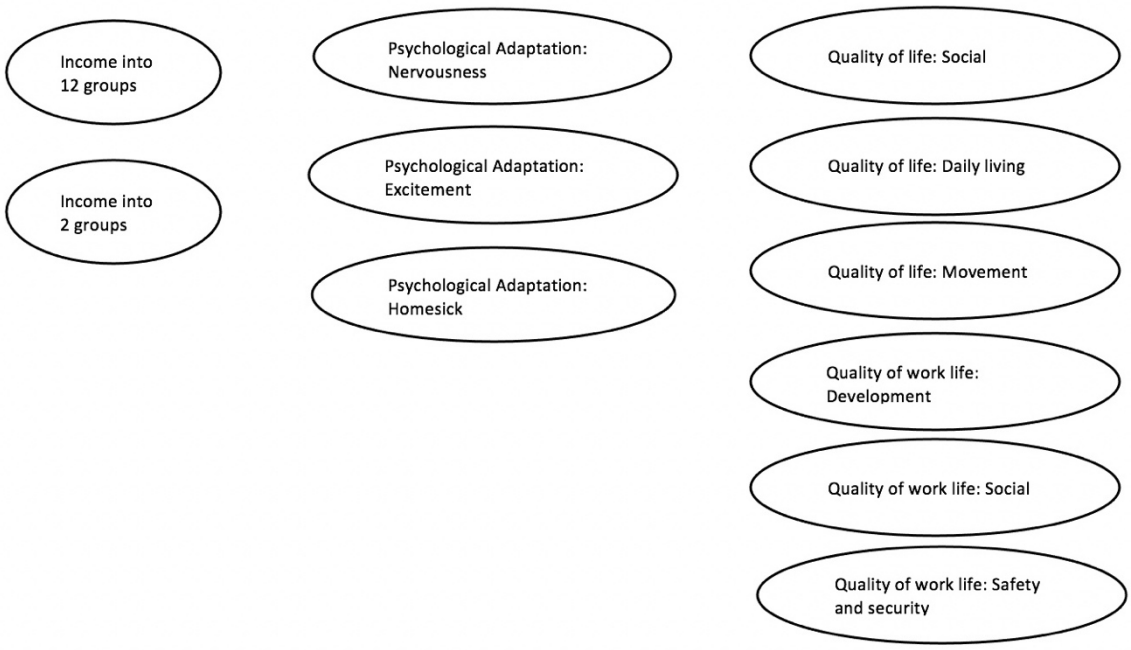

Figure 2 - Conceptual model elements following data reduction showing major variables for further analysis.

3.2 Correlation

Table 5 reports bivariate correlation coefficients between the major variables in Figure 2, and core demographic variables reported in *Participants* from Chapter 3 (age, gender and time spent working in Shanghai). Spearman's *rho* was calculated because the independent variables (income split into two groups and 12 income brackets) were ordinal (Field, 2018). The full table can be found in appendix E.

From Table 5, when multiple correlation coefficients are greater than .8 there may be a collinearity problem which poses the risk of subsequent Type I errors (Field, 2018). None of the correlations in table 5 were greater than .08 and therefore collinearity was not a problem. To decrease the probability of Type I errors from multiple tests, prudence should be exercised in interpreting significance levels. A more stringent level than .05 would be prudent. However, in this exploratory research I am reporting *p* values of .05

and .01 to avoid risk of Type II error which is important in exploratory research which by definition seeks to avoid any risk of prematurely shutting down new avenues (Grimm, 1993).

Table 5 Spearman's Correlation Matrix

No	Variable	Income split into 2 groups	Income split into 12 groups	Quality of Life: Social	Quality of life: Daily living	Quality of life: Movement	Quality of work life: safety and security	Quality of work life: development	Quality of work life: social	Psychological adaptation: Homesickness	Psychological Adaptation : Excitement	Psychological Adaptation: Nervousness	Demographics: Gender	Demographics: Age	Demographics: Time spent working in Sh
1	Income split into 2 groups														
2	Income split into 12 groups	.798**													
3	Quality of Life: Social		.378**												
4	Quality of life: Daily living			.234*											
5	Quality of life: Movement			.220*	.403**										
6	Quality of work life: safety and security		.238*	.269**	.425**	.300**									
7	Quality of work life: Development			.353**	.252**	.260**	.265**								
8	Quality of work life: Social			.289**	.429**	.322**	.379**	.290**							
9	Psychological adaptation: Homesickness														
10	Psychological Adaptation : Excitement			-.270**	-.437**	-.414**	-.378**	-354**	-403**	.275**					
11	Psychological Adaptation: Nervousness	-.232*	-.301**	-.305**	-.233*		-.343**	-.338**		.432**	.298**				
12	Demographics: Gender		-.216*	-.232*						.184*		.207*			
13	Demographics: Age	.278**	.265**									-.317**	-.297**		
14	Demographics: Time spent working in Shanghai											-.256**		.377**	
	**Correlation is significant at the 0.01 level	(2-tailed)													
	* Correlation is significant at the 0.05 level	(2-tailed)													

According to Baron and Kenny (1986) a set of pre-conditions must be met for mediation to (potentially) occur. Firstly, the predictor variable must significantly predict the outcome variable. Second, the predictor variable must significantly predict the mediator. Third, the mediator must significantly predict the outcome variable and finally, the predictor variable must predict the outcome variable less strongly when the mediator is included in the model. These rules were thus employed to help decide which possible regressions to explore further in the next section.

From Table 5, the crude median split measure of income only predicted one other psychological variable in Figure 1, Psychological adaptation: Nervousness (r = -.232, p = 007, n = 92). However, income category more broadly was predictive of Quality of life:

Social *(r* = .378, *p* = .000, *n* = 97*)* and quality of work life: Safety and security *(r* = .238, *p* = .019, *n* = 96*)*. Hence there were two relationships in Figure 1 that could potentially be mediated, income bracket - quality of life: social, and income bracket - quality of work life: safety and security (Baron & Kenny, 1986).

Turning to potential predictors of Adaptation in Figure 1, from Table 5 there was a significant negative relationship between income bracket and only one psychological adaptation factor: Nervousness *(r* = -.301, *p* = .003, *n* = 97*)*. What these data therefore indicated was that Psychological adaptation: Nervousness was the only possible mediator of income-quality of life, and work-life, in Figure 1. For mediation to be possible the mediator (nervousness) must further be correlated with the dependent variable (Baron & Kenny, 1986). In Table 5, nervousness was correlated with Quality of life (*r* = -.305, *p* = 001, *n* = 117) and quality of work life *(r* = -.338, *p* = .000 *n* = 114*).* These data indicated that Psychological adaptation: nervousness (m) could be probed further as a potential mediator or part-mediator of potential indirect links between income bracket (*x*) and quality of life: social, and quality of work life: Safety and security (*y*).

From Table 5, the demographic variable of age was significantly related to income median split *(r* = .278, *p* = .007, *n* = 92*)* and income bracket *(r* = .265, *p* = .010, *n* 94*).* As age increased, so too did income, reflecting more experience and career progression. As the latter were not the focus in Figure 1, and already inherently intertwined with income, it was decided not to include age as a covariate in any subsequent tests of regression and mediation. Age alone would be unlikely to drive any of the links predicted in Figure 1.

Time spent working in Shanghai however was a conceivably meaningful covariate to try and control statistically. Time spent working in Shanghai was negatively correlated with psychological adaptation: nervousness *(r* = -.256, *p* = .006, *n* = 116*)*. Hence it was

considered important to control for time spent working in Shanghai in further (regression) analyses.

Gender was also a conceivably meaningful covariate to try and control statistically. For example, conceivably there may have been more women in the lower income brackets and more men in the higher brackets (Poloski-Vokic et al., 2019). Observed links between income and quality of life or work life could therefore be due to gender prejudice or inequities in the workplace. From Table 5, gender (coded as male = 1 female = 2) was negatively related to income brackets *(r* -.216, *p* = .034*, n* = 97*)* and quality of life: social *(r* = -.232*, p* = .011, *n* = 118*).* It was also (positively) correlated with psychological adaptation: nervousness *(r* = .207*, p* = 0.25*, n* = 117*).* Hence it was considered important to control for gender in further (regression) analyses.

3.3 Regression

From the above, there were two possible mediational analyses: First, Income bracket > Psychological adaptation: nervousness > quality of life: social; and Income bracket > psychological adaptation: nervousness > quality of work life: safety and security.

Initially gender and time spent working in Shanghai were treated as covariates in the mediational analysis. The relationship between these and all other variables was however consistently non-significant. They were therefore subsequently removed from further analysis and a simple regression was run using PROCESS in SPSS consisting of income bracket (IV), Psychological adaptation (M) and Quality of (work) life: (Safety and security) Social (DV). The PROCESS tool in SPSS used non-parametric bootstrapping with confidence intervals for testing the significance of any mediation.

Steps in Testing for Mediation (Baron & Kenny, 1986)

In order to confirm a mediating variable and its significance in the model, we must show that while the mediator predicted an antecedent and itself predicted a criterion, the initial IV lost (full mediation) or reduced (partial mediation) its statistical significance when the mediator was included in the model. In more explicit terms I followed the following steps (Baron & Kenny, 1986).

1. Confirm the significance of the relationship between the IV and the DV (x→y). There was a linkage to be mediated.
2. Confirm the significance of the relationship between the initial IV and the mediator (x→m).
3. Confirm the significance of the relationship between the mediator and the DV in the presence of the IV (m/x → y).
4. Confirm the insignificance (or meaningful reduction in effect) of the relationship between the initial IV and the DV in the presence of the mediator (x/m→y).

With respect to step 1, *quality of life*, Income bracket was found to significantly predict quality of life: Social (*b* = .1682, *p* = .0061, *R-Squared* = .0764). For step 2, Income bracket was also found to significantly predict psychological adaptation: nervousness (*b* = -0.1406, *p* = 0.0087, *R-Squared* = .0703).

With respect to Steps 3 and 4, as shown in Figure 3 in red, psychological adaptation: nervousness was found to significantly predict quality of life: Social (*b* = -0.3494, *p* = 0.0025, *R-Squared* = .1626). The significance of the indirect effect of income bracket and quality of life: social was tested using bootstrapping procedures. Indirect effects were computed for 5000 bootstrapped samples and confidence intervals in the 95th percentile. There was a meaningful but not complete reduction in effect size (Figure

3, in blue) of the relationship between the initial independent variable (Income bracket) and the dependent variable (quality of life: Social) in the presence of the mediator (*b* = 0.0491*, BCa 95% CI* [0.0039, 0.1243]). The effect size reduced from .1190 (*p* = .0485) to 0.0491. It was therefore concluded that psychological adaptation: nervousness **partially** mediated the relationship between income brackets and quality of life: social.

With respect to step 1, quality of *work* life, Income bracket was found to significantly predict quality of work life: safety and security (*b* = .1187, *p* = .0280, *R-Squared* = .0547). For step 2, Income bracket was found to significantly predict (Figure 3) psychological adaptation: nervousness (*b* = -0.1383, *p* = .0102, *R-Squared* = .0681).

With respect to steps 3 and 4, Psychological adaptation: Nervousness was found to significantly predict Quality of work life: Safety and security (*b* = -.5295, *p* = .0006, *R-Squared* = .1673). The significance of the indirect effect of income bracket on quality of work life: safety and security was tested using bootstrapping procedures. Indirect effects were computed for 5000 bootstrapped samples and confidence intervals in the 95th percentile (*b* = .0732, *BCa 95% CI* [.0083, .1673]). Because there was evidence of mediation and the direct effect was non-significant (*b* = 1155, *p* = .1477), we can infer that psychological adaptation **fully** mediated the relationship between income brackets and quality of work life: Safety and security.

Figure 3 shows the conceptual model with surviving links and beta coefficients.

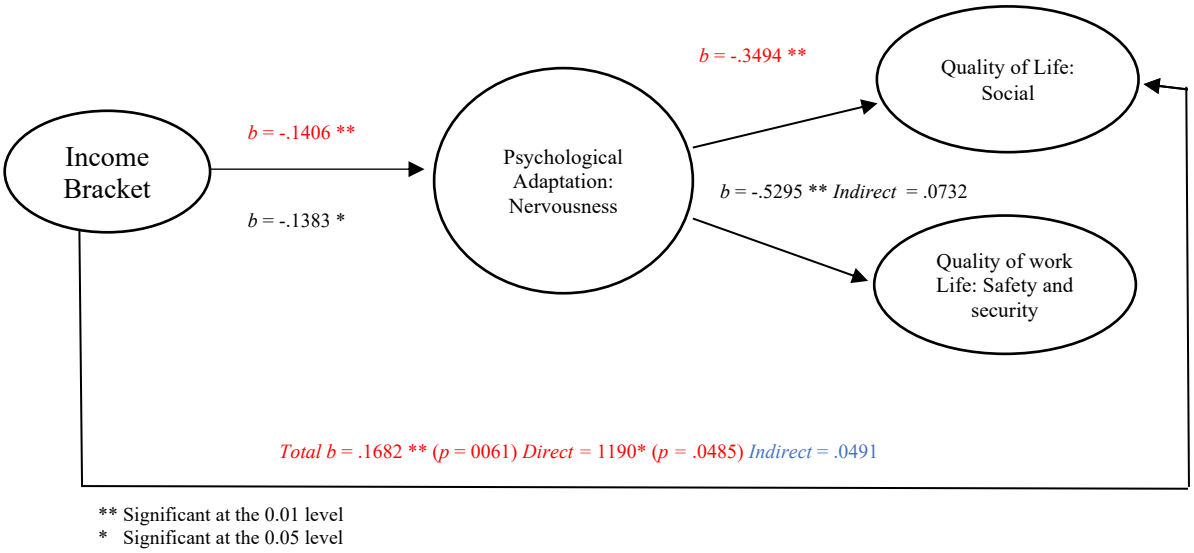

Figure 3 Conceptual model with all the surviving links and beta coefficients

3.4 Content Analysis

In order to derive codes, the critical incidents textual data collected from the four critical incident questions were read by the researcher and analyzed by recurring themes (Miles & Huberman, 1994). Themes were then sorted (Hsieh & Shannon, 2005) into meaningful clusters and two code books were created by the researcher. One codebook for the quality-of-life data (Appendix F), and one for the quality of work life data (Appendix G) (Creswell, 1998) each containing 10 themes. Code books contained the name and a definition of each code as well as examples of what could and could not be included. After discussing the code books two raters (author plus one) read the answers and coded all of the content using the themes (Patton, 2002).

For each content analysis, Cohen's Kappa Coefficient was run to determine interrater reliability (Stemler, 2000). For quality of life the interrater reliability for the two raters (author plus one) was Kappa = .974 (p < .001, n = 186). For quality of work life, the interrater reliability for the two raters was Kappa = .947 (p < .001, n = 173). According to Landis and Koch (1977) these values can be interpreted as almost perfect

agreement. Residual minor discrepancies were resolved though discussion and re-coding. The interrater reliability crosstabulation matrix for quality of life and quality of work life can be found in appendix H and I, respectively.

Quality of life

From Table 6, Social [life] was the clearest single theme, topping both positive and negative incidents. A representative example of a positive critical incident coded as social was *"Joining sports clubs in Shanghai, which has enabled me to meet many new people outside of the workplace. I may not have stayed if I hadn't joined such clubs to meet people".*

When discussing elements of their Social [life] there was no clear indication that the participants were integrated with host country nationals. Exemplar quotations of the predominant theme were *"Being introduced to my first group of friends was a major one, it was a connection from NZ to someone in Shanghai. That made a major impact to help me feel at home in Shanghai.", "Joining communities such as Gaelic football", "Went to a Dutch do and made new friends when we first got here"* and *"Getting involved with Brit club pub quiz. Quite fun".* What these quotations illustrated is the existence of subcultural enclaves and a reliance on compatriots and comparable others. They also illustrate that the quality of the participants *social life* had an impact on their quality of life more broadly.

In the negative quality of life critical incidents many participants identified friends leaving and moving on to other countries as a hindrance to their quality of life. This could imply that their friends were transient expatriates rather than local people who reside permanently in Shanghai. A representative example of a negative critical incident coded as social was *"the frequent loss of friends as they move onto new countries and adventures. It's difficult to keep looking for connections with people in an effort to maintain my number*

of friends." Again therefore, the predominant theme is one of contact within the expatriate community, not with host country nationals.

Table 6 Ranking of positive and negative themes: Quality of life

	Theme	Positive		Negative
1	Social	35.90%	1 Social	26.50%
2	Health and wellbeing	20.40%	2 Communication	12.00%
3	Opportunity for leisure	13.60%	3 Local integration & Interaction	12.00%
4	Living place	8.70%	4 Health and wellbeing	10.80%
5	Family	7.80%	5 Environment	10.80%
6	Local integration & Interaction	3.90%	6 Family	7.20%
7	Technology	3.90%	7 Living place	7.20%
8	Getting around	2.90%	8 Getting around	6.00%
9	Communication	1.90%	9 Opportunity for leisure	4.80%
10	Environment	1.00%	10 Technology	2.40%
	Total	**100%**		**100%**

A centrally relevant theme in Table 6 was *Local integration and interaction*, which were highlighted in Chapter 1 as focal concerns. These featured marginally more often in the negative critical incidents (3.90% positive and 12% negative). This suggested that integration with the host country locals may have challenged the participants quality of life. This was borne out by actual comments, for example, *"banking experience always creates stress for me. The long lines and not being familiar with Chinese make it difficult to get work done quickly and completely. If I have to do any banking, I plan for several hours and hope I don't have to go back"*. And *"In many cases locals are reluctant to speak to me, not sure whether they are too shy or they don't like me".* This suggests that participants faced challenges when attempting to integrate in to, and interact with, the host community.

Problems with communication was the second most reported theme within the negative quality of life critical incidents. This indicates that the language barrier had a negative impact on quality of life. An example, *"getting stuck in a taxi journey going in the*

wrong direction and not being able to communicate with the driver". In contrast, the benefits of being able communicate in Mandarin was highlighted in the positive critical incidents. For example, *"Sharpening my language skills so that I can converse easily in Chinese, I have made some good acquaintances".* This indicates that overcoming the language barrier may have a positive impact on quality of life.

Discussion or examples of money and income did not feature in the positive or negative quality of life critical incidents.

Income split into two groups

During content analysis income split into two groups was used to explicitly compare experiences of higher and lower income earner groups. Table 7 presents the **positive** quality-of-life critical incidents comparing the responses of the higher and lower income earning groups. Table 8 presents the **negative** quality of life critical incidents comparing the responses of the higher and lower income earning groups.

The pattern for the quality-of-life positive critical incidents when income was split at the median point was very uniform. From Table 7 the three main themes for both higher and lower income earning groups were, again, Social, followed by Health and wellbeing and Opportunities for leisure. These results indicate that income was not important given the uniformity of the pattern for both groups. Even when drilling further into the critical incident data of the different groups, no major differences in experiences were found between quality of life and integration for higher and lower income earners. The consistent lack of difference across the two income groups suggests that income itself was not directly a very salient factor for these two groups.

Table 7 Quality of life (positive) Income split at the median point

Quality of life - Positive

	Theme	Lower income		Theme	Higher income
1	Social	35.60%	**1**	Social	36.20%
2	Health and wellbeing	20.00%	**2**	Health and wellbeing	20.70%
3	Opportunity for leisure	15.60%	**3**	Opportunites for leisure	12.10%
4	Living place	11.10%	**4**	Family	8.60%
5	Family	6.70%	**5**	Living place	6.90%
6	Technology	4.40%	**6**	Getting around	3.40%
7	Local integration & Interaction	4.40%	**7**	Communication	3.40%
8	Getting around	2.20%	**8**	Local interaction & integration	3.40%
9	Environment	0.00%	**9**	Technology	3.40%
10	Communication	0.00%	**10**	Environment	1.70%
	Total	**100%**			**100%**

From table 8, there was a noticeable difference between the higher and lower income earning groups. Again, 'Social' was the most common theme for both. However, for the lower income group, 'Living place' and 'Local interaction and interaction' featured as common themes whereas for the higher income earners 'Communication' and 'Environment' were more common. A representative example of a negative critical incident from a lower income earner coded as 'Living place' is *"had a dodgy landlord who took our money, did not feel secure living there".*

Table 8 Quality of life (negative) Income split at the median point

Quality of life Negative

	Theme	Lower Income		Theme	Higher Income
1	Social	21.10%	**1**	Social	31.10%
2	Living place	13.20%	**2**	Communication	13.30%
3	Local interaction & integration	13.20%	**3**	Environment	13.30%
4	Health and wellbeing	10.50%	**4**	Local interaction & integration	11.10%
5	Communication	10.50%	**5**	Health and wellbeing	11.10%
6	Family	7.90%	**6**	Getting around	6.70%
7	Environment	7.90%	**7**	Family	6.70%
8	Opportunites for leisure	7.90%	**8**	Opportunites for leisure	2.20%
9	Getting around	5.30%	**9**	Technology	2.20%
10	Technology	2.60%	**10**	Opportunites for leisure	2.20%
		100%			**100%**

*Quality of **work** life*

For quality of work life the focal concerns of integration and interaction featured more in the negative critical incidents (positive 7% and negative 18.50%). From table 9, 'Integration/interacting with locals' was the second most reported theme in the negative critical incidents. One representative example is *"I started working in Shanghai in a small company with a very local Chinese style of management which I found very difficult. It was a total misfit in the type of company I could work in and made me very stressed – so I quit and joined another company".* This suggests that interaction/integration with host country counterparts at work challenged the participants quality of (work) life.

Table 9 Ranking of themes for Quality of work life

	Theme	Positive		Negative	
1	Opportunities for development	25.00%	1	work load and work satisfaction	29.60%
2	Interpersonal relationships	14.10%	2	Intergration/interaction with locals	18.50%
3	Leadership/Management	14.10%	3	Leadership/Management	17.30%
4	work load and work satisfaction	9%	4	Interpersonal relationships	11.10%
5	Rewards/Pay	7.60%	5	Environment	8.60%
6	Health and well being	7.60%	6	Opportunities for development	6.20%
7	Environment	7.60%	7	Health and well being	3.70%
8	Intergration/interaction with locals	7%	8	Rewards/Pay	2.50%
9	Getting around	5%	9	Getting around	2.50%
10	E services	3.30%	10	E services	0.00%
	Total	100%			100%

Income split into two groups

Table 10 presents the **positive** quality-of- work life critical incidents comparing the responses of the higher and lower income earning groups. Table 11 presents the **negative** quality of work life critical incidents comparing the responses of the higher and lower income earning groups.

Table 10 Quality of work life (positive) income split at the median point

Quality of work life - Positive

	Theme	Lower income		Theme	Higher income
1	Opportunities for development	32.50%	**1**	Interpersonal relationships	19.20%
2	Rewards/Pay	12.50%	**2**	Opportunities for development	19.20%
3	Leadership/Management	10%	**3**	Leadership/Management	17.30%
4	work load and work satisfaction	10%	**4**	Intergration/interaction with locals	9.60%
5	Health and well being	10%	**5**	Getting around	7.70%
6	Environment	7.50%	**6**	work load and work satisfaction	7.70%
7	Interpersonal relationships	7.50%	**7**	Environment	7.70%
8	E services	5%	**8**	Health and well being	5.80%
9	Intergration/interaction with locals	2.50%	**9**	Rewards/Pay	3.80%
10	Getting around	2.50%	**10**	E services	1.90%
	Total	100%			100.00%

For the positive quality of work life critical incidents when the sample was split at the median point there was a noticeable difference between the higher and lower income groups. From table 10, the top themes for lower income earners were 'Opportunities for development' and 'Rewards/pay'. In contrast the top themes for the higher income earners were 'Interpersonal relationships' and 'Opportunities for development'. Integration/interaction with locals was one of the least reported positive critical incidents for the lower income earners. Whereas it was the fourth most reported theme for the higher earners.

An interesting comparison between lower and higher income earners is the position of rewards and pay in both the positive and negative quality of work life tables. It appears that income did not have either a negative or a positive impact on the quality of work life of the higher income earners. However, for the lower income earners income seems to have had a positive rather than a negative effect on their quality of work life.

Table 11 Quality of work life (negative) income split at the median point

Quality of work life - Negative

	Theme	Lower income		Theme	Higher income
1	Work load and work satisfaction	33.30%	**1**	work load and work satisfaction	26.20%
2	Intergration/interaction with locals	17.90%	**2**	Integration/integration with locals	19.00%
3	leadership/Management	15.40%	**3**	leadership/Management	19.00%
4	Health and wellbeing	10.30%	**4**	Interpersonal relationships	11.90%
5	Interpersonal relationships	10.30%	**5**	Environment	9.50%
6	Development opportunites	7.70%	**6**	Health and well being	7.10%
7	Environment	2.60%	**7**	Getting around	2.40%
8	Getting around	2.60%	**8**	Opportunities for development	2.40%
9	Rewards and pay	0.00%	**9**	Rewards/Pay	2.40%
10	E services	0.00%	**10**	E services	0.00%
	Total	100%			100.00%

Regarding negative critical incidents, from Table 11 there was almost no difference between the higher and lower income earners. The top three themes for both groups were “Work load and Work Satisfaction”, “Integration/Interaction with locals” and “Leadership/management”. These results indicate that income was not important given the uniformity of the pattern for both groups.

The positioning of rewards and pay (near the bottom of the table) in relation to the positioning of integration and interaction with locals (near the top of the table) is important because it indicates that rewards and pay did not affect participants quality of work life or their level of integration with the *local* community, i.e findings are broadly consistent with the finding that income works in a positive way, insofar as it facilitates interactions with fellow expatriates, at work and in wider social life but not necessarily with Host Country Nationals.

Chapter 4 Discussion

Summary of the Results

The results reflected that achieving a high quality of life may be easier for higher income earning expatriates because they are better resourced to deal with the challenges of a new environment. Specifically, more income facilitated more social life and engagement with other expatriates and that resulted in better quality of life and work life. Overall therefore, more (wage income) was more, not less (quality of life and work life).

Wage reward was a positive not negative predictor of social aspects of quality of life and work life in terms of safety and security. Moreover, there was also a significant negative relationship between income and psychological adaptation in terms of nervousness, i.e., as income increased nervousness decreased. Psychological adaptation was also found to negatively predict quality of (social) life and quality of work life (safety and security), i.e., as nervousness decreased, quality of life and quality of work life increased.

In regard to integration, almost all of the participants believed it to be of value to maintain relationships with the host country locals. However, content analysis of the critical incidents found that participants were not well integrated into the local community. Communication problems appear to be particularly impactful. The language barrier and its associated problems featured in negative critical incident data for both quality of life and work life regardless of income level. Overall, the findings indicate that income facilitates interactions with fellow expatriates, at work and in wider social life.

Regression analysis found that psychological adaptation: nervousness partially mediated the relationship between income bracket and quality of life: social, and fully

mediated the relationship between income bracket and quality of work life: safety and security.

Content analysis of the positive quality of life critical incidents found that Social, social life was the clearest single theme, topping both positive and negative incidents. The findings were broadly consistent with the finding that income works in a positive way, insofar as it facilitates interactions with fellow expatriates, at work and in wider social life but not necessarily with host country nationals.

For positive quality of life critical incidents, when the sample was split at the median point there was almost no difference between the experiences of higher and lower income earners. Social, Communication and Local integration/interaction were the most common themes reported by both. In contrast, for the negative quality of life critical incidents there was a noticeable difference between the higher and lower income earners. While Social remained the most common theme for both groups the lower income earners reported Living place and Local integration/interaction as the most common challenges whereas the higher income earners reported Communication and Environment.

Links to Theory

The data in this research supports the theory of culture shock conceptualized within the stress and coping framework. The stress and coping framework of culture shock is concerned with the significance of life changes during an expatriates assignment and the resources available to facilitate coping. It appears the resource (income) is decreasing stress and facilitating coping (increasing or decreasing nervousness) resulting in better quality of life and work life. Specifically, higher income made

participants less nervous and as they became less nervous their quality of life and work life improved.

Our results supported the prediction that social integration and achieving a high quality of life may be easier for high income earning expatriates because they are better resourced to deal with the challenges of a new environment. We hypothesized that more income may facilitate more social engagement with host country locals and better quality of life. What we found was that more income facilitated more social engagement with other expatiates and that resulted in better quality of life.

These findings link to theory proposed by Church (1982), Adelman (1988) and Ward and Kennedy (1993) related to co-national support, subcultural enclaves and the significance of comparable others undergoing similar experiences. The importance of social interaction was evident within the quality-of-life critical incident data. Similarly, the importance of interpersonal relationships was evident within the quality of work life critical incidents.

This research supports the argument that exposure to unfamiliar environments is stressful and as a consequence potentially harmful (Pacheco, 2020). The unfamiliar host country environment creates anxiety, confusion and depression (Ward and Kennedy, 1999). Therefore, to the extent that money enables people to shield themselves from exposure to novel cultures, for example by socializing only in their own expatriate bubble, the more they cope with culture shock. In the present research the psychological variable nervousness which was a central feature could be representative of a negative consequence of exposure to the novel environment. From the findings it appears that income is enabling expatiates to shield themselves from some of the negative consequences (nervousness) of cross-cultural exposure as well as facilitating their interaction with and socialization in expatriate bubbles.

Limitations of current research and suggestions for future research

The data collected using Berry's (2007) Acculturation Orientation measure could not be used to investigate the relationship between income and integration with the local community. This is because integration was by far the modal self-reported style with assimilation, separation, and marginalization not reported often enough to enable any meaningful comparative analysis.

This study adopted Berry's bidirectional model for testing acculturation orientation. There have been criticisms of the bidirectional model because it fails to take into account the individuals acculturation behavior and the factors outside their control (Pekerti et al, 2016). It could be argued that there is a difference between an expatriate's preferences for acculturation and the actual practices that are carried out during intercultural encounters. Conceivably there is some variation in what level of integration an expatriate in Shanghai seeks and what they are actually able to achieve (Berry & Kalin, 1995). Social psychology explains this discrepancy as social constraints on behavior such as opportunities or prejudice and power balance between the groups in contact (Pekerti et al, 2016).

In this research 95.9% of the participants reported an integration or assimilation acculturation orientation. Indicating that they consider it to be important to maintain relationships with the new host (Chinese) culture. However, this level of integration did not manifest within the critical incident qualitative data. Thematic analysis found very little indication that the participants in this study were, in practice, well integrated with the local Chinese community. Rather, experiences of integration/interaction with the local community as well as challenges with communication were most prevalent within the negative critical incidents.

Therefore, it could be argued that Berry's acculturation orientation measure is assessing the acculturation aspirations of the participants rather than their day to day functioning. Conceivably an expatriate could consider it to be 'of value' to maintain relationships with the host country (Chinese) nationals but not actually do so. It is possible that expatriates in Shanghai see value in maintaining these relationships but in practice are unable to create the connections required. There are a number of practical and theoretical factors that might explain this, for example language barriers (Selmar, 2000), Guanxi (Guo et al, 2018), the collectivist nature of the Chinese society (ren et al., 2014), Social Identity Theory (Tajfel, 1979) and Social Categorization Theory (Turner, 1984). Each is discussed below.

Language Barriers

Chinese Mandarin is very difficult to learn and many expatriates fail to get a firm grasp on the language. Shanghai also has its own local dialect which is widely spoken within the community and workplaces. An expatriate that is able to converse well in Mandarin may still experience language barriers if he or she does not speak the local dialect. Conceivably, these language barriers could limit expatriates opportunity for integration forcing them to associate within expatriate enclaves; even though they believe it to be of value to maintain relationships with the host country counterparts.

The effect of language acquisition on integration has received attention from other researchers. Selmar (2000) argues that not being able to interact with host country nationals in daily life makes expatriates ignorant about local thinking and character which influences their ability to assess situations. Dolanski (1997) argues that one of the best ways to connect with and understand another culture is through its language. This is supported by Takeuchi (2010) who found that language ability was significantly and

positively related to integration. Research conducted within China has highlighted the importance of language training for expatriates (Bjorkman & Schaap, 1994). Selmar and Shui (1999) found that expatriate managers are in a better position if they can communicate in Mandarin. In the present research thematic analysis of the critical incidents indicated that problems communicating with host country locals challenged participants quality of (work) life. Therefore, it is conceivable that the ability to converse in Chinese Mandarin would make an expatriate less nervous and vice-versa.

Guanxi and the collectivist nature of Chinese society

Past research has found that expatriates face challenges associated with working in countries where the social, cultural and institutional environments are different from their home country (Ren et al., 2014). In contrast to the cultural orientation common in the western world China is a highly collectivist and relationship oriented society. Family or group obligations are emphasized and a distinct boundary exists between insiders and outsiders, within and between groups, communities and organizations (Fan, 2002; Tsang, 1998; Wilson & Brenan, 2001). This unique environment has been influenced by both its history and political ideology. In such an environment the importance of interpersonal relationships and networks remain highly relevant and are best understood using a context (China) specific lens.

Interpersonal relationships play an important role in social and economic activities in China and the term Guanxi is used to express these connections or relationships (Dong & Liu, 2010). Literature on social networks propose that relationship building through guanxi is an effective way for expatriates to integrate with the local community in China (Fang et al., 2013). Gua et al (2018) conducted in depth interviews with 36 western expatriates working in China and found that guanxi is perceived to be an

informal process that is used to build trust between individuals. In a study involving 132 Chinese managers Varma et al (2011) examined Chinese host country nationals willingness to offer role information and social support to expatriates. They found that guanxi significantly impacted host country nationals willingness to offer support. Due to the limited networks held by expatriate employees arriving in China Guo et al (2018) advise that substantial time and effort should be made to build and maintain guanxi.

Unfortunately in recent years issues with nepotism and corruption have been associated with guanxi which has complicated the relationship building process for expatriates in China (Guo et al., 2018). Gift giving, favour and obligation are also associated with guanxi and further complicate interactions between expatriates and local people (Khan, Zolkiewski & Muphy, 2016; Lee, Pae & Wong, 2001). This may explain why the expatriates in this research appear to favour expatriate enclaves rather than integration with the local community.

Social Identity Theory

Social Identity Theory (Tajfel, 1979) and Self-Categorization Theory may explain the challenges experienced by expatriates struggling to integrate into the local community in Shanghai.

Social Identity Theory (Tajfel, 1979) proposes that people tend to classify themselves into various social groups. Social identity is determined by the presence of, and membership in, an individual's own group and also by the presence of an out group (Randoph-Seng et al, 2012). Self-categorization theory (Van Knipperberg et al, 2004) posits that the classification of individuals into groups is a vital condition of stereotyping (Allport, 1954). People attach value to their social category membership (Abrams and Hogg, 1999) and not all members of a society have an equal opportunity due to ingroup

favoritism (Syed & Ozbiligin, 2009) particularly if they are from differing social categories (Garcia et al, 2005).

The literature suggests that in-group members, for example local Chinese, are favored over other members, for example expatriates, if there is a perceived imbalance along social category lines (Garcia et al, 2009). The literature suggests that social constraints and opportunity to integrate with local society is influenced by the host country national's opinions and biases towards particular ethic or cultural groups (Wang & Kanungo, 2004; Pekerti et al, 2016). The point here is that Self Categorization Theory and Social Identity Theory could explain the challenges expatriates face when attempting to integrate into the local community.

Remedy and recommendations for future research

This research predicted that more income may mean less integration. Unfortunately an analysis of the impact of income (higher or lower) on integration with the local community was not possible based on the data obtained by Berry's acculturation measure. However, thematic content analysis of the qualitative data found that integration, interaction and communication with the host country community were common challenges faced by the participants. This indicates that the topic of income and integration should be further investigated.

To remedy the problems faced in the current research, future research could include an acculturation measure that is less aspirational and more practical. Deems and Geeraert's (2014) Brief Acculturation Orientation Scale consists of 8 items and has a bi-directional (home and host country) focus on the value of cultural friendships, traditions, characteristics and actions. Alternatively, Mumford's (1998) Measure of Culture Shock could be used gain a more accurate understanding of expatriate acculturation. This scale

consists of 12 items in total, however the six 'Interpersonal Stress' items are particularly relevant. By including a more robust measure of acculturation such as those introduced above future research may be able to collect data that provides more evidence for the effect of income on integration.

From data obtained in this research there is evidence that problems with communication challenge an expatriates quality of (work) life. Similarly past research has highlighted the importance of language acquisition on integration and adaptation. It is conceivable that not being able to speak the local language could make expatriates more nervous and less able to integrate. To remedy this, future research could be conducted in a country where the practical obstacles to integration such as language barrier are not so prominent.

Practical implications

This research proposes a model of expatriate adjustment and wellbeing, against a backdrop of wages and income among expatriates in Shanghai. It allows us to look back at expatriation pre Covid-19 and provides valuable lessons for the management of these kinds of international assignments in the future world of work.

This research adds to the academic literature on cross cultural contact which in the past has focused more on sociocultural rather than socioeconomic diversity. It fills a gap in the literature by using the critical incident technique to compare higher and lower earning expatriates and provides insight into the factors affecting quality of life and work life for expatriates in Shanghai.

China is becoming increasingly influential. As the second largest economy in the world understanding the expatriate experience within its primary economic hub is becoming increasingly important. Research based in China but focusing on the

experiences of the expatriates is both uncommon and useful. Insights gained have the potential to provide information that will contribute to healthy and productive engagement between countries, economies and people in the future world of work.

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Appendices

Appendix A: Research information sheet

Expatriate rewards and social integration in Shanghai: Is more sometimes less?

Research Information Sheet

Introduction to Researcher: My name is Lucy Nichol. I am a New Zealand citizen and have lived and worked in Shanghai for the past six years. I am a long-distance Masters student based at Massey University New Zealand. I love to travel and I am passionate about the opportunities and experiences available while living an expat lifestyle. I am also aware of the challenges that many people face and hope the findings of this research can be used to enhance the expatriate experience.

Project Supervisor: Professor Stuart Carr is a researcher and author known in Organizational Psychology.

Project Description and Invitation: This research aims to explore quality of life and work life for expatriates living in Shanghai, which might be useful in improving both for future generations. You will be asked to share four short stories that you have experienced while living in Shanghai, an estimation of your income and demographic information.

Participant Identification and Recruitment: Participation is entirely voluntary and you have no obligation to accept this invitation. If you do decide to take part your identity will remain anonymous and confidential. No one will know that you have chosen to participate and your responses will not be identified as your own. Even as the researcher I will not know the identity of respondents. To participate you must be an expatriate over the age of 18, living and working in Shanghai.

Project Procedures: Complete a self-administered web-based survey which should take approximately 20 minutes. The Qualtrics Survey Software is used by many of the world's largest corporates and universities. It provides secure survey hosting that uses password access to ensure confidentiality. This research is entirely funded by the researcher so there should be no question of conflict of interest. In the unlikely event that this research causes distress or discomfort the survey includes information and contact details for support services in Shanghai. There is a small chance that participants might experience distress or discomfort while recounting an incident that has had a negative impact on their life. To avoid this the survey does not ask participants to recount the worst incident they have experienced, rather something that didn't turn out that well. Information on how to do this is included in section 2 of the survey instructions.

Data Management: Some basic demographic information will be collected in order to describe the sample. The data will only be used for this project and the researcher will be the only person who has access to it. The information you provide will be used in my research report and submitted for assessment and the findings may be published in scientific journals. Your words

may be quoted but no identifying information will be included. Data will be stored on the Qualtrics survey software and protected by password and then it will be destroyed after five years.

Participant Rights: Completion and return of the questionnaire implies consent. You have the right to decline to answer any particular question and to withdraw at any stage. To withdraw from the study after completing the survey please email H.Jones@massey.ac.nz. Once the research is concluded you have the right to receive a summary of the project findings. A separate survey will collect the email addresses of participants that wish to receive the summary, again in complete anonymity.

Project Contacts: If you have any question about this research project please do not hesitate to contact me and/or my project supervisor. Please be careful not to give away your answers if you contact us by email. Lucy Nichol: nichol.lucy@gmail.com WeChat ID: lucynichol10 or Stuart Carr: S.C.Carr@massey.ac.nz

This project has been reviewed and approved by the Massey University Human Ethics Committee: Northern, Application NOR 19/49. If you have any concerns about the conduct of this research, please contact Associate Professor David Tappin (Committee Chair), Massey University Human Ethics Committee: Northern, email humanethicsnorth@massey.ac.nz.

Appendix B: Questionnaire

Questionnaire

Instructions

Thank you for participating in this study. This questionnaire is split into three sections, A, B and C. Section A will collect demographic information which will be used to describe the sample. Section B will ask you to share four critical incidents. Two relating to quality of life and two relating to quality of work life. Section C will ask you about your income.
Please complete all three sections if possible. You have the right to not answer any particular question.

The findings of this study are likely to benefit expatriates, their families and organizations that employ or work with expatriates.

Many thanks for your assistance with this survey. I appreciate your input.

Respondent Consent

Thank you for participating in this questionnaire. Your participation implies consent. You have the right to decline to answer any particular question.Consent I have read and understood the information sheet for this study and consent to collection of my responses.
(Please click on the 'Yes' choice if you wish to proceed.)

- Yes
- No

Section A – Demographics

1. What is your gender?
   - Male
   - Female
   - Non-binary
   - Other
1. What is your country of origin? Please select from the list below
2. How old are you? *(in years) ……..*
3. How many years have you been living in Shanghai?
   (Please enter years and months)
   - Years ……..
   - Months ……
4. How many years have you been working in Shanghai?
   (Please enter years and months)
   - Years……..
   - Months……..
5. How many children do you have?
   - 0
   - 1
   - 2
   - 3
   - 4
   - 5
   - 6
   - 7 or more

6. What is your marital status?
    - Single
    - Married
    - Divorced
    - Living as married
    - Widowed
    - Separated
7. Living arrangements
    - Alone
    - With family
    - House share
8. What is the highest education you received?
    - None at all
    - Primary school
    - Secondary school
    - Tertiary
9. Was your move to Shanghai self-initiated or were you transferred here by an employer?
    - Self-initiated
    - Work-related
10. What industry do you work in?
    - Education
    - Hospitality
    - Financial services and banking
    - Retail
    - Manufacturing
    - Information Technology
    - Healthcare
    - Trading
    - Exporting
    - Importing
    - Working for government
    - Tourism
    - Media and entertainment
    - Agriculture
    - Food
    - Other
11. What is your occupation? ……..
12. What is your level of seniority in your workplace?
    - Junior staff member
    - Middle management
    - Senior management
    - CEO or CFO
    - Business owner
13. What sector do you work in?
    - Public
    - Private

Moving away from demographic issues, here are a couple of questions on your feelings about culture.

1. Do you consider it to be of value to maintain your cultural identity and characteristics?
    - Yes
    - No
2. Do you consider it to be of value to maintain relationships with your host (Chinese) culture?
    - Yes
    - No

This part asks how you feel about your quality of life, health, or other areas of your life. If you are unsure about which response to give to a question, please choose the one that appears most appropriate. This can often be your first response.

Please keep in mind your standards, hopes, pleasures and concerns. We ask that you think about your life in the last two weeks.

For example, thinking about the **last two weeks**, a question might ask:

Do you get the kind of support from others that you need? [not at all, not much, moderately, a great deal, completely]

weeks. So you would select number 4 if you got a great deal of support from others, or you would select number one if you did not get any of the support that you needed from others in the last two
weeks.

Please read each question, assess your feelings and select the option on the scale for each question that gives the best answer for you.

1. Do you get the kind of support from others that you need?
    - Not at all
    - Not much
    - Moderately
    - A great deal
    - Completely
2. How would you rate your quality of life?
    - Very poor
    - Poor
    - Neither poor nor good
    - Good
    - Very good
3. How satisfied are you are you with your health?
    - Very dissatisfied
    - Dissatisfied
    - Neither satisfied nor dissatisfied
    - Satisfied
    - Very satisfied

You should select the answer that best fits how much support you got from others over the last two

The following questions ask you about **how much** you have experienced certain things in the last two weeks.

	not at all	A little	A moderate amount	very much	an extreme amount
To what extent do you feel that physical pain prevents you from doing what you need to do?	○	○	○	○	○
How much do you need any medical treatment to function in your daily life?	○	○	○	○	○
How much do you enjoy life?	○	○	○	○	○
To what extent do you feel your life to be meaningful?	○	○	○	○	○
How well are you able to concentrate?	○	○	○	○	○
How safe do you feel in your daily life?	○	○	○	○	○
How healthy is your physical environment?	○	○	○	○	○

The following questions ask you about **how completely** you experience or were able to do certain things in the last two weeks.

	not at all	a little	a moderate amount	mostly	completely
Do you have enough energy for everyday life?	○	○	○	○	○
Are you able to accept your bodily appearance?	○	○	○	○	○
Have you enough money to meet your needs?	○	○	○	○	○
How available to you is the information that you need in your day-to-day life?	○	○	○	○	○
To what extent do you have the opportunity for leisure activities?	○	○	○	○	○

14. How well are you able to get around?
    - ○ Very poor
    - ○ Poor
    - ○ Neither poor nor good
    - ○ Good
    - ○ Very good

15. The following questions ask you to say how **good** or **satisfied** you have felt about various aspects of your life over the last two weeks.

	very dissatisfied	dissatisfied	neither satisfied nor dissatisfied	satisfied	very satisfied
How satisfied are you with your sleep?	○	○	○	○	○
How satisfied are you with your ability to perform your daily living activities?	○	○	○	○	○
How satisfied are you with your capacity for work?	○	○	○	○	○
How satisfied are you with yourself?	○	○	○	○	○
How satisfied are you with your personal relationships?	○	○	○	○	○
How satisfied are you with your sex life?	○	○	○	○	○
How satisfied are you with the support you get from your friends?	○	○	○	○	○
How satisfied are you with the conditions of your living place?	○	○	○	○	○
How satisfied are you with your health services?	○	○	○	○	○
How satisfied are you with your transport?	○	○	○	○	○

16. The following question refers to **how often** you have felt or experienced certain things in the last two weeks.
    How often do you have feelings such as blue mood, despair, anxiety, depression?
    - Never
    - Seldom
    - Quite often
    - Very often always

Here are some questions about adaptation.
In the last **two weeks** how often have you felt ...

	Always	Very often	Sometimes	Rarely	Never
Excited about being in Shanghai.	○	○	○	○	○
Out of place like you don't fit in to Shanghai culture.	○	○	○	○	○
Nervous about how to behave in certain situations.	○	○	○	○	○
A sense of freedom being away from your home country.	○	○	○	○	○
Sad to be away from your home country.	○	○	○	○	○
Nervous about how to behave in certain situations.	○	○	○	○	○
Lonely without your home country family and friends around you.	○	○	○	○	○
Curious about things that are different in Shanghai.	○	○	○	○	○
Homesick when you think of home.	○	○	○	○	○
Frustrated by difficulties adapting to Shanghai.	○	○	○	○	○

Happy with your day to day life in Shanghai.	○	○	○	○	○

Here are some questions about your quality of work life.

Please select the option that best indicates how true or false these statements are for you.

	Very false	False	Neither false nor true	True	Very true
I feel physically safe at work.	○	○	○	○	○
My job provides good health benefits.	○	○	○	○	○
I do my best to stay healthy and fit.	○	○	○	○	○
I am satisfied with what I'm getting paid for my work.	○	○	○	○	○
I feel that my job is secure for life.	○	○	○	○	○
My job does well for my family.	○	○	○	○	○
I have good friends at work.	○	○	○	○	○
I have enough time away from work to enjoy other things in life.	○	○	○	○	○

	Very false	False	Neither false nor true	True	Very true
I feel appreciated at work.	○	○	○	○	○
People at work and/or within my profession respect me as a professional and an expert in my field of work.	○	○	○	○	○
I feel that my job allows me to realize my full potential.	○	○	○	○	○
I feel that I am realizing my potential as an expert in my line of work.	○	○	○	○	○
I feel that I am always learning new things that help do my job better.	○	○	○	○	○
This job allows me to sharpen my professional skills.	○	○	○	○	○
There is a lot of creativity involved in my job.	○	○	○	○	○
My job helps me develop my creativity outside of work.	○	○	○	○	○

Section B – Here are some questions about your everyday experiences
In this section I am going to ask you to share some experiences which have occurred during your time in Shanghai. Regardless of whether they made your life easier or not, in large or small ways, they would have impacted on your life here.

Ideally these notable experiences will have a beginning and end and would have made a difference to you. Try to think of an event in your daily life that changed the quality of your life or work life in a positive or less than positive direction.

When answering these questions please note that I am not requiring you to share your best or worst experiences. I just want to learn about things that have had an effect on you.

Part A – Quality of work life

Please tell me about an incident or event that **improved** the quality of your **work life** in Shanghai.

_____

_____

_____

_____

_____

Please tell me about an incident or event that **didn't work out** so well for you and **challenged** the quality of your work life.

_____

_____

_____

_____

_____

Part B - Quality of Life
Please tell me about an incident or event that **improved** the quality of your **life outside work** in Shanghai.

_____

_____

_____

_____

_____

Please tell me about an incident or event that **didn't work out** well for you and **challenged** the quality of your **life outside work** in Shanghai.

_____

_____

_____

_____

_____

Section C – Income and benefits

Income and benefits can sometimes make a difference to how we experience a new country and culture. This section asks for some basic information about the type of income and benefits package you receive. Again any information will be confidential and remain anonymous, and is simply meant to help cast light on how people experience their assignment in China. Because we all have lives outside of China, I will ask you to provide some basic information about the income you earn inside China, the income you earn outside China, any tax you pay on these earnings and an estimated value of the benefits you receive.

On the scale below please indicate your annual income earned in China valued in RMB *(before tax).*

▼ Less than ¥25,000 RMB (0) ... More than ¥10,000,000 RMB (45)

Does your salary include payment outside China? *(e.g. for schooling, hardship, or regular payments of any kind)*
Please note that this does not include relocation costs.

- Yes
- No

On the scale below please indicate your annual offshore earnings valued in US dollars.

▼ Less than $5,000 (1) ... More than $1,000,000 (25)

Do you pay tax on this income?

- Yes
- No

If yes, how much in US dollars? ……..
In addition to salary many expatriate contracts include benefits such as accommodation, car, driver, flights, bills, cellphone, etc.

Please estimate the total value of any benefits you receive as part of your employment contract valued in US dollars and select the correct band on the scale below.

▼ Less than $5,000 (1) ... More than $500,000 (20)

Thank you or your time and input. In the unlikely event that any of the questions have upset you please find a list of Shanghai mental health providers.

Shanghai Community Centre
https://www.communitycentershanghai.com/counseling

Shanghai International Mental Health Association
http://s-imha.com/
Lifeline Shanghai
https://www.lifeline-shanghai.com/
Parkway Medical: Psychology Department
http://www.parkwayhealth.cn
United Family Hospital: Mental Health Department
http://shanghai.ufh.com.cn/en/medical-services/mental-health/

The End:
Thank you for taking the time to complete this survey.

When you click on the 'Submit' button below, you will be transferred to a separate survey where you can enter your contact email address if you would like a summary of the results from this research.

Appendix C: Risk assessment ethics notification approval sheet

MASSEY UNIVERSITY
TE KUNENGA KI PŪREHUROA
UNIVERSITY OF NEW ZEALAND

Date: 25 October 2019

Dear Lucy Nichol
Re: Ethics Notification - NOR 19/49 - Expatriate rewards and social integration in Shanghai. Is more sometimes less?

Thank you for the above application that was considered by the Massey University Human Ethics Committee: Human Ethics Northern Committee at their meeting held on Friday, 25 October, 2019.

Approval is for three years. If this project has not been completed within three years from the date of this letter, reapproval must be requested.

If the nature, content, location, procedures or personnel of your approved application change, please advise the Secretary of the Committee.

Yours sincerely

Professor Craig Johnson
Chair, Human Ethics Chairs' Committee and Director (Research Ethics)

Research Ethics Office, Research and Enterprise
Massey University, Private Bag 11 222, Palmerston North, 4442, New Zealand T 06 350 5573; 06 350 5575 F 06 355 7973 E humanethics@massey.ac.nz W http://humanethics.massey.ac.nz

Appendix D: Invitation to research poster

Massey University
COLLEGE OF HUMANITIES AND SOCIAL SCIENCES
Te Kura Pūkenga Tangata

Expatriate work and life in Shanghai

My name is Lucy Nichol, I am a New Zealand citizen and have lived in Shanghai for the past six years. I am looking for participants for a research project I am doing as part of a Master of Arts through Massey University in New Zealand.

The research aims to explore quality of life and work life for expatriates living in Shanghai.

All you need to do is complete a self-administered web-based survey which should take approximately 20 minutes.

To ensure your privacy your identity will remain anonymous and confidential. No one will know that you have chosen to participate, and your responses will not be identified as your own.

To participate you must be an expatriate over the age of 18, living and working in Shanghai.

Once the project is complete all participants can receive a summary of the research findings which might provide an interesting insight into expatriate work and life in Shanghai.

If you are interested in participating or would like to know more, please follow the link below or extract the QR code.

Thank you for your support Lucy Nichol

https://massey.au1.qualtrics.com/jfe/form/SV_bNHHEFIQgoG3sMZ

Appendix E: Spearman's Correlation (full) Matrix

Correlations

			Income2groups	income12groups	QOLSocial	QOLdailyliving	Movement3	QOWLSafetysecurity	QOWLDevelopment	QOWLSocial	PAHomesickness	PAExcitement	PANervousness	What is your gender? - Selected Choice	How old are you? (in years)	TOTALmonthsworked
Spearman's rho	Income2groups	Correlation Coefficient	1.000	.798**	.188	-.023	-.011	.187	.091	-.135	-.002	-.091	-.232*	-.157	.278**	.035
		Sig. (2-tailed)	.	.000	.068	.828	.913	.072	.380	.193	.982	.378	.024	.129	.007	.737
		N	95	95	95	93	95	94	95	95	94	95	95	95	92	95
	income12groups	Correlation Coefficient	.798**	1.000	.378**	.025	.100	.238*	.109	-.048	-.114	-.091	-.301**	-.216*	.265**	.167
		Sig. (2-tailed)	.000	.	.000	.811	.331	.019	.286	.644	.268	.377	.003	.034	.010	.103
		N	95	97	97	95	97	96	97	97	96	97	97	97	94	97
	QOLSocial	Correlation Coefficient	.188	.378**	1.000	.234*	.220*	.269**	.353**	.289**	-.132	-.270**	-.305**	-.232*	.052	.041
		Sig. (2-tailed)	.068	.000	.	.012	.017	.004	.000	.002	.158	.003	.001	.011	.586	.659
		N	95	97	118	114	118	115	114	115	116	117	117	118	114	117
	QOLdailyliving	Correlation Coefficient	-.023	.025	.234*	1.000	.403**	.425**	.252**	.429**	-.151	-.437**	-.233*	-.174	-.003	-.019
		Sig. (2-tailed)	.828	.811	.012	.	.000	.000	.008	.000	.109	.000	.013	.063	.972	.841
		N	93	95	114	114	114	111	110	112	113	113	113	114	110	113
	Movement3	Correlation Coefficient	-.011	.100	.220*	.403**	1.000	.300**	.260**	.322**	-.160	-.414**	-.175	-.114	-.154	-.078
		Sig. (2-tailed)	.913	.331	.017	.000	.	.001	.005	.000	.086	.000	.059	.218	.103	.402
		N	95	97	118	114	118	115	114	115	116	117	117	118	114	117
	QOWLSafetysecurity	Correlation Coefficient	.187	.238*	.269**	.425**	.300**	1.000	.265**	.379**	-.054	-.378**	-.343**	-.020	-.004	-.025
		Sig. (2-tailed)	.072	.019	.004	.000	.001	.	.005	.000	.572	.000	.000	.829	.967	.791
		N	94	96	115	111	115	115	113	114	114	115	115	115	112	114
	QOWLDevelopment	Correlation Coefficient	.091	.109	.353**	.252**	.260**	.265**	1.000	.290**	-.151	-.354**	-.338**	-.128	.021	.106
		Sig. (2-tailed)	.380	.286	.000	.008	.005	.005	.	.002	.111	.000	.000	.176	.828	.264
		N	95	97	114	110	114	113	114	113	113	114	114	114	111	113
	QOWLSocial	Correlation Coefficient	-.135	-.048	.289**	.429**	.322**	.379**	.290**	1.000	-.011	-.403**	.008	-.104	-.127	-.041
		Sig. (2-tailed)	.193	.644	.002	.000	.000	.000	.002	.	.909	.000	.933	.270	.183	.662
		N	95	97	115	112	115	114	113	115	114	115	115	115	112	114
	PAHomesickness	Correlation Coefficient	-.002	-.114	-.132	-.151	-.160	-.054	-.151	-.011	1.000	.275**	.432**	.184*	-.068	-.080
		Sig. (2-tailed)	.982	.268	.158	.109	.086	.572	.111	.909	.	.003	.000	.048	.474	.393
		N	94	96	116	113	116	114	113	114	116	116	116	116	113	115
	PAExcitement	Correlation Coefficient	-.091	-.091	-.270**	-.437**	-.414**	-.378**	-.354**	-.403**	.275**	1.000	.298**	.131	-.013	.030
		Sig. (2-tailed)	.378	.377	.003	.000	.000	.000	.000	.000	.003	.	.001	.159	.895	.752
		N	95	97	117	113	117	115	114	115	116	117	117	117	114	116
	PANervousness	Correlation Coefficient	-.232*	-.301**	-.305**	-.233*	-.175	-.343**	-.338**	.008	.432**	.298**	1.000	.207*	-.317**	-.256**
		Sig. (2-tailed)	.024	.003	.001	.013	.059	.000	.000	.933	.000	.001	.	.025	.001	.006
		N	95	97	117	113	117	115	114	115	116	117	117	117	114	116
	What is your gender? - Selected Choice	Correlation Coefficient	-.157	-.216*	-.232*	-.174	-.114	-.020	-.128	-.104	.184*	.131	.207*	1.000	-.297**	-.141
		Sig. (2-tailed)	.129	.034	.011	.063	.218	.829	.176	.270	.048	.159	.025	.	.001	.122
		N	95	97	118	114	118	115	114	115	116	117	117	122	118	121
	How old are you? (in years)	Correlation Coefficient	.278**	.265**	.052	-.003	-.154	-.004	.021	-.127	-.068	-.013	-.317**	-.297**	1.000	.377**
		Sig. (2-tailed)	.007	.010	.586	.972	.103	.967	.828	.183	.474	.895	.001	.001	.	.000
		N	92	94	114	110	114	112	111	112	113	114	114	118	118	117
	TOTALmonthsworked	Correlation Coefficient	.035	.167	.041	-.019	-.078	-.025	.106	-.041	-.080	.030	-.256**	-.141	.377**	1.000
		Sig. (2-tailed)	.737	.103	.659	.841	.402	.791	.264	.662	.393	.752	.006	.122	.000	.
		N	95	97	117	113	117	114	113	114	115	116	116	121	117	121

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Appendix F: Codebook for Quality of life Critical incidents

	Code Definition	**Code Includes**	**Codes Excludes**
Getting Around	Participant discussion of ease and/or struggle of movement around Shanghai	Public transport, share bikes, convenience of getting around	Travel for leisure
Opportunity for leisure	Discussion or examples of participants ability to enjoy leisure activities outside of work.	Doing things, travel, attending events, keeping and caring for pets	Making friends
Social	Discussion of social interaction/events with other people or social isolation caused by an inability to find social satisfactory	Friends and romantic relationships, joining social clubs and social sports clubs. Also, Isolation from others in shanghai, friends leaving Shanghai or missing friends back home	Pets or family
Living place	Discussion or examples of participants living place/apartment	Landlords, quality of accommodation and location of living place	Location in relation to place of employment, i.e how long it takes to get to work.
Health and wellbeing	Discussion and examples of factors that enhance or detract from the participants physical and emotional health	Joining sports clubs and teams, injury, physical and mental health services/treatment	Change of employment or change of living place
Communication	Communication with local people in Shanghai	Language barriers or acquisition, misunderstandings caused by language ability, Chinese learning	Communication on technology
Local integration & interaction	Discussion of events that require interaction and integration with the local community.	Life admin tasks such as visiting the bank, getting a visa, accessing a variety of products and services	Meeting other expatriates.
Environment	Discussion or examples of factors in the environment that make life more or less pleasant	Pollution, parks, traffic. The opportunity or restriction of time spent outside. Also, discussion of safety and security	No focus on social aspects for example difficulties interacting with locals or fellow expats.
Family	Discussion of factors and events that benefit or inconvenience the family members of the participants	Missing family, time with family	Pets
Technology	Discussion of how access to or the use of technology has helped or hindered quality of life.	Virtual Personal Network, internet access, useful applications and websites	Transport for example Faster trains

Appendix G: Code book for quality of work life content analysis

CODE Name	Description	Includes	Excludes
1. Getting around	Participant discussion of ease and/or struggle of movement around Shanghai	Public transport/ share bikes/traffic/ Drivers/	Travel for leisure
2. Interpersonal relationships	Discussion or examples of interpersonal social events that have helped or hindered life in Shanghai	New contacts/ colleagues/customers/ students/clients/	Challenges with integrating into local community such as language barriers or issues with bureaucracy such as banking
3. Development opportunities	Discussion or examples of opportunities (or lack of) for growth and development	Employment/ Promotion/business ownership/educations such as masters	Money - pay rise and bonus
4. Leadership/ Management	Discussion of incidents involving managers or leaders.	(un)Supportive managers or leaders. Can be both experienced or observed	Social events
5. Rewards/pay	Discussion or examples of financial gain or loss	Pay rise/bonus	Development opportunities such as job training
6. Workload/work satisfaction	Discussion or examples of situations, or aspects of work that relate to satisfaction at work and workload	Increased workload/ Unexpected work and work outside of skill set	Changing jobs or getting a promotion
7. Health/well being	Discussion and examples of factors that enhance or detract from the participants physical and emotional health	Stress reduction practices	Financial such as a pay rise or bonus
8. E services	Discussion of how access to or the use of technology has helped or hindered quality of life.	Internet access/online applications/Virtual Personal Network/websites	Transport for example Faster trains
9. Environment	Discussion or examples of factors in the environment that make life more or less pleasant	Safety and security ie hazards/ work location/workspace	No focus on social aspects for example difficulties interacting with locals or fellow expats. Discussion of how access to or the use of technology has helped or hindered quality of life.
10. Integration/interaction with host country locals	Discussion of events or situations that require interaction and integration with the local community.	Contact/interaction and integration with local people/language/ bureaucracy	Meeting or interacting with other expatriates.

Appendix H: Interrater Reliability Crosstabulation for Quality of life

			RATER 1										
			1	2	3	4	5	6	7	8	9	10	TOTAL
RATER 2	1	count	8										15
		% within coder 1	100%										100%
		% within coder 2	100%										4.30%
		% of total	4%										4.30%
	2	count		18									18
		% within coder 1		100%									100%
		% within coder 2		100%									9.70%
		% of total		9.70%									9.70%
	3	count			57		2						59
		% within coder 1			96.60%		3.40%						100%
		% within coder 2			96.60%		6.70%						31.70%
		% of total			30.60%		1.10%						31.70%
	4	count				15							15
		% within coder 1				100%							100%
		% within coder 2				100%							8.10%
		% of total				8.10%							8.10%
	5	count			2		28						30
		% within coder 1			6.70%		93.30%						100%
		% within coder 2			3.40%		93.30%						16.10%
		% of total			1.10%		15.10%						16.10%
	6	count						12					12
		% within coder 1						100%					100%
		% within coder 2						100%					6.50%
		% of total						6.50%					6.50%
	7	count							14				14
		% within coder 1							100%				100%
		% within coder 2							100%				7.50%
		% of total							7.50%				7.50%
	8	count								10			10
		% within coder 1								100%			100%
		% within coder 2								100%			5.40%
		% of total								5.40%			5.40%
	9	count									14		14
		% within coder 1									100%		100%
		% within coder 2									100%		7.50%
		% of total									7.50%		7.50%
	10	count										6	6
		% within coder 1										100%	100%
		% within coder 2										100%	3.20%
		% of total										3.20%	3.20%
TOTAL		count	8	18	59	15	30	12	14	10	14	6	186
		% within coder 1	4.30%	9.70%	31.70%	8.10%	16.10%	6.50%	7.50%	5.40%	7.50%	3.20%	100%
		% within coder 2	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
		% of total	4.30%	9.70%	31.70%	8.10%	16.10%	6.50%	7.50%	5.40%	7.50%	3.20%	100%

Appendix I: Interrater Reliability Crosstabulation for Quality of work life

			RATER 1										
RATER 2			1	2	3	4	5	6	7	8	9	10	TOTAL
	1	count	7										7
		% within coder 1	100%										100%
		% within coder 2	100%										4%
		% of total	4%										4%
	2	count		21				2				1	24
		% within coder 1		87.50%				8.30%				4.20%	100%
		% within coder 2		95.50%				6.30%				4.80%	14%
		% of total		12.10%				1.20%				0.60%	14%
	3	count			28								28
		% within coder 1			100%								100%
		% within coder 2			100%								16%
		% of total			16.20%								16%
	4	count				26							26
		% within coder 1				100%							100%
		% within coder 2				96.30%							15%
		% of total				15%							15%
	5	count					7						8
		% within coder 1					87.50%						100%
		% within coder 2					77.80%						5%
		% of total					4%						5%
	6	count				1		30					31
		% within coder 1				3.20%		96.80%					100%
		% within coder 2				3.70%		93.80%					18%
		% of total				0.60%		17.30%					18%
	7	count		1			1		10				12
		% within coder 1		8.30%			8.30%		83.30%				100%
		% within coder 2		4.50%			11.10%		100%				7%
		% of total		0.60%			0.60%		5.80%				7%
	8	count									14		3
		% within coder 1									100%		100%
		% within coder 2									100%		2%
		% of total									8.10%		2%
	9	count										19%	14
		% within coder 1										95.00%	100%
		% within coder 2										91%	8%
		% of total										11%	8%
	10	count											20
		% within coder 1					5%						100%
		% within coder 2					11.10%						12%
		% of total					0.60%						12%
TOTAL		count	7	22	28	27	9	32	10	3	14	21	173
		% within coder 1	4.00%	12.70%	16.20%	15.60%	5.20%	18.50%	1.70%	8.10%	8.10%	12.10%	100%
		% within coder 2	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
		% of total	4%	12.70%	16.20%	15.60%	5.20%	18.50%	5.80%	8.10%	8.10%	12.10%	100%