The double-edged sword of ethnic similarity for expatriates

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Introduction

Identifying employees to represent headquarters (HQ) effectively in overseas units is a management challenge faced by all multinational corporations (MNCs). To date, management of this type of expatriate employees has accorded a central role to culture, such as understanding cultural differences, facilitating cultural adaptation and adjustment, and cultivating cultural intelligence. Although culture is a critical factor in explaining expatriates' experiences, identity offers an alternative angle to reveal the challenges that occur when expatriates interact with host country employees. In this article, we introduce ethnically similar expatriates – a sub-category of expatriates who share an ethnicity with host country employees – to showcase the role of identity, especially the interpersonal dynamics associated with ethnic similarity. An example from the world of politics is illustrative:

In 2011, US President Barack Obama announced Gary Locke as the US Ambassador to China by saying: *"As the son of a Chinese immigrant […] Gary is the right person to continue this cooperation."* Gary Locke's ethnic Chinese identity brought him unexpected acclaim as he was the first ethnic Chinese Ambassador to China, but also created unintended consequences leading him to clarify his identity publicly:

> *"On a personal level, I […] stand here […] as a child of Chinese immigrants representing America, the land of my birth, and the American values my family holds dear. I can only imagine just how proud my dad […] would be for his son to be the first Chinese American to represent the United States in the land of his and my mother's birth [...] I will represent in my official capacity serving the President and the American people as the United States ambassador to China."*

Locke was not prepared for the negative work-related impact that resulted from his ethnic similarity. As "serial" expatriates in a governmental context, ambassadors are not fully representative of the general expatriate population; however, their experiences are echoed among corporate expatriates, many of whom have had similarly uncomfortable experiences. An example is Cherry, a legal expert we interviewed, who emigrated from China to the USA at the age of 18. She was involved in a merger between her American company and a Chinese company. Despite the enormous effort she had invested in facilitating negotiations between the two parties, a Chinese representative directed his merger-related frustration at her and said: "*You are Chinese, why did you help them [the American side]?"* Cherry felt hurt because he implied that she had betrayed the Chinese ethnic group.

These stories reveal that ethnic similarity can turn into a similarity trap, in which locals view expatriates as members of the ethnic in-group and evaluate them based on this belief, even though this is not how expatriates prefer to be seen. As a result, ethnic similarity becomes an identity challenge for expatriates. This challenge can affect expatriates' wellbeing and have profound negative consequences for corporations. With many countries becoming more and more ethnically diverse due to immigration, ethnically similar expatriates are likely to become a very common phenomenon in MNCs. That said, to date this phenomenon has not received much attention and we do not have any statistics on the prevalence of this type of expatriates. Even so, our field research in China revealed that ethnically similar expatriates were found in nearly every MNC.

Research facts

To investigate the existence and impact of similarity traps, we have been conducting research among ethnically similar expatriates working in MNC subsidiaries in China. Although our data was collected in China, this phenomenon is not China specific and can

be generalized to all expatriates with ethnicities that are visibly similar to local employees' ethnicities. In a survey we conducted with 128 ethnically similar expatriates to evaluate the role of their ethnicity at work, we asked both the expatriate and their local colleague to evaluate the same identity. The responses showed that the views of the two parties diverged in 50% of the pairs. The results of this survey and a subsequent experiment with local employees showed that divergent views generated distrust and inhibited knowledge sharing. These studies reveal the potential negative social impact of ethnic similarity between expatriates and local employees, a phenomenon which we call the 'ethnic similarity trap'.

For this article, we interviewed 26 ethnic Chinese expatriates to identify the similarity traps they experienced and the identity management strategies they used to cope with them. We varied their demographics to ensure that our data captured a wide range of experiences. Among the interviewees, 20 were originally from China mainland, two from Hong Kong, two from Malaysia and one from Singapore; 15 were females and 11 were males. They worked for corporations headquartered in Australia, Canada, Germany, Singapore, Norway, the UK and the USA. All expatriates held non-Chinese passports or had permanent residency of another country. Their experiences with the host country varied; some had completed at least 12 years of education in China (11 interviewees), some emigrated from China before the age of 18 (7 interviewees), and some were born and raised overseas (8 interviewees).

Ethnic similarity traps experienced by expatriates

Our research reveals that, according to expatriates, ethnicity similarity traps manifested themselves in three ways. First, as "double standards," where ethnically similar expatriates are evaluated according to different standards than ethnically different expatriates. Second, as "ethnicity-based comparison," where locals use ethnically similar expatriates, but not ethnically different expatriates, as a point of reference for comparison. Third, as "expecting in-group favoritism", where locals expect to be treated favorably by ethnically similar expatriates because of their ethnic in-group connection. It appears that these traps all derive from locals viewing ethnically similar expatriates as ethnic in-group members, whereas this ethnicity-based categorization is unwanted by expatriates. If their non-ethnic identity had been considered instead, they would have been evaluated based on different standards or social norms. We explain these three traps in detail below. Our aim is not to judge which view is right or wrong, but rather to reveal the social consequences of these diverging views.

Double standards: "You are one of us"

Due to the ethnicity-based categorization, some local employees deployed different standards to evaluate ethnically similar and ethnically different expatriates, putting ethnically similar expatriates in a disadvantaged position. This trap is based on the assumption that "you are one of us, so you need to follow our standards". We found that overseas Chinese expatriates with limited local language skills and cultural knowledge felt especially frustrated about this trap as their knowledge and skills were evaluated against native Chinese standards. Owen, a Chinese American who was born in the USA, believed that such double standards had cost him an opportunity to join an important project team. Both Owen and Tom, a Caucasian American, were shortlisted as candidates for a project team in a Sino-US joint venture. In the interview, the local managers asked Owen to translate a legal document into Chinese. He was upset: *"It was difficult. I can speak Chinese, but I am not at that level. Translation was not essential for that position. They did not ask Tom to translate the document. I heard they said his Chinese was good. Why did they*

ask me to translate it? Just to test my Chinese? […] People [in my office] were delighted that Tom could speak Chinese, I was always told that my Chinese is not good enough. But my Chinese is better than Tom's."

Leana, a female Australian lawyer, ethnic Chinese, shared a similar story. She worked for the Chinese division of an Australian law firm. Due to an organizational structural change, employees needed to re-apply for their positions. Leana applied for the same position with a higher pay scale as she had just passed the bar exam. She tried to speak English in the contract negotiations, but the manager switched back to Chinese. Leana said: *"I left China when I was young. My Chinese is sufficient for daily, informal conversations but not for formal arguments in negotiations, so I was put in a disadvantaged position. She [the manager] talked to me like she was my mum. I was talking about my qualifications and performance, but she asked me to be patient because I am still young. She would never use the same way to talk with Caucasian Australian female lawyers in my office."*

Double standards also annoyed ethnically similar expatriates on a daily basis in what might be seen as small incidents. Helen, an Australia-born ethnic Chinese, shared an experience that might resonate with many expatriates: *"My colleagues knew that I am Australian, but they still assumed that I adhere to Chinese values […]. If a Western colleague makes a mistake, say, about Chinese dinner etiquette, they would say: she is a foreigner, she doesn't know, it's okay. They are less tolerant of me if I made the same mistake because they don't accept that I doesn't know these rules."*

Ethnicity-based comparison: "You are not different from me"

In addition to holding ethnically similar expatriates to native standards, some local employees also compared ethnically similar expatriates directly with themselves. The assumption underlying this trap is: "you are not different from me". The comparison can happen in a variety of areas, such as behavioral norms, ability, performance, income, or career perspectives. If the comparison proves to be in favor of expatriates, locals might perceive this as unfairness, and it might even lead them to dislike expatriates. This ethnicity-based comparison can, thus, put ethnically similar expatriates under scrutiny and may become a major stressor for them.

Sara is an Australian lawyer, ethnic Chinese and was born in China. She had three years of legal post-qualification experience (PQE), but Sara's position and pay scale were higher than local colleagues who had the same qualification because she received an expatriate package. Sara did not believe this was fair to her local colleagues. However, what upset her was that local colleagues turned their unhappiness, caused by the organizational HR policy, on her personally. As a result, Sara felt that she needed to work harder to show that she deserved her salary and she was very careful not to make any mistakes.

Nancy is an America-born ethnic Chinese, working for a consulting firm. She was troubled by how to keep an ideal distance from her local colleagues. She said: *"I tried to learn Chinese, to know China, and to socialize with Chinese colleagues. They would invite me to go out for lunch, but they normally will not invite the American lady. However, they would compete with me, but would not see the American as their competitor."* Larry, a Canadian Chinese who grew up in China, also had similar experiences: *"I feel my colleagues see me as their competitor, but they would not compete with the Korean and Canadian colleagues [in the same department]."*

The ethnicity-based comparison can also extend to seemingly trivial issues at work. Leana, the ethnic Chinese Australian lawyer, was annoyed by her local colleagues who commented on what she wore. She dressed formally every day as a legal professional. However, her local colleague often commented: *"Why do you dress up every day? You are*

not going to meet clients." She had never observed this colleague making similar comments to the Australian female lawyer in the same office. Small incidents like this made her feel uncomfortable.

Expecting in-group favoritism: "You should support us"

Being seen as ethnic in-group members, ethnically similar expatriates were sometimes expected by locals to bend the rules to favor them, an expectation that might violate their own professional standards. This trap is built on the view that "you are one of us, thus, you need to support us". Steven, a China-born Australian, worked for an Australian organization which aims to build trade connections. His fluent Chinese and English language skills equipped him well for this position. He was once translating for both an Australian client and a local client. The local client told him on the side: *"Don't translate it that way, translate it in this way."* The local party appeared to view him as Chinese and expected him to favor them. Steven said: *"They forgot that I am actually Australian. I represented the middle ground. I need to translate truthfully."*

Alan, a naturalized American, was born and completed his bachelor's degree in China. He represented an American university and worked in a Chinese partner university. His job was to run a summer language program that allows American students to study the Chinese language in China. The most difficult task was to negotiate resources such as the classrooms, timetables, teaching staff and accommodation. He needed to ensure the resources allocated to this program by the local university met the expectations of the American university. The local university representative often told him: *"You are Chinese, you can understand the constraints we are facing. This is what we can offer. Could you explain to your university why we cannot meet their requests?"* Alan said his knowledge of the local culture and language skills made it possible for him to understand more about this local university than a Caucasian American. He believed that the local university had the required resources. However, he also admitted that his ethnic identity stood in the way of the negotiations. He said: *"If I negotiate hard for my university, they might see me as a 'traitor,' which will hurt my personal relationships with the representative. I needed the personal relationship to collaborate with them, but I also needed to serve my university and my students. As a Chinese representing an American university, I had to develop negotiation techniques that were different from those used by a Caucasian-American faculty member."* In the next section, we unpack the black box of why local employees might make an ethnicity-based categorization and why this categorization might be unwanted by expatriates.

Understanding ethnic similarity traps

Social psychology research offers explanations for how ethnic similarity can facilitate positive social interactions and why ethnically similar expatriates have the advantages. In social interactions, ethnic similarity can work as an ice breaker that can generate social attraction, remove social anxiety and reduce psychological distance that people may experience when interacting with culturally different others. Moreover, ethnic similarity can encourage people to categorize ethnically similar others as ethnic in-groups. Following this categorization, people may trust in-groups over out-groups and give more resources and support to the former. This social categorization defines people's identity in relation to others, shapes people's behaviors by signaling what social norms to follow and what to expect from others, and subsequently reduces social uncertainty. Although the advantages of ethnic similarity are clear, what is less evident is the double-edged nature of ethnic similarity. If expatriates disagree on the ethnicity-based categorization made by local employees, ethnic similarity can become an identity challenge and can be

experienced as a similarity trap. Even though local employees might consider the shared ethnicity to be relevant, expatriates themselves might dislike being categorized based on their ethnicity. To explain why the two parties' views may diverge, we turn to two schools of identity research: multiple identities on the one hand, and social identity and social categorization on the other hand.

One school of identity research examines identity from an **intra-personal** perspective and acknowledges people's freedom in managing their multiple identities, such as gender, role, ethnicity, nationality and culture, as well as personal and professional identities. People arrange their multiple identities in a mental system with subjectively important identities occupying central positions and less important identities taking up more peripheral positions. By doing so, they decide which identity is important based on their personal preferences and the contextual situation. For example, they can switch on and off between two cultural identities according to the cultural identity of their social partners; they can also re-define their identity system or re-set boundaries between different identities (e.g. by compartmentalising or integrating two identities). Drawing upon this line of research, two factors may explain the personal and idiosyncratic nature of expatriates' view of their ethnicity. The first is the priority ranking of expatriates' identities. Ethnicity is one of the multiple identities that ethnically similar expatriates possess. They have the freedom to rank the importance of ethnicity in relation to their other identities (e.g. personal identity or professional identity) when working in the host county. The second factor is the expatriate's personal experiences. Some expatriates may grow up largely unconscious of their ethnicity, but others might believe ethnicity has shaped their lives. Their views towards their ethnicity can be significantly shaped by their life experiences. Thus, two expatriates who have a similar connection with the host country ethnic group, such as being born in the host country and having moved to another country at a similar age, can hold different views towards this identity. One can view their ethnic identity as important, but the other may view it as unimportant regardless of their biological connection (i.e. visible ethnicity). Expatriates' subjective views of their ethnic identity directly affect their attitude towards an ethnicity-based categorization. These categorizations guide – as we show next – the behavioral norms they are expected to follow and their relationships with local employees.

From an **inter-personal** perspective, local employees also have the freedom to choose how they categorize ethnically similar expatriates. Their choice might challenge expatriates' choice. According to social identity and self-categorization theories, visible identities (e.g. ethnicity or gender) automatically become salient in social interactions and shape how people categorize others. Therefore, ethnic similarity encourages local employees to make an ethnicity-based categorization and view ethnically similar expatriates as ethnic in-groups. Two factors may make this categorization more likely. One is the ambiguity of expatriates' identity. Although their ethnicity is fixed in terms of their biological features, some expatriates may view it as important while others do not. However, this subjective view is idiosyncratic and invisible for local employees. It can only be understood through regular interactions over a period of time. Local employees may not know to what extent expatriates' "outside appearance" matches their "inside preference". Thus, the most natural choice might be to make ethnicity-based categorization.

The second factor is local employees' ethnicity-related deep beliefs, namely the extent to which they are willing to accept that seemingly similar expatriates are not in-groups. Locals who have an essentialist belief consider an ethnic connection to be deep-rooted in every member of an ethnic group and something that cannot be changed. Thus, it is natural for them to categorize expatriates as ethnic in-groups based on ethnic similarity. This view is implied in certain derogatory expressions that exist in many societies.

For example, in India, ethnically similar returnees are labelled as ABCD, which stands for American Born Confused Desi (meaning American Born Confused Indians), in China they might be called bananas (yellow on the outside, white on the inside). It reflects locals' implicit belief that these returnees are in-group members which leads to their dissatisfaction and disappointment towards those who violate their expectations. Even if they know expatriates' personal stance, they might not want to change this in-group categorization as this would challenge their deeply-held beliefs. These subtle psychological mechanisms can have a tremendous impact on expatriate-local interactions. How local employees categorize ethnically similar expatriates affects how they expect expatriates to behave. In the next section, we discuss how expatriates can use various identity management strategies to deal with these expectations.

Expatriates' day-to-day identity management strategies to overcome similarity traps

As we explained earlier, expatriates experience similarity traps because of their unwanted ethnicity-based categorization. When ethnicity is salient to local employees, it plays an important role in shaping their social expectations. As a result, expatriates' other identities are ignored. The ethnicity-based categorization limits expatriates' attitudinal and behavioral choices. We found that ethnically similar expatriates used, consciously or sub-consciously, a variety of identity-management strategies to overcome similarity traps. We classified these strategies into three types: passing, clarifying and redirecting. Which strategy to use depends on expatriates' assessment of three factors: the impact of the unwanted ethnicity-based categorization, the nature of the relationship with locals, and the situational appropriateness of the strategy. Table 1 summarizes these three strategies.

Insert Table 1 about here

Passing: do not address identity ambiguity or conceal identity information

In facing unwanted ethnicity-based categorizations, the first decision that needs to be made is whether or not to address it. Expatriates can use a "passing" strategy to avoid discussing ethnicity in their interactions with local employees. This can be achieved through not addressing their disagreement on the ethnicity-based categorization or by concealing identity information that could challenge locals' view or reduce identity ambiguity. Although expatriates with different levels of host country connection can all use this strategy, we found it was more often used by those that had extensive experiences in the host country and could speak the local language fluently. Although they held a foreign passport, they found it difficult to contradict an ethnicity-based categorization directly.

Passing is a passive strategy as it involves avoidance. Expatriates tend to use this strategy when an unwanted ethnicity-based categorization does not generate immediate negative consequences; in sensitive situations where disagreeing with locals' views could challenge their deeply-held beliefs on ethnicity and might evoke negative emotions; in situations where it might be socially inappropriate or harm the social goal of the interaction; and in weak, distant or non-critical relationships (e.g. those that are one-offs, in the initial stage or short-term) when disagreeing with locals on this issue is considered unnecessary or could damage the relationship. This strategy can help expatriates gain initial acceptance or reduce psychological distance with local employees. Nevertheless, by practicing a passing strategy, expatriates might lose an opportunity for self-expression or to

influence locals' views and may also experience psychological distress because they cannot be true-to-themselves.

In facing unwanted ethnicity-based categorizations, some expatriates chose not to address it as they felt the time or situation was not appropriate. We mentioned the experience of Cherry previously. When the Chinese negotiator said to her: "*You are Chinese, why did you help them [the American side]?"* Cherry's internal conversation was *"I simply did my job, I am a legal professional,"* but she did not say anything, because she believed that it was not a good time to argue with him. He would not change his view. He simply needed a channel to release his anger. Some expatriates chose to conceal or not emphasize their non-Chinese identity. Yan was a business developer and completed his higher education in China. He said: "*I never told my clients that I have a foreign passport. They do not need to know. Many of my colleagues do not know it either; it is easier if they simply treat me like a Chinese. If they had known that I hold a foreign passport, some might see me differently or develop different expectations.*" Yan could pass as Chinese easily given his background. He did not feel uncomfortable following the local norms. In fact, by not mentioning his foreign identity, he avoided the identity discussion in his interactions with locals and could focus on his work identity instead. He sensed the possible negative social consequences if he had stressed his non-Chinese identity. This strategy was also supported by IT specialist, Jessica, a naturalized American who left China at the age of 13. She said: *"I always use my Chinese name when meeting someone for the first time. They might find out that I am an American later, that is fine, but I do not want to stress it when we first meet […]. I do not want to give people a feeling that I am showing off [my American identity] or do not value my Chinese roots."* Jessica also perceived that revealing her non-Chinese identity could generate negative social impact.

Sometimes, expatriates who did not have a strong connection with the host country also used this strategy. Jade still remembered her first business trip to an inland city in China. She moved to Norway with her Chinese parents when she was young, but she could speak intermediate-level Chinese. She was surprised that her colleague introduced her as Chinese to others at a reception. *"I guess that they would know my foreign background as my Chinese is not perfect, but they still treated me like a Chinese. I did not correct it. It seemed that being seen as Chinese helped to build the initial relationships."* Jade was not prepared for the fact that her identity was ambiguous for locals. She used the passing strategy because she did not know how to react appropriately and also because she saw the positive social consequences of being seen as Chinese.

Clarifying: claim the preferred identity or disclose it indirectly

The clarifying strategy addresses the identity ambiguity or unwanted ethnicity-based categorization directly. Clarification can be achieved by claiming the preferred identity or providing personal information to disclose the non-ethnic identity indirectly. Although this strategy is not tied to the background of expatriates, a weak connection with the host country, such as being born or growing up outside the host country, can mitigate the potential negative social impact when it is used.

Clarifying is an active strategy aimed at challenging the ethnicity-based categorization. Expatriates use this strategy when they perceive that the identity ambiguity or ethnicity-based categorization could generate negative consequences if not addressed; in less sensitive situations when a clarifying correction would not evoke locals' negative emotions, would not be seen as socially inappropriate or harm the social goal of the interaction; in close or critical relationships (e.g. repeated or long-term) when clarification is necessary to shape relationship development, and in strong relationships which are resilient to disagreement. This strategy provides expatriates with an opportunity to reduce

identity ambiguity and to develop interpersonal understanding with locals. It also allows expatriates to be true-to-themselves, which is beneficial to their well-being. Moreover, candidly sharing identity information and openly discussing identity challenges can create an impression of being candid and direct and helps gain locals' respect. Nonetheless, it might invite debate over the shared identity. Thus, expatriates need to have an effective communication plan to mitigate any potential negative social impact.

The identity claim made by Gary Locke, the US Ambassador we referred to in the introduction, is an excellent illustration of the clarifying strategy. The ambiguity around his identity could have negatively affected his work as the US Ambassador. Thus, he had to point out directly and clearly that he was American, that he endorsed American values and that he represented the US government. To avoid causing discomfort among locals, he also highlighted his connection to China and how much he valued this background. Not every expatriate can afford to be as direct as this ambassador. In our own study, expatriates used more indirect ways to clarify their identity if their organizational status was not prominent. Sherry, an ethnic Chinese, worked in a business development office and spoke beginner-level Chinese. A challenge she faced was that her colleagues, although knowing that she grew up in Canada, still expected her to follow the local norms. She believed that it was necessary to address this issue to shape colleagues' expectations in future interactions, but since the relationship was not strong, she chose to only imply her Canadian identity: *"If I correct them saying I am a Canadian, it would be too offensive or too direct. Because they would think I'm neglecting my Chinese background. I would imply it and say: in Canada, we would do it differently. I used "we" to imply I am a Canadian."* Similarly, when Leana, the Australian lawyer mentioned previously, was asked why she dressed formally every day for work, she said: *"I brought this from Australia. This was my work outfit there."* She indirectly reminded people that she was Australian, and she was used to following the Australian norms.

Sometimes, the ethnicity-based categorization was caused by the fact that locals did not have sufficient knowledge of expatriates' identity. Thus, it was necessary to offer identity information to fill their knowledge gap. James commented that he always introduced his background whenever appropriate: *"I told my Chinese colleagues that I was born in Fujian [a province in China], [but] went to Australia at the age of eight, so they can understand why I do not behave like a Chinese."* He also combined the background sharing technique with the implying technique: *"I spoke Chinese with my colleagues as much as possible, so that they would notice that my Chinese language skills were not perfect. Thus, my non-native Chinese language skills disclosed my non-Chinese identity."* James chose to make his non-Chinese identity and background known and provided a foundation for others to understand his behaviors. Making an effort to speak Chinese conveyed a message that he wanted to adapt to the local culture. He also managed to do it strategically and indirectly, so it would not hurt locals' feelings.

A risk of the clarifying strategy is that by pointing out their non-ethnic identity, locals could conclude that expatriates did not value their ethnic identity. Thus, after the direct claim, expatriates often added an explanation to avoid misunderstanding. As mentioned earlier, Steven who worked for an organization that facilitates trade between Australia and China remarked that *"When I meet my Chinese clients, I let them know that I am Australian. But I am Australian with Chinese heritage, I have Chinese values. I wouldn't do anything to hurt them."* This strategy helped him to minimize potentially hostile attitudes that could arise. This strategy was also used in social settings. Joseph was a Malaysian Chinese with good Chinese language skills. However, he did not like to drink Chinese spirits. When having dinner with clients, his strategy was: *"If you want me to drink Chinese spirits, I don't. I told them I am a foreigner. That I don't drink is not because I do not want*

to be their friend, but because I am a foreigner and I am not used to it. But I can drink 12 beers with them if that is ok."

Re-directing: focus on a non-ethnic identity

Ethnic similarity traps are caused by locals' assumption that expatriates are members of an ethnic group. If ethnic group membership has the potential to confuse local employees and damage a relationship, it might be easier to build interpersonal connections on another basis. Expatriates can re-direct locals' focus away from ethnicity towards alternative identities, such as their national identity, personal identity or professional identity, so they do not need to view expatriates as members of the ethnic group. A debate on whether or not expatriates are still members of the ethnic group can seriously damage expatriate-local relationships. Because they share an ethnicity, local employees have a personal and emotional involvement in this debate. The re-directing strategy can remove this personal sentiment. Even if the parties disagree on expatriates' arguments on their personal characteristics or professional norms as expressions of their personal or professional identity, this will not directly affect locals' personal feelings towards their ethnic group. This strategy was used by expatriates with different levels of connection with the ethnic group.

Similar to the clarifying strategy, re-directing also actively addresses an unwanted ethnicity-based categorization. It is effective if the alternative identity is convincing and applicable to the situation. Expatriates can use this strategy when they do not want the unwanted ethnicity-based categorization to pass without being addressed and when it could generate negative social consequences. Since it directs the focus away from the contested ethnicity, it is not situation or relationship sensitive and has a broader application. The advantage of this strategy is that it corrects locals indirectly by offering a different logic, so it can avoid social awkwardness. The approach might, thus, be easier for locals to accept. However, as this strategy involves a direct expression of disagreement, there is a risk that some locals might not accept the argument and that it could damage relationships.

Jason is a Chinese American and worked in a research institute. He did not speak Chinese at all and was not familiar with China. He admitted: *"People know that I am a 100% American, but still someone expressed disappointment because it seems that I did not hold on to my Chinese heritage.*" He was open about his Americanness at the beginning of a working relationship aiming to guide people to not see him as Chinese. In the meantime, he tried to use his personal identity to build interpersonal connections. *"When I introduced myself to my colleagues and my boss, I said: I look Chinese, but I am American, I do not know China, but I am open-minded, hardworking and eager to learn. I think they value this."* Derek, born and grew up in China before immigrated to the USA, was a top-level manager of an American company. He believed stressing his professional identity is more important than his ethnic identity. *"I can be 100% Chinese. No one would know I do not have a Chinese passport. But this is a personal matter. We do not need to bring it to work. Some people said that my [management] style is not Chinese anymore. I told them every manager in China has their style. My style is not American either. It is my style. I follow the standards of the profession and the company."* Jane is a consultant. She moved to the UK from China at a very early age with her parents but can speak fluent Chinese. She explained how she managed her identities at work. *"I downplay my identity as Chinese or foreigner. I try to be professional. When I gave tasks to them [Chinese colleagues], I explained everything and provided detailed analyses for them. There is no secret in what I am doing. I was asked to lead the team because I have the knowledge, the experiences, not because I am British."*

Organizational strategies to ensure similarity benefits

Although the day-to-day identity management strategies of ethnically similar expatriates are crucial in overcoming similarity traps, corporations can also help minimize the tension between expatriates and local employees by adapting their human resource practices and policies. We have identified three ways organizations can help their expatriates in successfully handling the similarity traps and to help ensure similarity benefits.

Managing expectations: facilitate expatriates' identity demonstration

Corporations can actively assist ethnically similar expatriates to avoid ethnic similarity traps through identity management techniques. For example, corporations can introduce expatriates to the host country unit and its employees with an explicit focus on expatriates' personal characteristics, such as their professional qualifications, valuable skills and professional achievements. This helps to steer the attention away from their ethnicity and reduces the chances that similarity traps are formed. Compared with the expatriate's self-introduction, the organization's introduction has an advantage of being more formal, distant, and "objective". It can, thus, avoid the interpersonal sentiments that arise between ethnically similar expatriates and local employees.

Training: design tailored expatriate training and support schemes

With an in-depth understanding of the double-edged nature of ethnic similarity, corporations could improve their expatriate training programs. Corporate training programs tend to target all expatriates, regardless of whether or not they share an identity with local employees. Corporations should consider adding a tailored component to this training and offer differentiated support schemes relevant to the specific challenges that ethnically similar (and dissimilar) expatriates may face.

Furthermore, corporations can add identity literacy to their training programs, aiming to help all expatriates to understand the implications of their identity when working internationally. With ethnically similar expatriates, this training can focus on the awareness of how locals might view their ethnicity and the strategies they can use for identity negotiation. For ethnically different expatriates, the focus can be on understanding the social impact of "foreignness", and how it will affect their interactions with locals.

Finally, corporations generally only offer training and support to expatriates to help them cope with international assignments. To ensure positive interactions between expatriates and local employees, corporations also need to offer training to local employees on how to work with expatriates, especially when the host country does not have a large immigrant population and locals have limited experience in interacting with foreigners.

Creating shared narrative: respect individuals' identity choice

MNCs' overseas units are a diverse work environment, not only because they contain employees with different cultural backgrounds or ethnicities, but also because people hold diverse views towards the importance and the relevance of these ascribed identities. People might be reluctant to express their identity views or openly discuss them with others because it could challenge others' deeply-held identity beliefs. MNCs need to create an organizational environment that encourages discussion and debate, in which employees can reflect on their fundamental beliefs and develop a set of beliefs that are suitable to this diverse environment.

A key component of such an environment is a shared narrative that discourages categorizing others based on ascribed identities, such as ethnicity or gender and one that works against identity- based stereotyping. As explained earlier in this article, one reason for local employees to make ethnicity-based categorizations is having an essentialist

mentality, i.e. believing that ethnicity has an inalterable essence and is deeply rooted in every member of the same group. Expatriates might not be able to change locals' ethnicity beliefs, but the creation of a shared organizational narrative could facilitate locals' self-reflection. Moreover, local employees are not the only ones who can display essentialist beliefs. Although in this article we focus on ethnicity-based categorizations coming from local employees, expatriates can also categorize locals based on ascribed identities. Thus, the creation of a shared narrative has the potential to benefit everyone.

The contents of a shared narrative should ideally include three aspects. Firstly, MNCs need to increase awareness of ascribed identity-based categorization and stereotyping in MNCs' overseas units. Categorizing others based on ascribed identities is a human tendency; thus, people may categorize others subconsciously. Employees need to have the ability to detect it when it occurs and be aware that this categorization can result in stereotyping. Secondly, employees need to develop a tendency not to impose their own identity view, such as ethnicity, on others and to respect others' personal connection with the ascribed identity, regardless of whether it is strong or weak. Thirdly, people should develop a habit of defining others at work based on their personal skills and professional identity instead of ascribed identities. Viewing others as individuals, and not as representatives of a social group, is an effective way to reduce stereotyping. These organizational narratives can be developed through a variety of channels, such as formal training, internal communication channels (e.g. newsletters, publications), managerial communications or informal discussions between employees and their mentors.

The core ideas of our article are summarized in Figure 1, which offers a snapshot of the underlying causes of ethnic similarity traps, the manifestations of similarity traps and the strategies to overcome them.

Insert Figure 1 about here

Conclusion

Ethnically similar expatriates are a powerful asset for corporations engaged in global operations. They have the potential to better handle issues related to working overseas, such as host country adjustment and building a local social network; they are, thus, less likely to return early. However, ethnic similarity is a double-edged sword. It can backfire and damage expatriates' relationships with local employees, increase expatriates' stress, and become a new challenge for expatriate management. However, if expatriates and corporations understand the impact of ethnic similarity and develop strategies to manage it, they will be able to turn ethnic similarity into a personal and corporate asset that enhances the global management of corporations. Although our article is based on research into ethnic similarity in the context of MNCs, this phenomenon has a broader resonance beyond the context of MNCs. It can affect employee interactions in *any* context where some employees share an ethnicity, such as when ethnic Korean employees interact with each other in a Japanese corporation or when Pakistani employees work with each other in a corporation in the UK. Further, the similarity traps explained in this article could also be relevant to gender, race, or other visible identities. Therefore, we hope that our research will result in increased managerial attention to the interpersonal dynamics of identity similarity in the workplace.

Figure 1: Effects of ethnic similarity in interactions between expatriates and local employees

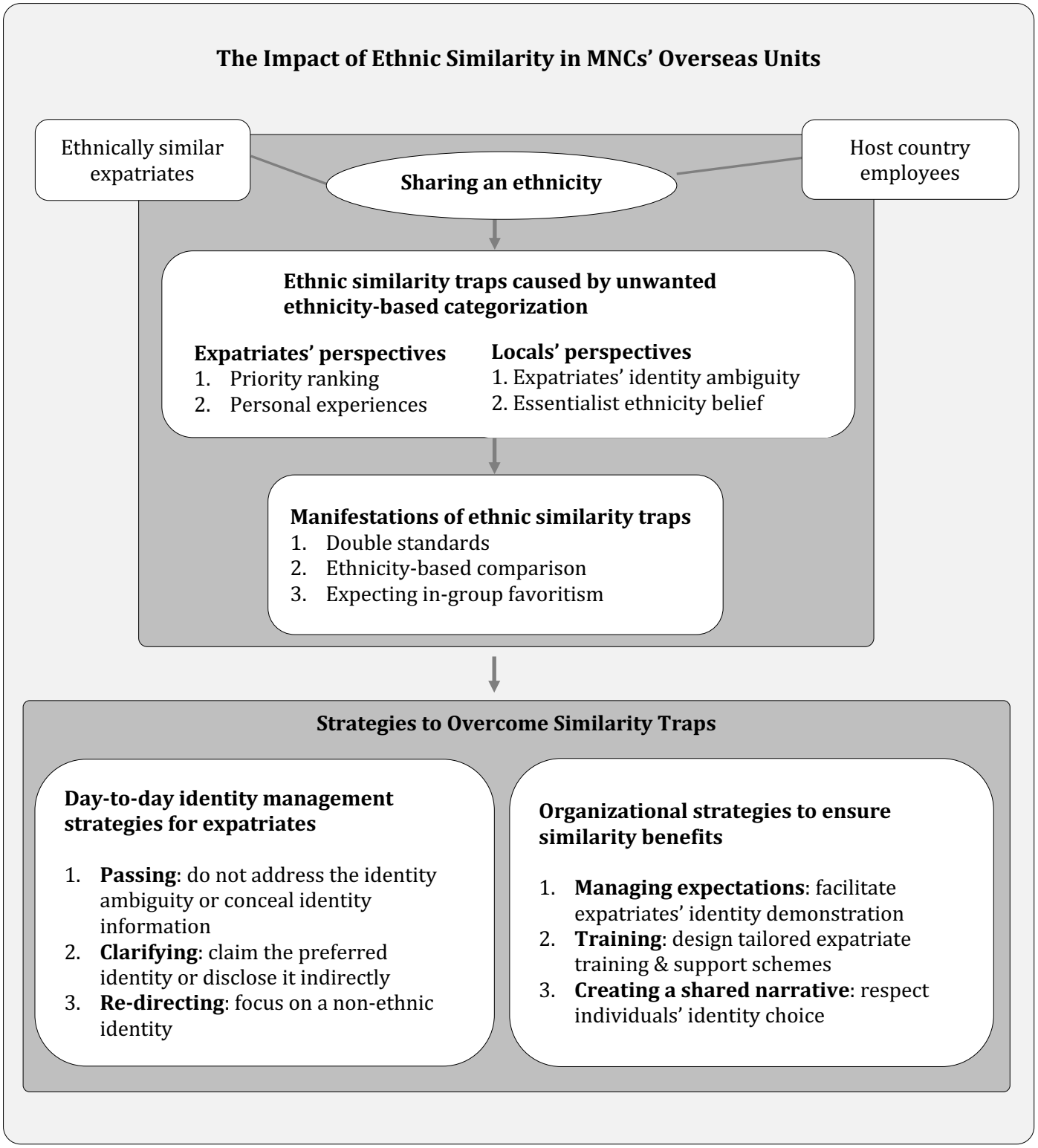

Table 1: Expatriates' identity management strategies in reaction to unwanted ethnicity-based categorization

Strategies	Descriptions	Features	Applications	Implications
Passing	Does not address the identity ambiguity or unwanted ethnicity-based categorization; conceals identity information.	Passive Avoiding	**Impact of unwanted ethnicity-based categorization:** No immediate negative social impact **Relationship with locals:** Weak, distant or non-critical **Social situation:** Sensitive	**Pros**: Reduces psychological distance; gains initial acceptance **Cons**: Loses an opportunity for self-expression or to influence locals' views, might lead to experiencing psychological stress
Clarifying	Addresses the identity ambiguity or unwanted ethnicity-based categorization directly by claiming the preferred identity and/or providing personal background information to fill in locals' knowledge gap.	Active Correcting	**Impact of unwanted ethnicity-based categorization:** Possible negative social impact **Relationship with locals:** Strong, close or critical **Social situation:** Non-sensitive	**Pros**: Reduces identity ambiguity, develops personal understanding with locals, allows expatriates to be true-to-themselves, creates impression of being direct or candid **Cons**: Might trigger debate over the contested identity and personal conflict with locals
Re-directing	Moves away from the center of disagreement by offering an alternative identity (e.g. personal, professional or national identities).	Active Refocusing	**Impact of unwanted ethnicity-based categorization:** Possible negative social impact **Relationship with locals:** Potentially all types of relationships **Social situation:** When the alternative identity is applicable; sensitive or non-sensitive	**Pros**: Avoids social awkwardness; is accepted relatively easy by locals. **Cons**: Might result in personal conflicts with locals if they do not accept the alternative logic.

Selected bibliography

For more detailed information about our research on ethnic similarity in an expatriate context, we suggest the following readings: For extended practical implications for both expatriates and local employees, please refer to Chapter 6: The double-edged sword of ethnic similarity in Zhang et al (2019)*, Managing Expatriates in China: a language and identity perspective,* Palgrave: London, United Kingdom. For a comprehensive understanding of how ethnic similarity influences both expatriates and local employees, please refer to Fan, S. X., Harzing, A. W., & Köhler, T. (2020). How you see me, how you don't: ethnic identity self-verification in interactions between local subsidiary employees and ethnically similar expatriates*. The International Journal of Human Resource Management*, 31(19) doi: abs/10.1080/09585192.2018.1448294. The following two articles provide the detailed survey and experimental results of our research: Fan, S. X., Cregan, C., Harzing, A. W., & Köhler, T. (2018). The benefits of being understood: The role of ethnic identity confirmation in knowledge acquisition by expatriates*. Human Resource Management,* 57(1), 327-339; Fan, S. X., & Harzing, A. W. (2017). Host country employees' ethnic identity confirmation: Evidence from interactions with ethnically similar expatriates*. Journal of World Business,* 52(5), 640-652 (open access).

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To achieve a deeper understanding of the effect of demographic similarity in the workplace, we recommend starting with the following two articles: Chattopadhyay, P., Tluchowska, M., & George, E. (2004). Identifying the ingroup: a closer look at the influence of demographic dissimilarity on employee social identity *Academy of Management Review, 29*(2), 180-202. Tsui, A. S., Porter, L. W., & Egan, T. D. (2002). When both similarities and dissimilarities matter: Extending the concept of relational demography. *Human Relations, 55*(8), 899-929.

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