



CHAPTER I

INTRODUCTION

Background of the Study

With the increase and development of globalization, many companies have expanded their business operations into other countries, rather than limiting business operations to their home country in order to increase profits and grow the enterprise. The corresponding human resource management challenge is to motivate local employees to exert effort toward global as well as local corporate goals (Reade, 2003). For multinationals, particularly those that have restructured towards a less-hierarchical organizational form, workplace changes have included a growing emphasis on the creation and maintenance of cross-border as well as cross-functional teams (Welch, 2003). While most companies would like to expand their business worldwide, the first step of these companies take is usually to send home country employees to the target country in order to better understand the rules, customs and environment of that country.

Before sending expatriates, there are a number of steps management must be taken, such as recruiting and training employees before the foreign assignment. How to make these processes go smoothly and well has been a central issue in international human resource researches for many years. In the recruitment stage, companies must determine the necessary qualifications in order to select the right people for foreign assignments. Otherwise, the chances of failure in foreign assignments are high. After the selection of the correct people, the training stage is also important because a complete and appropriate training process is critical to a successful assignment.

According to Tung's research (1982), there are various training methods, such as environmental briefing, cultural orientation, culture assimilator, language training, sensitivity training and field experience. However, with these different kinds of training, we do not know whether all of them will have a positive effect on expatriates in adapting to living in a host country. Therefore, determining how the different training programs will affect expatriates' adjustment remains unclear and unresolved.

The main purpose of this study was to examine the relationship between employees' perceptions on pre-departure training programs and the adjustment of Taiwanese expatriates. By developing a better understanding of the relationship between perceptions on training and adjustment, we can understand what expatriates need and thus help companies utilize more proper ways to train expatriates.

In the training stage, many companies offer expatriates various courses such as those in the relevant foreign language and lectures regarding the culture of the country. When a company uses these various kinds of training, the management is considering the pay-off afterward. Otherwise the training probably would merely waste time and money. Therefore, to understand the effect of training, there should be studies which focus on the relationship between perceptions on training and expatriates' adjustment. If the management redirects all training to expatriates, much time and money will be expended. Therefore, there had better be positive results from training expatriates. Since there are many different kinds of training, we could examine each of them by researching those who took certain courses and then lived abroad as expatriates.

Statement of the Problem

In order to understand the factors that will affect expatriates' adjustment, this study performed survey research to examine these phenomena in a more thorough

way. There are different kinds of programs offered to employees for training before they leave for other countries. However, we do not understand clearly among those programs which are the useful ones and which are not. If companies offer training programs which do not have any positive impact on expatriates, the training programs would be just a waste of time for employees and a waste of money for their employers.

Foreign assignment failures often constitute a heavy personal blow to the expatriates' self-esteem and ego. Hence, even if they are accepted back by corporate headquarters, it may take some time before they regain confidence in their own abilities (Tung, 1987). When expatriate managers are unable to maximize opportunities because of their limited cross-cultural skills, they prevent the MNC (multinational companies) from successfully fulfilling their strategic goals (Harrison, 1994).

According to Hutchings' research (2003), most of the companies do not provide training before expatriate assignments because management would think that even though there is training before an overseas assignment, the performance of the training can not be evaluated; that is, we do not know the effect of the training and it would seem like the company provides resources for which there is no feedback. Thus, the upper level managers rarely offer such training to the expatriates. And even though some companies did offer a training program (Abikhzer, O'Sullivan, & Appelbaum, 2002), there is still space for the improvement of the training program. And thus, the relationship between training and expatriate performance remains unclear. This study seeks to find out how the training affects Taiwanese expatriates and to see if the effect is positive or not.

There are many different training programs that can be used with employees. In order not to make companies question if their expenditure of time and money on

training is the correct thing to do, this study sought to find out the answers to relevant questions. Even though previous expatriate studies exist, there are insufficient studies about expatriates from Taiwan. Therefore, this study focused on the area of Taiwan and determined the consequences.

Regarding the questions involved with this study, they concern the relationship between perceptions on different training programs and expatriates' adjustment afterward. According to Hutchings's ideas of training (2003), training programs include language training, cultural training and practical training. Therefore, the study examined the relationship between perceptions on these three types of training programs and expatriates' adjustment.

Significance of the Problem

Chew and Zhu (2002) indicated that relocating employees to work as expatriates in overseas locations is a competitive strategy adopted by many organizations and that successful implementation of a global strategy depends on getting the right people with the right skills, in the right place, at the right time. Thus, the process of selecting, training and supporting expatriates is important and seems necessary.

It is known that expatriate management is an enormous and costly challenge for international firms (Abikhzer, O'Sullivan, & Appelbaum, 2002). Research indicates that 10-45 percent of US expatriates return prematurely, which creates both direct and indirect costs for firms. Therefore, the elucidation of key factors which may affect expatriates' adjustment in host countries remains an issue and researchers tried to find out the factors that would reduce unnecessary expenditure for international firms in the process of selecting, training and supporting expatriates. Management also would like to find out the benefit of what they offer to employees who have foreign

assignments.

Among those factors which may either positively or negatively affect expatriates' adjustment after expatriates arrived host countries, training would be among the most important, because offering training beforehand may have a positive impact on expatriates. This study tried to determine the programs used by companies and to see the differences between them. The aim was to determine whether these programs positively affect expatriates' adjustment.

Besides, Tung (1982) indicated that there are important factors for an expatriate's failure to function effectively in a foreign environment. For example, there are: the inability of the expatriate's spouse to adjust to a different physical or cultural environment; the expatriate's own inability to adapt to a different physical or cultural environment; other family-related problems; expatriate's personality or emotional maturity; expatriate's inability to cope with the larger responsibilities posed by the overseas work etc. Also, according to Shay and Baack (2004), two modes of adjustment, role innovation and personal changes, each had significant paths with respect to the effectiveness of the measures observed in their study.

There are also other studies regarding the relationship between expatriates' adjustment and performance. Kraimer, Wayne, & Jaworski (2001) indicated that expatriates who are well adjusted at work and who are comfortable interacting with host-country citizens are perceived to be higher performers by their managers on task and expatriate contextual performance, respectively. It is commonly cited that expatriate "failure" is often a result of poor adjustment (Aycan & Kanungo, 1997; Parker & McEvoy, 1993; Tung, 1981). According to Andreason (2003), ineffective expatriate performance and premature returns have been found to relate primarily to an inability to adjust to the foreign environment rather than to a lack of technical competence. The reason for failure at foreign assignments is deemed to be the

manager's and/or the spouse's inability to adapt to the new culture (Tung, 1988).

Lee (2005) indicated that previous research has been developed, designed and conducted mostly for the needs of American expatriates. Here, this study conduct research on Taiwanese expatriates and especially focus on the relations between the training and the adjustment upon arrival in the host country, so that the companies would know if it is worthwhile for them to provide training for expatriates.

The significance of the study was to examine the relationship between expatriates' perceptions on the pre-departure training programs, and their impact on expatriates. Once the relationship was clarified, the companies would not have to provide those training methods which have no positive results, and thus the companies would not waste both the time and expenditure, and employees would not have to take useless courses. Thus, they could use their time on other activities which are beneficial to them.

Purposes of the Study

The aim of the study was to examine the relationship between expatriates' perceptions of the various pre-departure training programs and the adjustments experienced by the expatriates in China afterward.

The purposes of this study were:

1. To understand the current situation of expatriates' perceptions of pre-departure training programs in Taiwan.
2. To understand Taiwanese expatriates' situation with regard to adjusting to China.
3. To examine the relationship between expatriates' perceptions of cultural training and the expatriates' adjustment to work, interactions with host nationals, and the general non-work environment.

4. To examine the relationship between expatriates' perceptions of language training and the expatriates' adjustment to work, interactions with host nationals, and to the general non-work environment.
5. To examine the relationship between expatriates' perceptions of practical training and the expatriates' adjustment to work, interactions with host nationals, and to the general non-work environment.
6. To examine the relationship between expatriates' different backgrounds and their adjustment to work, interactions with host nationals, and to the general non-work environment.

Research Questions

There were six questions to be researched according to the purposes of this study:

Question 1: What is the general situation regarding expatriates' perceptions of pre-departure training programs in Taiwan?

Question 2: What is the general situation regarding Taiwanese expatriates' adjustment in China?

Question 3: Is there any relationship between expatriates' perceptions of cultural training before assignment and the expatriates' adjustment to work, interactions with host nationals, and the general non-work environment?

Question 4: Is there any relationship between expatriates' perceptions of language training before their assignment and the expatriates' adjustment to work, interactions with host nationals, and the general non-work environment?

Question 5: Is there any relationship between expatriates' perceptions of practical training before their assignment and the expatriates' adjustment to work,

interactions with host nationals, and the general non-work environment?

Question 6: Is there any relationship between expatriates from different backgrounds and their adjustment to work, interactions with host nationals, and the general non-work environment?

Definitions of Terms

Expatriate

An employee who is sent abroad to work for an extended period of time (Tracey, 1998).

Expatriates' adjustment

An expatriate's interaction with his environment (Arkoff, 1968).

Adjustment to work

Involves changing one's own behaviors and attitudes on the one hand and changing the working environment (such as role requirements and expectations) on the other hand (Nicholson, 1984).

Adjustment to interactions with host nationals

Adjusting to differences in language, indirect communication, personalized relationships, and the concept of 'face' as important for adjusting to intercultural interactions (Selmer, 1998).

Adjustment to the general non-work environment

Adjusting to pollution and climate, food and leisure, and the cleanliness and manners of host nationals in public (Holman, Sparow, & Zimmermann, 2003).

Expatriate Training

The word "expatriate training" in the study was adapted from Hutching's study

(2003). It is used to train expatriates before they are sent to host countries. It includes cultural training, language training and practical training.

Cultural Training

Is to help employees understand more deeply regarding the country they are going to stay in.

Language training

Is to offer the lessons of learning foreign languages in order to help expatriates adapt to the living surroundings as soon as possible.

Practical training

Aims to providing information regarding shopping, social activities, clubs, and schools etc. It will be helpful to expatriates to be part of the society and to accelerate the acculturation and also reduce the inconvenience which may occur to expatriates.

Perceptions

Perceptions are sensations plus memory images. Sensations, which we observe when each individual receptor is stimulated; and memory images, which are the recollections of previous sensations (Hochberg, 1978).

Conceptual Framework

This study tried to examine the relationship between expatriates' perceptions of different training programs and expatriates' adjustment. Training programs include cultural training, language training and practical training. Expatriates' Adjustment includes: adjustment to work, adjustment to interactions with host nationals and adjustment to the general non-work environment. Figure 1.1 shows the research framework of the study.

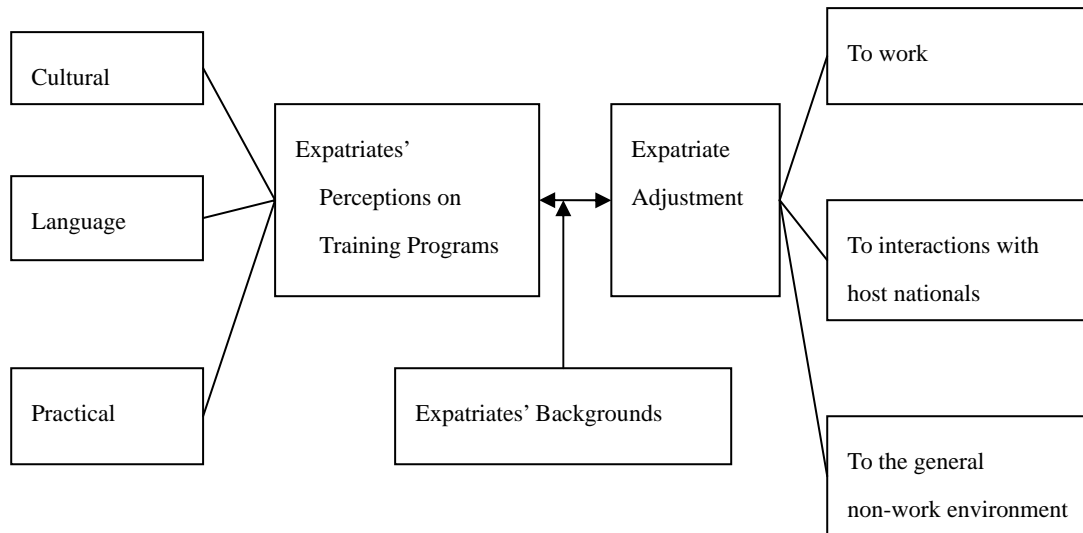


Figure 1.1. Research framework of the study

Limitations

There existed some limitations in the study. They were audience, area, method and factor.

(1) Audience: Firstly, since the target audience is Taiwanese expatriates, the results would regard the impact on Taiwanese expatriates instead of expatriates worldwide. Thus, the results could not be applied to expatriates in every country. Secondly, most of the Taiwanese expatriates in China are currently still working in China. There are only few of them who have repatriated to Taiwan. Therefore, it was a limitation for the researcher that she could not ask expatriates in China to fully participate in the study. Thirdly, expatriates in China had to work hard since

they were sent to China for transfer skills to Chinese workers. They had more responsibilities and duties. Thus, they had less time for things other than work.

(2) Area: The target audience focused on Taiwanese expatriates who are currently in China on assignment or those who had the experience being expatriates in China.

(3) Method: The study was carried out as a quantitative study and used structured questionnaires. Due to the researcher's situation, it was hard to survey employees of only one company and to receive enough responses, especially in Taiwan. For in Taiwan, most of the relevant companies are small and medium enterprises. Most companies do not operate on large scales. Even for bigger companies. The number of expatriates is not large.

(4) Factor: The study tried to discover the relationship between expatriates' perceptions of pre-departure training programs and expatriates' adjustment. Thus, the results only regarded the factor of training and adjustment. The word "training" in the study indicated pre-departure training programs.

Chapter Summary

Once the relationship between expatriates' perceptions on training programs and expatriates' adjustment was examined, the management would be able to understand which kinds of training programs would be unnecessary and considered a waste of time and expenditure, and which kinds of training programs would be considered beneficial to expatriates and consequently worthwhile to be used.

In the world today, international business is booming thanks to the development of technology. The role of expatriate workers is considered even much more important than in the past. Thus, to examine the factors which may help or hinder the expatriates' adjustment is necessary for international corporations. It is vital to

understand what expatriates need so that their foreign assignments would be performed successfully.