

## CHAPTER I INTRODUCTION



### Background of the Study

Businesses have been running on an international scale since the end of World War II. With the transformation of global economic trade, managers are asked to think and make the decision from a global point of view nowadays. Firms operate as if the world were one single market. To exploit the advantages of global integration, expatriation strategy is one of the important tools (Evans, Pucik, & Barsoux, 2002).

Following the trend of global operation in the business, the workforce has turned to global utilization. Assigning employees who perform well in the parent company to the subsidiary is the frequent method when a company expands the business to other countries. Their responsibilities are executing the business strategy and transmitting corporate culture of the parent company in this new site. In this point of view, the expatriates play the role as a bridge between headquarter and the subsidiary. It seems an efficiency policy for managing a new subsidiary. However, these assignees sent to the foreign country will encounter the unfamiliar culture and behaviors. Some may feel uncomfortable toward these different things. This situation is called “culture shock” which the researchers mentioned in the international human resource management studies. These uncomfortable experiences make the assignees adjust themselves to fit in this new environment. Many empirical inquiry results show the positive relationship between the level of adjustment and the overseas job performance of expatriates (Tung, 1982, adopted from J.selmer and Alicia, 2003a; Han, Kao, & Wu, 2002 Chen, 2003). Maladjustment results in the expatriate failure.

In the business stand, not only the assigned objectives are not achieved but the financial loss and invisible cost happened Shannonhouse, 1996 . Examples of invisible cost are damage of corporate image, the loss of customer relationship, and etc. For the expatriates themselves, it is the loss of self-esteem and self-confidence in the managerial ability and the loss of prestige among one's peers (Lu, 1994). The problem of expatriate adjustment is the necessary essential issue as the enterprises going global integration.

Inquiries showed that internationalizing companies send executives abroad in increasing numbers (Black and Gregersen, 1999; adopted from J.selmer and Alicia, 2003b). The increasing needs of qualified assignees reveal the shortage of human resource in the enterprise (Han et al., 2002). At the same time, more and more female workforce participated in the labor market. With these new bloods, the enterprise builds the more complete and rich human resource inventory. The increasing trend is revealed in the proportion of assigning women going aboard. The companies assigned the women as expatriates only about 3 percent in 1980s (Adler, 1984). More recent research has indicated an increasing figure about 13-17% (Lynn Miller, 2000; Evans, et al., 2002). The enterprise could solve the problem of qualified candidates' shortage through the utilization of female workforce.

In Chen's (2003) survey, male and female expatriates have no significant different performance in the three aspects of "the adjustment in overseas work environment", "the adjustment in overseas life environment", and "overseas job performance". However, with the respect to the adjustment on host value, custom, the attitude, efficiency, and quality of job performance of host nationals, male expatriates have the higher level of adjustment than female. It tells us that typically female

assignees face the different adjustment problems from male in the host country. In this case, it is necessary to take female expatriate as the specific research subject. Such an effort allows the research to grasp the precise understanding and depiction to the current situation on female expatriate adjustment.

### **Statement of the Problems**

According to the Ministry of Economic Affairs' report of "Approved Outward Investment by Manufacturing Industry" in 2003, China is the most important investment area. About 78 percent of international firms in Taiwan have the subsidiaries there. It is the much larger proportion than the second area, America (15.93%). The same investigation was conducted since 2000 to 2002, and the proportion also showed the increase from 69 percent to 75 percent. The increasing proportion indicated the high emphasis of Taiwan business on China market. With the losing regulation, the indirect investment on China permitted by government. Likewise, Taiwan eventually entered into the World Trade Organization. All these factors forced the business to operate internationally. The rush at expanding the business operation in China was never down (Ke, & Sung, 2002). There are large scale of markets, rich natural resources and labors in China. And the potentiality is the key element that attracts Taiwan business. Under the tendency of investment in China, it contributes that many expatriates are from Taiwan to China.

Despite the fact that China and Taiwan has the same root of Chinese traditional culture, the impact of separation has caused many differences between two sides. People in Taiwan received different education system and philosophy from China people, and the various value and ethics do exist between Taiwan and China. The

investigations on Taiwan expatriates revealed the middle level of adjustment (Huang, Huang, Tsai, & Chen, 1999; Ke, et al., 2002). It represents that the transformation of living and working environment had made the expatriates face the difficulties of adjustment. The difficulties come from the differences in values, customs, ethics, and behavioral pattern.

Since 1990s, the scholarly research has begun to concern the issue of expatriates in the field of international human resource management (Tien, & Lin, 2003). In reviewing the related inquiry, a large portion of them made an effort to figure out the key factors, which influence the expatriation adjustment. The research exerted the quantitative methodology to generalize critical factors and dimensions that an expatriate encountered in adjusting to host country. However, the issues in terms of the thinking and feeling they held, the channel they sought to support, and even the concrete behavior changed were be neglected. No doubt, the more concrete adjustment strategy on expatriates should be explored.

On the other hand, many studies had indicated the problems, which female expatriates encountered in host country, were different from male assignees (Jan Selmer and Alicia Leung, 2003a; Shiao, 1998; Chen, 2003). Among the expatriation related inquiries, only two of them put the emphasis on female expatriates (see Shiao, 1998; Kuo, 2001). They were conducted basically in quantitative method. Meanwhile, it is worth noticing that none of qualitative research was conducted on this theme (Lin, 2002; Tien, 2003). It was inferred the effect of relative conservative society in Taiwan at that time. However, Taiwan society has become more open, and the increasing numbers of female expatriates has showed. The firms can not neglect the role of female employees when they contribute to international operation. The issues on

female expatriates should be concerned more by nowadays' business (Tien, et al., 2003).

### **Purposes of the Study**

Based on the statement of this research, the purposes of this inquiry are as follows:

1. To investigate the current situation of Taiwanese female expatriates in China on cross-cultural adjustment issue.
2. To explore adjustment difficulties, which Taiwanese female expatriates encountered in China.
3. To explore adjustment strategies, which Taiwanese female expatriates adopted in China.

### **Delimitations and Limitations**

Taiwan female expatriates who are assigned to China are the population in the present inquiry. The researcher will use snowball sampling to conduct this qualitative research. The purpose is to realize the current situation of female expatriates in China, as well as the problems and difficulties they encountered there. The further objective is to explore the strategy they used to adjust to China culture.

Based on the delimitations of this inquiry, several limitations might be emerged:

1. The participants were selected in snowball sampling method. The distribution of samples in this study included China North, China East, and North South, mainly

in China East., thus limiting the sample representative.

2. The research consequence couldn't generalize to other country except China.

## **Definitions of Terms**

### **Expatriate**

Expatriates are the employees who are assigned to the host country. In this study, the research subjects delimit to the Taiwan female who are assigned to China subsidiary.

### **Cross-Cultural Adjustment**

Cross-cultural adjustment is a process during which the individual adjusts oneself based on the feedback of interaction with the new culture. The level of adjustment can be measured by the degree of one's psychological comfort. The three dimensions of cross-cultural adjustment will be discussed:

- ◆ Adjustment to general life. It concerned the aspect of living condition, interaction with host nationals and the family support in China.
- ◆ Adjustment to work. Tenure, interest in international assignment and work related factors are included.
- ◆ Adjustment to culture. The appreciation of host culture is discussed.